

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 18, 2009**

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 Wednesday, November 18, 2009, 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:

Richard Crocker
Eugene Ashe
Anne Bevis
Steven Keefer
Eckehart Zimmerman

Also in attendance were:

Joel Meggers; Community Resource Services ("CRS")
Erik Tameler; SouthWest Water Company
Gary Welp; RG Engineering

ADMINISTRATIVE
MATTERS

Director Crocker called the meeting to order at 6:05 p.m. Mr. Meggers distributed for the Board's approval the proposed agenda. Following discussion, upon motion duly made by Director Ashe and seconded by Director Zimmerman, vote was taken and the agenda was approved unanimously.

MINUTES

Approval of the September 24, 2009 meeting minutes were deferred until the January 28, 2010 meeting. The Board reviewed and approved the minutes of the October 22, 2009 meeting.

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LEGAL ITEMS

Wilde Property Update – The Board reviewed and discussed the October 29, 2010 order from the judge.

1985 Agreement and the 2004 Amendment – The Board reviewed and discussed a response to the letter from the Nevins' attorney Mr. Lynch dated August 28, 2009 regarding various agreements between Red Rock Ranch, Inc. (RRR), Penny and Gray Nevins and Forest View Acres Water District (the District).

OPERATIONS REPORT

Monthly Operations Report - Mr. Taneler presented the October/November operations report for the Board's review, a copy of which is attached to these minutes and incorporated herein.

Review of Monthly Production Report – Mr. Meggers presented and reviewed the Monthly Production Report with the Board.

SWTP Improvements by RG Engineering – RG Engineering will provide an update at the next board meeting. Portions of this agenda item were discussed during the budget review and adoption portion of the board meeting.

Removal and Replacement of SWTP Filters by Aqueous – The Board reviewed and approved the contract from Aqueous for installing two new EPD filter tanks and manifold. Director Ashe moved that the Board approve the contract. Upon second by Director Zimmerman, vote was taken and motion carried unanimously.

Valves and Flow Meters Project – This item was discussed during the budget review and adoption portion of the board meeting.

Update on Field Inspection of Potential Unauthorized Taps – Director Crocker stated that a field inspection of lots 18650 and 18660 Cloven Hoof Road still needs to be preformed.

DIRECTOR'S ITEMS

Update of Mount Herman Natural Gas Drilling – Director Bevis presented and reviewed the 2/20/209 Letter regarding Dyad Petroleum. She commented that the District may need to contact Paul Zilis, the District's water attorney, regarding water law issues on this topic.

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CAPITAL ITEMS

Storage Tank Improvement Project – Gary Welp of RG Consulting Engineers stated that the project is on hold until completion of the transmission line.

Transmission Line Realignment – Gary Welp of RG Consulting Engineers presented the construction plans and easements.

Booster Pump Station Modification Proposal – Director Zimmerman presented the benefits of the project. Director Ashe moved that the Board approve the proposal contingent upon Director Zimmerman negotiating with RG Engineering an expanded scope of services in the areas of equipment specifications and drawings. Upon second by Director Bevis, vote was taken and motion carried unanimously.

OTHER BUSINESS No other business was brought before the Board.

FINANCIAL MATTERS

Payment of Claims

Mr. Meggers requested that the Board consider payment of the claims represented by check numbers 2368 - 2382, totaling \$41,007.39. Director Ashe moved that the Board approve the payment of claims as presented. Upon second by Director Zimmerman, vote was taken and motion carried unanimously.

Financial Statements

The Board reviewed the financial statements for the period ending October 31, 2009 and Draft Preliminary 2010 Budget. The Board accepted the unaudited financial statements as presented.

2010 Budget Adoption; Certify Mill Levies and Appropriate 2010 Expenditures – Mr. Meggers reported that proper publication had been made to allow the Board to conduct a public hearing to adopt the District's 2010 budget. Mr. Meggers reviewed the proposed budget options with the Board. Director Crocker moved Director Zimmerman seconded and the Board voted unanimously to adopt the budget as presented; (2) certify a 5.000 mill levy to El Paso County; (3) appropriate the 2010 expenditures reflected in the budget; and (4) authorize Mr. Meggers to certify the District's mill levy and file the adopted budget in accordance with statute.

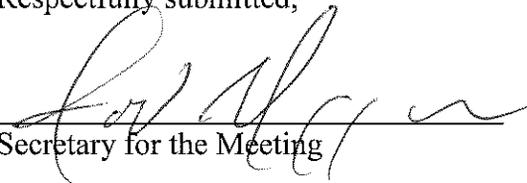
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Fees were recommended by the Board to adjust as follows: Debt Service Fund will decrease from \$26 to \$16; Capital Improvement Charge will increase from \$42 to \$47; Enterprise Service Charge will increase from \$39 to \$44. It is anticipated that these rate changes will be formally adopted at the board meeting in January and become effective in February 2010.

ADJOURNMENT

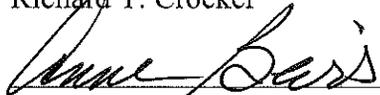
There being no further business to come before the Board, upon motion duly made by Director Bevis, seconded by Director Ashe, the meeting was adjourned at 8:45 p.m.

Respectfully submitted,

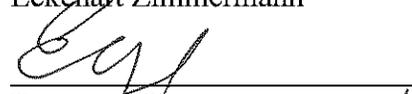

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 18, 2009 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Richard T. Crocker


Anne Bevis

Eckehart Zimmermann


Eugene Ashe

Steven Keefer

Forest View Acres Water District

Operations Report – November 18, 2009

Prepared by Erik Tameler, Southwest Water Co.

Sampling:

- The required samples were collected for Routine Coliform, Nitrates, and Disinfectant byproducts. Received results are inside the yellow folder in the Arapahoe treatment plant.

Treatment Plants:

Arapahoe Water Plant:

- The plant has been operated lately due to turbidity issues with the SWTP. The plant has been running well (98gpm w/ 26' water above the pump). We have been monitoring the plant continuously during operation and have not had any problems other than during start-up as discussed in a previous meeting.
- As requested by the BOD, AmWest was consulted regarding running the plant at a reduced flow rate. This would not be feasible unless a VFD was installed for the booster pump. Also, this could cause issues with delivering sufficient pressure to send the water to the booster station. If the BOD wishes, we can pursue this further.

Transmission Line/Booster Station:

- Normal Operation.

Surface Water Plant:

- The plant ran well for about 1 month after raking the secondary filters. At this time, we are having premature breakthrough of the secondary filters, causing elevated turbidity levels after 18 hours or so from backwash. This has made it difficult to keep the plant running, as the auto shut-off feature causes the plant to go off line during these turbidity excursions. The plant has been off-line since (11/6).

Distribution system:

- Several meter replacement Work Orders were completed.
- The damaged fire hydrant on Rockbrook Dr. can be repaired for the price of replacement parts. A representative from Dana Kepner Co. is willing to meet me at this location to work on the hydrant free-of-charge. A determination of required parts will have to be made at the time of service.