

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 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, Vice Chairman Michael Howard, Director Bruce Hansen, Director Bob Thomson, and Director Tom Reski.

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: 11/16/10, Special Meeting: 12/2/10, District/Town Joint Work/Study Session: 12/14/10.

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of November 16, 2010, Special Meeting of December 2, 2010, and District/Town Joint Work/Study Session of December 14, 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 November, permit compliance, progress on ASR Well No. 5, Pump Station No. 4 Paving Project, Fountain Lake Water Quality, status of former State Trust Land, Reclaimed Water Use Agreements – Eagle Mountain and Town, Utilizing Solar Energy at District Facilities, and general direction from Board.

- District Manager reported the District's total recharge credit available as of November 30, 2010 was 188,817,979 gallons.
- All facilities were in compliance with permit requirements for the month of November.
- The paving project for the ASR Well No. 5 project will begin on January 3, 2011, just south of Avenue of the Fountains on Saguaro Blvd.

- Pump Station No. 4 Paving project was completed on Friday, December 17, 2010, with the exception of punch list items.

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's report indicated the Income Statement for November was favorable to budget.

The were no new Sewer Service Agreements issued in November.

Billing is on track.

Agenda Item No. 6

Discussion and consideration to award contract to MGC Contractors, Inc. for the construction of the WWTP Perimeter Wall Addition in the amount of \$40,500.00.

District Manager is requesting authorization to award contract to MGC Contractors, Inc. for the construction of the WWTP Perimeter Wall Addition in the amount of \$40,500.00.

A motion was made by Director Thomson to award contract to MGC Contractors, Inc. for the construction of the WWTP Perimeter Wall Addition in the amount of \$40,500.00. Director Hansen seconded the motion. After a discussion, the motion passed unanimously.

Agenda Item No. 7

Discussion and possible direction to staff regarding the Fountain Lake Water Quality Study.

Director Thomson suggested that Chairman Panaro write a letter to Mayor Schlum thanking him for the opportunity to meet with him and the Council. Also, the letter should ask him to advise the District which councilmembers and staff they would like to meet with District staff and Board representative to further review a course of action with respect to Fountain Lake water quality.

Agenda Item No. 8

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

District Manager informed the Board that he has contacted Don Kile and Mr. Kile requested meeting after the first of the year to discuss the scope of work for identifying a monitor well location.

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.

District Manager informed the Board that sometime late Friday night or early Saturday morning some kids jumped the WWTP wall and got into the treatment plant. It appears that the only thing that was done was emptying of three fire extinguishers and gas caps removed on equipment and no major damage was done.

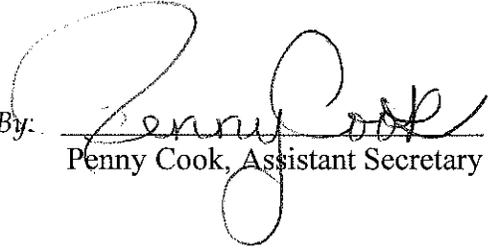
Agenda Item No. 10
Adjournment.

Director Thomson made a motion to adjourn the meeting at 6:39 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 22nd day of December, 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