

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF

DEEP CREEK WATER AND SANITATION DISTRICT

HELD: Thursday, the 12th day of December, 2013, at 10:00 a.m. at 13133 East Arapahoe Road, Suite 100, Centennial, CO 80112

ATTENDANCE:

A regular 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 (via conference call)
Margaret Hampton, Assistant Secretary (absent, absence excused)

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 approximately 10:07 a.m.

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.

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MINUTES:

The Board considered the minutes from the regular meeting of the Board held December 13, 2012. Upon motion duly made, seconded, and unanimously approved, the Board approved the minutes and authorized Secretary A. Parker to execute a copy thereof.

FINANCIAL MATTERS:

2014 BUDGET:

President Parker declared the public hearing on the 2014 budget opened at 10:10 a.m. Mr. McAskin confirmed that public notice of the budget hearing had been published in accordance with Colorado law. President Parker closed the public hearing on the 2014 budget at 10:12 a.m.

The Board reviewed the final proposed 2014 budget, as prepared by Rosemary Gentry, CPA. Upon motion duly made, seconded, and unanimously carried, the Board: (1) approved and adopted the 2014 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 2013 (for collection in 2014); (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, 2013, and file the 2014 budget with the Division of Local Government prior to January 31, 2014. The Board's approval of the 2014 budget items are set forth in Resolution 2013-1, 2013-2 and 2013-3.

2013 BUDGET (AMENDED):

President Parker declared the public hearing on the 2013 budget, as amended, at 10:13 a.m. Mr. McAskin confirmed that public notice of the hearing on the 2013 amended budget had been published in accordance with Colorado law. President Parker closed the public hearing on the 2013 amended budget at 10:15 a.m. Upon motion duly made, seconded, and unanimously carried, the Board approved Resolution 2013-4 which approved the amended 2013 budget and approved the appropriation and expenditure of funds as detailed therein.

DIRECTOR ITEMS:

President Parker provided an overview of general operations and maintenance issues affecting the District, including an overview of the following topics:

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- 1) CH2 well improvements.
- 2) Connection CH1 and CH2: connection exists for emergency use only.
- 3) Creede School – voters have approved bond to fund new school construction. Opening date expected Fall of 2015. District to work with the school district and the City regarding water service issues to the subject property.
- 4) Lift station status and need for upgrades/repairs to the control panel and related issues.
- 5) Zimmerman property.

No formal action was taken with respect to the above-referenced topics.

ATTORNEY ITEMS:

2014 Regular Meeting Schedule

Upon motion duly made, seconded, and unanimously carried, the Board selected the following dates in 2014 on which to conduct the regular meetings of the Board of Directors of the District: the 2nd Thursday of the months of 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.

2014 Election

Mr. McAskin reminded the Board that the District would have a regular election on May 6, 2014 and that the seats currently held by Ethan Hampton and Margaret Hampton would be up for election. Upon motion duly made, seconded, and unanimously carried, the Board approved Resolution 2013-5, appointing Sue Blair as the District's Designation Election Official (DEO) and authorizing the DEO to cancel the election if appropriate.

NEW BUSINESS:

None.

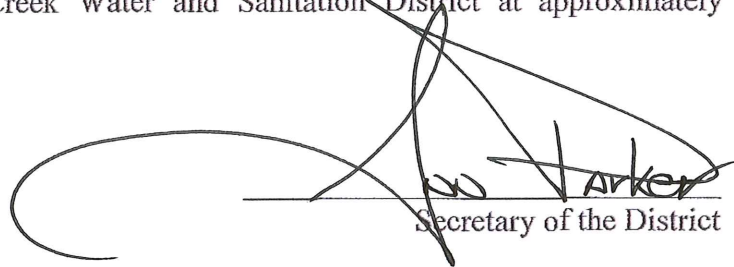
OTHER BUSINESS:

Upon motion duly made, seconded, and unanimously approved, the Board ratified all Board actions taken during calendar year 2013 for the record.

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ADJOURNMENT:

There being no further business at said regular meeting, and following a motion duly made, seconded, and unanimously approved, the Board adjourned the meeting of the Board of Directors of Deep Creek Water and Sanitation District at approximately 10:52 a.m.



Don Parker
Secretary of the District