

RECORD OF PROCEEDINGS

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 FEBRUARY 24, 2011

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, February 24, 2011, 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:

Eugene Ashe
Anne Bevis
Steven Keefer
Karla Allen
Eckehart Zimmermann

Also in attendance were:

Joel Meggers; Community Resource Services ("CRS")
Gabrielle Begeman; Southwest Water Company

ADMINISTRATIVE MATTERS

Director Bevis called the meeting to order at 6:00 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 Keefer, vote was taken and the agenda was amended. The following items were added to the agenda:

- IV. D. Review of District's Insurance Policy
- I. E. Approval of October 2010 Minutes

MINUTES - The Board reviewed the minutes of the January 27, 2011 regular board meeting. Director Zimmermann moved the minutes be approved as presented. Upon a second by Director Allen, vote was taken and motion carried unanimously.

The Board approved the minutes from the October 28, 2010 board meeting. Director Bevis moved that minutes be approved as

RECORD OF PROCEEDINGS

amended. Upon a second by Director Allen, vote was taken and motion carried unanimously.

CAPITAL ITEMS

Update on Design and Implementation of Infrastructure Repairs/Upgrades

Storage Tank Improvement Project– Final Completion Items – The Board cited that RG & Associates reported in their summary memo regarding the Storage Tank project that the project had been completed by Novell Construction. The project has been advertised for notice of project completion. The Board directed CRS to obtain and file any as-builts and warranties.

Transmission Line Installation Project: Final Completion Items - The Board cited that RG & Associates reported in their summary memo regarding the Transmission Line project that it has been completed by Kempton. In addition, the project has been advertised for notice of project completion. The Board directed CRS to obtain and file any as-builts and warranties.

Ms. Begeman with Southwest Water Company reported that damage had occurred to the pump and valves in the booster station because of rocks and debris being introduced into the distribution system by Kempton Construction as a result of their work on the transmission line project. The Board directed CRS to hold all payments for the transmission line project to Kempton Construction until a settlement could be reached with Kempton Construction who caused the damage by introducing rocks and debris into the water system.

In addition, Ms. Begeman warned that there may be more damage if there is still rocks and debris in the system, they may continue to move threw the system and into the pumps and valves causing additional damage. She informed the board that she would update them if any further damage occurs.

Booster Pump Station and Loop – The Board cited that RG & Associates reported in their summary memo regarding the Booster Pump Station and Loop that the project has been completed. The Board directed CRS to obtain and file any as-builts and warranties.

SWTP Improvements – Status Update regarding CDPHE Approval - The Board cited that RG & Associates reported in their summary memo regarding the SWTP Improvements is on hold until the District receives final design approval from CDPHE. The

RECORD OF PROCEEDINGS

design has been approved by El Paso Department of Health and their approval has been forwarded to CDPHE.

OPERATIONS

& MAINTENANCE Operations Report – Ms. Begeman presented the February operations report for the Board’s review, a copy of which is attached to these minutes and incorporated herein.

Monthly Production Report and ATP Well Depth – Mr. Meggers and Ms. Begeman presented the report for the Board’s review.

FINANCIAL MATTERS

Payment of Claims

Mr. Meggers requested that the Board consider payment of the claims represented by check numbers 02663 - 02690, totaling \$44,194.74. Director Zimmermann moved that the Board approve the payment of claims as presented except for check number 2668 to Excell Pump Services and check number 2673 to Kempton Construction LLC. Upon second by Director Ashe, vote was taken and motion carried unanimously.

Cash Position Statement and Unaudited Financial Statements

The Board reviewed the monthly cash position and unaudited financial statements for the period ending February 28, 2011. The Board accepted them as presented.

Capital Project Summary – Mr. Meggers presented the project summary to the Board. Director Zimmermann suggested that one of the next capital projects he would be supporting is the installation of meters throughout the distribution system so that water loss could be monitored and addressed.

Review of District’s Insurance Policy - Director Ashe reported that he was going to review the District’s insurance policy regarding coverage of the District’s mechanical devices and a general overview with the District’s agent. He asked if the Board was interested in any additional specific items. The Board suggested the following:

- Liability of operators
- Coverage for Board members
- Protection from trespassing

Director Ashe reported that he would include the items suggested by the Board when he meets with the District’s agent and will report back.

RECORD OF PROCEEDINGS

OTHER
BUSINESS

Public Comments – None

District’s Vision and Implementation Priorities – The Board reviewed and discussed various goals and objectives, a copy of which is attached to these minutes and incorporated herein.

Structure and Items of Next Meeting – It was determined that final items associated with the completion of the capital projects would be discussed.

LEGAL ITEMS

Status on Wilde Litigation - Director Bevis reported that all items have been filed and that no court date had been scheduled yet.

1985 Agreement and 2004 Amendment – Director Zimmermann reported that the Red Rocks easement has been signed by Gary Nevins and it has been recorded.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Director Allen, seconded by Director Keefer, the meeting was adjourned at 8:55 p.m.

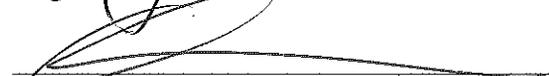
Respectfully submitted,


Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBUARY 24, 2011 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Anne Bevis


Eugene Ashe


Eckehart Zimmermann


Steven Keefer


Karla Allen

**Forest View Acres Water District
Board Meeting
February 24, 2011**

White Board One

- No crises or surprises
- Rate & Fee decrease
- Maintain or improve water quality
- Maintain or improve continuity to customer (system integrity)
- Community awareness
- Customer never runs out of water
- Number of customers days out of service
- Reliable water source – 3 sources secured
- Adequate resources reserved ___ days
- Infrastructure capable of processing water

White Board Two

- Engineering
- Funding/Financial management
- Asset management
- Vendor management
- Operations
- Support (customer)
- Project management

Forest View Acres Water District

Operations Report – February and March 2011
Prepared by Gabrielle Begeman

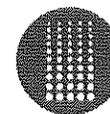
Treatment Plants:

Arapahoe Water Plant:

- We have finalized the slight improvements and fail safes at the AWP and it has been running in auto for the last 2 weeks successfully.
- We have received the 15 Hp rebuilt motor and spare booster pump side. They are marked and in the AWP.
- We have worked with Kempton to install the check valve downstream of the booster pump as a fail-safe to prevent over-pressurization of the filter housings if something were to fail upstream.
- We have hooked up the automatic chlorine analyzer to come on with the well, to give us an indication of well run times as the chlorine residual is plotted on the chart when running and off when not.
- There is some concern with the new booster pump motor as the pump wants to pump more water than the well can make. This causes a vacuum on the filter vessels and associated piping as well as a slight shake of the filter skid. A possible remedy for this would be to install a VFD on the booster pump. Xcel Energy is providing rebates for their customers for purchasing and installing new motors and VFD's. See http://www.xcelenergy.com/Colorado/Business/Programs_Resources/ConservationRebates_Incentives_Business/Pages/Motor_Efficiency.aspx and <http://www.xcelenergy.com/SiteCollectionDocuments/docs/CO-Bus-Motors-Motor-Rebate-Application.pdf> and <http://www.xcelenergy.com/SiteCollectionDocuments/docs/CO-Bus-Motors-Drive-Rebate-Application.pdf> for more information.
- The well is not able to operate at reduced Hz via the VFD any longer due to the issue listed above.

Booster Station

- With the help of Kempton, an inline strainer was installed on the tree to protect the pressure relief valve. The new positioning of the fine mesh screen within



the 2 ½" inline strainer is fully protecting the pumps and associated valves at the booster station.

- Devin came up and installed a new pump side on the 20 Hp pump. It is now working well and in tandem with the AWP.
- The first pump side that has major rock damage is beyond repair, but will be kept at the booster station as a reminder.
- The current "spare" pump side may have slight rock damage, but will probably work in the event of an emergency.
- The 7.5 Hp pump will not work in tandem with the AWP, as it is currently configured.
- The fire hoses have been wrapped up and the borrowed ones have been returned to the fire station.

Surface Water Plant:

- The plant has been running well. We have noticed that we can get more production when the tank level is about half full. Throughout February, the surface plant was able to maintain the tank and fulfill demand on its own.
- During the month of February the tank level hovered around 10' (40% full).
- According to the CDPHE rules on surface water treatment, we should be measuring the combined effluent, as well as the effluent coming off of each secondary filter. We have hooked up one of the 2 turbidimeters to the combined filter effluent, the other is measuring 1 of the secondary filters. We may need to purchase another turbidimeter to be in full compliance. This will only be a problem if relays and alarms fail and we end up processing water that does not meet the standards.

Distribution system

- The valve on the South end of Granite Cir has had risers installed to bring it up to grade. The asphalt has been patched and there is no longer a hole in the road.
- We have begun to do routine maintenance on isolation valve boxes throughout the district. This includes vacuuming them out and exercising the valves. All of this is noted on the map at the AWP. Eventually we will have a maintenance log for each valve which will note if it operates, seats, left hand open and how deep it is below grade.

Action Items:

1. Someone to apply for the Xcel Energy rebate program.