

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, March 17, 2009** 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 Tom Reski, Vice Chairman Glenn Panaro, Director Michael Howard, Director Bruce Hansen, and Director Bob Thomson.

The following Executive Staff members were present:

Ron Huber, District Manager, Bill Sullivan, Legal Counsel, Tori Sawyer, Controller, and Hazel Cunningham, Acting Asst. Secretary.

Agenda Item No. 2 **Approval of Minutes**

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of February 17, 2009 as presented. Vice Chairman Panaro 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 and recharge statistics for February, permit compliance, progress on ASR Well No. 5, status of former State Trust Land, Pump Station No. 4 Modifications, Flow Equalization Basin Expansion/Interim Digester Mods project and addition of fifth microfiltration rack, Saguaro Woods property, Town Square Project, Economic Stimulus Package, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of February 28, 2009 was 431,781,979 gallons.
- All District facilities were in compliance with their respective permits for the month of February.
- District staff is still working on comments on the plans and specifications reviewed for the ASR Well No. 5 project.

- District had a successful start-up of the facility utilizing reclaimed water for the Pump Station No. 4 Modifications project. The tie-ins will be made March 23rd so that the raw sewage will then flow into the wet well.
- The Flow Equalization Basin Expansion/Interim Digester Mods. and Addition of Fifth Microfiltration Rack is progressing. The flow equalization basin was taken off line to allow the core drilling between the new and old basin and successfully placed back online March 9, 2009. Clarifier No. 3 equipment is being installed. Blower piping and insulation was completed inside the blower building and construction of the exterior piping is being extended to the digester area.

Agenda Item No. 5

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 the General Fund Income Statement for February was slightly unfavorable to budget.

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

Billing is on track.

Agenda Item No. 6

Discussion and possible action regarding funding sources for ASR 5 Project as well as other projects.

District Manager explained the funding method pertaining to the economic stimulus package. To be eligible for funding consideration, entities must apply to be on WIFA's project priority list by March 6, 2009. The District submitted one application requesting \$3,000,000 for a project identified as Groundwater Recharge Expansion – Phase 2. Up to this point in time, this project had been commonly referred to as the ASR 5 project.

In Arizona, stimulus money for wastewater will be administered by WIFA. WIFA will be calling the grants "low interest loans with a percentage of forgivable principal" which would require the District to have an election approving the loan agreement. If an actual grant were given, acceptance would require only a motion from the Board. Also, any entity accepting stimulus funds would be required to have contract provisions dictating Davis-Bacon wages and Buy American provisions which could add 25 – 35% to the total cost of a project. \$27,000,000 is available for 109 projects. FHSD is No. 44 on the priority list. Only the first 14 will receive a loan with some forgivable principal.

After a discussion, there was no direction given to staff.

Agenda Item No. 7

Consideration to accept guaranteed maximum price (GMP) of \$1,154,581 for the addition of a fifth microfiltration rack at the advanced water treatment facility (AWTF).

District Manager requested authorization to accept the GMP price of \$1,154,581 from MGC Contractors for the addition of a fifth microfiltration rack at the AWTF.

After a discussion, Director Thomson made a motion to authorize District Manager to accept the GMP price of \$1,154,581 for the addition of a fifth microfiltration rack at the AWTF. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 8

Discussion and possible direction to staff re: acquisition of Saguaro Woods property adjacent to WWTP.

Director Thomson moved and Vice Chairman Panaro seconded to go into executive session pursuant to A.R.S. § 38-431.03(A)(3) & (7), for the purpose of discussion or consultation with the District's legal counsel for legal advice and/or to consider the District's position and instruct its counsel regarding Agenda Item 9. Motion carried unanimously and the regular session adjourned at 6:28 p.m.

Motion by Director Thomson and seconded by Vice Chairman Panaro to reconvene into regular session. Motion carried unanimously and the regular session resumed at 6:35 p.m.

There was no discussion and no direction given to staff.

Agenda Item No. 9

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. 11

Adjournment.

Director Hansen made a motion to adjourn the meeting at 6:40 p.m. Director Howard seconded the motion which passed unanimously.

Dated this 30th day of March, 2009.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary