

# **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, June 20, 2018** at **5:30** 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 Mike Maroon, and Director Robert Thomson.

*The following Executive Staff members were present:*

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

## **Agenda Item No. 2** **Public hearing concerning the FY 2018/2019 fee schedule.**

The public hearing concerning the FY 2018/2019 fee schedule was opened by Chairman Reski.

There was no public comment.

Chairman Reski closed the public hearing.

## **Agenda Item No. 3** **Consideration to approve Resolution No. 275, the FY 2018/2019 fee schedule.**

Director Thomson made a motion to approve Resolution No. 275, the FY 2018/2019 fee schedule, with discussed changes to Resolution No. 275 and 2018/2019 fee schedule. Director Maroon seconded the motion which passed unanimously by all Directors present.

Director Thomson requested District staff review the fee schedule.

## **Agenda Item No. 4** **Public hearing concerning FY 2018/2019 budget.**

Chairman Reski opened the public hearing concerning the FY 2018/2019 budget.

There was no public comment.

Chairman Reski closed the public hearing.

**Agenda Item No. 5**

**Consideration to approve FY 2018/2019 budget.**

Vice Chairman Dudash made a motion to approve FY 2018/2019 budget. Director Thomson seconded the motion which passed unanimously by all Directors present.

District Manager informed the Board that the only change to the proposed 2018/2019 budget would be the cash carry/over figure after projecting the remaining encumbrances that will be carried over to the 2018/2019 fiscal year.

**Agenda Item No. 6**

**Approval of Minutes: Regular Meeting: 05/16/2018**

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of May 16, 2018 regular meeting with discussed changes. Vice Chairman Dudash seconded the motion which passed unanimously by all Directors present.

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

**Agenda Item No. 7**

**Call to public.**

Donald Leitzen addressed the Board requesting the District look into adding the ability for residents to donate to a charity via their quarterly billing. Mr. Leitzen recommended Pal's Inn as a local charity for donations because of their rescue efforts for abandoned dogs. Residents would add a donation amount to their payment and the District would send the donated funds to a charitable organization.

Chairman Reski informed Mr. Leitzen the District Board would look into his request.

**Agenda Item No. 8**

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

- District Manager reported for the month of May: The average influent flow was 1.691 MGD, total Wastewater treated was 52,407,000 gallons, and Reclaimed Water delivered to reusers was 81,577,000.

Director Butler requested that the District Manager include the amount of Reclaimed Water delivered for the previous year.

- The District was in compliance with all permit requirements for the month of May.
- The District issued nine sewer service agreements for the month of May – five single family and four multi-family units.
- The Construction Manager at Risk (CMAR) is working on-site for the Solids Handling and Headworks Improvements project. The new thickening equipment was started up on June 14<sup>th</sup> with a few minor issues in which the CMAR is working through. District Manager requested additional management staff and construction crews to accelerate the final portion of the project. The project is scheduled to be complete by the end of September.

- The District has received two qualified bids for rehab services for Well Nos. 2 and 4 which will be discussed in Agenda Item No. 10.
- The architect has completed a conceptual design of an above-grade facility, including attached public restrooms, for the ASR Well Vault Replacement project.
- The District is working with the Town's Public Works staff to inspect manholes and sewers ahead of the Town's resurfacing of various streets.
- District Manager met with Town Manager and discussed permits in review, upcoming well rehab work in Park, and items of coordination.
- Staff is currently working on the next newsletter to be included in the July 2018 billing. Director Thomson requested that public education efforts regarding sodium from water softeners be accelerated and this will be included in the newsletter. The newsletter will also reflect that there will be no rate increase in July.
- There has been an increase in roach complaints with the warmer weather. Customer Service staff and Collections System staff are working well to address them quickly. There was a comment from a customer that had put in a request at 11:08 a.m. and he was contacted back by 11:30 a.m. that his roach complaint had been taken care of. He thanked the District for their amazing response.

**Agenda Item No. 9**

**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.**

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

Billing is on track.

**Agenda Item No. 10**

**Discussion and consideration to authorize District Manager to execute contract with Weber Water Resources in the amount of \$177,935.98 for ASR well rehabilitative services.**

District Manager received two bids for rehabilitative services on ASR Well Nos. 2 and 4 and is requesting authorization to execute contract with Weber Water Resources in the amount of \$177,935.98. Weber Water Resources is 19% lower than the other bid received. There was also one other firm solicited for a bid that declined to bid.

Chairman Reski stated he had some concerns with Weber Water Resources. District Manager talked to a General Manager to address some of Chairman Reski's concerns. District Manager informed the Board that Weber Water Resources did complete the rehab on Well No. 5. District Manager would like to go forward with the contract and if there are any issues on Well No. 2, they will not be performing the rehab on Well No. 4.

After a discussion, Legal Counsel suggested inserting a clause into the contract that Well No. 4 won't proceed until Well No. 2 is completed and District staff is satisfied with their performance. The other option would be for the contract to be split into two separate contracts, one for Well No. 2 and one for Well No. 4. District Manager and Legal Counsel will look at the two options and decide which one to use.

Director Maroon made a motion to authorize District Manager to execute contract with Weber Water Resources in the amount of \$177,935.98 for ASR well rehabilitative services contingent on the above-mentioned clause being added or the separation of the two projects. Director Thomson seconded the motion and motion passed with Vice Chairman Dudash and Director Butler voting aye and Chairman Reski voting nay.

**Agenda Item No. 11**

**Discussion and consideration to authorize District Manager to execute contract with Clear Creek Associates for hydro-geological oversight services for an allowance amount of \$38,440.**

District Manager is requesting authorize to execute contract with Clear Creek Associates for hydro-geological oversight services on ASR Well No. 2 and No. 4 for a time and material allowance amount of \$38,440.

Vice Chairman Dudash made a motion to authorize District Manager to execute contract with Clear Creek Associates for hydro-geological oversight services for an allowance amount of \$38,440. Director Maroon seconded the motion which passed unanimously by all Directors present.

**Agenda Item No. 12**

**Discussion regarding planning efforts and schedule for the ASR Well Vault replacement project.**

District Manager stated that the ASR Well Vault replacement project was first identified in the fiscal year 2013/14 budget and was planned to begin in May of 2015. This project has been carried forward the last several years. The project has been identified as a design-build contract. The project was always desired to be above-grade facilities for the safety of the staff that must attend to the equipment. Due to the severe condition of the wells, District Manager is pushing this project forward.

Some of the items done to date:

1. A surveyor was hired to complete the necessary topographic and utility survey of the area around all three wells.
2. District Manager met with Town staff to review project requirements and concept and received feedback on what would and would not be acceptable to the Town.
3. Directors and District Manager discussed it with the Town Council at a joint session on February 27, 2018.
4. An architect was hired to develop a conceptual design. This portion of the project was pulled out of the design-build contract to better address Town aesthetic requirements.
5. District Manager has begun developing a Request for Proposal to put out for the design-build construction contract.

District Manager is proposing to break up the contract and engage an engineer to finish out the design and develop a cost estimate for both an above-ground facility and a concrete vault underground well, which may be necessary for ASR Well No. 1.

**Agenda Item No. 13**

**VOTE TO GO INTO EXECUTIVE SESSION for the following purpose: Pursuant to ARS Section 38-431(A)(3) discussion for legal advice regarding addressing employee issue(s).**

Director Thomson made a motion to go into executive session to discuss employee issue(s). Director Maroon seconded the motion which passed unanimously by all Directors present. Regular session adjourned into executive session at 7:10 p.m.

**Agenda Item No. 14**  
**RETURN TO REGULAR SESSION**

Regular session resumed at 7:29 p.m.

**Agenda Item No. 15**  
**Direction to staff regarding addressing employee issue(s).**

The Board of Directors went into executive session and reviewed an anonymous letter addressed to the Board.

**Agenda Item No. 16**  
**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.**

Director Thomson stated he will not be present at the July 2018 regular meeting. Chairman Butler and Director Maroon stated they will not be present at the August 2018 regular meeting. Chairman Reski stated he will not be at the September 2018 regular meeting.

**Agenda Item No. 14**  
**Adjournment.**

Vice Chairman Dudash made a motion to adjourn the meeting at 7:31 p.m. Director Maroon seconded the motion which passed unanimously by all Directors present.

*Dated this 21<sup>st</sup> day of June, 2018.*

Fountain Hills Sanitary District

Minutes Prepared By:   
Penny Cook, Assistant Secretary