

RECORD OF PROCEEDINGS

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MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
BMR METROPOLITAN DISTRICT  
HELD  
APRIL 7, 2009

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, April 7, 2009 at 6:00 p.m. at Lowell Ranch, 2330 South I-25, Castle Rock, Colorado. The meeting was open to the public.

Attendance: In attendance were Directors:  
Jeanne Dassel  
Bob Brabec (also a Member of the HOA Board)  
Alan Cobb  
Kirk Fischer  
Russell Grant

Also in attendance:  
Tim Flynn, Esq.; Collins Cockrel and Cole  
Jeff Sucher; Treatment Technology, Inc.  
Mark Carlson; T. Charles Wilson Insurance Service  
Chuck Reid; R.S. Wells L.L.C.  
Al Hawkins; 1238 Riva Rose Circle, Castle Rock, CO  
Bob Zimmerman; 1240 Glade Gulch, Castle Rock, CO  
Lynn Norwood; 3590 Winterhawk Circle, Castle Rock, CO  
Dan Foster; 4559 Mariposa, Castle Rock, Colorado  
Paul R. Dassel; 1267 Stardust Circle, Castle Rock, Colorado

Call to Order Director Dassel, who presided as Chair, called the meeting to order at 6:03 p.m. and declared a quorum was present.

Conflicts of  
Interest / Approval  
Of Agenda

Mr. Flynn reported that all of the Directors had previously filed Disclosure of Potential Conflict of Interest Statements with the Board and with the Secretary of State in accordance with statutory requirements. Such conflicts arise because each Director is also a Director on the BMR Metropolitan District, which provides water service to the residence within the District. The BMR Metropolitan District has also entered into and may from time to time enter into agreements with the District.

All Disclosure of Potential Conflict of Interest Statements, whether filed for this meeting or previously filed are deemed continuing in nature and are incorporated into the record of this meeting. All Directors stated that the participation of at least three of them in

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

After each Director had summarily stated for the record the fact and nature of his or her respective private interest and had further stated that the determination to participate in voting or take any other action on any contract or other matter in which he or she may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned its attention to the remaining agenda items.

### District Insurance / T. Charles Wilson

Director Fischer introduced Mr. Carlson of T. Charles Wilson Insurance Service. Mr. Carlson discussed the District's coverage, which is purchased through the Rural Special Districts Insurance Specialists, with the Board. Mr. Carlson does not feel that the District is underinsured and that excess liability coverage is not needed. Mr. Carlson noted that the District's policy is due to renew June 15, 2009, and the Board asked that a quote from the Special District Association Insurance Pool be requested for future coverage.

### Administrative Matters

#### A. Review and Approval of February 3, 2009 Special Board Meeting Minutes.

Following review, upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the February 3, 2009 special meeting minutes as presented.

#### B. Review and Approval of March 3, 2009 Regular Board Meeting Minutes.

Following review, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the March 3, 2009 regular meeting minutes as presented.

#### C. Financial Matters.

##### 1. Ratify Approval of Claim for February 2009.

Following review, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board ratified approval of the claim for February 2009, totaling \$2,522.65, represented by check number 1732.

2. Review and Approval of Claims for March 2009.

Following review, upon a motion duly made by Director Fischer, seconded by Director Brabec and, upon vote, unanimously carried, the Board approved the claims for March 2009 totaling \$25,418.44, represented by check numbers 1733 through 1750, with the exception of check number 1747, to C & L Backhoe in the amount of \$450.00 which needs to be held pending further detail.

3. Review and Consider Approval of Unaudited Financial Statements as of February 28, 2009.

The Board requested the unaudited financial statements as of February 28, 2009 be presented at the May meeting. No action was taken at this time.

Discussion Items

A. Cash Flow Management.

Director Dassel thanked Director Cobb for taking the time to produce the cash flow management spreadsheet. Director Cobb noted that he will update the spreadsheet with newly approved claims and provide the updated spreadsheet to the Board.

B. System Rules and Regulations.

The Board requested that Mr. Reid send a copy of the Rules and Regulations to Director Dassel and Mr. Flynn.

Attorney Items

A. Approval of Agreement between Bell Mountain Ranch Home Owner Association (HOA) and BMR Metropolitan District (District).

Mr. Flynn introduced an agreement between the HOA and the District that would allow the District to repay a commitment made as part of the Water Settlement Agreement with terms that are beneficial for all parties. Mr. Flynn informed the Board that since the agreement is subject to annual appropriations, it is not a debt. Following discussion, upon a motion duly made by Director Cobb, seconded by Director Grant, the Board approved the Agreement on a vote of 4-0-1, with Director Brabec abstaining due to his role as an HOA Board Member.

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B. Adoption of Shut Off and Late Fee Policy.

The adoption of the policy was considered and tabled until the May meeting to allow Directors more time for thorough review.

C. BMR Metropolitan District Files

Mr. Flynn reported that Collins, Cockrel & Cole have received the legal files for BMR Metropolitan District from the District's former legal firm, McGeady Sisneros.

Manager

A. Consumption and Charges Report and Delinquent Accounts Report.

The Consumption and Charges Report and Delinquent Accounts Report was reviewed. Mr. Flynn requested that future delinquent account reports be provided to the Board separate from the Board agenda packet.

Engineer

Mr. Johnston discussed phosphorous effluent limits placed by the State of Colorado as part of the District's water treatment discharge and pursuant to certain Water Quality Control Commission regulations. Mr. Johnston estimates that the District's phosphorous effluent is between 5 and 10 pounds per year. Following additional discussion, including an offer from Dominion Water & Sanitation District to sell a phosphorous allocation to the District and disclosures from Mr. Flynn and Mr. Reid that their respective firms represent and/or provide contract work for Dominion Water & Sanitation District, the Board directed Mr. Johnston to research alternate sources of such a phosphorous allocation.

Water System  
Issues

Mr. Sucher distributed a map showing hot spots in the water system and identified distribution lines that he believes would benefit most from "blow-off" valves. Mr. Sucher recommends the following priority for blow off valves:

1. Autumn Sun Circle
2. Nightfire Circle
3. Riva Rose Circle
4. Winterhawk Circle
5. Glade Gulch Circle
6. Wildfire Circle

Director Brabec informed the Board that he is aware of a homeowner that hired professionals to disconnect his service line,

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flush it and then reconnect it in hopes of removing sediment buildup. The preliminary indication is that this helped with problems the homeowner had with sediment for some time. This may be an option to consider as opposed to blow off valve costs. .

Mr. Brabec will try and get additional information about this process.

Mr. Sucher reported that the snow plow has damaged some of the Street covers and that C&L Backhoe will replace when they are on site.

The Board discussed the difference between the water production quantity and the water consumption report. Mr. Sucher noted that the numbers are actually close, and that approximately 250,000 gallons of water were used in the last month to flush distribution lines and for water production. The Board requested that an "as-built map" of the water system be kept at the treatment plant.

Mr. Sucher reported that he has spoken with many residents who have personal treatment units in their homes and these can cause problems. He said Treatment Technology is willing to look at the in-home treatment systems. The Board will reference this subject in the HOA newsletter.

The Board discussed the possibility of a summer water educational festival and open house. No specific action was taken on this matter until a meaningful program can be developed that assists in resident education regarding treatment and the facilities and at the same time keep the infrastructure secure from external compromise or attack.

Director Cobb inquired about the Consumer Confidence Report. Mr. Sucher reported that the State sends the testing information and Treatment Technology confirms the information and drafts the Report. Reports are mailed annually in June as they are due to constituents by July 1<sup>st</sup> each year.

Arrangements have been made with AmWest to store the extra well pump motor. It was noted that the current pump motor is over 10 years old and that the pump installed in 2007 is compatible with the new motor stored by AmWest.

The Board discussed purchasing Potassium Nitrate chemical pallets as funds are available.

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Directors' Items

Director Brabec discussed the bid from Advanced Property Maintenance for painting and staining the water treatment facility for \$1,945, and to conduct other repairs as needed, including the recent roof damage on a time and materials basis. Following discussion, upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the bid with Advanced Property for \$1,945 with the understanding that there will be additional charges for the roof.

Director Brabec is in the process of soliciting bids to improve the road to the storage tanks.

Other Business

None.

Community  
Comments

Mr. Foster asked the Board to explain the well system and the water settlement agreement. The Board informed Mr. Foster that informational meetings are being planned and suggested he watch for upcoming details. He indicated that he looked forward to attending this event.

Mr. Zimmerman inquired about the financial benefits of district consolidation, specifically relating to Consolidated Bell Mountain Ranch and BMR Metropolitan Districts. Director Dassel explained that the Districts would most likely not be consolidated in the near term as information about the BMR District is being gathered and the newly installed resident directors wish to examine the various systems, processes, and costs of the BMR. Without a thorough understanding of the status of the District, the Directors cannot make a reasoned and considered decision regarding consolidation. The Board concedes that some costs might be reduced by such action, but without thorough review, the cost savings may well be outweighed by other considerations.

Adjournment

There being no further business to come before the Board, Chair Dassel adjourned the meeting at 7:25 p.m.

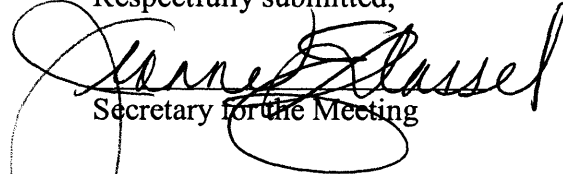
The foregoing minutes were approved by the Board of Directors on the \_\_\_\_\_ day of \_\_\_\_\_, 2009.

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The foregoing record constitutes a true and correct copy of the minutes of the above-referenced meeting.

Respectfully submitted,

  
Secretary for the Meeting