

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, September 21, 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, Director Bob Thomson, and Director Tom Reski. Vice Chairman Michael Howard 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: 08/17/10

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of August 17, 2010 as presented. Director Thomson seconded the motion which passed unanimously.

Agenda Item No. 3
Presentation of audit report.

Marilyn Mays from Henry & Horne presented the Board with their 2009/2010 draft financial statements and audit report.

Agenda Item No. 4
Discussion and consideration to accept FY 2009/2010 audit report and issue financial statements.

After a discussion, Director Thomson made a motion to accept the 2009/2010 audit report and financial statement for filing. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 5
Call to public.

There was no public comment.

Agenda Item No. 6
District Manager's report; items to be discussed include plant and recharge statistics for August, 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, Utilizing Solar Energy at District Facilities, Fountain Lake Water Quality, and general direction from Board.

- District Manager reported the District's total recharge credit available as of August 31, 2010 was 208,725,979 gallons.

- All facilities were in compliance with permit requirements for the month of August.
- MGC Contractors is performing some value engineering and is preparing the guaranteed maximum price (GMP) for the ASR Well No. 5 Project. The GMP should be finalized before the October meeting.
- The District received the final APP amendment.
- District Manager presented the Board with the preliminary results of the Lake Water Quality Model and explained the findings to date. After a discussion, Director Hansen requested that this item be agendaized at the October 2010 meeting for further action.

Agenda Item No. 7

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 August was favorable to budget.

There was one new Sewer Service Agreement issued in August.

Billing is on track.

Agenda Item No. 8

Discussion and consideration to award contract to Performance Paving in the amount of \$59,701.46 for the Pump Station No. 4 Paving Project.

A motion was made by Director Hansen to award contract to Performance Paving in the amount of \$59,701.46 for the Pump Station No. 4 Paving 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 \$56,880.

Director Reski made a motion 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 \$56,880. Director Thomson seconded the motion which passed unanimously.

Agenda Item No. 10

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

Legal counsel informed the Board that a draft letter was sent on September 20, 2010. There was no direction given to staff.

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.

There were no comments.

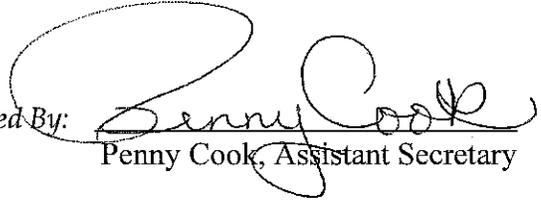
Agenda Item No. 12
Adjournment.

Director Thomson made a motion to adjourn the meeting at 6:56 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 22nd day of September, 2010.

Fountain Hills Sanitary District

Minutes Prepared By:

A handwritten signature in cursive script that reads "Penny Cook". The signature is written over a horizontal line.

Penny Cook, Assistant Secretary