

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE
ASPEN PARK METROPOLITAN DISTRICT
HELD
February 21, 2012**

A regular meeting of the Board of Directors of the Aspen Park Metropolitan District was held on Tuesday, February 21, 2012 at 12:00 p.m. noon at CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Ste. 500, Greenwood Village, CO.

Attendance: In attendance were Directors:

William R. Frogge
Dennis Shirilla
Bill Bates
Christine Montague

Also in attendance were:

Bob Blodgett; CliftonLarsonAllen LLP
Matt Urkoski; CliftonLarsonAllen LLP
Gigi Pangindian; CliftonLarsonAllen LLP
Clint Waldron; White, Bear & Ankele Professional Corporation
Bill Goetz; TST Infrastructure, LLC
Nancy Craig; API/Hunt Properties
Al Allred; API/Hunt Properties

Call to Order Director Frogge called the meeting to order at 12:15 p.m. The absence of Director Sours was excused.

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

Upon a motion duly made by Director Shrilla, seconded by Director Bates, and upon unanimous vote, the Board approved the Consent Agenda as follows:

RECORD OF PROCEEDINGS

- III. Review/Approve Minutes of the November 15, 2011 Special Board Meeting
- IV. Engineering/Construction Items
 - A. Accept Engineering Report
 - B. Accept Water Usage Tracking Reports
 - C. Accept January 2012 Exfiltration Gallery Monitoring Report
 - D. Accept BCWA Meeting Information
 - E. Ratify Work Orders
- V. Financial Items
 - A. Accept December 31, 2011 Financial Statements
 - B. Approve January Claims Totaling \$51,671.31
 - C. Ratify Approval of Prior Claims Totaling \$95,671.31
- VI. Manager's Items
 - A. Accept Referrals
 - B. Information Items
- VII. Attorney's Items

DISCUSSION AGENDA

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

Mr. Allred reported that Ms. Whitmore is continuing to pursue the Surface Discharge Permit. Jefferson County Planning Department and Health Department have sent a recommendation for denial to CDHPE. The Bear Creek Watershed Association has sent a letter of denial based on the Jefferson County letters. Ms. Whitmore has sent a letter

RECORD OF PROCEEDINGS

of objection to CDPHE noting that BCWA and JeffCo have neither cited any technical or factual reasons for the denial. Ms. Whitmore met with former County Commissioner, Mr. McCasky, now chairman of the Jeffco Economic Development Council to discuss the District's request. Mr. Blodgett met with Commissioner Rosier to discuss the District's request. No response has yet been received from Mr. McCasky or Commissioner Rosier.

B. Leasing Status

Mr. Allred reported a Mexican food restaurant had signed a Lease for the old Cancun Restaurant space. He is also working with a pizza restaurant and others to occupy other space in the future.

IX. Engineering/Construction Items

A. Bank of the West Sanitary Sewer Connection

Mr. Goetz reported Bank of the West continues to be interested in connecting to the District's waste water system in the future. However, they have not filed formal plans for this project. The District still has a portion of their \$5,000 deposit from two years ago.

B. Other

Mr. Goetz reported Exfiltration Gallery No. 1 continues to function effectively in the King Soopers parking lot. It is processing approximately 12,000 gallons per day with spikes to 15,000 gallons per day on some days.

He reported the BCWA is reviewing potential nutrient regulations that might be imposed by the EPA in the future.

Mr. Goetz also reported some minor repair and maintenance items are being performed by Treatment Technology on the plant.

X. Financial Items

A. Accept February 14, 2012 Cash Position Report

Ms. Pangindian reviewed the cash position report with the Board. After discussion, the Board unanimously accepted the Report.

RECORD OF PROCEEDINGS

B. Review January 31, 2012 PIF YTD Collection Report

Ms. Pangindian reviewed the PIF collection report with the Board. After discussion, the Board unanimously accepted the Report.

C. Status of Delinquent PIF and Water Bill Collections

Mr. Urkoski reviewed the delinquencies with the Board. Director Montague agreed to contact the owner of DW's Diner regarding this outstanding PIF and utility bills as well as bills owed for Cancun which this individual also owned. Director Montague will assist Mr. Urkoski in contacting other tenants to inform them of the need to pay their bills in a timely manner. Mr. Waldron reported the District needs to follow-up on these delinquencies and that the failure to remit PIF funds or for tenants to use them for other purposes, could constitute theft since those funds are paid for a specific purpose and held for the District.

D. New .25% Sales Tax collection Implementation January 1, 2012

Ms. Pandindian reported the .25% sales tax was implemented effectively January 1, 2012. The State of Colorado will remit January payments in March to the District. Typically they will be two months in arrears in the future.

XI. Manager's Items

A. Discuss Revised Billing Rate Structure

Mr. Allred reported that his office and others have run numerous spreadsheets regarding a restructuring of the District's rates. He recommended that more of the cost of operating the District be shifted to the high water users. Mr. Blodgett reported that the operating cost (management, legal, accounting and engineering) total approximately one half of the Enterprise Fund operating budget. He is meeting with the consultants to develop ways to reduce these costs. Mr. Blodgett also reported the District can temporarily use some of the operating and maintenance reserve for one or two years to lower the rates, and assist in the project being completely occupied. This issue can be revisited in 2014 when the District's bonds are eligible for refinancing which may provide the opportunity for additional funds or lower the mill levy slightly.

RECORD OF PROCEEDINGS

After discussion, the Board authorized a committee consisting of Directors Sours and Montague, API and Mr. Blodgett to review the various spreadsheets and rate structures and provide a recommendation to the Board in the next 30 to 45 days.

B. Water/Sewer Rate Survey

Mr. Allred reported the District's rates are much higher than the surrounding districts and other entities at the present time.

C. Status of 2012 Director's Election

Mr. Blodgett reviewed the election timetable with the Board and distributed Self Nomination and Acceptance forms to Board members.

D. Website Update

Director Montague reported her contact information needs to be revised and she will provide a list of updated tenants and contacts to Mr. Goetz for updating.

XII. Attorney's Items

A. Approve Amendment to Rules and Regulations Regarding Billing and Collection of Fees

Mr. Waldron reviewed the Amendment with the Board. He reported this Amendment clarifies the billing and delinquency policy of the District.

Mr. Goetz reported the shut off policy would entail using meters within the various tenant spaces. Discussion ensued regarding the method by which the District would access these meters in order to shut off water service for failure to pay future water bills.

Mr. Goetz will develop a cost estimate for the technical issues involved with shutting off the water. API will review leases to determine what rights of access they have to tenants spaces to shut off water for failure to pay utility bills.

Upon a motion duly made by Director Shrilla, seconded by Director Bates, and upon unanimous vote, the Board

RECORD OF PROCEEDINGS

approved the Amendment to Rules and Regulations Regarding Billing and Collection of Fees.

B. Legislative Matters

Mr. Waldron reviewed the status of several legislative issues of possible interest to the District.

XIII. Director's Items

A. Confirm Quorum for May 15, 2012 Meeting

The Board confirmed a quorum for the May 15, 2012 meeting.

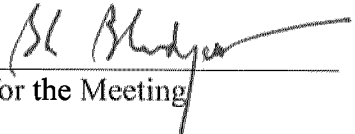
XIV. Other Business

None.

XV. Adjournment

Upon motion duly made by Direct Frogge, and seconded by Director Shirilla, and upon unanimous vote, the Board adjourned the meeting at 1:35 p.m.

Respectfully submitted,


Secretary for the Meeting