

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 MAY 26, 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, May 26, 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
Karla Allen
Eckehart Zimmermann
Steven Keefer

Also in attendance were:

Joel Meggers; Community Resource Services ("CRS")
Gabrielle Begeman; Southwest Water Company
Neil Schilling; Schilling & Company, Inc

ADMINISTRATIVE MATTERS

Director Bevis called the meeting to order at 6:05p.m. Mr. Meggers distributed for the Board's approval the proposed agenda. Following discussion, upon motion duly made by Director Zimmermann and seconded by Director Ashe, vote was taken and the agenda was amended, adding review and discuss current operations contract with Southwest Water Company.

MINUTES - The Board reviewed the minutes of the April 28, 2011 regular board meeting. Director Ashe moved the minutes be approved as amended. Upon a second by Director Zimmermann, vote was taken and motion carried unanimously.

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CAPITAL ITEMS

Update on Design and Implementation of Infrastructure Repairs/Upgrades

Transmission Line Installation Project: Final Completion Items – Mr. Meggers reported that all payment obligations have been fulfilled with all of the contractors involved in the project. He also reported that the final amount of project retainage had been released.

SWTP Improvements – Status Update – Mr. Meggers reported that a new CDPHE engineer had been assigned to the district's project and he anticipates that CDPHE will complete its review of the improvements by the next board meeting.

Booster Station Tank Installation Conceptual Design, Cost Estimate, and Bidding Package – Mr. Meggers provided the project update. He reported that one contractor; board members Zimmermann and Allen; and Ms. Begeman attended the pre-bid onsite meeting at the Booster Station.

The Board directed staff to coordinate research at the county with John Cressman regarding setback and other unforeseen items that may impact the building envelope for the site. They approved a \$200 not to exceed limit for John Cressman to conduct the property research with the county. This motion was approved by Director Zimmermann and seconded by Director Allen.

The Board ended the discussion regarding capital items by directing staff to develop a package of improvements that the Board could review and eventually submit for grant funding or low interest loans.

OPERATIONS & MAINTENANCE

Operations Report – Ms. Begeman presented the April/May operations report for the Board's review, a copy of which is attached to these minutes and incorporated herein.

Review Draft Consumer Confidence Report (CCR) – Ms. Begeman distributed and presented the draft CCR report.

Monthly Production Report and ATP Well Depth – Mr. Meggers and Ms. Begeman presented this item.

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Review and Discuss Current Operations Contract with Southwest Water Company – Mr. Meggers presented a letter to the Board from Southwest Water Company requesting termination of the current operations contract on June 30, 2011. The letter also requested that the Board sign the letter to agree and accept its terms. The Board refused to sign the letter.

Mr. Meggers then presented a letter of intent from Southwest Water, LLC, to provide operation and maintenance services for the District. Director Ashe moved to accept and sign the letter of intent. Upon second by Director Zimmermann, vote was taken and motion carried unanimously. The Board directed staff to return the signed letter with the District's current operations contract attached.

In summary the letter of intent stated: By signing and returning this letter of intent we are prepared to honor the terms and conditions of your current contract at the same base fee starting on the last day of the existing contract. This will allow seamless operator coverage keeping your facility(s) in compliance with State regulations. If accepted, an updated contract with the existing terms and conditions will be sent to from Southwest Water LLC, with current address and contact information.

FINANCIAL MATTERS

Review and Consider Acceptance of 2010 Audit – Neil Schilling of Schilling & Company presented the audit along with the management representation letters. The Board motioned and approved that the District accept the audit and file it with the State based upon final review and approval by a 2nd auditor. Director Ashe moved to approve. Upon second by Director Allen, vote was taken and motion carried unanimously.

Public Hearing to Amend 2010 Budget

Director Bevis opened the public hearing to amend the District's 2010 budget, as follows:

	Original	Amended
Capital Fund	\$500,000	\$526,000

Director Bevis then closed the public hearing. Upon motion duly made by Director Ashe, and seconded by Director Allen, the Board unanimously approved the 2010 budget amendment as reflected above. Mr. Meggers will file the Resolution with Division of Local Governments.

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Payment of Claims

Mr. Meggers requested that the Board consider payment of the claims represented by check numbers 02736 – 02757 totaling \$51,268.97. Director Ashe moved that the Board approve the payment of claims as presented. Upon second by Director Allen, 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 April 30, 2011. The Board accepted them as presented.

Review Rules and Regulations Regarding Billing Procedures, Fees and Penalties – The Board directed staff to make the following changes to the Rules and Regulations:

- Eliminate the certified letter noticing a customer of termination of service
- Monthly late charge to be assessed: \$25

The board did authorize staff to waive the \$25 late charge once a year if a customer requests it. The Board requested that staff organize the changes into one amendment for the Board to consider for approval at the next board meeting.

DISTRICT'S VISION AND IMPLEMENTATION PRIORITIES

Vision Framework – This item was deferred.

FVAWD Cost Notes – The item was deferred.

OTHER BUSINESS

Public Comments – None

Discuss Structure and Items of next Month's Board Meeting – The Board directed staff to schedule a work session for the early part of June to review and coordinate mapping related items and also potential future projects. The Board directed Mr. Meggers to invite Ms. Begeman and Ms. Smith of Southwest Water Company to attend the work session meeting.

LEGAL ITEMS

Status on Wilde Litigation - Director Bevis reported that the court hearing occurred on May 2 and the District is now waiting on the Court of Appeals to issue its opinion.

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1985 Agreement and 2004 Amendment – Director Zimmermann reported that Gary Nevins prefers that his attorney draft the ATP easement. The District is waiting on a draft from Gary Nevins’s attorney.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made by Director Allen, seconded by Director Ashe, the meeting was adjourned at 8:50 p.m.

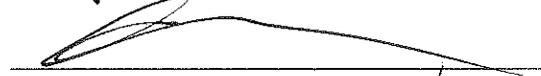
Respectfully submitted,


Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MAY 26, 2011 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

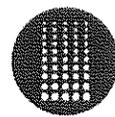

Anne Bevis


Eugene Ashe


Eckehart Zimmermann


Steven Keefer


Karla Allen



Forest View Acres Water District

Operations Report – April 2011

Prepared by Gabrielle Begeman

Treatment Plants:

Arapahoe Water Plant:

- The automatic operation of the AWP has been smooth and seamless during the month of April.
- The automatic operation based on tank level and flexibility of on/off set-points has had a positive influence on the health of the well. The well is on for approximately 5-7 hours at a time, then is allowed to rest and recharge for 1-2 days before coming on again. This is all assuming that the SWTP is running 24/7.

Booster Station

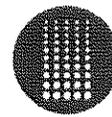
- The booster station has been running well.
- I still need to obtain one other quote for the tank installation at the booster station.
- Devin will be present to look over the booster station plans prior to the meeting.

Surface Water Plant:

- The surface plant has been running 24/7, less time off for backwash during the month of April.
- The plant has had to be run at lower flows due to the increase in turbidity and the necessity of backwashing daily if run at higher flows.

Distribution system

- I met with Anne and Eck and we have a good plan for placement and installations of meters to monitor usage in 6 different zones. A detailed map will be handed out at the meeting.
- I hope to have estimates prior to the meeting for the installation of the meters and meter pits.
- Brenda and I reseeded the area of the break at Pike View Way and Sierra Vista.



- Brenda and I caught a likely problem with the way in which the discrepancy has been calculated. We will now report the plant production from meter read date to meter read date, instead of the first of the month through the end of the month. This calculation will begin to show up on the spreadsheets beginning in May.