

MINUTES OF MEETING BOARD OF DIRECTORS FOUNTAIN HILLS SANITARY DISTRICT

The Board of Directors of the Fountain Hills Sanitary District met in a **Regular Meeting** on **Wednesday, April 15, 2026** at 3:30 p.m. in the District's Board Room located at 16941 E. Pepperwood Circle, Fountain Hills, Arizona.

Agenda Item No. 1

Call to order and roll call

Upon roll call the following Directors were present:

Chairperson Robert Thomson, Vice Chairperson Gregg Dudash, Director Tammy Bell, Director Tim Phillips and Director Jeff Esposito.

(Note: Unanimous votes refer to all Directors present)

The following Executive Staff members were present:

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

Agenda Item No. 2

Approval of Minutes: Budget Workshop and Regular Meeting: March 25, 2026

A motion was made by Vice Chairperson Dudash to approve the minutes of the Budget Workshop and Regular Meeting of March 25, 2026 as presented. Director Esposito seconded the motion which passed unanimously.

Agenda Item No. 3

Call to Public.

There were no comments.

Agenda Item No. 4

District Manager's report; items to be discussed include plant and recharge statistics for March, permit compliance, new and existing sewer services, active project updates, public communication efforts, and Town communication and/or coordination efforts.

The District Manager reported for the month of March: The average daily influent flow was 1.992 MGD.

Total WW treated for March was 61,745,000 gallons.

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

March Reclaimed Water delivered to reusers was 60,816,000 gallons.

The District Manager reported the District's total recharge credit available as of March 31, 2026 was 527,811,938 gallons.

There were three new single-family and one multi-family sewer service agreements issued in March.

Mini Combo Sewer Vac-Truck is scheduled for delivery in September 2026.

The generator for the PS 17 Generator Replacement project is expected in May 2026.

The Flow EQ Basin was taken out of service and thoroughly cleaned for the FEB Mixer Replacement project. Years of accumulated grit was removed. The mixer was replaced with a new mounting system to allow for easier maintenance in the future. The influent flow meter was replaced at the same time. The project was successfully completed on time and under budget.

Final reports are in progress for the Arc Flash Study – 5-Yr Update project. A power quality monitoring and outage test occurred on April 7th which simulated a major power loss for WWTP. This test was done to help identify electric surges that occur when transferring from utility power to generator power and then back to utility power when it is restored. District is waiting on the findings and report.

District found they are receiving and installing sub-par materials in the fittings of the air lines needed to operate the down-well control valve, Baski valve, for the ASR Wells. The failure of the air lines have shut down the control valve and well. New air lines and fittings were installed in ASR Well 3 and is back in service. Pump in ASR Well 1 has a pump issue and was sent back to the manufacturer and they confirmed there is a pump issue and will be covered under warranty.

The annual Recharge and Recovery report was prepared and submitted to ADWR before the March 30th submission deadline on the USF Permit Renewal.

The Arizona Corporation Commission did approve the variance and agreement between Epcor and the District. Instead of physical sewer disconnection, the District will proceed with a request to EPCOR to turn off the water service for a customer with a very large outstanding balance. A 10-day notice will be sent to the customer as required by the agreement with EPCOR.

There is one staffing vacancy for a Project Manager.

AZ Water has an annual conference in April at which consultants and various entities can put in for different awards. Wilson Engineers submitted a nomination for the District's ASR Wells and will be receiving an award for the project.

Collection System Operations (CSO) staff participated in the Touch-A-Truck Event. The big sewer vacuum truck and the camera inspection van are always a hit with the kids. Staff were very engaged this year and did an outstanding job. The kids got to learn about the trucks, honk the big horns, and entered a coloring contest for the min-sewer trucks.

The Home School Coop was given a presentation and tour of the facilities on April 15th.

District Manager had lunch with the Town Manager to touch base on upcoming projects.

Notice to Customers was published in the newsletter, on the webpage, and posted in the front office regarding agreement with EPCOR to terminate water service for unpaid sewer fees.

Agenda Item No. 5

District CPA's report; items to be discussed include status of income and expenditures, billing, report on collection efforts to date, and general direction from Board.

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

Agenda Item No. 6

Discussion and consideration to approve FY 2026/2027 Preliminary budget and fee schedule for publication and to set public hearing thereon.

District CPA presented the Board with a revised FY 2026/2027 Proposed Budget which included changes discussed at the March 25, 2026 budget workshop meeting.

After a discussion, Vice Chairperson Dudash made a motion to approve the FY 2026/2027 preliminary proposed budget for publication and to set public hearing thereon. Director Esposito seconded the motion which passed unanimously.

Agenda Item No. 7

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

Legal Counsel indicated Water Quality standards potential issues, the EPA is working on candidate contaminant list for the states drinking water act. This could impact future renewals of the aquifer protection permit that entities will need to have to use reclaimed water and recharge.

Agenda Item No. 8

Discussion and consideration to amend the Rules and Regulations to include notice of agreement with EPCOR to turn off water service to shared customers with a large balance of unpaid sewer fees and provisions to require a separate sewer service and associated fees when a lot is subdivided.

District Manager is requesting consideration to amend the Rules and Regulations to include notice of agreement with EPCOR to turn off water service to shared customers with a large balance of unpaid sewer fees and provisions to require a separate sewer service and associated fees when a lot is subdivided.

After a discussion, Director Bell made a motion to amend the Rules and Regulations to include notice of agreement with EPCOR to turn off water service to shared customers with a large balance of unpaid sewer fees and provisions to require a separate sewer service and associated fees when a lot is subdivided. Vice Chairperson Dudash seconded the motion which passed unanimously.

Chairperson Thomson called for a recess at 5:15 p.m. Regular meeting resumed at 5:24 p.m.

Agenda Item No. 9

VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: Pursuant to A.R.S. Section 38-431.03 (A)(1) discussion regarding hiring additional engineer and internal and external equity considerations.

Director Bell moved to go into executive session for discussion regarding hiring an additional engineer and internal and external equity considerations. Vice Chairperson Dudash seconded the motion which passed unanimously. Regular session adjourned at 5:24 p.m.

Agenda Item No. 10
RETURN TO REGULAR SESSION.

Regular Session resumed at 5:58 p.m.

Agenda Item No. 11
Discussion and consideration to authorize Carollo Engineers to provide engineering design services for the Headworks and Digester Improvements Project in the amount of \$474,574.

District Manager is requesting to authorize Carollo Engineers to provide engineering design services for the Headworks and Digester Improvements Project in the amount of \$474,574.

After a discussion Director Esposito made a motion to authorize Carollo Engineers to provide engineering design services for the Headworks and Digester Improvements Project in the amount of \$474,574. Director Phillips seconded the motion which passed unanimously.

Agenda Item No. 12
The Chairperson, the individual members of the Board and the District Manager will each be permitted to provide a brief summary of current events. The Board will not propose, discuss, deliberate, or take legal action at the meeting on any matter addressed in the summaries, unless the specific item is otherwise properly noticed.

Chairperson Thomson thanked Vice Chairperson Dudash for all work he did for Agenda Item #9.

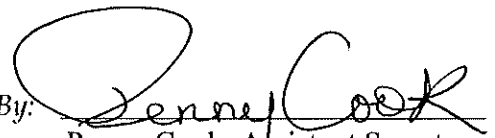
Agenda Item No. 13
Adjournment.

Director Esposito made a motion to adjourn the meeting at 6:06 p.m. Director Phillips seconded the motion which passed unanimously.

Dated this 16th day of April 2026.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary