

**RECORD OF PROCEEDINGS**  
**MINUTES OF A SPECIAL MEETING**  
**OF THE BOARD OF DIRECTORS OF**  
**ALPENSEE WATER DISTRICT**

**HELD:** Monday, December 6, 2004, at 4:00 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:

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

There were no directors absent. There is one vacancy on the Board.

Also present was Paul Goedecke, District Accountant; Lori Cutunilli, District Manager; Warren Hancock, homeowner; and Gary and Mary Probst, homeowners.

**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:

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Laurence E. Smith is the developer/manager of Farmers Korner, Inc., developer of Highland Meadows and Alpensee 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.

Travis Smith is the grandson of Laurence E. Smith.

Upon motion duly made, seconded and unanimously carried, the Board directed that said general disclosures be incorporated herein.

**APPROVAL OF MINUTES:**

The Board reviewed the minutes of the special meeting of the Board held on December 10, 2003. Following discussion and upon motion duly made, seconded and unanimously carried, the Board approved the minutes and authorized the Secretary of the District to execute the minutes as constituting true and correct records of the proceedings of the meeting.

**DESIGNATION OF OFFICIAL POSTING LOCATION:**

Following discussion and upon motion duly made, seconded and unanimously carried, the Board approved a location next to the entrance sign to Highland Meadows subdivision at the intersection of Alpensee Drive and Alpensee, Road, Breckenridge, 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.

**AMENDMENT TO THE 2004 BUDGET:**

Director Dismont opened the public hearing on the proposed amendment to the 2004 budget. The Board noted that notice of the public hearing had been published in accordance with statutory requirements. Mr. Goedecke distributed and reviewed the proposed amendment. Following discussion and upon motion duly made, seconded, and unanimously carried, the public hearing on the 2004 budget amendment was closed. Upon motion duly made, seconded and unanimously carried, the Board adopted a resolution approving the budget amendment and directed Grimshaw & Harring, PC to file the resolution with the Division of Local Government as required by statute. The Board further directed that a copy of the resolution be attached to these minutes and incorporated herein by this reference.

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**2005 BUDGET:**

Director Dismont opened the public hearing on the proposed 2005 budget. The Board noted that notice of the public hearing had been published in accordance with statutory requirements. Mr. Goedecke distributed and reviewed the proposed budget, noting the need for the mill levy increase due to slow home building activity. Mr. Goedecke further explained that the taxes on vacant lots are not enough to support the required bond payments but that after more homes are built and tax revenue increases to cover bond payments, the mill levy could be lowered. The Board noted that currently there are four homes and two condominiums built, two homes under construction, and empty commercial property. Following discussion and upon motion duly made, seconded and unanimously carried, the public hearing on the 2005 budget was closed.

Mr. Goedecke 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. Following discussion and upon motion duly made, seconded and unanimously carried, the Board (1) approved and adopted the 2005 Budget as presented, (2) approved and adopted the mill levy as indicated within said resolution, (3) authorized the President to sign the necessary documentation, and (4) directed Grimshaw & Harrington, P.C. to submit the certification of the tax levies and the 2005 budget as required. The Board further directed that the Resolution adopting the 2005 budget be attached to these minutes and incorporated herein by this reference.

**FINANCIALS:**

The Board reviewed financial reports and disbursements, noting that a Fire Department audit in 2004 indicated maintenance and/or repairs were needed on fire hydrants. Following discussion and upon motion duly made, seconded and unanimously carried, the Board accepted the financial reports and approved the disbursements.

**AUDIT REPORT:**

The Board reviewed the audited financial statements for the fiscal year ended December 31, 2003. Upon motion duly made, seconded and unanimously carried, the Board accepted the audit report as presented.

Mr. Goedecke advised that the District was not required to have a 2004 audit and that he would file the required Application for Exemption from Audit.

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**ENGAGEMENT OF AUDITOR:**

Upon motion duly made, seconded and unanimously carried, the Board approved the continued engagement of Robert L. Hoerr, CPA, as the auditor for the 2004 audit report.

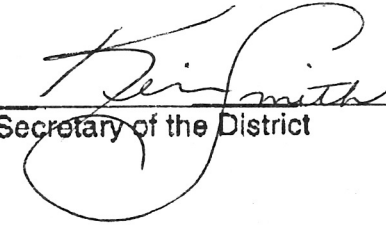
**NEW BUSINESS:**

The Board discussed the current vacancy on the Board, noting homeowner Warren Hancock's interest in becoming a Board member at the next meeting.

**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