

MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
BMR METROPOLITAN DISTRICT  
HELD APRIL 6, 2010

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, April 6, 2010 at 6:00 p.m. at Lowell Ranch, 2330 South I-25. The meeting was open to the public.

Attendance

In attendance were Directors:

Jeanne Dassel  
Alan Cobb  
Russell Grant  
Bob Brabec  
Kirk Fischer

Also in attendance:

John Simmons; Simmons & Wheeler P.C.  
Tim Flynn, Esq.; Collins Cockrel and Cole  
Jeff Sucher; Treatment Technology  
Chuck Reid; R.S. Wells L.L.C.

Residents in attendance:

Al Hawkins; 1238 Riva Rose Circle, Castle Rock, CO  
Bob Zimmerman; 1240 Glade Gulch, Castle Rock, CO  
Jean Brabec; 3195 Glade Gulch Circle, Castle Rock, CO

Call to Order

Director Dassel, called the meeting to order at 6:00 p.m. and verified a quorum present.

Conflicts of  
Interest

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 Consolidated Bell Mountain Ranch Metropolitan District. The Consolidated Bell Mountain Ranch Metropolitan District has entered into and may from time to time enter into additional agreements with the BMR Metropolitan District. Director Brabec disclosed that in addition to the foregoing he sits on the Board of Directors of the Bell Mountain Ranch Homeowners Association.

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 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 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.

Approval of  
Agenda

Following discussion, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the agenda as amended, with several additions, as noted in the minutes.

Administrative  
Matters

A. Review and Approval of March 2, 2010 Regular Board Meeting Minutes

Upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the March 2, 2010 regular board meeting minutes as presented.

B. Review and Consider Approval of Claims for March 2010

Following review, upon a motion duly made by Director Cobb, seconded by Director Brabec and, upon vote, unanimously carried, the Board approved claims totaling \$37,095.00, represented by check numbers 1890 through 1906.

C. Review and Consider Acceptance of Unaudited Financial Statements as of February 28, 2010

Mr. Simmons distributed the unaudited financial statements as of February 28, 2010 as prepared by Simmons & Wheeler, P.C. Following review and discussion, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board accepted the unaudited financial statements as presented. Director Cobb inquired whether the

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financials could be reformatted so they would match the budget, and Mr. Simmons will work towards this goal.

### D. Consumption and Charges Report

Mr. Reid distributed the Consumption and Charges Report to the Board. No action was taken.

### E. June Meeting Date

Following discussion, upon a motion duly made by Director Fischer, seconded by Director Cobb and, upon vote, unanimously carried, the Board cancelled the regular meeting of June 1, 2010 and set a special meeting for June 8, 2010.

### Discussion Items

Nothing for discussion at this time.

### Action Items

#### A. Review and Consider Approval of Draft 2009 Audit

Following review and discussion, upon a motion duly made by Director Dassel, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved the draft audit as presented, pending receipt of an unqualified opinion from the auditor.

### Attorney Items

#### A. Discussion of Bill Adjustment Policy

Mr. Flynn handed out the most recent version of the Bill Adjustment Policy, noting that this version includes the following changes:

- Adjustment requests must be initiated by the customer;
- Clifton Gunderson and RS Wells may initiate an adjustment, if there was an obvious reading error;
- The Board shall consider hardship requests; and
- The Board shall consider adjustments due to leaking service lines.

The Board shall consider adjustments when leaks are reported and it appears that there is reasonable grounds for making such adjustments. Following review and discussion, upon a motion duly made by Director Cobb, seconded by Director Brabec and, upon vote, unanimously carried, the Board approved as presented.

B. Settlement Agreement Status Report

Mr. Flynn reported that the Settlement Agreement has been completed and almost all documents have been executed and recorded.

C. Retention of Back Flow Prevention Device Test Results

Mr. Flynn researched the District's Rules and Regulations and recommends requiring annual testing pursuant to Section 3.2.6 of Appendix B, Cross Connection and Backflow Prevention Devices. The Board discussed negotiating costs for this service with qualified vendors and providing this information to the Community. Director Fischer assumed the task of researching the options available to the Board in assisting residents with information and compliance with the Regulations of the District.

D. Ratification of Tetra Tech, Inc. Engineering Design and Bidding Services Agreement

Upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board ratified approval of the agreement with Tetra Tech, Inc. for engineering design and bidding services for a water well that will provide an alternate point of diversion well for the District. Tetra Tech is moving forward on the project.

E. Engagement Letter with Johnson & Repucci (added to agenda)

Mr. Flynn informed the Board that he was in contact with Steve Larson of Johnson & Repucci and he has requested a separate engagement letter for the work Mr. Larson is providing the District. Following discussion, upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the engagement with Johnson & Repucci.

F. Zimmerman Bankruptcy

Mr. Flynn reported that a lien for \$2,000 of the \$2,500 bill has been accepted by the trustee in bankruptcy, will be filed, and will be paid when the property is sold.

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### Engineer

#### A. Water Well / Request for Proposal

This item was addressed as part of the ratification of Tetra Tech Engineering Design Agreement.

#### B. Status of Discharge Permit (added to agenda)

Mr. Flynn reports that the discharge permit application is ready to be sent to the State. He noted that the State may require de-chlorination as part of the permit, and Mr. Sucher will explore options for this service with Mr. McCarthy. Little or no phosphorous is being discharged under the current permit and practices, and whether a phosphorous allocation from the Chatfield Watershed Authority is needed at this time is in question. Director Dassel agreed to take this up with the Authority.

### Water System

#### A. Monthly System Report

Mr. Sucher updated the Board on Treatment Technology's activities in March including:

- Work with Tetra Tech on discharge permit;
- Turbidity issues appear to be subsiding; field testing is ongoing with positive results; maintaining a higher pH appears to be helping system; and
- Work on the annual Consumer Confidence Report has begun and should be complete in June.

Director Dassel reported that one property owner found a screen covering the point of entry to the owner's service line that had rusted and this rust may have contributed to the turbidity issues in the resident's water. Since the removal, there have been no issues.

#### B. Permission to Release Report (added to agenda)

Director Dassel noted that the District completed some water quality testing for specific homeowners, and wants to release the testing results and report to those specific owners. Following discussion, Director Brabec moved to approve release of the report, with Director Grant seconding the motion. The motion passed unanimously.

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Directors' Items

A. Mowing and Spraying Request (added to agenda)

Director Brabec requested funds to mow and spray at the treatment plant. Following discussion, upon a motion duly made by Director Grant, seconded by Director Cobb and, upon vote, unanimously carried, the motion passed to contract with Reitz Management in an amount not to exceed \$500 for mowing and spraying at the treatment plant. Mr. Sucher requested to be notified before the work is done.

B. Reimbursement Requests

The District has received two reimbursement requests from property owners who had their services lines flushed due to high sediment in the distribution system:

Ms. Morse, 3220 Glade Gulch Circle; and  
Mr. Stein, 4457 Oldgate Road

Following discussion, upon a motion duly made by Director Fischer, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved reimbursement for each property owner for \$205 in keeping with the policy set by the Board.

Other Business

Nothing to discuss at this time.

Community  
Comments

Nothing to discuss at this time.

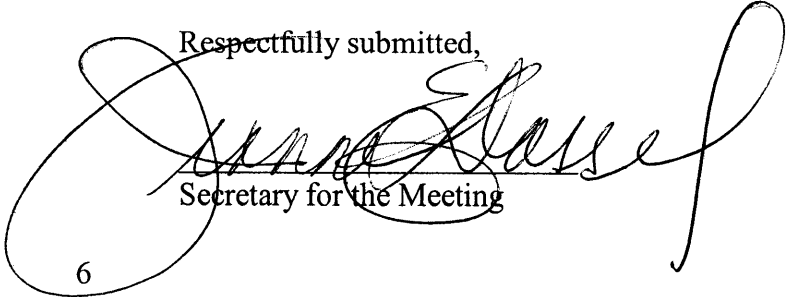
Adjournment

There being no further business to come before the Board, the Board adjourned the meeting at 6:45 p.m.

The foregoing minutes were approved by the Board of Directors on the 8th day of June, 2010.

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

Respectfully submitted,

  
Secretary for the Meeting