

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BMR METROPOLITAN DISTRICT HELD SEPTEMBER 1, 2009

A special meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, September 1, 2009 at 6:00 p.m., at MedVed AutoPlex, Chevy Building, 1506 S. Wilcox Street, Castle Rock, Colorado, 80104. The meeting was open to the public.

### Attendance

In attendance were Directors:

Jeanne Dassel  
Alan Cobb  
Bob Brabec  
Kirk Fischer  
Russell Grant (arrived at 6:30 p.m.)

Also in attendance:

Chuck Reid; R.S. Wells L.L.C.  
Bob Brooks, R.S. Wells, LLC  
Tim Flynn, Esq.; Collins Cockrel and Cole  
Jeff Sucher, Treatment Technology  
Lynne Norwood; BRM HOA  
Bob Zimmermann; 1240 Glade Gulch, Castle Rock, CO  
Al Hawkins; 1238 Riva Rose, Castle Rock, CO  
Jim Burke; 4592 High Spring 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 Brabec, seconded by Director Cobb and, upon vote, unanimously carried, the Board approved the agenda as presented.

### 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 August 4, 2009 Special Board Meeting Minutes

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

B. Financial Matters

1. Review and Consider Approval of Claims for August 2009

Following review, upon a motion duly made by Director Brabec, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved claims for August 2009, totaling \$27,729.66, represented by check numbers 1801 through 1811.

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

The Board reviewed the cash position statement provided by Simmons & Wheeler. Director Cobb noted that the number reported in the cash position statement is different than his cash report and it could be explained with the next review of the District's financial statements.

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The Board took no action on the cash position statement.

### Discussion Items

#### A. Budget Items and Needs Assessment for 2010

1. Set Public Hearing Date to Consider Adoption of 2010 Budget for November 3, 2009

Upon a motion duly made by Director Fischer, seconded by Director Brabec and, upon vote, unanimously carried, the Board set the 2010 public hearing to consider adoption of the budget on November 3, 2009 and authorizing publication and notice pursuant to statutory requirements.

2. Consider Appointing Director Cobb as Budget Officer

Upon a motion duly made by Director Fischer, seconded by Director Brabec and, upon vote, unanimously carried, the Board appointed Director Cobb as the budget officer.

Director Cobb requested that any parties that have information for the budget to please provide those to him.

### Action Items

There were no action items.

### Attorney Items

Mr. Flynn noted that he is still working to get items transferred from Griff Johnston. Mr. Flynn provided an update on continued work to receive a phosphorous allocation for BMR from the Chatfield Water Quality Authority.

Mr. Flynn noted that the 2008 audit has not yet been received by the Auditor. It will be forwarded as soon as available.

Director Dassel requested both the Board and consultants to review the audit as soon as possible upon receipt. Director Brabec made a motion to file the audit with the State subject to review by the Board and consultants, and notification to all parties if any serious objection is made to the audit. The motion was seconded by Director Fischer, and passed unanimously. It was noted that an audit amendment may be filed at a later date, if required.

Manager

A. Consumption and Charges Report

Director Cobb provided a brief update to the Board regarding the delinquent accounts report. Following discussion, there was a motion to approve changing the due date of BRM water bills to the 23<sup>rd</sup> of the month with late charges effective on the 28<sup>th</sup> day of the month and instructing the attorney to bring back any required amendments to resolutions or Board policy and procedure that need to be changed to effectuate this change.

Upon a motion duly made by Director Brabec, seconded by Director Fischer and, upon vote, the motion passed unanimously.

The Board also discussed the possibility of providing a one-time late fee waiver if requested. Following discussion, the Board determined to take no action on this suggestion at this time.

Engineer

No report.

Water System

Mr. Sucher presented his report noting that:

- The tank telemetry has been repaired and is functioning properly;
- The transfer switch has been installed and is working correctly;
- The generator was tested and is working; and
- The security alarm in the plant has been replaced and is now functioning properly.

Mr. Sucher noted the difference between Treatment Technology's production versus the consumption report. He believes the approximate 10% loss that exists between the two is due in part to tank telemetry and overflow issues which have been addressed, along with a possible leak somewhere in the system, for which Treatment Technology will continue to look.

Mr. Sucher then reported that he had spoke with Siemens regarding the reionator media replacement and the diagnostic estimate is \$14,000. As opposed to spending money on diagnostics, the Board would rather implement a gradual replacement schedule noting that winter is a good time to do this work. They directed Treatment Technology to provide media samples to Siemens so that the type of media to be replaced is identified and to bring back a replacement proposal for the Board's consideration.

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Directors' Items

No report.

Other Business

There was no other business for discussion.

Community  
Comments

There were no comments from the residents in attendance.

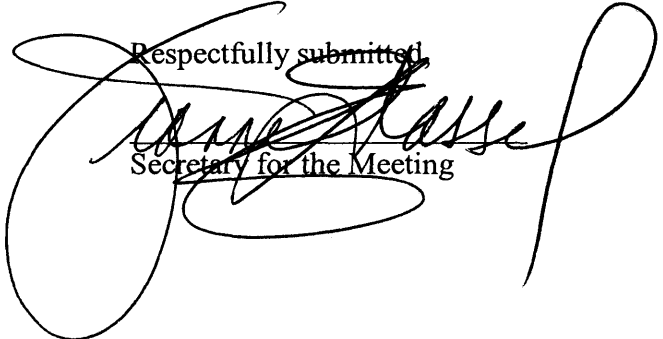
Adjournment

There being no further business to come before the Board, Director Dassel adjourned the meeting at 6:35 p.m.

The foregoing minutes were approved by the Board of Directors on the 10th day of October, 2009.

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

Respectfully submitted,

  
Secretary for the Meeting