

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
October 27, 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, October 27, 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
Clyde Penn; ORC, LLC
Eckhart Zimmermann; Resident

ADMINISTRATIVE MATTERS

Director Ashe called the meeting to order at around 6:01 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 September 28, 2016 Regular Board meeting. Page 2 Emergency Action Plan; strike the first sentence under ERP. Delete sentence on page 4 of minutes that states Ms. Begeman and Mr. Penn both think that would be useful. Director Bevis moved the minutes be approved as amended. Upon a second by Director Zimmermann, vote was taken and motion carried unanimously.

Review Action Item Management Report from September 28, 2016 Board Meeting- Mr. McGrady will check the status of the meter reading interface with District Administrator O'Neill.

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Director's Zimmermann and Sobik will review CRS bills. Need to look at overall costs. The Board requested that Director Sobik forward his spreadsheet to Director Zimmermann. Delete fish farm tank payment from Due Out list. Delete follow up with homeowner whose house was damaged by tank. Delete follow up on website maintenance cost. Delete Wells Fargo ACH sign-up status. Delete Meter Pit on Clovenhoof as this was completed. Mr. McGinn stated that the Arc View license is about \$3,000 per year. The Board will look for other alternatives to buying this license. Delete asset management program as it is difficult to maintain and would require a lot of additional work to populate the data base. Leave the generation of a large scale map to be installed at the treatment plant on the list until Phase 4 Water Improvements have been completed.

OPERATIONS & MAINTENANCE

Operations Report – Ms. Begeman and Mr. Penn presented the September/October Operations Report. The leak on Pixie Park was a raw water line to a pond. It was repaired by the contractor that hit it. Meter reads were complete on 10/27/16. 18775 Rockbrook has high water usage; they used over 60,000 gallons of water in the last two months. Mr. Penn will check out the service line to see if there is a leak. Mr. McGinn will put Global Underground on notice that this may be a service line that was replaced by Global Underground and that this service line may be leaking. Mr. Penn has done 15 locates this past month mainly associated with the new project. The air compressor at the Arapahoe Water Plant went down and ORC needs to purchase a new air compressor. The purchase price is about \$200 which is within ORC's spending limit. Director Zimmermann offered to go with Mr. Penn to clean out the surface water intake. Flows from the surface diversion have been between 30 gallons per minute to 60 gallons per minute. The AWP has not been online recently. Ms. Begeman discussed ORC's proposed 2017 contract with the District. ORC has not raised their rates since 2009 and as such they are considering a \$5.00 per hour increase. Ms. Begeman presented a proposal to operate the District with a lower amount of hours. This was made possible because the numerous improvements the District has made over the past several years. The number of hours Ms. Begeman was comfortable with was 20 hours per week rather than 30 hours per week at an hourly rate of \$78.75 per hour.

Mr. McGinn indicated he will follow up with Schmueser regarding the electrical hook up at Booster Pump Station.

Update from ORC Regarding Surface Water Treatment Plant Enhancements and suggested improvements to the Surface Water as Plant as discussed at the September 20, 2016 meeting - quote for improvements to the surface water plant is \$2,000 for materials

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and \$2,000 for controls. Ms. Begeman believes that the total installed price will be less than \$5,000. Ms. Begeman will get a contract in place and do the project in early January, 2017. The Board agreed that she should proceed with this project.

CAPITAL ITEMS

Update on the revegetation of storage area and discussions with Global Construction and release of retainage – Director Sobik’s lot has not been fixed to his satisfaction. Mr. McGinn has withheld \$3,000 from Global Underground’s retainage from the Phase 1-3 project in case Director Sobik’s lot has to be reseeded. Director Sobik feels they did not do the job correctly the first time. Mr. Sobik wants to do the work when it will actually work. There has not been rain three months and therefore the grass seed has not germinated. The Board would like to wait until spring to reseed Director Sobik’s property.

Update on J.J. O’Donnell work at Booster Pump Station, specifically new stoop, work on transformer pad, release of retainage – Under the original contract JDS purposely left out the man door pad/stoop. Mr. McGinn received a bid to install the stoop and make it larger from Mr. O’Donnell. The estimated cost to build the stoop and a curb/retaining wall was \$1,868.00. Mr. O’Donnell said he would fix transformer pad at the same time. Mr. McGinn stated that he has withheld \$500.00 to fix transformer pad. The Board approved this expenditure and asked that Mr. McGinn have Mr. O’Donnell proceed to install the stoop and fix the transformer pad for \$1,868.00. Mr. McGinn informed the Board that Schmueser and Associates is on liquidated damages if not finished by 1/31/17. Director Ashe was authorized to sign the requisitions from Global Underground in the amount of \$80,383.83 and \$13,415.00 for J.J. O’Donnell.

Update Board on Phase 4 Water Improvements – Potholing work is being done, but the contractor is going slow and has missed many good weather days.

Ms. Begeman will bring Arapahoe water levels to the next meeting. The Board would like to see quarterly water level reports compiled from the pressure transducer installed in the Arapahoe Well. Director Ashe wants the District to be aware of the maintenance issues associated with the Arapahoe Well. The well was last maintained about 4 years ago. This should perhaps be a budget line item for 2019.

FINANCIAL MATTERS

Payment of Claims - Mr. McGrady requested that the Board approve payment of claims represented by check numbers 04147 – 04190 totaling \$132,128.21. Director Zimmermann moved to

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approve the payables. Upon a second by Director Bevis, 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 by the Board.

Given the fact that the District's cash has been reduced, the Board would like to know what are the total estimated engineering costs for JDS to complete the Phase 4 project will be.

Discuss 2017 Budget Provide direction to Staff - Publish rates on SDA, which has been done. After some discussion on rates it was determined that rates will not be increased in January but rather rates will be considered in March. The Board was okay considering adjustment to the District's connection fees for service lines larger than ¾ inches. Director Bevis and Director Sobik indicated that they would like a work session in February to discuss future capital projects.

FURTHER BUSINESS

Review and Discuss Look Ahead Report – Mr. McGrady reviewed the report with the Board. Move Nevins report to Administration.

Establish December 8, 2016 as the Public Hearing date for 2017 rates and fees along with conducting a Public Hearing for the 2017 Budget – The Board agreed to the date and suggested that the meeting begin at 5:00 p.m.

Review and Approve Easement, Deed, and Agreement between Red Rock Ranch Incorporated and the Forest View Acres Water District – Director Hogan moved to approve the agreements and to allow Director Ashe sign the Easement. Upon second by Director Bevis, vote was taken and motion carried unanimously.

LEGAL

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

Mr. Eck Zimmermann was asked to attend.

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

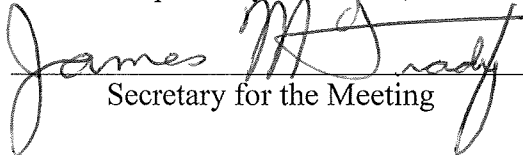
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- Discuss ORC Contract for 2017 Services

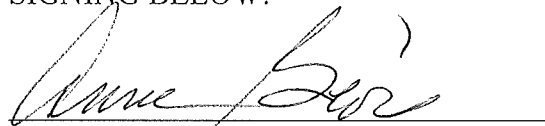
The Executive session was entered into at approximately 9:00 p.m. and exited at approximately 9:32 p.m.

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 9:33 p.m.


Respectfully submitted,


Secretary for the Meeting

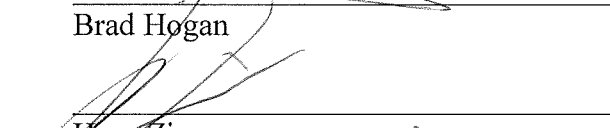
THESE MINUTES ARE APPROVED AS THE OFFICIAL OCTOBER 27, 2016 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Anne Bevis

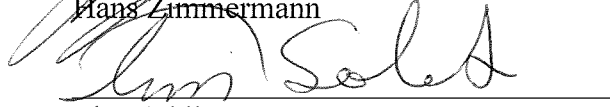
Eugene Ashe



Brad Hogan



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