

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 17, 2021** at **4:00 p.m.** via an online webinar.

Agenda Item No. 1

Call to order and roll call

Upon roll call, the following Directors were present:

Chairman Michael Maroon, Director Gregg Dudash, Director Tammy Bell, and Director Jerry Butler. Vice Chairman Thomson arrived a few minutes late.

(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: Special Meeting: January 11, 2021, Regular Meeting: January 20, 2021 and Special Meeting: January 27, 2021.

A motion was made by Director Butler to approve the minutes of the Special Meeting of January 11, 2021, Regular Meeting of January 20, 2021, and Special Meeting of January 27, 2021 as presented. Director Dudash 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, recycled water, and recharge statistics for January, permit compliance, new sewer services, active project updates, public communication efforts, and Town communication and/or coordination efforts.

The District Manager reported for the month of January: The average daily influent flow was 2.065 MGD.

Total WW treated for January was 64,008,000 gallons.

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

January Reclaimed Water delivered to reusers was 14,086,700 gallons.

Director Butler asked District Manager what the percent of permitted capacity would need to be before expansion of the processes would be necessary. District Manager stated that the District, by permit, needs to initiate design at 80% of capacity and initiate construction at 90% of capacity. Director Dudash requested District Manager identify the processes that would need to be expanded to increase capacity and bring back to the Board in the next couple of months.

District Manager reported the District's total recharge credit available as of January 31, 2021 was 589,507,834 gallons.

There were three new single-family sewer service agreements issued in January.

The Arc Flash Study project is on-going and making progress.

The parking addition for the EV Chargers and parking Addition project is complete. Preliminary plans have been submitted for installation of two EV chargers.

A kick-off meeting was held with the Contractor and Engineer for the Aeration Basin Improvement Project. Planning and preparation efforts are being made to allow Contractor to mobilize and begin work on March 22.

Initial site investigations are determining the constraints and advantages to various possible locations for the new Well 1 Control Room for the ASR Well 1 Vault Replacement project.

A newsletter accompanied the January billing, which included information on sodium from water softeners and cleaning activities in Town washes.

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, preview FY 2021/22 budget, 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 2021/2022 Budget.

- Secure reserves for future "unknowns" with the FERR minimum of \$3,000,000 per approved policy as the focal point.
- Maintain user fees at current rates.
- Reduce overall property tax assessment by about \$150,000 and decrease rate by just over 10%.
- Anticipated spending remains stable with only a \$20,000 increase in spite of significant increases to personnel costs.

Agenda Item No. 7

Discussion and review of reclaimed water supply and demand.

District Manager presented the Board with a review of the reclaimed water supply and demand over the last 13 years. Following are highlights of the presentation.

- In 2020, WW flows were 6.2% higher than 2019 and 2019 was 6.2% higher than 2018, indicating that the district has grown. Internal WW usage was 2% higher than the previous year.
- Total available RW for 2020 was 6.2% higher than 2019 and total demand of RW was 7.2% higher than 2019.
- Fountain Hills received only 6" of rain in 2020, compared to 15" in 2019.
- Deficit has been smaller in last 2 years, due to increase in supply.
- In 2020, the Water Storage Account Balance decreased by 30.6 MG.
- Prior Board discussions led to a consensus to not extend the Ground Water lease past 2021.
- 3-year average RW Supply is 599 MG and 3-year average RW Demand is 625 MG. District would like to trim +/- 25 MG of Demand.
- Golf courses were encouraged to do some conversation efforts.
- District needs to develop a shortfall strategy.

Chairman Maroon recommended the District not include the GW Lease in the 2021/2022 budget. Director Dudash suggested the GW Lease be continued. Director Butler would not want to continue the GW Lease. Director Bell proposed that a strategic plan be put together to identify a timeline to make steps to come up with the next decision. Vice Chairman Thomson suggested the GW Lease be continued.

After further discussion, it was decided to wait until no later than September 2021 to decide if the GW Lease would be renewed.

Agenda Item No. 8

Discussion and consideration to approve a task order with Project Engineering Consultants for engineering services for an Outfall Feasibility Study.

Director Dudash made a motion to approve a task order with Project Engineering Consultants for engineering services for an Outfall Feasibility Study. Vice Chairman Thomson seconded the motion which passed unanimously.

Agenda Item No 9

Discussion and direction to staff regarding changes to the employee retirement plan.

After a discussion, it was decided to have a target date of October 2021 or sooner, if possible, to switch to the State Retirement Plan.

Vice Chairman Thomson made a motion to direct staff to prepare the budget showing that the Board plans to move forward with joining the State Retirement System and the Board looks forward to seeing the items dealing with the employees that are closer to retirement fully flushed out. Director Dudash seconded the motion which passed unanimously.

Chairman Maroon suggested Budget workshops be offered to employees.

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.

There were no comments.

Agenda Item No. 11

Adjournment.

Director Dudash made a motion to adjourn the meeting at 6:25 p.m. Director Butler seconded the motion which passed unanimously.

Dated this 18th day of February 2021.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary