

Brush Creek Metropolitan District
Thursday, March 21, 2024 at 5:30 p.m.
Aspen Ski Co. Conference Room
Aspen, CO 81611

- Jerry Scheinbaum, President
- Joyce Hardy
- Dean Hill
- Jerome Meister, via Zoom
- Jim Laing
- Rick Stevens - District Manager
- Cindy Herndon – BCMD Bookkeeper
- Maggie McHugh - Water Engineer, via Zoom
- Adrian Aguliar – High Country Utility Services, via Zoom

1. **Call to Order:** The meeting was called to order at 5:32 p.m. by Jerry Scheinbaum.

2. **Approve Minutes:** The minutes of the February 15, 2024 meeting were approved as presented and reviewed by Joyce Hardy. All were in agreement.

3. **President's Comments:**

- a. **Water Conservation Effort:** Jerry Scheinbaum began his comments with a discussion of a recent article in the Aspen Times that talked about the City of Vail and its water conservation efforts. Vail is going to stop watering certain common areas and Jerry believes that BCMD should follow suit. He suggested allowing native vegetation to grow in the common areas and to have Alex's team at All Valley Maintenance manage any weed growth. In doing this the district would be setting an example to owners in the district. Rick Stevens added that the trees that had been planted in those areas are established so a drip system should be all that is needed for their upkeep.
- b. **Short Term Rentals:** Jerry also discussed short-term rentals (STR) and his desire to see a special rate system established for those properties due to the increased road, trash and water usage. Rick Stevens commented on the new ECU rates that are included in the recently updated BCMD Rates & Regulations and that would also create a new income source for the district when homes are sold. No decision to establish new rates for STR was made but will continue to be considered.

4. **Manager's Report:**

- a. **New Rates Proposal:** Rick Stevens reported on the water rate impact analysis that had been conducted over the past month by Maggie McHugh, Cindy Herndon and himself. He pointed out that significant effort had been made to establish water usage trends and income levels based on those projections. He spoke about a new policy of covering fixed operating expenses with the flat quarterly service fee and that usage fees would cover the cost of water and funding capital reserves. He mentioned that the capital improvement plan from 2020 had been reviewed and updated by Maggie. Jim Laing expressed his concern that not enough funds were going to be raised to cover future capital improvement needs. Maggie reviewed a spreadsheet with projections of cash

flow and funds needed for future improvements. She explained that the usage used for the projection was based on 2022 usage which was comparatively low in order to be conservative. She reviewed the cost and revenue projections and noted that the net income and capital reserve balances would vary based on projects completed in a given year. Rate increases proposed were:

Trash Service: \$200.00 Per Quarter

Water Service Fee: \$250.00 Per Quarter

Metered Water Rate Per Quarter:

Quarterly Usage in Gallons	Rate (per 1000 gals)
0-12,000	\$10.00
12,001-30,000	\$12.00
30,001-70,000	\$15.00
70,001-130,000	\$40.00
>130,000	\$45.00

- b. **Service Transfer Fee:** Jerry Scheinbaum restated his desire to have a service transfer fee established for when homes in the district are sold. Rick Stevens briefly spoke about how he estimated new projects are being paid for from the Roads and Water accounts and what would be some of the first projects to be undertaken.
- c. **Inter-Governmental Agreement (IGA):** Jerry asked about the status of the IGA. Rick said that he had exchanged calls with Tom Newland and would continue to follow up.
- d. **Rules & Regulations Update:** Rick spoke about the process that had taken place to update the Rules & Regulations document by Maggie, Cindy, Adrian Aguliar and himself. That the team had worked together to update several sections and that they all felt it was current and accurate with the changes suggested. There were no comments or questions.
- e. **Brush Creek Main PRV:** Rick gave a brief summary of the repairs that had been made recently to the Brush Creek main PRV and asked Adrian Aguliar of High Country Utility Services to add his comments. Adrian said that the controls on the valve had failed and had to be controlled manually until repairs could be completed. He stated that repairs had been finished and the value is now operating normally. He estimated that the costs for the repairs would be approximately \$6,000. Adrian said that the distribution system is now working very well. He said that later this year some tank inspections would be needed as well as a few pump station upgrades.
- f. **Usage and Fee Increase Notifications:** Jim Laing suggested creating an alert for owners to let them know when their usage was going to put them into a higher rate tier. Cindy said she would reach out to the Beacon tech support to ask them if that was possible.

Jerome Meister asked that an explanation for the rate increases be given to owners when sending out the next invoices. All were in agreement.

- g. **Motion:** Jerry Scheinbaum motioned to approve rate increases and Rules & Regulations updates as proposed and to stop usage rounding, with a second from Jim Laing. All were in agreement.

5. Bookkeeper's Report: Cindy Herndon presented her monthly report.

- a. **Fund Balance Report:** Cindy reviewed the current balances on the different accounts and suggested the board move \$100,000 out of the Water Operating checking account to the Capital Reserve account. All were in agreement with moving the funds. Jerry asked what the current interest rates were on each of the accounts which Cindy provided.
- b. **Water Usage:** Cindy mentioned that water usage reports had been sent by email to the board and there were no comments or questions.
- c. **Receivables:** Cindy briefly reviewed the current receivables. There were no comments or questions.
- d. **Payables:** The payables for both the general account and the water account were reviewed by Cindy. There were no comments or questions.

Motion: Jim Laing motioned, with a second from Dean Hill, to pay bills as presented. All were in agreement.

6. Date of Next Meeting: The date of the next meeting was set for Thursday, April 18, 2024.

7. Adjournment: The meeting was adjourned by Jerry Scheinbaum at 6:37 p.m.