

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL 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 9, 2007**

A special 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 Friday, November 9, 2007, at 10:00 a.m., at the offices of Monument Sanitation District, Conference Room, 130 2nd Street, Monument, Colorado. This meeting was open to the public

ATTENDANCE

In attendance were Directors:

Richard T. Crocker, Chairman
Barbara Reed-Polatty
Anne Bevis
Eckehart “Eck” Zimmermann

Absent:

Absent was Director Chris Monsen, whose absence was excused.

Also in attendance were:

Joel Meggers and Sue Blair; Community Resource Services (“CRS”)
John Heiser; Our Community News
Susan Gates; Resident
Ketch Nowacki, Resident

ADMINISTRATIVE
MATTERS

Chairman Crocker called the meeting to order at 10:02 a.m. Ms. Blair distributed for the Board’s approval a proposed Agenda. Following discussion, upon motion duly made by Director Reed-Polatty, seconded by Director Bevis and, upon vote, carried, the agenda was approved as amended, with Director Zimmermann voting against the motion.

MANAGER’S
REPORT

Management Transition Update

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Mr. Meggers reported that CRS has received paper files only from Special District Management Services. Ms. McCoy has indicated that electronic files will not be released, as SDMS has provided paper copies of all documents on file with SDMS. However, the District's contract does state that SDMS will deliver to the District all "written data and information generated by the Company" which would include electronic files. After discussion, the Board requested that CRS draft a letter to be signed by Chairman Crocker demanding receipt of all electronic files.

Ms. Blair distributed a proposed utility billing format for Board review and approval. Board members were asked to send any suggested changes to Ms. Blair at their earliest convenience so that statements could be printed for the December billing. The Board directed staff to modify the statement format to reflect the 2008 rate structure for January billing.

Appointment of New Secretary to the Board

After discussion, upon motion duly made by Director Reed-Pollaty, seconded by Director Bevis and, upon vote, unanimously carried, the Board appointed Sue Blair as the District's Secretary. Ms. Blair will transcribe meeting minutes on a laptop during the meeting to help keep administrative costs reasonable.

Review 2007 YTD Budget and 2008 Draft Budget

The Board thoroughly reviewed both the 2007 YTD and 2008 draft budgets and modified certain line items. The Board requested that CRS make the suggested changes to the draft budget. In particular, the Board requested that CRS perform the following: (1) review the 2007 projections to determine whether a 2007 budget amendment is necessary (2); confirm that 2006 audited numbers are reflected in the 2007 beginning fund balances; (3) remove the 2005 column from the 2008 budget when submitted to the Division; and (4) confirm revenues and expenditures for 2007 to determine beginning balances for 2008.

Chairman Crocker distributed a draft budget matrix for Board review, which matrix outlines revenues and expenditures by fund. He will develop it further and when complete, it will be posted on the District's website.

The Board requested that the District's general ledger (chart of accounts) be project based. CRS will make necessary changes to the general ledger to aid the Board in tracking project expenditures.

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The public hearing on the District's 2008 budget (and 2007 budget amendment, if necessary) will be held at November 29, 2007 special meeting of the Board, to be held at the Tri-Lake Fire Department, at 6:00 p.m.

DIRECTORS' ITEMS

Capital Project Update

Chairman Crocker reported that the filters from Aqueous Solutions have not been ordered, and Aqueous is requesting a deposit of \$19,385.50 (half of the cost of the filters). Mr. Meggers will order the filters and negotiate the deposit amount.

Chairman Crocker reviewed future capital projects with the Board and the following estimated project costs were discussed:

Transmission Line Project	\$96,000
PRV Project	\$25,000
Tank Repairs	\$71,000
Hydraulic and Well Assessment	\$12,000
Flow Meters	\$25,000
Hydraulic Risk Assessment	\$12,000

The Board reviewed a proposal from RG Consulting Engineers regarding preparation of a comprehensive capital improvements plan with concept designs for a total amount of \$31,000. Once completed, the Board can prioritize the completion of the capital improvements discussed. Upon motion duly made by Director Bevis, seconded by Director Zimmermann, and unanimously carried, the Board approved the contract with RG Consulting Engineers.

After discussion, the Board determined that the District should maintain a \$100,000 reserve.

CRS District Management Contract

The Board briefly discussed recommended changes to the management contract, including increasing the termination clause to 90 days. Recommended changes will be submitted to CRS for consideration and approval.

Water Operations Contract

The Board reviewed the three proposals received for water operations. After discussion, Director Zimmermann moved that

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the Board approve the proposal from Eco Resources in the amount of \$87,540. Upon second by Director Bevis, vote was taken and motion carried unanimously. Mr. Meggers was instructed to work with Eco Resources and CSI to ensure an efficient transition of duties.

Legal Counsel Items

The Board discussed the necessity to bring the Wilde issue to closure, as it has been an ongoing issue since January 2005. After discussion, CRS suggested that Mr. Rufien prepare a monthly written report to the Board summarizing legal issues. The Board directed CRS to determine whether his attendance is necessary at all Board meetings.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned. The next meeting of the Board is scheduled for Thursday, November 29, 2007, 6:00 p.m., at the Tri-Lakes Fire Department, Station No. 1, 18650 Highway 105, Monument, Colorado.

Respectfully submitted,

Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL NOVEMBER 9, 2007 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Richard T. Crocker

Barbara Reed-Polatty

Eckehart Zimmermann

Anne Bevis

Chris Monsen