

# BUTTERMILK METROPOLITAN DISTRICT



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Joyce Amico, President Jeff Yusem, Vice-President Dr. Charles Malkemus, Treasurer Tom Sando, Secretary, Dr. Gordon Gerson, Director

May 19, 2011

To All Buttermilk, East Owl Creek Ranch, and Owl Creek Ranch Owners:

In 1997, a small group of Buttermilk homeowners made a proposal to the City of Aspen to extend potable water service to West Buttermilk. After more than a year of meetings and negotiations, the City declined to provide that service. Late in 1998 we hired Beach Resource Management to find an alternative and to develop a community water supply. After finding a clean and reliable water source, forming a Metro District, designing a water system, and selling bonds to pay for the construction, the new water system was placed into service in October 2004.

The new water system provided water so clean that no treatment other than minor chlorination was needed, and it worked that way until April 2007 when the Airport commenced construction on a runway and safety-zone grading project. That project sent 60 ton dump trucks hauling soil and spoils across our well field, producing an immediate and irreversible effect on the wells. Our well production went from 200 gpm to 75 gpm, and for the first time the wells began to pump sand and silts. After a careful restoration of the wells, we were able to bring production back to 155 gallons per minute, but the water quality required additional filtering and treatment.

Recognizing the new risks associated with future airport expansion plans, the District set out to find an alternate source of water. Additional wells in the immediate area were considered, but geophysical studies and water quality studies showed this may not be feasible. Surface water sources were evaluated, as were infiltration galleries, shared reservoir and pipeline facilities with Skico, horizontal wells, and finally, the abandonment of our well system in favor of connecting to the Snowmass Water & Sanitation District, or to the City of Aspen's water system.

After more than two years of evaluating more than a dozen options, the Board determined that a connection to the City of Aspen's Water Department was in the best interest of the District's landowners. The change-over from our groundwater well system to the City's groundwater and surface water supply system is anticipated to be completed in June 2011. From start to finish this project will have taken more than seventeen months to complete, and the nearly \$3,500,000 cost of gaining access to this new supply will be borne almost entirely by Pitkin County and airport fees.

The District will remain in place to operate and maintain our water system, and we will benefit from a new water supply that has five different sources of water, assuring us of nearly uninterrupted supplies. Thanks in part to your District's unwavering position on costs, your water rates will remain the same, and there will be no new debt taken on by the District. In fact, during all of this, the District also pursued the recall of bonds issued in 2002 for resale at a lower interest rate, resulting in a present value savings to the District of an estimated \$235,000.

Joyce Amico  
President, Board of Directors

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