

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 APRIL 5, 2011

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 Tuesday, April 5, 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
Mary Shakeshaft; Resident

ADMINISTRATIVE MATTERS

Director Bevis called the meeting to order at 6:06p.m., Mr. Meggers distributed for the Board's approval the proposed agenda. Following discussion, upon motion duly made by Director Allen and seconded by Director Zimmerman, vote was taken and the agenda was approved unanimously.

MINUTES - The Board reviewed the minutes of the February 24, 2011 regular board meeting. Director Allen moved the minutes be approved as presented. Upon a second by Director Ashe, vote was taken and motion carried unanimously.

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CAPITAL ITEMS

Update on Design and Implementation of Infrastructure Repairs/Upgrades

Storage Tank Improvement Project– Final Completion Items – The Board cited that RG & Associates stated in their project summary report that the storage tank was granted preliminary acceptance and the two year warranty started on January 11, 2011.

Transmission Line Installation Project: Final Completion Items -. The Board cited that RG & Associates reported in their project summary report that the transmission line has not been given preliminary acceptance. The project may be granted preliminary acceptance after a site inspection of the restoration of Monument Creek by ERO Resources and all damages that Kempton is responsible for are paid in full.

Booster Pump Station and Loop – The Board cited that RG & Associates stated in their summary report that the project was granted preliminary acceptance and the one year warranty started on November 19, 2010.

Ms. Begeman reported that the booster pump station controls are still malfunctioning. She presented a conceptual plan developed by Devin Cary of Applied Ingenuity to expand the existing booster station building and install a tank. She reported that the improvement would make the system more reliable and save money in the long term because labor costs would be reduced.

The Board directed staff to pursue a cost estimate, gather additional feedback from the board members regarding the conceptual design, and develop a bid package to be reviewed at the next board meeting.

OPERATIONS

& MAINTENANCE

Operations Report – Ms. Begeman presented the February/March 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

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Mr. Meggers requested that the Board consider payment of the claims represented by check numbers 02691 – 02716 including check number 02673 to Kempton Construction for pay application #5 totaling \$63,854.81. Director Ashe moved that the Board approve the payment of claims as presented. Upon second by Director Zimmermann, 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 March 31, 2011. The Board accepted them as presented.

Review Rules and Regulations Regarding Billing Procedures, Fees and Penalties – Mr. Meggers presented the current fees the District has in its rules and regulations. The Board directed Mr. Meggers to research if the current billing software could calculate and assess a compounding and accruing monthly late charge. He reported that he would provide an update at the next board meeting.

OTHER BUSINESS

Public Comments – None

District's Vision and Implementation Priorities – Director Bevis directed staff to list this item as its own separate subject on the next month's agenda. The Board conducted a work session on the District's Vision and Implementation of Priorities. They reviewed and discussed the various potential priorities of the District. They decided to gather additional input from the Board members and continue this exercise at the next meeting.

Review of the District's Insurance Policy – Mr. Meggers and Director Ashe reported on their conversation with the District's insurance agent. Director Ashe indicated that the District may have a claim against the ATP pump and if the aquifer continues to drop at a rate that is higher than what was anticipated. The Board directed staff to continue to monitor the functioning and depth of the well and to report any problems to the District's insurance agent.

Discuss Structure and Items of next Month's Board Meeting – The Board directed staff to pursue a final payment from Kempton. They also requested a continuation of the visioning work shop at the next board meeting.

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LEGAL ITEMS

Status on Wilde Litigation - Director Bevis reported that the District's appeal date has been set for May 2 at 1:30 at the El Paso County Court house. Director Bevis reported that Directors Keefer and Allen were planning on attending.

1985 Agreement and 2004 Amendment – Director Zimmermann reported that he will attempt to meet with Mr. Gary Nevins in the next few weeks regarding the Red Rocks Ranch Easement signature page.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Director Ashe, seconded by Director Zimmermann, the meeting was adjourned at 9:10 p.m.

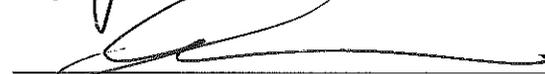
Respectfully submitted,


Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL
APRIL 5, 2011 MINUTES OF THE FOREST VIEW ACRES
WATER DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:

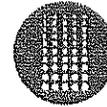

Anne Bevis


Eugene Ashe


Eckehart Zimmermann

Steven Keefer


Karla Allen



Forest View Acres Water District

Operations Report – February and March 2011
Prepared by Gabrielle Begeman

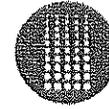
Treatment Plants:

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 line 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 it's 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.

