

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 25, 2016

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 25, 2016, 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
Timothy Sobik
Hans Zimmermann
Brad Hogan

Also in attendance were:

Jim McGrady; Community Resource Services ("CRS")
Tom Schubert; ORC
Gwen Dall; JDS Hydro Consultants, Inc.
Jim O'Donnell
Eckehart Zimmermann

ADMINISTRATIVE MATTERS

Director Ashe called the meeting to order at around 5:55 p.m.

Administer Oaths of Office – Mr. Hogan and Mr. Sobik were administered their Oaths of Office at today's meeting. The Oaths will be filed with the District Court and the Division of Local Affairs in accordance with statute.

Agenda - Mr. McGrady distributed for the Board's approval the proposed agenda. Following discussion, Director Bevis suggested adding Election of Officers item #5F. Motion was made by Director Hans Zimmermann and seconded by Director Sobik, vote was taken and the agenda was approved as amended.

Farwell to Director Eckehart Zimmermann – The Board thanked him for all his hard work.

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New Board Member Orientation Items & Process – The new board member received the Emergency Response Plan, a copy of the Master Plan, and the SDA Board Member Manual. Director Bevis would also like Mr. Hogan to receive a copy of the Board Policy Statements and a copy of the District's Capital Plan.

Minutes - The Board reviewed the minutes of the April 28, 2016 Regular Board meeting. Director Hans Zimmermann moved the minutes be approved as presented. Upon a second by Director Sobik, vote was taken and motion carried unanimously.

Public Comments – Jim O'Donnell. Mr. O'Donnell explained what caused some of the construction delays at the Booster Pump Station and asked the Board to consider reducing the amount of liquidated damages. The Board agreed to discuss this in Executive Session with follow up through Ms. Dall to Mr. O'Donnell.

OPERATIONS & MAINTENANCE

Operations Report – Tom Schubert presented the April/May Operations report to the Board. Surface Water Treatment Plant – The Peristaltic pump was installed and is working. Currently we are facing turbidity issues at the Surface Water Plant. Mr. Schubert committed to getting the turbidity under control which is the reason the plant is not operational. Eck Zimmermann pointed out that ORC and Golder were supposed to look into the cause of the recent pipe failures at the plant. Ms. Dall indicated she was contacted by Golder who wanted to meet with ORC. Mr. Schubert thought the plant could be operational next week. Mr. Eck Zimmermann pointed out that it is his observation that when the Arapahoe Plant runs the leakage rate is low. When the Surface Plant runs the leakage rate is higher. The Board wants to ensure the meters at the plants are properly calibrated. It was also noted that the area around the Arapahoe Plant and inside the plant needs to be cleaned up. Mr. Schubert assured the Board that he will make sure the Arapahoe Plant is cleaned up.

CAPITAL ITEMS Update on New Booster Station Construction – Jim O'Donnell was present to discuss late fees/liquidated damages including the \$300.00 per day late completion and \$300.00 late substantial completion penalties. Total suggested liquidated damages by JDS Hydro was \$5,000. Director Hans Zimmermann feels that the construction could have started earlier and this cause some of the delay. Ms. Dall reported that a fish farmer did decide to purchase damaged tank for \$250.00. There was discussion regarding the cost to demolish the alluvial well house near Vista View rather than the Dawson well house. The Board decided to leave the alluvial structure alone in

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order to conserve cash. Ms. Dall will get another bid, perhaps by the landscaper, to demolish the soon to be abandoned Booster Pump station as the bid received from Bernhard Construction was thought to be excessive. The fire hydrant was installed at Vista View. Ms. Dall presented a pay application and certificate of substantial completion from Global Construction. The amount of the pay application is \$53,488.72. The District owes \$82,833.87 retainage to Global. Director Ashe asked for a motion to sign the certificate of substantial completion as amended to bring Director Sobik's lot back to the original condition, by installing top soil, seed, and erosion blanket. Director Bevis moved the certificate be approved. Upon a second by Director Sobik, vote was taken and motion carried unanimously.

Application for payment to Global \$53,488.72 was presented. Director Bevis moved to approve. Upon second by Director Hans Zimmermann, vote taken and motion carried unanimously.

Update on Improvement Schedules A, B, C, Change Order 5 & Fire Hydrant Installation – the hydrant has been installed.

Update on Walk Through with State & Project Close Out Process - Scheduled for June 16, 2016

FINANCIAL MATTERS

Payment of Claims - Mr. McGrady requested that the Board approve payment of claims represented by check numbers 04046 – 04070 totaling \$81,243.33. Director Hans Zimmermann moved to approve the payables. Upon a second by Director Sobik, vote was taken and motion carried unanimously. ORC did not submit a bill.

Monthly Cash Position and Unaudited Financial Statements - Mr. McGrady presented the monthly cash position and unaudited financial statements for review by the Board which were accepted by the Board.

OTHER BUSINESS

Update on Source Water Protection Plan/Grant – Signs have been installed and Mr. McGrady has submitted a request for reimbursement to the State.

Discuss Possible Revisions to the District's Rules and Regulations as they Relate to Commercial Development and Installation of Larger Taps – Mr. McGrady will draft tariff sheet and tap fees for larger taps.

Discuss Adding Items to the Annual Administrative Resolution - In 2014 adopted policy document, that covers such things as

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checks, elections, Look Ahead report. Mr. McGrady will send Capital Improvement Plan to Director Hogan and policy document.

Review Action Item Management Report – Mr. McGrady reviewed the report with the Board.

Review and Discuss Look Ahead Report – Mr. McGrady reviewed the report with the Board.

Election of Officers – Director Sobik made a motion to leave the Officers as it is for the next year, with Mr. Ashe serving as President and Mr. Hans Zimmermann serving as Treasurer. Upon a second by Director Hogan the motion passed unanimously.

LEGAL

Director Bevis moved that the Board enter into Executive Session pursuant to Section 24-6-402(4) (b), C.R.S. Upon a second by Director Sobik, a vote was taken and the motion carried unanimously.

The following items were discussed:

- Review and Discuss 1985 Agreement Negotiations
- Annual Water Diversion Report
- Provide Update on Items Associated with 40Acre Land Swap with U.S. Forest Service
- J.J. O'Donnell Liquidated Damages

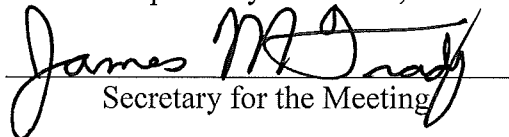
The Executive session was entered into at approximately 7:51 p.m. and exited at approximately 8:48 p.m.

The Board then returned to Regular Session and voted unanimously to reduce the liquidated damages owed by Mr. O'Donnell from \$5,000 to \$4,500.

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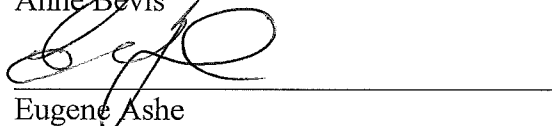
ADJOURNMENT There being no further business to come before the Board, upon motion duly made by Director Sobik, seconded by Director Hans Zimmermann, the meeting was adjourned at approximately 8:49 p.m.

Respectfully submitted,

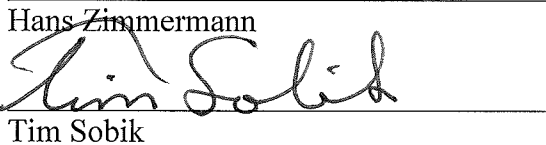

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MAY 25, 2016 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Anne Bevis


Eugene Ashe


Brad Hogan

Hans Zimmermann

Tim Sobik