

MINUTES OF MEETING BOARD OF DIRECTORS FOUNTAIN HILLS SANITARY DISTRICT

The Board of Directors of the Fountain Hills Sanitary District met in a **Special Meeting** on **Tuesday, May 21, 2013** at **5:00 p.m.** in the District's Board Room located at 16941 E. Pepperwood Circle, Fountain Hills, Arizona 85268.

Agenda Item No. 1

Call to order and roll call

Upon roll call, the following Directors were present:

Chairman Bob Thomson, Director Glenn Panaro, Director Thom Besett, and Director Bruce Hansen. Vice Chairman Tom Reski was absent.

The following Executive Staff members were present in person:

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

Agenda Item No. 2

Call to Public

There was no public comment.

Agenda Item No. 3

Discussion and consideration to approve the guaranteed maximum price of \$3,050,546 from MGC Contractors for the AWTF Membrane Replacement and EFM/CIP Project.

The District Manager explained the importance of the project and the need to complete it no later than September 30, 2013. Mr. Huber indicated that the project could not be completed timely unless started as soon as possible. Mr. Huber and Ms. Myers then identified specific projects included in the 2012/2013 fiscal year budget totaling \$2,014,771 for which the District had not committed any 2012/2013 budget year funds and recommended \$2,000,000 of those funds be transferred and allocated to this project so that the project could be commenced during the 2012/2013 fiscal year. They noted that the preliminary 2013/2014 budget included funds for the entire project and that the contract with MGC would make any funding for the project above the \$2,000,000 expressly contingent upon such funding being included in the 2013/2014 fiscal year budget. The Directors asked questions about various components of the Guaranteed Maximum Price being offered as well as the impact of Staff's recommendations on current and future District budgets, including the District's cash reserves. The District Manager expressed confidence that, though reduced, the cash reserves would remain adequate and should be replenished to target levels within a reasonable period of time.

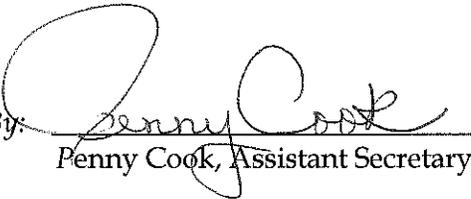
After a discussion, Director Hansen moved to accept the revised GMP of \$3,050,546 submitted by MGC Contractors and upon a finding that the transfer is in the public interest and based on a demonstrated need, projects in the current FY budget with uncommitted funds in the amount of \$2,000,000 shall be applied to this project, with the remaining \$1,050,546 contingent upon the approval of the next fiscal year's budget. Director Panaro seconded the motion which passed unanimously.

Agenda Item No.4
Adjournment

Director Hansen made a motion to adjourn the meeting at 5:31 p.m. Director Besett seconded the motion which passed unanimously.

Dated this 22nd day of May, 2013.

Fountain Hills Sanitary District

Minutes Prepared By: 
Penny Cook, Assistant Secretary