

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT
HELD JANUARY 5, 2010

A special meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, January 5, 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
Kirk Fischer

Absent and excused was Director Brabec.

Also in attendance:

Chuck Reid; R.S. Wells L.L.C.
Tim Flynn, Esq.; Collins Cockrel and Cole
Jeff Sucher; Treatment Technology
Benson Smith; Treatment Technology

Residents in attendance:

Al Hawkins; 1238 Riva Rose Circle, Castle Rock, CO
Bob Zimmerman; 1240 Glade Gulch, Castle Rock, CO
Jack Shiker; 4424 Mariposa Road, Castle Rock, CO
Dunice KralyWilliams; 1062 Glade Gulch Road, Castle Rock, CO

Call to Order

Director Dassel, called the meeting to order at 6:02 p.m. and declared a quorum was present.

Upon a motion duly made by Director Cobb, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved the absence of Director Brabec.

Approval of
Agenda

Following review, upon a motion duly made by Director Dassel, seconded by Director Fischer and, upon vote, unanimously carried, the agenda was approved as amended with the following changes:

- 3A: the addition of two checks to 1860 and 1861, with a revised total of \$65,093.65;
- 4.A: remove from agenda.
- 6.A. the addition of a status update on the phosphorous allocation;
- 10: the addition of a status update on well funding and next steps in the agreement, as well as an update on the well permit.

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.

Administrative Matters

- A. Review and Approval of November 4, 2009 Special Board Meeting Minutes

Upon a motion duly made by Director Grant, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the November 4, 2009 special board meeting minutes as presented.

RECORD OF PROCEEDINGS

B. Ratify Approval of Claims for November 2009

Following review, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board ratified approval of claims totaling \$21,349.62, represented by check numbers 1837 through 1847.

C. Review and Consider Approval of Claims for December 2009

Following review, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved claims totaling \$65,093.65, represented by check numbers 1849 through 1861. The Board requested that the insurance check be held until verification is received from T. Charles Wilson regarding the amount that needs to be paid for the District.

D. Review and Consider Approval of Financial Statements as of November 30, 2009 and Cash Position as of January 1, 2010

The Board reviewed the financial statements and cash position provided by Simmons & Wheeler. The cash position did not include the recent modification of the two checks added to the claims. Following discussion, the Board requested that Mr. Simmons attend the February meeting when all of the 2009 financials are complete and requested that information be provided one week in advance for Board review. The Board took no action on the financial statements or cash position.

E. Consider Adoption of Resolution 2010-1-1, Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices for 2010

Following review, upon a motion duly made by Director Fischer, seconded by Director Cobb and, upon vote, unanimously carried, the Board adopted the resolution as presented.

F. Consider Adoption of Resolution 2010-1-2, Calling an Election for May 2010

Following review, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board adopted the resolution as presented.

RECORD OF PROCEEDINGS

Discussion Items

A. 2010 Service and Consultant Contracts

Mr. Flynn has sent the proposed contracts to Tetra Tech, RTW and Treatment Technology for review. The Board would like to discuss a "not to exceed contract" with R.S. Wells L.L.C. for management services. Mr. Reid will work with Director Dassel on numbers to include in a contract that will be provided by Mr. Flynn. No action was taken on any of the contracts discussed.

Action Items

A. Request for Service Line Leak Credits

1. 1283 Glade Gulch Road

Following review and discussion, upon a motion duly made by Director Fischer, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved a credit of \$1,248.30 only if the bill is brought current, including current charges, by the end of January 2010. Director Dassel requested that Mr. Reid draft a letter to the property owner explaining the credit.

2. 3487 Medallion Road

Following review and discussion, upon a motion duly made by Director Grant, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved credit of \$392.90, after receipt of a letter from the property owner and proof of the irrigation system repairs.

Attorney Flynn was asked to prepare a bill adjustment policy for the Board's consideration at its February meeting.

Attorney Items

A. Status of Phosphorous Allocation

Mr. Flynn provided an update on the status of obtaining a phosphorous allocation for the District. At this time, Mr. Flynn believes that the District's best option is to meet with the Chatfield Authority manager to identify what options the District has.

B. Bankruptcy Filed in Texas

Mr. Flynn provided an update on bankruptcy that has been filed in the state of Texas that affects the District. Mr. Flynn does not recommend entering into the case due to the costs involved with entering into a Texas case. The Board requested that R.S. Wells track what is owed on this account and keep the attorney and board

RECORD OF PROCEEDINGS

apprised of any requests from title companies associated with this account.

Manager

A. Consumption and Charges Report

Mr. Reid distributed the consumption and charges report to the Board. The report was reviewed and no action was taken.

Engineer

The engineer was not present for any updates.

Water System

Mr. Sucher distributed and reviewed his report with the Board:

- A total of 1,688,000 gallons of water was used during November, with an average usage per day at 52,267 gallons
- A total of 1,358,000 gallons of water was used during December, with an average usage per day at 43,806 gallons
- Flushing Project: A flushing of the system took place on November 17th and 18th. This was the second part of the bi-annual flushing program done within the District and field results show the water to meet and exceed state standards.
- Flow-off Installation and Valve Box Repairs: A blow-off was installed on Nightfire Circle on December 29th and the blow-off to be installed on Autumn Sun Circle was not installed due to the hydrant placement at the end of the line. Treatment Technology will be exercising the blow-off and hydrant in an effort to keep water circulating in those lines. Additionally, valve boxes were replace on Serenade Road, Starburst Circle and Glade Gulch Drive.

The Board discussed the need for a lightning control device with Mr. Sucher at both the water storage tank and the water treatment plant. Treatment Technologies will provide options for the Board's consideration.

Directors' Items

Director Dassel provided a brief update as to the status of the well funding and the next steps in the agreement. She also reported that the well permit has been filed and the District is waiting to hear from the state engineer's office on this filing.

Director Cobb noted that the transparency notice required to comply with Senate Bill 2009-087 has been posted on the Special District Association's website.

RECORD OF PROCEEDINGS

Other Business There was no other business for discussion.

Community
Comments There were no community comments.

Executive Session The Board did not go into executive session.

Adjournment There being no further business to come before the Board, upon a motion duly made by Director Grant, seconded by Director Fischer and, upon vote, unanimously carried, the Board adjourned the meeting at 7:00 p.m.

The foregoing minutes were approved by the Board of Directors on the 2 day of February, 2010.

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

Respectfully submitted,


Secretary for the Meeting