

RECORD OF PROCEEDINGS

ASPEN VILLAGE METROPOLITAN DISTRICT

August 16, 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, August 16, 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
Richard Jackson, Vice President
Michael Haman, Secretary

Members of the Public

Ellen Anderson
Gary Sandbach
Eric Ward
Linda Lynch
Eva & Pete Dempsey
Tom Crim
Mike Luceo
Casey Ward
Steve Hopkins
JoAnn Lamson
George Perry
Mike Flynn
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. Jackson moved to approve the agenda as presented. The motion was seconded by Dir. Haman and passed by unanimous voice vote.

Approval of Meeting Minutes Dir. Jackson moved to approve the June 20, 2011 meeting minutes as presented. Dir. Haman seconded the motion and the motion passed by unanimous voice vote.

Public Comment Dir. Lee opened the meeting for public comment stating that there would be a brief discussion on the topic of selling water to the Pitkin County Landfill. Donnie went on to explain that the Board was still in the process of completing its due diligence and then there would be an announced "Town Hall" meeting to get the necessary

feed back from the community about the proposal. Ellen Anderson started off the public comment thanking Doug White and John for the great job they were doing with the Village landscape and open space. Ellen said that the village looked great and she wanted to publicly commend Doug and John for their time and effort.

Pitkin County Landfill Update

Donnie Lee began the discussion by clarifying what seemed to be a Village wide misconception regarding the village's water rights. Donnie stated that the District had no intention of selling water rights to the County. The District is considering engaging in a business relationship with the County to sell them water for fire suppression, dust mitigation, and domestic use. The purpose of engaging in a business relationship to sell water to the County would be to enhance the quality of life at Aspen Village not to diminish it. The District would like to capitalize on this opportunity to put the District in a financial position to upgrade the deteriorating infrastructure of the Village. Donnie wanted to allay the fears of the residents who were concerned that once the County had water they could use it for rock milling or housing developments. Donnie stated that one of the most important reasons for the District to sell water to the County was to have the ability to dictate the specific criterion for the water usage. Donnie went on to explain that there was still information that needed to be determined: the location of the water connection, the water rate structure, the tap fee, the integrity of the existing system, etc and once the Board had the answer to these questions they would hold a "Town Hall" meetings to educate the residents and to get feedback from the residents regarding their feeling about selling water to the County.

There were questions from the residents regarding the age of the system, the size of pipes in use, the placement and cost of the proposed pumping system. Donnie said that the pipes were originally installed in the 1960's and were made of transite.

Mike Haman said the pipes varied in size from 4 to 6 inches. Donnie said that the site of the pumping station had yet to be determined but the County would bear the cost of the pump and any additional infrastructure that was necessary to supply them with water. Another resident asked if any of the "terms or demands" from the District to sell water had been determined. Donnie said it was premature to discuss terms until the residents decided if they wanted to proceed with the sale.

Mike Flynn stated that he wanted to thank Donnie for his succinct explanation of what was and wasn't being negotiated with the County and that he was relieved to hear that "water rights" were not being sold. Flynn opined that selling water to the County was a chance to generate needed revenue at no cost , but he cautioned that if the District's demands were too steep the County would look elsewhere for their water and the District would lose its' negotiating power.

Ellen Anderson cautioned that the County was not trustworthy and that the District should think long and hard before they sold water to the County.

A number of residents were concerned about what the County would do with the water. Dir Haman pointed out that the County had a "Master Plan" that was a matter of public record and the Master Plan specifically stated what the County intended to do with the property. Haman went on to reiterate that the District would dictate the

criterion for water usage and if the County violated the agreement the District would curtail their water usage.

District Update

Doug White, property manager told the Board that he needed to re-calk the recently replaced cap stones surrounding the pool and would like to close the pool at Labor Day so the calking would have sufficient time to cure before the cold weather set in. The Board decided that it wasn't necessary to close the pool early. Mr. White gave a brief explanation of the mold issue and the process of mitigating the problem. Dir. Haman asked if the project was still within budget and Doug said the project was still under budget. The Board agreed to continue with the mitigation. Dir Haman asked if the District roads were scheduled for crack sealing. Kiernan said crack sealing was scheduled for September.

Financial Update

Kiernan gave a brief update on the current financials stating that the District was on or under budget in almost all line items. Kiernan said that year to date the District was over budget by less than six hundred dollars. Kiernan explained that the overage in the budget for "Pool Maintenance" was in replacing the winter damaged cap stones around the pool, the overage in "Solid Waste Collection" was the purchase of 30 new bear proof trash containers and the overage in "Waste Water O&M" was due to the sewage backup mitigation.

Old Business

- a. Kiernan explained that the Open Space path had been leveled and graveled as the Board directed.
- b. Kiernan said that 75% of the sewage system had been videoed and that the only significant issues were roots that Kelly Geselle, water systems operator, said he would clean out before the end of September. Kiernan explained that the entire system hadn't been videoed because of a break down in the video equipment but the videoing would be completed before the end of September.

New Business

Donnie Lee explained that he had just received information from Beach Environmental regarding the water rate structure but more information was necessary before the Board would be able to vote on a water rate increase. Dir Jackson inquired about whether or not the Village residents had mineral rights. Kiernan said he would check into it.

Motion

Dir Haman moved to go into executive session. The motion was seconded by Dir. Lee and the motion passed by unanimous voice vote. The Board went into executive session

Future Meeting

The next Board Meeting is scheduled for Tuesday, October 18, 2011, at 6:30 p.m. at the Community Center at Aspen Village

Adjournment

There being no further business to discuss, the meeting was adjourned at 7:40 p.m. by a motion made by Dir. Jackson and seconded by Dir.Lee. 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: