

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 **Tuesday, January 15, 2008** at **6:00** p.m. in the District's Board Room located at 16941 E. Pepperwood Circle, Fountain Hills, Arizona.

Agenda Item No. 1

Call to order and roll call

Upon roll call, the following Directors were present:

Chairman Bruce Hansen, Director Tom Reski, and Director Glenn Panaro. Vice Chairman Bob Thomson and Director Michael Howard were absent.

The following Executive Staff members were present:

Ron Huber, District Manager, Bill Sullivan, Legal Counsel, Tori Sawyer, Controller, and Penny Cook, Assistant Secretary.

Agenda Item No. 2

Assumption of Chairman's duties by Vice Chairman and election of new Vice Chairman.

This item was tabled to the February meeting.

Agenda Item No. 3

Approval of Minutes: Regular Meeting: 12/18/07.

A motion was made by Director Reski to approve the minutes of the Regular Meeting of December 18, 2007 as presented. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 4

Call to public.

There was no public comment.

Agenda Item No. 5

Presentation of employee award to Mark Russo for 20 years of service.

District Manager thanked Mark Russo for his 20 years of service and presented him with an award.

Agenda Item No. 6

District Manager's report; items to be discussed include plant and recharge statistics for December, permit compliance, progress on ASR Well No. 5, status of former State Trust Land, Crestview Repeater Site, Pump Station No. 4 Modifications, Force Main Replacement, Flow Equalization Basin Expansion/Interim Digester Mods project and addition of fifth microfiltration rack, Aquifer Protection Permit (APP) amendment, tracer study, Saguaro Woods property, and general direction from Board.

- District Manager reported the District's total recharge credit available as of December 31, 2007 was 331,022,979 gallons.

- Monitor Well No. 2 which tested positive for Total Coliform in November has been in compliance for four consecutive weekly samples and a 30-day report was submitted to ADEQ.

All facilities were in compliance with permit requirements for the month of December.

- District staff met with CDM to discuss controls which will be required at both AWTF and ASR 5. CDM is preparing a new scope of work.

- By request of the Ellman Companies, the District wrote a letter to the City of Scottsdale stating that FHSD had no objection to the annexation of the former State Trust Land.

- The contractor is in the process of mobilizing equipment to the site for the Pump Station No. 4 Modifications project.

- The contractor is in the process of mobilizing equipment to the site for the Force Main Replacement project.

- District staff is continuing their review of the 90% plans and specifications on the Flow Equalization Basin Expansion/Interim Digester Mods and Addition of Fifth Microfiltration Rack project.

- The APP amendment is being drafted and the District should have a draft for review by the end of January.

- Data continues to be collected for the tracer study.

- A survey was performed and a legal description was prepared on the Saguaro Woods property. An appraiser will be solicited.

Agenda Item No. 7

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

The Controller reported that the General Fund Income Statement for December was slightly unfavorable to budget.

The number of new Sewer Service Agreements is still below budget.

Billing is on track.

Agenda Item No. 8

Discussion and consideration to authorize the District Manager to execute a contract with MGC Contractors, Inc. to perform preconstruction services in the amount of \$25,545 as construction manager at risk (CM@R) for the FEB Expansion/Interim Digester Modifications Project.

After a discussion, Director Panaro made a motion to authorize District Manager to execute a contract with MGC Contractors to perform preconstruction services in the amount of \$25,545 as CM@R for the FEB Expansion/Interim Digester Modifications project.

Director Reski seconded the motion which passed unanimously.

Agenda Item No. 9

Discussion and consideration to authorize the District Manager to execute Task Order No. 3 to provide construction phase engineering services for the FEB Expansion/Interim Digester Modifications Project in an amount not to exceed \$696,428.

District Manager asked the Board for authorization to execute Task Order No. 3 with Carollo Engineers to provide construction phase engineering services, previously listed in Phase 5 of the original engineers' agreement, for the FEB Expansion/Interim Digester Modifications project in an amount not to exceed \$696,428.

Director Reski requested that the District obtain weekly time records and a synopsis of the work done for that week for progress payments submitted. After further discussion, Director Panaro made a motion to authorize District Manager to execute Task Order No. 3 with Carollo Engineers in an amount not to exceed \$696,428.

Director Reski seconded the motion which passed unanimously.

Agenda Item No. 10

The chairman, 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.

There were no comments.

Agenda Item No. 12

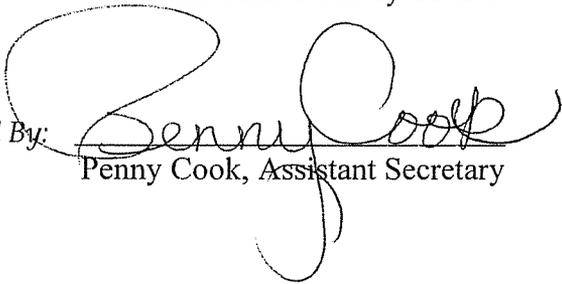
Adjournment.

Director Reski made a motion to adjourn the meeting at 6:39 p.m. Director Panaro seconded the motion which passed unanimously.

Dated this 22nd day of January, 2008.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary