

# **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, May 19, 2021** at **4:30 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*

Chairperson Michael Maroon, Vice Chairperson 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.

## **Agenda Item No. 2** **Public hearing concerning the FY 2021/2022 fee schedule.**

The public hearing concerning the FY 2021/2022 fee schedule was opened by Chairperson Maroon.

There was no comment.

Chairperson Maroon closed the public hearing.

## **Agenda Item No. 3** **Public hearing concerning the FY 2021/2022 budget.**

The public hearing concerning the FY 2021/2022 budget was opened by Chairperson Maroon.

There was no comment.

Chairperson Maroon closed the public hearing.

## **Agenda Item No. 4** **Approval of Minutes: Regular Meeting: April 21, 2021**

A motion was made by Vice Chairperson Thomson to approve the minutes of the Regular Meeting of April 21, 2021 and Special Meeting of May 4, 2021 as presented. Director Butler seconded the motion which passed unanimously.

**Agenda Item No. 5**  
**Call to public.**

There was no public comment.

**Agenda Item No. 6**  
**District Manager's report; items to be discussed include plant, recycled water, and recharge statistics for April, 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 April: The average daily influent flow was 2.020 MGD.

Total WW treated for April was 60,614,000 gallons.

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

April Reclaimed Water delivered to reusers was 63,915,200 gallons.

District Manager reported the District's total recharge credit available as of April 30, 2021 was 616,729,834 gallons.

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

Arc Flash training is complete. The required level notification labels have been placed on all electrical panels. We are awaiting a final report and digital copy of the electrical model.

The Job Order Contractor is procuring necessary items, such as the charging stations, for the EV Chargers and Parking Addition project. The rebate from SRP for the EV Charges has been received.

The contractor is making good progress on the Aeration Basin Improvement Project. The project will run through September.

District Manager has had two meetings with Town staff to discuss possible location for the ASR Well No. 1 Control Bldg.

A location on the west side of the Splash pad is preferred by Town staff for the ASR Well 1 Vault Replacement project. However, they are also open to a location on the north side near the existing pump house. A more detailed investigation into site constraints, below ground utilities, and grading challenges is underway. A surveyor has been hired to do a utility and topo survey.

The first joint sodium discussion/working group was held April 30<sup>th</sup>. The next one is scheduled for June 11<sup>th</sup>. District is planning on having additional sodium educational content put on the District website and work with Town staff to have it available on the Town website also.

A Joint session between Town Council and District board is scheduled for May 25<sup>th</sup>.

**Agenda Item No. 7**  
**District CPA's report; items to be discussed include status of income and expenditures, billing, report on collection efforts to date, 5-year SFI Plan, and general direction from Board.**

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



**Agenda Item No. 8**

**Consideration to discontinue the renewal of the ground water lease.**

District Manager is requesting the Board make a formal motion and direction to notify the lessor of the ground water lease that the District will not be renewing the ground water lease for 2022.

Vice Chairperson Thompson made a motion to discontinue the renewal of the ground water lease and give notice thereof. Director Dudash seconded the motion and after a discussion the motion passed unanimously.

**Agenda Item No. 9**

**Discussion of agenda topics for Board-Town Council Joint Session.**

District Manager presented the Board with a list of possible topics for discussion at the Board-Town Council Session to be held on May 25<sup>th</sup>. Director Butler informed the Board that Town Manager may not be able to attend the Board-Town Council Session. Chairperson Maroon will contact Mayor Dickey and see if the Joint Session can be postponed to a later date.

**Agenda Item No. 10**

**VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: Pursuant to A.R.S. Section 38-431.03(A)(1) discussion and possible selection of District Legal Counsel.**

Vice Chairperson Thomson moved to go into executive session pursuant to A.R.S. Section 38-431.03(A)(1) for the discussion and possible selection of District Legal Counsel. Director Dudash seconded the motion which passed unanimously.

Regular session adjourned into executive session at 5:30 p.m.

**Agenda Item No. 11**

**RETURN TO REGULAR SESSION.**

Regular session resumed at 5:42 p.m.

**Agenda Item No. 12**

**Discussion and possible selection of candidate for District Legal Counsel.**

A motion was made by Vice Chairperson Thomson to appoint Salmon, Lewis, & Weldon, P.L.C. to serve as the District Legal Counsel. The basis of the relationship will be based upon their letter of May 7, 2021. The terms are accepted, and the District wishes to select Option 2. Director Butler seconded the motion which passed unanimously.

A formal letter from the Board will be sent to Daniel Jones of Salmon, Lewis, & Weldon, P.L.C. Vice Chairperson Thomson also suggested that Chairperson Maroon call Daniel Jones.

**Agenda Item No. 13**

**Consideration to approve Resolution No. 284, Call for Non-Partisan Election November 2, 2021.**

Director Dudash made a motion to approve Resolution No. 284, Call for Non-Partisan Election November 2, 2021. Director Bell seconded the motion which passed unanimously.

**Agenda Item No.14**

**Discussion and direction to staff regarding audit firm for FY 2020/2021.**

District CPA informed the Board that the current Audit firm, Henry & Horne, submitted their estimated hours and cost for the upcoming FY 2020/2021 audit. There is an increase of \$1,000 over the 2019/2020 FY. Since the District is preparing for pre-audit work, there is not enough time to request proposals from other firms. District CPA is suggesting the Board approve the proposal from Henry & Horne for the 2020/2021 audit and requests for proposals will be sent January/February 2022 to audit firms for FY 2021/2022.

Direction was given to staff for Henry & Horne to perform the FY 2020/2021 audit.

**Agenda Item No. 15**

**VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: Pursuant to A.R.S. Section 38-431.03(A)(1) discussion and consideration of renewing District CPA's FY 2021/2022 contract.**

Vice Chairperson Thomson moved to go into executive session pursuant to A.R.S. Section 38-431.03(A)(1) for discussion and consideration of renewing District CPA's FY 2021/2022 contract. Director Dudash seconded the motion which passed unanimously.

Regular session adjourned into executive session at 5:55 p.m.

**Agenda Item No. 16**

**RETURN TO REGULAR SESSION.**

Regular session resumed at 6:10 p.m.

**Agenda Item No. 17**

**Discussion and consideration to approve District CPA's contract for FY 2021/2022.**

Vice Chairperson Thomson made a motion to approve District CPA's contract for FY 2021/2022. Director Bell seconded the motion which passed unanimously.

**Agenda Item No. 18**

**VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: Pursuant to A.R.S. Section 38-431.03(A)(1) discussion and consideration of the District Manager's performance and annual salary adjustment for FY 2020/2021, and, possibly, the salary range for the position.**

Director Dudash moved to go into executive session pursuant to A.R.S. Section 38-431.03(A)(1) for discussion and consideration of the District Manager's performance and annual salary adjustment for FY 2020/2021, and, possibly, the salary range for the position. Director Butler seconded the motion which passed unanimously.

Regular session adjourned into executive session at 6:12 p.m.

**Agenda Item No. 19**

**RETURN TO REGULAR SESSION**

Regular Session resumed at 6:29 p.m.

**Agenda Item No. 20**



**Discussion and establishing the salary adjustment for FY 2020/2021 and, as deemed appropriate, the salary range for the District Manager.**

Director Dudash moved to approve a salary increase for the District Manager for FY 2021/2022 by a 1.9 percent performance increase in addition to a COLA increase of one percent for a total increase of 2.9 percent. Vice Chairperson Thomson seconded the motion which passed unanimously.

**Agenda Item No. 21**

**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.**

Chairperson Maroon informed the Board that he is no longer working with Edward Jones and has started his own business and has new contact information.

Vice Chairperson Thomson would like an agenda item on the June agenda recognizing Legal Counsel for his years of service to the District.

Director Butler informed the Board that he will not be at the June 2021 regular meeting but will be available telephonically.

**Agenda Item No 22**

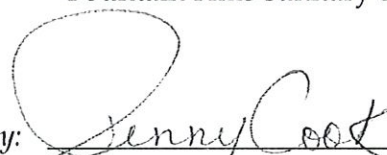
**Adjournment.**

Director Dudash made a motion to adjourn the meeting at 6:35 p.m. Director Bell seconded the motion which passed unanimously.

*Dated this 20<sup>th</sup> day of May, 2021.*

Fountain Hills Sanitary District

Minutes Prepared By:

  
Penny Cook, Assistant Secretary