

MINUTES OF MEETING BOARD OF DIRECTORS FOUNTAIN HILLS SANITARY DISTRICT

The Board of Directors of the Fountain Hills Sanitary District met in a **Regular Meeting** on **Wednesday, March 21, 2018** at **5:00** p.m. in the District's Board Room located at 16941 E. Pepperwood Circle, Fountain Hills, Arizona.

Agenda Item No. 1 **Call to order and roll call**

Upon roll call the following Directors were present:

Chairman Tom Reski, Vice Chairman Gregg Dudash, Director Jerry Butler, Director Michael Maroon, and Director Robert Thomson.

The following Executive Staff members were present:

Dana Trompke, District Manager, Bill Sullivan, Legal Counsel, Tori Myers, District CPA, and Penny Cook, Assistant Secretary.

The following District staff were present:

Kirsten DeBie, Administrative Services Manager, Chris Kiriluk, Asst. District Engineer, Clark Moskop, Plant Operations Manager, and Bill Cunningham, Collection Systems Operations Manager.

Chairman Reski moved Agenda Item No. 7 discussion before Agenda Item No. 2

Agenda Item No. 2 **Work/Study session with staff to discuss FY 2018/2019 preliminary budget and fee schedule.**

Overview

District CPA presented staff proposals for the fiscal year 2018/2019 budget and fee schedule and answered questions from the Board.

Highlights of the Proposed Budget are as follows:

The District is proposing to maintain the property tax rate at 0.9829 per \$100 of net assessed value. The property tax rate used to determine each resident's property tax assessment will increase to help fund current and future facility improvement projects along with proposed Facility & Equipment Replacement Reserve Fund.

After a discussion, it was decided there will be no Sewer User Fee increase effective July 2018. The budget assumes a future increase in the January 2019 billing cycle.

A 2% COLA increase is proposed for all salaried and hourly employees.

Total operating budget for fiscal year 2018-2019 is expected to decrease over the 2017-2018 adopted budget.

District CPA will incorporate discussed changes and the Proposed Budget will be agendized at the April 18, 2018 Regular Board Meeting for approval.

Agenda Item No. 3

Approval of Minutes: Regular Meeting: February 21, 2018 and Joint Work/Study Session: February 27, 2018.

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of February 21, 2018 with discussed changes. Vice Chairman Dudash seconded the motion which passed unanimously.

Joint Work/Study Session minutes of February 27, 2018 will be revisited at the April 18, 2018 meeting.

Agenda Item No 4

Call to public

There was no public comment.

Agenda Item No. 5

District Manager's report; items to be discussed include plant and recharge statistics for February, permit compliance, new and existing sewer services, Solids Handling and Headworks Improvement Project, ASR Well Vault Replacement Project, recent activities and Public communication efforts, Town communication and/or coordination efforts, and general direction from Board.

District Manager reported for the month of February: The average daily influent flow was 1.97 MGD, total WW treated was 55,075,000 gallons, and RW delivered to reusers was 17,972,000 gallons.

District Manager reported the District's total recharge credit available as of February 28, 2018 was 612,066,512 gallons.

District facilities were in compliance with all permit requirements for the month of February.

There was one new single-family sewer service agreement issued in February.

The CMAR is continuing on-site work for the Solids Handling and Headworks Improvements project. A temporary dewatering unit is running while the new equipment is being installed. This portion of the work is expected to last until May. The Influent Pump Station will be refurbished May-August. The contractor's schedule is slipping, which means a portion of the work will roll into next FY.

The chemical rehabilitation of Well No. 5 was completed and there is no noticeable improvement in the well. Declines in performance in wells No. 2 and 4 are also being noted. A meeting is set for the week of February 26th with the hydrogeologist, well rehab contractor, and well rehab chemical provider to discuss the lack of improvement, possible causes, and possible solutions to move forward.

A Request for Proposals & Qualifications for Architectural Services was published for the ASR Well Vault Replacement Project and two local architects attended the pre-submittal meeting and site walk. Proposals/Qualifications are due March 23, 2018.

A Memo of Understanding is being drafted to submit to the Town to better define the size of the facilities the District will donate and the expectations for continued maintenance.

The slip line of the 8" sewer main under Shea Blvd. was successful with no problems or issues.

Staff attended a FH Coalition meeting with representatives from about a dozen community organizations. The District was introduced as a partner and sponsor of the "Don't Flush Rx" campaigns. In next week's Times there will be an advertisement about "Take it to the Box" and the ad will have the logos of the Sheriff's office, Fountain Hills Coalition, and Sanitary District in which the District will be paying for half of the ad. There is a prescription drop box in front of the Sheriff's office in the Town Hall.

Staff is prepared to publish the first newsletter to accompany the quarterly bills, scheduled for April.

Quarterly billing was previously staggered over 2 months per quarter. Beginning July, all quarterly billing will be at the same time, the first month of each quarter.

Staff met with the Operation Manager for EPCOR's Chaparral District to discuss common issues and future projects. Staff will also meet or follow up with the developer review engineer and the planning engineers working on a master plan for the water system.

Staff is working on permitting and new development checklists for publication.

Construction of the sewer replacement near Fire Station No. 2 begins the week of March 26th.

Staff is studying, inquiring and pricing various software packages for sewer system hydraulic modeling and computerized maintenance management system (CMMS).

The Board and staff attended a Joint Session with Town Council and staff.

Staff attended a pre-submittal meeting with the Town and representatives from Toll Brothers regarding the next phase of development in Adero Canyon.

Agenda Item No. 6

District CPA's report; items to be discussed include status of income and expenditures, billing, report on collection efforts to date, and general direction from Board.

District CPA reported the General Fund Income Statement for February was favorable to budget.

Billing is on track.

District CPA had a discussion with the Maricopa County Treasurer's office regarding what investments can be done. The Treasurer stated its' office, and ONLY its' office administers the investment of public funds.

Agenda Item No. 7

Discussion and consideration to revise the Contingency Fund Policy to address all reserve funds, including Facility & Equipment Replacement Reserve Fund.

District Manager is proposing to change the current Contingency Fund Policy to Reserve Funds Policy which would include the Contingency Fund and a new Facility & Equipment Replacement Reserve (FERR) Fund. The FERR fund would allow for the accumulation of funds to be used specifically for the planned and unplanned replacement of equipment and facilities.

This fund would be available to fund unbudgeted items such as replacement of items that fail prematurely and to accumulate funds for large construction projects.

After a discussion, direction was given to District Manager to incorporate discussed changes, have legal counsel review, and agendaize at the April 2018 Board meeting for approval.

Agenda Item No. 8

The Chairman, the individual members of the Board and the District Manager will each be permitted to provide a brief summary of current events. The Board will not propose, discuss, deliberate or take legal action at the meeting on any matter addressed in the summaries, unless the specific item is otherwise properly noticed.

Vice Chairman Dudash informed the Board that it is his third-year anniversary on the Board and he has enjoyed working with the Board, District Manager, and staff. He also informed the Board that March 20th was the District Manager's one-year anniversary with the District.

Agenda Item No. 9

Adjournment.

Director Thomson made a motion to adjourn the meeting at 8:09 p.m. Vice Chairman Dudash seconded the motion which passed unanimously.

Dated this 22nd day of March, 2018.

Fountain Hills Sanitary District

Minutes Prepared By: 
Penny Cook, Assistant Secretary