

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 August 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, August 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
Brad Hogan
Hans Zimmermann

Also in attendance were:

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

ADMINISTRATIVE MATTERS

Director Ashe 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 Zimmermann and seconded by Director Hogan, vote was taken and the agenda was approved.

Minutes - The Board reviewed the minutes of the July 28, 2016 Regular Board meeting. Director Bevis noted an error in the minutes and requested that the minutes be amended as follows: Substitute Red Rocks Drive for Granite Circle in the first paragraph on page 3 of the minutes. Director Hogan moved the minutes be approved as amended. Upon a second by Director Bevis, vote was taken and motion carried unanimously.

Review Action Item Management Report – Needs to be included in Board meeting packet in the future.

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OPERATIONS & MAINTENANCE

Operations Report – Ms. Begeman presented the July/August Operations Report. The Board expressed disappointment with the production from the Surface Water Plant. Ms. Begeman discussed some of the challenges of operating the Surface Water Plant. Those challenges are the chlorine dosages. This could be a programming issue associated with the SCADA system. Ms. Begeman also noted that the new backwater pond is a challenge. There is also a vibration issue at the plant. Ms. Begeman will present some ideas to improve the surface water plant at the next meeting as part of the Budget discussion.

Discuss Timeline for Updating Emergency Action Plan – Update contact information, vendor list, and Board member names using track changes. Mr. McGrady and Ms. Begeman will begin work on a draft document. Director Bevis will also provide review and comments as needed.

CAPITAL ITEMS

Booster Station Construction Punch List – Jim O'Donnell has not finished the punch list. Mr. McGinn stated there has been no further action on the claim submitted by Mr. Williams. The asbestos testing is finished and nothing was found at the Booster Pump Station. The report is on State's desk and needs to be approved by the State prior to beginning the demolition of the abandoned Booster Pump Station. Mr. McGinn informed the Board that the demolition company will do the final grading when the building is removed.

Revegetation Plan – Ms. Dall needs to contact Director Sobik regarding the Nevins repair. Ms. Nevins would like crushed concrete to be installed as part of the repairs. Revegetation of Director Sobik's lot will be done in September.

Review of Bids Phase 4 Water Main Improvement Project

Two bids were received; Global Underground for \$1,454,223.00 and Schmueser & Associates for \$949,920.00. Mr. McGinn noted that the District was awarded \$500,000. Mr. McGinn stated that in his opinion Schmueser is qualified for this work. Schmueser's Qualification Statement met the minimum bar. Given the fact that there are soft costs for CRS, ORC and JDS, the District has approximately \$400,000 that could be awarded. There are also ten meter pits that could be installed. Could do Schedules A and D (Stoneview Rd. and Granite Circle) or do Red Forest Road in totality. Director Sobik moved to go forward with Schedule A & D (Stoneview Road and Granite Circle) in the amount of \$349,999 and award said work to Schmueser and Associates and spend the balance on meter pits. Upon second by Director Hogan, vote was taken and the motion carried unanimously. After the vote further

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discussion took place. Mr. McGinn informed the Board that he is glad that we may have some extra money from the loan to not only cover soft costs but also cover unexpected construction related costs. Mr. McGinn noted that Granite Circle may contain some rock. Boulders larger than 1 yard may have some extra pay items associated with removing Boulders of that size. Boulders less than a cubic yard are part of the bid. Service locations can also become an issue and could result in extra charges.

FINANCIAL MATTERS

Payment of Claims - Mr. McGrady requested that the Board approve payment of claims represented by check numbers 04126 – 04145 totaling \$97,332.80. Director Zimmermann moved to approve the payables. Upon a second by Director Sobik, vote was taken and motion carried unanimously. Director Zimmermann was concerned about the cost of the District's website and wondered why website maintenance was so far over budget. Mr. Zimmermann also wondered why the billing fees are so high and wondered if it was due to the meter transmission issue. The Board directed Mr. McGrady to work with Ms. Begeman to solve the electronic meter transmission issue.

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.

Discuss 2017 Budget Items – Need to put money for capital improvements. Get rid of vibrations on plant. Capital Improvement cycle. Build capital fund over time. Director Bevis would like to see a 10 year budget.

Discuss Capital Fees/Operations Fee – The Board agreed that some increase in rates may be needed but the exact amount will be determined when the 2017 budget has been prepared and presented to the Board.

FURTHER BUSINESS

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

The Board would like the ERP to be done in September 2016. Construction and Repair Standards Policy will be done in 2017. The Board would like to put an item in the January 2017 Look Ahead to discuss an appropriate timeframe for the development of Construction and Repair Standards.

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

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Director Hogan, a vote was taken and the motion carried unanimously.

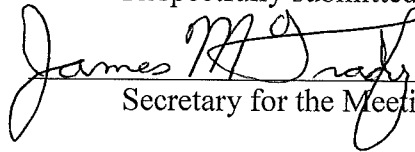
The following items were discussed:

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

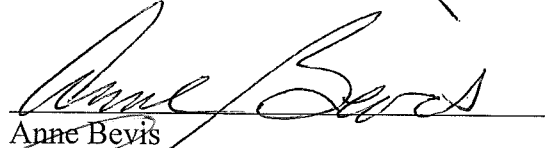
The Executive session was entered into at approximately 8:23 p.m. and exited at approximately 8:55 p.m.

ADJOURNMENT There being no further business to come before the Board, upon motion duly made by Director Sobik, seconded by Director Bevis, the meeting was adjourned at approximately 8:56 p.m.

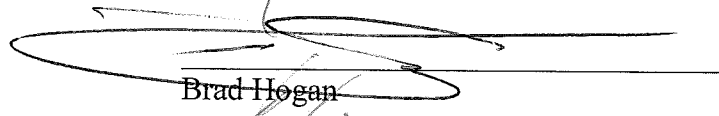
Respectfully submitted,

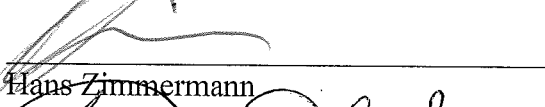

Secretary for the Meeting

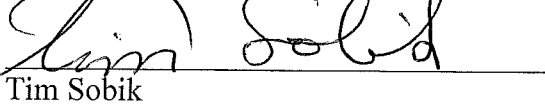
THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 25, 2016 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Anne Bevis


Eugene Ashe


Brad Hogan


Hans Zimmermann


Tim Sobik