

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 December 12, 2013

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 Thursday, December 12, 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 was Directors:

Anne Bevis
Eckehart Zimmermann
Gene Ashe
Karla Thompson
Timothy Sobik

Also in attendance were:

Joel Meggers; Community Resource Services ("CRS")
Gabby Begeman; ORC, LLC Water Company
John McGinn; JDS Hydro Consultants, Inc.
Richard Yarbrough; property owner within the district

ADMINISTRATIVE MATTERS

Director Ashe called the meeting to order at 6:05 p.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 Sobik, vote was taken and the agenda was approved.

Minutes - The Board reviewed the minutes of the October 24, 2013 regular board meeting. Director Bevis moved the minutes be approved as presented. Upon a second by Director Sobik, vote was taken and motion carried unanimously.

Public Comments – none

CAPITAL ITEMS

Review and Consider Approval of Proposal to Investigate the Two Existing Alluvial Wells and Infiltration – The board reviewed and discussed the proposal from TZA Water Engineers (TZA). The board directed Mr. Meggers to have TZA revise their proposal to

RECORD OF PROCEEDINGS

only focus on new potential sites for an infiltration gallery. The board preferred to have the alluvial wells researched after the infiltration gallery, towards the end of this year or 2015.

Master Plan Peer Review Report from TST – The board reviewed and discussed the final draft report from TST and agreed to have final comments to TST by January 16 regarding their Master Plan Peer Review Report. The board also directed Mr. Meggers to have TST provide design and construction management proposals for the board to consider for the following projects:

- replace and upgrade existing booster station
- new storage for Zone 3
- complete the connection of the transmission line

Review and Discuss Construction Standards – The board reviewed and discussed the final draft of construction standards from Baseline Corporation and agreed to accept them, close out the Master Plan contract with them and make final payment. Director Bevis moved to approve, upon second by Director Sobik, vote was taken and motion carried unanimously.

The board agreed that the next step in the process would be to have JDS Hydro complete their comparison of the construction standards to the Villas Project Manual Specifications to address any discrepancies.

Update on SWTP Backwash Pond Improvements – The board agreed to have all of their comments into JDS Hydro by January 16 for the design of the SWTP Backwash Pond.

In addition, the board directed Mr. Meggers to prepare for a discussion at the next board meeting with JDS Hydro and ORC to evaluate the pros and cons of including the installation of a new wet well system with the backwash pond project.

Update on Villas Phase Improvements – Mr. Yarbrough attended the meeting and discussed with the board his concerns with the district installing a pipe on his property and the associated easement. President Ashe then thanked him for his input. The board then discussed several alignment options and progress of easements with other property owners with JDS Hydro. The board then directed JDS Hydro to pursue the new alignments and easement areas that they had discussed and to return at the next board meeting with a progress report. The board also asked that everyone have their final comments regarding the latest design and specification for the Villas project into JDS Hydro by January 16.

RECORD OF PROCEEDINGS

Update on Contracting Process with DOLA of \$300,000 Grant Award EIAF #7221 – Mr. Meggers reported that he has been working with the Department of Local Affairs on the final contract for the grant and hopes to have it by the next board meeting for the board to consider and approve.

OPERATIONS & MAINTENANCE

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

FINANCIAL MATTERS

Payment of Claims

Mr. Meggers requested that the Board consider payment of the claims represented by check numbers 03388 – 03404 totaling \$49,537.36. Director Thompson 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.

Public Hearing to Adopt 2014 Budget, Appropriate Expenditures and Certify the Mill Levy – Mr. Meggers reported that proper publication had been made to allow the Board to conduct a public hearing to adopt the District's 2014 budget. Director Thompson opened the Public Hearing. Director Thompson noted that there was no one from the public in attendance. Director Thompson then closed the public hearing. Mr. Meggers then presented the budget. Upon a motion by Director Bevis and a second by Director Zimmermann, the Board voted unanimously to adopt the 2014 budget, appropriate expenditures and certify the mill levy with the following changes to the line items of the capital projects fund:

- SWTP Improvements: Increased to \$10,000
- Rehabilitation of Alluvial Wells & System: Reduced to \$6,000
- Development of New Infiltration Gallery: Reduced to \$16,000

Audit Engagement Letter from Schilling & Co, LLC – Director Bevis moved that the Board accept and approve the proposal from Schilling & Co., LLC to perform the 2013 audit. Upon second by

RECORD OF PROCEEDINGS

Director Zimmermann, vote was taken and motion carried unanimously.

Approval of Rate Resolution for 2014 - Mr. Meggers presented the preliminary 2014 rate resolution with no changes in rates from 2013. The board agreed with it as presented and Director Bevis moved that the Board accept and approve the 2014 rate resolution with no change in rates. Upon second by Director Zimmermann, vote was taken and motion carried unanimously.

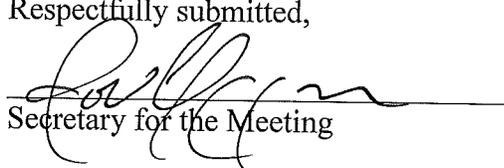
OTHER BUSINESS Website Status – Mr. Meggers reported that he would be making the changes to the website that the board provided. He also would be pursuing an upgrade of the billing software that would include a pay portal for customers that would be linked to the website.

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

LEGAL Update on Communications with Ryan Nevins and Discussion Items Involving the Nevins Entities - The board committee appointed to working on items involving the Nevins Entities reported that they are waiting to hear back from Ryan Nevins on the draft items that they have sent to him. They also mentioned that they hope to start working on a draft operations agreement regarding water deliveries in the canyon with the water attorney in early 2014.

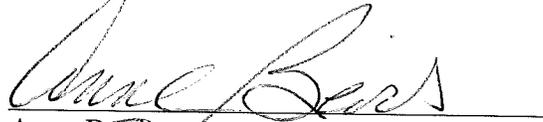
ADJOURNMENT There being no further business to come before the Board, upon motion duly made by Director Sobik, seconded by Director Thompson, the meeting was adjourned at 8:35 p.m.

Respectfully submitted,

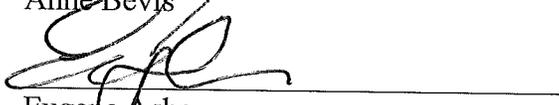

Secretary for the Meeting

RECORD OF PROCEEDINGS

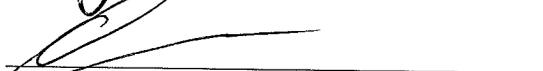
THESE MINUTES ARE APPROVED AS THE OFFICIAL
DECEMBERS 12, 2013 MINUTES OF THE FOREST VIEW
ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:



Anne Bevis



Eugene Ashe



Eckehart Zimmermann



Karla Thompson



Tim Sobik