

## **RECORD OF PROCEEDINGS**

### **MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF**

#### **DEEP CREEK WATER AND SANITATION DISTRICT**

**HELD:** the 2nd of December, 2010, at 9:00 a.m. at 13133 East Arapahoe Road,  
Suite 100, Centennial, CO 80112

#### **ATTENDANCE:**

A special meeting of the Board of Directors of Deep Creek Water and Sanitation District, Mineral 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:

John Parker, President  
Ann Parker, Secretary/Treasurer  
William Parker, Assistant Secretary (via conference call)  
Ethan Hampton, Assistant Secretary  
Margaret Hampton, Assistant Secretary

Marcus McAskin of Widner, Michow & Cox, LLP was also present.

#### **CALL TO ORDER:**

President Parker noted that a quorum was present for the purpose of conducting a meeting of the Board of Directors of the Deep Creek Water and Sanitation District and called the meeting of the Board of Directors of the District to order at 9:05 a.m. President Parker noted for the record that notice of this special meeting had been posted in accordance with Section 32-1-903(2), C.R.S.

#### **CONFLICTS OF INTEREST:**

The Directors present noted for the record that they have financial interests in entities active in developing property within the boundaries of the District, or are employed by such entities, and that such interests may be affected from time to time by actions of the District's Board of Directors. In accordance with state law, the Directors have filed written disclosures describing such potential conflicts of interest with the Secretary of State, and the Directors present verbally reaffirmed such disclosures on the record of this meeting.

#### **PUBLIC COMMENT:**

None.

**MINUTES:**

The Board considered the minutes from the special meeting of the Board held May 21, 2010. Upon motion duly made, seconded, and unanimously approved, the Board approved the minutes as amended and authorized Secretary A. Parker to execute a copy thereof.

**FINANCIALS:**

Discussion of District financial items was tabled by the Board until discussion of the 2011 budget.

**2011 BUDGET:**

President Parker declared the public hearing on the 2011 budget opened at 9:15 a.m. Mr. McAskin confirmed that public notice of the budget hearing had been published in accordance with Colorado Statutes. Upon motion duly made, seconded, and unanimously carried, the Board closed the public hearing on the 2011 budget at 9:16 a.m.

The Board reviewed the final proposed 2011 budget, as prepared by Rosemary Gentry, CPA. Upon motion duly made, seconded, and unanimously carried, the Board: (1) approved and adopted the 2011 budget as presented; (2) approved the appropriation and expenditure of funds as shown therein; (3) approved and adopted a 0.000 mill levy to be certified in 2010 (for collection in 2011); (4) authorized President Parker and Secretary A. Parker to execute the necessary documentation; and (5) directed Mr. McAskin to submit the certification of tax levies to the Mineral County Board of County Commissioners no later than December 15, 2010, and file the 2011 budget with the Division of Local Government prior to January 31, 2011.

**DIRECTOR ITEMS:**

**ATTORNEY ITEMS:**

Resolution Establishing Meeting location.

Mr. McAskin noted that the location of today's special meeting had appeared on the agenda (as posted) and that the Board should consider adopting a resolution regarding the location of this special meeting and regular and special meetings to be held in 2011 in accordance with the requirement of § 32-1-903(1), C.R.S. Upon motion duly made, seconded, and unanimously carried, the Board adopted a resolution establishing the meeting location for future Board meetings at 13133 East Arapahoe Road, Suite 100, Centennial, Colorado 80112 in order to continue

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to achieve certain administrative efficiencies and based on the fact that a majority of the members of the Board of Directors reside in the Denver metropolitan area.

### **2011 Regular Meeting Schedule**

Upon motion duly made, seconded, and unanimously carried, the Board selected the following dates in 2011 on which to conduct the regular meetings of the Board of Directors of the District: the 1<sup>st</sup> Thursday of the months at March, June, September and December at 10:00 a.m., with all such regular meetings to be held at the offices of Widner, Michow & Cox, LLP, 13133 East Arapahoe Road, Suite 100, Centennial, CO 80112.

### **NEW BUSINESS:**

President Parker discussed the pending land exchange with Mineral County and the pending exclusion of approximately 12.59 acres from the District's current boundaries and the pending inclusion of approximately 9.87 acres into the District's boundaries. Mr. McAskin noted that notices regarding submission of the petition for inclusion and the petition for exclusion had been published in the *Mineral County Miner*, and that a public hearing on each of these items had been scheduled for today's meeting.

The public hearing on the matter of the proposed exclusion was opened at 9:25 a.m. Board member B. Parker asked questions related to the land swap with the County and whether the County would seek water service from the District in the future. The public hearing was closed at approximately 9:27 a.m. Upon motion duly made, seconded, and unanimously approved, the Board approved the exclusion of the 12.59 acres currently owned by Navajo Development Co., Inc. from the boundaries of the District, and authorized Secretary Parker to execute a certified resolution setting forth the Board's action on the exclusion of the 12.59 acres. Mr. McAskin noted that he would file the appropriate motion for exclusion and proposed order with the Mineral County District Court and would inform the County Attorney of the pending exclusion.

Upon motion duly made, seconded, and unanimously carried, and in accordance with § 32-1-401(1)(b), C.R.S., the Board continued the public hearings on the pending petition for inclusion to the next subsequent regular meeting of the Board, currently scheduled for Thursday, March 3, 2011.

### **OTHER BUSINESS:**

President Parker noted for the record the following: (1) that there may be a possible leak in the CH-2 system, and that Ron Carpenter had been investigating in order to determine the location; and (2) that Matt Dillman of Burns, Figa & Will, P.C. had been working

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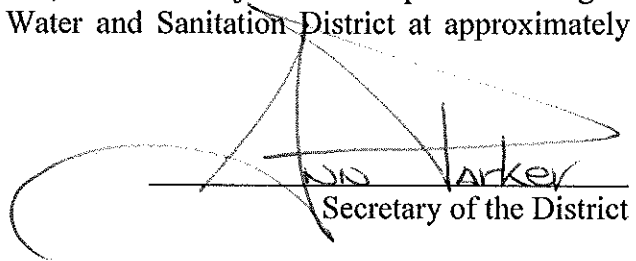
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with Navajo Development to finalize certain easements for District infrastructure and that the same will likely be recorded in the first quarter of 2011.

Upon motion duly made, seconded, and unanimously approved, the Board ratified all Board actions taken during calendar year 2010 for the record.

**ADJOURNMENT:**

There being no further business at said special meeting, and following a motion duly made, seconded, and unanimously approved, the Board adjourned the special meeting of the Board of Directors of Deep Creek Water and Sanitation District at approximately 9:50 a.m.

  
Secretary of the District