

Angel Fire Public Improvement District 2007-1
3465 Mountain View Blvd., Suite 14
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Angel Fire, NM 87710
575-377-3483

PID Board Meeting Minutes
May 11, 2011 at 1:30 pm at the Village Hall Meeting Room

- A. Call to Order – Vice Chairman Dan Rakes called the meeting to order at 1:30 pm.
- B. Pledge of Allegiance – Vice Chairman Rakes called for the Pledge of Allegiance.
- C. Roll Call - Present were Vice Chairman Dan Rakes, Director Chuck Verry, Director Steve Oliver, and Director Alan Young. Chairman LeBus was absent. We have a quorum. Also present were Gerald White, Project Director, Sally Sollars, District Administrator, and Carl Abrams, HDR.
- D. Approval of Agenda - Director Verry moved to approve the agenda and Director Young seconded. The motion carried 3-0.
- E. Approve Minutes – May 2, 2011 Board Meeting Director Verry moved to approve the May 2, 2011 Special Board Meeting minutes. Director Young seconded. The motion carried 3-0.
- F. Requests and Responses from the Audience (Limit to 3 minutes) – None.
- G. Announcements and Proclamations – None.
- H. Business
 - 1. New
 - a. First Reading of Preliminary Budget – Vice Chairman Rakes announced “I open the Public Hearing and 1st Reading of the Preliminary Budget Report at 1:32 pm. Are there any comments, protests or objections?” There was no one in the audience. Director Young asked what the savings were with the refinancing. Gerald White reported approximately \$44,000 per year (over \$1,000,000 over the life of the financing), in savings. This allows a reduction in the 2012 assessment back to the 2008/2009 level, or 2%. (Previously the Board had approved a 4% reduction, or to 2008/2009 rates. Mr. White had thought that the assessment had been raised 2% in 2009 and 2010, when there was only one 2% increase in 2010.) Director Young asked if this budget was sufficient to cover any extra costs as may arise out of current negotiations with AUI. Mr. White said that there is a contingency in the budget for such costs, reminding the Board that this budget starts on July 1 and that most of AUI’s remaining work will be done by then. At 1:41 Vice Chairman Rakes closed the Public Hearing.
 - b. Consider and Approve AUI Change Order #22 – El Vado Place Deduct – Gerald White reported that this change order deducts the El Vado Bridge work from the AUI contract, which will be applied to the Reiman Corporation contract. Director Oliver moved to approve Change Order #22. Director Verry seconded. The motion carried 3-0.

- J. Consent Agenda – Director Verry moved to approve the Consent Agenda as written. Director Young seconded. The motion carried 3-0.

1. HDR Engineering, Inc.; Invoice #00290065-H - \$31,863.36
2. AUI; Invoice #Phase IIB; 3/26 – 4/29/11 - \$88,466.15
3. Stelzner, Winter, et al – general counsel; Invoice #2245 - \$3,287.04
4. Kamm & McConnell – foreclosure counsel; Invoices #31945-31955 - \$1,197.00
5. Goodwin/Procter; Inv. #905589 - \$4,750.00
5. Gerald White; Invoice #21 - \$2,148.75
6. Sally Sollars; Invoice #11 (4/6/11-5/6/11) - \$3,611.06
7. Qwest; Account No. 575-377-3483-459B; 4/25/10 Invoice - \$166.56
8. Village of Angel Fire; Conf. Call Expense (March 2011) - \$96.88
9. Sangre de Cristo Chronicle; Invoice dated 4/29/11 - \$174.39
10. Public Record Service; Invoice dated March 2011 - \$53.97
11. Petty Cash Report; Balance \$133.25

K. Reports

1. Project Director Report – Gerald White reported that AUI has resumed work and is currently working in Country Club 1 & 2 and Angel Fire West Village. Some of the work is correcting failures on sewer lines. We have agreed with the Village of Angel Fire that chip seal would be installed where specified. We got acceptance for Country Club 1A from the Village last fall with the contingency that a survey certification be provided. AUI/BHI provided two letters, which the Village has accepted and which will serve all of the subdivisions. Once the certification is recorded with the Village Clerk, Country Club 1A will be fully accepted.

Mr. White said that AUI submitted its Schedule of Values and Schedule to Completion last week. AUI is focusing on completing one area at a time. Chalets 2G will be the last of the subdivisions to be complete.

In the area that will be chip sealed, manholes were installed below level of the road surface, as is required for a gravel road. The Village has asked that they be raised to road surface. Mr. White reported that we are investigating the use of collars to correct this situation. Materials cost for one foot is about \$400.

A meeting with AUI to negotiate the additional Kit Carson costs associated with the variance of PID plans and Kit Carson drawings in extending the lines to tie in to existing service outside of the PID boundary is scheduled to take place Monday May 16. Also, being negotiated is the carry over of work into 2011. AUI is asking for four additional months for some elements of the work.

Carl Abrams reported that the weekly construction meetings have resumed at the AUI office on Tuesdays at 9:00 am. The signed agreement has been returned to Reiman Corporation, but it has not delivered a Schedule of Values yet.

In a recent meeting, Qwest reiterated that it had not requested the District to install conduit outside of the PID boundary to tie into the nearest connection. HDR gave AUI the directive not to extend the Qwest connections beyond the PID

boundary for any remaining connections. Quest will determine if they wish to have the crews extend service lines, and pay for the work, as the need arises. The PID has requested payment for conduit already installed. The District has also asked Qwest (now CenturyLink) to reimburse a portion of the \$75,000 that the District incurred for the South Angel Fire Road extension undercrossing. Also, Quest has a collection agency attempting to collect \$10,000 for "damage", which was a relocation of service lines in Country Club 1B. PID General Counsel has suggested that this action is illegal.

Mr. Abrams also reported that AUI finished the dry utilities on Torrey Pines this week. They have started the wetland area at the green belt and Valle Grande Trail, which is one of two required to offset wetland encroachments elsewhere.

- Caballo Lane portion of Chalets 1A is complete except for minor roadwork. Reseeding remains prior to Village acceptance. This will be the first area completed this year.
- West Village, Angel Fire North, and Country Club 1 & 2 are scheduled to be finished in July.
- Chalet Unit 4 is scheduled for August completion.
- Chalet 2G is scheduled for completion in September to October.
- Country Club 1B is scheduled for completion in October.

AUI crews are working five days a week as is subcontractor H Excavation.

2. Administrator Report – Sally Sollars reported that the RFP for Brokerage Services is awaiting advice from General Counsel concerning DFA compliance issues. A conference call with the counsel of DFA will be scheduled within the next two weeks. Vice Chairman Rakes doubted that DFA compliance applies to the PID and that the PID Act doesn't specify such compliance. He will speak with General Counsel.

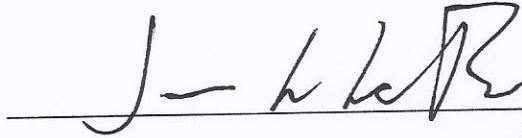
Ms. Sollars also reported that nine more verifications have come from Foreclosure Counsel for sign off to begin proceedings. He is actively working on six cases at the moment.

A press release was sent to the Sangre de Cristo Chronicle on Monday. The release reports the closing of the loan, the status of construction, and the awarding of the El Vado Bridge contract to Reiman Corporation. The paper did not print the release in this week's issue.

3. Committee Reports
 - a. Construction Committee – nothing more to report.
 - b. Finance Committee – nothing to report except the closing of the refinanced loan.
4. Treasurer Report – There were no questions

- L. Adjournment – Director Young moved to adjourn the meeting. Director Oliver seconded. The motion carried 3-0. Vice Chairman Rakes adjourned the meeting at 2:21.

Next Regular PID Board Meeting will be June 8, 2011

A handwritten signature in black ink, appearing to read "J. LeBus", written over a horizontal line.

James LeBus, Chairman

ATTEST: A handwritten signature in black ink, appearing to read "S. Sollars", written over a horizontal line.

Sally Sollars, District Administrator