

RECORD OF PROCEEDINGS

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

HELD: Monday, November 12, 2001, at 5:30 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:

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

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

Also present were Lori Cutunilli, District Manager, and Paul Goedecke, District accountant.

CALL TO ORDER:

Director Dismont 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:

Director Dismont noted that general disclosure statements had been filed on behalf of the members of the Board of Directors with the Office of the Colorado Secretary of State and with the Secretary of the District on July 12, 2001, 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.

Upon motion duly made, seconded and unanimously carried, the Board directed that said general disclosures be attached to these minutes and incorporated herein by this reference.

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APPROVAL OF MINUTES:

The Board reviewed the minutes of the special meeting of the Board held on May 31, 2001. 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.

2001 BUDGET AMENDMENT:

President Dismont opened the public hearing on the amendment to the 2001 budget. There being no public comment, the public hearing was closed.

Following discussion, upon a motion by Director Laurence Smith, and a second by Director Kevin Smith, the Board unanimously approved a resolution amending the 2001 budget.

2002 BUDGET:

Director Dismont declared the public hearing on the 2002 budget opened. The Board noted that the notice of the public hearing had been published in accordance with Colorado Statutes. No members of the public were present. Upon motion duly made, seconded and unanimously carried, the Board closed the public hearing on the 2002 budget.

Mr. Goedecke presented for the Board's review the 2002 budget. Following discussion of the budget as proposed, Ms. Cutunilli presented for the Board's consideration a form of resolution indicating the adoption of the budget as shown, appropriation of the funds as shown and certification of the levies required to generate the tax revenues as shown. Upon motion duly made, seconded and unanimously carried, as memorialized in the 2002 Budget Proceedings attached hereto and made a part of these minutes, the Board (1) approved and adopted the 2002 Budget as presented, (2) approved and adopted the mill levy as indicated in the resolution within said Proceedings, subject to potential adjustment based on final assessed valuation from the county, (3) authorized the President, and the Secretary to sign the necessary documentation, and (4) directed Grimshaw & Haring, P.C. to submit the certification of the tax levies to the Board of County Commissioners of Summit County.

FINANCIALS:

Mr. Goedecke presented to the Board financial reports and disbursements. Following discussion and upon motion duly made, seconded and unanimously carried, the Board accepted the financial reports and approved the disbursements.

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MAY 7, 2002 REGULAR ELECTION:

The Board noted that the District will elect directors at the regular election scheduled for May 7, 2002, and that the positions held by Directors Dismont, Laurence Smith, and Kevin Smith will be open for 4-year terms and that there is one vacancy on the Board. Ms. Cutunilli presented for the Board's approval a form of resolution calling the election. Upon motion duly made, seconded and unanimously carried, the Board approved the Resolution as presented.

AUDIT REPORT:

The Board reviewed the audited financial statements for the fiscal year ended December 31, 2000. Upon motion duly made, seconded and unanimously carried, the Board accepted the audit report as presented.

DISTRICT MANAGER:

Upon motion duly made, seconded and unanimously carried, the Board approved an increase to \$1,500 a month as salary to the District manager.

ADJOURNMENT:

There being no further business to come before the Board and upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of the Alpensee Water District.

Secretary of the District