

# 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, December 20, 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, Vice Chairman Tom Reski, Director Gregg Dudash, Director Jerry Butler, and Director Michael Maroon.

*The following Executive Staff members were present:*

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

## **Agenda Item No. 2**

### **Approval of Minutes: Regular Meeting: November 15, 2017 and Special Meetings: November 29, 2017**

A motion was made by Director Butler to approve the minutes of the Regular Meeting of November 15, 2017 and Special Meetings of November 29, 2017 as presented. Director Dudash seconded the motion which passed unanimously.

## **Agenda Item No. 3**

### **Call to public.**

There was no public comment.

*Chairman Thomson moved Agenda Item #5 before Agenda Item #4*

## **Agenda Item No. 4**

### **District Manager's report; items to be discussed include plant and recharge statistics for November, permit compliance, New and Existing Sewer Services, Solids Handling and Headworks Improvement Project, ASR Well Rehabilitation, Town Communication and/or Coordination Efforts, and general direction from Board.**

- District Manager reported for the month of November: The average daily influent flow was 1.84 MGD, total WW treated was 55,166,000 gallons, and total RW delivered to reusers was 34,058,500 gallons.
- District Manager reported the District's total recharge credit available as of November 30, 2017 was 508,438,512 gallons.
- The District was in compliance with all permit requirements for the month of November.

- There were five new sewer service agreements issued in November - two single-family, two multi-family units and one non-residential.

- The CMAR contractor is on site for the Solids Handling and Headworks Improvement Project, the equipment is arriving, and weekly meetings are being scheduled to monitor progress and activities.

A new project sign has been placed at the corner of Saguaro Blvd. and Pepperwood Circle.

- Weber Water Resources is actively working to provide well rehabilitation services for ASR Well #5. The majority of the work will be finished by the Christmas holiday. Final testing, cleanup, and equipment re-installation will occur the first couple weeks of January. The well should be up and running by the end of January and throughout the month of February, we should be able to tell how effective the rehabilitation service was.

- District Manager had staff dig up a section of RW main within Fountain Park to determine the condition of the exterior and interior of the pipe that has been in service since 2000. The investigation was needed to plan for the upcoming ASR well vault and piping replacement project. It was found the RW main was in very good condition.

- District Manager met with Mayor Kavanagh and Town Manager Miller to discuss complaints Phil of Phil's Filling Station had verbalized regarding our requirements for grease interceptor pumping. There have also been other inquiries from a county supervisor. District Manager asked Legal Counsel for interpretation or guidance regarding the District's FOG program, the Town's authority, and the legal authority of the Board of Supervisors to investigate District practices.

Director Butler moved and Director Dudash seconded to go into executive session pursuant to A.R.S. Section 38-431.03(1) through (7) for the discussion or consultation with District's legal counsel for legal advice on the Town's authority and the legal authority of the Board of Supervisors to investigate District practices. Motion carried and the regular session adjourned into an executive session at 6:01 p.m.

Regular session resumed at 6:29 p.m.

- Board of Director candidate Tony Finocchio applied for a building permit which was denied in part by District staff. He wanted to put a shed on his property which has a public utility easement and live sewer on the side. He called District Manager to explain the proposed location. District Manager sent staff out to his property to confirm and found that the plan he submitted to the Town didn't properly show the public utility easement. The actual proposed location of the shed will not be within 15 feet of the District's access sewer and will not be in the public utility easement. The District will approve the permit, but he must address Town's comments as well.

#### **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's report indicated the Income Statement for November was favorable to budget.

Billing is on track.

Director Maroon requested a graph comparing month to month operating expenditures for the previous year and current year be included in the District CPA report in the future.

District CPA will do further research to possibly move a portion of the District's funds into CD's.

**Agenda Item No. 6**

**Discussion regarding proposed revision to annual budget schedule.**

District CPA is proposing that budget process be pushed forward so the public hearing would be a month earlier to be able to incorporate anything that might come from the public hearing.

After a discussion, it was decided that the proposed dates of 2018-2019 publication and the public hearing will be revisited. An updated schedule will be provided to the Board.

**Agenda Item No. 7**

**Discussion regarding revising Capacity Fees for Hotel and Motel units and Bed and Breakfast units and setting Public Hearing with Notice.**

District Manager is requesting the Hotel and Motel units and Bed and Breakfast units have its own category and the Capacity Fee be changed back to the previous amount of \$4,145.00 per unit. The amount and basis of rate had inadvertently been changed when previous fee schedules addressed assisted living facilities.

After a discussion, Director Maroon made a motion to change the Capacity Fees for Hotel and Motel units and Bed and Breakfast units to \$4,145.00 per unit and set the public hearing for January 17, 2018. Vice Chairman Reski seconded the motion which passed unanimously.

**Agenda Item No. 8**

**Discussion and consideration to recite the “Pledge of Allegiance” at the start of Board Meetings.**

Vice Chairman Reski has requested the Board recite the “Pledge of Allegiance” at the start of Board Meetings.

After a discussion, Chairman Thomson requested the “Pledge of Allegiance” be recited at the beginning of Public Hearings and Joint Session meetings only for now. The item may be revisited at a future meeting.

**Agenda Item No. 9**

**Discussion of items to be considered for Joint Session with Town Council on February 27, 2018.**

District Manager presented a list of items for possible discussion items for the joint session with Town Council on February 27, 2018.

After a discussion, it was decided that three of the items on the list be included for the meeting and the Board anticipated the Town Council would include additional items as well.

**Agenda Item No. 10**

**Review and discussion of legal authority of Sanitary District and/or Town to enact water softener rules and regulations.**

Legal Counsel informed the Board that the District has authority to regulate what is discharged into the sewer system. This could include the waste brine from water softeners.

Chairman Thomson suggested that this item be addressed with the Town at a later date.

**Agenda Item No. 11**

**Discussion and direction to staff regarding review of Professional Services contracts.**

Director Dudash requested there be a procedure or a schedule be put in place to review professional service contracts, specifically, Accountant, Legal Counsel, and Auditor.

After a discussion, direction was given to staff to research what other entities are paying for these services to verify the fees the District is paying are in line with other public bodies. The Board will revisit this item in approximately six months after this data is collected.

**Agenda Item No. 12**

**Discussion and consideration of District Manager’s Change Order authority in the Purchasing Policy.**

Chairman Thomson requested the Board look at the language pertaining to the District Manager’s Change Order Authority in the Purchasing Policy.

Vice Chairman Reski made a motion to add “Notwithstanding the foregoing” to the last sentence of the District Manager’s Change Order authority in the Purchasing Policy to read: “Notwithstanding the foregoing, the Board of Directors must approve in advance all change orders in excess of \$50,000.” Director Dudash seconded the motion which passed unanimously.

**Agenda Item No. 13**

**Discussion and request for authorization for Roto-Rooter to slip-line a critical section of sewer under Shea Blvd. in the amount of \$35,699.00.**

District Manager informed the Board there are 341 feet of a critical section of sewer line under Shea Blvd. that has seriously deteriorated and is requesting authorization for Roto-Rooter to slip-line this section in the amount of \$35,699.00. Slip-lining the main before an actual failure will avoid the need to tear up Shea Blvd to make the repair.

Vice Chairman Reski made a motion to authorize Roto-Rooter to slip-line the 341 feet of a critical section of sewer line under Shea Blvd. in the amount of \$35,699.00. Director Dudash seconded the motion which passed unanimously.

**Agenda Item No. 14**

**Discussion of District’s public Communication Efforts.**

District Manager informed the Board that a presentation was made to the Fountain Hills High School STEM classes explaining the various STEM related career employed in the field of Public Works and, specifically at the Sanitary District. A brief description and photo has been submitted to FH Times for publication.

A tour for home school co-op organization is being organized, the website has been updated per Board request, the reservation was made for the Chamber State of the Town event, a meeting with the District’s current webpage designer/service provider has been set for January 12, 2018, and a new project sign notifying residents of the “Solids Handling Project” construction has been placed on the corner of Saguaro Blvd. and Pepperwood Circle.

**Agenda Item No. 15**

**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.**

Chairman Thomson thanked Director Dudash for his presentation at the November 15, 2017 regular meeting.

District Manager reminded the Board of the Special Meeting to be held on January 10, 2018.

**Agenda Item No. 17**

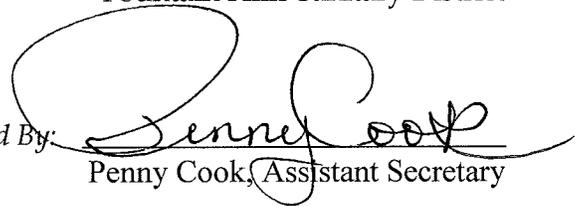
**Adjournment.**

Director Dudash made a motion to adjourn the meeting at 7:46 p.m. Vice Chairman Reski seconded the motion which passed unanimously.

*Dated this 21<sup>st</sup> day of December, 2017.*

Fountain Hills Sanitary District

Minutes Prepared By:

A handwritten signature in black ink, appearing to read "Penny Cook", is written over a horizontal line. The signature is fluid and cursive.

Penny Cook, Assistant Secretary