

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

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Wednesday, November 4, 2009 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
Bob Brabec
Russell Grant

Absent and excused was Director Kirk Fischer.

Also in attendance:

Bob Brooks; R.S. Wells L.L.C.
Tim Flynn, Esq.; Collins Cockrel and Cole
Jeff Sucher, Treatment Technology

Residents in attendance:

Lynne Norwood; BMR HOA
Bob Zimmermann
Al Hawkins
Lee and Elvina Sweeney
Jim Burke
Bill Meiers
Amy Matzer
Susan Paddock

Call to Order

Director Dassel, called the meeting to order at 6:01 p.m. and declared a quorum was present.

Upon a motion duly made by Director Grant, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the agenda with two additions. One being a request from Mr. Blackstone concerning his water bill to be discussed under Item 3.D. and second, an invoice for weed spraying to be discussed under Item 6.C.

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.

Administrative
Matters

A. Review and Approval of October 6, 2009 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 October 6, 2009 regular board meeting minutes as presented.

B. Financial Matters

Following review, upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved claims totaling \$33,945.23, represented by check numbers 1825 through 1836.

RECORD OF PROCEEDINGS

C. Review and Consider Approval of Cash Position as of October 31, 2009

The Board reviewed the cash position statement provided by Simmons & Wheeler. Following review and discussion, upon a motion duly made by Director Cobb, seconded by Director Grant and, upon vote, unanimously carried, the Board accepted the cash position statement as of October 31, 2009 as presented.

D. Blackstone Request for Credit

Mr. Brooks distributed a letter from Mr. Tim Blackstone of 468 Bell Star Circle requesting consideration by the Board for credit on a water bill for September 25, 2009. Mr. Blackstone had experienced a leak in his sprinkler system. Following discussion, upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board authorized \$250 in credit to be applied to Mr. Blackstone's water bill.

Public Hearing on 2010 Budget

Director Cobb reviewed the 2010 draft budget with the Board. He noted that the beginning balance for the year 2010 is estimated to be \$57,343. Director Cobb explained in estimating water usage charges, he had used the average of the past three years, which provides a total of \$180,720 plus water serve charges for approximately 301 homes, totaling \$361,200 combined with other revenue sources for a total revenue of \$548,523. He also suggested that the accounting and auditing expenditure line item of \$11,500 be broken into two line items. One for the audit at \$3,900 and a second for accounting at \$7,600. Director Cobb also suggested that a line item for \$500 be included for directors' fees. Each Director can then use the \$100 he or she will receive for purposes of paying the real property taxes due on the directors' parcel. Director Cobb also requested that \$500 be included as an election expense with the anticipation that the election would be cancelled. After discussions, Director Cobb suggested that the \$7,000 line item for water testing be lowered to \$5,600 and that after these adjustments are made to the budget, that the contingency amount be adjusted so that the total expenditures of \$605,867 does not change. Director Dassel suggested that the name of the line item for the redundant well reserve be changed to alternative well reserve in order to be consistent with existing agreements.

Mr. Brooks noted that the public hearing notice had been published in the local papers regarding the adoption of the 2010 budget.

Upon a motion by Director Dassel, the Board opened the public hearing regarding the adoption of the 2010 budget at 6:30 p.m. There being questions and comments from the public that were addressed, upon a motion, the Board closed the public hearing at 6:40 p.m.

The Board considered the resolutions adopting the 2010 budget, certifying mill levies and appropriating expenditures. Upon a motion by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the resolutions as presented, subject to final review by District's legal counsel and accountant.

Discussion Items

A. Availability of Service Feasibility Study for Lot 101-Filing 1A

Mr. Flynn stated that there had been a request of service from Lot 101-Filing 1A. In response to that request, he had asked Howard McCarthy to look into the cost feasibility as well as whether the system would appear to have adequate capacity to serve both the existing and potential future water usage within the District as well as the Lot 101-Filing 1A. Mr. Flynn is to report back to the Board once additional information is available.

B. 2010 Service and Consultant Contracts

Mr. Flynn informed the Board that he would prefer to make all of the consultant contracts consistent with similar wording and phraseology. He is working on a draft consultant agreement on behalf of the Board. The Board agreed and tabled consideration of consultant contracts until Mr. Flynn has developed a consultant contract template.

Action Items

A. Consider Cancelling the December Regular Meeting and Authorizing Payment of Claims

Director Dassel suggested that the Board consider cancellation of their regular meeting for the month of December and authorize payment of claims. The Board discussed protocol for paying claims and it was suggested that the December claims be emailed to the Board and that if any board member has questions or concerns or would not feel comfortable paying any particular invoice, that they notify Director Dassel within 72 hours. Otherwise, the checks would be mailed for the December claims.

RECORD OF PROCEEDINGS

The Board will ratify those claims at their regular meeting in January.

Upon a motion by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board cancelled the December meeting and authorized Director Dassel and Director Brabec to approve the claims as directed.

B. Ratification and Approval of Media Replacement Contract For Water Treatment Plant with Siemens Energy

Director Dassel explained that she had authorized media replacement for the water treatment plant under a contract with Siemens Energy in that it was an emergency and work needed to be done in a short period of time. Upon a motion by Director Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board ratified the approval of the contract with Siemens Energy for the media replacement for the water treatment plant for an amount not to exceed \$21,000.

C. Weed Spraying

Director Brabec presented an invoice from Reitz Land Management for weed control in the amount of \$825. Upon a motion duly made by Director Brabec, seconded by Director Grant and, upon vote, unanimously carried, the Board approved payment of the Reitz Lands Management invoice in the amount of \$825.

Attorney Items

A. Phosphorous Allocation

Mr. Flynn reported to the Board on his efforts to acquire phosphorous allocation from the Levers Water and Sanitation District for the Chatfield Water Quality Authority. He will draft a proposal for the Boards consideration.

B. Proposal for Tetra Tech

Mr. Flynn reported that he is drafting an agreement for Tetra Tech to become the engineer for the District and will provide to the Board at a future meeting.

Manager

A. Consumption and Charges Report

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

Engineer

Nothing to report at this time.

Water System

Mr. Sucher presented his report to the Board:

- A total of 2,111,000 gallons of water was used during October, with an average usage per day at 134,333 gallons
- The media replacement was completed for the A bank and B bank of the reionators – the heads were inspected by the Siemens Energy technicians and a few were replaced
- Flushing of the water system will take place some time in November and they will provide the Board with up to two weeks notice for notifying residents

Directors' Items

Director Brabec reported that he has been working with R.S. Wells L.L.C. in an attempt to provide automatic water bill payments for the Districts' residents. Mr. Brooks informed the Board that R.S. Wells L.L.C. has done considerable amounts of research on providing electronic access via computer to customer records by customers and that the expense seemed to be higher than most of our district clients felt comfortable with and that he thought the simplest solution is for each customer who is interested in that to make arrangements with their own bank. Generally, this can be done on-line to allow the water district to access their funds on line directly. Director Brabec will continue to work with R.S. Wells L.L.C. to find the best and easiest access for the Districts customers.

Other Business

There was no other business for discussion.

Community
Comments

Mr. Zimmerman asked a few questions concerning the proposed 2010 budget. He inquired on how much was available in the contingency for the budget and his questions were answered by the Board.

Executive Session

The Board did not go into executive session.

RECORD OF PROCEEDINGS

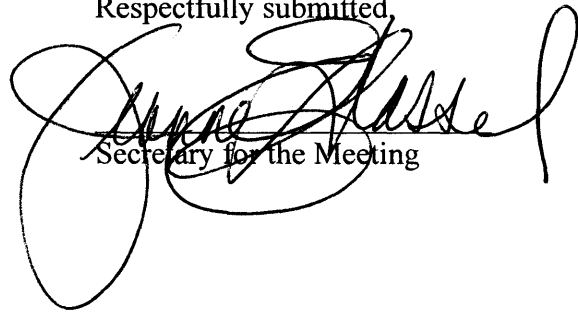
Adjournment

There being no further business to come before the Board, Director Dassel adjourned the meeting at 7:15 p.m.

The foregoing minutes were approved by the Board of Directors on the 5 day of January, 2010.

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

Respectfully submitted,


Secretary for the Meeting