

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, September 19, 2018** which was called to order by Vice Chairman Dudash 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:

Vice Chairman Gregg Dudash, Director Jerry Butler, Director Michael Maroon, and Director Robert Thomson. Chairman Tom Reski was absent. Vice Chairman Dudash served as acting Chairman.
(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: August 15, 2018

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of August 15, 2018 with discussed changes. Director Maroon seconded the motion which passed with Vice Chairman Dudash, Director Maroon and Director Thomson voting aye and Director Butler abstaining due to not being in attendance at the August 15, 2018 meeting.

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 August, permit compliance, new and existing sewer services, Solids Handling and Headworks Improvement Project, ASR Well Vault Replacement Project, ASR well rehab projects, recent activities, Public communication efforts, Town communication and/or coordination efforts, and general direction from Board.

- District Manager reported for the month of August: The average influent flow was 1.841 MGD, total wastewater treated was 57,081,000 gallons, and Reclaimed Water delivered to reusers was 59,182,900 gallons.
- District Manager reported the District's total recharge credit available as August 31, 2018 was 571,669,136 gallons.

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- District facilities were in compliance with all permit requirements for the month of August.
- The District issued 16 sewer service agreements for the month of August - eight single-family and eight multi-family units.
- Weber has completed the work for the rehab services at both Well Nos. 2 and 4. District staff will be pumping (flushing) the well for the next 2-3 weeks to evaluate performance. Results will be communicated to the Board when the flushing has been completed. First indications are that there has been an improvement at Well No. 2, however, a mechanical problem with the pump has been discovered. The contractor will return to Well no. 2 the first week in October and pull the pump.
- Staff and Wilson Engineers held a kick-off meeting for the engineering design services for the ASR Well Vault Replacement project. A preliminary submittal is targeted for mid-October. The architect has completed the architectural design and will be coordinating with the engineers.
- The District has retained an outside HR professional to perform an internal audit of HR practices and provide workplace harassment, bullying and anti-violence training.
- District Manager and District Attorney met with representatives of MCO Properties regarding the properties where the District's FireRock Pump and Valve Stations are located.
- Staff is moving forward with the redesign of the District's website. The cost of the project is estimated at \$9,520. The initial development of the web pages and look will be completed by the first part of November, for approval by Staff. An initial estimated completion date is scheduled for December 28, 2018.
- An internal review of causes of the August 11th sewage overflow and subsequent remedies was completed and discussed.
- The thickening process for the Solids Handling and Headworks improvements project was operational on August 2nd. The dewatering process was operational on August 27th. Both systems are performing very well. The influent pump station is nearing completion and should be started the week of September 24th. The final remaining item of work is adding Variable Frequency Drives to the Non-Potable Water pumps. The project should be complete by the end of October. There have been no noise or odor complaints during construction.
- Staff have kept the Mayor and Parks Staff informed on the well rehab activities in the park.
- District Manager met with Town staff to review the ASR Well Control Room/Restroom project to discuss the impacts and proposed concept.
- District staff attended a Fountain Hills Coalition meeting in August. The District will advertise the October National Prescription Drug Take Back Day of October 27, 2018.
- District hosted the Fountain Hills Leadership Academy on 9/13/18. An overview of the District was presented followed by a tour of the WWTP.

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's report shows the Income Statement for August was favorable to budget.

Billing is on track.

Agenda Item No. 6

Discussion and direction to staff regarding changing the November 2018 regular meeting date.

After a discussion, direction was given to staff to change the date of the regular meeting of November 21, 2018 to November 28, 2018.

Agenda Item No. 7

Discussion and direction to staff regarding increasing sewer user fees effective January 2019 and to set public hearing for the November 28, 2018 regular meeting.

District Manager reminded the Board that the FY 2018-2019 budget included an increase of the sewer user fees by \$1.00 per month to be effective January 1, 2019.

Direction was given to staff to implement a proposed increase in residential sewer user fees by \$1.00 per month and set public hearing for the November 28, 2018 regular meeting.

Director Thomson requested District staff include the proposed rate increase and public hearing date in the October newsletter and state that no other increase is anticipated until July 2020.

Agenda Item no. 8

Discussion and consideration of a low-income assistance program.

A customer has attended multiple Board meetings and requested that the District implement a senior citizen discount on the monthly sewer fees. Previously, the District reviewed the request and determined that a senior-discount would not be appropriate. However, the District could implement a low-income assistance program that would be beneficial to rate-payers on a small, fixed income.

District staff researched other utility companies and found that SRP and EPCOR offer a low-income discount program and have programs in place to check eligibility requirements.

Maricopa County Human Services Department administers a Utility Assistance Program. The program is federally funded through the State of Arizona's Low-Income Home Energy Assistance and the Arizona Department of Economic Security. The District would need to apply to the County to become a partner. The Tempe Community Action Agency (TCAA) is the local agency with jurisdiction over the communities of Tempe and Fountain Hills. TCAA accepts applications, reviews total utility expenses, determines eligibility, and administers funds. Funds are sent from Maricopa County directly to the utility provider.

District Manager is recommending the District honor eligibility from EPCOR or SRP's Programs. Interested applicants would have to provide documentation of acceptance into one of these programs. Also, the District would register with the Maricopa County Utility Assistance Program as a provider and work through them.

After a discussion, Director Butler made a motion to set a \$5.00 per month discount with documentation of acceptance from EPCOR or SRP's programs. Director Thomson seconded the motion.

After further discussion, Director Butler moved and Director Thomson seconded to amend the motion to a discount of 20 percent of user fees. Motion passed unanimously.

After further discussion, Director Butler moved and Director Thomson seconded to amend the motion to set an initial cap of 100 accounts maximum under the discount program. Motion passed unanimously.

After further discussion, Director Butler moved and Director Thomson seconded to amend the motion to implement the discount effective January 1, 2019. Motion passed unanimously.

Agenda Item No. 9

Discussion and consideration to accept FY 2017/2018 audit report and financial statements as presented. Direction to staff to issue financial statements.

District CPA presented the FY 2017/2018 audit report and financial statement to the Board and indicated the only recommendation was the District utilize an asset management tracking software.

Direction was given to staff to accept financial statements, with discussed changes, for filing.

Agenda Item No. 10

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 requested District Manager report at the next meeting status of the Request for Qualifications of the Master Plan Update.

District Manager informed the Board that a pre-submittal meeting was held on the Statement of Qualifications (SOQs) of the Comprehensive Master Plan Update. There were three firms represented at the meeting. SOQs are due September 27, 2019.

Director Thomson requested a monthly update of the Master Plan status be provided to the Board in the District Manager's report.

Vice Chairman Dudash applauded District Manager and staff regarding the efforts put into the website re-design project.

Agenda Item No. 11
Adjournment.

Director Butler made a motion to adjourn the meeting at 7:25 p.m. Director Maroon seconded the motion which passed unanimously.

Dated this 20th day of September, 2018

Fountain Hills Sanitary District

Minutes Prepared By: 
Penny Cook, Assistant Secretary