

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, August 17, 2010** 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 Glenn Panaro, Director Bruce Hansen, and Director Tom Reski. Vice Chairman Michael Howard and Director Bob Thomson arrived a few minutes late.

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 **Approval of Minutes: Regular Meeting: 07/20/10**

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of July 20, 2010 as amended. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 3 **Presentation of service recognition award to Jeff Klem for 25 years**

District Manager thanked Jeff Klem for his 25 years of service and presented him with a service recognition award.

Agenda Item No. 4 **Call to public.**

There was no public comment.

Agenda Item No. 5 **District Manager's report; items to be discussed include plant and recharge statistics for July, permit compliance, progress on ASR Well No. 5, status of former State Trust Land, Reclaimed Water Use Agreements – Eagle Mountain and Town, Aquifer Protection Permit Amendment, SRP Grant/Rebate, Utilizing Solar Energy at District Facilities, Fountain Lake Water Quality, Flow Equalization Basin Expansion/Interim Digester Mods Project Update, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of July 31, 2010 was 235,755,979 gallons.
- All District facilities were in compliance with their respective permits for the month of July.

- The review of the final draft of Aquifer Protection Permit has been completed and is ready for issuance. The permit will be issued upon receipt of final permit review fees.
- The District received a rebate check in the amount of \$95,921.10 for the SRP grant/rebate program.
- The District received a proposal to do an “algae model” of Fountain Lake for a fee not to exceed \$5,000 and should be completed in less than one month.
- A final accounting of the work done to rehabilitate Clarifier No. 2 for the Flow Equalization Basin Expansion/Interim Digester Mods project amounted to \$46,560. However, of this amount, \$12,109 was spent for labor in grinding high spots on the concrete floor. Clarifier No. 2 was constructed by MGC and placed into operation in 2001, and they declined to charge us for the grinding. Consequently, the total rehabilitation cost to the District for Clarifier No. 2 was \$34,451.

Agenda Item No. 6

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’s report shows the Income Statement for July was favorable to budget.

There were no new Sewer Service Agreements issued in the month of July.

Billing is on track.

Chairman Panaro moved Agenda Item No. 8 before Agenda Item No. 7

Agenda Item No. 7

Discussion and reconsideration to award contract for Pump Station No. 4 Paving Project.

After a discussion, Director Hansen made a motion to reject all bids and allow the four bidders to amend their bids within 20 days and waive the District’s internal requirement to advertise. Director Thomson seconded the motion. The motion passed with a vote of 3 to 2.

Chairman Panaro allowed Tom Tuttle of Performance Paving to address the issues with his bid submittal.

Agenda Item No. 8

Discussion and consideration to select a construction manager at risk to perform value engineering and prepare a guaranteed maximum price to construct the ASR Well No. 5 Project.

On July 21, 2010, the District received statements of qualifications from contractors that are interested in doing CM@Risk on the ASR Well No. 5 project. An evaluation committee was formed, a review of all SOQ’s in accordance with the criteria that was described in the advertisement was done, contractors’ submittals were individually and collectively rated, and a final list was generated in number rating.

District Manager is requesting authorization to engage MGC Contractors to perform value engineering and prepare a guaranteed maximum price to construct the ASR Well No. 5 Project.

After a discussion, Director Hansen made a motion to authorize District Manager to engage MGC Contractors to perform value engineering and prepare a guaranteed maximum price to construct the ASR Well No. 5 Project. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 9

Discussion and consideration to employ the services of Doug Kobrick, P.E. for construction phase engineering for the ASR Well No. 5 Project in an amount not to exceed \$59,245.

District Manager requested Agenda Item No. 9 be tabled. Director Hansen made a motion that Agenda Item No. 9 be tabled until a later date. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 10

Discussion and consideration to employ the services of Carollo Engineers at a cost not to exceed \$22,950.00 to perform an engineering study to determine the most cost effective method of chlorination at the AWTF.

District Manager is requesting authorization to employ the services of Carollo Engineers to perform an engineering study to determine the most cost effective method of chlorination at the AWTF.

After a discussion, Director Reski made a motion to authorize District Manager to employ Carollo Engineers to perform Phase 1 of the AWTF Chlorine Feed System Modifications at a cost not to exceed \$22,950.00. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 11

Discussion and consideration to authorize District Manager to purchase replacement crane (boom) truck for an amount not to exceed \$90,000.

District Manager is requesting authorization to purchase a replacement crane (boom) truck for an amount not to exceed \$90,000.

After a discussion, Director Hansen made a motion to authorize District Manager to purchase a crane (boom) truck at a not to exceed price of \$90,000. Director Thomson seconded the motion which passed unanimously.

Agenda Item No. 12

Discussion and possible direction to staff regarding annexation of former state trust land.

Director Hansen moved and Director Reski seconded to go into executive session pursuant to A.R.S. § 38-431.03(A)(3) & (4), for the purpose of discussion or consultation with the District's legal counsel for legal advice regarding the annexation process and/or to consider the District's position and instruct its counsel regarding a pre-annexation (or similar) agreement involving the former state trust land. Motion carried unanimously and the regular session adjourned at 6:50 p.m.

Regular session resumed at 7:35 p.m. There was no discussion and no direction given to staff.

Agenda Item No. 13

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.

District Manager informed the Board that the pump in ASR Well No. 1 burned up and the District will be pulling the pump to do well maintenance on Thursday, August 19, 2010.

Agenda Item No. 14

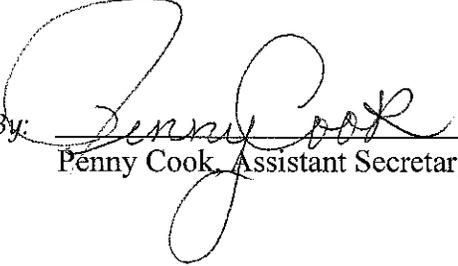
Adjournment.

Director Hansen made a motion to adjourn the meeting at 7:38 p.m. Vice Chairman Howard seconded the motion which passed unanimously.

Dated this 18th day of August, 2010.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary