

# 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, July 18, 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, and Director Michael Maroon. Director Robert Thomson was absent.

(Note: Unanimous votes refer to all Directors present.)

*The following Executive Staff members were present:*

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

## **Agenda Item No. 2** **Approval of Minutes: Regular Meeting: 06/20/2018**

A motion was made by Vice Chairman Dudash to approve the minutes of the Regular Meeting of June 20, 2018 as presented. Director Butler seconded the motion which passed unanimously.

## **Agenda Item No. 3** **Call to public.**

There was no public comment.

## **Agenda Item No. 4** **District Manager's report; items to be discussed include plant and recharge statistics for June, permit compliance, new and existing sewer services, Solids Handling and Headworks Improvement Project, ASR Well Vault Replacement Project, recent activities, Public communication efforts, Town communication and/or coordination efforts, and general direction from Board.**

- District Manager reported for the month of June: The average influent flow was 1.647 MGD, total Wastewater treated was 49,421,000 gallons, and Reclaimed Water delivered to reusers was 86,506,300.
- District Manager reported the District's total recharge credit available as of June 30, 2018 was 616,475,512 gallons.
- District facilities were in compliance with all permit requirements for the month of June.
- The District issued four multi-family sewer service agreements for the month of June. Total sewer service agreements issued for fiscal year 2017-2018 was 71.

- Progress is being made on the Solids Handling and Headworks Improvements project. The majority of the project is scheduled to be complete by the end of September. All of the solids handling equipment, both the thickening and dewatering side, is scheduled to be up and running and staff trained by the end of August. District Manager will be issuing a change order to extend the contract time to cover the installation of the variable frequency drives on the non-potable water pumps which were approved by the Board on a separate change order.
- Weber Water Resources began the ASR Well Rehabilitation at Well No. 2. The initial well assessment and video has been completed. Chemical rehabilitation was started on July 16<sup>th</sup>.
- A “Request for Qualifications” (RFQ) was issued for engineering design services. A pre-submittal meeting was held on Monday July 9<sup>th</sup> and there were three interested reputable firms that attended. Qualifications are due July 26<sup>th</sup>. A selection committee has been chosen and will review the submitted qualifications on July 27<sup>th</sup>.
- The second edition of a newsletter was published with the July billings.
- A series of informational sessions is being held with each Town Council candidate.
- The District has received 8-10 calls or emails regarding the change in billing cycles. Most were satisfied with the explanation. Two of the customers thought they were being double billed for one month.
- Staff has begun initiating some of the SFI and FERR spending plans identified in the budget. Most of the identified FERR projects are between \$20,000 and \$30,000. Since the District Manager’s spending authority is \$20,000 or less under the purchasing policy, direction is requested for the ability to move forward on the items less than \$30,000 under the following conditions.
  - a. The items are an identified budget item,
  - b. Notifying the Board via email, and
  - c. Following proper purchasing policies regarding quotes, etc.

Director Dudash requested that the purchasing policy be amended at the August 2018 regular meeting increasing the District’s Manager’s spending authority to \$30,000. There was no objection to going forward with the items that have received quotes and are ready.

**Agenda Item No. 5**

**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 June and fiscal year end was favorable to budget.

Billing is on track.

**Agenda Item No. 6**

**Discussion and consideration to engage Henry & Horne LLP to conduct the FY 2017/2018 financial audit of the District.**

District CPA informed the Board that bids to perform the 2017/2018 fiscal year were requested. The only bid received was from Henry & Horne LLP who had done the District’s financial audit for several years.

Henry & Horne's bid for the FY 2017/2018 financial audit is an estimated cost of \$11,500 which is the same as the 2016/2018 financial audit and staff is requesting authorization to execute the engagement letter submitted by Henry & Horne LLP to conduct the FY 2017/2018 financial audit at an estimated cost of \$11,500.

Staff was directed to solicit proposals for audit services every three years.

Vice Chairman Dudash made a motion to execute the engagement letter submitted by Henry & Horne LLP to conduct the FY 2017/2018 financial audit at an estimated cost of \$11,500. Director Maroon seconded the motion which passed unanimously.

**Agenda Item No. 7**

**Review and discussion of the legal protection provided to Board Members, as elected officials and individuals, in relation to actions performed as part of statutory duties.**

After a brief discussion with legal counsel, the matter was deferred to be combined with an executive session involving Agenda Item No. 9.

**Agenda Item No. 8**

**Discussion regarding recent event of illegal dumping into the sanitary sewer.**

District Manager informed the Board that on Monday, July 9<sup>th</sup>, District staff caught two septic tank haulers parked over a manhole adjacent to Shea Blvd. Staff was inspecting a pump station and realized that they were being dumped on at the time and were able to locate the tanker trucks sitting over the manhole and replacing the manhole lid. This incident was reported to the Maricopa County Sheriff's department, EPA Environmental Crimes division, and ADEQ.

**Agenda Item No. 9**

**VOTE TO GO INTO EXECUTIVE SESSION for the following purposes: Pursuant to ARS Section 38-431(A)(1)&(3) for legal advice on (i) the legal protection provided to Board Members, as elected officials and individuals, in relation to actions performed as part of statutory duties and (ii) to review of and secure legal advice regarding a second letter received about an employee discipline matter.**

Director Butler made a motion to go into executive session to discuss second letter regarding employee discipline matter and to get legal advice of the legal protection provided to Board Members as elected officials and individuals, in relation to actions performed as part of statutory duties. Director Maroon seconded the motion which passed unanimously. Regular session adjourned into executive session at 6:24 p.m.

**Agenda Item No. 10**

**RETURN TO REGULAR SESSION.**

Regular session resumed at 6:46 p.m.

**Agenda Item No. 11**

**Direction to staff regarding letter received on employee discipline matter.**

Chairman Reski indicated that following review of the letter in executive session and consultation with the District's attorney, no direction to staff was necessary.

**Agenda Item No. 12**

**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 Butler stated he would not be at the August 2018 regular meeting and would prefer not to call in unless a quorum is needed. Director Maroon will also not be at the August 2018 regular meeting and will not be available by phone.

**Agenda Item No. 13**

**Adjournment.**

Vice Chairman Dudash made a motion to adjourn the meeting at 6:49 p.m. Director Maroon seconded the motion which passed unanimously.

*Dated this 19<sup>th</sup> day of July, 2018.*

Fountain Hills Sanitary District

Minutes Prepared By:

  
Penny Cook, Assistant Secretary