

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
FEBRUARY 28, 2008**

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, February 28, 2008, at 4:00 p.m., at the Tri-Lakes Fire Station No. 1, 18650 Highway 105, Monument, Colorado. This meeting was open to the public.

ATTENDANCE

In attendance were Directors:

Richard T. Crocker, President
Barbara Reed-Polatty
Eckehart Zimmermann

Absent:

Absent were Directors Monsen and Bevis, whose absences were excused.

Also in attendance were:

Joel Meggers and Sue Blair; Community Resource Services ("CRS")
Brenda Smith; Southwest Water Company
Ben Lee, Penny Nevins, Steve Fiala, Steve Keefer, Frederick Malmstrom & Jeff Dull; residents
Greg Woodard & Ben Lengacher; Stanec Consulting

CALL TO ORDER

President Crocker called the meeting to order at 4:00 p.m.

TMF
EVALUATION

Messrs. Woodward and Lengacher addressed the Board regarding the TMF evaluation and distributed a handout entitled "Technical, Managerial, and Financial Assessment". The District's water system was evaluated in order to identify areas of limited capacity.

RECORD OF PROCEEDINGS

These evaluations were based on information obtained during the interviews with District consultants, performance and design assessments, and the judgment of the evaluation team. Lengthy discussion ensued regarding the TMF capacity limitations. After discussion, the Board prioritized the limitations and need for assistance as follows:

Tier I - Major impact and a first priority for follow-up assistance efforts:

- Update Rules and Regulations
- Asset Management Plan
- Operations and Maintenance Manual
- Written System Policies
- Operating Ratio (Debt Coverage Ratio)

Tier III - Minor impact and a longer-term focus for assistance efforts:

- Mapping of System
- Distribution System - inadequately sized mains
- Need for Source Water Protection/Well Head Protection
- Written Master Plan
- Emergency Plan/Procedures
- Capital Improvement Plan

Stantec representatives will revise the handout to reflect the prioritization of the projects discussed.

ADMINISTRATIVE MATTERS Ms. Blair distributed for the Board's approval a proposed agenda. Following discussion, upon motion duly made by Director Zimmermann and seconded by Director Reed-Polatty, vote was taken and the agenda was approved unanimously as presented.

Minutes

The Board reviewed the minutes of the January 24, 2008 Board meeting. Director Zimmermann moved the minutes be approved as amended. Upon second by Director Reed-Polatty, vote was taken and motion carried unanimously.

FINANCIAL MATTERS

Review and Approve Payment of Claims

Ms. Blair requested that the Board consider payment of the claims represented by check numbers 2061-2074, totaling \$25,014.28. Director Zimmermann moved that the Board approve the payment

RECORD OF PROCEEDINGS

of claims as presented. Upon second by Director Reed-Polatty, vote was taken and motion carried unanimously.

Review January 31, 2008 Financial Statements

The Board reviewed the financial statements for the period ending January 31, 2008. Director Zimmermann moved that the Board accept the financials as presented. Upon second by Director Reed-Polatty, vote was taken and motion carried unanimously. Monthly financials, once approved, are to be posted on the website.

Review 1/31/08 Cash Position

The Board reviewed the cash position and accepted same as presented. Director Reed-Polatty reported that all payments to the District go directly into the investment account. Funds are then transferred to the District's checking account as needed to fund approved payables.

2007 Audit Engagement Letter

Ms. Blair reported that she had contacted Dawn Schilling regarding her audit procedures. Ms. Schilling will perform enough testing to be able to determine that the numbers presented in the financial statements are materially correct. She will use generally accepted accounting principles. Ms. Blair recommended that the Board approve the engagement letter with Ms. Schilling. Director Reed-Polatty moved that the engagement letter be approved. Upon second by Director Zimmermann, vote was taken and motion carried unanimously.

Utility Billing - Aging Report

The Board reviewed the delinquent account report

OPERATIONS REPORT

Brenda Smith reported on February operations.

Arapahoe Water Plant - The plant is operating normally. Pneumatic valves have not been rebuilt, but will be rebuilt as time permits.

Surface Water Plant - Two new chlorine pumps have been purchased for the plant. Certification of the backflow device on the backwash line was attempted. It appears the device is working but may not be able to be certified. Plant start-up was attempted. It appears that freezing is causing a lack of water to the plant. The intake was inspected and it appears to be unobstructed. The raw

RECORD OF PROCEEDINGS

water sample tap inside the plant has been left open in hope of eroding frozen water in the raw water pipeline.

Distribution System - Two leaking taps were discovered at 17415 Shiloh Pines Road. Both tap saddles were repaired by AAA Ditching and left active. The question of the legitimacy for the second tap to the property was raised. Mr. Fiala is the homeowner. He addressed the Board regarding the saddle repairs. He was not aware of the two tap saddles, and was very concerned that he would be responsible for them. The Board recommended to Mr. Fiala that he prepare a report to the Board, including pictures he took during the repairs, and come to a future meeting of the Board for further discussion. He concurred.

Meter Repairs - Approximately 20 water accounts are being audited. CRS has contacted homeowners re access to their homes to compare meter and remote readings, and to determine whether a meter change out is necessary. Ms. Smith will be making the necessary repairs.

Polanco Property- The property was inspected on February 20th. The unmetered service to the barn was previously excavated and is currently exposed. The service to the entire property should be metered just inside the property line. Once the service line or lines within the property are located, meter pit installation can be planned.

MANAGER'S ITEMS

Look-Ahead Schedule- Mr. Meggers distributed an update to the look-ahead schedule for Board review and input. The National Forest Service Lease to the District will be put on the schedule.

2008 Rates - The Board reviewed a flyer prepared by Director Reed-Polatty which includes the enterprise fund rate increase. The flyer will be included with the monthly utility billing statements.

Upcoming Directors' Election - Self-nomination forms were turned in at the meeting. Ms. Blair will verify them for sufficiency. If there are not more self-nomination forms received than terms to fill, the election will be cancelled on March 6th.

Saddle Repairs - The Board discussed at length the saddle repairs made to the Longshore and Alexander residences. The Board directed that CRS invoices both homeowners for repairs made to their homes in accordance with the Rules and Regulations of the District.

RECORD OF PROCEEDINGS

PUBLIC COMMENT

Jeff Dull asked if CRS could provide a cost estimate for copies of Board minutes and financials. Ms. Blair stated that he would be charged \$60.00 per year for CRS to provide to him a PDF file. No paper copies would be made.

LEGAL ITEMS

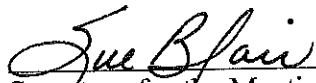
Director Reed-Polatty moved that the Board enter into Executive Session to discuss contract negotiations. Upon second by Director Zimmermann, vote was taken and motion carried unanimously.

The Board reconvened into General Session at 9:10 p.m.

ADJOURNMENT

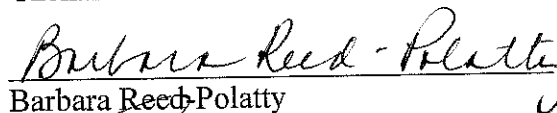
There being no further business to come before the Board, upon motion duly made by Director Reed-Polatty, seconded by Director Zimmermann, the meeting was adjourned at 9:15 p.m.

Respectfully submitted,

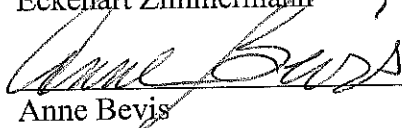

Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL
FEBRUARY 28, 2008 MINUTES OF THE FOREST VIEW
ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:

Richard T. Crocker


Barbara Reed-Polatty

Eckehart Zimmermann


Anne Bevis

Chris Monsen