

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, January 15, 2020** 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

Swearing in of elected Directors: Robert E. Thomson, Michael Maroon, and Jerry Butler

Legal Counsel swore in Robert E. Thomson, Michael Maroon, and Jerry Butler who were elected on November 5, 2019 for the term of January 1, 2020 through December 31, 2023.

Agenda Item No. 3

Assumption of Chairman's duties by Vice Chairman and election of new Vice Chairman.

The duties of Chairman were turned over to Vice Chairman Butler for 2020.

Director Dudash nominated Director Maroon for Vice Chairman for 2020. Director Thomson seconded the motion which passed unanimously.

Agenda Item No. 4

Discussion and review of District activities in 2019.

Chairman Butler reviewed District activities in 2019.

The District held six Special Meetings:

- Two discussed long-term water demand and availability;
- One discussed proposed operating budget;
- One discussed ASR issues;

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One established the order for ballot names;
One Joint meeting with the Town Council.

January: The first ASR Well/Restroom facility was dedicated in the park in December, but recall that in January the plans were only 50% complete.

February: Announced that a GIS system was being developed. In November, a presentation was given on what the completed GIS can do for the District.

March: Formal signing of the IGA with the Town to take over the restroom once that part of the building was built.

June: A few air release valves failed and disrupted Saguaro Blvd.

July: Celebrated the District's 50th Anniversary, Clark Moskop was recognized for 30 years of service to the District, and Bob Thomson was recognized for 20 years to the Board.

August: The ground water lease was renewed.

October: Town Council joint meeting in which the two major topics were replacing the fountain lake liner and ways to encourage use of potassium chloride rather than sodium chloride in water softeners to address the detrimental levels of sodium in reclaimed water.

It was announced that the election costs would be \$38,000 for approximately 18,000 ballots.

November: The Board agreed to add a feasibility study in the 2020/21 budget to study the cost of adding a connection along Shea to Scottsdale.

December: An overview of the Master Plan Study was given in draft form.

The District operated within budget for the 12 months.

The District was always in compliance with all permit requirements.

Chairman Butler stated that Director Dudash met all of the challenges of 2019 and thanked him for being the Board Chairman.

Agenda Item No. 5

Approval of Minutes: Regular Meeting: December 18, 2019

Director Reski made a motion to approve the Regular Meeting minutes of December 18, 2019 as presented. Director Dudash seconded the motion which passed unanimously.

Agenda Item No. 6

Call to Public.

There were no public comments.

Agenda Item No. 7

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

The District Manager reported for the month of December: The average daily influent flow was 2.105 MGD, total WW treated was 62,250,000 gallons.

Total WW treated for 2019 year end was 708,622,000 gallons, an increase of 6% over 2018.

The District was in compliance with all permit requirements for the month.

December Reclaimed Water delivered to reusers was 7,553,000 gallons. Total RW delivered to reusers for 2019 year end was 606,546,800 gallons.

The District Manager reported the District's total recharge credit available as of December 31, 2019 was 676,065,057 gallons.

A continuation of the discussions regarding RW supply and demand are needed to determine the District's next course of action. A special workshop is proposed for February 5, 2020 and District Manager will send out an email requesting approval of the special workshop for February 5th.

There were four new sewer service agreements issued in December – two single-family and two multi-family units.

The ASR Well Vault Replacement Project Ribbon Cutting event for the building at Well #2 was held on December 18th. The District is receiving considerable positive feedback about the restrooms. The building and well control facilities at Well #4 will be complete by end of January or early February.

Director Thomson asked if the District could add some landscaping or possibly a fixed wall on the side with the electrical service for Well #2/Restroom.

A draft of the Master Plan Study report was received. District Manager has returned comments and questions and anticipates a final version by the end of January.

District Manager will contact the Board when the final Master Plan document is available to give them an opportunity to review the document.

The air compressors have been delivered for the Air Compressor Replacement project. A Job Order was issued to a contractor for the installation and necessary electrical modifications. District is anticipating the project will be complete by April or May.

A newsletter was provided on the back of the January sewer fee bills.

The Town Council and Sanitary District Board participated together in the Ribbon Cutting event.

The Mayor's State of the Town Address will be January 28, 2020.

Agenda Item No. 8

District CPA's report; items to be discussed include status of income and expenditures, billing, report on collection efforts to date, FY 2020/21 budget schedule, and general direction from Board.

District CPA reported the General Fund Income Statement for December was favorable to budget.

A brief presentation will be given at the February 19th Regular Board Meeting on the proposed FY 2020/21 budget. The workshop is scheduled for March 18th before the Regular Board Meeting.

Agenda Item No. 9

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 Thomson stated that Director Dudash did a fine job as Chairman.

Director Thomson stated that he would like to reiterate that this is probably the first time in the history of the Board, that every member of the Board has been elected.

Chairman Butler wanted to end with trying to bring a smile to everyone's face stating that "99% of lawyers give the rest a bad name and 827% of all statistics are made up on the spot".

Agenda Item No. 14

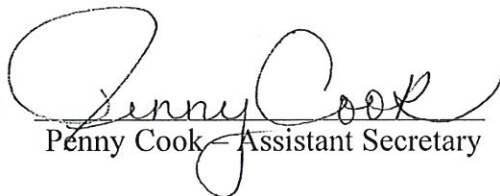
Adjournment.

Director Dudash made a motion to adjourn the meeting at 6:15 p.m. Director Reski seconded the motion, which passed unanimously.

Dated this 16th day of January, 2020.

Fountain Hills Sanitary District

Minutes prepared by:


Penny Cook Assistant Secretary