

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, 2023 at 12:00 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 Chairperson Tammy Bell, Director Jeff Lessig, and Director Clayton Corey. Director Michael Maroon arrived at 12:03 p.m.

(Note: Unanimous votes refer to all directors present)

The following Executive Staff members were present:

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

The following District Staff were present.

Kirsten DeBie, Administrative Services Manager, Mark Cantwell, Maintenance Manager, and Preston Brown, CSO Manager.

Agenda Item No. 2

Work/Study session with staff to discuss FY 2023/2024 preliminary budget and fee schedule.

Overview

District CPA presented staff proposals for the fiscal year 2023/2024 budget and fee schedule and answered questions from the Board.

Highlights of the Preliminary Proposed Budget are as follows:

There will be no change in the proposed property tax rate for FY 2023/4.

Staff is proposing a \$3.00 per month increase in residential Sewer User Fees for the 23-24 fiscal year with an equivalent percent increase to commercial accounts. The increase in user fees is necessary to keep user fee revenue in-line with local inflation rates and in-step with increasing operating expenditures.

Total operating budget for FY 23-24 is expected to increase by 8.9% over the FY 22-23 adopted budget. This increase is attributable to significant inflation of equipment, chemicals, supplies, and personnel costs.

District CPA will incorporate discussed changes and the Proposed Budget will be agendized at the April 19, 2023 Regular Board Meeting for further discussion.

Agenda Item No. 3
Adjournment.

Chairman Dudash adjourned the Budget Workshop at 2:03 p.m. and the regular meeting began after a five-minute break.

Agenda Item No. 4
Approval of Minutes: Regular Meeting: February 15, 2023.

A motion was made by Director Maroon to approve the minutes of the Regular Meeting of February 15, 2023 as presented. Director Corey seconded the motion which passed unanimously.

Agenda Item No. 5
Call to Public.

There was no comment.

Agenda Item No. 6
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.

The District Manager reported for the month of February: The average daily influent flow was 2.149 MGD.

Total WW treated for February was 60,167,000 gallons.

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

February Reclaimed Water delivered to reusers was 9,847,000 gallons.

The District Manager reported the District's total recharge credit available as of February 28, 2023 was 630,949,015 gallons.

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

The District continues to experience supply chain issues for electrical components and noting 32-65 week delivery times for items needed for the UV Replacement, ASR Well 1 Vault Replacement, and PS 10 Improvements projects.

The contractor has completed the removal and/or replacement of the Air Release Valves at all 6 ARV sites within this phase of the initiative for the ARV Replacement project. The project is expected to be completed by the end of March.

The engineer has submitted a 90% submittal for the ASR Well 1 Vault Replacement project. Statement of Qualifications were received from 3 potential Construction Managers for the project. An internal review committee will make a selection and recommendation to the Board.

The engineer has submitted a 90% set of plans for review for the PS 10 project. One of the JOC contractors will begin developing a cost proposal for the project for consideration.

Plans have been finalized for the Plant Control Building project. A JOC contractor is developing a cost proposal for consideration.

The engineer submitted 60% design plans for the RW Outfall project. City of Scottsdale confirmed accepting flows up to 450 gpm with minimal improvements. Final coordination and review by City of Scottsdale is needed. A proposed timeline of the project and IGA all need to be developed.

There are currently three staff vacancies: Maintenance Tech, CS Operator and PM/Engineer positions.

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, and general direction from Board.

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

Agenda Item No. 8

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

Legal Counsel updated the Board on legislation bills. He also updated the Board on the Colorado River situation.

Agenda Item No. 9

Discussion and consideration to approve changes to Rules and Regulations.

District Manager presented the Board with a proposed updated version of the District's Rules and Regulations. District Manager explained the current Rules and Regulations have not been updated since 2016 and needed updating.

After a discussion, Director Lessig made a motion to approve the updated version of the Rules and Regulations as amended. Vice Chairperson Bell seconded the motion which passed unanimously.

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.

Chairman Dudash indicated he was watching the Town Council meeting earlier in the week in which former Director Jerry Butler spoke. Former Director Butler thanked Town Manager, Grady Miller, who is retiring. Chairman Dudash indicated he has had the opportunity to get to know Grady and stated that Grady is one of the most professional and competent public sector managers Chairman Dudash has met. Chairman Dudash stated he hopes that whoever is hired in Grady's spot, the District will have a good working relationship.

Director Cory inquired if the District could actually see and monitor sodium levels on a regular bases and see if there was any improvement from the efforts that were made at the Fountain Hills Day event.

District Manager indicated that the District does monitor sodium. District Manager indicted receiving a phone call from a resident, who had stopped at the District's booth at the event, that had more questions.

Director Lessig requested tracking historical data for sodium.

Chairman Dudash stated he would like to thank Director Maroon and Director Corey for the time they put into the Fountain Hills Day event.


Agenda Item No. 11
Adjournment.

Director Maroon made a motion to adjourn the meeting at 3:10 p.m. Director Corey seconded the motion which passed unanimously.

Dated this 27th day of March 2023.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary