

## **RECORD OF PROCEEDINGS**

### **SPECIAL MEETING OF THE BOARD OF DIRECTORS ALPENSEE WATER DISTRICT**

**HELD:** Thursday, November 29, 2007, at 6:00 p.m. at the Summit County Community and Senior Center, 0151 Peak One Boulevard, 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 (via telephone conferencing)  
Kevin R. Smith, Secretary  
Travis Smith, Treasurer

Absent was Director Hancock, absence excused

Also present was Lori Cutunilli, District Manager, and several homeowners and constituents of the District.

#### **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:**

The Board 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, 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.

Travis Smith is the grandson of Laurence E. Smith.

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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 12, 2006. 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 the location of Building 3, Unit D, 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.

### **FINANCIALS:**

The Board did not obtain financial reports from Paul Goedecke, District Accountant, prior to the meeting. Ms. Cutunilli discussed the estimated current bank balance of the District (which was later confirmed to be \$51,000). The Board directed Ms. Cutunilli to obtain the financial information normally obtained from Mr. Goedecke prior to the District's annual meeting and to share that information with the Board members once received.

The Board also discussed increased collection problems.

### **2008 BUDGET:**

Director Dismont opened the public hearing on the proposed budget for fiscal year 2008. It was noted that notice of the public hearing had been published in accordance with statutory requirements. Don Skotty, developer in attendance at the meeting, inquired about tap fees. Director Larry Smith explained that as a developer, Mr. Skotty is required to pay all tap fees and then collect. It was noted that Alpensee Water District has already paid their fees.

The Board discussed: (1) budgeted income based on estimated tax revenues, (2) estimated expenses, and (3) the resulting shortage. The Board agreed to discuss

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options to address the shortage later in the meeting. Following discussion and upon motion duly made, seconded and unanimously carried, the public hearing on the proposed budget was closed.

Following discussion and upon motion duly made, seconded and unanimously carried, the Board approved the estimated tax revenues and expenses and adopted a form of resolution adopting the 2008 budget, appropriating funds, and certifying the tax levies. Following discussion and upon motion duly made, seconded and unanimously carried, the Board: (1) approved and adopted the 2008 budget, subject to finalization by Mr. Goedecke; (2) authorized the appropriation of funds for the expenditures, as discussed; (3) approved and adopted the mill levies for certification to the County, as will be determined by Mr. Goedecke; (4) authorized Director Dismont as President, to sign the necessary documentation; and (5) directed Grimshaw & Haring, P.C. to submit the certification of the tax levies to the Board of County Commissioners of Summit County prior to December 15, 2007, and file the budget with the Division of Local Government prior to January 31, 2008. The Board further directed that the finalized resolution adopting the 2008 budget be attached to these minutes and incorporated herein by this reference.

### **AUDIT REPORT:**

Following discussion and upon motion duly made, seconded and unanimously carried, the Board ratified the Application for Exemption from Audit for 2006, which was previously filed with the Office of the Colorado State Auditor on behalf of the District by Mr. Goedecke.

The Board noted that an Application for Exemption from Audit will be filed for 2007.

### **MAY 6, 2008 REGULAR ELECTION:**

The Board reviewed a resolution concerning the regular election to be held May 6, 2008. Following discussion and upon motion duly made, seconded and unanimously carried, the Board approved the resolution concerning the regular election to be held May 6, 2008, noting the following:

Travis Smith: position open for 4-yr term  
Warren Hancock: position open for 4-yr term

### **NEW BUSINESS:**

- a. Annual Meetings. The Board discussed the County's new earlier deadline for certifying mill levies. Following discussion and upon motion duly made, seconded

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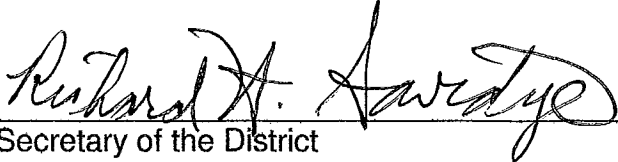
and unanimously carried, the Board decided to hold their annual meetings in November of each year to accommodate the County's earlier deadline for certifying mill levies.

- b. Rate Increase. The Board discussed a proposed \$15 per month rate increase to all District customers, beginning with the first quarter of 2008. Following discussion and upon motion duly made, seconded and unanimously carried, the Board approved the \$15 monthly rate increase.
- c. Bonds. Director Larry Smith discussed the \$1.875 million bond and the subordinate bond of approximately \$375,000, which he carries. He explained that he should receive payments when the bondholders carrying the larger bond receive payments, but due to slow build-out property taxes have not been able to support subordinate payments.
- d. Bond Debt. In response to a question regarding bond debt, Director Larry Smith explained that the original bond was for \$2 million with a 25 year term, and that there are 20 years of payments left unless payments can be accelerated by more homes being built, generating more property taxes.
- e. Board Member Compensation. Ms. Cutunilli stated that many district board members receive \$50 to \$100 in compensation for the meetings they attend. The Board discussed receiving compensation but no action was taken at this time.

### 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