

Did you know about the BMD web site?

The Buttermilk Metro District's web site is now located within the Beach Resource Management web site: www.beachresource.com. Click on the blue & white "Districts" link at the top left and you will find Buttermilk Metro's information. The web site contains a host of required documents, including the annual audit and the annual budget. The District also posts its most recent financial statements and Board meeting minutes, and we update the site periodically. Please visit the site for up-to-date information.

There you'll find a roster of the Board of Directors, including their offices and contact information. SB 09-087 now requires that information on Board elections, terms of office, and other election-related matters, such as upcoming elections and how to find mail-in ballots.

Beach Resource Management and Buttermilk Metro District's Board of Directors take pride in efforts to share information with our constituents. Notices are also posted in the 3 required posting notice locations (at the cluster mail boxes in East Owl Creek, Owl Creek Ranch, and on West Buttermilk Road); we use Constant Contact to send out regular and emergency e-mail communications; we use the District's web site; and we use our printed newsletters. We even include information within our water billings.

Irrigation season is Coming!

If you have a well or ditch water, please use those 1st for your landscape needs.

Please remember that only 10,000 square feet of lawns and gardens may be irrigated from the District potable water system. Remember, a typical lawn is fully irrigated with approximately 1" of H₂O per week. Over-watering causes shallow roots and less tolerance to heat. You may not fill ponds from the District potable water system nor use water from the District for pond refill without a permit from the District. If irrigation use puts too much strain on the system, odd-even watering day limits may be instituted.

Please call us at 925-3475 if you have a special need for temporary irrigation for new sod, trees, etc.

Beach Resource Management has expanded! We are opening a new office, which will be our corporate headquarters, at **711 E. Valley Road Suite 103, Basalt, CO 81621**. New Phone number is **970.273.3000**. We will keep an office at our Aspen Highlands address, but please contact us at our new corporate headquarters.

Buttermilk Metropolitan District
c/o Beach Resource Management
711 E. Valley Road Suite 103
Basalt, CO 81621

From the President, Joyce Amico

Dear Neighbors:

While another year passes, the BMD continues the delivery of quality water and improved roads for all our living conveniences. Beach Resource Management successfully operates our District with a profound knowledge base and a reassured organizational confidence that allows the Board of Directors

“We must “all” participate in safeguarding our protected Water supply. It is our future.”

an opportunity to protect this Water supply and the rights of the constituent base using water. The Board takes this job of property protection at full value. It is with this safekeeping that the BMD team contributes their time, connections and services on your behalf, making living in our community a true blessing.

In the spirit of fair and safe governance, it is most important to thank Charles Malkemus (Treasurer), Jeff Yusem (Director), and Tom Sando (Secretary) for their time and continued support to the BMD. Special thanks goes to Vince Santucci (Vice President) who recently resigned after six years of dedicated service.

We must “all” participate in safeguarding our protected Water supply. It is our future.

Best regards,

Joyce P. Amico, President, BMD

district news:

buttermilk metropolitan district

[Winter/Spring 2010]

Joyce Amico, Editor

Proposed Colorado Legislation Affects Special Districts

On the November 2010 ballot there will be three – seemingly interesting proposals. If these proposals actually pass, our District will be financially impacted – in the reverse.

Please prepare yourself now – learning more about the impact to the BMD. By reading more below, your future vote is “well informed.”

The following information is from a webinar put on by the public financing group of Sherman & Howard (bond counsel in Denver for Special Districts).

Proposition 101 - To reduce State income tax, as well as taxes and fees on motor vehicles & telecommunications

- Vehicle taxes would decrease to \$2 for new vehicles and \$1 for old vehicles, and registration & license fees would total only \$10. So, for example, if you have an old vehicle that currently costs \$250 to register, that vehicle would cost \$11 to register if this proposition passes. The impact to Buttermilk Metro would be a revenue reduction of approximately \$15,000 to \$20,000 each year, since the District receives a share of these fees and taxes.

- This proposition would also reduce state income taxes from the current rate of 4.63 percent (among the lowest in the nation) by 0.1 percent annually to a low of 3.5 percent, but this doesn't directly affect Special Districts. However, most people in this economic downturn will probably vote for a reduction in state income tax, which will likely guarantee the passage of this proposition.

cont'd on page 2

in this issue

From the President, Joyce Amico	pg. 1
Proposed Colorado Legislation Affects Special Districts	pg. 1
Senate Bill 09-087 and Special Districts	pg. 2
Your Buttermilk Tax Dollars are Working	pg. 3
What Happened?	pg. 3
Emergency Broadcasting	pg. 3
Did you Know About the BMD Website?	pg. 4
Irrigation Season is Coming	pg. 4



Colorado Legislation *cont'd*

- The Bell Policy Center (www.thebell.org/node/1231) states that Proposition 101 is intended to establish new, much lower limits on state and local spending; reinstate the TABOR ratchet effect; and cut state and local public services by a total of more than \$2 billion a year.

Amendment 60 - Amends the TABOR Amendment of the Colorado Constitution (Article X, Section 20) to establish additional limits on property taxes

- Government enterprises and authorities must pay property taxes. Buttermilk Metro engages in an enterprise, which is its water system. Water systems are considered business-like activities (or enterprises) that are run by governments. What this means is that BMD will need to pay property taxes if this Amendment passes, and this will likely need to result in higher water rates since this Amendment will also prevent property tax revenue increases beyond the 5.5% statutory limit (more on this below). One negative impact of this, for District constituents, is that property taxes are deductible and water rates are not.

- All local governments must allow petitions from citizens to propose property tax reductions. This will increase paperwork and election costs.

- Electors may vote on property taxes where they own property. This allows persons who own property in a jurisdiction, but don't live there, to vote on property taxes. Definitions are murky, so District counsel is not sure how this will work, but it will likely increase paperwork and election costs if passed.

- All property tax elections must be in November. Used to be November + regular election months (such as May).

- Prior De-Brucing elections allowing property tax revenues to be retained are of no force and effect. This would have a huge impact on Buttermilk Metro since it was "de-Bruced" in its organizational election, which means the voters elected

to waive the revenue limitations imposed by the TABOR amendment. This means that the District would have to go back to that organizational election and calculate the allowable, 5.5% limited revenue increases from that point forward and would need to strictly comply with those limits beginning in January 2011. The problem with this is that Buttermilk District resides in an area where the annual cost of living often exceeds 5.5%.

- The Bell Policy Center states that Proposed Amendment 60 would set stricter limits on property taxes than currently imposed by TABOR. It would cripple local governments in their ability to raise

book and vote FOR this amendment, ensuring the negative impacts to Districts, as follows:

- Local governments (Districts) and their enterprises may borrow money, but only after a November vote. All local government borrowings are subject to voter approval under this proposal. This will increase election and paperwork costs.

- For entities other than enterprises (such as the Road fund in BMD), there will be a debt limit of 10 percent of the assessed taxable value of the real property of the District. Currently the debt limit is 51% of the District's assessed value. This probably doesn't hurt Buttermilk, which has a high assessed value, but smaller Districts with low assessed values that are in dire need of infrastructure improvements will not be able to sell municipal bonds to fund those improvements.

- No borrowing may continue past its original term. What this means is that if bonds are refinanced to keep debt payments low or affordable to its taxpayers, the refinancing would be considered a new borrowing and would require voter approval. Again, more costs to the District and the chance it wouldn't be voted for.

- The Bell Policy Center states that Proposed Amendment 61 would ban the use of any kind of debt by the state of Colorado and greatly limit the amount of debt issued by local governments. The Center believes Colorado would become the only state in the nation without authority to issue debt.

For more information on the proposed legislation affecting Special Districts, go to the following web sites: www.protectcoloradoscommunities.net and www.thebell.org/node/1231. You may also call District Staff: Heather Gosda or Gary Beach at 970.925.3475.

Senate Bill 09-087 and Special Districts

In 2009 the Colorado Senate passed Senate Bill 09-087 designed to increase the accountability requirements from governing bodies of Special Districts to their constituents. The good news is that Management and the Board of Directors of Buttermilk Metro District have always complied with statutory reporting and accountability requirements, and will continue to do so.

revenue by overriding all local de-Bruicing elections; apply a 10-year limit on all property tax increases; and put in place a mechanism where taxpayers could petition for tax cuts on the ballot of every election. It would also require local school districts to cut their mill levy rates in half by 2020, with local revenue to be replaced by the state.

Amendment 61 - Amends the TABOR Amendment to add a new section to prohibit State debt & limit local government debt

- Prohibits the State from borrowing for any reason or for any period of time. This doesn't affect the District directly, but because of the economic downturn, people will likely vote from their pocket-

Your Buttermilk Tax Dollars are Working

A list of improvements made in the last 18 months to BMD roads and the water system:

- The installation of well level monitors (manometers) at the well field that enable District operations staff to more easily track changes in water levels in District wells.
- The installation of a 6" water meter between the Buttermilk side of the water system and the East Owl Creek/Owl Creek Ranch side to allow District operations staff to more easily identify the locations of water leaks and usage overages.
- Research on additional water sources that might be available to augment Buttermilk Metro District's future water supplies in the event that existing water

supplies fall short or unexpected growth and water usage exceeds the current water system.

- A share of the capital improvements to the Willow & Herrick Ditch, which is one of the augmentation sources for Buttermilk Metro District's water supply.
- Replacement of valve boxes along the District roadways – the boxes are water valve protective covers that are inadvertently damaged by snowplows during the winter months, when freezing temperatures cause the pavement to contract.
- A new storage crate (from a recycled shipping container) for the convenient storage of road and water supplies and equipment next to the water tank.
- Improvements to Well Number One, which allow District operations staff to

maintain adequate output from this well.

- Improved mapping of the East Owl Creek/Owl Creek Ranch water system, which the District inherited without any site mapping.
- Upsizing of the well water supply lines from 2"-diameter pipes to 3"-diameter pipes in order to improve the flow of water to the pump station.
- Repair/patching of West Buttermilk Road to rid the road of dangerous pot-holes.
- Improved drainage (culverts and ditches) along the roadways.

If you would like to suggest additional capital improvements or have maintenance suggestions, please contact Gary Beach: gary@beachresource.com

Emergency Broadcasting >>

In order to help us better communicate with you during emergencies, please provide us with your best email address. YOU WILL learn of information in the most expedited timing possible. If you have not already done so, or if your email has changed please email heather@beachresource.com with this information. All emails submitted are protected – so don't worry about your email address in our office.

What Happened?

As many of you are aware, Buttermilk Metro experienced a noticeable reduction in water pressure in early March. Here's what happened: one of the pumps at the District's pump station suffered a failed seal. Although we are unsure of the exact cause, the system's second pump had been taken off-line the week

“Your operators went the extra step to ensure that you will continue to receive the high-quality water you have come to rely on. It's a wonderful thing.”

before to be rebuilt due to normal wear and tear. Although a new pump stack had been ordered that would use a portion of original pump stack, it had not yet been completed. The loss of the seal on pump one required that it be shut down to prevent damage. Because this happened on a Friday we could not get a new seal until Monday. With the help of District residents who were asked to conserve water, the District's water operators made it through the weekend without additional problems.

The District opted to replace the first failed pump with a rebuilt pump stack at a cost of \$3400 instead of purchasing a new pump.

This decision was partly due to the potential for having to relocate the pump station if the airport extension is approved, and this will require the construction of a new pump station.

This decision saved \$16,000 over the cost of a new pump and motor. Upon arrival Monday, the seal was replaced and the pump station was back in operation by noon. The rebuilt pump stack arrived later in the day and was installed without any additional challenges.

Both motors and pumps were back in operation within three days of the initial seal failure with no loss of service and minimal costs, and the tank was full by the next day. Your operators went the extra step to ensure that you will continue to receive the high-quality water you have come to rely on. It's a wonderful thing.

Both motors and pumps were back in operation within 3 days with no additional problems and minimal costs, the tank is full and we are still serving our residents with delicious, high-quality water. It's a wonderful thing.

