

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE
ASPEN PARK METROPOLITAN DISTRICT
HELD
AUGUST 20, 2013**

A regular meeting of the Board of Directors of the Aspen Park Metropolitan District was held on Tuesday, August 20, 2013 at 12:00 p.m. at the offices of White Bear & Ankele, PC, 2154 East Commons Avenue, Ste. 2000, Centennial, CO.

Attendance: In attendance were Directors:

Sam Sours
Bill Bates
Christie Montague
Dennis Shirilla
Eli Martinez

Also in attendance were:

Bob Blodgett, Stefany Juneau and Gigi Pangindian;
CliftonLarsonAllen LLP
Clint Waldron; White, Bear & Ankele P. C.
Al Allred; API/Hunt Properties
Mark Cleaveland and Bob Clodfelter; Treatment Technology
Phillippe Martin; Martin and Wood (via telephone)
Nancy Craig; API/Hunt Properties (via telephone)
Martha Phillips Whitmore; Martha Phillips Whitmore, LLP
(via telephone)

Call to Order Director Sours called the meeting to order at 12:20 p.m.

Director
Qualifications/
Disclosure Matters

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.

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III. CONSENT AGENDA

- IV. Financial Items
 - A. Approve Current Claims
 - B. Ratify Approval of Prior Claims Totaling \$106,444.02
 - C. Ratify Approval of 2012 Audit
 - D. Accept Financial Projections Report 2013 -- 2037
 - E. Accept Due Diligence Information
- V. Accept Water Rights Reports – Treatment Technology
- VI. Accept Water Use Projections at Build Out
- VII. Accept Bear Creek Watershed Association Meeting Information
- VIII. Information Items

Mr. Blodgett reported the current claims are \$36,548.26 represented by check numbers 3059 through 3074.

Upon a motion duly made by Director Bates, seconded by Director Shirilla, and upon vote unanimously carried, the Board approved the consent agenda as submitted.

DISCUSSION AGENDA

Prior to the Discussion Agenda, the Board discussed the current status of water rights issues while Mr. Martin and Ms. Whitmore were on the telephone.

Mr. Martin summarized his recent reports with the Board regarding current capacity at the Villages of Aspen Park shopping center and future capacity at build out. He reported the District has enough water rights to build out the project. There is a small shortfall in the consumptive use water. He understands a leak has recently been repaired that occurred in July regarding the irrigation and consumptive use. Further build out will require the Meyers option use water.

Ms. Whitmore reported that the process to obtain the additional option water is probably 8 to 12 months, following the Board approval. It will take some time in water court. Ms. Whitmore will explore other structures to make the water usage and tracking requirements less burdensome if at all possible.

Mr. Martin reported that testing the additional wells is needed as well as reviewing the capacity in the District's storage/detention pond to ensure that the existing facilities are adequate. He recommended that JVA begin this work immediately. Mr. Blodgett will inform Mr. Raatz and ask him to contact Mr. Martin to begin the work.

Ms. Whitmore noted this information would be needed before the application is filed with the water court.

IX. Financial Items

- A. Review and Consider Approval of June 30, 2013 Financial Statements

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Ms. Pangindian reviewed with the Board. Upon a motion duly made by Director Bates, seconded by Director Shirilla, and upon vote unanimously carried, the Board approved the June 30, 2013 financial statements.

The Board asked about the impact of increasing the current sales tax from $\frac{1}{4}$ to $\frac{1}{2}$ percent in 2014? Ms. Pangindian indicated this would raise approximately \$50,000 for the street, storm drainage and landscaping maintenance and reserve costs. Mr. Waldron reported the current State statute does not allow these sales tax monies yet to be used for water and sewer maintenance or reserves.

The Board asked Ms. Pangindian to contact the State to determine the deadline for approving an increase from $\frac{1}{4}$ to $\frac{1}{2}$ percent and provide this option for discussion with the 2014 budget process.

Mr. Clodfelter will coordinate with Mr. Martin regarding the possible need for the remote level monitoring system. He will provide recommendations for review at the next Board meeting.

B. Review PIF year to Date Report

Ms. Pangindian distributed a summary of the year to date PIF revenues. Through June 2013, the PIF revenues had increased approximately 3% over 2012.

C. Other

None.

X. Attorney Items

A. Consider Approval of Will Serve Letter for Eagle Cliff Property for Water and Sanitary Sewer Service

Mr. Waldron distributed copies of the draft will serve letter to API regarding inclusion of the Eagle Cliff property into the District. After discussion, upon a motion duly made by Director Shirilla, seconded by Director Bates, and upon vote unanimously carried, the Board approved the will serve letter subject to the following revisions:

1. The agreement is assignable by API.
2. The term is five years instead of two years.
3. The District will reserve water capacity to serve this tract during the five year term of the agreement.

B. Consider Approval of Estoppel Letter

Mr. Waldron reported there has not been another request for this document. Action was deferred.

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C. Status of Water Rights Acquisition – Marti Whitmore, Phillippe Martin

After discussion, upon a motion duly made by Director Shirilla, seconded by Director Bates, and upon vote unanimously carried, the Board approved the District exercising the option to purchase the Meyers' water rights approximating .41 acre feet from API. The Board will consider the work required by the District engineer to assess the well testing and the capacity of the detention pond at a special meeting prior to the November Board meeting.

D. Review Remaining Financial Obligations to API

Ms. Pangindian reported that approximately \$631,000 is still due to API for advances for prior operating and maintenance and capital expenses. This includes a combination of principle and interest. API has the right to request the District to convert these advances to subordinate bonds in the future if it is likely they could be repaid in a reasonable period of time.

E. Approve Termination, Acknowledgement and Release Agreement with API Regarding Prior Public Improvements

Mr. Waldron discussed this agreement with the Board. He indicated this would combine all of the obligations presently due to API in one agreement with the possible release of some of the future obligations by the District with API's approval.

Mr. Allred indicated he would like a few days to think about this agreement and how it might work. He will report to Mr. Waldron in the near future. The Board may conduct a special meeting to review this agreement and the other projects needed to pursue the option water in the near future.

XI. Manager's Items

A. 2014 Budget Process

1. December 31, 2012 Preliminary Assessed Value to be Received on August 25, 2013
2. Draft Budget by October 15, 2013
3. Public Hearing -November 19, 2013 Board Meeting to Review and Approve 2014 Budget and 2013 Budget Amendment

Mr. Blodgett reviewed with the Board. The Board acknowledged the process. The Board approved the public hearing for the November 19th Board meeting to review and approve the 2014 budget and a 2013 budget amendment.

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B. Discuss 2014 Fee Schedule and Reserve Goals

Mr. Blodgett reported the 2014 budget will include options to increase the fees in order to increase the enterprise fund reserve in 2014.

C. Operations Report

Mr. Clodfelter reported that there are no maintenance issues at the current time. There was an irrigation leak for about one week during the first week of July. This has been corrected. The surface discharge permit system is working well.

D. Other

None.

XII. Director's Items

A. Confirm Quorum for November 19, 2013 Regular Meeting and Budge Public Hearing

A quorum was confirmed.

B. Other.

None.

XIII. Other Business

None.

XIV. Adjournment

Upon a motion duly made by Director Bates, seconded by Director Montague, and upon vote unanimously carried, the Board adjourned the meeting at 1:50 p.m.

Respectfully submitted,


Secretary for the Meeting