

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, October 19, 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, Vice Chairman Michael Howard, Director Bruce Hansen, and Director Tom Reski. Director Bob Thomson arrived a few minutes late.

The following Executive Staff members were present:

Ron Huber, District Manager, Larry Udall, Legal Counsel, Tori Sawyer, Controller, and Penny Cook, Assistant Secretary.

Agenda Item No. 2

Approval of Minutes: Regular Meeting: 09/21/10

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of September 21, 2010 as presented. Vice Chairman Howard seconded the motion which passed unanimously.

Agenda Item No. 3

Call to public.

There was no public comment.

Agenda Item No. 4

District Manager's report; items to be discussed include plant and recharge statistics for September, permit compliance, ASR Well No. 5 Project, status of former State Trust Land, Reclaimed Water Use Agreements – Eagle Mountain and Town, 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 September 30, 2010 was 183,441,979 gallons.
- All facilities were in compliance with permit requirements for the month of September.

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 September was slightly unfavorable to budget.

There was one new Sewer Service Agreement issued in September.

Billing is on track.

Agenda Item No. 6

Discussion and direction to staff regarding a possible project to improve the water quality in Fountain Lake.

District Manager presented the Board with a brief update from Doug Kobrick of the samples taken from Town Lake.

After a brief discussion, Director Hansen requested the District Manager schedule a joint meeting with the Town Council to discuss findings and possible solutions to improve the water quality in Fountain Lake.

Agenda Item No. 7

Discussion and consideration to award contract to MGC Contractors to construct the ASR Well No. 5 Project for a guaranteed maximum price of \$2,684,410.

District Manager presented the Board with a GMP of \$2,684,410 from MGC Contractors to construct the ASR Well No. 5 Project.

After a discussion, Director Thomson made a motion to award contract to MGC Contractors to construct the ASR Well No. 5 Project for a guaranteed maximum price of \$2,684,410. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 8

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

District Manager informed the Board that staff reviewed a draft reclaimed water master use plan received from the Ellman Companies. District Manager made comments on the plan and sent it back to the Ellman Companies for further review.

Agenda Item No. 9

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.

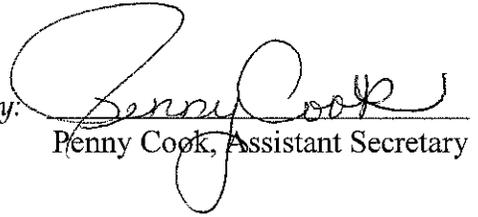
Agenda Item No. 10
Adjournment.

Director Thomson made a motion to adjourn the meeting at 6:40 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 20th day of October, 2010.

Fountain Hills Sanitary District

Minutes Prepared By:

A handwritten signature in cursive script, appearing to read "Penny Cook", written over a horizontal line.

Penny Cook, Assistant Secretary