

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 JANUARY 24, 2013

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, November 29, 2012, 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:

Anne Bevis
Eckehart Zimmermann
Karla Thompson
Gene Ashe
Timothy Sobik

Also in attendance were:

Joel Meggers; Community Resource Services ("CRS")
Tom Schubert; ORC, LLC Water Company
John Cressman; RRR Inc.

ADMINISTRATIVE MATTERS

Director Bevis called the meeting to order at 6:01 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 Sobik, vote was taken and the agenda was approved as presented.

Minutes - The Board reviewed the minutes of the December 18, 2012 special Board meeting/work session. Director Sobik moved the minutes be approved as presented. Upon a second by Director Ashe, vote was taken and motion carried unanimously.

Public Comments -- Public comments were provided and addressed under agenda item IV.B.

RECORD OF PROCEEDINGS

CAPITAL ITEMS

Review and Discuss Assumptions for Master Plan Project – Director Bevis reported that she and Director Zimmermann had met with Baseline Corporation to review and discuss assumptions for the project. The new assumptions were circulated to the Board and Baseline Corporation and were accepted by both parties. The stop work order was lifted and the Board directed Mr. Meggers to coordinate a new project schedule with Baseline Corporation.

SWTP Backwash Pond Project - This item was deferred.

Provide Update on Water Source Protection Project – Director Sobik providing an update on the meeting that was held on January 15, 2013 at 4pm and reported that approximately 15 people attended. The next meeting has been scheduled for March 5, 2013 at 4pm to be held at Monument Sanitation District, 130 2nd St., Monument, CO 80132.

OPERATIONS & MAINTENANCE

Operations Report - Mr. Schubert presented the December / January operations report for the Board's review, a copy of which is attached to these minutes and incorporated herein. The Board directed ORC to remove the batteries and flow meters. The Board also directed ORC to pursue any assistance from the warranty with the supplier or vendor, and or pursue selling the meters.

Contract with Landscaping Company to Provide Site Restoration Services - After Board discussion, Mr. Schubert was directed to pursue a contract with a company to provide these services.

LEGAL

Review and Consider Due Diligence of Potential Water Right Acquisition by Water Rights Attorney – The Board agreed to start the due diligence process of the water rights offered by Ryan Nevins in his letter to the District on January 6, 2013 with the District's water attorney Paul Zilis.

Update on Red Rock Ranch Inc. Water Irrigation Connection/Measuring Device – The Board reported that they were fine with the technical approach of the conceptual design that was provided by Mr. Cressman and that the District needed to work with their water attorney to develop some type of operations agreement between the two parties to implement the new design. The Board indicated that it may also have to include this item in with the series of issues with the Nevins estate, some of which have implications for the canyon. Mr. Cressman expressed concern that the process was taking too long.

Review and Consider having General Counsel Pursue 1984 Amendment with Ryan Nevins - Director Thompson moved that

RECORD OF PROCEEDINGS

the Board enter into Executive Session pursuant to Section 24-6-402(4)(b), C.R.S. Upon second by Director Sobik, vote was taken and motion carried unanimously. The session was entered into at 8:00 pm. and exited the session at 8:30 pm

The Board expressed that they would initiate the process of collecting and consolidating comments regarding District items related to the Nevins Estate. Both General Counsel and the District's Water Attorney would be involved in the process. Director Zimmermann motioned that the District be authorized to spend a not to exceed amount of \$2,500 on a survey for the ATP. Director Ashe moved that the Board approve. Upon second by Director Zimmermann, vote was taken and motion carried unanimously.

FINANCIAL MATTERS

Payment of Claims

Mr. Meggers requested that the Board consider payment of the claims represented by check numbers 3158 – 3184 totaling \$53,053.35. Director Ashe moved that the Board approve the payment of claims as presented. Upon second by Director Sobik, vote was taken and motion carried unanimously.

Monthly Cash Position and Unaudited Financial Statements

Mr. Meggers presented the monthly cash position and unaudited financial statements for review by the Board which were accepted by the Board.

Review and Discuss Product Rebates that Promote Water Conservation – The Board expressed its appreciation for customers who purchase and use products that promote water conservation. However, they felt to administer a product rebate program at this time would be cost prohibitive.

OTHER BUSINESS Review and Discuss Customer Concern Regarding Change in Rate Structure – The Board reviewed the usage history of the customer who had concerns with the new rate structure who lives at 17555 Shiloh Pines Drive. They were concerned to see that he had used around 30,000 gallons for several months during the time that the District had watering restrictions in effect, which was an obvious violation of the restrictions.

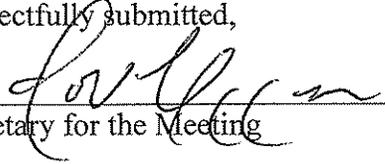
Review and Discuss Look Ahead Report – Mr. Meggers distributed and reviewed the Look Ahead with the Board.

RECORD OF PROCEEDINGS

ADJOURNMENT

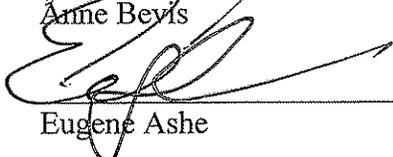
There being no further business to come before the Board, upon motion duly made by Director Ashe, seconded by Director Sobik, the meeting was adjourned at 9:05 p.m.

Respectfully submitted,

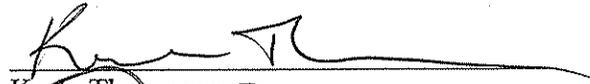

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 24, 2012 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Anne Bevis


Eugene Ashe

Eckehart Zimmermann


Karla Thompson


Tim Sobik

Forest View Acres Water District

Operations Report – January 2013/February 2013
Prepared by Tom Schubert
ORC Water Professionals

Arapahoe Water Plant:

- This facility remains the only potable water source supplying the District.
- The pressure ratings for the filter vessels, piping, valves, fittings and associated equipment were sent to Baseline for evaluation as requested. (see attachment)
- Parts to rebuild the Aquamatic Diaphragm Valves was received and will be installed as production run-times allows.
- The Buildings grounding wire was loose which may have caused a number of the tank radio failures or miscommunications from the telemetry. An additional two facility grounding wires were installed to prevent future interruptions.

Surface Water Plant:

- The Surface Water Plant remains off-line but does provide an opportunity to complete tasks that would cause an upset condition during normal water production.
- The monitoring equipment and associated sample supply tubing's are being meticulously cleaned and/or replaced if necessary during this temporary shut-down.
- The filter media has been disinfected in the filter vessels and are ready for startup.

Distribution System:

- Attached is the Production Report for water usages.
- The zone master meters will be removed and stored at the AWP.