

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 DECEMBER 20, 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 Thursday, December 20, 2007, at 6:00 p.m., at the Tri-Lakes Fire Station No. 1, 18650 Highway 105, Monument, Colorado. This meeting was open to the public.

ATTENDANCE

In attendance were Directors:

Richard T. Crocker, President
Barbara Reed-Polatty
Anne Bevis
Chris Monsen
Eckehart Zimmermann

Also in attendance were:

Joel Meggers and Sue Blair; Community Resource Services
("CRS")
Brenda Smith; ECO Resources
Ben Lee; resident
Dennis McDonald; resident
Gil and Phyllis Moore; residents
Denise Geller; resident
Susan Gates; resident

ADMINISTRATIVE MATTERS

President Crocker called the meeting to order at 6:00 p.m. Ms. Blair distributed for the Board's approval a proposed agenda. Following discussion, upon motion duly made by Director Reed-Polatty, and seconded by Director Bevis vote was taken and the agenda was approved unanimously as amended.

Minutes

The Board reviewed the minutes of the November 29 and December 7, 2007 Board meetings. Director Bevis moved the

RECORD OF PROCEEDINGS

minutes be approved as amended. Upon second by Director Monsen, vote was taken and motion carried unanimously.

Transition Update

Director Reed-Polatty volunteered to be the content coordinator for the website and work with CRS staff to ensure all documentation is timely posted on the website. She stated that minutes from the August, September and October meetings were not posted on the website, nor is the 2006 audit. Ms. Blair had requested a PDF file from the auditor to post on the website, and will follow-up on it.

2008 Budget

Mr. Meggers reported that he reworked the budget numbers so that all fund accounts are in balance. The capital fee was increased from \$42 to \$50, and the debt service was reduced from \$26 to \$21. Director Reed-Polatty recommended that the debt service fee be increased to \$22 so that all the revenue generated covers debt service requirements until the debt is paid off in 2014. Discussion ensued regarding whether the Board should consider building a reserve in the general and enterprise funds. Current general and enterprise expenditures are \$400,000. The Board would like to build a six month reserve over a few years. After discussion, Director Zimmermann moved that the enterprise fee be increased from \$29 to \$39, effective with the March 1, 2008 billing (February services). Upon second by Director Reed-Polatty vote was taken and motion carried, with Director Bevis voting against the motion. The Board requested that interest income from ColoTrust be allocated between the debt service and enterprise funds. Director Zimmermann stated that he is not in agreement to pay a senior manager hourly rate for budget work. Mr. Meggers stated that it has been necessary for him to take the lead on the budget in order to understand the business of the District. He will delegate certain duties to administrative staff that bill at a lesser rate as he is able.

Status of CRS and ECO Contracts

Director Bevis reported that she, Joel Meggers and Sue Blair had a conference call last Friday, and had agreed on most of the terms of the contract. Director Bevis stated that they will finalize the contract via phone as soon as possible, and the revised contract will be forwarded to Mr. Rufien for review.

Mr. Meggers will check with Mr. Rufien on the status of the ECO Resources contract.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

Review and Approve Payment of Claims

Ms. Blair requested that the Board consider payment of the claims represented by check numbers 2028 through 2042, totaling \$42,782.70. Director Reed-Polatty moved that the Board approve the payment of claims as presented, holding the SDMS check pending review and completeness of the electronic files. Upon second by Director Monsen, vote was taken and motion carried unanimously.

Review November 30, 2007 Financial Statements

The Board reviewed the financial statements for the period ending November 30, 2007. Director Reed-Polatty asked that future financial statements show a monthly column in addition to the YTD column. The Board requested that CRS audit the July and August utility billing to determine total billed for the two-month period, and whether that number ties to the October financials prepared by SDMS. Director Reed-Polatty moved that the Board approve the financials as presented. Upon second by Director Zimmermann, vote was taken and motion carried unanimously.

OPERATIONS REPORT

Brenda Smith of ECO Resources addressed the Board on the status of the following items:

- Eco will be rebuilding several pneumatic valves, and finding a permanent solution to the leading disinfectant injector. They are also working on solving the electrical problem with the air compressor outlet.
- Surface Water Plant – The sand filters from Aqueous have been installed. Start up of the plant, including backwashing, is scheduled for Friday, December 28, 2007. Mike Bacon will be present.
- Six locates were requested, and were flagged, mapped and taped.
- A PRV on Red Rock Ranch Dr. was inspected and found to be full of water. A 12V pump has been ordered to remove the water. It appears that pressures in the District are high than desired, at least in some zones.

RECORD OF PROCEEDINGS

- Ms. Smith found the District's crimper, and security wires will be installed on meters and stamped. The Board requested that CRS come up with a reasonable penalty charge for meter tampering, and that it be included in the District's fee resolution.
- Arapahoe Plant – Ms. Smith stated that they are looking for a vendor for the diaphragm valves on the filters. President Crocker stated that the vendor is PurSolutions, and that new valves should be installed instead of trying to fix existing valves.
- System Maps – President Crocker reported that the system maps were sent via Federal Express but that he hasn't picked them up.

LEGAL MATTERS

No report was given.

PUBLIC COMMENT

Susan Gates addressed the Board. She read in the New York Times that an investment trust in New Mexico had gone under due to its investing heavily in mortgages, and suggested that the Board ensure that ColoTrust is stable. Mr. Meggers stated that ColoTrust invests its funds very conservatively, and in compliance with Colorado Statutes. Further, Ms. Gates thanked the Board for the doing away with the utility billing postcards.

Ben Lee addressed the Board and asked if the electronic files received from SDMS were available for public inspection. Director Reed-Polatty stated that financials, minutes, the 2006 audit, and monthly operations reports would be available for review on the District's website. Mr. Lee asked about the past quarterly meetings that had been scheduled for the Water Activity Enterprise Board, and stated that the Board should be cautious in separating the District and the Enterprise activity and expenses. Mr. Meggers stated that the District does account for the enterprise fund activities separately.

Gil Moore thanked President Crocker for attending the HOA meeting, and for improved communication with the residents of the District.

Denise Geller asked the Board if CRS was going to maintain the District's website, and the Board affirmed her question.

RECORD OF PROCEEDINGS

DIRECTORS' ITEMS

McMurray Request

Director Reed-Polatty reported that she had left a detailed voicemail for the McMurray's, stating that the District is amenable to an agreement, and that they needed to make a formal request to the Board.

May 6, 2008 Election

Ms. Blair asked the Board if they would like to give the District's constituents notice of the upcoming election on the monthly utility bill. The Board concurred, and asked that qualifications be outlined as part of the notice.

Letters to Volunteers

Director Monsen stated that thank you letters were not necessary for his son and friend for the work they did. Director Reed-Polatty stated that the District should make sure to formally thank volunteers.

Herebic Letter

The Board reviewed and approved the amount in the letter from William Herebic regarding the water transmission line reimbursement. The Board requested that CRS include this payment in the amount of \$46,610.15 with next month's payables.

Polanco Letter

Now that the valve has been located at the Polanco residence, the Board requested that CRS immediately prepare a 60-day notice letter to Mr. Polanco regarding the repair/connection of the water line to his barn.

MANAGER'S ITEMS

Look-Ahead Schedule

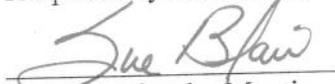
The Board reviewed the look-ahead schedule. CRS will forward the look-ahead to President Crocker for his comments/additions/updates. He will then forward to another board member, and so on, for comments/additions/updates.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Director Zimmermann, seconded by Director Bevis, the meeting was adjourned at 7:30 p.m.

RECORD OF PROCEEDINGS

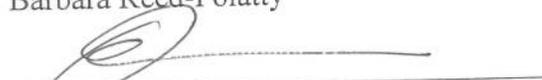
Respectfully submitted,


Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL
NOVEMBER 29, 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