

MINUTES OF MEETING BOARD OF DIRECTORS FOUNTAIN HILLS SANITARY DISTRICT

The Board of Directors of the Fountain Hills Sanitary District met in a **Budget Workshop and Regular Meeting** on **Wednesday, March 24, 2021** at **4:05 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 Michael Maroon, Vice Chairman Robert Thomson, Director Gregg Dudash, Director Tammy Bell, and Director Jerry Butler.

(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.

Director Maroon moved Item #6 before Item #2.

Agenda Item No. 6

Call to public

Dorothy Wolovlek, resident, indicated she has lived part time in Fountain Hills for 40 years. She stated that she is on a fixed income and only lives at her home in Fountain Hills six months out of the year and is requesting assistance for seniors on fixed incomes.

Chairman Maroon informed her there is a low-income program she may apply for and staff would be contacting her.

Agenda Item No. 2

Work/Study session with staff to discuss FY 2021/2022 preliminary budget and fee schedule.

Overview

District CPA presented staff proposals for the fiscal year 2021/2022 budget and fee schedule and answered questions from the Board.

Highlights of the Proposed Budget are as follows:

There will be no change to the property tax rate.

Staff is proposing no increase in Sewer User Fees for the 21-22 fiscal year.

Total operating budget for FY 21-22 is expected to increase by 2.7% over the FY 20-21 adopted budget. This increase reflects the District's decision to join and participate in the Arizona State Retirement System effective October 1, 2021.

The proposed budget for SFI and FERR expenditures is .06% over the FY 20-21 adopted budget.

The Sodium Remediation Program will not be offered to reusers and is not included in the FY 21-22 budget.

Staff recommends the Ground Water Lease not be continued and included in the FY 21-22 budget.

District CPA will incorporate discussed changes and the Proposed Budget will be agendized at the April 21, 2021 Regular Board Meeting for approval.

Agenda Item No. 3
Adjournment.

Chairman Maroon adjourned the Budget Workshop at 5:45 p.m.

Agenda Item No. 4

Chairman Maroon opened the Regular Meeting at 5:45 p.m.

Agenda Item No. 5
Approval of Minutes: Regular Meeting: February 17, 2021 and Special Meeting: March 3, 2021.

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of February 17, 2020 as revised. Director Bell seconded the motion which passed unanimously.

A motion was made by Director Thomson to approve the minutes of the Special Meeting of March 3, 2021 as revised. Director Dudash seconded the motion which passed unanimously.

Agenda Item No. 7
District Manager's report; items to be discussed include plant and recharge statistics for February, permit compliance, new sewer services, active project updates, public communication efforts, and Town communication and/or coordination efforts.

District Manager reported for the month of February: The average daily influent flow was 2.074 MGD.

Total WW treated for February was 58,075,000 gallons.

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

February Reclaimed Water delivered to reusers was 24,026,000 gallons.

District Manager reported the District's total recharge credit available as of February 28, 2021 was 612,878,834 gallons.

There were eight new single-family sewer service agreements issued in February.

The Arc Flash Study is on-going and expected to be complete in April.

The parking addition is complete for the EV Chargers and Parking Addition project. Preliminary plans have been submitted for installation of two EV chargers. JOC contractor will be developing cost estimates.

The contractor has begun to move equipment and supplies on site for the Aeration Basin Improvement Project. The first aeration basin has been taken out of service for the contractor and work began on March 22nd. Weekly construction meetings will be held for the remainder of the project.

The initial feasibility study for the ASR Well 1 Vault Replacement Project has narrowed the possible sites to three options. A more detailed investigation and cost considerations will be explored to determine the most feasible and economical.

The RW ARC Replacement project was initially thought to require outside engineering design services and a contractor to locate, modify and replace 2-3 ARV facilities. However, CSO staff has done an outstanding job in completing the work in-house. This FY, CSO has addressed and replaced 5 ARVs at a significant savings to the District. A request to purchase an excavating machine is on the agenda, which will help facilitate more of this work in the future.

Chairman Maroon initiated conversation with the Town Mayor to form a joint sodium coalition.

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, and general direction from Board.

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

Agenda Item No. 9

Discussion and consideration to authorize District Manager to purchase an excavating system for \$45,778.33.

District Manager is requesting authorization to purchase an excavating system for \$45,778.33. Replacing ARVs requires the District to excavate down into the ground and this machine will help with excavating.

Director Thomson made a motion to authorize District Manager to purchase an excavating system for \$45,778.33. Director Bell seconded the motion which passed unanimously.

Agenda Item No. 10

Discussion and consideration to authorize District Manager to purchase a new pump for Pump Station #4 for \$120,785.74.

District Manager is requesting authorization to purchase a new pump for Pump Station #4 for \$120,785.74.

Director Thomson made a motion to authorize District Manager to purchase a new pump for Pump Station #4 for \$120,785.74. Director Dudash seconded the motion which passed unanimously.

Agenda Item No. 11

Discussion and direction to staff regarding Statement of Qualifications for District Attorney.

Request for Proposals were sent out to eight law firms on February 12, 2021 and requested that they be submitted by March 23, 2021. There was only one firm that returned a Request for Proposal.

After a discussion, direction was given to staff to contact the other firms and ask if they would still be interested in submitting a Request for Proposal if the deadline was extended or a more simplified version of the request for proposal was released.

It was discussed that if there is no other interest from the candidates, District Manager is instructed to find two or three headhunters and bring the information back to the Board.

Agenda Item No. 12

Discussion and summary of sodium reduction efforts with Town and other entities.

Chairman Maroon indicated he contacted Mayor Dickey who indicated the Town Council would be very interested in the partnership concerning sodium reduction efforts.

Chairman Maroon requested District Manager contact the Town Manager and coordinate a time for the six people (2 Board members, 2 Council Members, District Manager, and Town Manager) to get together.

Agenda Item No. 13

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 Dudash stated "Again to staff – Great job on the budget prep".

Agenda Item No. 14

Adjournment.

Director Dudash made a motion to adjourn the meeting at 6:53 p.m. Director Bell seconded the motion which passed unanimously.

Dated this 25th day of March 2021.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary