

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, November 20, 2007** 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, Vice Chairman Bob Thomson, Director Tom Reski, Director Glenn Panaro and Director Michael Howard.

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: 10/16/07

A motion was made by Vice Chairman Thomson to approve the minutes of the Regular Meeting of October 16, 2007 as presented. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 3

Call to public.

Dave Caribardi, who lives close to the WWTP, requested the District do something about the noise pollution coming from the WWTP. Chairman Hansen advised him that this item would be agendized at the December 18, 2007 meeting.

Chairman Hansen moved Agenda Item #7 before Item #4

Agenda Item No. 7

Discussion and possible direction to staff re: sewer service to the former State Trust Land.

Don Kile and Lynsi Waggoner from the Ellman Companies presented their proposed plans for the development of the former State Trust Land and answered questions from the Board.

Don Kile also explained the Memorandum of Understanding (MOU) between FHSD, FHUSD, and Ellman Companies that they would like to execute so that ASR wells can be constructed on the Hawk school site and FHUSD turfed areas can utilize reclaimed water. He answered questions from the Board regarding the MOU.

The Board directed staff to cooperate with the Ellman Companies in proceeding with the annexation of the former State Land.

Agenda Item No. 5

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

- District Manager reported the District's total recharge credit available as of October 31, 2007 was 271,747,979 gallons.
- All facilities were in compliance with permit requirements for the month of October with the exception of the air quality inspection on October 2, 2007 which resulted in administrative deficiencies.
- The construction of the addition of the fifth microfiltration rack will be added to the FEB/Interim Digester Modifications project to consolidate construction efforts. A meeting has been scheduled with District and Carollo staff for December 12, 2007 to discuss all unresolved issues concerning the Pall equipment.
- District staff met with CDM staff to discuss changes in direction for the ASR Well No. 5 piping. Rather than tie this well to the southerly portion of the reclaimed water distribution system, staff is looking into connecting this well to the Ashbrook Wash line which delivers reclaimed water to SunRidge Canyon.
- There is nothing new to report on the Crestview repeater site.
- Plans and specifications at the 90% level of completion for the Flow Equalization Basin Expansion/Interim Digester Mods project will be submitted to the District on November 21, 2007. Statements of Qualifications for a construction manager at risk (CM@R) are due on November 21, 2007. There was only one attendee at the pre-submittal conference that was held on November 7, 2007.
- There is nothing new to report on the Aquifer Protection Permit (APP) amendment.
- The tracer study began the week of November 5, 2007. The tracers were placed in ASR Well No. 2 and will be monitored for movement towards Monitor Wells 4A and 4B over a four month period.
- Saguaro Woods' property management company called to say the HOA was interested in selling the triangular shaped parcel adjacent to the WWTP. They have asked the District to obtain an appraiser to do an appraisal of the parcel.

Vice Chairman Thomson suggested the District Manager inform them of the name of the appraiser.

- There is nothing new to report on the Town Environmental Policy meeting.
- District Manager had a conversation with Vice Chairman Thomson regarding some manholes that were out of adjustment on Fountain Hills Blvd. After talking to staff, it was evident that there didn't seem to be a policy for how manholes get adjusted when they get out of adjustment. District Manager met with Tom Ward, Town Public Works Director, and he had no policy on manhole adjustment.

It was a consensus of District staff that if a road project necessitated a manhole adjustment, that the road project should be responsible for doing that adjustment. Tom agreed and he suggested that the conversation be memorialized in a letter of understanding to be written by the District Manager.

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 October was favorable to budget.

The number of new Sewer Service Agreements is below budget.

Billing is on track.

Agenda Item No. 6

Discussion and consideration to approve Memorandum of Understanding between FHSD, FHUSD, and developer of former State Trust Land concerning the use of school sties for reclaimed water disposal.

After a discussion, Director Reski made a motion to table this item until the next regular meeting and after the meeting to be held on November 29, 2007 with the FHUSD Board. Vice Chairman Thomson seconded the motion which passed unanimously.

Agenda Item No. 8

Discussion and consideration to award contract to Technology Construction for \$2,085,103.00 for construction of Pump Station No. 4.

District Manager is requesting authorization to award a contract to Technology Construction, who was the low bidder, for the Pump Station No. 4 project in the amount of \$2,085,103.00 .

After a discussion, Vice Chairman Thomson made a motion to award the contract to Technology Construction in the amount of \$2,085,103. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 9

Discussion and consideration to award contract to T & T Construction for \$1,715,675.00 for the construction of the force main from Pump Station No. 4.

District Manager is requesting authorization to award a contract to T & T Construction for \$1,715,675.00 for the construction of the force main from Pump Station No. 4.

Vice Chairman Thomson made a motion to award the contract to T & T Construction for \$1,715,675.00. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 10

Consideration to authorize the District Manager to purchase gift cards for employee Christmas gifts.

Director Reski made a motion to authorize District Manager to purchase \$50.00 Safeway gift cards for a total amount of \$1,950.00 for employee Christmas gifts. Director Panaro seconded the motion which passed unanimously.

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.

Vice Chairman Thomson requested that the Board look at the hook-up fee structure in preparation for the next fiscal year's budget.

Agenda Item No. 12

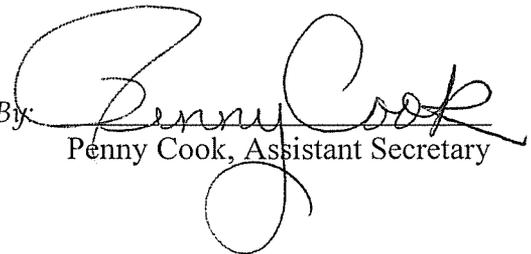
Adjournment.

Director Reski made a motion to adjourn the meeting at 7:52 p.m. Director Howard seconded the motion which passed unanimously.

Dated this 27th day of November, 2007.

Fountain Hills Sanitary District

Minutes Prepared By:

A handwritten signature in black ink, appearing to read "Penny Cook". The signature is written in a cursive style with a large initial "P" and "C".

Penny Cook, Assistant Secretary