

Brush Creek Metropolitan District
Regular Monthly Meeting
January 14, 2003

The meeting was called to order at 6:20 at the Snowmass Chapel & Community Center. Board members present were Lawson Wills, Mike Cooper, Jerry Scheinbaum, Isabel Day.

Also present were owner Lee Miller, Kevin McClure and Cheryl Morgan. Bob Schultz (Consultant for Holy Cross), Craig Murray (Holy Cross).

Public Comment: Lee Miller concerned about roads and their deterioration. Would like to see resurfaced. Got rough estimate From Grand Valley Paving. Afraid if continue to deteriorate will be more expensive. Estimate for 2 inch over medium condition over 8 miles 26 ft wide - \$500,000. Thinks low. But over 10 year period would be \$200/qtr per homeowner. Suggests subcommittee be formed to deal with. Timing. Lawson responds. Subcommittee great idea. And we have been discussing. Alligator problem needs to be cut out. Lawson has been reluctant to raise taxes. Looking to ask voters to raise taxes in May or November. Lee would like to see governing docs so he could research to who is responsible. Lawson suggests a survey. Jerry doesn't think it's a good idea. Isabel suggests Lee head committee. Lawson, if county can get tax increase for roads than they would have to do brush creek roads. Tax increase has not passed. Jerry suggests Lee get bids. Should contact County to see if they would help and get their okay.

Plant Managers report; to Kevin think where meters can be strategically located to isolate leak. Having trouble finding leak. Spending too much money and not locating problem. Two pumps were replaced. Kelly not present. Leak at Pioneer springs, Courson residence. Used 324,000 gallons last qtr. Found leak in their spa.

Bob Schultz & Holy Cross: Private consultant working on substation and transmission line. To Snowmass Village. Now coming from substation at AABC. Not reliable now. Need more. Three feeder lines to Snowmass. One in Brush Creek and two thru owl creek. Greatest risk is at peak use like Christmas. Also problems with capacity. Grows at half rate but requires more needs. In yellow zone heading for red zone. HCE now being required to add more lines. And a substation. TOSV prefers rodeo or hidden valley with HV being preference. Trans lines seven lines, 60-90ft towers. HCE will underground if people will pay for it. Could put it under bicycle trail along brush creek rd. 40 towers between river and Snowmass village. Could put it up 2.3 way up slope on Droste side. 3rd option to go up cougar canyon and thru pioneer springs. Overhead up bcr 3.3 mill an additional 8.4 mill to underground. 4th thru cougar then wildcat to town center site. If only people serviced there would be 30% rate surcharge for 30 years. About 20% of demand at substation would go to base village at build out. Base village says they will come to table to help pay. HCE will submit for overhead. County and Snowmass could ask to underground. Will submit application in early February. Lawson thinks board members should go to meetings to represent BCV.

Bills/Finance; Bills presented and checks signed.

Country Day: on back burner for now due to funding problem.

Isabel: let Kevin get bids. Jerry: maybe get county pricing from Elam. Kevin will call Brian Pettit and handle it.

Posting site: Jerry and Cooper seconded. Also pump house if we need third. Unanimous.

Larsen can get road refund next year.

Airport Expansion: Dwight Shellman called Jerry to tell that airport is looking to expand the runways. Woody Creek Caucus against and wants to know if Board would support. No stage 3 restrictions if expands. Dwight says expansion does not guarantee increased traffic. Lawson: refer Dwight to Lichty. Not enough info to take a position at this time.

Adjournment 8:15.

Brush Creek Metropolitan District
Regular Monthly Meeting
February 18, 2003

The meeting was called to order at 6:00 Mike Lawson Joyce Jerry, Kevin, Ron & Cheryl Isabel.

Public Comment: None

Plant Managers report: Frozen meter 2653 Juniper Hill – Mullen. Moved driveway and causes runoff to fill pit and freeze. 2 solutions: insulated. And heat tape. They will be billed for repairs. Jerry recommends having Kelly move the meter to a safe location. Approved. Or move the driveway. Kevin will followup. St. Ville: meter read too high. No leak, ordered new register. They put in their own meter. Kevin will follow up. Isabel – policy requiring new meter to be our choice. 3 meters on sagebrush being allocated to wrong house. 540 upper ranch road. Broken wire on remote. Fixed. Jerry recommends an annual reconciliation. Kevin will come up with a policy. Water leak: looked for with camera and cant find. Kevin will follow up. Cooper: may have to go to enforcement this summer. What legal tools? Isabel: get references from water detection people. Agenda item on next month to increase water rates. Fax everyone current water rates. Special Meeting: bring in connor? Mike will call connor to see if he should come.

Holy Cross Power Lines: When file plan with county have maybe only 60 days to deal with. Isabel and Lawson don't think they need Boots to represent at BOCC. Mike thinks he should be involved. Keep Boots between board and BOCC. If board members speaks to BOCC speak as one voice. If as individual don't identify yourself as on Board. Lawson says we don't have right to spend money on matter. Mike will get attorneys opinion on spending the money to fight. Have kevn get info from HCE on usage in snowmass, BC and aspen. Isabel and mike will look into doing a "photo shot" of power lines or a cartoon.

Bills and Finance: bills approved for payment and checks signed.

Other Business: Meeting on March 4 at 6:00. for water increases.

Now doing monthly reading. Reflect in budget.

Jerry: put up sign at bottom of subdivision Rural roads drive with caution. May be icy. Kevin will talk to county to see if we can put them up.

Kevin: talked to bert to come out and see what they can do about road resurfacing. Roads, emergency generators, entrances and reserve fund. Election in November. Mike: ten year plan. 130000 per year.

Adjourned at 8:30

Cronenberg storypoles.

Brush Creek Metropolitan District
Board of Directors Meeting
Regular Monthly Meeting, Tuesday, February 18, 2003 @ 6 pm @ The Snowmass
Community Center

Directors Present: Mike Cooper, Jerry Schienbaum, Isabel Day, Joyce Hardy, Lawson Wills
Others Present: Cheryl Morgan, Kevin McClure, Ron Crowley

1. The Meeting was called to order.
2. Public Comment – None present.
3. Plant Manager's Report by Ron Crowley of Independent Water Systems
Location: 2653 Medicine Bow
Situation: Owners called BCMD phone to report no water.
Investigation: Ron found the meter pit was filled with ice. The meter and pipes were frozen and broken. Ron thawed the pit and repaired the damage. The pit filled with water because the driveway has been widened or realigned so that run-off drains into the pit. The pit or driveway needs to be moved to elevate the problem.
Action Needed: KM will notify the owners of the cause of the problem. Inform them to expect a bill for the repairs to date, since their actions caused the problem. Inform them of the possible solutions. Require compliance by a date to be determined or the BCMD will take corrective action and bill them.

Location: St. DeVille Residence
Situation: Monthly meter reading was very high. XXX gallons.
Investigation: Ron gained access to the house and determined that there is not a leak. He suspects that it is a meter error and meter needs to be replaced. This home has the meter inside the home and remote "gun" reader on the rear of the house. The meter is not the type used by IWS.
Action Needed: Fix the meter so that water usage can be accounted for. Inform owners that they will to pay for the repair since it is their meter and inside the house. KM will find out if Kelly approved a meter inside this and any other homes. The Board would prefer to have the meter or another meter located at the roadside as it should have been, but not will require the addition of a new meter if the installation will be at BCMD expense.

Location: Sagebrush Lane
Situation: Comparing the plat to the meter locations revealed that some of the meters have not been linked to the correct home. It appears that:
a) The meter that has been billed to Scanell (111 Sagebrush) actually serves Nesbit (0063 Sagebrush).
b) The meter that has been billed to Degouveia (0083 Sagebrush) actually serves Scannell (0111 Sagebrush).

- c) The meter that has been billed to Nesbit (0063 Sagebrush) actually serves Degouveia (0083 Sagebrush).
- d) The reading on the meter that serves Degouveia makes no sense. The January 3 reading was 716,000 and the February 3 reading is 691,000.

System Leak – No action was taken in the last month to find the system leak. The camera system that IWS has wanted to use does not have a very big range for our system because of the slope of the line. Range is perhaps 200 feet each way. Another disadvantage of the camera is that the line needs to empty, so the water would have to be shut off to use it. BCMD received a post card from Utility Detection Services that offers leak detection services. KM will investigate the service. Inquiring about the procedure, chances for success, references, and cost.

A Comprehensive Water Policies and Procedures needs to be developed and disseminated. KM will develop the policy for the Board to review. KM will be added to the ACC's list of people to notify about development in the BCMD so that he can insure that water policies are known to the developers. The policy should also be sent to all current owners. The policy should include:

- who installs the meters
- what type of equipment is required
- who reads and services the meter
- who is responsible for what part of the system
- the rate schedule
- total allotment per meter
- enforcement

The board requests KM to supply and monthly usage chart.

Discussion moved on to issues relevant to water usage, water rates, enforcement, allotment from SW&S. Because of the on going drought, last years fires, and proposed development in the village, The Board expects SW&S to start taking a closer look at water usage. The BCMD is allotted 2 million gallons per month. The BCMD has exceeded this amount in the past during peak months. The "leak" which Kelly has been attempting to locate for months accounts up to 30% of usage. The board must weight the cost of the water loss vs. cost to repair and also factor in the that there is a total allot to the district which will be exceeded in the summer months. SW&S has never "cared" about the excess usage in the past , but with development pressures and water scarcity they may start. Other factors to be weighted are, 1) the environmentally sensitive desire to repair leaks and not "waste" water, 2) the likelihood that the leak will continue to get worse eventually causing problems with providing water, and 3) there is a Colorado House bill in consideration that would require system leaks to be repaired.

The Board agreed to schedule an extra meeting on March 04, 2003 devoted to water issues. That meeting will focus on general water policies and the use of water rates to influence usage.

KM to check if Pioneer Springs are irrigating with well water.

KM to prepare a Notice to go out with the next water advising the owners about conservation pressures.

Holy Cross Power Lines

The question arose as to whether the BCMD has the authority and should be involved in power line issue at all. And if so, what if any funds should be expended in attempts to influence the decision. The board decided that even if it did not have specified authority, the issue is much the same as the new campus Aspen Country Day. Namely that is an issue that could greatly affect the Brush Creek Owners and that it is a logical topic for the board to take up. The position of the BCMD is the same as that of probably everyone else, namely it prefers to have the lines buried but at minimal cost to the owners. Many forms of action were discussed, from compiling usage rates and presenting a logical argument as to why the cost should be spread over the largest numbers of customers possible, to mobilizing a grass roots response of Brush Creek Owners and upper valley residents in general. All members agreed with those who have the most experience with county government, that "grass roots" efforts will reap the greatest rewards in the least time. However, since it is a small expense to have Boots prepare and present a board position statement to the BOCC that will also be done. MC will contact Boots and Boots will be the "spokesman" as needed it insure a credible and consistent position is presented to the BOCC.

JS requested that KM post notices of BOCC meeting dates on the Holy Cross topic and that a board member mobilize landowners to attend. JS said he will call owners about the March 4 BOCC meeting on the topic.

ID & MC will look into developing graphics and article keys points and try in have local papers take up the story. The stories should state that it is the demands of the IntraWest developments as well as the several new megahome subdivisions have created this need and they should not get away with "ruining the Brush Creek Valley", they should pay for the underground.

Other Business

KM is requested to alter the budget to reflect the cost of monthly meter readings.

KM is requested to improve upon the presentation of the monthly meter reading.

It is still not finally determined if KM will conduct the monthly reading without Ron. Access to the remote gun reader is a key issue in this transition.

The Adelman residence at the top of Juniper Hill complained about road conditions. MC checked the road shortly after and felt it was in acceptable condition.

JS proposed and all members agreed and posting signs such as “Rural Roads – Please Drive With Caution” would be a good idea. KM will talk to the county about signs.

Burt Pearce at the corner of Solar Way and Medicine Bow notes that the road is narrow and could use a guardrail or other improvement.

A mill levy increase proposal must be developed for the November 2003 elections to raise the additional funds needed for infrastructure repair and improvements of roads, entries, reserve fund, etc. The first step in this process is to develop a 10 plus capital improvement budget. KM is to continue work on a road plan. Items considered should include driveway aprons and culverts.

ACC requires story poles for the Kroenenberg addition. KM will contact.

Medicine Bow dumpster latch needs repair.

Juniper Hill mailbox door needs repair.

Brush Creek Metropolitan District
Board of Directors Meeting
Extra Meeting, Tuesday 11, 2003 @ 6 pm @ The Snowmass Community Center

Directors Present: Mike Cooper, Joyce Hardy, Lawson Wills

Others Present: Cheryl Morgan, Kevin McClure,

1. The Meeting was called to order.

2. Public Comment – None present.

3. Water Issues –

MC contacted Dean Derosier of McLaughlin Water Engineers about the leak. Dean offered to do a “water study” for approximately \$2,500.00. He also said that a 30% lose is above average. KM is requested to contact Dean and get a proposal for the study. The proposal should include the price, methods and purpose of the study. The cost of the fund would be paid out of the enterprise fund.

MC talked to Steve Conner about raising water rates and he said the proper way to implement a rate change is to draft a resolution and ratify it at the next meeting.

The board then took up the issue of raising water rates. The impetus for raising rates comes from two sources, 1) SW&S raised the rate charged to BCMD from \$2.00 per 1000 to \$ 2.20 per 1000 and 2) the BCMD regularly exceeds its gross delivery amount of 2,000,000 per month. Raising water rates and is the logical way recover increased costs and influence use.

The trend of development is toward larger homes with more landscaping and subsequently more water usage. Raising rates may not effect the usage pattern of some owners. Owners should also be made aware of system capacity and possible consequences of over use by the BCMD.

SW&S is aware that the delivery agreement is being exceeded but so far has done nothing about it. Simply billing for the water used. BCMD does not know what, if any, enforcement procedures or penalties SW&S will impose. The ultimate penalty could be shutting off the water after the monthly allotment is reached.

The board reviewed summer usage figures compiled by Cheryl for the last 3 years, the new SW&S water rates and Basalt Water & Sanitation rates.

The board tried to determine logical price breaks to use in the rate structure. One such number is an EQR, which equals about 9,000 gallons. It is the amount of water used by a typical house per month. The BCMD currently serves about 120 lots. If you take 2,000,000 gallons and subtract normal loss of 15%and divide by 120 it equals 14,166 gallons. The total number of lots that could be served by BCMD is 143. Running the same calculation equals 11,888 gallons.

One way of looking at usage is that anyone using over 11,888.00 gallons per month is using someone else's water. Historical data shows that 25 users went over 50,000 per quarter last summer.

LW strongly promoted, JH agreed that, there should not be a real disincentive in the rates for people using reasonable amounts of water. MC favored higher rather than lower increases to stress conservation and raise Enterprise Fund reserves for capital projects like roads. LW was concerned that Enterprise Fund money can only be spent on water related projects. MC thinks it may be OK to spend it on roads. MC will contact Boots for clarification.

LW and JH noted that BCMD will be seeking mill increase to pay for roads and they don't want excessive water rates as well.

MC feels that the appearance and maintenance of the BCMD is lagging behind property values. He would rather explain high fees than poor service.

LW feels most people are satisfied with the service and do not want higher fees.

Several rate and price break structures were proposed. The final one being:

Quarterly Water Rates

0 -	30,000	\$ 4.20 per 1000
30,000 -	50,000	\$ 5.00 per 1000
50,000 -	65,000	\$ 10.00 per 1000
65,000 -	80,000	\$ 15.00 per 1000
80,000 plus		\$ 25.00 per 1000

This structure was proposed and seconded.
A resolution will be drafted for ratification at the next meeting.

Adjournment at 8:05

Brush Creek Metropolitan District
Board of Directors Meeting
Regular Monthly Meeting, Tuesday, March 18, 2003
Directors Present: Mike Cooper, Jerry Schienbaum, Isabel Day, Joyce Hardy,
Lawson Wills
Others Present: Cheryl Morgan, Kevin McClure, Kelly Gessele, Lee Miller and
Don

The Meeting was called to order at 6 pm at the Snowmass Chapel and
Community Center.

Public Comment – Lee Miller had prepared and presented a document he
labeled Road Repaving Proposal Information dated March 18, 2003. The packet
presented the bids and recommendations of 2 contractors, financing info., and
other relevant information. The cost of the work was far below what had been
anticipated. KM will follow-up and compare the bids to insure that they are based
on the same specifications. KM will also ask for an option to install aprons at
each entry. The board sees the project as needed and doable. Work will proceed
to get this funded through the election process in November. The proposal also
brought up the possibility of refinancing the current note. The board will continue
to evaluate refinancing possibilities.

Development of a prioritized long-term capital items budget will proceed to
determine the amount which the district will seek to fund in the November
election. The main items being considered are roads, entrances, water system
improvements, and a reserve fund.

Plant Manager's Report by Kelly of Independent Water Systems – No new
progress has been made on the leak. The McLaughlin proposal to perform a
water study was accepted by the board. KM will consolidate for McLaughlin. Kelly
said that current code calls for back flow preventors on each tap. This should be
included in the "water system information" sheet be prepared for the ACC so that
new construction can comply. A list should be compiled of which homes have
back flows now. Testing of backflows is required every five years. Backflow
installation must be done by a certified installer.

Water Rates – The board adopted the 2003 Resolution to Increase Water Rates.
The notice will go out with next water bills with the new rates and historically high
water users will be notified.

Other Business – The renters at Joan Tiege's are parking near the road. KM will
contact to ask that they park in the proper driveway.

Brush Creek Metropolitan District

Minutes of Regular Board Meeting

The monthly board meeting was held as regularly scheduled on Tuesday, July 15, 2003 in the Snowmass Chapel Community Room.

1. Call to Order – at 6:15 pm. Present were Michael Cooper, Isabel Day, Jerry Scheinbaum, Joyce Hardy, Lawson Wills and Kevin McClure.
2. Public Comment – none.
3. Plant Manager's Report - Kelly was absent due to an emergency. There were major changes to the system this month. June loss was 22%. SMWS will not be asked to check calibration of the main meter, if recommended by McLaughlin we may do it privately.
4. Juniper Hill parking – the parking on the roadside can not be permitted. Kevin will notice Ms. Tiege and the tenants. Include rules and regs.
5. Power Lines – BOCC and SMTC meetings continue to progress toward approval of under_grounding. There seems to be some willingness to consider removing Brush Creek from the service charge area. Board members will continue to attend the public meetings to express opposition to the the SM, BC & OC service charge area.
6. Bond Refinance – the bond can be refinanced 1 time during its life. Reissuing is a possibility. Steve Conner is being consulted.
7. Kinder Morgan – gas feasibility study is proceeding.
8. Bills/ Finance – bills were approved and paid.
9. Approve Minutes - postponed
10. New Business –
 - X – Games parking is being proposed for Cozy Point. The board is in favor of granting this event on a year-by-year basis. The board wants to talk to the BOCC and warn against instrumentalism. Also to let them know BC is paying attention and needs to be considered.
11. Adjournment

Brush Creek Metropolitan District

Minutes of Special Board Meeting - Bonds

Friday, August 08, 2003 in Steve Connor's office at 323 West Main St., Aspen.

The meeting commenced at 10am. Present were Steve Connor, Don Diones, Micheal Cooper, Lawson Wills, Isabel Day, Joyce Hardy and Kevin McClure.

Don Diones is the underwriter who handled the original bond issue. He presented preliminary scenarios for refunding of the existing bond, issuing new bonds required to fund the capital improvements of the roads, entries, etc. And also, the most desirable approach of combining the two.

A packet titled Brush Creek Metropolitan District, August 6, 2003 by George K. Baum & Company details the current and proposed loans, time table, fees, etc. A copy is available for review through the manager Kevin McClure.

The board reviewed the packet and gave further direction for recalculating more options given the desired bond amount and payment terms.

The bond question must be given to the county on September 10th. A meeting is scheduled for September 9th, 2003 to finalize the language.

Steve Connor will prepare a resolution for the board to adopt at the next meeting to continue this process.

Adjournment – Noon.

Brush Creek Metropolitan District

Minutes of Board Meeting – Regular Monthly Meeting

Date/Time: Tuesday, August 18, 2003 @ 6pm

Location: Snowmass Chapel – Community Room

Present: Micheal Cooper, Joyce Hardy, Kevin McClure, Gerald Grayson, Joan Teige, 2 other members.

This meeting was not official because there was no a quorum of board members. However, since some members were present Mike and Joyce stayed to listen to their concerns.

Members suggested the following items:

1. Website postings of meetings, minutes, etc.
2. E-mail notice of meetings
3. Newspaper stands on Juniper Hill
4. Signs on 82 westbound for Brush Creek Village & Juniper Hill Rd.
5. Better signs for the same on eastbound 82
6. Signage on Brush Creek Road
7. Speed Limit Signs 25mph
8. More guard rails
9. Road edge markers

The following issues were discussed:

1. There will be no more parking on the shoulders at the Teige Res.
2. Animal Control should be called no loose dogs.

Brush Creek Metropolitan District

Minutes of Board Meeting – Rescheduled - Regular Monthly Meeting

Date/Time: Wednesday, August 27, 2003 @ 6pm

Location: Snowmass Chapel – Community Room

Present: Micheal Cooper, Lawson Wills, Jerry Scheinbaum, Kevin McClure, Gerald Grayson.

Call to Order at 6:10pm.

Financial – Jerry and Lawson approved the check register for the checks signed at the previous meeting so that a quorum had approved them.

Alpine Bank and Wells Fargo had been consulted about a bond bid. The rate, experience and service available from both is not competitive with Diones. Diones credentials and other bond placements had been investigated and judged to be of a high caliber. This issue will be his 3rd with BCMD.

The new road life span (with maintenance) is 12 to 15 years. The life span of the water system is not known and needs to be researched and budgeted. Bond repayment should be set at the minimum length that will produce acceptable payments this will be 10 to 15 years.

Don Diones was consulted by phone and his newest bond schedules were reviewed. Combining the old bond with \$1.1 million in new bonds and financing for 10 years at the new lower rates was believed to produce a monthly payment roughly equal to the current payment.

Mike made a motion for conceptual approval. The motion was 2nded and approved. Diones was directed to prepare numbers for the next meeting.

The \$1.1 million was allocated as follows \$700k road surface, \$200k widening, \$100k entrances, \$50k construction management, \$50k contingency.

Road life is severely impacted by heavy truck traffic and vehicles driving off the edges. Widening the roads, adding aprons at the driveways, and controlling heavy traffic are desirable. Maintaining ditch depth is key to keeping water from softening the sub base.

Other issues that will be addressed before construction are the possible ramifications of variation between the plats and roads as built, road usage agreements with “upstream” properties, gaining control of the roads by regaining ownership of slivers at the ends and confirming which roads are BCMD’s responsibility.

Brush Creek Metropolitan District

Minutes of Board Meeting – Special Bond Meeting

Date/Time: Tuesday, September 09, 2003 @ 10am

Location: Office of Stephen Connor, 323 West Main St., Aspen, CO

Present: Micheal Cooper, Lawson Wills, Jerry Scheinbaum, Joyce Hardy, Isabel Day, Kevin McClure, Stephen Conner, Don Diones, and Gerald Grayson.

Call to Order at 10 am.

The combined costs of the bond package and BCMD operations were analyzed and the monthly payment increase was judged to be unacceptable.

Diones prepared new estimates based on changes in payment length and amount financed. New numbers based on \$800,000 for 12 years. Stephen Connor revised the bond question language to reflect changes.

Motion: Mike- to approve bond ballot question. 2nd: Isabel Day. Passed: Unanimus.

Diones will double check the latest figures with proper computer analysis and send changes to board and Connor. Connor will revise bond question as needed, get approval and deliver to the county election official.

Kevin McClure appointed election official.

KM directed to right a bond question summary statement.

Reissuing the current bond debt now was reconsidered and rejected.

Adjournment: Noon.