

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, February 20, 2019** 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 Gregg Dudash, Vice Chairman Jerry Butler, Director Michael Maroon, Director Robert Thomson, and Director Tom Reski.

(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: Work/Study Session: January 9, 2019 and Regular Meeting: January 16, 2019.

A motion was made by Director Thomson to approve the minutes of the Work/Study Session of January 9, 2019 as presented. Director Reski seconded the motion which passed unanimously.

A motion was made by Director Reski to approve the minutes of the Regular Meeting of January 16, 2019 as presented. Director Maroon seconded the motion which passed with Chairman Dudash, Director Maroon, Director Thomson, and Director Reski voting aye. Vice Chairman Butler abstained from the vote since he was not at the January 16, 2019 regular meeting.

Agenda Item No. 3 (This item was moved before Agenda Item No. 8)

Call to public.

Bob Shelstrom expressed his concerns regarding the IGA and why the District is building Park/District restrooms.

Agenda Item No. 4

District Manager's report; items to be discussed include plant and recharge statistics for January, permit compliance, new and existing sewer services, active project updates, recent activities, public communication efforts, Town communication and/or coordination efforts, and general direction from Board.

- District Manager reported for the month of January: The average daily influent flow was 1.962 MGD and total WW treated was 60,828,000 gallons.
- All District facilities were in compliance with permit requirements for the month of January.

- Reclaimed Water delivered to reusers was 12,754,400 gallons.
- District Manager reported the District's total recharge credit available as of January 31, 2019 was 633,042,036 gallons.
- There were eleven new sewer service agreements issued in January – five single-family and six multi-family units.
- The engineer submitted a 90% complete set of drawings for review and comment for the ASR Well Vault Replacement project. There is ongoing coordination between the engineer, architect, and Construction Manager at Risk (CMAR). The CMAR is beginning to develop a cost for construction.
- There are no significant findings to report from the Master Plan Study at this time. The GIS System has been developed and the consultant is now developing a sewer capacity model. Findings will be presented to the Board in a meeting later in the year.
- Bids were received on January 23, 2019 for the Sewer Rehabilitation (slip-lining) Project FY18-19 and the results were within the anticipated project budget. A request for consideration to approve a contract is on the Agenda.
- District staff is still assessing electrical modifications required to replace air compressors with units of larger capacity for the Air Compressor Replacement project.
- Staff and District Manager are developing ideas to increase public awareness and education regarding the concentration of sodium in wastewater due primarily to water softeners. District Manager has consulted with a public relations specialist that assists in public communications to develop a communications plan. Chairman Dudash requested a presentation be presented to the Board after the communication strategy has been formed.
- The District has completed an internal review of internal HR processes with the HR Consultant. She made a couple of recommendations. One was to put an EEO statement on job postings for both internal and external positions. The other was improving the District's policy for on-boarding new employees. The consultant also suggested the District review the District's benefit's broker and benefit's package more periodically.
- Vice Chairman Butler and District Manager were invited to attend community input sessions for the Town's process to update their General Plan 2020. Vice Chairman Butler was invited as a community member not because of his affiliation with the District.
- District Manager recently met with Mayor Dickey and discussed the Well Vault Replacement Project in Fountain Park. Mayor Dickey inquired into the possibility of the District billing and collecting the Town's Environmental Fee. After District Manager has compiled relevant information, it will be presented to the Board.
- Staff and District Manager met with a few alumni of the Leadership Academy regarding their desire to assist with the sodium issue.
- District Manager has reached out to the County Attorney office regarding the July 9, 2018 dumping event. District Manager reached out to express the District's interest in having criminal charges be brought against the company. District Manager asked that the County Attorney reach out to her and to date there has been no response.

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 that the General Fund Income Statement for January was favorable to budget.

Agenda Item No. 6

State of the budget presentation with preliminary information and estimates.

District CPA presented preliminary information and estimates for the 2019/2020 Budget.

- Property tax assessment rate is projected to remain the same.
- Staff is recommending no increase in User Fees.
- An estimate of 75 connection fees will be considered for projecting revenue.
- Operating expenses are projected to increase by 2.9%.
- Preliminary estimate for System and Facility Improvements is \$3,000,000 and FERR is \$1,000,000.

Agenda Item No. 7

Discussion and consideration to authorize District Manager to execute a contract with Insituform Inc. for the Sanitary Sewer Rehabilitation (slip-lining) Project FY 18-19 in the amount of \$153,548.00.

District Manager informed the Board that there were two bids received for the Sanitary Sewer Rehabilitation (slip-lining) Project FY 18-19 and is requesting authorization to execute a contract with the low bidder, Insituform Inc., in the amount of \$153,548.00.

Director Thomson made a motion to authorize District Manager to execute a contract with Insituform Inc. for the Sanitary Sewer Rehabilitation (slip-lining) Project FY 18-19 in the amount of \$153,548.00. Vice Chairman Butler seconded the motion which passed unanimously.

Agenda Item No. 8

Discussion and consideration to authorize District Manager to execute an Intergovernmental Agreement (IGA) with the Town of Fountain Hills regarding the proposed shared facilities for the ASR Well Vault Replacement project.

District Manager requested that this item be postponed until the March 20, 2019 meeting. An IGA agreement was reached with the Town but there is still an issue with the amount of insurance that the Town and District will provide.

Agenda Item No. 9

Discussion regarding long term recycled water demand, availability, and pricing.

District Manager presented the Board with a proposed tier pricing for recycled water users. She is requesting that this tier pricing be included in the 2019/2020 budget.

After a discussion, direction was given to the District Manager to present the tier level pricing to the golf course personnel for their comments and suggestions. The Board directed that the tier pricing not be included in the 2019/2020 budget and would be considered for the 2021/2022 budget year.

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 Reski thanked District Manager and staff for the presentation and tour of the District facilities that was given to him and his instrumentation and controls peer group.

Agenda Item No. 11

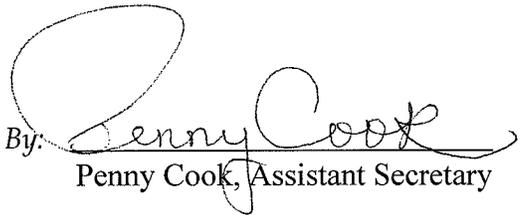
Adjournment.

Director Maroon made a motion to adjourn the meeting at 6:30 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 21st day of February, 2019.

Fountain Hills Sanitary District

Minutes Prepared By:

 Penny Cook, Assistant Secretary