



**FOUNTAIN HILLS
SANITARY DISTRICT**
Recycles Every Drop

Proposed Budget

FISCAL YEAR 2025-2026



Table of Contents

Introduction

Budget Message	4
District Profile	5
Definition of Terms & Abbreviations	7
Strategies & Considerations	9

Budget Overview & Financial Perspectives

Budget Overview	12
Budget Approach	13
Fund Perspectives	19
Historical Comparison	23
Five-Year Budget Projection	24

Revenue Sources

Taxes & Fees Overview	26
Proposed Taxes & Fees	31

Operating Activities

Summary of Operating Activities	34
Administrative Services & Billing	38
Collection System	40
Maintenance	42
Recycled Water	43
Wastewater Treatment Plant	45
District Personnel	46

System & Facility Improvements (SFI)

SFI Perspective	49
SFI Highlights	50
Historical & Projected SFI	51
Proposed SFI Budget	52
Proposed SFI Five-Year Plan	53

Facilities & Equipment Replacement Reserve (FERR)

Facilities & Equipment	55
Vehicle Replacement Program	57

Debt Service

Debt Service	60
--------------	----

Supplemental Schedules

Schedule of Budget Activities	62
Board of Directors	63
Fund Balance Designations	64
Taxes & Fees: 5-Year History	65
Taxes & Fees Summary Schedule	66
Organization Chart	69
Schedule of Positions	70
Vehicle Replacement Schedule	71

Introduction



Introduction

Budget Message

The Fountain Hills Sanitary District Board of Directors and staff are dedicated to the community's health and well-being and to upholding their fiscal responsibilities with diligence and prudence. With thoughtful planning and proactive solutions, the District works to maintain aging but critical equipment and processes amidst rising costs and ongoing supply chain delays. Longer project timelines and higher costs place continued pressure on the District's present and future resources. Despite these challenges, the District operates within its budget each year, ensuring uninterrupted services and an on-going commitment to "Recycle Every Drop".

Together, the District Manager, District CPA (Certified Public Accountant), department managers, and the Board have evaluated the District's needs and priorities for current and future budgets, considering the impact on customers, partners, and employees. As proposed, this budget emphasizes revenue stabilization over the next five years, reduces total outlay from the prior fiscal year and prioritizes the planning and design phases of crucial projects allowing for extended timelines on these projects where needed.

For the 2025-2026 fiscal year (FY '25-'26), the budget outlay totaling \$11,956,100 for all District funds is a 9.3% decrease from the previous year. Considering the decreased spending expectations and recognizing the economic pressures placed on the District's constituency by high rates of inflation in recent years, this budget proposes no increase in user fees and a decrease in total property tax assessment.

This budget spans from July 1, 2025 to June 30, 2026, with financial accounts organized into designated funds for specific purposes. It will serve as the District's spending guide for the upcoming fiscal year.

Michael Maroon
Chairperson
Fountain Hills Sanitary District Board of Directors



Introduction

District Profile

HISTORY

Established in 1969 under Title 36 (now Title 48) of the Arizona Revised Statutes, the Fountain Hills Sanitary District (FHSD) collects, treats, and disposes of wastewater and its byproducts. The District is governed by an elected five-member Board of Directors. FHSD serves 11,691 acres within its boundaries including most of the Town of Fountain Hills and a small portion of the City of Scottsdale.

BONDS

In the early 1970's. the District requested and was authorized via elections to issue bonds to finance the construction and expansion of its pumping and treatment facilities. A total of \$20,910,000 in bonds were sold by 1995 and the resulting debt was repaid in full by 2005. Since 2005, the District has been and remains debt-free.

COLLECTION SYSTEM

More than 205 miles of sewer piping, over 5,400 manholes and 19 pump stations are the backbone of the District's infrastructure conveying raw sewage to the treatment plant at approximately 2.0 million gallons per day (MGD). The oldest of these components has been in service for over 50 years. Accordingly, careful monitoring, proactive maintenance and significant resources must be dedicated to this critical infrastructure to maintain uninterrupted service under safe and sanitary conditions for the protection of public health.

TREATMENT PLANT

The original wastewater treatment plant (WWTP) was located on seven acres, west of the confluence of the Ashbrook and Balboa washes. The first phase of the WWTP was completed in 1974 providing an initial capacity to treat just 0.3 MGD of sewage. At that time, homes were served by individual or community septic tanks and leach field systems until collection lines and pump stations were constructed to transport sewage from home and business sites to the WWTP.

In 1980, the District acquired land adjacent to the existing site, extending the WWTP footprint to Saguaro Boulevard and providing the space required to expand facilities to serve Fountain Hills' growing population. The WWTP has been expanded and improved by various projects over the years. The WWTP is currently rated to treat up to 2.9 MGD of raw wastewater to Class A+ recycled water standards. Maintaining the State of Arizona's highest water quality rating for recycled water is a core value of the District.

Introduction

WATER RECYCLING

The District has no permitted means to discharge water produced from the treatment of sewer inflows, historically referred to as effluent or reclaimed water. Discharge restrictions necessitate that all reclaimed water produced by the District be beneficially reused, making “recycled water” a more appropriate classification for District effluent. Water produced by the District’s WWTP was originally used to fill Fountain Lake. By the 1980’s, production exceeded the lake’s capacity which made it paramount to develop a plan for distributing recycled water to end-users, including local parks and golf courses.

A storage system, in the form of Aquifer Storage and Recovery (ASR) wells, was needed to manage seasonal fluctuations in supply and demand and facilitate timely distribution of recycled water to these end-users. In February 2001, the District began operating its Advanced Water Treatment Facility (AWTF) to further treat water before its recharge into the ASR wells. This additional treatment allows the District to safely store water below ground without negatively impacting the local groundwater aquifer. Recycled water from the AWTF still keeps Fountain Lake full, but the majority of this water is now distributed to end users year-around. It is stored in the ground during the winter when ample supply exceeds user demand and is recovered for distribution in the summer when demand exceeds supply.

The District currently operates a sophisticated system of ultrafiltration membranes, ultraviolet light (UV) disinfection and five ASR wells. The District strives to successfully manage production of recycled water so that all wastewater can be beneficially reused for internal processes, irrigation purposes, or to maintain levels in Fountain Lake. Priding itself on doing its part to protect the desert’s limited water resources, the District has been successfully *Recycling Every Drop* since 1974.



Introduction

Definitions of Terms & Abbreviations

ADEQ: Arizona Department of Environmental Quality

AWTF: Advanced Water Treatment Facility, the primary site of recycled water processing, where product water from the wastewater treatment plant is further treated before recharge or direct reuse.

ASB: Administrative Services & Billing

ASR: Aquifer Storage and Recovery, referring to the process of storing and recovering treated water via underground wells.

ASRS: Arizona State Retirement System

Capital Fund: One of the District's self-balancing funds, Capital Fund resources are designated for the completion of construction projects and the purchase of assets necessitated by District growth (expansion or improvement of systems and facilities necessary to operate at build-out capacity and/or to comply with new regulations).

Contingencies: An expenditure line within the budget necessary to allow the District to utilize designated reserves for unforeseen events which could necessitate unplanned cash outlays or unanticipated revenue shortfalls. By their nature, contingencies are future events or circumstances which are possible but cannot be predicted with certainty. Such expenditures are not predicted to occur in the budget year, but if they do occur, funds must be identified within the budget as accessible for the purpose of addressing unforeseen events.

CR: Contingency Reserve, is a designation of monies to an account within the General Fund that protects against revenue shortfalls or temporary cash flow shortages, and can be appropriated to cover extraordinary expenditures occurring in the event of an emergency.

CPA: Certified Public Accountant

CPI: Consumer Price Index, the instrument used to measure inflation, is a composite measurement of trends in the prices of products, at constant quality. For purposes of this document CPI refers to the U.S. Bureau of Labor Statistics, West Region.

CS: Collection System, referring to District infrastructure constructed and maintained for the collection and transport of wastewater to the Wastewater Treatment Plant.



Introduction

Debt Service Fund: A self-balancing fund used to account for financing improvement projects that cannot be financed from current or accumulated resources. The District has no debt financing currently. The Debt Service Fund has been inactive since 2005.

FERR: Facilities and Equipment Replacement Reserve, a designation of monies to an account within the General Fund which reserves resources needed for both planned and unanticipated expenditures necessary to replace, restore, repair, or refurbish existing facilities and equipment.

FY: Fiscal Year, the District's fiscal year runs from July 1 to June 30 annually.

Funds Transfers: The transfer of monies between accounting funds or designations, such as from General Fund Operations to the Contingency Reserve account, reducing the cash balance of one and increasing that of another.

General Fund: A self-balancing fund dedicated to District operations. This fund is used to account for resources and expenditures occurring in the course of the District's day-to-day operating activities.

LPV: Limited Property Value, a valuation method used by Maricopa County to restrict property taxes. Arizona law establishes that LPV increases cannot exceed 5% annually.

MCAO: Maricopa County Assessor's Office

NAV: Net Assessed Values, property values set by Maricopa County Assessor's Office for the purpose of assessing property taxes.

Product Water: water produced by District processing of sewer inflows.

RW: Recycled Water, incorporating the processes, facilities and infrastructure needed to treat and distribute recyclable water produced by the District's wastewater treatment processes.

Self-Balancing Accounts: a method of accounting causing one transaction to trigger the creation of an appropriate transaction that offsets the first transaction.

Self-Balancing Fund: a separate set of self-balancing accounts used to report financial transactions designated for specific or general use.

SFI: System and Facility Improvements, expenditures of \$15,000 or more that provide the District with long-term benefits such as major equipment purchases, vehicles, construction projects, and other fixed assets. These expenditures may be funded with General Fund, Capital Fund or FERR account resources as appropriate.

WWTP: Wastewater Treatment Plant.

Introduction

Strategies & Considerations

The District Manager and the District CPA work together to provide relevant financial data and guidance on financial matters to the Board of Directors. Financial matters of the District include but are not limited to the District's overall financial health, reporting of actual revenues and expenditures compared to budget, and projections necessary for successful future planning.

The District's financial objectives are:

- To comply with Board approved District financial policies and to recommend appropriate policy updates to the Board periodically;
- To ensure financial stability and sufficient cash reserves to manage economic variants, adapt to changes in community needs, and respond successfully to unforeseen events;
- To stay within the spending constraints of the Board's adopted annual budget;
- To secure adequate resources to provide safe operations for the protection of staff and public health;
- To provide continuous, quality service to District customers, efficiently and affordably;
- To keep the District debt-free, while maintaining the highest possible bond rating in the event that bond issuance might be considered in the future;
- To promote good stewardship in the community and toward the environment and to contribute to protecting the desert's limited water resources;
- To consider all of the above while consistently operating with fiscal responsibility, integrity, and prudent financial planning.



Introduction

The budget adopted for FY '25-'26 is prepared with the expectation that local, national and global economic factors will continue to challenge certain aspects of District operations. Just as it has been in recent years, managing change, mitigating risk, and planning for the future remain the focal points of this budget. Risk factors identified by staff include:

- prices that continue to rise as a result of historically high inflation rates in 2022 and 2023 impacting costs in nearly every aspect of District spending, especially personnel costs, energy, fuel and chemicals;
- supply chain delays causing significantly longer delivery periods and significant cost fluctuations in planned projects;
- the impact of potential tariffs on products imported from other countries that are essential to District operations or necessitated by specific improvement projects;
- regulatory changes pertaining specifically to water conservation and environmental protections that could mandate costly changes, upgrades, or alterations to the District recycled water storage, distributions systems and/or water quality management.

The Facilities & Equipment Replacement Reserve (FERR) and Contingency Reserve (CR) accounts are in place to provide both proactive and, as needed, reactive maintenance and replacement of District assets, equipment, and infrastructure. Most importantly, reserve accounts allow the District to avoid dramatic spikes in fees and/or taxes assessed to customers when unusually large or unanticipated cash outflows may effect a current or future budget period. District staff strives to mitigate risk with a commitment to funding reserve accounts in accordance with the District's Reserve Funds Policy.



Budget Overview & Financial Perspectives



Budget Overview & Financial Perspectives

Budget Overview

The District operates on a fiscal year from July 1st to June 30th. Every March, staff presents a “Proposed” Budget to the Board, which becomes the “Adopted” Budget, once approved. This budget outlines revenue projections based on trends and sets spending limits for the upcoming year's operations.

A key focus of the budget is ensuring the safety and continuity of sewer services. The budget aims to anticipate operational challenges and ensure uninterrupted service while adhering to the financial objectives presented on page 9.

The budget figures are on a “budgetary basis,” which accounts for expected revenues and expenditures, differing from year-end financial statements that use a “modified accrual basis” as per U.S. GAAP. Additionally, fund balances are classified as Spendable or Non-spendable in the annual financial statements but are not designated as such in this budget presentation. These classifications are further explained in the Supporting Schedules on page 63.

This budget excludes transactions involving State Trust Land that is adjacent to, but remains outside the District's established boundaries. “Growth” within the budget refers to increases in sewage flows from population density and new connections within existing boundaries. Growth-related expenditures are aimed at expanding or improving facilities to accommodate these increases, maintaining regulatory compliance, and implementing safety and technology upgrades.



Budget Overview & Financial Perspectives

Budget Approach

The District Manager and District CPA collaborate with department managers annually to draft a proposed budget for the upcoming fiscal year. To properly prepare and balance the budget for the upcoming fiscal year, staff must calculate anticipated expenditures to set the Total Budget Outlay (Expenditures) that will be needed to operate the District for FY '25-'26 (see Table I on page 14). This process involves analyzing past data, acknowledging current spending trends, and evaluating staffing needs. Once total outlay is established, then District staff and the Board of Directors evaluate revenue sources and make assessments as needed to provide for those expenditures.

As evidenced by the implementation of the District's Reserve Accounts Policy and the concerted efforts to fund those reserve accounts annually, it is the goal of the District's Board of Directors, in cooperation with staff and management, to develop a budget that meets statutory requirements for balancing the General Fund to "zero" on an annual basis, but, more importantly that the budget be structurally balanced and financially sustainable. The process by which a government budget is required by statute to balance the General Fund annually is often in conflict with an operations model that is structurally balanced and financially sustainable over time. Reserve accounts are a cornerstone of structural balance within the General Fund budget. For FY '25-'26, reserve funds are earmarked for stabilizing revenue assessments, supporting cash flow management, and mitigating the risk of Contingencies (see definition on page 7). These funds are reserved and made available with the budget as shown in Table III on page 22, for unplanned events or mitigating circumstances and are isolated from the main budget shown in Table II on page 20.

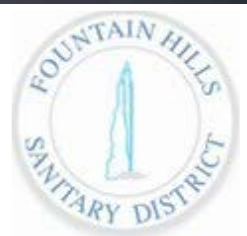
Labor costs, being the District's primary expense, are highlighted in the budget with a proposed 2.5% Cost of Living Adjustment for FY '25-'26 in keeping pace with the Consumer Price Index (CPI) increase in the 2024 calendar year (BLS, Western Cities Index). The District also focuses on offering competitive benefits, including health insurance, disability and flexible spending plans and participation in the Arizona State Retirement System (ASRS).

A thorough examination of operating expenses and District needs for systems, facilities, and equipment is provides guidance for District staff and the Board to ensure that planned spending is conducted in a fiscally responsible manner. This includes an adopted System and Facility Improvements (SFI) Five-Year Plan, a Facilities and Equipment Replacement plan and a Vehicle Replacement Plan to properly maintain the District's investment in assets and infrastructure totaling over \$137 million.



Budget Overview & Financial Perspectives

The total budget for FY '25-'26 is 9.3% lower than the previous year, mainly due to a reduction in spending on System and Facility Improvements (SFI) in the upcoming budget year. Completion of the ASR Well 1 Vault Replacement project in FY '24-'25 wraps up the majority of deferred or delayed SFI projects spanning the past three fiscal years. With the Plant Control Building Improvements expected to be substantially completed in FY '24-'25, the focus now shifts to project design and procurement of high-priority rehabilitation, replacement or refurbishment of multiple critical Wastewater Treatment Plant (WWTP) and Recycled Water (RW) unit processes including digester aeration, headworks system, the flow equalization basin mixer and replacement of two sewer cleaning trucks.



Budget Overview & Financial Perspectives

Table I: Budget Outlay (All Expenditures-All Funds)

	FY 2025-2026 Proposed	FY 2024-2025 Adopted	% Change
<u>Operating Expenses</u>			
Administrative Services & Billing	\$ 2,069,360	\$ 1,924,790	7.5%
Collections System	\$ 1,926,410	\$ 1,941,080	-0.8%
Maintenance Department	\$ 1,377,610	\$ 1,352,420	1.9%
Recyled Water Distribution & Disposal	\$ 1,521,940	\$ 1,559,140	-2.4%
Wastewater Treatment Plant	\$ 2,143,280	\$ 2,190,470	-2.2%
Operating Expenses Subtotal	\$ 9,038,600	\$ 8,967,900	0.8%
<u>Facilities & Equipment Replacement*</u>			
Administrative Services & Billing	\$ -	\$ 15,000	-
Collections System	\$ 817,500	\$ 470,000	73.9%
Maintenance Department	\$ 110,000	\$ 50,000	120.0%
Recyled Water Distribution & Disposal	\$ 245,000	\$ 285,000	-14.0%
Wastewater Treatment Plant	\$ 245,000	\$ 265,000	-7.5%
Facilities & Equipment Replacement Subtotal	\$ 1,417,500	\$ 1,085,000	30.6%
<u>System and Facilities Improvements**</u>			
Administrative Services & Billing	\$ -	\$ 80,000	-
Collections System	\$ 150,000	\$ 650,000	-76.9%
Maintenance Department	\$ 200,000	\$ -	-
Recyled Water Distribution & Disposal	\$ -	\$ 1,000,000	-100.0%
Wastewater Treatment Plant	\$ 1,150,000	\$ 1,400,000	-17.9%
System and Facilities Improvements Subtotal	\$ 1,500,000	\$ 3,130,000	-52.1%
Total Proposed Budget Outlay	\$ 11,956,100	\$ 13,182,900	-9.3%

Proposed Budget Outlay by Department

Administrative Services & Billing	\$ 2,069,360	\$ 2,019,790	2.5%
Collections System	\$ 2,893,910	\$ 3,061,080	-5.5%
Maintenance Department	\$ 1,687,610	\$ 1,402,420	20.3%
Recyled Water Distribution & Disposal	\$ 1,766,940	\$ 2,844,140	-37.9%
Wastewater Treatment Plant	\$ 3,538,280	\$ 3,855,470	-8.2%

*Refer to page 55 for a detailed list of FERR expenditures

**Refer to page 53 for a list of SFI Projects

Budget Overview & Financial Perspectives

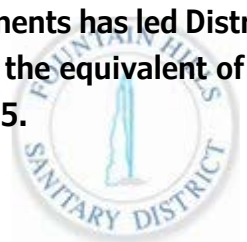
District staff consider several factors when formulating the budget. Not only must the District's operational needs for the fiscal year be assessed, but relevant economic conditions, improvement plans, available staff resources, and project timelines must also be evaluated. Following are some pertinent data points, plans and assumptions applicable to this FY '25-'26 proposed budget.

EXPENDITURES

- ❖ Total Operating Expenses (page 36) increase 0.8% from the FY '24-'25 Adopted Budget.
- ❖ Personnel costs, the largest component of District Operating Expenses, are proposed to decrease 0.6% from FY '24-'25, due primarily to savings in personnel related insurance costs.
- ❖ A 2.5% Cost of Living Adjustment is proposed, in line with the 2.5% increase in western cities CPI in the 2024 calendar year.
- ❖ For FY '25-'26, Proposed SFI & FERR expenditures decrease 23.4% compared to the FY '24-'25 Adopted Budget.

REVENUES

- ❖ The 2025 property tax rate is proposed to drop from .9028 per \$100 of Net Assessed Value (NAV) to .9000 per \$100 of NAV as calculated based on the February abstract report published by Maricopa County. This decrease is made possible by a 5% increase in total NAV of parcels served by the District in combination with a reduced demand for revenues needed to facilitate SFI spending in the budget year. Despite the resulting 2.6% reduction in overall property tax revenue, this proposed assessment allows the District sufficient revenue to cover the General Fund portion of SFI and FERR spending and those operating expenses not covered by User Fees. The assessment will also contribute to the District's ability to maintain reserve accounts in accordance with the District's Reserve Funds Policy.
- ❖ No increase to Sewer User Fees is proposed for residential users, with corresponding commercial rates to remain level in FY '25-'26. The reduced budget for operating expenses will help the District to postpone a previously planned increase to User Fee revenues to at least the 2026-2027 fiscal year.
- ❖ While the potential development of newly zoned and proposed multi-unit facilities within the District remains, a slowdown in actual development and executed Sewer Service Agreements has led District to decrease the proposed budget for Connection Fees revenue for FY '25-'26 to the equivalent of 65 new single-family residential connections, down from 80 budgeted in FY '24-'25.



Budget Overview & Financial Perspectives

- ❖ The base rate charged to end-users for recycled water remains \$380/acre-foot (\$1,167/million gallons). A tiered rate schedule was implemented beginning in FY '22-'23. This schedule encourages end users to be mindful of the recycled water supply which can be depleted by unpredictable influences, such as hot temperatures and drought conditions. The volume of recycled water available for delivery at the base rate of \$380/acre-foot rate will remain at 160 MG (491.0 acre feet) per user in FY '25-'26. This amount has minimal impact on the adopted budget for recycled water sales.
- ❖ Interest earnings on cash balances are conservatively estimated based on current rates being paid by Maricopa County and anticipated cash balances in District accounts held with the county.

OTHER NOTABLE ITEMS

- ❖ The Board is designating \$2,883,440 of General Fund resources to the FERR and CR accounts (Table III, page 22). These resources are designated for identified needs to be addressed in FY '25-'26 and for contribution to the maintenance and accumulation, as needed, of the desired reserve account balances established by the District's Reserve Funds Policy.
- ❖ A slowdown in planned SFI activity is presented to reflect the pace at which projects are actually coming to fruition and reaching completion. After finally completing previously deferred construction projects from prior fiscal years, efforts now shift to the design stage of projects necessary for the replacement of aging or failing, yet critical, treatment equipment. Constrained personnel resources limit the number of active projects that can be administered and completed at one time.

Projects requiring specialized equipment must be planned to accommodate extended lead times for delivery. Continued delays in the supply chain of electrical component specifically, such as power panels, motors and generators, can stretch otherwise short project timelines over two to three fiscal years.



Budget Overview & Financial Perspectives

BEGINNING FUND BALANCES & PROJECTIONS

- Beginning Fund Balances (see Table III, page 22) are made up of four components accumulated from the prior fiscal year in the following order:
 - Amounts expected to be encumbered but not spent as of June 30, 2025,
 - Unspent amounts from SFI projects deferred to a future budget year,
 - Execution of Funds Transfers budgeted in FY '24-'25, and
 - Anticipated General Fund surpluses at year-end, if any.
- The Five-Year Budget Projection on page 24 assumes the following:
 - Total revenue from Property Taxes is projected to remain stable in amount over the five-year period. Changes in NAV as determined by Maricopa County would be reflected in the calculated rate per \$100 of NAV, but total assessment is estimated at an equal amount each year for five years.
 - A \$1/month increase to residential user fees is projected in future years, subject to annual review. This increase is included in the projection for fiscal years ending 2027 and 2029.
 - Interest income projections are adjusted according to anticipated changes in ending fund balance each year.
 - A steady rate of increase of 3% per year to Operating Expenses is applied each year for the next five years based on average CPI increases experienced in the last decade.
 - The Proposed SFI and FERR Five-Year Plan (page 53) calls for estimated spending of \$30,205,290 over the next five fiscal years. This is an increase of nearly 18% from estimates made in the Adopted Budget for FY '24-'25.



Budget Overview & Financial Perspectives

Fund Perspectives

The financial accounts of the District are organized into three accounting funds: General, Capital, and Debt Service. Each of these three funds is accounted for with a separate set of self-balancing accounts. The Budgetary Fund Balance for each fund (shown on Table III) is increased by revenues and decreased by expenditures during the fiscal year.

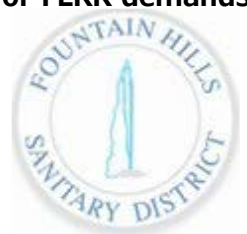
GENERAL FUND

The General Fund is the District's operational fund. This fund accounts for revenues and expenditures used for the day-to-day operations of the District. The primary General Fund revenue sources are user fees, property taxes, and recycled water sales. Disbursements from this fund include labor and other costs to operate and maintain the District's collection system, wastewater treatment plant, advanced water treatment facility, and recycled water distribution system. Administrative expenses are also disbursed from this fund.

When preparing the General Fund budget, District staff must consider the expenditures needed to operate and maintain District processes for the year and ensure that the District has enough operating cash reserves. Based on these considerations, staff requests only the amount of revenue needed to meet budget year appropriations.

Within the General Fund, the District has designated the Contingency Reserve (CR) and the Facilities & Equipment Replacement Reserve (FERR) accounts in accordance with the District's Reserve Funds Policy. Contingency reserves are intended to protect against a reduction or interruption of services due to cash flow shortages, temporary revenue shortfalls, or a substantial yet unforeseen one-time event. The FERR account is intended to provide the financial stability required to address both planned and unplanned needs for the replacement and/or restorative repair of aged District facilities and equipment in a timely manner. The Board approves planned repair and replacement expenditures for the budget year during the budget process.

Together, the reserve accounts make it possible for the District to stabilize revenues from year-to-year, avoiding dramatic spikes in revenue assessments from one year to the next. Without these reserve accounts, one budget year's revenue requirements could be as much as 30% higher than the prior year's, depending on the priority and trajectory of active District SFI projects and/or FERR demands at any given time.



Budget Overview & Financial Perspectives

Each fiscal year, the Board of Directors reviews the reserve account balances available and considers the amount of reserves appropriate for planned *and* unexpected District needs that may occur in the near future. A line item for “contingencies” is included in Table III which allows the District to access reserve funds in excess of specifically budgeted FERR items if needed to maintain the safe and continuous operation of District services. The Board must authorize or ratify any such “contingency” expenditures made from reserve funds due to unanticipated events, equipment failures or other anomalies that the District may experience during the fiscal year.

CAPITAL FUND

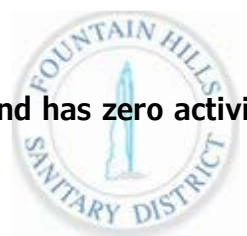
Unlike the General Fund, the Capital Fund does not balance to zero each budget year. The revenues assigned to the Capital Fund are confined to Connection Fees and interest on cash accumulated within the fund. Because Connection Fees are determined by and dependent on District growth, the revenues from these fees are restricted to be used for “growth” purposes. “Growth” purposes encompass District projects and purchases needed to accommodate new connections, for facility and/or process expansions, or to implement new processes and procure equipment needed to meet increasing safety and environmental standards and regulations.

Historically, Connection Fees have been set based on a long-term perspective incorporating staff’s assessment and estimations of future needs for construction projects or purchases necessitated by District growth. Staff and the Board of Directors set fees based on the anticipated cost of those needs at a specific moment in time, allocating those costs to remaining connections to be made within the District years into the future.

Revenues restricted within the Capital Fund are difficult to determine on a year-to-year basis and are likely to fluctuate significantly over time. For this reason, revenues are accumulated to address growth driven projects and purchases when they may arise, sometimes well into the future. When such a need does arise, this type of project is often very costly, resulting in a budget year in which Capital Fund expenditures considerably exceed that year’s Capital Fund revenue. Fund balance in the Capital Fund accumulates in preparation for these purposes and is typically classified in the District’s financial statements as either Committed (for growth driven projects actively under contract) or Assigned (for future growth driven projects) as appropriate at fiscal year-end.

DEBT SERVICE FUND

The District does not carry bonded indebtedness. As a result, the Debt Service Fund has zero activity, zero fund balance, and is not included in budget reporting.



Budget Overview & Financial Perspectives

The following two tables present the proposed budget for revenues and expenditures for FY '25-'26 and the anticipated impact of these activities on Budgetary Fund balances.

Table II: FY '25-'26 Proposed Revenues & Expenditures - All Funds

	General Fund			Capital Fund	2025-2026 Proposed Budget	2024-2025 Adopted Budget	% Change
	Operations	FERR	CR		All Funds	All Funds	
Revenues							
Property Taxes	\$ 5,979,490				5,979,490	6,139,530	-2.6%
Sewer User Fees	\$ 6,183,430				6,183,430	6,178,750	0.1%
Connection Fees	\$ 29,250			710,280	739,530	895,820	-17.4%
Recycled Water	\$ 525,400				525,400	525,400	0.0%
Other Income	\$ 259,470		40,500	135,000	434,970	481,950	-9.7%
Deferred From Prior Fiscal Year*	\$ 526,250			1,250,000	1,776,250	587,900	202.1%
Fund Transfers	\$ (2,883,440)	2,733,780	149,660	-	-	-	
Total Revenues	\$ 10,619,850	\$ 2,733,780	\$ 190,160	\$ 2,095,280	\$ 15,639,070	\$ 14,809,350	5.6%
Expenditures							
Operating							
Admin & Billing	\$ 2,069,360				2,069,360	1,924,790	7.5%
CS	\$ 1,926,410				1,926,410	1,941,080	-0.8%
Maintenance	\$ 1,377,610				1,377,610	1,352,420	1.9%
RW	\$ 1,521,940				1,521,940	1,559,140	-2.4%
WWTP	\$ 2,143,280				2,143,280	2,190,470	-2.2%
Subtotal Operating	\$ 9,038,600			-	9,038,600	8,967,900	0.8%
System & Facility Improvements (SFI)							
Projects in Progress	\$ 306,250			156,250	462,500	1,900,000	70.0%
Projects Starting in FY '25-'26	\$ 1,275,000	1,417,500		75,000	2,767,500	2,315,000	
Subtotal SFI	\$ 1,581,250	1,417,500	-	231,250	3,230,000	4,215,000	-23.4%
Total Expenditures	\$ 10,619,850	\$ 1,417,500	\$ -	\$ 231,250	\$ 12,268,600	\$ 13,182,900	-6.9%
Excess of revenues over expenditures	\$ -	\$ 1,316,280	\$ 190,160	\$ 1,864,030	\$ 3,370,470	\$ 1,626,450	

*Deferred SFI consists of funds remaining from projects that did not commence as originally planned in FY '24-'25. These amounts are considered FY '25-'26 revenue, reducing the amount of calculated revenue needed to meet budget year expenditures.



Budget Overview & Financial Perspectives

Table III: Schedule of Changes in Budgetary Fund Balances - Projected

	General Fund				Capital Fund
	Operations		Reserve Accounts		
	Operating Activities	System & Facility Improvements	FERR	CR	2025-2026 Proposed Budget General Fund / 2025-2026 Proposed Budget Capital Fund
Beginning Fund Balance	50,000	\$ 526,250	4,319,690	2,809,840	7,705,780 / 9,957,920
Inflows (Revenues)					
Property Taxes	2,041,050	\$ 3,938,440			5,979,490
Sewer User Fees	6,183,430				6,183,430
Connection Fees	29,250				29,250
Recycled Water	525,400				525,400
Other Income	259,470			40,500	299,970
Interfund Transfer		\$ (2,883,440)	2,733,780	149,660	-
Total Revenues	\$9,038,600	\$ 1,055,000	\$ 2,733,780	\$ 190,160	\$13,017,540 / \$ 845,280
Outflows (Expenditures)					
Operating					
Current Budget Year	9,038,600				9,038,600
Encumbered Prior FY	50,000				50,000
Subtotal Operating	9,088,600				9,088,600
System & Facility Improvements (SFI)					
Current Budget Year		\$ 1,425,000	1,417,500		2,842,500
Encumbered Prior FY		\$ 156,250	500,000		656,250
Subtotal SFI		\$ 1,581,250	1,917,500		3,498,750
Total Expenditures	\$9,088,600	\$ 1,581,250	\$ 1,917,500	\$ -	\$12,587,350 / \$ 231,250
Excess of revenues over expenditures	\$ -	\$ -	\$ 5,135,970	\$ 3,000,000	\$ 8,135,970 / \$ 10,571,950
Contingencies**					
Contingencies**			\$ 5,135,970	\$ 3,000,000	\$ 8,135,970
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ - / \$ 10,571,950

*Beginning Fund Balance is made up of the projected cash balance in each fund and reserve account designation, plus deferred SFI and estimated encumbrances from Prior FY to be paid in FY '25-'26.

**For additional information pertaining to Contingencies please refer to Definitions of Terms and Abbreviations on page 6 and the Budget Approach narrative contained on page 13.



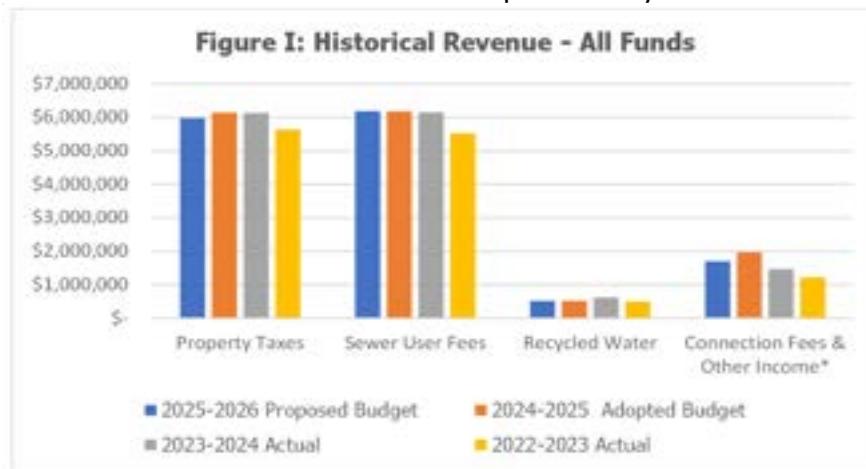
Budget Overview & Financial Perspectives

Historical Comparison

Table IV: Historical Revenues & Expenditures - All Funds

	2025-2026 Proposed Budget	2024-2025 Adopted Budget	2023-2024 Actual	2022-2023 Actual
Revenues				
Property Taxes	5,979,490	6,139,530	6,134,490	5,633,090
Sewer User Fees	6,183,430	6,178,750	6,147,270	5,522,610
Recycled Water	525,400	525,400	625,720	500,570
Connection Fees & Other Income*	1,699,900	1,965,670	1,472,350	1,220,410
Total Revenues	\$14,388,220	\$ 14,809,350	\$ 14,379,830	\$12,876,680
Expenditures				
Operating Expenditures	9,038,600	8,967,900	8,239,730	7,910,130
SFI & FERR (Capital outlay)	3,230,000	4,215,000	3,948,990	2,513,390
Total Expenditures	\$12,268,600	\$ 13,182,900	\$ 12,188,720	\$10,423,520

*Does not include SFI deferred from prior fiscal year.



Budget Overview & Financial Perspectives

Five-Year Budget Projection

Table V: Five-Year Budget Projection - All Funds

	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Revenues					
Property Taxes	5,979,490	5,979,490	5,979,490	5,979,490	5,979,490
Sewer User Fees	6,183,430	6,350,380	6,350,380	6,509,140	6,509,140
Connection Fees	739,530	665,580	599,020	539,120	485,210
Recycled Water	525,400	525,400	525,400	525,400	525,400
Interest & Other	434,970	413,220	351,240	316,120	316,120
Total Revenues	\$ 13,862,820	\$ 13,934,070	\$ 13,805,530	\$ 13,869,270	\$ 13,815,360
Expenditures*					
Operating Expenses	9,088,600	9,361,260	9,642,100	9,931,360	10,229,300
System & Facility Improvements	1,812,500	4,025,000	5,250,000	5,150,000	4,600,000
FERR	1,917,500	1,975,030	2,034,280	2,095,310	2,158,170
Total Expenditures	\$ 12,818,600	\$ 15,361,290	\$ 16,926,380	\$ 17,176,670	\$ 16,987,470
Budgetary Fund Balances					
Beginning**	\$ 17,663,700	\$ 18,707,920	\$ 17,280,700	\$ 14,159,850	\$ 10,852,450
Ending	\$ 18,707,920	\$ 17,280,700	\$ 14,159,850	\$ 10,852,450	\$ 7,680,340

	Allocation of Ending Budgetary Fund Balances				
FERR & CR Accounts	\$ 8,135,970	\$ 6,445,200	\$ 5,824,958	\$ 6,138,602	\$ 5,886,446
Capital Fund	\$ 10,571,950	\$ 10,835,500	\$ 8,334,892	\$ 4,713,848	\$ 1,793,894

*Includes amount encumbered in prior year to be spent in FY '25-'26

**Includes Deferred SFI Expenditures and Encumbrances from Prior FY



Revenue Sources



Revenue Sources

Taxes & Fees Overview

PROPERTY TAX

Title 48 of the Arizona Revised Statutes authorizes the Fountain Hills Sanitary District to certify to the Board of Supervisors "...the amount necessary to maintain, operate, extend and repair the sewerage system...and the treatment plants of the district during the ensuing year". Upon certification, the Board of Supervisors levies and causes to be collected a tax on real property and mobile homes within the District. Taxes are levied on the assessed valuation of property as determined by the Maricopa County Assessor's Office (MCAO).

There are two types of assessed valuation, primary and secondary. By statute, primary valuation can only be increased by a specified amount each year, while secondary valuation can be raised according to market conditions. Although the District's property tax rate is considered a secondary tax, the "full-cash value" or secondary value does not have a direct correlation to the calculation of District property tax assessments. The District's assessment is calculated on the limited primary NAV, a derivative of the Limited Property Value (LPV) established by the MCAO. Although increases to LPV cannot exceed 5% per year, NAV may increase more or less than this amount based on parcel additions, reclassifications, or MCAO adjustments. NAV may also decline based on MCAO adjustments arising from market corrections reducing overall property values within the District. For the 2025 tax year, total limited primary NAV of property within the District is expected to increase 5.4% over the 2024 tax year.

During the budget process, MCAO issues a preliminary report of valuations within the District. Based on this report, District staff proposes a tax rate that will generate sufficient revenue to meet District needs for the budget year. The final report of valuations is issued in August each year, after the District's budget process is complete. This August report typically varies a small amount from the preliminary report that the District's budget is based on, so that the actual rate will vary slightly from calculated budget rate depending on the county's final valuations.

SEWER USER FEES

The FY '25-'26 Adopted Budget maintains residential and commercial user fees at FY '24-'25 rates. Sewer User Fees are the primary source for funding the District's day-to-day operations and should keep pace with rising costs of operations over time. This budget includes a user fee increase of \$1/month tentatively projected to occur in July of 2026 and 2028 as presented on page 24.

The District offers a low-income assistance program designed to assist qualified customers with a reduced sewer user fee. Information and instructions for participating in this program can be found on the District's website at az-fhsd.gov.

Revenue Sources

Figure III: Property Tax Rates (per \$100 of NAV) & Property Tax Assessments 2015-2025

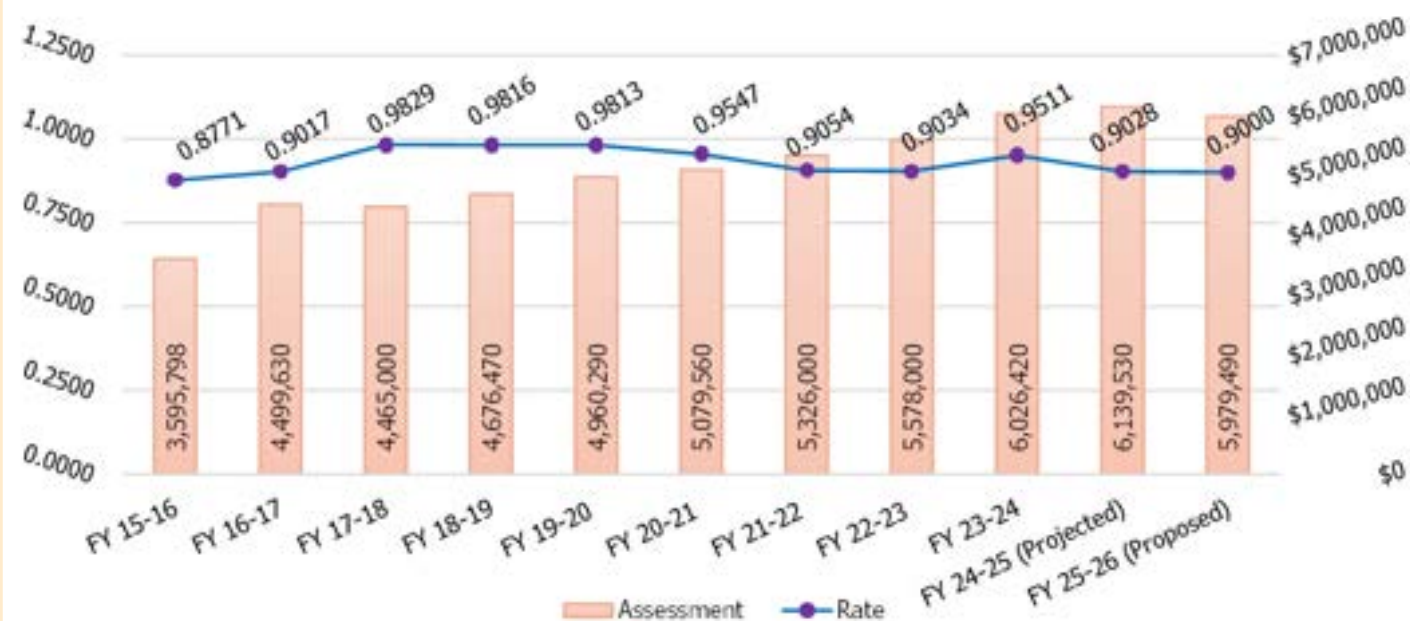


Figure IV: Monthly Residential User Fee Rates & Fiscal Year Total User Fee Revenues 2015-2025



Revenue Sources

CONNECTION FEES

The District charges Connection Fees to new users upon connection to the District's existing sewer infrastructure. A small portion of these fees is designated to cover the administrative costs of adding a user referred to as the Hook Up fee. The remaining Connection Fees are considered Capital Fund revenue source contributing to the Capital Fund balance intended to provide for the following:

- development of additional infrastructure and systems,
- expansion of existing facilities and treatment processes,
- other necessary improvements arising when needed to accommodate increased flow capacity due to growth or new development and/or to comply with increased regulatory, safety and technological standards.

A conservative approach is taken when estimating revenues from Connection Fees. The District does not budget for speculative developments. The scope and timing of which specific fiscal year any given project will occur is beyond District control or forecasting abilities.

RECYCLED WATER

The District's recycled water is sold to offset a portion of the cost associated with its treatment and distribution. In recent years, the District's Board has taken action intended to conscientiously apply the District's core values of sustainability and sound water management by managing its recycled water practices without the benefit of supplemental water rights from outside sources.

Because of this action and to stay in compliance with permitting requirements, the District must proactively manage the real possibility that stored water may be depleted in the future if demand from local end users continues to exceed supply. To encourage end users to be mindful of their usage in the context of projected supply, the District has implemented a tiered rate schedule for the sale of recycled water. According to this schedule, the first 491 acre feet of recycled water delivered to each end-user will be charged at the current rate of \$380/acre foot. Additional acre feet delivered over 491 per end-user within the fiscal year will be charged at a rate of \$1,433/acre foot (the rate equivalent to agricultural water rate charged by EPCOR). The tier break point water volume and second tier rate will be established annually weighing both available recycled water supplies and economic conditions.



Revenue Sources

OTHER INCOME

Other sources of revenue presented collectively on page 21 as “Other Income” include:

- Interest income, generated by the amount of District cash on deposit with Maricopa County;
- Availability fees, \$7 per month paid by real property parcel owners whose undeveloped property lies adjacent to District sewer lines. These property owners benefit from the District’s ability to accommodate development of their parcel without have to execute a Sewer Service Agreement or pay the associated Connection Fee until development occurs;
- Utility company payments in lieu of property taxes;
- Other fees for project review and inspection, encroachment and abandonment permits, public records reproduction, and disposal (use of the District’s on-site RV dump station), and other fees or revenue that may be collected in accordance with the District fee schedule.

In total, Other Income contributes 3.4% of the District’s total revenue budget.

THE REVENUE PROCESS

Each year, District staff must determine the amount of revenues that will be required to operate the District and serve District customers in keeping with the financial goals presented on page 9. To prepare and balance the budget for the upcoming fiscal year, staff must calculate anticipated expenditures to set a total budget, then evaluate revenue sources and make assessments as needed to provide for those expenditures. Revenues are adopted based on the following process:

Step 1: Establish Sewer User Fees that:

- Provide sufficient resources to fund the majority of day-to-day Operating Expenses;
- Increase fees periodically to keep pace with inflation and the resulting impact on Operating Expenses;
- Maintain increases at a steady pace over time keeping the economic impact on users in mind.

Step 2: Determine the contribution expected from other revenue sources:

- Assign accumulated Connection Fees to growth projects to be completed in the fiscal year, leaving excess revenues in the Capital Fund for future expenditures necessitated by growth;
- Adjust the expected amount to be collected from other revenue sources (Recycled Water sales, Availability Fees, Hook Up Fees, Interest, etc.) according to the current economic climate and known variables as applicable;
- Identify and include in total revenue specific items, such as deferred SFI projects, which may result in a budget surplus to be carried forward into the budget year.

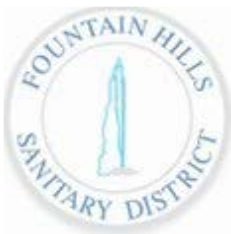
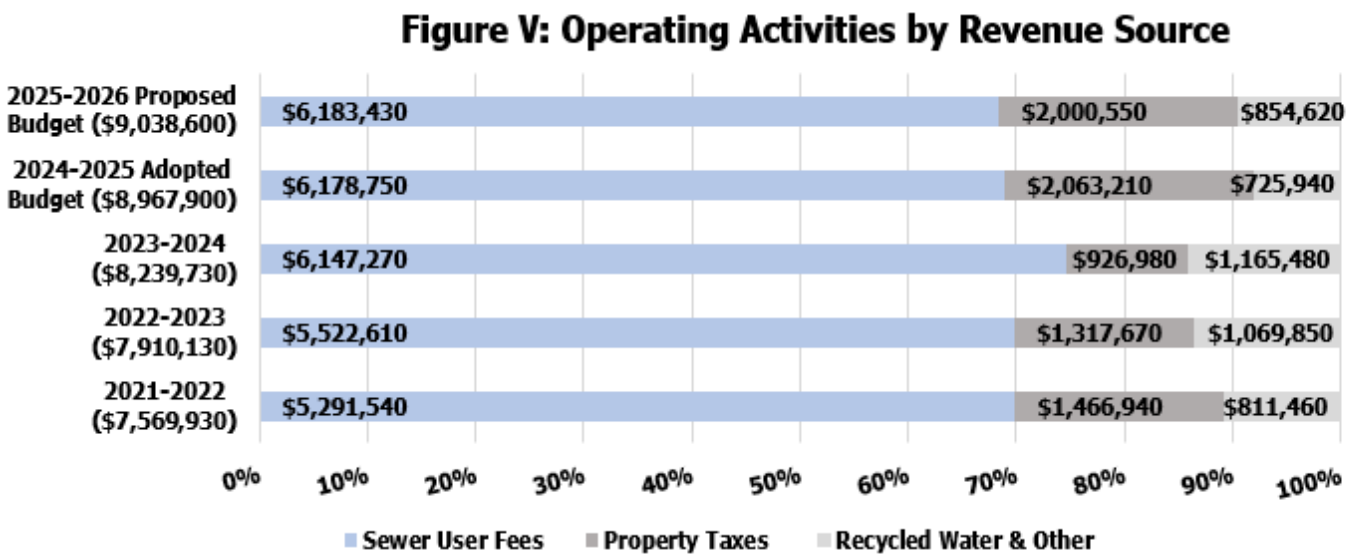


Revenue Sources

Step 3: Request tax levy sufficient to balance General Fund budget:

- Ensure that available property tax revenue as determined by LPV set by MCAO will be enough to provide for budgeted expenditures not covered by the other revenue sources.
- Maintain or reduce the calculated tax rate to reach a total assessment sufficient to balance the current budget year while aiming to maintain appropriate reserves and consistency in the amount of future assessments.

Set the property tax assessment request at the amount necessary to satisfy the obligations of the District to produce a structurally balanced budget for the fiscal year.



Revenue Sources

Proposed Taxes & Fees

SEWER USER FEES:

The pace of inflation slowed in 2024 with regional CPI increasing 2.5% over the calendar year. Despite this increase, prudent management by District staff has allowed for a slight reduction in budgeted Operating Expenses year-over-year. As a result, District Staff proposes to maintain FY '25-'26 rates for residential and commercial user fees.

The District acknowledges specific issues when estimating its budget for Operating Expenses for this and future fiscal years. (1) Over the past decade, the average annual increase in the District's Operating Expenses has outpaced the average rate of inflation due to factors including increased number of users, regional and industrial economic factors, increasing personnel costs, heightened safety requirements, and the age of District equipment and facilities. (2) Western Cities CPI grew at a rate of 2.5% in 2024, a slower rate than the previous two calendar years, more consistent with long-term averages.

The District has historically relied on user fees to cover a majority (65-90%) of Operating Expenses, while attempting to maintain a reasonable balance between the two primary revenue sources, User Fees and Property Taxes. A noticeable increase in Operating Expenses from FY '12-'13 to FY '15-'16, while user fees remained flat, created a significant variance in the slope trajectory of User Fees versus Operating Expenses. When increases in Sewer User Fees do not keep up with inflation and increases in Operating Expenses, User Fees as a percentage of Operating Expenses declines and the District becomes more reliant on property taxes to cover day-to-day operations. Added reliance on Property Tax Revenue can potentially expose the District to greater risk in the event of an economic downturn and restrict the District's ability to address operational SFI and FERR needs in an organized and timely manner. Incremental increases in user fees for the past five years (a total of \$9/month in that span) have brought Sewer User Fees to a level that provides for a greater majority the Operating Expenses, allowing property taxes to provide the primary source for SFI and FERR expenditures and for property tax assessments to remain stable. Regular increases to user fees as reflected in the Five-Year Plan are necessary to keep pace with the District's consistently increasing costs of doing business including personnel, utilities, chemicals, and construction materials.



Revenue Sources

PROPERTY TAXES:

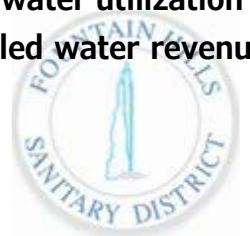
For FY '25-'26, the District proposes a tax levy generating \$5,979,490 to "maintain, operate, extend and repair the sewerage system...and treatment plants" per state statute for the 2025 tax year. The tax rate is determined by dividing the requested tax levy of \$5,979,490 by 1% of the District's NAV provided by the MCAO. The NAV for the 2025 tax year is \$664,387,923. This amount is subject to change prior to the Assessor's completion of the 2025 tax levy in August. The District's requested levy reduces tax rate from 0.9028 per \$100 of assessed value to .9000 per \$100 of assessed value resulting in \$160,040 decrease in total property tax revenue for FY '25-'26.

CONNECTION FEES:

Connection Fees are challenging to predict from year-to-year but can be estimated based on economic conditions and knowledge of current development within the District. In FY '24-'25 Connection Fee revenues are tracking to be less than budget projections by as much as 10% for the fiscal year. Zoning within District boundaries and recent projects proposed by developers indicate that more multi-family units may be coming online over the next few years. This information led District staff to propose an increased budget for Connection Fees for FY '24-'25, however very few multi-family units have actually been submitted for new connection to the District in the fiscal year-to-date (FYTD). Consequently, the proposed budget for FY '25-'26 is reduced to 65 estimated connections, down from 80 for FY '24-'25. Although just one moderately sized multi-family development could result in many more than 65 new connections, it has proven to be too difficult to predict the specific timing of service agreement requests unless preliminary development actions are well underway before the beginning of the new fiscal year. At the time of this proposed budget, development activities do not support estimates for increased sewer service agreement activities.

RECYCLED WATER:

This revenue source is estimated based on three-year averages. Fluctuations in weather and unknown variables in end-user operations can cause actual revenues to vary considerably from budget amounts. Income from Recycled Water distribution is estimated conservatively. Recent Board actions are designed to impact awareness by end users of their recycled water utilization as it compares to District supply. The full impact of these actions on future recycled water revenues is yet to be determined.



Operating Activities



Operating Activities

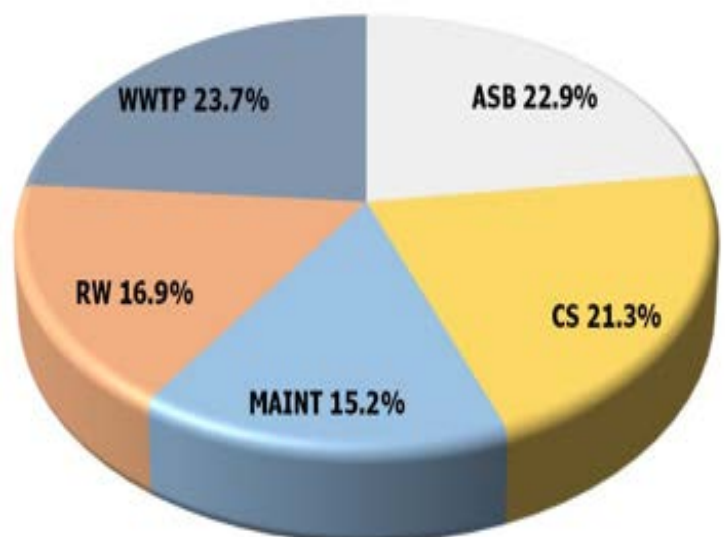
Summary of Operating Activities

Expenses incurred by the District as necessary to conduct everyday operations are considered Operating Expenses. Operating Expenses are a component of the District's Total Expenditures (See page 19). These expenses are differentiated from System and Facility Improvements (SFI) and Facilities & Equipment Replacement Reserve (FERR) expenditures by their short-term and consumable nature. From a financial standpoint, this type of day-to-day spending is considered an *expense* as opposed to an *expenditure* for the purchase of a fixed asset or investment in infrastructure. The Districts Operating Activities incorporate both day-to-day Operating Expenses and operational (not growth driven) SFI and FERR. Operational revenues and expenditures are accounted for in the General Fund and presented as a "balanced" budget in which operating revenues equal operating expenditures and the bottom line, "Excess of revenues over expenditures", comes to zero each year. The table on page 36 shows the Operating Activities portion of the District's total General Fund budget with details and additional illustrations of Operating Expenses presented in the remainder of this section.

Operating Expenses are organized into five departments as follows:

- Administrative Services and Billing (ASB)
- Collection System (CS)
- Maintenance (M)
- Recycled Water (RW)
- Wastewater Treatment Plant (WWTP)

**Figure VI: FY '25-'26
Operating Activities
by Department**



Operating Activities

Operations attributable to the treatment, distribution and disposal of recycled water are managed by both the Collection System (CS) and Wastewater Treatment Plant (WWTP) departments. As one of the District's core functions, the expenses of recycled water processes are displayed separately.

Certain trends, economic conditions, and operational shifts have an impact on the District's budget for Operating Expenses. Following are some notable factors that are considered in the development of this proposed budget for Operating Expenses:

- The rate of inflation dropped in the 2024 calendar year, bringing it back in line with the average annual rate for the last ten years.
- Supply chain delays in the current economy create a high demand, low supply environment in which prices may be inflated and lead time on delivery of essential items can increase dramatically threatening the efficiency and effectiveness of core functions.
- Construction and mechanical supplies, necessities of the CS and Maintenance departments, respectively, are high on the list of products impacted by the current economic climate. Prices for these products are adversely affected by supply chain challenges, increased fuel costs, and potential tariffs along with their resulting market volatility.
- The District will experience a reduction in personnel costs for the Wastewater Treatment Plant (WWTP) due to a replacement made available by the retirement on a long-term employee.
- Election costs must be included in the FY '25-'26 proposed budget and are estimated at \$36,000.
- The District continues its commitment to the safety, well-being, and satisfaction of personnel. Ongoing efforts to retain existing employees and attract potential candidates is necessary and evidenced by the 2.5% proposed Cost of Living Adjustment (COLA) and careful annual review of all employee benefits including healthcare, retirement and training.



Operating Activities

Table VI: Revenues & Expenditures General Fund - Operating Activities

	2025-2026 Proposed Budget	2024-2025 Adopted Budget	% Change	Increase (Decrease) from 2023-2024
Revenues				
Property Taxes	2,041,050	1,951,800	4.6%	89,250
Sewer User Fees	6,183,430	6,178,750	0.1%	4,680
Connection Fees	29,250	32,000	-8.6%	(2,750)
Recycled Water	525,400	525,400	0.0%	-
Other Income	259,470	279,950	-7.3%	(20,480)
Total Revenues	\$ 9,038,600	8,967,900	0.8%	70,700
Operating Expenses				
Administrative & Billing	2,069,360	1,924,790	7.5%	144,570
CS	1,926,410	1,941,080	-0.8%	(14,670)
Maintenance	1,377,610	1,352,420	1.9%	25,190
RW	1,521,940	1,559,140	-2.4%	(37,200)
WWTP	2,143,280	2,190,470	-2.2%	(47,190)
Total Expenses	\$ 9,038,600	\$ 8,967,900	0.8%	70,700
Excess of revenues over expenses	-	-	-	-



Operating Activities

The following pages present the Proposed Operating Expenses of each of the five departments mentioned on page 34. Individual operating expense transactions are classified into one of 178 accounts indicating the department, type and/or specific purpose of the expense. These 178 accounts are summarized into categories for comparative and illustrative purposes. Generally, these summary categories consist of:

- Chemicals & Odor Control
- Operations and Maintenance
- Personnel Costs made up of
 - ♦ Salaries and Wages
 - ♦ Taxes, Benefits, and Other Labor Costs (paid by the District)
- Technology & Supplies
- Utilities

“Operations and Maintenance” is a broad grouping, commonly used to refer to general, every-day, expenses including but not limited to operational supplies and services utilized by each department as well as professional fees, bank fees, postage, building supplies and maintenance costs, incidental utilities, communications, subscriptions, general liability insurance, and permit fees. “Professional Fees” primarily include outside services such as legal, accounting, outside engineering and other consulting services. “Technology & Supplies” consists of software, Information Technology tools and services, and supplies in general such as office supplies, safety supplies and small tools. In general, operating expenses are intended to encompass expenses recurring on at least an annual basis that fluctuate based on pricing and utilization and expenses that are not considered capitalized expenditures for financial statement purposes. Expenditures for capitalized items are included in the SFI and FERR section starting on page 48.

*Figure VII: FY '25-'26
Operating Activities
by Category*



Operating Activities

Administrative Services & Billing

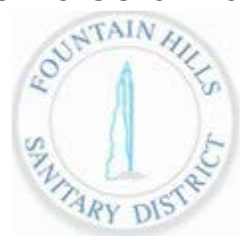
The District's Administrative Services Department, which includes billing activities essential to the District's revenue collection efforts, provides administrative support to the Board of Directors and other District departments. In addition to overall management of the District carried out by the District Manager, the essential functions of this department include:

- general administration
- billing
- accounts receivable and payable
- financial reporting
- budgeting
- payroll, human resources, and benefits administration
- drug and alcohol programs
- information technology
- public information
- development and permit reviews
- project management
- safety training administration
- customer relations

Noteworthy observations when considering the FY '25-'26 proposed budget for Administrative Services & Billing (ASB) include:

- \$36,000 in election costs are included in the Proposed Budget that were not included in the FY '24-'25 Adopted Budget. Elections are scheduled every other year for the District and must only be included in the corresponding fiscal year budget.
- Overall, ASB expenses are increased 7.5% over the FY '24-'25 Adopted Budget.
- The majority of this increase is attributable to potential election costs and The aforementioned 2.5% COLA to Salaries and Wages.

A summary of Administrative Services and Billing expenses proposed for FY '25-'26 is shown on Table VII on the next page.



Operating Activities

Table VII: Administrative Services & Billing

	2025-2026 Proposed Budget	2024-2025 Adopted Budget	% Change	Increase (Decrease) from 2024-2025 Adopted Budget
Administrative Services				
Professional Fees	139,570	127,000	9.9%	12,570
Operations & Maintenance	278,490	236,220	17.9%	42,270
Personnel				
Salaries & Wages	768,340	667,480	15.1%	100,860
Board of Directors	18,000	9,000	100.0%	9,000
Taxes, Benefits, Other				
Labor Costs	233,650	234,540	-0.4%	(890)
Technology & Supplies	157,000	151,800	3.4%	5,200
Sub-Total Administrative	\$ 1,595,050	\$ 1,426,040	11.9%	169,010
Billing				
Operations & Maintenance	104,990	100,120	4.9%	4,870
Personnel				
Salaries & Wages	244,160	260,820	-6.4%	(16,660)
Taxes, Benefits, Other				
Labor Costs	92,260	101,910	-9.5%	(9,650)
Technology & Supplies	32,900	35,900	-8.4%	(3,000)
Sub-Total Billing	\$ 474,310	\$ 498,750	-4.9%	\$ (24,440)
Combined Total	\$ 2,069,360	\$ 1,924,790	7.5%	\$ 144,570



Operating Activities

Collection System

The sewer collection system consists of over 205 miles of gravity sewer pipes and more than 5,000 manholes. The mountainous terrain of Fountain Hills necessitates the use of 19 wastewater pump stations. Sewage is collected and pumped up and over hills, sometimes multiple times, before ultimately ending up at the wastewater treatment plant.

The District built and utilizes Geographical Information Systems (GIS) data and sewer capacity modeling software. This software allows the District to plan and track maintenance efforts in the extensive collection system and to analyze the impact of proposed development on localized sewers and the system as a whole. With GIS data, inspections are performed regularly on system components. Inspections include periodic TV inspection of the District's gravity sewer lines. From inspection results, measurements and appropriate actions can be taken by the District to prevent main sewer line blockages or failures. Pump stations must also be carefully monitored and maintained to ensure their uninterrupted safe and efficient operation.

The District's collection system also includes construction services for service lateral repairs when aged connections to the main infrastructure are identified as inadequate or out of compliance with District standards. Expenses of the Collection System shown below include the cost of new service lateral construction, odor control throughout the collection system and manhole maintenance.

Despite economic factors previously mentioned, the FY '25-'26 proposed budget for the District's Collections System is down 0.8% compared to the FY '24-'25 Adopted Budget. Reduced costs for personnel benefits are the primary contributor to this decrease.



Operating Activities

Table VIII: Collection System

	2025-2026 Proposed Budget	2024-2025 Adopted Budget	% Change	Increase (Decrease) from 2024-2025 Adopted Budget
Operations & Maintenance	291,000	287,000	1.4%	4,000
Chemicals & Odor Control	265,000	260,000	1.9%	5,000
Personnel				
Salaries & Wages	899,330	892,410	0.8%	6,920
Taxes, Benefits, & Other				
Labor Costs	323,780	350,320	-7.6%	(26,540)
Technology & Supplies	36,750	42,200	-12.9%	(5,450)
Utilities	110,550	109,150	1.3%	1,400
Total Expenses	\$ 1,926,410	\$ 1,941,080	-0.8%	\$ (14,670)



Operating Activities

Maintenance

The District's Maintenance department is responsible for both routine and unscheduled maintenance and repair of District vehicles, equipment, buildings, and unit process components. Using a Computerized Maintenance Management System (CMMS) software and their collective expertise, Maintenance employees are tasked with keeping the District running. CMMS is used to track maintenance efforts on over 2,000 pieces of equipment, facilitating the District's ability to perform preventive maintenance, often extending the life of District assets. CMMS is key to operating the District efficiently and effectively. Properly tracking and executing maintenance plans is vital to the overall health of District assets, allowing District staff to plan for the replacement of assets to avoid costly emergencies whenever possible.

Maintenance staff assists other District departments with the repair and replacement of pumps, motors, valves, vehicles, structural and other facilities, and all-things mechanical. Maintenance is also tasked with the continuing implementation of the District's CMMS providing invaluable data and planning tools for the District's collective operations and maintenance and the protection of its more than \$137 million-dollar investment in assets and infrastructure.

The Maintenance Department budget increased by 1.9%, mostly due to COLA applied to Salaries and Wages in the department.

Table IX: Maintenance

	2025-2026 Proposed Budget	2024-2025 Adopted Budget	% Change	Increase (Decrease) from 2024-2025 Adopted Budget
Operations & Maintenance	243,500	235,500	3.4%	8,000
Personnel				
Salaries & Wages	804,980	771,050	4.4%	33,930
Taxes, Benefits, Other				
Labor Costs	295,130	309,870	-4.8%	(14,740)
Technology & Supplies	34,000	36,000	-5.6%	(2,000)
Total Expenses	\$ 1,377,610	\$ 1,352,420	1.9%	25,190



Operating Activities

Recycled Water

Recycled water management is historically one of the District's most demanding and challenging operations, yet every drop of wastewater generated in the District's service area is recycled and beneficially reused. Recycled water provides irrigation at three local golf courses, and three Town parks (Fountain Park and Lake, Golden Eagle Park, and Desert Vista Park). Recycled water can come from: the wastewater treatment plant, advanced water treatment facility, or aquifer storage and recovery wells. All recycled water from the District exceeds water quality standards set by the Arizona Department of Environmental Quality (ADEQ).

For efficiency purposes, the treatment and distribution of recycled water is incorporated in the responsibilities of the Collection System and WWTP departments, but as a core function of the District, the costs associated with this function are presented separately in the budget as Recycled Water (RW).

The Advanced Water Treatment Facility (AWTF) is a principal component of the District's recycled water processes. The AWTF began operation in February of 2001 housing ultra-filtration membranes and ultraviolet (UV) light disinfection processes. The AWTF and five aquifer storage and recovery (ASR) wells allow the District to successfully manage seasonal fluctuations in the supply and demand of recycled water.

Overall, the proposed budget for RW for FY '25-'26 is decreased 2.4% from the FY '24-'25 Adopted Budget. Similar to the Collection System department, reduced costs of personnel benefits account for most of that reduction. Additionally, one long-term employee of the District will be moving on with that position being converted to an entry-level level individual. This creates a significant reduction in Salaries and Wages for both the RW and WWTP departments.



Operating Activities

Table X: Recycled Water

	2025-2026 Proposed Budget	2024-2025 Adopted Budget	% Change	Increase (Decrease) from 2024-2025 Adopted Budget
Operations & Maintenance	195,500	196,300	-0.4%	(800)
Chemicals & Odor Control	100,000	100,000	0.0%	-
Personnel				
Salaries & Wages	654,950	673,080	-2.7%	(18,130)
Taxes, Benefits, Other				
Labor Costs	226,740	251,560	-9.9%	(24,820)
Technology & Supplies	42,450	41,700	1.8%	750
Utilities	302,300	296,500	2.0%	5,800
Total Expenses	\$ 1,521,940	\$ 1,559,140	-2.4%	\$ (37,200)



Operating Activities

Wastewater Treatment Plant

First constructed in 1974, the Wastewater Treatment Plant (WWTP) has undergone multiple expansions and improvements to its treatment processes over the years. Today, the facility provides tertiary treatment (three levels of treatment) of incoming wastewater. Its finished product (Class A+ recycled water) meets or exceeds all ADEQ standards for reuse.

Under relatively new management, work continues on shoring up standard operating practices and procedures, identifying opportunities for overall efficiencies and potential cost savings.

WWTP has the highest payroll and the most employees of all the District departments. Consequently, variations in personnel costs have the most significant impact on WWTP Total Expenses. Reduced benefits costs create impactful savings in this department. In addition, the change in staffing from a long-term operator to an entry-level position, mentioned on page 43, generates savings in Salaries and Wages, in spite of the 2.5% COLA.

The WWTP Department budget is decreased by 2.2%, due mostly to changes in personnel costs.

Table XI: WWTP

	2025-2026 Proposed Budget	2024-2025 Adopted Budget	% Change	Increase (Decrease) from 2024-2025 Adopted Budget
Operations & Maintenance	385,600	379,800	1.5%	5,800
Chemicals & Odor Control	225,000	225,000	0.0%	-
Personnel				
Salaries & Wages	832,540	861,720	-3.4%	(29,180)
Taxes, Benefits, Other Labor Costs	266,040	298,850	-11.0%	(32,810)
Technology & Supplies	71,300	70,100	1.7%	1,200
Utilities	362,800	355,000	2.2%	7,800
Total Expenses	\$ 2,143,280	\$ 2,190,470	-2.2%	(47,190)



Operating Activities

District Personnel

The District considers its overall employee benefit package to be an important part of total compensation offered to attract and retain talent in a competitive job market.

Although the average tenure of District staff is much longer than most local employers, vacancies in the fairly specialized area of wastewater treatment can be difficult to fill, particularly in higher level operator positions and project management. To combat some of these challenges, the District has filled one long-term operator position, that came available due to an employee's retirement, with an entry-level position, and to open up the Project Manager position to a broader spectrum of applicants by making an Assistant District Manager position available as an alternative.

Insurance costs for both workers compensation and health benefits are expected to decrease considerably in FY '25-'26 with improved ratings and the efforts of District staff in cooperation with new representation in the benefits arena. The calculated contribution percentage for the Arizona State Retirement System is down slightly from the prior fiscal year, and additional funds previously budgeted for retirement plan transition costs will not be required going forward.

The aforementioned items combine to offset the proposed 2.5% cost of living increase to the District wage schedule, resulting in an overall reduction in personnel costs of .6% compared to the FY '24-'25 Adopted Budget.

Long-term, the District expects that steps taken to remain competitive in the labor market will pay dividends in the form of reduced turnover, shorter duration of vacancies, ability to fill highly skilled and certified positions with better quality candidates, timely exit strategies for employees approaching retirement, and a healthier general working environment.

The FY '25-'26 Wage Schedule and Schedule of Positions are provided in the "Supplemental Schedules" section on pages 69 to 70.

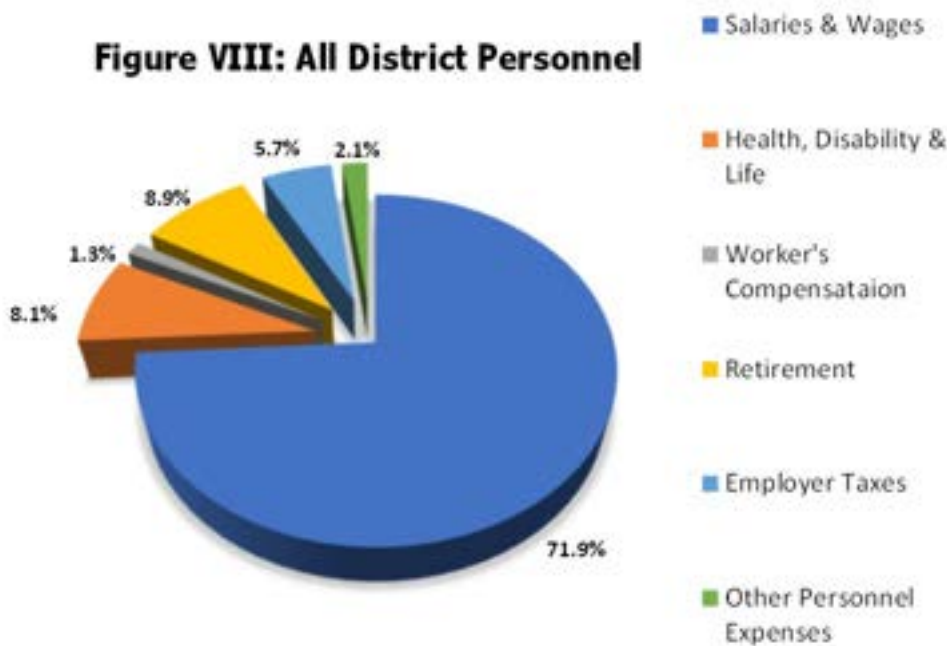


Operating Activities

Table XII: All District Personnel

	2025-2026 Proposed Budget	2024-2025 Adopted Budget	% Change	Increase (Decrease) from 2024-2025 Adopted Budget
Salaries & Wages	4,204,300	4,126,560	1.9%	77,740
Benefits				
Health, Disability & Life Insurance	457,000	525,000	-13.0%	(68,000)
Worker's Compensation	72,250	82,000	-11.9%	(9,750)
Retirement	504,510	524,920	-3.9%	(20,410)
Employer Taxes	321,630	315,850	1.8%	5,780
Other Personnel Expenses				
Physicals & Tests	5,200	5,450	-4.6%	(250)
Training and Professional Development	61,950	65,900	-6.0%	(3,950)
Uniforms	32,250	34,250	-5.8%	(2,000)
Other Payroll Expenses	16,350	29,070	-43.8%	(12,720)
Total Personnel Expenses	\$ 5,675,440	\$ 5,709,000	-0.6%	(33,560)

Figure VIII: All District Personnel



System & Facility Improvements



System & Facility Improvements

SFI Perspective

System & Facility Improvements (SFI) are the District's capital outlay activities and are essential to the continued operation of District systems year-to-year. Expenditures that provide the District with long-term benefit such as major equipment purchases, vehicles, construction projects, and other fixed assets are designated as SFI. These expenditures, typically considered capitalized expenditures for financial statement purposes, include most improvements to buildings, sewer infrastructure, and other core components of the sewer system designed to last more than one year. Costly construction projects, for new facilities or rehabilitation of existing facilities, typically generate expenditures over many months and often over multiple fiscal years requiring substantial planning well in advance of their execution. District staff carefully considers the long-term implications and the probability of significant variables when constructing an SFI plan.

Property Taxes, a General Fund revenue source, are the primary resource for funding SFI required to repair, replace, or extend unit processes for ongoing operations. Revenue from Connection Fees, which are primarily a Capital Fund revenue source, are utilized to finance growth driven SFI. District staff evaluates the purpose of each project and allocates expenditures to the General or Capital Fund in accordance with applicable Board designations and assignments. Each SFI expenditure is evaluated to determine what, if any, portion of the project is designed to accommodate District growth. Many SFI expenditures are multi-purpose in nature and are prorated to the applicable revenue source or sources accordingly.

Multimillion-dollar projects may require large cash reserves accumulated over multiple fiscal years. In addition, certain revenue sources, Connection Fees especially, may fluctuate significantly from one year to the next. Consequently, the Capital Fund budget is not required to match revenues and expenditures so that the bottom line "Excess of revenues over expenditures" is equal to zero each year. Instead, the fund is designed to either accumulate or expend cash based on growth-driven revenues versus expenditures year-to-year. Variations in project timing, completion periods extended over multiple fiscal years and revenue fluctuations are often reflected in large variances when making year-to-year comparisons of Capital Fund activity.

As mentioned above, equipment, vehicles, and other fixed asset purchases are also considered a part of SFI planning and are typically funded by the FERR account. The FERR Account is an essential tool facilitating the District's ability to provide uninterrupted service to its customers. The FERR designation allows General Fund monies to accumulate in reserve, for the specific purpose of funding both planned and unplanned expenditures for the current and future replacement or refurbishment of existing facilities and equipment.

System & Facility Improvements

SFI Highlights

The District's proposed System & Facility Improvements (SFI) Five-Year Plan includes spending designated for the FERR account and is revised annually as part of the budget process. Staff considers multiple factors such as priority, cost, timing, staff availability, and scheduling when developing this plan. Staff continually strives to plan and implement efficient and cost-effective solutions to update aging unit processes.

For FY '25-'26, a slowdown in planned SFI activity is presented to reflect the pace at which projects are actually being accomplished. Constrained personnel resources limit the number of active projects that can be administered and completed at one time. In addition, continued delays in the supply chain of electrical components, such as power panels, motors and generators, have stretched project timelines over two to three fiscal years.

Identifying equipment that is at the end of its serviceable life and a critical component of the collection or treatment systems determines priorities for the upcoming fiscal year. This includes both items that are easy to replace, such as pumps and flowmeters, and other items that are significantly more complicated, such as process equipment. Process equipment often changes over time, improves, or is no longer supported in older versions. Many times, a change in process equipment is initiated after identifying its limitations and weak points over years of operation.

Equipment items that can be replaced in kind using District personnel to source, manage contracts and install are typically identified and funded through the FERR fund. Other equipment that needs to be replaced, upgraded and/or modified with the assistance of an outside design engineer and contractor are typically funded as SFI projects. Managing the outside design engineers and contractors can be time-consuming and is limited by available staff resources.

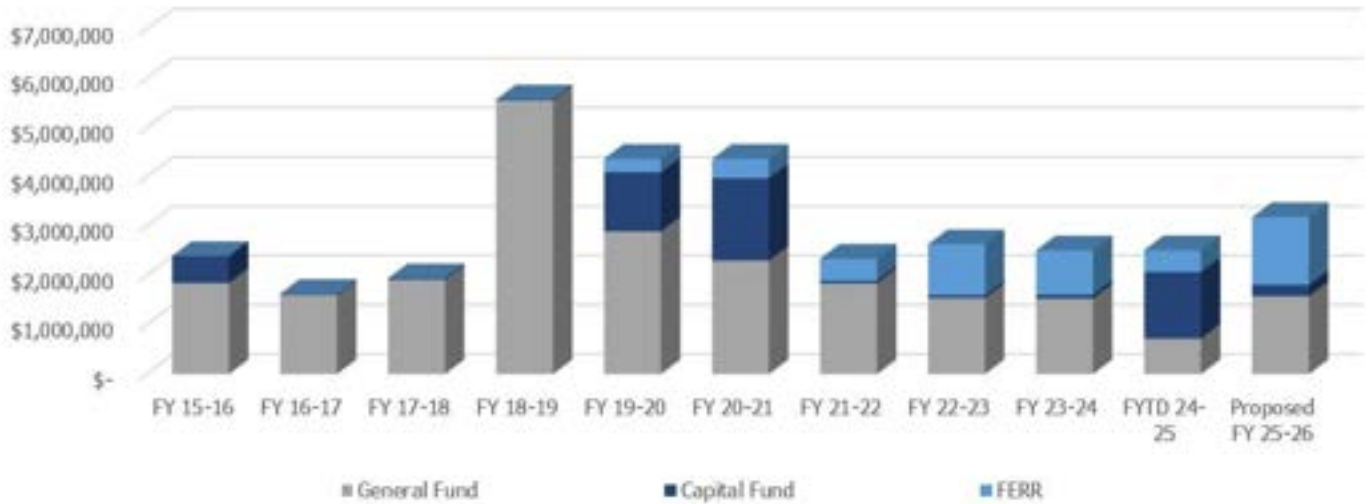
The following SFI projects have been identified for FY '25-'26.

- Design for the replacement of the Digester Aeration System, deferred from FY '24-'25, is necessary as the manufacturer of the current diffusers no longer makes the product.
- The Headworks and Grit System Replacement is a project that is being moved forward from previous projections as the 15-year-old headworks screening equipment has had significant challenges and maintenance efforts this year. It is anticipated to take 3 years to complete the design, procurement and installation of these critical components.
- The Flow Equalization Basin Mixer is 30-years old and needs to be replaced. District staff proposes to change the style of the mixer to allow for routine maintenance activities without draining the entire basin. This installation will need to be performed by a contractor.
- Funding is requested to be available for various engineering studies as the Board or District Manager deem necessary for long-term projects such as the lake liner replacement, locating a new ASR well or annexation of State Trust Land.
- An electrical system Arc Flash Study is required every 5 years by electrical code to protect workers from electrical hazards, especially around high-voltage equipment. The District last completed such a study in 2020.

System & Facility Improvements

Historical & Projected SFI

**Historical SFI Spending by Year & Fund
(Actual Totals - Past 10 Years)**



**Projected SFI Spending by Fiscal Year
(General Fund, Capital Fund, FERR)**



System & Facility Improvements

Proposed SFI Budget

**Table XIII: SFI & FERR Revenues & Expenditures
All Funds**

	General Fund		Capital Fund	2025-2026 Proposed Budget	2024-2025 Adopted Budget
	Operations	FERR		All Funds	All Funds
Revenues					
Property Taxes	3,938,440			3,938,440	4,187,730
Connection Fees			710,280	710,280	863,820
Other Income			135,000	135,000	160,000
Funds Transfer	(2,883,440)	2,733,780		(149,660)	(114,700)
<i>From Prior Fiscal Year</i>					
Deferred SFI Expnditures from Prior Fiscal Year	526,250		1,250,000	1,776,250	587,900
Total Revenues	\$1,581,250	\$2,733,780	\$2,095,280	\$ 6,410,310	\$5,684,750
Expenditures					
System & Facility Improvements					
WWTP	1,231,250	245,000	231,250	1,707,500	1,665,000
RW	-	245,000	-	245,000	1,285,000
CS	150,000	817,500	-	967,500	1,120,000
Maintenance	200,000	110,000	-	310,000	50,000
Admin & Billing				-	95,000
Total Expenditures	\$1,581,250	\$1,417,500	\$ 231,250	\$ 3,230,000	\$4,215,000



System & Facility Improvements

Proposed SFI Five-Year Plan

Table XIV: Five-Year Plan by Category
All Funds - SFI (Includes Planned FERR)

PROJECT DESCRIPTION	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
WWTP					
Digester Aeration System Replacement	\$ 150,000	\$ 800,000	\$ 800,000	\$ -	\$ -
Clarifier Rehabilitation	\$ -	\$ 400,000	\$ -	\$ -	\$ 400,000
Headworks System Replacements	\$ 300,000	\$ 1,000,000	\$ 800,000	\$ -	\$ -
Replace FEB Mixer	\$ 400,000	\$ -	\$ -	\$ -	\$ -
Purchase Sampler, Spare Mixers and Pumps	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Engineering and/or Consultant Study(ies)	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Planned Equipment Replacements	\$ 245,000	\$ 341,360	\$ 351,600	\$ 362,150	\$ 373,020
RW					
Scottsdale Interconnect - Construction	\$ -	\$ 75,000	\$ 1,500,000	\$ 1,000,000	\$ -
Wells 3 & 5 Vault Replacement	\$ -	\$ 300,000	\$ 1,500,000	\$ 1,500,000	\$ -
New ASR Well - Study, Design, Construction	\$ -	\$ -	\$ 500,000	\$ 2,000,000	\$ 3,000,000
AWTF Pump Station Refurbishment	\$ -	\$ 500,000	\$ -	\$ -	\$ -
FireRock Pump Station Refurbishment	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Planned Equipment Replacements	\$ 245,000	\$ 341,360	\$ 351,600	\$ 362,150	\$ 373,020
CS					
Upgrade PS 10 - Redesign and Construction	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,000,000
Manhole & Wetwell Improvements	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 200,000
Sewer Sliplining	\$ -	\$ 300,000	\$ -	\$ -	\$ -
Planned Equipment Replacements	\$ 817,500	\$ 1,139,040	\$ 1,173,210	\$ 1,208,410	\$ 1,244,660
OTHER					
District wide Arch Flash Renewal (5 Yr)	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Planned Equipment Replacements - Maintenance	\$ 110,000	\$ 153,270	\$ 157,860	\$ 162,600	\$ 167,480
Total System & Facilities Improvements	\$ 2,917,500	\$ 6,000,030	\$ 7,284,270	\$ 7,245,310	\$ 6,758,180
General Fund Portion of above	\$ 1,425,000	\$ 3,499,000	\$ 2,045,000	\$ 895,000	\$ 1,100,000
FERR Portion of above	\$ 1,417,500	\$ 1,975,030	\$ 2,034,270	\$ 2,095,310	\$ 2,158,180
Capital Fund (Growth) Portion of above	\$ 75,000	\$ 526,000	\$ 3,205,000	\$ 4,255,000	\$ 3,500,000

*Includes project funds deferred from FY '24-'25



Facilities & Equipment Replacement Reserve



Facilities & Equipment Replacement Reserve

Facilities & Equipment

The Facilities and Equipment Replacement Reserve (FERR) Account was established in FY '18- '19 as a designation of General Fund monies to provide for the planned or unplanned expenditures for the replacement, restorative repair, or refurbishment of existing facilities and equipment.

The District has more than \$137 million in assets, (\$54 million net of depreciation) each with a finite life of 5 to 50 years. Most of the necessary equipment required for the safe, effective, and continuous collection and treatment of wastewater has a useful service life of 5 to 20 years. The eventual replacement of such assets is best done when appropriately planned and funded by stable revenue sources. Likewise, aged tools and machinery should be promptly replaced if their operation compromises employee safety.

The objectives of FERR are as follows:

- To provide adequate resources for the planned and systematic replacement of District equipment and facilities.
- To have sufficient reserves to cover the unplanned replacement of District equipment and facilities necessitated by early equipment failure or safety concerns.
- To accumulate reserves for large and expensive facility replacement projects that require more funds than can be generated from property tax and user fee revenues in one or two fiscal years.

By planning for a slow and steady accumulation of reserves needed for large and expensive facility replacement projects, the District can avoid significant changes in the tax levy from year to year, thereby stabilizing tax rates for its constituents.

The largest FERR spending request is to replace the sewer pumping truck (19-years old) and a sewer flushing truck (15-years old) with a single unit designed for both functions. Similar in concept to the sewer combo vacuum truck purchased two years ago, this one is much smaller and would have the ability to drive in washes and over rough terrain.

A concerted effort is being made to replace all 20-year-old flowmeters in the treatment and recycled water distribution facilities. Properly accounting for all water treated and distributed is vital to the District's operating permits from various regulating agencies.



Facilities & Equipment Replacement Reserve

Table XV: Planned Equipment Replacements

PROJECT DESCRIPTION	2025-2026
WWTP	\$ 245,000
Replace Plant Flowmeters	\$ 30,000
Refurbish Pumps	\$ 50,000
Replace Electric Forklift and Golf Carts	\$ 65,000
Unscheduled Equipment Replacements	\$ 100,000
RW	\$ 245,000
Replace AWTF Flooring	\$ 35,000
Replace RW Flowmeters	\$ 20,000
Refurbish 1 Pump	\$ 30,000
RW Check Valve Replacements	\$ 80,000
AWT Valve Refurbishment	\$ 30,000
Unscheduled Equipment Replacements	\$ 50,000
CS	\$ 817,500
Replace Sewer Rodder and Pumper Trucks (S-4 & S-27)	\$ 467,500
Pump Station Pump/Equipment Replacements (as needed)	\$ 100,000
Replace Pump Station Generator (PS 17)	\$ 200,000
Unscheduled Equipment Replacements	\$ 50,000
MAINTENANCE	\$ 110,000
Replace Roofs, A/Cs, Evap Coolers	\$ 60,000
Unscheduled misc. equipment refurb/replace	\$ 50,000
ADMINISTRATION & BILLING	
Total FERR	\$1,417,500



Facilities & Equipment Replacement Reserve

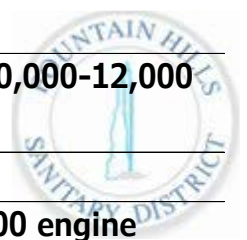
Vehicle Replacement Program

The purpose of the Vehicle Replacement Program is to provide a reasonable decision-making process for the evaluation, selection, and multi-year scheduling of vehicle replacements based on the vehicle's age, mileage, engine hours, repair costs, and criticality to the continuous maintenance and operation of the sewer collection and treatment systems. The objectives of the program are to:

- Ensure the timely purchase and replacement of the District's vehicles;
- Plan for and minimize expensive long-term repair costs;
- Plan for and stabilize long-term cash flow expenditures for replacement of costly vehicles and specialty equipment; and
- Exercise efficient and effective vehicle acquisition and replacement.

A vehicle is defined as a piece of rolling stock with a final cost of at least \$15,000 and a useful life of at least 7 years. The table below identifies the general guidelines for the classification and replacement of the District's vehicles.

Classification	Descriptions	Cost Effective Useful Life
Light Duty Trucks	General Work Trucks (1-ton work trucks), 0 – 7,000 GVWR	8-10 years/100,000 miles
Medium Duty Trucks	Field and Maintenance Work Trucks (2 and 3-ton work trucks), 7,001 – 11,000 GVWR	10-12 years/100,000 miles
Heavy Duty Trucks	11,001 and higher GVWR	10-15 years/100,000 miles
Passenger Vehicles		10-15 years/100,000 miles
Specialty Sewer Inspection Vehicles (Camera)	Truck and Camera Operation Station	8-10 years/10,000 operating hours
Specialty Sewer Equipment and Construction Vehicles	Dump Trucks, Water Trucks, Sewer Vacuum and Cleaner Trucks, Cranes	10-12 years/10,000 operating hours
Backhoes		12-15 years/10,000-12,000 engine hours
Trailers		10 years
Gator or Golf Cart		10 years/15,000 engine hours



Facilities & Equipment Replacement Reserve

When making recommendations for the replacement of a vehicle, Department Managers and/or District Manager shall review the utilization, maintenance records, overall condition of the vehicle, age, availability and expense of replacement parts, and the criticality of its function in the continuous maintenance and operation of the sewer collection and treatment systems.

SOURCE OF FUNDS: Vehicle replacement shall be scheduled and funded within the Facilities & Equipment Replacement Reserve (FERR) Account. The Vehicle Replacement Schedule is included in the "Supplemental Schedules" section of this document.

Table XVI: Vehicle Replacement Schedule

FY	DEPARTMENT	VEHICLE	YEAR	MAKE	DESCRIPTION	FUNCTION	REPLACEMENT BUDGET*
FY 25-26							
2026	Collections	S-4	2006	International	7400 Pumper Truck	Sewer Pumper	\$ 425,000
2026	Collections	S-27	2010	International	7300 SFA Rodder Truck	Sewer Rodder	Combined Above
2025	Treatment	3	20+	Club Car	Utility Carts: E390, E442, E443	Plant Work Cars and Sampling	\$ 25,000
2025	Treatment	E 428	1991	Hyster	Electric ForkLift	Move chemical totes	\$ 40,000
Future Years							
2026	Maintenance	S-6	2002	Chevrolet	3500 HD Utility Truck	Maint. Shop Truck	\$ 75,000
2027	Admin	S-25	2014	Ford	F-150 Pickup	FOG/Permits	\$ 40,000
2028	Shared/Maint	S-11	2003	Ford	F-350 Stakebed Truck	Hauling/Work Crew	\$ 40,000
2029	Collections	S-14	2019	Ford	F-250 Utility Truck	Field Crew	\$ 50,000
2030	Shared	S-15	2015	Ford	F150 Supercrew Pickup	Managers	\$ 40,000
2031	Admin	A-1	2021	Ford	Escape Hybrid	Admin/Billing	\$ 40,000
2032	Collections	S-20	2017	Ford	F-350 Utility Truck	Pump Stations	\$ 75,000
2032	Maintenance	S-21	2017	Ford	F-350 Utility Truck	Maint. Work Crew	\$ 75,000
2034	Collections	S-19	2019	Ford	F-450 Water Truck	Construction	\$ 120,000
2036	Treatment	S-23	2021	Ford	F-150 Pickup	Plant	\$ 40,000
2036	Maintenance	S-17	2021	Ford	F-350 Utility Truck	Electrician	\$ 75,000
2037	Maintenance	S-16	2022	Ford	F-250 Pickup	Maintenance (Fleet)	\$ 120,000
2037	Collections	S-29	2022	Ford	F550 Utility Truck	Construction	\$ 100,000
2037	Maintenance	S-30	2022	Ford	F550 Utility Truck w/ crane	Maintenance (Equipment)	\$ 100,000
2032	Treatment	S-31	2022	Ford	F350 SuperDuty Utility Truck	AWT/Wells	\$ 75,000
2033	Treatment	S-32	2023	Ford	Maverick XLT Hybrid	Plant	\$ 50,000
2039	Collections	S-34	2024	Ford	F-150 Pickup	Bluestakes/Inspection	\$ 50,000
2038	Treatment	S-35	2023	Ford	Ford Transit Van - Hybrid	SCADA/Instrumentation	\$ 50,000
SPECIALTY TRUCKS							
2028	Collections	S-7	2006	Ford	F-750 Dump Truck	Construction/Dump Truck	\$ 150,000
2029	Collections	S-24	2014	Isuzu	NPR HD Camera Truck	Sewer Camera	\$ 400,000
2030	Shared	S-28	2005	Freightliner	w/BT3470 Crane	Shared	\$ 350,000
2039	Collections	S-33	2024	Freightliner	Combo Sewer Cleaning Truck	Sewer Combo Pump/Clean	\$ 350,000

* Budget Costs escalated over time to account for inflation



Debt Service



Debt Service

Debt Service

The Debt Service Fund is a fund designed to account strictly for financing secured by a District bond issue and the ensuring repayment of those bonds. When in use, the Debt Service Fund provides the accounting for any public financing secured by the District. Funds generated by public financing such as a bond issue are typically used to fund improvement projects that are too large to be financed from current or accumulated fund balances.

Revenue sources available through District Debt Service include a line of credit, a Water Infrastructure Finance Authority (WIFA) loan or the sale of voter approved bonds. Expenditures accounted for in the Debt Service Fund are debt repayments, interest, and fees on debt and potential expenditures by the bond or loan purpose.

The District originally utilized the Debt Service Fund to account for the bonds requested and authorized by voter election to finance the construction and expansion of its pumping and treatment facilities in the early 1970's. By 1995 a total of \$20,910,000 in bonds were sold and the resulting debt was repaid in full by 2005.

Since 2005 the District has been, and remains, debt-free and therefore, does not currently utilize the Debt Service Fund.



Supplemental Schedules



Supplemental Schedules

Schedule of Budget Activities

<u>Date</u>	<u>Day, Time</u>	<u>Description</u>
February 19, 2025	Wednesday, 4:30pm	Regular Board Meeting to include State of the Budget presentation
March 17, 2025	Monday	Preliminary Budget and Fee Schedule delivered to Directors
March 26, 2025	Wednesday, 4:30pm	Budget and Fee Schedule Workshop, Regular Board Meeting
April 16, 2025	Wednesday, 4:30pm	Regular Board Meeting: Present updated Preliminary budget with Accounting report on substantive changes since workshop along with items for publication. Board to finalize proposed Fee Schedule and tax rate for Public Hearing
April 23, 2025	Wednesday	Proposed Budget, Fee Schedule, and Public Meeting Notice to Times for publication
April 30, 2025 & May 7, 2025	Wednesday	Proposed Budget, Fee Schedule, and Public Meeting Notice published in Times; Send .pdf copy of Budget to Times staff upon request.
May 21, 2025	Wednesday, 4:30pm	Regular Board Meeting; Public Hearing for Fee Schedule; Public Hearing for Budget
June 18, 2025	Wednesday, 4:30pm	Regular Board Meeting; Approve Budget and Fee Schedule

Supplemental Schedules

Board of Directors

Bob Hendrix	Jan 1, 1969-Dec 31, 1973	Dennis Regeski	Jan 1, 1998-Dec 31, 2001
Carol Hendrix	Jan 1, 1969-Dec 31, 1973	Bruce Hansen	Jan 1, 1998-Dec 31, 2001
Mary Louise Price	Jan 1, 1969-Dec 31, 1975	Wallace Nichols	Jan 1, 2000-Dec 31, 2003
Bob Williams	Jan 1, 1974-Dec 31, 1981	Jim Garvin	March 9, 2002-Dec 31, 2006
Raymond Reed	Jan 1, 1974-Dec 31, 1977	Bruce Hansen	Jan 1, 2004-August 11, 2016
Doyle Bauserman	Jan 1, 1976-Dec 31, 1979	Michael Howard	Jan 1, 2007-Dec 31, 2011
Sy Seidner	Jan 1, 1978-Dec 31, 1981	Glenn Panaro	Jan 1, 2007-Sep 30, 2014
Don Martin	Jan 1, 1980-October 31, 1980	Thomas Besett	Jan 1, 2012-April 18, 2017
Margaret Jeffrey	Nov 1, 1980-Dec 31, 1983	Tom Reski	March 9, 2002- Dec 31, 2020
Leo Cunningham	Jan 1, 1982-March 31, 1984	Jerry Butler	Oct 18, 2016-Dec 31, 2022
Clint Foreman	April 1, 1984-Dec 31, 1985	Robert Thomson	August 9, 1999-Jan 31, 2023
Cy Blasing	Jan 1, 1982-Dec 31, 1985	Gregg Dudash	March 1, 2015-PRESENT
Dr. Robinson	Jan 1, 1984-Dec 31, 1987	Michael Maroon	July 18, 2017-PRESENT
Cliff Auble	Jan 1, 1986-May 31, 1987	Tammy Bell	Jan 1, 2021-PRESENT
Harry Thrasher	June 1, 1987-Dec 31, 1989	Robert Thomson	Jan 1, 2024-PRESENT
Greg Phillips	Jan 1, 1986-Dec 31, 1989	Clayton Corey	Jan 1, 2023-PRESENT
Jim Tognacci	Jan 1, 1988-Dec 31, 1991		
M. Shawn Fleming	Jan 1, 1990-Dec 31, 1997		
Bruce Hansen	Jan 1, 1990-Dec 31, 1993		
Dennis Regeski	Jan 1, 1992-Dec 31, 1995		
Bert Putterman	Jan 1, 1994-Dec 31, 2006		
Walter Franklin	Jan 1, 1996-Dec 31, 1999		

Current Terms of Office

January 1, 2023 - December 31, 2026

Michael Maroon

Robert Thomson

Clayton Corey

January 1, 2022 - December 31, 2025

Gregg Dudash

Tammy Bell



Supplemental Schedules

Fund Balance Designations

As discussed in the Financial & Budget Overview section on page 17, annual financial statements prepared by the District are presented on a modified accrual basis in accordance with U.S. Generally Accepted Accounting Principles. Amounts presented in the budget are shown on a budgetary basis and may not present a direct correlation to year-end financial statements for the same period. Governmental Accounting Standards applied to the District's annual financial statements also indicate that fund balance should be identified as either Spendable or Nonspendable, with Spendable funds further classified as Restricted, Committed, Assigned, or Unassigned. These classifications are made according to internal, external, or legislative constraints placed on how District monies can be spent. These designations made in the District's annual Financial Statements, *Governmental Funds Balance Sheet and Statement of Net Position* are not presented in this budget but are described in more detail below for informational purposes.

Nonspendable refers to the portion of fund balance which is not in spendable form or is legally or contractually required to remain intact (i.e. Inventory or other nonliquid assets).

Spendable refers to the portion of fund balance which is in spendable form and is further categorized as follows:

- ❖ **Restricted:** indicates those funds with restrictions imposed externally by creditors or by legislation.
- ❖ **Committed:** funds can only be used for a specific purpose imposed by action of the District's Board of Directors (i.e. amounts committed under executed contracts). These funds cannot be used for any other purpose unless a formal action of the Board removes or changes the specified use.
- ❖ **Assigned:** refers to the amount of fund balance constrained only by the District's intent that it be used for a specific purpose, not by form or legislative, legal, or Board action.
- ❖ **Unassigned:** the fund balance amount remaining after the previous classifications have been applied.



Supplemental Schedules

Table XVII: Taxes & Fees 5-Year History

		2021-2022	2022-2023	2023-2024	2024-2025	2025-2026 Proposed	% Change
Sewer User Fees	Quarterly Fees:						
	Residential	\$87	\$90	\$99	\$99	\$99	0.0%
	Hotel/Motel per unit	\$33.75	\$35.25	\$38.25	\$38.25	\$38.25	0.0%
	Assisted Living per occupant	\$33.75	\$35.25	\$38.25	\$38.25	\$38.25	0.0%
	Commercial Minimum	\$105	\$108	\$117	\$117	\$117	0.0%
	Commercial (by water usage)	varies	varies	varies	varies	varies	
	Schools	\$270	\$270	\$270	\$270	\$270	0.0%
Connection Fees	One-Time Fees:						
	Hook-up Fee	\$400	\$400	\$400	\$400	\$450	12.5%
	Lateral Fee	\$4,500	\$4,500	\$5,500	\$5,500	\$5,650	2.7%
	Residential Capacity Fee (Single Family)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	0.0%
	Residential Capacity Fee (Multi-Family, per unit)	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	0.0%
	Hotel/Motel Capacity Fee (per unit)	\$4,145	\$4,145	\$4,145	\$4,145	\$4,145	0.0%
	Assisted Living Capacity Fee (per occupant)	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	0.0%
	Commercial Capacity Fee (per unit)	varies	varies	varies	varies	varies	
	Shea Corridor Surcharge (Non-residential varies)	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260	0.0%
	Shea Corridor Surcharge Hotel/Motel (per unit)	\$450	\$450	\$450	\$450	\$450	0.0%
	Annual Fees:						
Other Charges	Availability Fee	\$84	\$84	\$84	\$84	\$84	0.0%
	Property Taxes (per \$100 in AV)	\$0.905	\$0.903	\$0.903	\$0.903	\$0.900	-0.3%
	Fees Per Occurrence:						
	Project Review/Inspection Fee (Per Lineal Foot)	\$2	\$2	\$2	\$2	\$2	0.0%
	plus (per pump station)	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	0.0%
	RV Dump Fee - Nonresident	\$5	\$5	\$5	\$5	\$6	20.0%
	RV Dump Fee - Commercial	\$25	\$25	\$25	\$25	\$30	20.0%
	Recycled Water - Tier I (per acre foot)	\$380	\$380	\$380	\$380	\$380	0.0%
	Recycled Water - Tier II (per acre foot)	\$380	\$1,505	\$1,505	\$1,433	\$1,433	0.0%
	Encroach/Abandonments	\$25/\$75	\$25/\$75	\$25/\$75	\$25/\$75	\$25/\$75	
	Sewer User Establishment Fee	\$30	\$30	\$30	\$30	\$35	16.7%
	Public Records (Copies/Postage)	varies	varies	varies	varies	varies	
	Interest on late payments	10%	10%	10%	10%	10%	0.0%
	Sewer User Fee Late charge	\$25	\$25	\$25	\$25	\$25	0.0%
	Non-sufficient funds fee	\$30	\$30	\$30	\$30	\$30	0.0%
Penalties and Interest	Failure to obtain Service Agr.	\$750	\$750	\$750	\$750	\$750	0.0%
	Lien Fee	\$150	\$150	\$150	\$150	\$250	66.7%
	User Service Discontinue Fee	actual costs	actual costs	actual costs	actual costs	actual costs	
	User Fee Deposit	2x Qtrly Fee	2x Qtrly Fee	2x Qtrly Fee	2x Qtrly Fee	2x Qtrly Fee	
	Consumer Price Index Change**	1.40%	7.00%	6.50%	3.60%	2.50%	

**From U.S. Department of Labor, Bureau of Labor Statistics

Supplemental Schedules

Taxes & Fees: Summary Schedule

FOUNTAIN HILLS SANITARY DISTRICT

Proposing fee schedule for the period July 1, 2025 to June 30, 2026

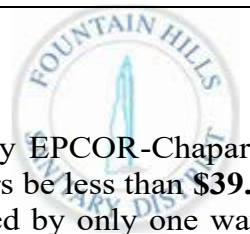
Pursuant to **Paragraph H of A.R.S. Section 48-2027**, notice is hereby given by the Board of Directors of the Fountain Hills Sanitary District that a public meeting shall be held at **4:30 P.M. on Wednesday, May 21, 2025** in the District's Board Room, located at 16941 E. Pepperwood Circle, Fountain Hills, Arizona, to set the amount of Fees and Charges for the District at the levels set forth below. The District reserves the right to set different Fees and Charges as it deems to be just and reasonable and to amend the Fees and Charges of the District at any time after providing notice and conducting a public meeting thereon.

Residential ⁽¹⁾	Monthly User Fees
Residential (single family homes, duplexes, condominiums, townhouses, apartment buildings, or other multi-family housing units).	\$33.00 per month for each living unit of housing – billed quarterly.
Hotel, motel units, and bed and breakfast units.	\$12.75 per unit per month – billed quarterly.
Assisted living units, independent living units, or other similar multi-unit facilities.	\$12.75 per occupant per month – billed quarterly.

Non-Residential ⁽¹⁾⁽²⁾	
Schools	\$90.00 per month – billed quarterly
Restaurants, Bars, Bakeries or Supermarkets	\$ 3.69 (Rate per 1,000 gallons)
Food Preparation (Non-Restaurant), Dry Cleaners, Laundries or Mortuaries	\$ 2.67 (Rate per 1,000 gallons)
Nursing Facilities, Hospitals, Clinics, Laboratories, Salons, Daycare Facilities or Automobile/Equipment Repair Facilities	\$ 2.31 (Rate per 1,000 gallons)
Carwashes, Offices, Retail Stores or Other	\$ 2.17 (Rate per 1,000 gallons)

(1) user fees apply separately to each use category for mixed-use properties

(2) The average monthly water usage is determined by meter readings provided by EPCOR-Chaparral District for the prior calendar year. In no event shall the fees for non-residential users be less than **\$39.00** per month or **\$117.00** per quarter. If a building with multiple businesses is serviced by only one water meter, the owner will be billed at the rate for the business with the highest user classification.



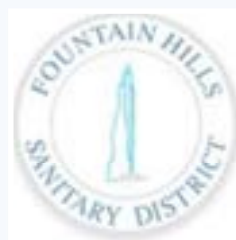
Supplemental Schedules

Other Fees and Charges	
Availability Fee	\$84.00 billed annually (\$7.00 per month)
Establishment Fee	\$35.00 charged to set up an account
Late Fee	\$25.00 for accounts delinquent for more than 15 days
Interest Charges	10% (.0833% per month) applied to delinquent balances on the 20 th of each month
Lien Fee	\$250.00 lien fee filed against the property after the account is 90 days delinquent
Deposit	An amount equal to two quarters of User Fees charged after the account has been late two consecutive quarters
Returned Payment Fee	\$30.00 for all payments returned unpaid by any financial institution in addition to the amount of the check
Project Review Fee	\$2.00 per lineal foot plus the sum of \$2,000.00 for each pump station to be constructed. Additional fees may be charged on a time and material basis.
Encroachment or Abandonment Permit Fee	\$75.00 if a physical site visit is required, or \$25.00 if no site visit is required.
Fees for Reproduction and Delivery of Requested Public Records	Copy Fee - \$0.18 per 8.5"x11" standard, \$0.20 per 8.5"x14" legal, \$0.23 per 11"x17" page
Disposal Fees (Use of RV Dump Station)	RV disposal by District resident – No Charge RV disposal by non-resident - \$6.00 Commercial waterborne waste disposal - \$30.00
Recycled Water Fee	Tier I: \$380.00 per acre-foot up to 491 acre feet delivered; Tier II: \$1,433.00 per acre foot for delivery in excess of 491 acre feet per fiscal year.

New Sewer Connection Fees	
Hook-up Fee	\$450.00 per connection
Lateral Fee, if required	\$5,650.00 per connection
Capacity Fees - Residential	
Capacity Fees – Residential (single family homes)	\$10,000.00 per unit
Capacity Fees – Residential (Duplexes, condominiums, townhouses, apartment buildings, or other multi-family housing units)	\$5,200.00 per unit
Shea Corridor Capacity Fee Surcharge – Residential (single family homes, duplexes, condominiums, townhouses, apartment buildings, or other multi-family housing units), if required	\$1,260.00 per unit
Capacity Fees – Non-residential	
Water Meter Size – 1" or less	\$ 10,000.00
Water Meter Size – 1-1/2"	\$ 14,883.00
Water Meter Size – 2"	\$ 29,757.00
Water Meter Size – 2-1/2"	\$ 47,634.00
Water Meter Size – 3"	\$ 68,500.00
Water Meter Size – 4"	\$ 89,372.00
Water Meter Size – 6"	\$148,884.00
Capacity Fees – Hotel and motel units and bed and breakfast units	\$4,145.00 per unit

Supplemental Schedules

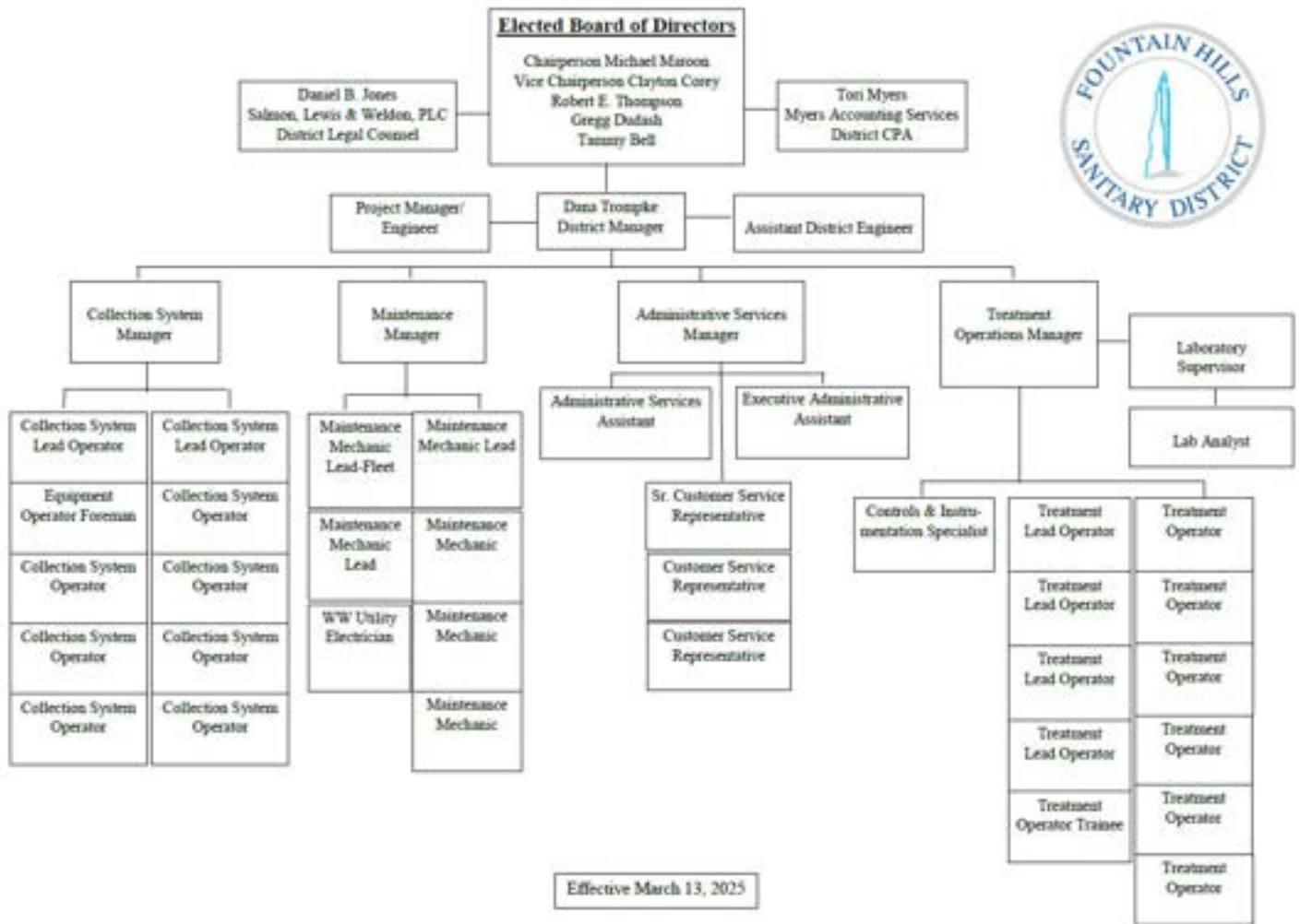
Capacity Fees – Assisted living units, independent living units, or other similar multi-unit facilities	\$3,500 per occupant
Shea Corridor Capacity Fee Surcharge - Water Meter Size – 1” or less	\$ 1,260.00 per meter
Shea Corridor Capacity Fee Surcharge - Water Meter Size – 1-1/2”	\$ 1,875.00 per meter
Shea Corridor Capacity Fee Surcharge - Water Meter Size – 2”	\$ 3,750.00 per meter
Shea Corridor Capacity Fee Surcharge - Water Meter Size – 2-1/2”	\$ 6,002.00 per meter
Shea Corridor Capacity Fee Surcharge - Water Meter Size – 3”	\$ 8,631.00 per meter
Shea Corridor Capacity Fee Surcharge - Water Meter Size – 4”	\$11,261.00 per meter
Shea Corridor Capacity Fee Surcharge - Water Meter Size – 6”	\$18,760.00 per meter
Shea Corridor Capacity Fee Surcharge – Hotel and motel units, bed and breakfast units, assisted living units, independent living units, or other similar multi-unit facilities, if required	\$ 450.00 per unit or per occupant



Supplemental Schedules

Organization Chart

FOUNTAIN HILLS SANITARY DISTRICT ORGANIZATIONAL CHART



Supplemental Schedules

Wage Schedule

WAGE SCHEDULE - EFFECTIVE JULY 1, 2025 *

<u>Exempt Positions (Salaried)</u>	<u>Minimum</u>	<u>Maximum</u>
District Manager	\$ 150,000.00	\$ 213,000.00
Assistant District Manager	\$ 125,000.00	\$ 168,000.00
Administrative Services Manager	\$ 102,800.00	\$ 144,500.00
Collection System Manager	\$ 102,800.00	\$ 144,500.00
WW Treatment Plant Manager	\$ 102,800.00	\$ 144,500.00
Maintenance Manager	\$ 102,800.00	\$ 144,500.00
Asst. District Engineer	\$ 95,700.00	\$ 133,500.00
Project Manager/ Engineer	\$ 95,700.00	\$ 133,500.00
Administrative Services Assistant	\$ 83,400.00	\$ 119,300.00
Laboratory Supervisor	\$ 83,400.00	\$ 119,300.00
Controls & Instrumentation Specialist	\$ 83,400.00	\$ 119,300.00
Laboratory Analyst	\$ 69,200.00	\$ 96,400.00
Customer Service Supervisor	\$ 69,200.00	\$ 96,400.00
Safety Coordinator	\$ 69,200.00	\$ 96,400.00
<u>Non-Exempt Positions (Hourly)</u>	<u>Minimum</u>	<u>Maximum</u>
Executive Administrative Assistant & Purchasing	\$ 32.15	\$ 45.36
Administrative Assistant	\$ 28.72	\$ 40.41
Senior Customer Service Representative	\$ 28.72	\$ 40.41
Customer Service Representative	\$ 24.56	\$ 34.41
Collection System Lead Operator	\$ 36.02	\$ 51.00
Collection System Operator IV	\$ 34.41	\$ 48.64
Collection System Operator III	\$ 32.15	\$ 45.36
Collection System Operator II	\$ 28.72	\$ 40.41
Collection System Operator I	\$ 24.56	\$ 34.41
Collection System Operator Trainee	\$ 22.55	\$ 22.55
Equipment Operator/Foreman	\$ 32.15	\$ 45.36
Maintenance Mechanic Lead	\$ 34.41	\$ 48.64
Maintenance Mechanic III	\$ 32.15	\$ 45.36
Maintenance Mechanic II	\$ 28.72	\$ 40.41
Maintenance Technician I	\$ 24.56	\$ 34.41
WW Utility Electrician	\$ 34.41	\$ 48.64
WWTP Lead Operator	\$ 36.02	\$ 51.00
WWTP Operator IV	\$ 34.41	\$ 48.64
WWTP Operator III	\$ 32.15	\$ 45.36
WWTP Operator II	\$ 28.72	\$ 40.41
WWTP Operator I	\$ 24.56	\$ 34.41
WWTP Operator Trainee	\$ 22.55	\$ 22.55

Supplemental Schedules

Schedule of Positions

Dept.	Position	FY 23-24	FY 24-25	FY 25-26
	FTE = Full Time Equivalents	FTE	FTE	FTE
<u>MANAGEMENT/ENGINEERING</u>				
	District Manager	1	1	1
	Asst. District Manager	-	-	1
	Asst. District Engineer	1	1	1
	Safety Coordinator	-	-	-
	Project Manager/Engineer	1	1	-
	Total Dept. Positions	3	3	3
<u>ADMINISTRATION</u>				
	Administration Services Manager	1	1	1
	Asst. Administration Services Manager	1	-	-
	Administrative Services Assistant	-	1	1
	Executive Admin. Assistant & Purchasing	1	1	1
	Customer Service Representatives (CSR)	3	3	3
	Total Dept. Positions	6	6	6
<u>COLLECTIONS SYSTEMS</u>				
	Manager	1	1	1
	Operators (I - IV)	10	10	10
	Total Dept. Positions	11	11	11
<u>PLANT OPERATIONS</u>				
	Manager	1	1	1
	Asst. Manager	1	-	-
	SCADA & Controls Specialist	1	1	1
	Operators (I - IV)	12	11	11
	Laboratory Staff	2	2	2
	Total Dept. Positions	17	15	15
<u>MAINTENANCE</u>				
	Manager	1	1	1
	Fleet Mechanics	2	2	2
	Equipment & Facilities Mechanics	4	4	4
	WW Utility Electrician	1	1	1
	Maint. Technician (In-Training)	-	-	-
	Total Dept. Positions	8	8	8
TOTAL STAFF		45	43	43