

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
July 28, 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, July 28, 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:

Anne Bevis
Timothy Sobik
Brad Hogan
Hans Zimmermann

Absent was Eugene Ashe whose absence was excused.

Also in attendance were:

Jim McGrady; Community Resource Services ("CRS")
Mike Kielma; ORC, LLC
John McGinn; JDS Hydro Consultants, Inc.

ADMINISTRATIVE
MATTERS

Director Bevis called the meeting to order at around 6:00 p.m.

Agenda - Mr. McGrady distributed for the Board's approval the proposed agenda. Motion was made by Director Bevis and seconded by Director Sobik, vote was taken and the agenda was approved as presented.

Minutes - The Board reviewed the minutes of the June 23, 2016 Regular Board meeting. Director Hogan moved the minutes be approved as presented. Upon a second by Director Sobik, vote was taken and motion carried unanimously.

Review of 2015 Draft Audit – Mr. Schilling presented the audit to the Board and stated that he was issuing an Unmodified Opinion. Community Resource Services will file the Audit with the State. It was noted that Repairs and Maintenance is down as a result of the District's Capital improvements to the Water Distribution System.

RECORD OF PROCEEDINGS

EIAF Grant revenue received for 2015 was \$154,179. Mr. Shilling noted that the District's Cash is being used for Capital Improvements as shown on the statement of cash flows. The District's Revenue for 2015 was \$3,203 above budgeted. Expenses for 2015 were \$204,031. There is no need to amend the 2015 Budget.

Review Action Item Management Report – Mr. McGrady discussed the Action Item report from the previous meeting. Mr. McGrady will do the tap fee tariffs so that the Board can review them in August. Director Bevis offered to change the date on the Policy Document.

OPERATIONS & MAINTENANCE

Operations Report – Mr. Kielma presented the May/June Operations Report – The Booster pump is online as of June 14, 2016. So far this year the surface water production is down because of the pipe failure at the plant and turbidity issues caused by higher than average stream flows. The leak near Eck Zimmermann's house is still running but is part of the proposed pipeline upgrade project that will begin in September. The Board did a short debrief on the most recent pipe break. The Board would like all calls to go to ORC first and CRS second. Mr. McGrady made this correction in procedures with the On-Call service provider that CRS uses to deal with after hour emergencies. The Board would like the Emergency Response Plan updated. Director Zimmermann mentioned that the scrub oaks are growing back.

CAPITAL ITEMS

Update on Booster Station Construction Project Close Out – Denver Industrial Pump \$780, Instrument and Supply West \$1,000 and payment to JJ O'Donnell pay application for \$8,767.62. Director Sobik moved to approve payment. Upon second by Director Zimmermann, vote was taken and motion carried unanimously. Pay application from Global for \$15,530, Director Sobik moved to approve payment. Upon second by Director Hogan, vote was taken and motion carried unanimously. Earthwork and Demolition were left to the end of the project. Ms. Begeman would like to keep some of the equipment. Mr. McGinn indicated that there would be a two week window to get the pumps out. We received two proposals, R. B. Excavation and Earthwise Demolition. Mr. McGinn stated that JDS would like to get earthwork done as soon as possible and do revegetation in the spring of 2017. Mr. McGinn recommends using the Booster Pump Station site as lay down area for the new project. Mr. McGinn informed the Board that Notice to Proceed on the new project will be September 8, 2016 assuming that the Board awards the Bid on August 25, 2016. The Board approved using the Booster Pump Station site as a lay down area as long as the site is kept clean and orderly. Director Sobik moved to approve the demolition for up to

RECORD OF PROCEEDINGS

\$5,000. Upon second by Director Zimmermann, vote was taken and motion carried unanimously.

Review Project Design Drawings and Project Timeline for Phase 4 Water Main Rehabilitation Project – The Board had wondered in last month's meeting why are we doing the lower half of Granite Circle. Mr. McGinn stated that there is a hydrant at the end of Granite Circle so JDS recommends replacing the pipe. The hydrant will be installed at a lot line near station 20+00 on Granite Circle. The Board concurred with this decision. This work will potentially eliminate a leak that has been present for some time near Eck Zimmermann's house.

Schedule: Submitted 75% drawing to the State two weeks ago. JDS self-certified the drawings. The advertisement for bids was placed in the Tri Lakes Tribune 8-3-2016 and 8-10-2016. The Pre bid meeting will be held August 17th. The bid opening will be on August 24, 2016. There will be four separate bid numbers for each separate schedule. Essentially, JDS is bidding this as four separate projects. Director Bevis would like to have a price on 10 meters. Mr. McGinn mentioned that ORC has to spend more time doing construction related activities. Curb stops that were found were noted on the plans. Some curb stops will require a contractor to hire a private locator. The Board would like to have ORC send separate invoices to CRS so that ORC costs can be taken out of the project.

Review and Consider Approval of Water Enterprise Resolution 2016-03 Accepting Phase -1 Water Improvements (The Villas) and any subsequent change orders associated with this project – A revised punch list of items was sent out by Ms. Gwen Dall JDS Hydro Consultants, Inc. Director Sobik's lot was on the list. We are holding \$83,383. Global has not completed their punch list items. Director Hogan moved to approve Global Underground's Pay application #16 in the amount of \$10,449.20. Upon second by Director Sobik, vote was taken and motion carried unanimously. Director Sobik moved to approve Resolution 2016- 03. Upon a second by Director Zimmermann, vote was taken and motion carried unanimously.

FINANCIAL MATTERS

Payment of Claims - Mr. McGrady requested that the Board approve payment of claims represented by check numbers 04094 – 04119 totaling \$98,951.98. Director Sobik moved to approve the payables. Upon a second by Director Zimmermann, vote was taken and motion carried unanimously.

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

RECORD OF PROCEEDINGS

by the Board. Mr. McGrady will send an email to Eben Clark reminding him of the \$16,000 inclusion fee.

Approve 2015 Audit Report – Director Zimmermann moved to approve the Audit subject to final internal review by Schilling. Upon second by Director Hogan, vote was taken and motion carried unanimously.

OTHER BUSINESS

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

Mr. McGrady presented an ACH agreement with Wells Fargo that would give customers another option to pay their water bill. Director Sobik moved to approve the ACH process with Wells Fargo Bank. Upon second by Director Hogan, vote was taken and motion carried unanimously. Bills still must go out to customers.

LEGAL

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

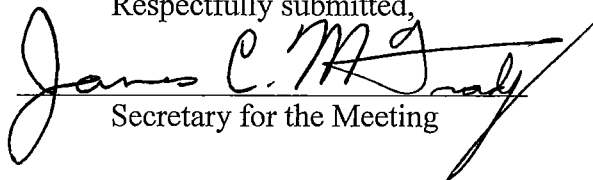
The following items were discussed:

- Review and Discuss 1985 Agreement Negotiations
- Provide Update on Items Associated with 40Acre Land Swap with U.S. Forest Service

The Executive session was entered into at approximately 8:21 p.m. and exited at approximately 8:42 p.m.


ADJOURNMENT There being no further business to come before the Board, upon motion duly made by Director Sobik, seconded by Director Zimmermann, the meeting was adjourned at approximately 8:43 p.m.

Respectfully submitted,

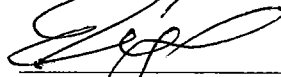

Secretary for the Meeting

RECORD OF PROCEEDINGS

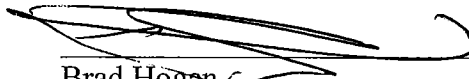
THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 28, 2016 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



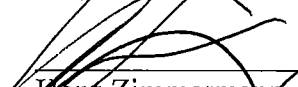
Anne Bevis



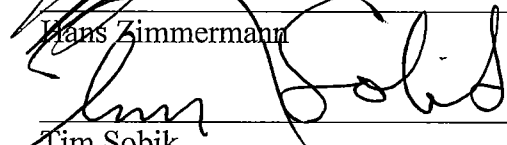
Eugene Ashe



Brad Hogan



Hans Zimmermann



Tim Sobik