

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, October 18, 2017** 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 Robert Thomson, Director Gregg Dudash, Director Jerry Butler, and Director Michael Maroon. Vice Chairman Tom Reski was absent.

The following Executive Staff members were present:

Dana Trompke, District Manager, Ron Huber, Special Asst. to the District Manager, Bill Sullivan, Legal Counsel, Tori Myers, District CPA, and Penny Cook, Assistant Secretary.

Agenda Item No. 2

Approval of Minutes: Regular Meeting: September 20, 2017 and Special Meeting: September 27, 2017.

A motion was made by Director Dudash to approve the minutes of the Regular Meeting of September 20, 2018 with discussed change as noted by Director Dudash and Special Meeting of September 27, 2018 with discussed change as noted by Chairman Thomson. Director Maroon 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 September, permit compliance, New and Existing Sewer Services, Solids Handling and Headworks Improvement Project, Swimming Lagoon at Fountain Park, and general direction from Board.

- District Manager reported for the month of September: The average daily influent flow was 1.655 MGD, total WW treated was 49,652,000 gallons, and total RW delivered to reusers was 75,993,400 gallons.
- District Manager reported the District's total recharge credit available as of September 30, 2017 was 529,492,512 gallons.
- All facilities were in compliance with permit requirements for the month of September.

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- There were six new single-family sewer service agreements issued in September.
- As of October 9, 2017, all 35 service lines in Eagle Mountain Parcel 15 had been repaired. Director Dudash requested that the cost of this project be reported at the November 2017 meeting.
- The CMAR for the Solids Handling and Headworks Improvements is anticipated to be on-site the end of November 2017 through June of 2018.
- There have been no inquiries into the impacts on District's facilities regarding the Swimming Lagoon at Fountain Park.
- Staff is completing a review of the utility assistance programs.
- District Manager spoke with the Director of the Real Estate Division for Arizona State Land Department on September 19, 2017 regarding the State Trust Land. He indicated they received the May 1, 2017 letter to the Town on August 22, 2017.

He also indicated they had engaged a land appraiser and engineering firm to gather and confirm information regarding the land's value and development potential. District Manager inquired if they needed any further information from the Sanitary District, to which he confirmed they had all the information needed.

The land appraiser contacted the District Manager to confirm that the property could connect to the District. The engineering company also contacted the District Manager in which she confirmed that the 1,350 homes was still valid and the process footprint is master planned to about 33,000. He inquired if the District currently had the facilities now and was told that we did not but had been master planned for it and had space available to expand to the 33,000. The developer would be required to participate in the expansion.

District Manager has also been in contact with Coates Irrigation consultants which are doing a review of reclaimed water. They were confirming that one-day storage of reclaimed water would be required for the proposed park at the State Trust Land parcel.

- There has been a significant decline in the performance of ASR Wells 4 and 5. Normal well and mechanical maintenance procedures have failed to return the wells to their desired performance. District staff has consulted three various experts which have concluded that the wells have biologically fouled. The District will begin a project to chemically clean the wells and a first rough estimate of the well rehabilitation costs will be around \$160,000 for both wells. The estimate will be refined as additional information is gathered.
- District Manager will be adding to her report some notable customer interactions for the month.

There were two notable interactions. First, there was a call complaining that the District's website provided profiles of the incumbents, but not the other candidates seeking the Directors' positions. The customer service representative handled the call appropriately, but management felt it was a good learning opportunity for staff. The Admin. Services Manager and District Manager met with office staff and explained that there are strict rules relating to campaigns and elections, including a prohibition against the use of District funds, resources or staff for the benefit of any candidate. The website contains profiles of all sitting Directors and staff, not candidates.

The second item involved a note included with a customer's payment expressing concern about the recent rate increase. The District Manager will contact the customer.

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.

The District CPA reported the General Fund Income Statement for September was slightly favorable to budget. Property Taxes were over Budget due to the fact that October 1st fell on a Sunday and residents paid before the end September.

Billing is on track.

Agenda Item No. 6

Discussion and consideration to approve Groundwater Lease for 2018.

District Manager recommended that the Type 2 Groundwater Lease with the Phoenix Country Club be renewed for 2018 at a cost of \$28,500. The District Manager discussed how the leased groundwater is used to supplement deliveries of reclaimed water. Legal counsel explained the changes made to the lease, including allowing the lease to renew automatically if not terminated.

After a discussion, Director Dudash made a motion to approve the Type 2 Groundwater Lease and the 2018 payment of \$28,500. Director Butler seconded the motion which passed unanimously. Chairman Thomson directed staff to place the item on the fall 2018 agenda to determine whether it should be terminated or continued for 2019.

Agenda Item No. 7

Discussion and possible direction to staff regarding the water softener brine/salt recycling product presented at the September 20, 2017 meeting.

Director Dudash suggested the Board look into investing the \$10,000 to test the new type of sodium removal device for water softeners that Marty Jessen presented to the Board at the September 20, 2017 regular Board meeting. District Manager informed the Board that the prototypes have not been manufactured and Mr. Jessen is in the process of finding investors to produce the units.

After a discussion, it was decided to revisit this item after the prototypes have been manufactured for possible inclusion in the 2018/2019 Budget. District Manager suggested that we look into other products or options that might help address the salt content in the reclaimed water.

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.

Director Dudash requested that a future agenda include discussion about developing a procedure to share meeting agendas and minutes with the Town in an effort to facilitate better communications and understanding between the District and the Town.

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Agenda Item No. 9
Adjournment.

Director Dudash made a motion to adjourn the meeting at 6:40 p.m. Director Maroon seconded the motion which passed unanimously.

Dated this 19th day of October, 2017.

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Minutes Prepared By: 
Penny Cook, Assistant Secretary