

SUNBURST FARMS IRRIGATION DISTRICT
Special Board of Directors Meeting
Sunburst Farms Irrigation District
16040 N. 43rd Avenue
Glendale, AZ 85306

December 16, 2013

MEMBERS PRESENT: Kay Lorenzen, Secretary
Victor Armendariz, Member

MEMBERS LATE: Courtland Rouse, President, arrived at 7:40 PM

EMPLOYEES PRESENT: Brenda Brown
Richard Mitten

OTHERS PRESENT: (See attached sign-in list)

1. CALL TO ORDER: The meeting was called to order by Kay Lorenzen, Secretary, at 6:30 P.M.

2. CALL TO THE PUBLIC:

1. Arthur Luera with Goldstein & Luera Construction, LLC, introduced himself as an Engineer and stated that Goldstein & Luera Construction is present for the bid opening. Mr. Luera stated that the company has been in business for thirty two (32) years and that 99% of Goldstein's contracts are with the United States Government. Some of the contracts include ten (10) years with the United States Marine Corp in Yuma Arizona, United States Navy, bridges, roadways, sidewalks, irrigation pipes and much more. Mr. Luera stated that he's happy to answer any questions that the Board might have.

3. REPORTS:

A. Financial Report:

Accountant Cathy Hacker stated that the objective of these reports is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the reports. The intended purpose of these reports is for management discussion and review. Cathy also reported on the journal entries from Seely & Mullins for fiscal year 2011-2012 regarding accumulative depreciation entries. Cathy stated that according to the auditor, the entries were for prior adjustments that had not been booked. Discussion ensued between Cathy Hacker, Secretary Kay Lorenzen, Member Victor Armendariz and homeowner Walt Michels regarding the entries and the timeline. Secretary Kay Lorenzen requested that Cathy Hacker get a detailed report by item and year in regards to the journal entries that are in question. See Attachment

4. NEW BUSINESS:

A. Discuss and possible action on opening sealed bids in reference to RFP 01-13:

Secretary Kay Lorenzen and Member Victor Armendariz proceeded to open four (4) sealed bids. Secretary Kay Lorenzen stated the following:

1. Stewart Pipe in the amount of \$99,179.86 each for Line 9 and 10
2. Odeh & Sons in the amount of \$172,000.00 for both lines
3. Premiere Irrigation in the amount of \$106,573.84 per lines
4. Goldstein & Luera in the amount of \$74,362.65 for Line 9, and \$74,889.86 for Line 10.

B. Discuss and possible action on RFP 01-13 for lines 9 and/or 10 from 45th Ave to 47th Ave "Award bid":

Heavy discussion ensued between Secretary Kay Lorenzen, Member Victor Armendariz and Arthur Luera with Goldstein & Luera Construction regarding requirements for line replacements. Member Victor Armendariz stated that he has not seen the cost of repairs; therefore; it's difficult to compare the replacement costs vs. repair costs. Three (3) out of four (4) bids include exclusions. Secretary Kay Lorenzen stated that the budget does allocate enough money for two (2) line replacements. Discussion ensued replacement costs vs. repair costs. Secretary Kay Lorenzen stated that the Board is unable to come to a decision and recommended that President Courtland Rouse be contacted via teleconference. During the teleconference information was sought from President Courtland Rouse regarding the bids and costs. President Courtland Rouse stated that he can be at the office in 5-10 minutes to discuss the bids in person. President Courtland Rouse arrived at 7:40 PM. Member Victor Armendariz stated that it is outrageous to spend this kind of money on a quarter mile section that is going to affect 20 parcels of 800 some parcels in the district. Discussion ensued regarding the costs of crossing the road at 45th Avenue and the quarter mile of replacement. Member Victor Armendariz stated that Mr. Luera came with credentials and experience. Victor also stated that the line replacements are going to cost from \$89,000 to \$94,000 each. Secretary Kay Lorenzen stated that she liked Premiere Irrigation's bid because everything was in the bid. The other bids have exclusions. Kay also stated that Arthur Luera with Goldstein & Luera Construction, LLC thought that the district was a privately owned neighborhood and didn't have to worry about public streets but now that he knows expenses came into play. Kay also stated that the reason why we requested the RFP is because there's a belief that the District needs to replace pieces of this system over time and it's not enough to put band aids and do patch work and from that standpoint I'm "Kay" leaning on replacement. Member Victor Armendariz stated that he "Victor" believes in proper section repairs and if they are done correctly then the District would have quality line repairs. President Courtland Rouse stated that the concrete pipe does not deteriorate but

these problems that the District is experiencing are due to root intrusion, plant matter and soil conditions. Discussion ensued regarding the additional cost of crossing the street and bid exclusions.

MOTION President Courtland Rouse *made a motion to reject all bids and to advertise a new Request for Proposal "RFP" with no exclusions.* Member Victor Armendariz seconded the motion. **Motion Passed**, unanimously.

7. ADJOURNMENT:

Without objection, meeting adjourned at 8:07

Dated this 16th day of December, 2013

Submitted by *Courtland Rouse*
Office Manager

**Note: All attachments including correspondence in its entirety are filed with the original minutes and may be viewed at the District Office*