

RECORD OF PROCEEDINGS

ASPEN VILLAGE METROPOLITAN DISTRICT

May 25, 2011

A special meeting regarding the possible sale of water to Pitkin County Landfill of the Board of Directors of the Aspen Village Metropolitan District, in the County of Pitkin, State of Colorado, was held on Tuesday, May 25, 2011, at 6:30 p.m. at 31 Aspen Village Road, Aspen, Colorado with the following in attendance:

Donnie Lee, President
Richard Jackson, Vice President
David Ritter, Director
Brent Ford, Director

Members of the public

Ellen Anderson
Roger Baillargeon
Bill Crelli
Pat Mulligan
Tom Ginn
Connie Garofalo
Geuseppe Garofalo
Matte Garofalo
Lauri Anderson
Jay Dewire
Chris Hoofnagel
Harry Smith
Michael Hull
Christina Dening
Roy Saba, Beach Resource Management
Gary Beach, Beach Resource Management
Michael Kiernan, District Manager
Doug White, District Property Manager

Call to Order: Dir. Lee called the meeting to order at 6:35 pm and a quorum of Directors was declared.

Approval of Agenda Dir. Dir Jackson moved to approve the agenda as presented. The motion was seconded by Dir. Ford and passed by unanimous voice vote.

Approval of Meeting Minutes Dir Jackson moved to approve the April 26, 2011 meeting minutes as presented. Dir. Ford seconded the motion and the minutes were approved unanimously by voice vote.

Opening Statement

Donnie Lee opened the meeting by explaining the history of the Pitkin County Landfill water proposal. Director Lee stated that the process had been a slow moving inquiry by the landfill approaching the District Board in May of 2009 regarding the purchase of water for dust suppression, composting and fire control. The request is part of the Master Plan process for the proposed upgrading of the landfill. After a lengthy planning process the landfill had reached a point where they want to expedite the process. The Board requested that Gary Beach do an analysis of the village water system regarding capacity and capabilities of supplying water to the landfill. The Board also asked Gary to explore fees to the County in terms of water tap fee and metered water the possibilities and ramifications of selling water – should we do it – if we do it what we should charge – how would it impact our system etc. Donnie went on to state that there was a whole purview of information that needed to be disseminated before any decision is reached

Gary Beach Presentation

Gary Beach presented his analysis of the village water system stating he had met with Kelly Gesselle the water systems operator, inspected the wells, the pump house the pumps and did a brief analysis of the water lines. Gary went on to explain he had researched the water rights and well permits. Gary's full report is posted on the village website. Gary read through the executive summary(listed below) and answered questions from village residents

Executive Summary

Water Supply Feasibility Study Aspen Village Metro to Pitkin County Landfill

Based on this abbreviated study, a review of all information provided by the District, by personal interviews with persons knowledgeable about the Aspen Village Metro District's Water System, a thorough research of state and local databases, and Beach Resource Management archives, it appears that sufficient additional capacity to meet a 20,000-gallon per-day demand from the Landfill exists. In order to confirm this preliminary conclusion, the following additional work should be undertaken by the District if the District is willing to enter into meaningful discussions with Pitkin County regarding future water service to the Landfill:

1. Sufficient legal capacity appears available but must be confirmed. A legal review of the District's water rights should be completed including a review of Civil Action 5884 and Water Court Case 81CW432. This review should determine the portion of the 134 acre feet of annual diversions that were reserved for Aspen Village demands and any limitations to the rights granted A VMD through the two cases.
2. Limited additional research should be completed to determine if Lower Well No.2 is permitted, if Upper Well No. I and Aspen-Gerbaz Water Well No.4 have been drilled and are permitted.

3. If Upper Well No. 1 exists and is not permitted, and can be used for any of its decreed purposes, consideration should be given to the value of this well for use by AVMD.
4. Complete a brief study of the physical condition of the water supply system to ensure its reliability as a water source for the Landfill without compromising service to the existing users.
5. Determine the appropriate tap fees to allocate to the County for reservation of capacity in the District's system. This would be based on the projected or proposed amount of water to be delivered. If the required tap fees are not acceptable to the County, stop here.
6. Commence work on the drafting of a Water Service Agreement with the County, the specifics of which would be discussed in Executive Session by the Board and its consultant and counsel.
7. Simultaneous to the drafting of the WSA, complete an evaluation of water system costs to set a water rate for delivery of water to the Landfill. The water rate analysis should include all costs necessary to produce, treat, pump and store water, to augment depletions, to protect water rights, and to insure, manage and administrate the water system.
8. Final designs for the extension of service to the Landfill must be completed, reviewed and approved by the District. Construction of the water system extension must be inspected and approved by the District according to approved plans and approved changes. As-built drawings must be made available to the District upon completion of all work.
9. The County Landfill property must be included into the service area of the District. This will require the amendment of the District's Service Plan.

Gary concluded his presentation and the floor was open for questions

Donnie summarized Gary's presentation stating that there were a number of items including: well permits, water rights, integrity of water lines and flow capacity verification that needed to be completed whether the District sold water or not.

Public Comment

Gary was asked to identify himself

Gary explained that he was the owner of Beach Resource Management and had been in the business of water management for over 30 years. Mr. Beach has Masters degrees in Business and Engineering.

Ellen Anderson suggested that the most important question was not in the details of water rights, well permits and water capacity but whether the District residents wanted to sell water to the County. Because selling water to the County would open up a Pandora's box of development that could

adversely affect the residents quality of life. Ellen went on to reiterate her concerns about dealing with the County stating that on numerous occasions the County had failed to follow through on promises(pedestrian island on Hwy82, unauthorized road cut to landfill) made to the Village and on several occasion had been known to circumvent the County's own standard operating procedures to the accomplish their own goals. A lengthy discussion ensued. Many residents shared Ellen's concern and voiced their own concerns about the landfill expansion. Residents were concerned about visibility issues, odor, noise, air and water pollution.

Gary Beach wanted the residents to realize that if they decided to sell water to the landfill that the District would be able to dictate, within reason, all the terms in the water service agreement

Donnie Lee wanted the residents to understand that Aspen Village was not the only option for water and that the County would get water for the landfill. The County's first option was Aspen Village because the capacity was there and the system is in place but if the County were unable to negotiate a deal with the District they would drill wells to obtain water. Donnie went on to explain that from the day the County approached the District the Board has been looking at the most value it could receive from the County

Chris Hoffnagel , resident of Aspen Village and operating manger of the landfill, confirmed that the landfill was exploring the possibility of drilling wells directly across from the landfill entrance. Chris also stated that the master plan had been approved and the landfill would exist in perpetuity in one form or another. Chris said he would be happy to present the landfill master plan at a future meeting. When asked what the expected lifespan of the landfill was Chris responded saying that at the present usage rate the landfill would be full in 25 years but that it would continue to exist as a recycling center.

Gary Beach reiterated that in any service water agreement the extraterritorial user(the landfill) would be subject to a secondary roll regarding water usage

.Donnie Lee reiterated that neither he or the Board had any intention of making a decision until all the information was in and all the residents had had their chance to voice their opinion. Donnie also stated that as a resident of Aspen Village he would make no decision that had a negative impact on the Village

The consensus of the residents at the meeting was that selling water to the County was an extremely important decision with impact issues that could affect the residents for years to come. The residents wanted the Board to take steps to inform the entire community of the landfill issue and to slow the process down so that an informed decision could be made. The Board agreed to send out a letter to the residents informing them of the situation and giving them an overall summary of what had transpired with the county and what needed to be done before a decision could be made. The Board also agreed to

hold more meetings to specifically deal with the landfill issue. Ellen Anderson volunteered to collaborate with the Board on the information to be distributed.

Next Meeting The next meeting was scheduled for Monday, June 20, 2011

Motion
Adjournment

There being no further business to discuss, the meeting was adjourned at 8:30 p.m. by a motion made by Dir. Lee and seconded by Dir. Jackson. The motion passed unanimously by voice vote.

The foregoing minutes constitute a true and correct copy of the minutes of the above-referred meeting and were approved by the Board of Directors of the Aspen Village Metropolitan District.

Date of Approval

Michael Kiernan, District Manager
Aspen Village Metropolitan District

Seal: