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, August 21, 2024** at **4:30** p.m. in the District's Board Room located at 16941 E. Pepperwood Circle, Fountain Hills, Arizona.

Agenda Item No. 1
Call to order and roll call

Upon roll call, the following Directors were present:

Chairperson Tammy Bell, Director Clayton Corey, and Director Robert Thomson. Vice Chairperson Michael Maroon arrived at 5:42 p.m. Director Gregg Dudash was absent.
(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: Regular Meeting: June 19, 2024

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of June 19, 2024, as presented. Director Corey seconded the motion which passed unanimously.

Agenda Item No. 3
Call to public.

There was no public comment.

Agenda Item No. 4
District Manager's report; items to be discussed include plant, recycled water, and recharge statistics for July, permit compliance, new sewer services, active project updates, public communication efforts, and Town communication and/or coordination efforts.

The District Manager reported for the month of July: The average daily influent flow was 1.670 mgd.

Total WW treated for July was 51,491,000 gallons.

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

July Reclaimed Water delivered to reusers was 88,545,000 gallons.

The District Manager reported the District's total recharge credit available as of July 31, 2024 was 524,320,346 gallons.

There were four new single family service agreements issued in July.

The contractor is making good progress on the ASR Well 1 Vault Replacement project. The building walls have been completed. The well pump and Baski control valve have been pulled from the well. Construction is occurring to remove the old metal vault and construct a smaller concrete vault. There have been no issues or calls from the public to date.

There has been no change on the USF Permit Renewal. District is waiting on review from ADWR. Response is estimated at January 2025.

There has been no change on the Blower VFD Replacement project. An order has been placed for the VFDs and will take approximately 26 weeks for delivery. Multiple project meetings with the manufacturer, electrical engineer, and contractor were held to design and fit the needed VFDs into the available space.

There has been no change for the PS Generator Replacement (FERR). P.O.s have been issued and delivery time is estimated at mid-February.

A notice was published to solicit bids for the Plant Control Building project. If successful, an authorization request will be brought to the September meeting. District applied for a Building Permit from the Town which is still in review.

After a discussion a "before" tour of the plant control building will be scheduled for Directors one hour before the September 18th Board meeting at 3:30.

There are two staffing vacancies – One CSO Operator and Project Manager. Interviews have been held for the CSO Operator and this position will be filled soon.

District Manager had a project site tour with FH Times reporter for an article in FH Times.

District Manager provided information to Town Communications Director for FH Insider article.

The Town is planning to build a restroom at Four Peaks Park and asked if the District would video the sewer line on the property. District staff provided a TV camera inspection and line locate for the Town.

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 both June for July were favorable to budget.

District CPA reported the total outstanding balances at 90+ day is about 15% higher than the average of 90+ day balances on July 31st for the past three years. There is an agenda item later on the agenda for discussion.

Agenda Item No. 6
Discussion regarding Qasimyar vs Maricopa County

The District CPA informed the Board there was a lawsuit filed against Maricopa County in 2014/2015 regarding property taxes being overvalued. When a property changed from primary residence to a rental or vice versa, the county was not applying Rule B correctly. This could potentially be a major impact for the District.

The County was also offering financial assistance and District CPA contacted the County regarding the assistance. The County created a fund with parameters that if this was going to impact an entity very harshly, the county would cover the tax deficit. It appears that the District would fall within the parameters.

Agenda Item No. 7
Legal Counsel updates and discussion of procedural matters and possible future legislation.

Legal Counsel updated the Board on the rulemaking for Department of Environmental Quality advanced water purification, which is direct potable reuse. Legal Counsel indicated the rulemaking looks to be on track to be done by November.

EPCOR is putting a lot of effort and support into the alternative designation of assured water supply program and Legal Counsel indicated this rulemaking could be done by the end of the year. Legal Counsel also indicated he does think this rulemaking could be implemented and effective by the end of this year. It has been filed and the actual rulemaking process has already started.

Agenda Item No. 8
Discussion and consideration to change 401a and 457 Plan providers.

District Manager is requesting consideration to change the District's 401a and 457 Plan providers from John Hancock to ASRS's Plan administered by Nationwide. District Manager also indicated the ASRS Plan will provide reduced fees to both the District and individual participants.

After a discussion, direction was given to staff to prepare resolutions to change the plan provider to the ASRS's Plan administered by Nationwide for both the 401a and 457 Plans for approval at the September 18, 2024 regular meeting.

Agenda Item No. 9
Discussion and consideration to develop a policy to stop service for large delinquent accounts.

District Manager indicated there are seven accounts, both multi-family properties and single-family residences, that are delinquent for a total of $53,251.92. District Manager is requesting direction as to how to handle delinquent accounts.

The current policy is to file a lien, but the District will not receive the fees unless the property is sold and in the case of a bankruptcy or trustee sale, the District may not receive the fees.

After a discussion, direction was given to staff to contact EPCOR to see if an IGA can be implemented where the District would notify EPCOR and have their water shut-off.

Agenda Item No. 10
Discussion and consideration to authorize the purchase of replacement evaporative coolers for the WWTP blower buildings in the amount of $87,733.00.

District Manager indicated the replacement of evaporative coolers has been identified in the 2024/2025 annual budget.

Director Thomson made a motion to authorize the purchase of replacement evaporative coolers for the WWTP blower buildings in the amount of $87,733.00. Vice Chairperson Maroon seconded the motion which passed unanimously.

Agenda Item No. 11
Discussion and consideration to authorize the purchase of a replacement work truck in the amount of $50,405.03.

District Manager indicated the purchase of a replacement work truck has been identified in the 2024/2025 budget.

Director Thomson made a motion to authorize the purchase of a replacement work truck in the amount of $50,405.03. Vice Chairman Maroon 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.

Director Corey indicated he would like an agenda item regarding the lake liner on the September 18, 2024 agenda.

Agenda Item No. 13
Adjournment.

Director Thomson made a motion to adjourn the meeting at 5:46 p.m. Vice Chairman Maroon seconded the motion which passed unanimously.

Dated this 22nd day of August, 2024.

Fountain Hills Sanitary District

Minutes Prepared By: Penny Cook
Penny Cook, Assistant Secretary