

RECORD OF PROCEEDINGS

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**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
OF THE  
ASPEN PARK METROPOLITAN DISTRICT  
HELD  
November 15, 2011**

A special meeting of the Board of Directors of the Aspen Park Metropolitan District was held on Tuesday, November 15, 2011 at 11:00 a.m. at ReMax Real Estate, 25577 Conifer Road, Ste. 201, Conifer, CO.

Attendance: In attendance were Directors:

William R. Frogge  
Dennis Shirilla  
Bill Bates  
Sam Sours  
Christine Montague

Also in attendance were:

Bob Blodgett; Clifton Gunderson LLP  
Matt Urkoski; Clifton Gunderson LLP  
Gigi Pangindian; Clifton Gunderson LLP  
Clint Waldron; White, Bear & Ankele Professional Corporation  
Bill Goetz; TST Infrastructure, LLC  
Nancy Craig; API/Hunt Properties  
Al Allred; API/Hunt Properties  
Barbara Ford; High Timber Times

Call to Order Director Frogge called the meeting to order at 11:00 a.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. The Board reviewed the agenda for the meeting, following which each Board member confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. Mr. Waldron noted that forms disclosing potential conflicts of interest had been filed in accordance with law.

CONSENT AGENDA

Director Bates reported he was not present at the August 16, 2011 Board meeting. The Minutes will be revised.

## RECORD OF PROCEEDINGS

---

Mr. Blodgett reported the October claims totaled \$32,543.50 instead of \$35,543.40.

Mr. Waldron reported that Item 5C, the Engagement Letter with Clifton Gunderson LLP for 2012 accounting services should be approved subject to final legal review.

With these changes, upon a motion duly made by Director Sours, seconded by Director Bates, and upon unanimous vote, the Board approved the Consent Agenda as follows:

- III. Review/Approve Minutes of the August 16, 2011 Regular Board Meeting
- IV. Engineering/Construction Items
  - A. Accept Engineering Report
  - B. Accept Water Usage Tracking Reports
  - C. Accept October 2011 Exfiltration Gallery Monitoring Report
  - D. Accept BCWA Meeting Information
  - E. Ratify Work Orders
- V. Financial Items
  - A. Approve October Claims Totaling \$35,543.50
  - B. Ratify Approval of Prior Claims
  - C. Approve Engagement Letter with Clifton Gunderson LLP for 2012 Accounting Services
  - D. Approve 2011 Audit Agreement with Haynie & Company - \$4,000
- VI. Manager's Items
  - A. Accept Referrals
  - B. Information Items
  - C. Ratify Agreement with Weston Landscape & Design Inc. for Gravel Surfacing at Water/Sewer Facility - \$2,971.00

# RECORD OF PROCEEDINGS

---

- D. Approve 2012 Director's Election Resolution
- E. Approve 2012 Annual Administrative Matters Resolution

## VII. Attorney's Items

## DISCUSSION AGENDA

### X. API Updates

- A. Surface Discharge Permit (SDP), Preliminary Effluent Limits (PEL) and Substitute Water Supply Plan (SWSP) Applications and Augmentation Plan Amendment Applications

Director Sours reported Ms. Whitmore and Mr. Goetz continue to work with CDPHE to obtain the Preliminary Effluent Limits for the District. Mr. Goetz reported they should be received this week. It is anticipated these will be much more reasonable limits. Director Sours reported that the Surface Discharge Permit and SWSP Applications may proceed after this. It is estimated the Surface Discharge Permit approval is probably at least six months into the future.

- B. Leasing Status

Mr. Allred reported Big R had a soft opening November 1. The grand opening and ribbon cutting is November 19. There continues to be interest from restaurants and other users in the Center.

### XI. Engineering/Construction Items

- A. Status of Repair and Replacement Reserve

Mr. Goetz reported the replacement reserve studies have been submitted to the District for review. The Board tabled any action on the reserve reports at this time.

- B. Bank of the West Sanitary Sewer Connection

Mr. Goetz reported Bank of the West continues to be interested in connecting to the District's sanitary sewer system in the future.

## RECORD OF PROCEEDINGS

---

### C. Approve Maintenance and Repair Work Orders

Mr. Goetz reported no new maintenance and repair work orders beyond those which were approved in the Consent Agenda.

Director Shirilla asked if any action needed to be taken with the King Soopers parking lot that is above Exfiltration Gallery No. 1. Mr. Goetz reported the parking lot continues to function as normal. There is no sign of damage to the surface. Treatment Technology monitors the levels in the Exfiltration Gallery No. 1 daily. Mr. Goetz recommended the District consider technology to measure the levels remotely in the future which would reduce the overall cost. The Board concurred.

## XII. Financial Items

### A. Accept September 30, 2011 Financial Statements

Ms. Pangindian reviewed the September 30, 2011 Financial Statements with the Board. After discussion, upon a motion duly made by Director Bates and, seconded by Director Shirilla and, upon unanimous vote, the Board accepted the September 30, 2011 Financial Statements.

### B. Accept November 9, 2011 Cash Position

Ms. Pangindian reviewed the November 9, 2011 Cash Position with the Board. After discussion, upon a motion duly made by Director Bates and, seconded by Director Shirilla and, upon unanimous vote, the Board accepted the Cash Position Report.

### C. Review October 31, 2011 PIF YTD Collection Report

Ms. Pangindian reviewed the October 31, 2011 PIF YTD Collection Report with the Board. She noted overall collections in 2011 are running approximately 5% - 6% ahead of the same period in 2010.

After discussion, upon a motion duly made by Director Bates and, seconded by Director Shirilla and, upon unanimous vote, the Board accepted the PIF YTD Collection Report.

## RECORD OF PROCEEDINGS

---

### D. Discuss Rate Setting Methodology

Mr. Blodgett reported TST has prepared an analysis of reallocating the District's overall costs among fixed monthly charges and variable charges based on water usage to all of the District's customers. The present allocation method is 75% of the costs are allocated monthly on a fixed rate basis and 25% are allocated based on water use. The TST Report provides a comparison for shifting this to a 50/50, 75/25 or 100/0 (fixed/variable) allocation method in the future.

The Board decided not to make any changes to the billing methodology or rates at this time. The Budget will be adopted as submitted. The Board decided a committee of Board members, consultants and API representatives will discuss the rate setting methodology for possible action later in 2012.

### XIII. Manager's Items

#### A. Conduct Public Hearing to Consider Amending the 2011 Budget; Consider Adoption of Resolution to Amend 2011 Budget

Director Frogge opened the Public Hearing at 11:15 a.m. There was no public comment. Director Frogge closed the Public Hearing at 11:16 a.m.

Ms. Pangindian reported the Enterprise Fund and Capital Projects Fund budgets need to be amended. After discussion, upon a motion duly made by Director Sours and, seconded by Director Shirilla and, upon unanimous vote, the Board approved the amendment to the 2011 Enterprise Fund Budget and the 2011 Capital Projects Fund Budget.

#### B. Conduct Public Hearing to Consider Adoption of 2012 Budget, Appropriate Expenditures and Certify Mill Levies; Consider Adoption of Resolution to Adopt 2012 Budget, Appropriate Expenditures and Certify Mill Levies

##### 1. Discuss Rate Options for 2012

Director Frogge opened the Public Hearing at 11:17 a.m. There was no public comment. Director Frogge closed the Public Hearing at 11:17 a.m.

## RECORD OF PROCEEDINGS

---

Mr. Blodgett reviewed the 2012 Budget with the Board. He reported it anticipates that the .25% sales tax will be implemented effective January 1<sup>st</sup>. This provides approximately \$30,000 in additional revenue. These funds are provided for in the General Fund and will pay for the cost of the eligible surface transportation, landscaping and storm drainage improvements within the District. The Budget does not contain a rate increase. The Budget anticipates the District's reserves will continue to increase by year end 2012. The Budget contains a current Mill Levy of 45 mills for debt service and 5 mills for the General Fund.

After discussion, upon a motion duly made by Director Shirilla and, seconded by Director Bates and, upon unanimous vote, the Board adopted the 2012 Budget, Appropriated Expenditures and certified a Mill Levy of 45 mills for Debt Service and 5 mills for the General Fund for 2012.

The Board also authorized a committee of Board members, consultants and API representatives to meet and discuss changes to the District's rate setting methodology for 2012 for review at the District's February Board meeting. The Board also approved the implementation of the .25% sales tax increase effective January 1, 2012.

### C. Website Update

No report.

## XIV. Attorney's Items

### A. Discuss Results of November 1, 2011 Sales Tax Election and Implementation

Mr. Waldron and Mr. Blodgett reported the Election was unanimously approved. The required information was provided to the State of Colorado as of November 15, 2011 so that the sales tax may be implemented on January 1, 2012.

## RECORD OF PROCEEDINGS

---

### B. Review and Consider Approval of 2012 Annual Service Contracts

Mr. Waldron reviewed the list of Service Contracts with the Board. He reported only one minor change in the requested fees for 2012 from one contractor.

After discussion, and upon a motion duly made by Director Sours, and seconded by Director Shirilla, and upon unanimous vote, the Board approved the 2012 annual service contracts with Weston Landscape for grounds maintenance and landscaping and snow removal, Cummins Rocky Mountain, LLC for generator servicing, TST Infrastructure for website design and maintenance, EDS Waste Solutions, Inc. for waste disposal services, Alarm Specialist, Inc. for fire alarm monitoring, Treatment Technology for operating the water and wastewater facilities and Columbia Sanitation Services for portable toilet rental.

### C. Other

None

## XV. Director's Items

### A. Confirm Quorum for February 21, 2012 Meeting

The Board confirmed a quorum for the February 21, 2012 meeting.

## XVI. Other Business

Director Sours reported API installed landscaping adjacent to the fence on the north side of the treatment plant property adjacent to the Bossman's property at their request. Winter watering of this landscaping has begun. API has also agreed to stain the District's water tank. Discussions are continuing regarding the appropriate stain or paint to maximize the life and minimize the long term maintenance. It is anticipated that this project will be done in the spring, 2012.

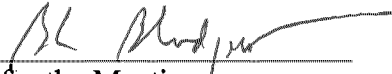
RECORD OF PROCEEDINGS

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XVII. Adjournment

Upon motion duly made by Direct Bates, and seconded by Director Sours, and upon unanimous vote, the Board adjourned the meeting at 11:40 a.m.

Respectfully submitted,

  
Secretary for the Meeting