

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE
ASPEN PARK METROPOLITAN DISTRICT
HELD
MARCH 16, 2010**

A regular meeting of the Board of Directors of the Aspen Park Metropolitan District was held on Tuesday, March 16, 2010 at 12:00 p.m. at R.S. Wells LLC, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, CO.

Attendance: In attendance were Directors:

William R. Frogge
Bill Wilson
Bill Bates
Dennis Shirilla

Absent was Director William Mark, whose absence was excused by the Board.

Also in attendance were:

Bob Blodgett; R.S. Wells, LLC
Clint Waldron; White, Bear & Ankele Professional Corporation
Bill Goetz; TST Infrastructure
Gigi Pangindian; Clifton Gunderson LLP
Sam Sours; SS Recon LLC
Al Allred and Nancy Craig; Aspen Park Investors/Hunt Properties, Inc.

Call to Order Director Frogge called the meeting to order at 12:10 p.m.

Potential Conflicts
Of Interest

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest of the Board of Directors to the Secretary of State. Mr. Waldron noted that forms disclosing potential conflicts of interest had been filed in accordance with law. The Board Members were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, whereupon disclosure of any such matters was made. The Board noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

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Review/Approve
Minutes

Upon a motion duly made and seconded, the Board approved the February 16, 2010 special Board meeting minutes as amended.

API Updates

DISCUSSION:

A. Exfiltration Gallery No. 2

Mr. Allred reported that API's and Kleinfelder's attorneys are reviewing an agreement which will provide for the drilling of two test wells near the Exfiltration Gallery No. 2. He hopes this issue will be resolved in the next week or so so that testing of the wells can begin immediately.

He asked if the District could begin using Exfiltration Gallery No. 2 for some of the discharge of the effluent?

Mr. Goetz reported this is possible.

Upon a motion duly made and seconded, the Board voted to authorize TST to use Exfiltration Gallery No. 2 as well as Exfiltration Gallery No. 1 to balance the effluent flows approximately half and half in each of the galleries effective immediately.

Mr. Waldron reported that he has reviewed the agreement between the District and API regarding the construction of Exfiltration Gallery No. 2. The agreement required API to post an escrow account of \$493,000 in addition to \$27,000 for soft costs for review of the gallery. API has posted both escrows. The \$493,000 escrow has been spent. There is not a specific timeframe in the agreement for completion of the project. The agreement does obligate API for whatever additional costs might be necessary for Exfiltration Gallery No. 2 to work properly. It is possible for the District to assume responsibility for the completion of Exfiltration Gallery No. 2 at API's expense if the parties cannot mutually agree on a timeframe for completion in the future. Mr. Allred reported he is committed to completing the second gallery or injection wells so that the District's total volume of effluent between the two galleries and/or injection wells is within the projected peak requirement of 25,000 gallons per day.

B. As-Builts/Underdrain Acceptance -- Review Recommendations

Mr. Waldron reported that his review of the 2007 subordinate bond documents and subsequent discussions with TST indicate the District did accept the underdrains for ownership. The District has therefore owned the underdrains since 2007.

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Mr. Goetz reviewed two options regarding future mitigation of potential risks to the underdrain system in that it was not built according to the design plans of Kimley Horn. After discussion, upon a motion duly made and seconded, the Board approved Option #2 providing for increased inspections and maintenance and a monitoring manhole in the amount of \$15,000, a data collection system for \$15,000 and a flushing manhole for \$15,000 for a total of \$45,000 to be expended this summer. The Board also approved the estimated annual cost of the video at the cleanouts in the amount of \$1,500 and flushing in the amount of \$4,000 for a total of \$5,500 annually.

Mr. Blodgett reported the \$45,000 one time expenditure would be from the District's operating reserve. The ongoing video and flushing will be included in the District's annual operating budgets in the future. This will not affect the District's rate structure.

C. Leasing Status

Mr. Allred reported leasing activity and interest has increased. The Chinese restaurant has recently opened and is doing well.

ACTION:

None.

Engineering /
Construction Items

DISCUSSION:

A. Exfiltration Gallery No. 2

Previously addressed.

B. Underdrain Acceptance

Previously addressed.

C. Water Usage Tracking Reports

Mr. Goetz reviewed the tracking reports with the Board.

D. February 2010 Exfiltration Gallery Monitoring Report

Mr. Goetz reviewed this report with the Board.

E. BCWA Meeting Items

No report.

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F. Bank of the West Sanitary Sewer Connection

Bank of the West is not presently pursuing this connection.

ACTION:

Upon a motion duly made and seconded, the Board accepted the water usage and Exfiltration Gallery reports.

Financial Items

DISCUSSION:

A. Review March 16, 2010 Cash Position

Ms. Pangindian reviewed this with the Board. Upon a motion duly made and seconded, the Board authorized Ms. Pangindian to invest available funds in the Capital Project Fund and the Enterprise Fund in the total amount of approximately \$254,000 with Colorado Capital Bank for a six month period. Colorado Capital Bank was the high bidder on the District's investment worksheet when she called for bids.

B. Review February 28, 2010 PIF YTD Collection Report

Ms. Pangindian reviewed with the Board. The District is approximately 6% ahead of the same month in the prior year.

C. Review Updated Subordinate Bond Projections

Ms. Pangindian reviewed with the Board. The projections indicate the ability to repay an additional \$500,000 of subordinate bonds in year 2035 after the senior bonds and the \$3,700,000 2007 subordinate bonds are repaid.

D. Accept March 1, 2010 Non-Rated Debt Report

Mr. Blodgett reviewed this report with the Board.

E. Discuss Director Status – Employee or Contractor?

The Board decided to continue to report director fees on form 1099.

ACTION:

F. Consider Approval of February Claims

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Upon a motion duly made and seconded, the Board approved the February claims dated March 16, 2010 represented by checks 2084 through 2100 totaling \$29,252.81.

Manager's
Items

DISCUSSION:

A. Update on May 4, 2010 Board of Director's Election

Mr. Blodgett reported the election has been cancelled. Director Wilson and Director Bates were re-elected for four-year terms. They will be sworn in at the May Board meeting.

B. Referrals

None.

ACTION:

None.

Attorney's Items

DISCUSSION:

A. Status of Easements

Mr. Waldron reported the Board of County Commissioners is scheduled to review this at their March 23, 2010 meeting. The easements do not presently require a construction standard for the District's future access road to the wells.

B. Accept Final Decree for Diligence Case No. 09Cw165

Mr. Waldron reported this decree is on the westerly tract of the District. The easterly tract due diligence report has been filed by Mr. Fendel.

Mr. Goetz reported he will work with Mr. Fendel to obtain "absolute" status of the District's water rights within the next year.

ACTION:

C. Status of API Request for 2nd Subordinate Bond Issue

Mr. Waldron reported that the additional \$500,000 was approved in the master bond resolution in 2007. It provided for a total of \$4,200,000 of subordinate bonds; \$3,700,000 were issued in 2007.

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Upon a motion duly made and seconded, the Board authorized counsel to proceed with a bond resolution for issuance of the remaining \$500,000 of subordinate bonds. Mr. Waldron will work with Mr. Veio, bond counsel.

Upon a motion duly made and seconded, the Board voted to share equally the costs of processing the second subordinate bond resolution 50% by the District and 50% by API. API concurred.

Mr. Waldron indicated the resolution can be ready for the April Board meeting. The Board decided to meet at this time to approve the bond resolution.

D. Executive Session (if needed)

None required.

Director's Items

A. Confirm a Quorum for the April 20, 2010 Board Meeting

A quorum was confirmed for April 20, 2010.

Other Business

None.

Adjournment

Upon a motion duly made and seconded, the meeting adjourned at 1:45 p.m.

Respectfully submitted,



Secretary for the Meeting