

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT
HELD JUNE 8, 2010

A special meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, June 8, 2010 at 6:00 p.m. at MedVed AutoPlex, Chevy Building, 156 S. Wilcox Street, Castle Rock, Colorado 80104. The meeting was open to the public.

Attendance

In attendance were Directors:

Jeanne Dassel
Alan Cobb
Russell Grant
Bob Brabec
Kirk Fischer

Residents and others in attendance:

Lynne Norwood, 3590 Winterhawk Circle
Al Hawkins; 1238 Riva Rose Circle, Castle Rock, CO
Bob Zimmerman; 1240 Glade Gulch, Castle Rock, CO
Justin Kolb, 1271 Rosewind, Castle Rock, CO

Also in attendance:

Benson Smith, Treatment Technology
Tim Flynn, Esq.; Collins Cockrel and Cole
Chuck Reid; R.S. Wells L.L.C.
Will Kroger; Nolte Associates, Inc.

Call to Order

Director Dassel, called the meeting to order at 6:10 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

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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 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 Fischer and, upon vote, unanimously carried, the Board approved the agenda as presented.

Administrative Matters

A. Review and Approval of April 6, 2010 Regular Board Meeting Minutes

Upon a motion duly made by Director Fischer, seconded by Director Brabec and, upon vote, unanimously carried, the Board approved minutes of the April 6, 2010 regular board meeting.

B. Review and Approval of May 4, 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 May 4, 2010 regular meeting minutes.

C. Review and Consider Approval of Current Claims

Following review and discussion, and upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved claims totaling \$40,369.29, represented by check numbers 1924 through 1939.

The Board noted that with this approval, the participation agreement with the HOA has been fully paid.

D. Review and Consider Approval of Cash Position

The Board briefly reviewed the cash position as of June 8, 2010. Following review and a request to receive the cash position statement with the packet or emailed separately before the meeting, Director Cobb moved and Director

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Brabec seconded a motion accepting the cash position as of June 8, 2010. The motion passed unanimously.

E. Consumption and Charges Report

The Board reviewed the information handed-out at the meeting, which was different than that sent in an earlier email. The Board took no action on this item.

Action Items

A. Motion to Approve Extraordinary Meter Replacements

Mr. Reid noted that the District's water meter vendor, National Meter, has requested replacing 29 meters that are close to failing. Typically, two or three meters are replaced on an as needed basis. Following discussion, the Board directed Mr. Reid to provide the contract with National Meter (if any) to the Board, and invite a National Meter Representative to attend the August Board meeting to discuss their protocols and processes. The Board took no action on the request to purchase the 29 meters.

Attorney Items

A. Bond Counsel Engagement Letter / DWRF Loan

Mr. Flynn reviewed the bond counsel engagement letter from Tom Peltz at Kutak Rock, for the Drinking Water Revolving Fund (DWRF) loan application. Following discussion, Director Brabec moved and Director Grant seconded a motion approving the engagement letter. The motion passed unanimously.

B. Bankruptcy Notice

Mr. Flynn recommended that the District file a "Notice of Perpetual Statutory Lien" against the "Marshall Lot" for the prepetition bankruptcy amount that is due. Following discussion, Director Cobb moved and Director Brabec seconded a motion authorizing this filing. The motion passed unanimously.

C. Resolution 2010 6-1, a Resolution Reaffirming Water Rates

Mr. Flynn reported that the DWRF loan application required a reaffirmation of the District's water rates. Following discussion, Director Brabec moved and Director Cobb seconded a motion approving Resolution 6-1-2010. The motion passed unanimously.

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Director Dassel noted that this reaffirmation and Resolution was not an increase in rates – simply an affirmation of the existing rate structure.

Water System

Mr. Smith presented the monthly report, noting that:

- Treatment Technology (TT) & C&L Backhoe responded to a water line break at the Tobin residence. Director Brabec expressed appreciation for TT's rapid response.
- Onsite field testing continues, with positive results.
- TT responded to a request from the Sheldon residence, and Pro Plumbing was engaged by the Sheldon's to flush the serve line. The Board will contact the Sheldon's regarding status of water issues following the service line maintenance by Pro Plumbing.
- Security notices and improvements have been made at the treatment plant and storage tank. The Board discussed, and Mr. Smith explained TT's emergency response protocols and requested monthly generator testing. The Board discussed additional security measures and will follow-up on these as needed.
- The Consumer Confidence Report has been completed and will be mailed with the June billing.
- Main line flushing will begin in June. The Board will communicate about the line flushing, and an expected increase in visible sediments in service lines, with residents.
- TT has been working with other consultants on the DWRF loan application.
- TT has completed addressing all follow-up items requested by the State in the State's recent system inspection.
- The system could be operated more efficiently with an upgrade to the phone system that would allow high speed internet access. Following discussion, Director Brabec moved and Director Grant seconded a motion approving the purchase and installation of high speed internet access at the water treatment plant. The motion passed unanimously.
TT staff and Mr. Reid will coordinate this improvement.
- Two power heads for the re-ionator need to be purchased. Following discussion, Director Brabec moved and Director Grant seconded a motion approving the purchase of two power heads, in an amount not to exceed \$5,000. The motion passed unanimously.

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Directors' Items

A. Douglas County Water Conservation Program

Director Dassel reported that she had attended a meeting about the County's efforts for a coordinated water conservation program. Mr. Koger, representing the Conservation Authority as a contractor for assembling a survey, provided additional information about the program. The Board considered the burdens and benefits of participating in the program. Following discussion, Director Brabec moved and Director Cobb seconded a motion to table the decision to participate pending the Board's further inquiry as to the scope and effect and benefits of the program for Bell Mountain Ranch, if any. The motion passed unanimously.

B. Request for Reimbursement; 3590 Winterhawk Circle

Ms. Norwood requested a credit for water use due to a leak in her irrigation system. Following discussion and based on the Board's policy to adjust charges for the water consumed at only the first tier for this type of request, Director Brabec moved and Director Cobb seconded a motion authorizing a credit of \$409.80. The motion passed unanimously.

C. Reimbursement Request, 3212 Autumn Sun Circle

Following discussion and based on Board policy, Director Fischer moved and Director Grant seconded a motion reimbursing Cindy Sheldon \$205 for service line flushing. The motion passed unanimously.

D. Chatfield Basin Watershed Authority

Director Dassel noted that she will be working with Treatment Technology on applying to the Authority for an exemption from the Authority's phosphorous allocation process. Testing has shown that the amounts of phosphorous being discharged are well below EPA and State standards and may allow for such an exemption to be granted from the Technical Advisory Committee of the Chatfield Watershed Board.

Adjournment

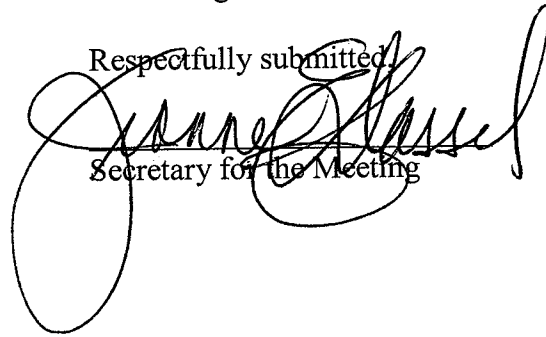
There being no further business to come before the Board, the Board adjourned the meeting at 7:10 p.m.

The foregoing minutes were approved by the Board of Directors on the 3rd day of August, 2010.

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jane Hassel". The signature is written in black ink and is positioned over the typed name "Jane Hassel".

Jane Hassel
Secretary for the Meeting