

RECORD OF PROCEEDINGS

SPECIAL MEETING OF THE BOARD OF DIRECTORS ALPENSEE WATER DISTRICT

HELD: Wednesday, May 28, 2008 at 6:00 pm 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
Kevin R. Smith, Secretary (via telephone conferencing)
Richard Savidge

Absent was Director Warren Hancock, excused

Also present was Lori Cutunilli, District Manager and Travis Smith, potential nominee for Board vacancy

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 3 Subdivision 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.

MAY 6, 2008 ELECTION:

The Board noted that the May 5, 2008 election has been cancelled, and that Director Savidge and Director Hancock have been elected by acclamation to subsequent four year terms (expiring in May of 2012). Upon motion duly made, seconded, and unanimously approved, the Board approved a resolution canceling the May 2008 election and the publication of a notice of cancellation as required by law.

DIRECTOR RESIGNATION:

The Board noted that Director Kevin Smith resigned his position on the Board of Directors. Upon motion duly made, seconded and unanimously carried, the Board accepted Director Smith's resignation.

APPOINTMENT OF DIRECTORS:

The Board noted that due to the resignation of Kevin Smith, there was a vacancy on the Board. Director Dismont opened the floor to receive nominations to fill the vacancy. The name of Travis Smith was placed in nomination. Upon motion duly made, seconded and unanimously carried, the Board approved the appointment of Travis Smith to serve until the next regular election in 2010. An oath of office was administered to Travis Smith, after which he took his place as a Director on the Board.

ELECTION OF OFFICERS:

Following discussion and the receipt of nominations, upon motion duly made, seconded, and unanimously approved, the Board appointed the following as officers of the District:

President:	Travis Smith
Vice President:	Larry Smith
Treasurer:	Warren Hancock
Secretary:	Richard Savidge

APPROVAL OF MINUTES

The Board reviewed the minutes of the special meeting of the Board held on November 29, 2007. 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, Highlands Meadows Business Park, 105 Alpansee 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/APPROVALS OF DISBURSEMENTS

There was no financial report given since the Board did not obtain financial reports from Mr. Goedecke, the District's Accountant prior to the meeting. The Board discussed the current financial situation of the District. Ms. Cutunilli reported collections are good but not 100%. Discussion ensued regarding a letter to inspire prompt payments. Due to expensive repair and attorney fees, including fighting back taxes in 2006 and 2007, Farmers Korner, Inc. prepaid \$5,400 in water fees for vacant commercial property in order for the District to pay the December 2007 bond payment. Increased fees previously approved will assist in building reserve for repairs, maintenance, etc. No formal action was taken.

AMENDMENT TO THE 2007 BUDGET:

Director Dismont opened the public hearing on the proposed amendment to the 2007 budget for Alpansee Water District. He noted that no members of the public were present and the notice of the public hearing had been published in accordance with statutory requirements. The proposed amendment was distributed and reviewed. Following discussion and upon motion duly made, seconded, and unanimously carried, the public hearing on the 2007 budget was closed. Upon motion duly made, seconded and unanimously carried, the Board adopted a resolution approving the budget amendment and directed Grimshaw & Haring, 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.

CDOT RETENTION POND:

Ms. Cutunilli reported to the Board that the retention pond CDOT had planned to place directly over District water lines from wells to the holding tank were stopped; with an agreement that the pond will be 100 feet from wells, 10 feet to the side of water lines. All necessary documentation was filed with the Summit County Court through the legal office of Carlson, Carlson & Dunkleman. As of the meeting date, final expenses have not been received by the District.

DIRECTOR ITEMS

- a. District Customer Letter. To encourage prompt payments and 100% collections, the Board agreed to have Ms. Cutunilli compose a letter to District customers stating invoices will be mailed during the last month of each quarter and advising late fees will be imposed as follows: invoices not paid within 30 days will be charged a \$40 late fee; not paid within the quarter an additional \$40; and consistently delinquent may have a lien placed on property. A rough draft of the letter will be e-mailed to the Board for approval.
- b. Acquisition of Generator. Directors requested Lori obtain bid from Gary Probst for a generator to run the water plant during electrical outages.

ADJOURNMENT:

Following discussion, and upon motion duly made, seconded and unanimously carried, the Board adjourned the meeting. The Board noted that the next meeting is scheduled for Wednesday, October 8, 2008, at the Summit County Community and Senior Center.

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