

## 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 JANUARY 24, 2008

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 Thursday, January 24, 2008, 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  
Anne Bevis  
Chris Monsen  
Eckehart Zimmermann

Absent:

Absent was Director Reed-Polatty, whose absence was excused.

Also in attendance were:

Joel Meggers and Sue Blair; Community Resource Services  
("CRS")  
Shiloh Williams; Southwest Water  
Erik Tameler; Southwest Water  
Ben Lee; resident  
Gil Moore; resident  
Mary Hoffman; resident  
Susan Gates, resident  
Jeff Dull; resident  
Genelle Deavenport; resident  
Frederick Malmstrom; 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 Bevis, and seconded by Director Monsen vote was taken and the

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agenda was approved unanimously as amended.

### Minutes

The Board reviewed the minutes of the December 20, 2007 Board meeting. Director Bevis moved the minutes be approved as presented. Upon second by Director Monsen, vote was taken and motion carried unanimously.

### FINANCIAL MATTERS

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#### Review and Approve Payment of Claims

Ms. Blair requested that the Board consider payment of the claims represented by check numbers 2043-2060, totaling \$99,297.18. Director Bevis moved that the Board approve the payment of claims as presented. Discussion ensued. Director Zimmermann requested that the check to RG Consulting Engineers be held until a more descriptive detail of services performed is received. President Crocker stated that he had spoken to Dave Takeda regarding the lack and detail, and Mr. Takeda stated that it was general engineering services. Upon second by Director Zimmerman, amending the motion to hold the RG Consulting check, vote was taken and motion carried unanimously. The Board requested that CRS account for payables by plant so that in the future the cost of running each plant can be identified.

#### Review December 31, 2007 Financial Statements

The Board reviewed the financial statements for the period ending December 31, 2007. Director Bevis moved that the Board accept the financials as presented. Upon second by Director Zimmermann, vote was taken and motion carried unanimously. Monthly financials, once approved, are to be posted on the website.

#### 2007 Audit Engagement Letter

The Board reviewed the proposal from Dawn A. Schilling, LLC to perform the District's 2007 audit. Ms. Gates asked if the proposal could be posted on the website. The Board stated that once approved, the proposal would be posted. Ms. Gates stated concern that it appears that prior year's audits performed by Ms. Schilling were not thorough and seemed to be somewhat superficial. Discussion ensued regarding audit parameters. The Board requested that the audit proposal be tabled to the next meeting of the Board, and the Board requested that CRS contact Ms. Schilling regarding Board accessibility to work papers and what guidelines she uses when preparing the audit. The Board stated that it would be acceptable to file an audit extension is necessary.

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### Utility Billing - Aging Report

The Board stated that they were not interested in seeing a monthly aging report for utility billing customers. They would be interested in see an abbreviated delinquent account report.

### OPERATIONS REPORT

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Erik Tamerler addressed the Board on the status and prioritization of the following items, and requested Board and management input if prioritization needs to be modified. Ms. Gates suggested that perhaps the report include feasible completion dates.

Surface Water Treatment Plant: (a) cross connection removal - high; valve filled with sand to isolate from rest of system; (b) certification and replacement of backwash line back-flow device - high; (c) electrical work in service breaker panel and some outlets and conduits - medium; (d) installation of main start switch - urgent; (e) replacement/repair of chlorine pump - urgent; (f) locate/operate/GPS all valves above the SWTP - high. The Board requested that Erik purchase a new pump and to keep critical repair parts on hand at all times.

Arapahoe Water Treatment Plant: (a) rebuild/clean all pneumatic valves - urgent to high; (b) inspect/rebuild cla-val control valves - high to medium; (c) replace static mixer (taps leak) - medium to low.

Transmission Line from AWTP: (a) find and repair all leaks - urgent; (b) replacement/reroute - high to medium. Mr. Meggers recommended that the District consider using American Leak Detection to identify the severity of the leaks in the transmission line. This would enable the Board to determine whether it makes sense to repair the leaks, or replace the transmission line in its entirety. Mr. Meggers reported that the cost would be minimal to the District. The District's current water loss rate is approximately 25%. The Board concluded that it didn't want to spend money on repairs if the line was eventually going to be replaced. Director Monsen stated that the Town of Monument had previously offered to let the District utilize their leak detection services.

Booster Station: (a) determine/repair cause of service interruptions - urgent; (b) clean out floor drain - low; (c) inspect/rebuild cla-val control valves - urgent to high.

Distribution System: (a) inspect/rebuild all 9 PRVs - high; (b) tank repairs - high; (c) install seals on meters and/or registers - medium to low; (d) customer meter reconciliation/replacement - medium to

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low; (e) valve exercise program - medium; (f) hydrant flushing/exercise program - medium; (g) hydrant/repair/replacement - medium. The Board requested that Erik research using the generated purchased for Y2K as an emergency power back-up.

Miscellaneous - (a) ECO safety inspection items - low; (b) HACH equipment inspections - high.

District Maps - President Crocker reported that the maps were received and the District needs to utilize the County's GIS system for roads and lot lines. Director Zimmermann stated his concern that RG Consulting Engineers are not making deadlines, and the Board requested that Mr. Meggers contact RG regarding this issue. Director Bevis stated that the District Board needs to give reasonable dues dates to all consultants.

Discussion of Recent Water Emergency - A meeting is scheduled with the CPDHE for February 7, 2008, at 2:30 p.m., in the Denver offices. Ms. Deavenport reported that when she contacted the offices of CRS, the person that answered the phone was not helpful. Ms. Blair requested that if there are issues with CRS personnel in the future, that she immediately contact Ms. Blair or Mr. Meggers. Ms. Gates stated that the emergency communication to the residents was handled very efficiently, and was appreciative to the Board and management for their efforts during the emergency. Flyers were placed on every door within the neighborhood, information was posted on the website, and numerous emails were sent out to the community to keep them updated on the status of the water emergency. Wind was a factor the day the flyers were placed on the doors, which would explain why some residents indicated they never received the flyer. President Crocker stated that CRS had found the "volunteer" list that was compiled after the 2007 survey. Residents present stated that the list should be updated to further allow the community to assist with communication efforts and that more than one block captain is necessary.

Update on Locks for Storage Tank- Erik will have all District facilities rekeyed immediately.

Skaters at the Arapahoe Plant - Erik reported that skaters are parking in the Arapahoe Plant lot but are not causing any damage. The Board approved them parking in the lot.

Emergency Response Plan - Ms. Williams reported that the Emergency Response Plan was nearly complete. The Board

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requested that they and CRS receive a copy of the draft plan. Ms. Blair asked if the District had ever researched participating in Reverse 911. Ms. Williams will research whether this should be part of the plan.

### MANAGER'S ITEMS

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Look-Ahead Schedule- Mr. Meggers will include all the maintenance and capital improvements discussed on the look-ahead schedule. In addition, the schedule will be divided by tasks, i.e., maintenance, legal, etc. The Board will email changes or additions to Mr. Meggers.

2008 Rate Change - Discussion ensued regarding the District's capital improvement program, and the necessity to build a reserve over time. A \$10.00 increase in the enterprise fund fee was approved at the December 20, 2007 meeting (\$29 to \$39 monthly). Said increase will become effective February 1, 2008 (March 1 billing). There are no other changes in the District's rates for 2008.

Upcoming Directors' Election - The Board reviewed a flyer prepared by Ms. Blair regarding the May election. Ms. Blair suggested that the flyer be included in the February utility billing and the Board concurred. The self-nomination form will be accessible on the District's website.

Polanco Issue - Mr. Meggers reported that he has spoken to Mrs. Polanco. Erik will be working with the Polanco's as weather allows.

### LEGAL MATTERS

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Wilde Property - Mr. Rufien reported that the court action on the Wilde Property has been filed.

CRS Contract - Director Bevis reported that she, Mr. Meggers and Ms. Blair finalized revisions to the contract during a conference call, and that she was finalizing the contract for signature. Mr. Rufien has reviewed the changes and approves the contract.

ECO (SouthWest) Contract - President Crocker stated that the contract has been approved by District counsel and has been executed, and he gave Ms. Williams a copy of the final contract.

Amended Agreement with Nevins - Mr. Rufien reported that he received comments from Director Reed-Polatty. Discussion was tabled to the next meeting of the Board.

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### PUBLIC COMMENT

Ben Lee addressed the Board regarding the necessity for an Enterprise Board meeting pursuant to the District's by-laws. After discussion, Mr. Rufien stated that there is no legal risk to the District and further stated that the by-laws were rescinded in December 2005 due to the fact they were so outdated.

Mr. Lee recommended that the Board consider director compensation in the future as it may be an incentive for residents to serve on the Board. Compensation can be discussed at any time by future boards.

Mr. Lee suggested that the cross-connection might have been used for fire flows. The Board stated that they didn't feel that was the purpose, and that the cross-connected needed to be removed.

Ms. Gates addressed the Board. She thanked the Board for their efforts in proceeding with a new management company and operator. She stated that there has been such an improvement. The management company is cooperating with the residents, and the operator is doing a great job.

### DIRECTORS' ITEMS

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Natural Gas Exploration - Director Bevis had an article included in the Board packet regarding the pending natural gas exploration south of Red Rock Ranch. The Board discussed the potential impact to the District's water supply and distribution system under the roads (due to heavy traffic). The Board will monitor this project.

SDMS Payment- The Board requested that CRS contact Director Reed-Pollaty to see if she was satisfied with the electronic files received from SDMS and if she is comfortable with releasing the held check.

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### ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Director Bevis, seconded by Director Zimmermann, the meeting was adjourned at 8:25 p.m.

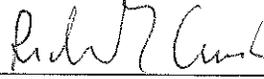
Respectfully submitted,

  
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Secretary for the Meeting

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THESE MINUTES APPROVED AS THE OFFICIAL JANUARY 24, 2008 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Richard T. Crocker



Barbara Reed-Polatty



Eckehart Zimmermann

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Anne Bevis

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Chris Monsen