

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
ASPEN PARK METROPOLITAN DISTRICT
HELD
AUGUST 21, 2018**

A regular meeting of the Board of Directors of the Aspen Park Metropolitan District was held on Tuesday, August 21, 2018 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
Eli Martinez
Nikki Davidson

Also in attendance were:

Bob Blodgett, Patrick Shannon and Gigi Pangindian; CliftonLarsonAllen LLP
Jeff Sucher and Bob Clodfelter; Treatment Technology
Michael Katalinich and Shane White; JVA, Inc.
Clint Waldron; White Bear Ankele Tanaka & Waldron
Bill Berg; Martin and Wood (via telephone)
Martha Whitmore; Ouray Law (via telephone)

Call to Order Director Shirilla called the meeting to order at 12:00 p.m. The absence of Director Banfield was noted and excused.

Director
Qualifications/
Disclosure Matters

Mr. Waldron advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Waldron reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Waldron noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members

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present was necessary to obtain a quorum or to otherwise enable the Board to act.

CONSENT AGENDA (Section III-X)

- III. Review/Approve Minutes of the May 15, 2018 Regular Meeting
- IV. Engineering/ Construction Items
 - A. Accept Notice of Award Regarding Blow-Off Valve Installation with SWI in Amount of \$8,750
 - B. Accept 2019 Drinking Water Eligibility Survey
 - C. Accept 2019 WPCRF Eligibility Survey
- V. Operations/Maintenance Items
 - A. Accept July 2018 Water Rights Usage Accounting Reports
- VII. Financial Items
 - A. Ratify Approval of Prior Claims Totaling \$176,591.33
 - B. Ratify 2017 Audit
- VIII. Manager's Items
 - A. Accept BCWA Information
 - B. Ratify Will Serve Letter for Lot 5 and 6
 - C. Information Items
- IX. Attorney's Items
- X. Director's Items

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.

DISCUSSION AGENDA (Section XI-XIX)

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

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Director Davidson reported the Relax Salon will be moving into the center in the near future. They also continue to work with Hummell Investments regarding a possible full-service tire store on lots five and six.

B. Other

None.

XII. Engineering Items

A. Review 2018 CIP Updates

1. Status of Painting Tanks and Wells (W8 - \$33,000 in CIP, actual contract amount \$26,941.80)

Mr. Katalinich reported the wells are painted. Upon the recommendation of Treatment Technology, the tanks were removed from the contract to save money. The tanks are in good shape presently.

2. W11 – Water Treatment Building PLC Equipment Replacement (\$13,628, planned for 2019, spare parts obtained)

Mr. Katalinich reported these repairs are planned for 2019.

3. WW21 – Wastewater Treatment Building PLC Equipment Replacement (\$13,831, Treatment Tech to confirm completion and cost)

Mr. Katalinich reported these have been installed.

4. Blow-off valves

Mr. Katalinich reported the preconstruction meeting is August 22. Work should begin within the following weeks.

B. Discuss Memorandum to Bear Creek Watershed Association Regarding TMDL Questions and Concerns

Mr. Katalinich reviewed his memorandum regarding the Bear Creek Watershed Association's report on TDML. The Board accepted the report.

C. Pre-Treatment Regulations Implementation

Mr. Katalinich reported on Treatment Technology's efforts to install samplers to identify the cause of ammonia upsets in the Wastewater Plant. These are placed in manholes. Other than King Soopers, the manholes are not tied directly to tenants.

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The King Soopers discharge into their manhole has not indicated a problem in the prior months.

The Board discussed the surcharge approved at the May meeting effective July 1. After discussion, upon a motion duly made by Director Shirilla, seconded by Director Davidson, and upon a vote, unanimously carried, the Board decided to surcharge all of the tenants for any future loading upset violations (biological oxygen demand, total suspended solids, or total Kheldahl nitrogen) where they cannot be specifically identified to a certain tenant. The Board directed that CliftonLarsonAllen place a note on the next August utility bills to notify the tenants of this decision. This will also be placed on the website.

D. Update on Sampling Efforts

1. Discuss Use of Sampler and Sampling Plan
2. Discuss Status of meeting with Tenants Regarding Nutrient Violations

The Board decided that a general meeting with the tenants would not be valuable in that very few would probably attend. There would be a significant cost to the District to conduct such a meeting. After discussion, they decided to authorize JVA and Treatment Technology to continue to try to identify the cause of violations. In addition, the surcharge will be levied against all tenants equally if there is a problem that cannot be identified with a specific user.

E. Status of Eagle Cliff Road and Highway 285 Development

Mr. Katalinich reported he has been contacted by an engineer looking at the possible development of this tract in the District. After discussion, the Board directed Mr. Katlinich to spend some time assisting in this review. Any prospective development will have sales tax and public improvement fees and property taxes for the District revenues. If the work entails review of design plans from the engineer, then the deposit of \$5,000 for JVA's review time and any legal or management or other costs should be requested first.

F. Discuss Tap Fee Schedule

Mr. Blodgett reported he and Director Sours discussed the schedule and its application to the potential Firestone full-service tire store. The tire store was placed in the consumer services category although this is not ideal. This will mean an estimated \$73,000 for a one-inch meter if the project moves forward. After discussion, upon a motion duly made by Director Shirilla, seconded by Director Martinez, and upon a vote, unanimously carried, the Board decided to add a new section in the schedule titled "Other". If the use does not fit in any of the above categories, the tap fee schedule will be determined by the Board.

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G. Water Meter Calibration

Mr. Clodfelter reported the meters are calibrated annually, usually in September. They will be calibrated next month.

XIII. Operations/Maintenance Update – Bob Clodfelter/Jeff Sucher

A. Discuss June Water Rights Accounting Results.

Mr. Blodgett distributed June Water Rights Accounting Reports to the Board for review. Mr. Berg noted there continues to be a net gain of Wastewater discharge compared to water use within the District. This is the opposite of what one might expect. He noted he just received the July reports and 81,000 gallons was gained in the month of July.

Mr. Katalinich stated this could be an infiltration from rainwater into the District's pipes. Mr. Clodfelter reported this could be due to meter calibration also.

Mr. Berg will continue to evaluate the July report and work with Mr. Katalinich and Mr. Clodfelter to develop a solution regarding these apparent errors in the reporting.

B. Other

None.

XIV. Attorney Items

A. Executive Session pursuant to §24-6-402(4)(b), C.R.S., conferences with an attorney for the District for the purposes of receiving legal advice on specific legal questions related to the acquisition of additional water rights.

Upon a motion by Director Martinez, seconded by Director Shirilla, and upon a vote, unanimously carried, the Board convened the Executive Session pursuant to §24-6-402(4)(b), C.R.S. at 12:05 p.m.

Upon a motion by Director Martinez, seconded by Director Shirilla, and upon a vote, unanimously carried, the Board adjourned the Executive Session pursuant to §24-6-402(4)(b), C.R.S. at 12:27 p.m.

B. Discuss 2018 Service Contracts

1. Discuss Reimbursement Process with Aspen Park Station

Mr. Waldron reviewed the service contracts with the Board. He noted the District has been reimbursing Aspen Park Station for 23% of the cost of snow removal and landscape maintenance on District maintained streets. This is per an analysis by JVA of the percentage of infrastructure that the District owns versus the

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shopping center. Mr. Waldron recommended approval of an Agreement to document this relationship.

Upon a motion duly made by Director Shirilla, seconded by Director Martinez, and upon a vote, unanimously carried, the Board approved an Agreement between the District and Aspen Park Station to provide for 23% annual reimbursement for snow removal and landscaping. Director Davidson abstained.

- C. Review and Consider Approval of Engagement Letter with Martha Whitmore at Hockersmith & Whitmore, LLC (enclosed)

Upon a motion duly made by Director Davidson, seconded by Director Shirilla, and upon a vote, unanimously carried the Board approved the Engagement Letter with Martha Whitmore at Hockersmith & Whitmore, LLC for continued water rights legal services to the District.

- D. Discuss iPad Acknowledgement Receipt for Equipment

Mr. Waldron reported this form is needed for each of the Board members to complete related to the District's purchase of an iPad for their use for District business. The District needs to begin the three year depreciation schedule on this equipment for its accounting records. The Board completed the required forms.

XV. Manager's Items

- A. 2019 Budget Process
1. August 25 Preliminary AV Received
 2. October 15- Draft Budget Filed
 3. November 19, 2018 Board Meeting – Public Hearing to Review and Approve 2019 Budget
 4. December 15, 2018 – Mill Levy Certified

Mr. Blodgett and Ms. Pangindian reviewed the 2019 budget schedule with the Board. The Board accepted the schedule.

- B. SDA Annual Conference, September 12-14 in Keystone

Board members will contact Mr. Blodgett's office if they wish to attend the annual conference.

- C. Website Update

Mr. Blodgett reported the website is up-to-date.

- D. Other

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XVI. Financial Items

- A. Review June 30, 2018 Financial Statements and August 2018 Cash Position Report (enclosed)

Mr. Pangindian reviewed with the Board. Upon a motion duly made by Director Martinez, seconded by Director Shirilla, and upon a vote, unanimously carried, the Board accepted the June 30, 2018 financial statements and August 2018 Cash Position Report.

- B. PIF Collection Report

Ms. Pangindian reviewed with the Board. The Board accepted the PIF collection report through June 30.

- C. Sales Tax Collection Update

Ms. Pangindian reported sales tax collections are on par with budget through June 30.

- D. Other

None.

XVII. Director's Items

- A. Status of New Signage for the Center – Directors Davidson and Martinez

Directors Davison and Martinez recommended that the current signage within the center is adequate for the tenants and customers. They recommended redirecting the \$60,000 budget for other uses. They recommended that a portion of that be used for mulching and to repair broken curbs on the District streets.

Upon a motion duly made by Director Shirilla, seconded by Director Martinez, and upon a vote, unanimously carried, the Board authorized canceling the sign project and authorizing funds for Aspen Park Station to prepare a proposal for work on the District landscaping and curb/street repairs. Director Davidson will secure a proposal and send it to Mr. Blodgett for transmittal to the Board and approval prior to the November Board meeting.

- B. Other

None.

XVIII. Other Business

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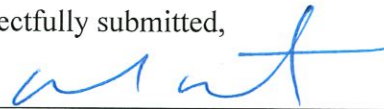
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- A. Confirm Quorum for November 19, 2018 Regular Meeting – Public Hearing to Approve 2019 Budget

Next regular Board meeting is Tuesday, November 20. Due to conflicts, upon a motion duly made by Director Davison, seconded by Director Shirilla, and upon a vote, unanimously carried, the Board changed the November 20 meeting to a special meeting on Thursday November 15 at 12:00 p.m. noon at White Bear Ankele Tanaka & Waldron.

XIX. Adjournment

There being no further business to come before the Board, Director Shirilla adjourned the meeting at 1:30 p.m.

Respectfully submitted,



Secretary for the Meeting

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ATTORNEY STATEMENT
REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing Aspen Park Metropolitan District, I attended the executive session meeting Aspen Park Metropolitan District convened at 8:00 p.m. ^{on} August 21, 2018 for the sole purpose of discussing acquisition of additional water rights as authorized by §24-6-402(4)(b). I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(b), C.R.S. or Section 24-6-402(2)(d.5)(II)(B), C.R.S.


Martha Whitmore, Esq.