

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
ASPEN PARK METROPOLITAN DISTRICT
HELD
AUGUST 16, 2016**

A regular meeting of the Board of Directors of the Aspen Park Metropolitan District was held on Tuesday, August 16, 2016 at 12:00 p.m. at the offices of White Bear Ankele Tanaka & Waldron, PC, 2154 East Commons Avenue, Ste. 2000, Centennial, CO.

Attendance: In attendance were Directors:

Sam Sours
Dennis Shirilla
Nikki Davidson

Also in attendance were:

Bob Blodgett and Gigi Pangindian; CliftonLarsonAllen LLP
Clint Waldron; White Bear Ankele Tanaka & Waldron P. C.
Bob Clodfelter and Mark Cleaveland; Treatment Technology
Michael Katalinich; JVA, Inc.

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

Director
Qualifications/
Disclosure Matters

The Board discussed the requirements of Colorado law for Board members to disclose any potential conflicts of interest to the Board of Directors and 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.

The Board excused the absence of Directors Bates and Martinez.

CONSENT AGENDA (Section III-IX)

Mr. Blodgett reviewed with the Board. Upon a motion duly made by Director Shirilla, seconded by Director Davidson, and upon vote unanimously carried, the Board approved the Consent Agenda as submitted.

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- III. Review/Approve Minutes of the May 17, 2016 Regular Meeting
- IV. Engineering/ Construction Items
 - A. Accept Safety and Loss Prevention Grant Fund Report
 - B. Accept 2017 CDPHE Drinking Water and Wastewater Eligibility Surveys
- V. Operations/Maintenance Items
 - A. Accept May, June and July 2016 Water Rights Usage Tracking Report
 - B. Ratify 2016 Agreement with Cummins Rocky Mountain for Generator Maintenance - \$3,139.50
- VI. Financial Items
 - A. Ratify Approval of Prior Claims Totaling \$123,937.14
 - B. Ratify Approval of Directors' Fees
 - C. Accept Final 2015 Audit
- VII. Manager's Items
 - A. Accept BCWA Information
 - B. Accept Referrals
 - C. Ratify Notice to Jefferson County Regarding No TABOR Election in November 2016
 - D. Other
- VIII. Attorney's Items
- IX. Director's Items

DISCUSSION AGENDA (Section X-XVIII)

- XI. Aspen Park Station Updates – Nikki Davidson
 - A. Leasing Status

Director Davidson reported that the gym is no longer under consideration. The owners are negotiating with another retailer for a possible lease in the Center. She indicated the

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recent landscaping improvements by the District made a dramatic impact on the appearance of the project. The tenants are very pleased.

B. Other

Director Sours reported that Director Bates would like to resign and retire from the Board in the near future. Director Bates is willing to continue to attend if he is needed for a quorum.

Director Sours indicated he has a potential candidate for the position. Mr. Blodgett will contact Director Bates to ask if he will stay on through the November Board meeting.

XII. Engineering Items

A. Water Rights Issues Update - Marti Whitmore

Mr. Blodgett reported Ms. Whitmore's report indicates no opposition to the Due Diligence Decree filed by the District. She anticipates Court approval in the next few months.

B. 2016 Capital Improvements Project Plan Update – Michael Katalinich

Mr. Katalinich distributed copies of a report entitled "Aspen Park Metropolitan District 2015 -2024 CIP Projected Capital Expenditures" and reviewed it with the Board. After discussion, the Board asked that Mr. Katalinich remove the operating and maintenance expenditure items from the CIP and provide those in a separate report on future operating and maintenance needed costs.

Mr. Katalinich will do so and will further refine the report for review at the November Board meeting.

1. Grinder Replacement

Upon a motion duly made by Director Shirilla, seconded by Director Davidson, and upon vote unanimously carried, the Board approved the grinder replacement in the amount of \$3,327.53.

C. Update on Underdrain Inspection – Michael Katalinich

Mr. Katalinich reported this work is still pending a window of dry weather. He will attempt to complete the inspections prior to the November meeting and provide a report and recommendations at that time.

D. Update on CDPHE Site Application for Paper Expansion for Increased Flow and Loading – Michael Katalinich

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Mr. Katalinich reviewed this report with the Board. He noted that this report is available if requested by CDPHE regarding a potential need for an expansion of the Wastewater Treatment Plant.

- E. Update on Bear Creek Watershed Association Possible Modifications to Groundwater Discharge (TDS) – Michael Katalinich

Mr. Katalinich reported he continues to monitor this potential issue at the BCWA.

- F. Discuss Exfiltration Update Results

Mr. Katalinich reviewed with the Board. He noted significant improvements in the amount of discharge the exfiltration gallery is able to hold versus the need for surface discharge. This is due to the installation of automated controls.

- G. Other

Mr. Katalinich reviewed the potential for a Colorado Rural Water Project Grant which would provide the District information regarding a potential disaster in its source water drinking supply. He noted that the District may be able to apply for a grant and receive matching funds equal to the amount the District contributes.

The Board indicated that this probably was not necessary at this time. Action was tabled to the November Board meeting.

XIII. Operations/Maintenance Update – Bob Clodfelter/Mark Cleaveland

- A. Status of Separate Water Meter for Irrigation in Each Decree

Mr. Clodfelter reported he has requested a quote from CM Landscaping for a separate water meter for the irrigation for each decree. He has not yet received a quote.

After discussion, upon a motion duly made by Director Shirilla, seconded by Director Davidson, and upon vote unanimously carried, the Board approved not to exceed \$1,000 with CM Landscaping for installation of separate water meters to be paid from sales tax revenues.

- B. Discuss July Water Accounting Results

Mr. Katalinich reviewed the July Water Accounting Report with the Board. After discussion, upon a motion duly made by Director Shirilla, seconded by Director Davidson, and upon vote unanimously carried, the Board authorized (1) \$1,500 for Director Davidson to hire a plumber to do an audit of all of the District's facilities other than King Soopers; (2) authorized Treatment Technology to prepare a budget for the replacement of all of the District's water meters with smart meters for review at the November meeting; and (3) authorized Mr.

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smart meters for review at the November meeting; and (3) authorized Mr. Katalinich to prepare a letter to be sent to the tenants in the Aspen Park Metropolitan District explaining the District's decreed water usage and the allowable amount for each type of land use within the District and their current and historical use.

C. Influent Chart

Mr. Katalinich reviewed a chart prepared by JVA indicating the amount of wastewater influent into the system and the amount of surface discharge and exfiltration gallery discharge after treatment. The total of the exfiltration gallery discharge and surface water discharge exceeds the total of the influent. Mr. Katalinich will do a further evaluation.

D. Water Meter Reading

Mr. Blodgett reported he authorized Treatment Technology to begin charging the District for reading the water meters rather than the property owners. The water meter information is used by the District to bill the customers. Director Sours explained the current procedure was used when Aspen Park Investors owned the Center and had one master meter and they separately sub-metered the tenants. That practice has not been in effect for about six years. The Board concurred with Treatment Technology billing the District for reading the water meters. Aspen Park Station will continue to pay for electrical meter readings.

XIV. Attorney Items

A. Status of Service Plan Amendment to Increase Maximum Operating Mill Levy

Mr. Waldron reported there is an August 23, 2016 meeting with the Jefferson County Board of County Commissioners and then a September 22, 2016 Public Hearing to approve the Service Plan Amendment and provide the District a maximum operating mill levy of 40 mills in the future if needed.

B. Status of Work Following Landmark vs. Marin Metropolitan District Decision

Mr. Waldron reported the decision of this case has been appealed to the Supreme Court. It has not yet decided whether to accept it or not. Mr. Waldron's firm and others are working on director qualification matters for future commercial property owner appointees district.

E. Status of Jefferson County Development Permit for Landscaping Modifications

Mr. Waldron reported that the approval is in process with the County and it is anticipated the administrative approval will be provided shortly.

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XV. Manager's Items

A. Website Update

Mr. Blodgett reported the website is being updated.

B. Other

None.

XVI. Financial Items

A. Accept June 30, 2016 Financial Statements and August 16, 2016 Cash Position Report

Ms. Pangindian reviewed with the Board. After discussion, upon a motion duly made by Director Shirilla, seconded by Director Davidson, and upon vote unanimously carried, the Board accepted the June 30, 2016 Financial Statements and August 16, 2016 Cash Position Report.

Director Davidson noted that the Aspen Park Station paid for snow removal throughout 2016. She will separate bills for the District roads, water and sewer facilities and seek reimbursement from the District.

Mr. Cleaveland recommended the creation of an operating and maintenance reserve in the enterprise fund. The Board concurred.

B. PIF Collection Report

Ms. Pangindian reviewed the report with the Board. She noted collections are up approximately 4% in 2016 over 2015.

C. Sales Tax Collection Update

Ms. Pangindian reported King Soopers has corrected their registers and are properly collecting and remitting sales taxes to the District. The Board discussed the possibility of increasing the current sales tax collection rate from .5% to 1% with the 2017 budget. Ms. Pangindian will prepare that option in the 2017 draft budget.

C. Other - 2017 Budget Process

Ms. Pangindian reported the preliminary assessed value will be received August 25, 2016 and the draft budget is due to the Board by October 15, 2016. The Board will have a public hearing and approve the 2017 budget at the November 15, 2016 meeting.

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Director Davidson recommended authorization to utilize the sales tax revenue funds for improving the landscaping at the median islands in the District and other upgrades in an amount not to exceed \$25,000. Upon a motion duly made by Director Shirilla, seconded by Director Sours, and upon vote unanimously carried, the Board approved a not to exceed \$25,000 for Director Davidson to seek a contractor for landscaping improvements.

The Board authorized Ms. Pangindian to prepare the 2017 draft budget with a 10 mill operating and maintenance levy option in addition to the present 5 mill levy in effect.

XVII. Director's Items

A. Status of Landscaping Construction Upgrades – Directors Davidson and Martinez

Directors Davidson reported these have been completed and they look very good.

B. Confirm Quorum for November 15, 2016 Meeting

The Board confirmed a quorum for the November 15, 2016 meeting.

XVIII. Other Business

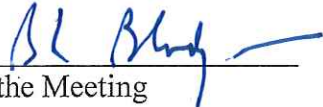
The Board discussed moving in the direction of a paperless meeting. Many districts now do this with the purchase of iPads and/or laptops and use of Board materials electronically in a Dropbox format.

After discussion, upon a motion duly made by Director Davidson, seconded by Director Shirilla, and upon vote unanimously carried, the Board authorized the purchase of iPads for the District directors to improve the efficiency of future Board meetings.

XIX. Adjournment

There being no further business to come before the Board, Director Sours adjourned the meeting at 1:55 p.m.

Respectfully submitted,


Secretary for the Meeting