

**UNAPPROVED - RECORD OF PROCEEDINGS**  
**BUTTERMILK METROPOLITAN DISTRICT**  
**December 15, 2011**

A regular meeting of the Board of Directors of the Buttermilk Metropolitan District, in the County of Pitkin, State of Colorado, was held at 0197 Prospector Road, Suite 2105, Aspen, Colorado, on December 15, 2011, at 8:30 a.m. with the following persons present and acting:

Directors Present: Joyce Amico, President – via conference call in  
Jeff Yusem, Vice-President  
Dr. Charles Malkemus, Treasurer – via conference call in  
Nikos Hecht, Director  
Dr. Gordon Gerson, Director

Members Gary L. Beach, District Manager  
Tom Sando, Constituent  
Roy Saba, District Administrator

Call to Order Dir. Amico called the meeting to order at 8:35 a.m. and a quorum of Directors was declared present.

Notice Mr. Beach advised the Board that the meeting was properly noticed.

Approval of Agenda Upon a motion made by Dir. Malkemus, and seconded by Dir. Yusem, the proposed agenda was approved unanimously by voice vote.

Approval of Prior Meeting Minutes Dir. Malkemus moved to approve the October 19, 2011, meeting minutes as presented. Dir. Yusem seconded the motion and it passed by unanimous voice vote.

Presentation Dir. Amico and members of the Board presented Tom Sando with a plaque acknowledging and thanking him for his eleven years of dedicated service to the Buttermilk Metro District as a member of the Board of Directors. Mr. Sando thanked the Board for the gift and wished them well in their future decisions.

Manager’s report: Mr. Beach provided the Board with a brief report on a newly discovered system leak above Pump Station 2 and advised the Board that he had contacted Utility Technical Services of Denver for assistance in pin-pointing the source of the leak. Mr. Saba stated that based on information gathered from our control system, it appears the leak is again on the Kroeger Property. A lengthy discussion ensued on issues related to the Kroeger Property and monies owed to the District to make improvements to PS2 in order to provide a reliable operating system.

Motion: Dir. Malkemus made a motion to check with legal counsel on the District’s ability to terminate water service to the Kroeger Property if all outstanding bills are not paid by January 15, 2012. The motion was seconded by Dir. Yusem and after additional discussion, passed by unanimous voice vote.

Mr. Beach advised the Board that the sacrificial anodes had been installed on the water storage tank in order to reduce corrosion that has started within the steel tank. This project came in under budget by nearly 30%.

Mr. Beach updated the Board on the reconstruction of the Eagle Pines roads. He stated that the Eagle Pines subdivision had completed the reconstruction of the roads at a cost exceeding \$180,000 and would be asked to sign a conveying document to convey the roads to the District at an early date next year. The Board acknowledged that it was aware of the roads being re-constructed and welcomed the completion of work.

Oath of Office

Dir. Amico, as chairwoman of the Board of Directors, gave Nikos Hecht the Oath of Office and Mr. Hecht acknowledged that he will faithfully support the Constitution of the United States and the State of Colorado, and the laws made pursuant thereto, and will faithfully perform the duties of the office of Director of the Buttermilk Metropolitan District. Upon completion of the oath, Dir. Hecht joined in discussions and decisions of the Board. The Certificate of Appointment and Oath of Office were signed and given to the manager.

Final Hearing on 2012  
Proposed Budget

The Board of Directors opened the Final Hearing on the 2012 Budget to the public at 8:55 AM. Mr. Beach provided the Board with an update of changes that had been made to the Budget since the first hearing and preliminary approval. Those changes were limited to updating actual year-to-date costs and making minor adjustments to the projected 2011 final expenditures. The Board asked numerous questions about the proposed mill levy, abatements that will affect 2012 revenues, whether the proposed \$91,000 reduction in tax revenues would create any problems, and whether water rate revenues and expenses would remain stable.

Mr. Beach responded that he saw no reason why water rates would need to be raised in the foreseeable future, that the reduction in revenues was carefully considered and did not appear to cause a problem due to good fiscal management over the past several years, leading to a comfortable carry-forward that should cover the reduction in revenues and the abatement of taxes.

The public hearing portion of the meeting was closed at 9:25 AM and the Board made final remarks on the proposed 2012 budget. Dir. Hecht expressed his thanks to management for their work on preparing the Budget.

Motion:

Upon a motion made by Dir. Malkemus and seconded by Dir. Yusem, the Board approved the Proposed 2012 Operating and Capital Budget as presented by unanimous voice vote. Dir. Malkemus also moved to approve the mill levies for Water and Roads as presented in order to raise sufficient funds to operate the budget. The motion was seconded by Dir. Amico and approved by unanimous voice vote. The Board then directed the manager to file the budget with the State and to certify the mill levy to Pitkin County.

Future Meeting

Mr. Beach suggested that a future meeting would best be set by email. The Board agreed.

Adjournment

There being no further business to come before the Board of Directors, Dir. Yusem moved to adjourn the meeting at 9:30 a.m. The motion was seconded by Dir. Gerson and approved by unanimous 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 Buttermilk Metropolitan District.

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Date of Approval

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Gary Beach, Manager  
Buttermilk Metropolitan District

Seal:

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