

RECORD OF PROCEEDINGS

SPECIAL MEETING OF THE BOARD OF DIRECTORS ALPENSEE WATER DISTRICT

HELD: Thursday, November 24, 2008, at 6:00 p.m. at 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:

Travis Smith, President
Laurence E. Smith, Vice-President
Warren Hancock, Treasurer
Richard Savidge, Secretary
Joseph E. Dismont, Jr.

Also present was Lori Cutunilli, District Manager

CALL TO ORDER:

Director 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 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.

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.

RECORD OF PROCEEDINGS

November 24, 2008

Alpensee Water District

Page 2

APPROVAL OF MINUTES:

The Board reviewed the minutes of the special meeting of the Board held on May 28, 2008. 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.

FINANCIALS:

The Board reviewed the financial reports and related disbursements prepared by Paul Goedecke, District Accountant. Following discussion, and upon motion duly made, seconded and unanimously carried, the Board accepted and approved the disbursements/financial reports as presented.

AMENDMENT TO THE 2008 BUDGET:

Director Smith opened the public hearing on the proposed amendment to the 2008 budget for the 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 by the Board. Following discussion and upon motion duly made, seconded, and unanimously carried, the public hearing on the 2008 budget amendment was closed. Upon motion duly made, seconded and unanimously carried, the Board adopted a resolution approving the budget amendment and directed that the resolution be filed 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.

2009 BUDGET:

Director Smith opened the public hearing on the proposed budget for fiscal year 2009. 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 budget was distributed and reviewed for fiscal year 2009. 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 2009 budget, appropriating funds, and certifying the tax levies. Following discussion and upon motion duly made, seconded and unanimously carried,

RECORD OF PROCEEDINGS

November 24, 2008

Alpensee Water District

Page 3

the Board: (1) approved and adopted the 2009 budget as presented; (2) authorized the appropriation of funds for the expenditures set out in the budget; (3) approved and adopted the mill levies for certification to the County, as indicated in the resolution; (4) authorized Director Smith 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, 2008, and file the budget with the Division of Local Government prior to January 31, 2009. The Board further directed that the finalized resolution adopting the 2009 budget be attached to these minutes and incorporated herein by this reference.

NEW BUSINESS:

- a. Late Fees. The Board discussed late fees on delinquent accounts and noted that at least one delinquency is a foreclosure.
- b.. County Requirements. The Board discussed the County's requirement of valves in subdivision to be inspected and repaired prior to final acceptance of road for maintenance in the summer of 2009.
- c. E-Billing. The Board noted that electronic billing is to be made available to homeowners.
- d. Renegotiation of Bonds. The Board discussed the 10 year hold on refinancing bonds expires July 2010. The Board will hold further discussion at next meeting.
- e. Tax Rolls. The Board discussed the number of homes on tax rolls.
- f. Laptop Computer. The Board discussed the possible purchase of a laptop computer for the District. The Board noted that the budget was too tight and would consider the purchase at a later date.
- g. Back-up of Financials. The Board noted that a back-up of financials should be kept off premise.

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.

RECORD OF PROCEEDINGS

November 24, 2008

Alpensee Water District

Page 4

Secretary of the District