

## RECORD OF PROCEEDINGS

### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF ALPENSEE WATER DISTRICT

**HELD:** Thursday, May 31, 2001, at 6:00 p.m. at Farmer's Korner Mobile Home Park, Manager's Office, 16195 Highway 9, Frisco, Colorado

#### ATTENDANCE:

A special meeting of the Board of Directors of Alpengsee Water District, Summit County, Colorado, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Laurence E. Smith, Vice-President  
Kevin R. Smith, Secretary  
Joseph E. Dismont, Jr., Assistant Secretary

Absent was Director Travis A. Smith, absence excused. There is one vacancy on the Board.

Also present were Lori Cutunilli; Paul Goedecke, District accountant; Joan M. Fritsche of Grimshaw & Harring, P.C.; Bob Broom; Rick Fendel of Petrock & Fendel, P. C.; and Bob Hoerr of Robert L. Hoerr, P.C.

#### CALL TO ORDER:

Director Laurence Smith noted that a quorum was present for the purpose of conducting a meeting of the Board of Directors and called the special meeting of the Board of Directors of the Alpengsee Water District to order.

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST:

The Board noted that written statements disclosing potential conflicts of interest had been filed on behalf of the members of the Board with the Secretary of State and Secretary of the District at least 72 hours in advance of this meeting and verbally disclosed the same, to wit:

Laurence E. Smith is the developer/manager of Farmers Korner, Inc., Developer of Highland Meadows and Alpengsee Subdivision III, and Farmers Korner Mobile Home Park.

Kevin R. Smith is the son of Laurence E. Smith.

Joseph E. Dismont, Jr. is the son-in-law of Laurence E. Smith.

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President Laurence Smith asked the members of the Board and those present for any additional information they may have concerning potential conflicts of interest. There was none.

Ms. Fritsche noted for the Board that transactional disclosure forms had been filed with the Secretary of State and the Secretary of the District on May 25, 2001, regarding the consideration by the Board of the adoption of an employment agreement with a former board member of the District and relative of the Developer.

**RESIGNATION OF DIRECTOR CUTUNILLI:**

Upon motion duly made, seconded and unanimously carried, the Board accepted the resignation of Director Cutunilli.

**ELECTION OF OFFICERS:**

The Board noted that with the resignation of Director Cutunilli, the office of President has been vacated. The floor was open to receive nominations for the office of President. Director Dismount's name was placed in nomination. No other nominations were received. Upon motion duly made, seconded and unanimously carried, the Board elected Joseph E. Dismount, Jr. as the President of the District. The Board noted that the other officers of the District will remain unchanged.

**APPROVAL OF MINUTES:**

The Board reviewed the minutes of the special meeting of the Board held on November 27, 2000. Following discussion and upon motion duly made, seconded, and unanimously carried, the Board approved the minutes with revisions and authorized the Secretary of the District to execute the minutes after the revisions are made as constituting true and correct records of the proceedings of the meeting.

**DISTRICT MANAGER:**

The Board reviewed the independent contractor agreement and the District manager wage survey. Ms. Fritsche presented to the Board a form resolution approving the hiring of Lori Cutunilli as the District Manager. Upon motion duly made, seconded and unanimously carried, the Board approved the resolution as presented and directed that a copy be attached hereto and incorporated herein by this reference.

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**OFFICIAL POSTING LOCATION:**

Following discussion, upon motion duly made, seconded, and unanimously carried the Board approved the location of Building 3, Unit 6, Alpensee Business Center/Highland Meadows Business Park, 105 Alpensee Loop, Frisco, Colorado, as the official posting location within the boundaries of the District for the posting of notices of meetings of the Board of Directors, pursuant to Section 24-6-402(2)(c), C.R.S., as amended.

**RATIFICATION OF PAST ACTIONS:**

Following discussion, upon motion duly made, seconded, and unanimously approved, the Board ratified the past actions of the Board and its consultants.

**FINANCIALS:**

Mr. Goedecke discussed with the Board the financial reports and the procedures for paying bills. Following discussion and upon motion duly made, seconded and unanimously carried, the Board authorized Ms. Cutunilli to approve and pay the bills as due. The Board directed Director Laurence Smith to deliver pertinent documents to Mr. Goedecke for the creation of financial statements for review and approval at the next Board meeting.

**WATER PLANT MATTERS:**

- a. As-Built Plans of Water System/Easements from Bob Johns at Range West 7, 10, 16. The Board reviewed the water line easement issues on Lots 7, 10 and 16, and noted that two fire hydrants are currently out of easement and that the issues will be corrected by Bob Johns and Joan Fritsche. The Board noted that there is still a need for as-built plans for Alpensee III and the Hendriksen easement.
- b. Miscellaneous Plant Matters. The Board noted for the record that prior to the start of the meeting, the Board and meeting attendees toured the condo unit housing the water tank and pump equipment. The general contractor fielded questions from the Board. The Board noted that the system has been tested and ready for operation.
- c. District Engineer. Upon motion duly made, seconded and unanimously carried, the Board authorized the District Manager to hire a District Engineer.

**RULES AND REGULATIONS:**

Ms. Fritsche presented for the Board's review, the Rules and Regulations for the District. General discussion ensued. Upon motion duly made, seconded and unanimously carried,

