

## RECORD OF PROCEEDINGS

### ASPEN VILLAGE METROPOLITAN DISTRICT

October 18, 2011

A regular meeting of the Board of Directors of the Aspen Village Metropolitan District, in the County of Pitkin, State of Colorado was held on Tuesday October 18, 2011, at 6:30 p.m. at 31 Aspen Village Road, Aspen, Colorado, with the following in attendance:

#### **Members of the Board**

Donnie Lee, President  
David Ritter, Director  
Michael Haman, Director  
Brett Ford, Director  
Richard Jackson

#### **Members of the Public**

Gary Beach, District Manager  
Doug White, District Property Manager  
Noelle Tripp, District constituent

#### **Call to Order**

Dir. Lee called the meeting to order at 6:30 p.m. and a quorum of directors was present. Dir. Haman joined the meeting at 6:35 p.m. and Dir. Jackson joined the meeting at 6:39 p.m.

#### **Approval of Minutes of August 16, 2011**

Upon a motion made by Dir. Ritter and seconded by Dir. Ford, and by unanimous voice vote, the Minutes of the August 16, 2011 Board of Directors meeting were approved as presented.

#### **Public Comment**

Dir. Lee asked if any member of the public wished to make a comment or address the Board with a concern. Hearing none the Board closed the public comment period.

#### **Approve Auditor Engagement**

Following a brief discussion, and upon a motion made by Dir. Lee and seconded by Dir. Ritter, the Board approved by unanimous voice vote the engagement of the firm Chadwich, Steinkirchner and Davis to perform a review of the 2011 books of the District.

#### **First Hearing on the Proposed 2012 Budget**

Dir. Lee opened the first public hearing on the proposed 2012 District operating and capital budgets at 6:39 p.m. Dir. Lee asked the District Manager to lead the discussion and Mr. Beach highlighted the proposed changes to the budget. The significant changes included an increase in the mill levy from 71.662 mills to

to 83.994 mills offset the decrease in assessed values, which otherwise would lead to an approximate \$45,000 decrease in tax revenues.

Based on the proposed budget, the 2012 revenues will be reduced by \$4,000 due to no projections for tap fee revenues in 2012. Expenditures will require additional funding as the Board authorized additional allocations to capital projects such as road sealing, tank inspection, improvements to the maintenance building, etc. Based on projected costs some of these projects may be eliminated at final budget.

The changes to the capital project budget included road sealing, water tank inspection (both tanks), and hydrant flow testing. Following a thorough discussion of probable costs, Dir. Lee asked if there were any additional questions or concerns and hearing none, closed the public hearing at 7:20 p.m.

**Motion**

Upon a motion made by Dir. Ritter and seconded by Dir. Ford, management was directed to prepare a final budget based substantially on the proposed budget presented at this hearing, with modifications made to projected expenses and revenue projections for 2011 and changes requested by the Board. By unanimous voice vote the motion was approved.

**District Report**

Doug White provided the Board with an update on work being completed on the community center and problems encountered with mold once wall board was removed. He also updated the board on the cost of replacing the maintenance building versus the cost of repair. A general discussion was held by the Board on both issues. Mr. White also discussed miscellaneous issues being resolve within the District and Dir. Haman spoke of the video recording of District sewer lines and the status of that work. Mr. White said it was not yet complete as the contractor was experiencing equipment problems. The Board then asked Mr. Beach if he had received any response from the State to the District's effluent pump-back plan. He responded that he had not and he was asked to pursue this approval.

**Executive Session**

Upon a motion made by Dir. Haman and seconded by Dir. Lee, the Board entered into an executive session at 7:30 p.m. to discuss contract negotiations with Pitkin County Landfill. Mr. Beach was asked to join in the discussion and Mr. White and Ms. Tripp left the meeting.

The Board returned to open session at 7:49 p.m. No actions were taken during the Executive Session. The Board then discussed the terms under which it would favorably view a potable water extension to the Landfill, the metering of the Aspen Village Fire Station, the tap fees required of any future connection to the water system, an acceptable tiered rate system, what costs of connection should be borne by the County, what facilities should be constructed by the County to permit the delivery of water to the Landfill, the Board's intent to eventually move toward a water enterprise system, and the appropriate water rates for extra-territorial water uses,

The Board directed Mr. Beach to seek the following during negotiations with Pitkin County:

1. That tap fees have been calculated at \$590,904 and this amount would be required to purchase existing AVMD water system capacity.
2. That all water delivered to the Landfill must be metered.
3. The all facilities and infrastructure required to serve the Landfill with potable water will be constructed and or paid for by the County.
4. The County will be responsible for all costs of engineering, design, construction, inspection, testing, and commissioning.
5. The County will be responsible for any costs associated with changes to the District's water rights or plan for augmentation.
6. The County agrees to abide by the District's Rules and Regulations as they pertain to water use and conservation.
7. The County agrees to limitations on water use for specific domestic, dust control and fire protection purposes.
8. The County agrees to limit the amount of water that it receives on a seasonal and or annual basis.
9. The County agrees that all lots within Aspen Village, including the developed lots owned by the Aspen Village Homeowners Association, and the lots to be developed by AVHOA, under APCHA Category Restrictions, shall be changed from Category 3 to Resident Occupied.
10. The County agrees that the APCHA Deed Restriction encumbering Aspen Village shall conform to conventional Fannie Mae - Freddie Mac, and FHA-VA financing regulations and requirements

### **Tiered Rate System**

The Board discussed the proposed tiered water rate structure

developed by management and asked Mr. Beach to clarify certain points of the rate structure. The Board also discussed management's recommendation regarding the cost of water delivered to extra-territorial users now connected to the AVMD water system. Mr. Beach advised the Board that the single user being charged on a metered use basis was currently paying for potable water at a point below the cost of production. The Board discussed its desire to eventually move to a water enterprise system that was based on a tiered rate structure and rewarded users for conservation. The Board generally agreed that it wished to adopt policies that would allow future decisions to be made on metered water rates, conservation, etc.

**Motion**

On a motion made by Dir. Lee and seconded by Dir. Haman, the board unanimously approved the adoption of a tiered water rate structure that is based on management's recommendation and incorporates both in-district and extra-territorial use rates. The manager was directed to place the tiered rate structure into the District's Rules and Regulations and include the 1.4 extra-territorial use factor.

**Next Meeting**

The next meeting of the Board of Directors and the second hearing on the proposed 2012 budget was set for 6:30 p.m. on December 6, 2011.

**Adjournment**

There being no further business to come before the Board, the meeting was declared adjourned at 8:00 p.m.

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

12-6-11  
\_\_\_\_\_  
Date of Approval

By \_\_\_\_\_  
Gary L. Beach  
District Manager

Seal:

