

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE FOREST VIEW ACRES WATER DISTRICT AND THE BOARD OF DIRECTORS OF THE WATER ACTIVITY ENTERPRISE HELD July 26, 2017

A regular meeting of the Board of Directors of the Forest View Acres Water District and the Board of Directors of the Water Activity Enterprise (referred to hereafter as “Board”) was held on Wednesday, July 26, 2017, at 6:00 p.m., at the Monument Sanitation District, 130 2nd Street, Monument, Colorado. This meeting was open to the public.

ATTENDANCE

In attendance were Directors:

Gene Ashe
Hans Zimmermann
Anne Bevis
Brad Hogan
Eck Zimmermann

Also in attendance were:

Jim McGrady; Community Resource Services (“CRS”)
Clyde Penn; ORC, LLC
Gwen Dall; JDS Hydro
Neil Schilling; Schilling and Company, Inc
Elizabeth Lonquist – President, Red Rocks Ranch HOA

ADMINISTRATIVE MATTERS

Director Ashe called the meeting to order at around 5:55 p.m.

Agenda - Mr. McGrady distributed for the Board’s approval the proposed agenda. Director Hans Zimmermann moved to approve the agenda as amended, adding item II F, which addresses tank inspections. Upon a second by Director Bevis vote was taken and motion carried unanimously.

Appointment of Director – During the June 28, 2017 Board Meeting, President Ashe made a motion to appoint Mr. Eckehart Zimmermann to the Forest View Acres Board of Directors. The motion was duly seconded by Director Hogan and the motion passed unanimously. Given this, President Ashe administered the oath of office to Mr. Eckehart Zimmermann to serve on the Board of Directors of the Forest View Acres Water District, until May 2018, replacing Timothy Sobik.

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Minutes – The Board reviewed the minutes of the June 28, 2017 Regular Board meeting. Director Bevis moved the minutes be approved as amended. Upon a second by Director Hogan, vote was taken and motion carried unanimously.

Public Comment – Elizabeth Lonnquist, President of the Red Rock Ranch HOA. Elizabeth stated she is putting together a wildfire protection plan. She requested a map of the fire hydrants in the District. Director Bevis commented that the maps are currently being updated. Ms. Dall suggested that we turn off the layers and show the hydrants. Ms. Lonnquist also suggested mitigating vegetation around the District's tank. Ms. Dall will contact Tri-Lakes Monument Fire District to see if they have the District's water system maps and if the fire trucks are equipped with a GIS mapping system and could access the District's Maps in route to a fire.

Presentation Regarding 2016 Financial Audit – Mr. Neil Schilling presented an unmodified opinion for the 2016 Audit. There are no audit adjustments. Required supplemental information. None was presented. The Term (CIP) will be changed to spell out Construction in Progress. Master Plan Capital expenditure could potentially be removed as the District is no longer following the master plan that was prepared several years ago. Operations generated \$174,000. Property taxes are used for non-capital expenditures such as administration. Director Bevis inquired about the need for a formal investment policy. Mr. Schilling indicated that the State provides guidance on investments. Investment Valuation at the end of 2016 was \$86,955 and was held at ColoTrust. A budget amendment is needed because the District budgeted \$663,000 for Capital Improvements in 2016, however, because of unforeseen construction timing, the District spent approximately \$875,000 in 2016, necessitating the budget amendment.

Public Hearing to Amend 2016 Budget: Mr. McGrady reported that proper publication had been made to allow the Board to conduct a public hearing to amend the District's 2016 budget. Director Ashe opened the public hearing at 6:35 p.m. Mr. McGrady reviewed the amended budget with the Board. There being no public present to comment on the amended budget, the public hearing was closed at 6:38 p.m. Director Eck Zimmermann moved that the Board approve the 2016 budget amendment. Upon second by Director Hogan vote was taken and motion carried unanimously.

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Review Action Item Management Report for June 28, 2017

- i. ORC will be adding not replacing media
- ii. There will be no more map updates. JDS will add Shiloh Pines PRV to the final version.
- iii. Mr. McGrady will meet with Leonard Rice.
- iv. Mr. Penn will send video to the Board of the tank cleaning.
- v. Monitoring plan was submitted and this item will be closed out.
- vi. Delete leaks to be reported. Mr. Penn will add this to his operations report.
- vii. Mr. Penn spoke to the homeowner near the Surface Water Plant and he didn't appear to be in a hurry.

Discuss Policy Review and Implementation Timeline -

OPERATIONS & MAINTENANCE

Operations Report – Mr. Penn presented the June 2017/July 2017 Operations Report.

Update Board Regarding Piping Modification at the Booster Pump
The project has been completed.

Other Maintenance Items Discussed -

- i. Tank repair will be done before 2022. Nothing needs to be done now as the tank corrosion minimal and the tank is sound.
- ii. Director Eck Zimmermann suggests that we need to operate the tank so that we maximize production from the surface plant. We may need Golder to make changes to maximize surface plant production. We are diverting 40-50 gallons per minute. Mr. Penn cleaned the diversion structure recently. Mr. Penn indicated that Ms. Begeman will go to the Diversion structure and take the screen out with the hope of improving the flow.
- iii. Level of water above the pump in the Arapahoe Well has gone down.
- iv. Mr. Penn discussed installation of water meters in the District. Director Eck Zimmermann suggested we let homeowners know the meters are available. Director Bevis moved to allow customers to request new meters if they are willing to pay the cost of the meter if they are outside the normal replacement plan. Upon second by Director Hans Zimmermann vote was taken and motion carried unanimously.

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- Mr. McGrady agreed to evaluate the feasibility of implementing this program.
- v. Mr. Penn is spending 8.0 hours reading meters
 - vi. Send Eye on Water flyer out and put it on the website.
 - vii. Monthly Bactee testing is done. Mr. Penn will be doing led and copper testing in August.
 - viii. Mr. Penn rebuilt the recycle line.
 - ix. Pressure regulator will be evaluated on August 8, 2017.
 - x. The Board would like Mr. Penn to clear out the wood and miscellaneous parts that will never be used in order to clean up the AWP building.
 - xi. The Board recommended that if the curb stop needs to be straightened, this should be done at the District's cost. We need to address the construction standards regarding location of curb stops.

Status of Leak Detection in Shiloh Pines and Other Areas in the District – Ms. Begeman will provide a report.

Arapahoe Maintenance Issues: Low Megger reading, existing SCADA PWL recording capabilities; Existing VFD capabilities and fault history – The Board wondered if the rate of degradation is alarming. The Board also wondered when should the District replace the electric cable. The District needs a good method for tracking wiring and pump performance as well as methods for monitoring and managing capital equipment. Ms. Dall indicated she will begin working on this project.

Tank Inspection – The fixes are minor and may be done in 2022. Director Eck Zimmermann is hesitant to wait five years and requested that the tank repairs be done sooner.

CAPITAL ITEMS

Monthly Report prepared by JDS Hydro – Ms. Dall presented her report to the Board.

Review and consider Approval Phase 4 – Water Main Rehabilitation Project Application # 4 – Most everything is completed. The Air Vac vent pipe was hit. To prevent this from happening again, Schmueser moved the vent pipe away from the edge of the road by seven feet. Mr. Penn will put reflective tape on the vent pipe. In Ms. Dall's estimation, the revegetation at the Booster Pump near the lay down area is not adequate. We need a letter from the homeowner that they are okay, or the area will need to be reseeded. JDS is waiting on Davis Bacon wage verification forms from Schmueser's paving company. Global Underground is still owed \$4,000 by Schmueser. Mapping Schematics need to be prepared for the Surface Plant. JDS will be updating Booster Pump

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Station drawings. At the request of ORC JDS Hydro will add pressure settings for each of the District's Pressure Reducing Valves.

Review and Consider Resolution 2017-01 Acceptance Resolution regarding Phase 4 Water Improvements – This item was tabled until the next meeting.

Recommended 2018 Capital Budget Items – Ms. Begeman and Mr. Penn will present suggested projects to the Board at the August 23, 2017 meeting.

Recommended 2018 Capital Budget Items – deferred to August meeting.

FINANCIAL MATTERS

Payment of Claims - Mr. McGrady requested that the Board approve payment of claims represented by check numbers 04354 – 04377 totaling \$79,431.34. A new check will be issued to Dana Kempner that reflects material returned by Shamrock Water Services. The check to Mr. Sobik was voided and the Board directed that Mr. Eck Zimmermann be paid for his meeting attendance. Director Hans Zimmermann moved to approve the payables. Upon a second by Director Hogan, vote was taken and motion carried unanimously.

Monthly Cash Position and Unaudited Financial Statements - Mr. McGrady presented the monthly cash position and unaudited financial statements for review by the Board. Director Hans Zimmermann would like to review the amount of cash in the Wells Fargo account and perhaps move some money to ColoTrust. Also Director Hans Zimmermann asked that Mr. McGrady prepare a report on the total cost of the 2016 Audit. Mr. McGrady pointed out that the 2017 tax receipts are low and he will investigate why this is the case. Mr. Hans Zimmermann also directed Mr. McGrady to have CRS accounting personnel move the remaining \$150,000 from the O&M Account to Capital Account before beginning work on the 2018 budget.

Review and Consider Approval of the 2016 Financial Audit – Director Bevis moved to approve the 2016 Financial Audit. Upon second by Director Hans Zimmermann, vote was taken and motion carried unanimously.

OTHER BUSINESS

Review Look Ahead Report

- i. Add Capital Improvement Plan
- ii. Eliminate Rate Resolution Item #13
- iii. Move Metering Plan to July 26, 2017

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Eye on Water Roll Out – The Board would like access to the program.

LEGAL

Director Hogan moved that the Board enter Executive Session pursuant to Section 24-6-402(4) (e), C.R.S. Upon a second by Director Hans Zimmermann, a vote was taken and the motion carried unanimously.

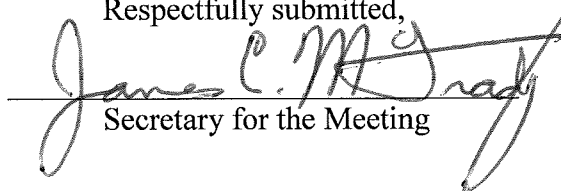
The following items were discussed:

- Review and Discuss 1985 Agreement
- Provide Update on Items Associated with 40 Acre Land Swap with U.S. Forest Service

The Executive Session was entered at approximately 8:36 p.m. and exited at approximately 8:44 p.m. Director Bevis moved that the Board adjourn the Executive Session. Upon second by Director Eck Zimmermann, a vote was taken and the motion carried unanimously.

ADJOURNMENT There being no further business to come before the Board, upon motion duly made by Director Eck Zimmermann, seconded by Director Bevis, the meeting was adjourned at approximately 8:45 p.m.

Respectfully submitted,


Secretary for the Meeting

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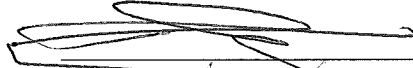
THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 26, 2017 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:




Anne Bevis




Eugene Ashe



Brad Hogan



Hans Zimmermann



Eck Zimmermann