

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BMR METROPOLITAN DISTRICT HELD AUGUST 4, 2009

A special meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, August 4, 2009 at 5:00 p.m. at Lowell Ranch, 2330 South I-25, Castle Rock, Colorado. The meeting was open to the public.

Attendance

In attendance were Directors:

Alan Cobb
Bob Brabec
Kirk Fischer
Russell Grant

Absent and excused was Director Dassel.

Also in attendance:

Chuck Reid; R.S. Wells L.L.C.
Tim Flynn, Esq.; Collins Cockrel and Cole
Jeff Sucher; Treatment Technology, Inc.
John Simmons; Simmons & Wheeler, P.C.
Bob Zimmermann; 1240 Glade Gulch, Castle Rock, CO
Al Hawkins; 1238 Riva Rose, Castle Rock, CO
Jack Shiker; 4424 Mariposa Road, Castle Rock, CO
Lynne Norwood; 3590 Winterhawk Circle, Castle Rock, CO

Call to Order

Director Brabec, who presided as Chair, called the meeting to order at 5:07 p.m. and declared a quorum was present.

Upon a motion duly made by Director Fischer, seconded by Director Grant and, upon vote, unanimously carried, the Board excused the absence of Director Dassel.

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 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.

Upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved the agenda as presented.

Administrative
Matters

A. Review and Approval of July 7, 2009 Regular Board Meeting Minutes

Upon a motion duly made by Director Fischer, seconded by Director Grant and, upon vote, unanimously carried, the Board approved the July 7, 2009 regular board meeting minutes as presented.

B. Financial Matters

1. Review and Consider Approval of Claims for July 2009

Following review, upon a motion duly made by Director Brabec, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved claims for July 2009, totaling \$36,217.68, represented by check numbers 1789 through 1800.

C. Review and Consider Approval of Unaudited Financial Statements as of June 30, 2009

Mr. Simmons presented the unaudited financial statements as of June 30, 2009 to the Board. The Board requested Mr. Simmons to submit cash position schedule monthly, with Director Cobb noting that he would like to review financial statements in more detail. The Board also indicated that it would be desirable to conduct an

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overall District needs assessment as part of the 1020 budgetary process.

Following discussion, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board accepted the unaudited financial statements as presented.

Discussion Items

There were no discussion items.

Action Items

There were no action items.

Attorney Items

Mr. Flynn reported that he is working on phosphorous allocation. Mr. Flynn, pursuant to the Board's directive has notified Griff Johnston that the District will be using Tetra Tech – RTW as its sole engineering firm. Mr. Flynn has also forwarded the State of Colorado's Drinking Water Revolving Fund project eligibility list information to Director Dassel.

Manager

A. Consumption and Charges Report

Mr. Reid distributed the consumption and charges report to the Board. No comments were made.

Engineer

The system engineer was not present at this meeting.

Water System

A. Operator's Report

Mr. Sucher distributed the water systems report for July 2009, and specifically noted:

- 4,998,000 gallons of water were produced during the month, an average of 161,225 gallons per day
- Tank Telemetry – During a heavy lightning storm in late July, the antenna at the tank was affected and as a result, lost transmission. Tech Control, Ltd. was able to restore proper transmission from the tank to the plant after replacing the antenna.
- Power Failure – The transfer switch inside the water treatment plant failed early on the morning of July 31st.

Treatment Technology was on site at 1:45 a.m. and tried to restore power and was unable to do so. IREA came out and checked to ensure the power was feeding into the plant properly and determined the problem was not with IREA. Konrad Electric has been working with Rocky Mountain Power to get parts and in an earlier email sent to the Board, the options for repairs were laid out. Director Grant has also been in contact with Konrad Electric regarding the necessary repairs.

- 3211 Autumn Sun Circle – On July 28th, Jeff Sucher met Pro Plumbing at 3211 Autumn Sun Circle. The service line was flushed and onsite water testing indicated the water met and exceeded drinking water standards.
- PRV Vault Repair – The PRV vault at Bell Mountain Drive and Old Gate Drive were repaired by Fischer Construction in mid July and is functioning properly. Mr. Sucher added that he believes that with this fix, the BMR system now has a loss ratio of less than 1%, with storage capacity of one to two days under normal operating conditions.

Following review of the report, Mr. Sucher discussed the power failure in more detail. He received a bid from Konrad Electric to repair the panel. Following discussion, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved the bid from Konrad Electric to repair the panel in an amount not to exceed \$5,000.

The Board noted that it was their intent to test the service line and water quality at 3211 Autumn Sun Circle and determine if suggesting the fix proposed by Pro Plumbing is appropriate for residents that have high levels of particulates in their service line. The District will recommend the fix proposed by Pro Plumbing to District residents on a case-by-case basis.

Directors' Items

Director Cobb reported that the website was updated with the current Consumption and Charges Report.

Other Business

There was no other business for discussion.

Community
Comments

There were no comments from the residents in attendance.

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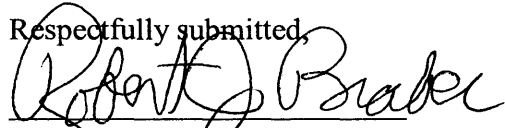
Adjournment

There being no further business to come before the Board, upon a motion made by Director Cobb, seconded by Director Fischer and, upon vote, unanimously carried, the Board adjourned the meeting at 5:40 p.m.

The foregoing minutes were approved by the Board of Directors on the 1st day of September, 2009.

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

Respectfully submitted,


Secretary for the Meeting