

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BMR METROPOLITAN DISTRICT HELD DECEMBER 16, 2008

A special meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, December 16, 2008 at 1:30 p.m. at the offices of R.S. Wells L.L.C., 8390 E. Crescent Pkwy., Suite 500, Greenwood Village, Colorado. The meeting was open to the public.

Attendance: In attendance were Directors:

Evan Zucker
Scott Schaible
Jeanne Dassel
Bob Brabec

Absent and excused was Director Mulvihill.

Also in attendance:

David Peak; R.S. Wells L.L.C.
Chuck Reid; R.S. Wells L.L.C.
Bob Brooks; R.S. Wells L.L.C.
Mary Jo Dougherty, Esq.; McGeady Sisneros, P.C. via Phone
Tim Flynn, Esq.; Collins Cockrel and Cole
Terry Gorrell, Esq.; Gorrell Giles PC
Jeff Sucher; Treatment Technology, Inc.
Benson Smith; Treatment Technology, Inc.
Don Murray; Treatment Technology, Inc.
Griff Johnston; Johnston Engineering Associates, Inc.

Call to Order Director Zucker called the meeting to order and declared a quorum was present.

Disclosures of Potential Conflicts Of Interest The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures

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Approve Agenda made by the Board members prior to this meeting in accordance with statute.
Upon a motion duly made by Director Zucker, seconded by Director Schaible and, upon vote, unanimously carried, the Board approved the agenda as presented and excused the absence of Director Mulvihill.

Approval of Meeting Location The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, upon motion duly made by Director Zucker, seconded by Director Schaible and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries, or within 20 miles of the District's boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Approve Resolution On Director Conflicts Following review, upon a motion duly made by Director Brabec, seconded by Director Schaible and, upon vote, unanimously carried, the Board adopted the Resolution Acknowledging Director Conflicts subject to revisions.

Review/Approve Minutes Following review, upon a motion duly made by Director Dassel, seconded by Director Brabec and, upon vote, unanimously carried, the Board approved the November 3, 2008 Regular Board Meeting Minutes as amended.

Community Comments There was nothing to report.

Financial Matters A. Review and Approval of November 2008 Claims.
Following review, upon a motion duly made by Director Zucker, seconded by Director Schaible and, upon vote, unanimously carried, the Board approved the claims for November 2008, totaling \$46,663.25, represented by check numbers 1678 through 1696, with check numbers 1684 and 1690 being voided.

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B. Review and Consider Approval of 2008 Audit Proposal from L. Paul Goedecke P.C.

Following discussion, upon a motion duly made by Director Brabec, seconded by Director Dassel and, upon vote, unanimously carried, the Board approved the 2008 audit proposal from L. Paul Goedecke P.C. for an amount not to exceed \$3,950.

Water System Issues

A. Water System Issues.

Mr. Sucher distributed the distributor system report to the Board. He reported that the distribution meter measuring water leaving the water treatment plant is reading inaccurately and needs to be replaced. There is not a meter to put in place temporarily while the meter which has gone bad is rebuilt and certified for accuracy. The problem was first discovered on December 9, 2008. The November readings are accurate. He informed the Board that the cost of a new meter, including installation, would be \$3,843.25.

Following discussion, upon a motion duly made by Director Brabec, seconded by Director Zucker and, upon vote, unanimously carried, the Board approved the replacement of the distribution meter for an amount not to exceed \$3,843.25.

Mr. Sucher also reported that Ken Logan from IREA provided information that there has not been dirty power serving the BMR community. Treatment Technology has requested charts indicating the power supplied on the days when the well pump motor went bad to ensure this is the case.

Regarding the well pump motor, Mr. Sucher reported that Scott Martin from AmWest has indicated that CentriLift will be replacing the well pump motor and it should be onsite at BMR for storage just after the first of the year, 2009.

Consultant Reports

A. Manager.

1. Consumption and Charges Report and Delinquent Accounts Report.

Mr. Peak reviewed the consumption and charges report and the delinquent accounts report with the Board. Director Dassel requested that the rate increase be included on the January billing.

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B. Attorney.

1. Discuss and Consider Approval of Settlement Agreement and Exhibits Thereto By and Among BMR Metropolitan District, Consolidated Bell Mountain Ranch Metropolitan District, Bell Mountain Homeowners Association, Inc., Bromley District Water Providers, LLC, Silver Peaks Metropolitan District No. 1, Bell Mountain Ranch Associates Limited Partnership, Bell Mountain Water Co., LP and Others.

Following review and discussion, upon a motion duly made by Director Brabec, seconded by Director Schaible and upon vote, unanimously carried, the Board approved the Settlement Agreement and Exhibits Thereto By and Among BMR Metropolitan District, Consolidated Bell Mountain Ranch Metropolitan District, Bell Mountain Homeowners Association, Inc., Bromley District Water Providers, LLC, Silver Peaks Metropolitan District No. 1, Bell Mountain Ranch Associates Limited Partnership, Bell Mountain Water Co., LP and Others, subject to minor changes and the majority of the Board meeting to final approve.

2. Discuss and Consider Approval of Restated and Amended Regional Facilities Agreement Between BMR Metropolitan District and Consolidated Bell Mountain Ranch Metropolitan District.

Following review and discussion, upon a motion duly made by Director Brabec, seconded by Director Schaible upon vote, unanimously carried, the Board approved the Restated and Amended Regional Facilities Agreement between BMR Metropolitan District and Consolidated Bell Mountain Ranch Metropolitan District, subject to minor changes and the majority of the Board meeting to final approve.

3. Discuss and Consider Approval of Termination of Operation Funding Agreements Between BMR Metropolitan District and Bell Mountain Ranch Associates Limited Partnership.

Following review and discussion, upon a motion duly made by Director Brabec, seconded by Director Schaible upon vote, unanimously carried, the Board approved the

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Termination of Operation Funding Agreements between BMR Metropolitan District and Bell Mountain Ranch Associates Limited Partnership, subject to minor changes and the majority of the Board meeting to final approve.

4. Discuss and Consider Adoption of Resolution Approving Revenue Note, Series 2008 Authorizing the Revenue Note, Series 2008 in an Aggregate Principal Amount Not to Exceed \$80,000 for the Purpose of Reimbursement to Bell Mountain Ranch Associates Limited Partnership for Certain Costs Associated with Water System Improvements within the District's Service Area, Approving the Revenue Note, Series 2008 and Providing for Other Matters Relating Thereto.

Following review and discussion, upon a motion duly made by Director Brabec, seconded by Director Schaible upon vote, unanimously carried, the Board approved the Resolution Approving Revenue Note, Series 2008 Authorizing the Revenue Note, Series 2008 in an Aggregate Principal Amount Not to Exceed \$80,000 for the Purpose of Reimbursement to Bell Mountain Ranch Associates Limited Partnership for Certain Costs Associated with Water System Improvements within the District's Service Area, Approving the Revenue Note, Series 2008 and Providing for Other Matters Relating Thereto, subject to minor changes and the majority of the Board meeting to final approve.

5. Review and Consider Approval of the Amended and Restated Emergency Interconnect Agreement by and Among Consolidated Bell Mountain Ranch Metropolitan District, BMR Metropolitan District, Bell Mountain Water Co., LP, Bromley District Water Providers, LLC, Silver Peaks Metropolitan District No. 1, Town of Lochbuie and United Water & Sanitation District.

Following review and discussion, upon a motion duly made by Director Brabec, seconded by Director Schaible upon vote, unanimously carried, the Board approved the Amended and Restated Emergency Interconnect Agreement by and Among Consolidated Bell Mountain Ranch Metropolitan District, BMR Metropolitan District, Bell Mountain Water Co., LP, Bromley District Water Providers, LLC, Silver Peaks Metropolitan District No. 1, Town of Lochbuie and United Water & Sanitation District,

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subject to minor changes and the majority of the Board meeting to final approve.

6. Discuss Passage of Amendment 54 and Appoint Board Member to Work with Staff to Bring the District into Compliance by December 31, 2008.

There was discussion regarding Colorado Constitutional Amendment 54 which was voted into law on November 4, 2008. Attorney Dougherty reported the provisions of Amendment 54 define "sole source contracts" as all contacts with governmental entities which are not publicly bid, and imposes certain contractual obligations upon such sole source contracts. Non-compliance with the provisions of this new law may constitute corrupt misconduct or malfeasance and may result in removal from office and disqualification to hold any office in the State. Following discussion, the Board directed Director Zucker to work with the District's manager to implement procedures to ensure the District will be in compliance with the provisions of Amendment 54 by its effective date of December 31, 2008.

7. Approval of Engagement Letters.

Following review and discussion, upon a motion duly made by Director Dassel, seconded by Director Schaible and, upon vote, unanimously carried, the Board approved the following agreements, subject to final review by Counsel:

- Engagement Letter with Simmons & Wheeler P.C.
- Engagement Letter with Johnston Engineering Associates, Inc.
- Engagement Letter with Treatment Technology, Inc.
- Engagement Letter with R.S. Wells L.L.C.

- C. Engineer's Report.

Mr. Johnston reported that he is working with the State regarding the phosphorous allocation request.

Directors' Items

Nothing for discussion.

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Other Business

A. Discuss 2009 Meeting Dates.

Meetings for 2009 will be determined at a later date.

Community
Comments

There were no comments.

Resignations

The resignations of Director Zucker, Director Mulvihill and Director Schaible were postponed.

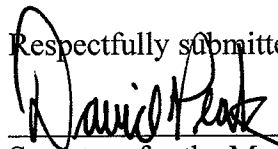
Adjournment

There being no further business to come before the Board, upon a motion duly made by Director Zucker, seconded by Director Schaible and, upon vote, unanimously carried, the Board adjourned the meeting at 2:50 p.m.

The foregoing minutes were approved by the Board of Directors on the 3rd day of February, 2009.

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

Respectfully submitted,


Secretary for the Meeting