

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
June 27, 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, May 23, 2013, 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
Karla Thompson
Gene Ashe

Also in attendance were:

Joel Meggers; Community Resource Services ("CRS")
Tom Schubert, ORC, LLC Water Company
Gabby Begeman; ORC, LLC Water Company
Susan Permut, 4635 Limestone, Monument CO.
John Cressmen, Red Rocks Ranch

ADMINISTRATIVE
MATTERS

Director Ashe 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 Bevis and seconded by Director Thompson, vote was taken and the agenda was approved.

Minutes - The Board reviewed the minutes of the May 23, 2013 regular board meeting. Director Bevis moved the minutes be approved as presented. Upon a second by Director Thompson, vote was taken and motion carried unanimously.

Public Comments – Mr. Cressmen informed the board that he desired to relocate his intake upstream from the district's intake. The board asked him to wait until an operations agreement could be reviewed and approved by all parties involved prior to him taking any action. The board reported that they are in the process of the initial negotiations and drafting stages and they would be sending

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him correspondence regarding the matter. Mr. Cressmen agreed to wait until an operations agreement could be completed.

Ms. Permut expressed her concerns with Oil and Gas exploration activities in the area and encouraged participation in the EIS process that is being coordinated by the U.S. Forest Services. The board announced that he had already sent a letter summarizing its concerns to the U.S. Forest services and that the District would continue to participate in the process and monitor its progress.

CAPITAL ITEMS

Adoption of Master Plan – Mr. Meggers reviewed and discussed the final revisions to the Master Plan with the Board. Director Bevis moved that the Master Plan be adopted as presented. Upon a second by Director Thompson, vote was taken and motion carried unanimously.

Contract to Provide Engineering Services for Construction Drawings & Specifications and Construction Management –

The Board reviewed the proposals from Baseline and JDS for the Villas Phase Improvements. Director Bevis moved that a contract with JDS be approved contingent on final review and approval by staff and the Board for a not to exceed amount of \$54,200. Upon a second by Director Thompson, vote was taken and motion carried unanimously. The Board decided to hold a Peer Review of the Transmission Lines and Storage Tank Phase Improvements recommended by the Master Plan to evaluate potential cost saving options. JDS was also asked to provide its opinion on potential design improvements and cost savings measure for the Peer Review. The board directed staff to pursue Brad Simmons of TST to provide a proposal to conduct the Peer Review. The board then asked staff to schedule a work session for the Peer Review after all the reports were drafted and circulated for review.

New Construction Standards – The draft construction standards were removed from the master plan and will be reviewed and approved as a separate item.

Water Source Protection Project - This item was differed.

Status of Application Submittal for the Energy and Mineral Impact Assistance Fund Grant Program – Mr. Meggers reported that the committee meeting is scheduled for July and that he would be attending to present the district's application and answer any questions from the committee.

Status of SWTP Backwash Pond Improvements Design- JDS presented several options that the board reviewed and discussed. It

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was determined that additional operational information was needed to be researched and evaluated prior to choosing a final option. JDS and ORC committed to pursue the additional analysis with the board over the next few weeks to assist in their decision making process.

OPERATIONS & MAINTENANCE

Operations Report – Ms. Begeman presented the May/June operations report for the Board’s review, a copy of which is attached to these minutes and incorporated herein. The Board reviewed the final contract from Golder that Ms. Begeman presented. Director Bevis moved the contract be approved as presented. Upon a second by Director Thompson, vote was taken and motion carried unanimously. The Board also reviewed and discussed proposals from Sharpest Cut and Semper Fi Handyman to provide restoration and landscaping services. The board directed ORC to use Semper Fi Handyman at \$0.85 per sq. /ft.

FINANCIAL MATTERS

Payment of Claims

Mr. Meggers requested that the Board consider payment of the claims represented by check numbers 3285 – 3302 totaling \$39,488.67. Director Thompson moved that the Board approve the payment of claims as presented. Upon second by Director Bevis, vote was taken and motion carried unanimously.

Status of Banking Services Transition- Mr. Meggers reported that the transition has been completed.

Monthly Cash Position and Unaudited Financial Statements

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

Review and Consider Approval of 2012 Draft Audit – This item was deferred.

OTHER BUSINESS

Pursue Operating Agreement with U.S. Forest Service – Director Bevis discussed pursuing an Operations Agreement with the U.S. Forest Service to protect the district’s water shed. The board agreed to have her take the lead in the initial research with Paul Zilis the district’s water attorney and then Director Sobik could be involved later in the process to ensure that SWPP was incorporated into the final Operations Agreement.

Look Ahead Report – Mr. Meggers presented the Look Ahead Report.

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LEGAL

Potential Negotiations Regarding Nevins Related Items

The board directed staff to schedule a conference call with Ryan Nevins to initiate discussion regarding the 1985 Agreement, the drafting of an Operations Agreement, water rights, 40 acre parcel swap and the ATP boundary line adjustment.

ADJOURNMENT

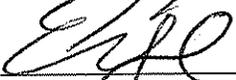
There being no further business to come before the Board, upon motion duly made by Director Bevis, seconded by Director Thompson, the meeting was adjourned at 9:23 p.m.

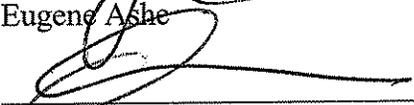
Respectfully submitted,

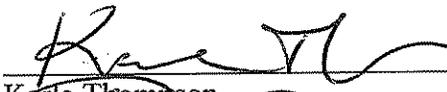

Secretary for the Meeting

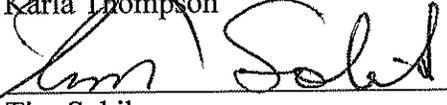
THESE MINUTES ARE APPROVED AS THE OFFICIAL JUNE 27, 2013 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Anne Bevis


Eugene Ashe


Eckerhart Zimmermann


Karla Thompson


Tim Sobik