

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, December 18, 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 Glenn Panaro, and Director Michael Howard. Director Tom Reski was absent.

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: 11/20/07 and Special Meeting 11/29/07**

A motion was made by Director Panaro to approve the minutes of the Regular Meeting of November 20, 2007 and Special Meeting of November 29, 2007 with changes. Director Howard seconded the motion which passed unanimously.

Agenda Item No. 3 **Discussion and possible direction to staff concerning noise at WWTP.**

At the November meeting, Mr. Caribardi, who lives on Hamilton Dr., requested that the District do something about the noise coming from the WWTP. District Manager advised the Board that he has met with Mr. Caribardi several times and has had several conversations with him in an effort to determine where the noise was coming from and to see if there was anything the District could do to make the noise go away.

It was determined that the noise was coming from the building that houses the blowers which provide oxygen for the biological process. The noise was being emitted by a valve that controls the air flow into the aeration basins. Because changes in temperature and humidity change the set point at which these valves make noise, District Manager has informed the WWTP operators that they need to check the pitch coming from the valve on an hourly basis and make adjustments if necessary.

Mr. Caribardi stated that he has canvassed the neighbors and found that they were very pleased with the changes that had taken place to eliminate the noise.

Chairman Hansen thanked the District Manager for the way in which this problem was handled.

District Manager informed Mr. Caribardi that the District will have a sound engineer look into sound attenuating enclosures that can be put around the blower intakes or possibly a wall. This will be included in the FEB Expansion/Interim Digester Mods project that should begin in April 2008.

Agenda Item No. 4
Call to public.

There was no public comment.

Chairman Hansen moved Agenda Item No. 8 before Agenda Item No. 5.

Agenda Item No. 8
Discussion and consideration to approve Non-Binding Statement of Purpose between FHSD, FHUSD, and developer of former State Trust Land concerning ASR wells and use of school sites for reclaimed water disposal.

District Manager informed the Board that the school district and the Ellman Companies have approved the Non-Binding Statement of Purpose.

Vice Chairman Thomson made a motion to approve the Non-Binding Statement of Purpose. Director Howard seconded the motion.

After a discussion, Vice Chairman Thomson amended his motion to approve the Non-Binding Statement of Purpose with changes. Director Howard seconded the motion which passed unanimously.

Agenda Item No. 5
District Manager's report; items to be discussed include plant and recharge statistics for November, permit compliance, progress on ASR Well No. 5, status of former State Trust Land, Crestview Repeater Site, Pump Station No. 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, Town Environmental policy meeting, and general direction from Board.

- District Manager reported the District's total recharge credit available as of November 30, 2007 was 283,429,979 gallons.
- Monitor Well No. 2 tested positive for Total Coliform and the staff is investigating. All other facilities were in compliance with permit requirements for the month of November.
- Staff and CDM are putting together a new scope of work for the ASR Well No. 5 project.
- There is nothing new to report on the Crestview Repeater site.
- The preconstruction conference for the Pump Station No. 4 Modifications project was held on December 10, 2007. Bonds and insurance papers have been received and contract documents have been executed. The notice to proceed date is January 7, 2008.
- The preconstruction conference for the Force Main Replacement project was held on December 10, 2007. Bonds and insurance papers have been received and contract documents have been executed. The notice to proceed date is January 7, 2008.

- Staff is reviewing the 90% submittal on the Flow Equalization Basin Expansion/Interim Digester Mods. and Addition of Fifth Microfiltration Rack.
- The Aquifer Protection Permit (APP) amendment is being drafted.
- The Tracer Study is currently under way and will go on through February. After approximately six weeks of being into the study, there has been no tracer picked up in the new monitor well that was drilled at the corner of El Lago and Panarama Dr.
- There is nothing new to report on the Saguaro Woods property.
- The final meeting of the Town Environmental Policy was held December 4, 2007 and recommendations were made to the Town Council.

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 reported the General Fund Income Statement for November was favorable to budget.

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

Billing is on track.

Agenda Item No. 7

Discussion and consideration to accept FY 2006/2007 audit report.

Angela Bertram, District's Auditor, informed the Board that there were no issues found after completing the audit.

After a discussion, Vice Chairman Thomson made a motion to accept the 2006/2007 audit report for filing. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 9

Discussion and consideration to authorize District Manager to spend up to \$150,000 for rehabilitation of the existing Pump Station No. 4.

District Manager requested authorization to spend up to \$150,000 for any rehabilitation absolutely necessary to keep the existing Pump Station No. 4 running as a standby.

Director Panaro made a motion to authorize District Manager to spend up to \$150,000 for rehabilitation of the existing Pump Station No. 4. Director Howard seconded the motion which passed unanimously.

Agenda Item No. 10

Discussion and consideration to authorize District Manager to negotiate a contract price with MGC Contractors to perform value engineering, a constructability review and prepare a guaranteed maximum price as CM@Risk for the FEB/Interim Digester Modifications Project.

District Manager informed the Board that after advertising for CM@Risk for the FEB/Interim Digester Modifications project, MGC Contractors was the only contractor that submitted their statement of qualifications. Staff evaluated their statement of qualifications and gave them a score of 95 out of 100 points.

District Manager asked the Board for authorization to negotiate a contract price to perform value engineering, a constructability review and prepare a guaranteed maximum price.

Director Panaro made a motion to authorize District Manager to negotiate a contract price to perform value engineering, a constructability review and prepare a guaranteed maximum price. Director Howard seconded the motion which passed unanimously.

Agenda Item No. 11

Discussion and consideration to authorize District Manager to execute change order in the amount of \$143,647.00 with T & T Construction, Inc. to construct 912 lineal feet of sewer line to serve five commercial properties in Plat 208.

District Manager informed the Board that staff found five commercial properties in Plat 208 that could not be served by gravity. After reviewing options, it was found that the five lots could be serviced by gravity through a 912 foot extension of the District's infrastructure.

District Manager requested authorization to execute a change order in the amount of \$143,647.00 with T & T Construction, Inc. to construct the 912 lineal feet of sewer to serve the five commercial properties in Plat 208.

Vice Chairman Thomson made a motion to authorize District Manager to execute a change order for \$143,647 with T & T Construction to construct 912 lineal feet of sewer. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 12

The chairman, the individual members of the board and the general 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.

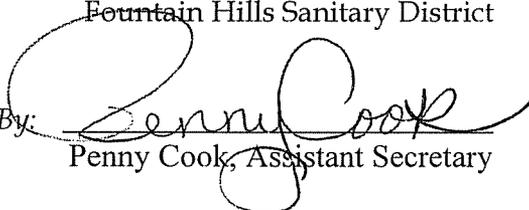
There were no comments.

Agenda Item No. 13

Adjournment.

Director Panaro made a motion to adjourn the meeting at 7:34 p.m. Director Howard seconded the motion which passed unanimously.

Dated this 4th day of January, 2008.

Fountain Hills Sanitary District
Minutes Prepared By: 
Penny Cook, Assistant Secretary