

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 18, 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 Thomson, Vice Chairman Reski, Director Howard, and Director Hansen. Director Panaro arrived late.

The following Executive Staff members were present:

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

Agenda Item No. 2

Approval of Minutes: Regular Meeting: 02/19/08

A motion was made by Vice Chairman Reski to approve the minutes of the Regular Meeting of February 19, 2008 with changes. Director Howard 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, Crestview Repeater Site, Pump Station 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, FireRock Reclaimed Water Pump Station Landscaping, and general direction from Board.

- District Manager reported the District's total recharge credit available as of February 29, 2008 was 418,170,979 gallons.
- All facilities were in compliance with permit requirements for the month of February.
- Five trees were planted at the Crestview Repeater Site on March 18, 2008 and the landscaping at the site should be complete by the end of March. The landscaping for the pump station should be complete around the middle of April.
- The relocated reclaimed water line in the vicinity of Pump Station No. 4 is complete. A small section of gravity sewer has been relocated and they are finishing the pouring of the manholes on each end of the pipe that has been relocated.

- The construction of the force main continues up Tioga Drive and into Colony Wash. There have been a couple of piping quality issues pertaining to some oversized pipe ends and their ability to take on pipe couplings. This is being resolved by the manufacturer.

There was a complaint from a resident regarding the clearing in the wash. District Manager and Director Hansen have been in contact with the resident and will meet with her at the site when the contractor is out of the area. The District will assess the situation after the work is complete and decide what needs to be done outside of the normal policy of re-vegetating utilizing hydro-seed.

- The District should be receiving the final APP Amendment by the end of March.
- The Tracer Study will continue through April 30, 2008.
- There is nothing new to report on the Saguaro Woods Property.
- District Manager will be meeting with the HOA president of Balera on March 25th to discuss placement of trees along Balera Drive at the Firerock Reclaimed Water Pump Station.

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

The number of new Sewer Service Agreements is below budget.

Billing is on track.

Agenda Item No. 6

Public hearing concerning a change to the District's capacity fees effective July 1, 2008.

The public hearing concerning the FY 2008/2009 capacity fees was opened by Chairman Thomson. There was no public comment. Chairman Thomson closed the public hearing.

Agenda Item No. 7

Discussion and consideration to approve changes to the District's capacity fees effective July 1, 2008.

After a discussion, Director Hansen made a motion that the Capacity Fees be changed to the amounts listed in the February 20, 2008 public notice, effective July 1, 2008 and that staff include this change in the Public Notice and Resolution establishing the Fee Schedule for the 2008/2009 budget year.

Director Howard seconded the motion which passed unanimously.

Agenda Item No. 8

Discussion and consideration to approve guaranteed maximum price (GMP) for the construction of the FEB Expansion/Interim Digester Modifications Project and authorize the District Manager to award a construction contract to MGC Contractors, Inc. at the GMP.

District Manager requested authorization to award a contract to MGC Contractors, Inc. in the GMP amount of \$9,314,418. He informed the Board that this price is higher than the original budget number due to "scope creep" and increased construction costs. However, the next planned WWTP project after this should not be needed until January 2017.

Director Hansen made a motion to authorize District Manager to award a contract to MGC Contractors, Inc. in the GMP amount of \$9,314,418. Director Reski seconded the motion. After a discussion, the motion passed unanimously.

Agenda Item No. 9

Discussion and consideration to authorize the District Manager to modify the scope of work to CDM's engineering contract for the design of a reclaimed water supply pipeline from the AWTF to ASR Well No. 5, a recovery water pipeline from ASR Well No. 5 to the SunRidge Canyon Golf Course Lake and ASR Well No. 5 equipment. The increase in cost is \$246,000.

District Manager requested authorization to execute an amendment to the CDM contract in the amount of \$246,000. He explained to the Board that after realizing that the original design to connect ASR 5 to the reclaimed water lines in the park would not work hydraulically, this project was put on hold because of the data needed from test pumping ASR 5. It was determined that the reliability of the reclaimed water distribution system would be greatly improved by delivering water to ASR 5 through its own supply pipeline and provide a recovered water line from the well to the SunRidge Canyon Golf Course lake. Therefore, a new scope of work was needed to include the design changes. CDM has submitted a new engineer's fee for additional services of \$246,000.

After a discussion, the Board directed staff to solicit proposals from additional engineering firms for the design changes.

Agenda Item No. 10

Discussion and possible direction to staff regarding the annexation request by the Ellman Companies to annex the former state trust land.

Chairman Thomson tabled this item and it was determined that a Special Meeting will be scheduled for a later date.

Agenda Item No. 11

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

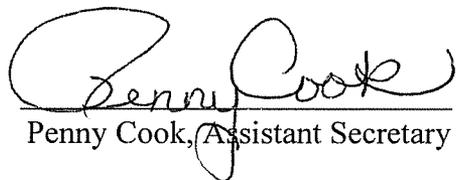
Adjournment.

Director Reski made a motion to adjourn the meeting at 7:30 p.m. Director Hansen seconded the motion which passed unanimously.

Dated this 19th day of March, 2008.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary