

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT
HELD MARCH 2, 2010

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, March 2, 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

Also in attendance:

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

Residents in attendance:

Al Hawkins; 1238 Riva Rose Circle, Castle Rock, CO
Bob Zimmerman; 1240 Glade Gulch, Castle Rock, CO
Lynn Norwood; 3590 Winterhawk Circle, Castle Rock, CO
Al Quist; 908 Glade Gulch Road, Castle Rock, CO
Jean Brabec; 3195 Glade Gulch Circle, Castle Rock, CO

Call to Order

Director Dassel, called the meeting to order at 6:03 p.m. Upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board excused the absence of Director Fischer.

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

RECORD OF PROCEEDINGS

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 Dassel, seconded by Director Grant and, upon vote, unanimously carried, the Board amended the agenda to include discussion of Backflow Prevention Device Records under 4.E.

Administrative Matters

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

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

B. Review and Consider Approval of Claims for February 2010

Following review, upon a motion duly made by Director Grant, seconded by Director Brabec and, upon vote, unanimously carried, the Board approved claims totaling \$36,679.78, represented by check numbers 1876 through 1889.

C. Review and Consider Acceptance of Cash Position

Mr. Reid distributed the cash position as prepared by Simmons & Wheeler, P.C. Following review and discussion, upon a motion duly made by Director Brabec, seconded by Director Grant and,

RECORD OF PROCEEDINGS

upon vote, unanimously carried, the Board accepted cash position as presented.

- D. Consider Approval of Payment to Lowell Ranch for Meetings / \$25 per Meeting or \$300 per Year

Following discussion, upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved payment of \$300 to Colorado Agricultural Leadership Foundation for use of the meeting room at Lowell Ranch for 2010.

- E. Backflow Prevention Device Records

The Board discussed whether or not to keep Backflow Prevention Device Certifications that are provided by residents. After a discussion and at the request of the District's legal counsel, the Board tabled any further discussion of this matter until after legal counsel has a chance to review the rules and regulations and report back at the next board meeting.

Discussion Items

Nothing for discussion at this time.

Action Items

- A. Review and Consider Approval of Draft 2009 Audit

The Board received the draft 2009 audit and will hold action on the audit pending review.

Attorney Items

- A. Discussion of Bill Adjustment Policy

The Board discussed the proposed policy and would like to add the following:

- Adjustments will only occur after a customer request.
- The Board will make the final decision on adjustments due to leaks, and based on "hardship."
- The appeal process must reference Item 1.

Action on the proposed policy will be considered in April.

- B. Settlement Agreement Status Report

Final documents are being reviewed and document recordation is expected later this week

RECORD OF PROCEEDINGS

C. Treatment Technology Services Agreement

Mr. Flynn reported that the services agreement with Treatment Technology has been completed.

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.

B. May 4, 2010 Election

Mr. Reid informed the Board that the May 4, 2010 election will be canceled.

Engineer

A. New Well / Request for Proposal

On behalf of Tetra Tech, Inc., Mr. McCarthy will either provide a formal proposal or a formal contract for ratification by the Board at the April meeting. The Board gave Mr. McCarthy direction to move forward with the design process and asked him to work with legal counsel in connection with the preparation of a written agreement for engineering design and construction bidding services for the new well. Mr. McCarthy and legal counsel will explore the feasibility of entering into a turn key construction services contract whereby Tetra Tech, Inc. would enter into a construction contract with an appropriate contractor for the installation of the new well and also provide construction management services. The other construction option discussed was for the District to award a contract for the construction of the well and utilize Tetra Tech, Inc. to provide construction observation services.

Mr. Flynn indicated that under either one of these options, the project will have to be bid.

Following discussion, upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board authorized Tetra Tech, Inc. to move forward with the design of the new well and directed legal counsel to prepare an appropriate agreement with Tetra Tech.

RECORD OF PROCEEDINGS

Water System

Mr. Sucher updated the Board on Treatment Technology's activities in February, including the backwash waste line, which was rebuilt and is working well; joint discussion with the engineer on system performance; and a new alarm code for the plant.

In addition to the report, the Board discussed in-home water softening systems. Following this discussion, the Board requested a report from consultants that can be provided to home owners, and that includes source water quality data; production and distribution issues; and final user water quality and testing processes, with focus on what end-user residents may see and homeowner options if they want in-home treatment. The goal for this report is consumer education, and this report can be made part of the annual Consumer Confidence Report. There was further discussion regarding posting monthly water quality reports on the District's webpage.

Mr. Sucher reported that he will provide the phosphorous discharge reports to Director Dassel.

Directors' Items

Director Brabec brought up the need to purchase "No Trespassing" signs to place on District property. Following discussion, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the purchase of signage for an amount not to exceed \$400.

Other Business

Nothing to discuss at this time.

Community Comments

Mr. Shiker inquired about the new well and whether or not it will be in the same aquifer as the existing well. The Board responded that the new well will be at a different depth than the existing well and it should not affect the current well's performance.

Adjournment

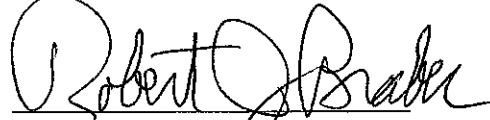
There being no further business to come before the Board, the Board adjourned the meeting at 7:18 p.m.

The foregoing minutes were approved by the Board of Directors on the 6 day of April, 2010.

RECORD OF PROCEEDINGS

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert J. Brader". The signature is written in a cursive style with a large initial "R".

Secretary for the Meeting