

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 16, 2022** 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 Robert Thomson, Vice Chairperson Gregg Dudash, Director Tammy Bell, Director Jerry Butler, and Director Michael Maroon.

(Note: Unanimous votes refer to all Directors present.)

The following Executive Staff members were present:

Dana Trompke, District Manager, Daniel Jones, Legal Counsel (telephonically), Tori Myers, District CPA, and Penny Cook, Assistant Secretary.

Agenda Item No. 2

Approval of Minutes: Regular Meeting: January 19, 2022

A motion was made by Director Butler to approve the minutes of the Regular Meeting of January 19, 2022 as presented. Director Maroon 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 2.077 MGD.

Total WW treated for January was 64,389,000 gallons.

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

January Reclaimed Water delivered to reusers was 13,658,000 gallons.

District Manager reported the District's total recharge credit available as of January 31, 2022 was 591,437,115 gallons.

There were four new single-family and ten new multi-family sewer service agreements issued in January.

Staff engineer, Joel Peterson, is leading the design efforts for the EFF Pump Replacement and PS 10 Improvement project.

The ARV Replacement project will be discussed later in the agenda.

Due to the complexity of the site next to the Splash Pad, efforts are renewed to flush out the possibility of locating the building at one of the other initial sites for the ASR Well 1 Vault Replacement project. District Manager has a meeting with Town Manager on Thursday, February 17th to discuss the location.

The contractor is scheduled to mobilize the week of March 14th for the AWTF Strainer and Tote Replacement project.

District Manager is still waiting on a reply from Scottsdale on the Outfall Feasibility Study.

The second batch of replacement membranes is expected to arrive within the next few months for the AWTF Membrane project.

There are currently two CSO Operators and one Plant Operator vacancies. Interviews have been scheduled for the CSO Operator positions within the next couple of weeks.

A newsletter was provided with the January billing.

District Manager is continuing to work with the Town Communications Director on publishing articles for the Fountain Hills Insider.

Director Maroon asked if the District was going to have an exhibition in the Fountain Hills Day event. After a discussion there was a consensus by the Board the District participate in this event. Director Butler and Chairman Thomson volunteered to represent the District at Fountain Hills Day, March 26, 2022.

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 2022/2023 Budget.

Agenda Item No. 7

Legal Counsel updates and discussion of procedural matters and possible future legislation.

At the request of Vice Chairperson Dudash, Legal Counsel clarified the rules for responding to matters made to call to public, particularly responding to criticism. Legal Counsel indicated at the end of the call to public, provided no decisions are being made, no action is being taken, or engaging in actual conversation with members of the public, the Board may respond.

Legal Counsel updated the Board on future or proposed legislation.

Agenda Item No. 8

Discussion and consideration to authorize District Manager to issue a job order to MGC Contractors for equipment procurement and ARV Replacement in the amount of \$220,005.64.

District Manager is requesting authorization to issue a job order to MGC Contractors for material procurement and ARV Replacement in the amount of \$220,005.64. This contract is for materials for 6 ARV replacements and installation of one ARV.

After a discussion, Vice Chairman Dudash made a motion to authorize District Manager to issue a job order to MGC Contractors for equipment procurement and ARV Replacement in the amount of \$220,005.64. Director Maroon seconded the motion which passed unanimously.

Agenda Item No 9

Discussion and direction to staff regarding reclaimed water supply and demand and minimum water storage account balance.

District Manager presented the Board with a review of the reclaimed water supply and demand over the last 14 years. Following are highlights of the presentation.

- There has been a reclaimed water deficit in 11 of the last 14 years. Average deficit is 50 MG per year, but has been as high as 102 MG.
 - Prior 3-year average of reclaimed water delivered to reusers was 624,500,167 MG. 2021 reclaimed water delivered to reusers was 600,612,100 MG.
 - Prior Board Actions:
 - Claimed groundwater pumped only in the amount of annual reclaimed water deficit, not the full amount of the lease.
 - Did not renew the groundwater lease after 2021.
 - Eliminated the sodium remediation credit effective July 1, 2021.
 - Proposed Actions Under Consideration:
 - Annually adopt a tiered reclaimed water fee schedule based on available reclaimed water, where the highest rate tier is equal to or higher than the EPCOR irrigation water rate.
- OR**
- Adopt a trigger point of minimum water storage account balance that would require Board action to implement measures to immediately reduce demand to sustainable supply amounts, such as implementing the tiered rate schedule.

After discussions, direction was given to staff to include the proposed tiered rate schedule in the 2022/2023 FY budget and to begin a communication plan with the golf courses. The tiered rates and amounts will be established annually with each FY budget.

Direction was also given to staff to move the aquifer study up to January 2023 and to be included in the 2022/2023 FY budget.

Agenda Item No. 10

The Chairperson, 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 Butler indicated he and the District Manager gave a presentation to the Men's Discussion Group. The presentation was well received and since then, several of the gentlemen in the discussion group have indicated they want to tour the facility.

Agenda Item No. 11

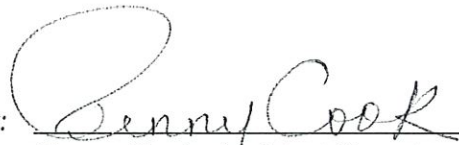
Adjournment.

Director Maroon made a motion to adjourn the meeting at 6:45 p.m. Director Butler seconded the motion which passed unanimously.

Dated this 17th day of February 2022.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary