

## RECORD OF PROCEEDINGS

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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  
NOVEMBER 2, 2005

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, the 2nd day of November, 2005, at 5:30 P.M., at Grace Best Elementary School, 66 Jefferson Street, Monument, Colorado. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

Barbara Reed-Polatty, President  
Brian Cross  
Eckehart Zimmermann  
Kajetan Nowacki

Upon motion duly made by Director Cross, seconded by Director Zimmermann and, upon vote, unanimously carried, the absence of John Anderson was excused.

#### Also In Attendance Were:

Deborah D. McCoy, Kammy K. Tinney and Susan Clyne;  
Special District Management Services, Inc.

Dan LaFontaine; Operations Manager

Paul C. Rufien, Esq.; Paul C. Rufien, P.C.

See attached list for others in attendance

### ADMINISTRATIVE MATTERS

Agenda: Ms. McCoy reviewed the proposed agenda for the District's Regular Board Meeting. Following discussion, upon motion duly made by Director Cross, seconded by Director Zimmermann, and upon vote, unanimously carried, the agenda was approved, as amended.

Minutes: The Board considered the Minutes of the October 5, 2005 regular meeting. Following discussion, upon

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motion duly made by Director Nowacki, seconded by Director Cross and, upon vote, unanimously carried, the Minutes of the October 5, 2005 meeting were approved.

Re-appointment of Director Zimmermann: Following discussion, upon motion duly made by Director Reed-Polatty, seconded by Director Cross and, upon vote, unanimously carried, the Board re-appointed Eckehart Zimmermann to fill the vacancy created by the resignation of Tom Guenther.

Agency Services Agreement with T. Charles Wilson Insurance Service: Following discussion, upon motion duly made by Director Cross, seconded by Director Nowacki and, upon vote, unanimously carried, the Board approved the Agency Services Agreement with T. Charles Wilson Insurance Service.

### FINANCIAL MATTERS

Claims: A revised claims list for the period ending November 2, 2005 was distributed. The Board considered approval of payment of claims through the period ending November 2, 2005, totaling \$74,818.20.

Following discussion, upon motion duly made by Director Cross, seconded by Director Zimmermann and, upon vote, unanimously carried, the claims through the period ending November 2, 2005 were approved, subject to funding of the debt service payment.

Financial Report: Ms. Clyne distributed and reviewed the unaudited financial statements and the Schedule of Cash Position for the period ending October 31, 2005.

Following discussion, upon motion duly made by Director Cross, seconded by Director Nowacki and, upon vote, unanimously carried, the unaudited financial statements and the Schedule of Cash Position for the period ending October 31, 2005 were approved.

Billing Report for September 2005 water usage: The Board reviewed and discussed the report.

2006 Budget: Ms. McCoy reviewed the draft 2006 budget.

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2005 Budget Amendment: The Board directed staff to publish for a public hearing to consider amendment of the 2005 budget for the same date and time as the hearing on the 2006 budget.

Report on discussions with financial advisors: The Board will consider the options presented at some time in the future.

2002, 2003 and 2004 Applications for Exemption from Audit: Ms. McCoy reported that the applications were completed and filed. They have been accepted by the State.

2005 Audit: Following discussion, upon motion duly made by Director Nowacki, seconded by Director Zimmermann and, upon vote, unanimously carried, the Board approved the engagement of Dawn A. Schilling, LLC to perform the 2005 audit for an amount not to exceed \$7,000.

Closure of bank accounts: Following discussion, upon motion duly made by Director Cross, seconded by Director Nowacki and, upon vote, unanimously carried, the Board authorized closing US Bank account numbers 1 036 5872 8771 and 1 036 5872 8789.

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### LEGAL MATTERS

Kammy K. Tinney, joined the meeting at this point.

Public Hearing to consider the petition for inclusion of 40 acres owned by Leroy S. Schmidt (the "Property"): The Chairman opened the public hearing to consider the inclusion of the Property.

It was noted that publication of Notice stating that the Board would consider the inclusion of the Property and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

Attorney Rufien reported on his review of the Inclusion Agreement. He has received a copy of the easement but has not reviewed it in detail. He expressed concern regarding the conservation easement. Attorney Rufien

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noted that the District will require an access easement for District facilities. He feels there may be issue with the water conveyance to the conservation easement.

No public comments were received and the public hearing was closed.

Following discussion, upon motion duly made by Director Nowacki, seconded by Director Zimmermann and, upon vote, unanimously carried, the Board approved the inclusion of the Property as described in the Petition and the Resolution, subject to final review by counsel and directed counsel to complete the inclusion process. A copy the Resolution is attached hereto and incorporated herein by this reference.

Rules and Regulations: Ms. McCoy stated that management will be working with Attorney Rufien and Mr. LaFontaine to draft revised Rules and Regulations for the District. A work session will be scheduled with the Board to review the revised Rules and Regulations in January.

Bylaws: Following discussion, upon motion duly made by Director Nowacki, seconded by Director Cross and, upon vote, unanimously carried, the Board rescinded the Bylaws of the District.

Contract with Dan LaFontaine, dba Independent Water Services: A copy of the current contract was distributed. Attorney Rufien has a standard form contract document that he would prefer that the District begin using. He will work with Mr. Fontaine to review the standard form contract.

Memorandum of Understanding with Tri-Lakes/Monument Fire Rescue Authority: Attorney Rufien explained that he prefers an Intergovernmental Agreement instead of a Memorandum of Understanding. The Board expressed concern regarding any associated costs to the District. Mr. LaFontaine should review the agreement and provide his comments. Attorney Rufien is to provide an intergovernmental agreement for the Board to consider at the next meeting.

Raspberry Ridge/Red Rocks Reserve development: Director

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Cross reported that the final plat approval may be delayed due to environmental concerns.

Inclusion of 40 acres owned by Doug Higgins: Director Reed-Polatty reported that a Petition for Inclusion had been received from Doug Higgins. Attorney Rufien was directed to prepare a draft inclusion agreement. The Board directed staff to publish for an inclusion hearing to be held at the December 7, 2005 meeting.

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### OPERATIONS REPORT

Water Operator report: Mr. LaFontaine distributed and reviewed the Operational Report and Production Report for October 2005.

Variable Frequency Drive ("VFD"). Mr. LaFontaine distributed and reviewed the proposal from Layne-Western to supply and install a replacement VFD for an amount not to exceed \$9,000.

Following discussion, upon motion duly made by Director Cross, seconded by Director Nowacki and, upon vote, unanimously carried, the Board approved the proposal from Layne-Western for an amount not to exceed \$9,000 and approved the Service Agreement, subject to review by counsel.

A claim will be submitted for the replacement of the VFD as the cost will exceed the deductible by a considerable amount.

Development of a project list, preventative maintenance schedule and log, and a minor and major repair schedule and log: Director Nowacki reported that the issues were discussed at the work session. Doug Meurer is working on reviewing and preparing a project list, preventative maintenance schedule and log, and a minor and major repair schedule and log with Mr. Fontaine.

Payment drop box: The Board determined that the payment drop box would be removed.

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### COMMUNITY BUSINESS

Community comments: Members of the community addressed the Board.

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EXECUTIVE  
SESSION MATTERS

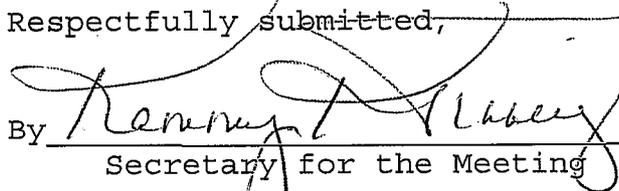
Unger civil case: EXECUTIVE SESSION: Pursuant to §24-6-402(4)(b) and (e), C.R.S., Director Nowacki moved that the regular public meeting of the Board adjourn and, upon an affirmative vote of at least two-thirds of the quorum present, that the Board reconvene in Executive Session for the purposes of receiving from the Board's attorney legal advice on specific legal questions as authorized by § 24-6-402(4)(b), C.R.S. and determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators as authorized by § 24-6-402(4)(e), C.R.S.

The Board reconvened in regular session. No action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly and seconded and, upon vote, unanimously carried the meeting was adjourned.

Respectfully submitted,

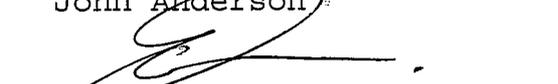
By   
Secretary for the Meeting

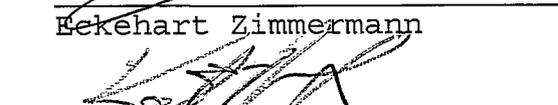
THESE MINUTES APPROVED AS THE OFFICIAL NOVEMBER 2, 2005 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
Barbara Reed-Polatty

  
Brian Cross

  
John Anderson

  
Ekehart Zimmermann

  
Kajetan Nowacki

Please **print** your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

NAME	ADDRESS	TELEPHONE	ISSUE(S) TO BE ADDRESSED
TIM KENDRICK	15590 FALCON RIDGE	488-6831	
Phyllis Moore	3855 Sierra Vista Rd	488-0721	
GIL MOORE	3855 SIERRA VISTA RD,	488-0721	
Tom Thieme	18125 Red Rocks Dr	481-3469	
Kathleen Foley	3615 El Rancho Way	216-4133	
FREDERIC MALMSTROM	18235 SUNGUEST DRIVE	487-1606	
Jeff Walker	4835 Abo Ln.	481-9128	
Bob Beeten	18435 Sunburst Dr	481-24547	