

MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
BMR METROPOLITAN DISTRICT  
HELD AUGUST 2, 2011

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, August 2, 2011 at 6:00 p.m. at Lowell Ranch located at 2330 South I-25, Castle Rock, Colorado 80104. The meeting was open to the public.

Attendance

In attendance were Directors:

Jeanne Dassel  
Alan Cobb  
Bob Brabec  
Russell Grant

Residents and others in attendance:

Ron Bulmer; 3441 Medallion Road  
Bob Zimmerman; 1240 Glade Gulch  
Mike Mysliwicz; 4275 Bell Mountain Drive

Also in attendance:

Tim Flynn, Esq.; Collins Cockrel and Cole  
Bob Blodgett; Clifton Gunderson, LLP  
Howard McCarthy, Phillip Sack; Tetra Tech, Inc.  
Jeff Sucher & Bob Klodfelter; Treatment Technology, Inc.

Call to Order

Director Dassel called the meeting to order at 6:00 p.m. and verified a quorum was present.

Upon a motion duly made by Director Brabec, seconded by Director Grant and, upon a 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.

All Disclosures 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, and upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved the agenda as submitted.

Administrative  
Matters

- A. Review and Consider Approval of Minutes from the July 5, 2011 Regular Meeting Minutes

Following discussion, and upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved the July 5, 2011 regular meeting minutes as submitted.

- B. Review and Consider Approval of June 30, 2011 Financial Statements

Director Dassel asked what the amount due from CBMR to BMR Metropolitan District in the amount of \$150 is on the balance sheet. Mr. Blodgett will ask Mr. Simmons.

After additional discussion, and upon a motion made by Director Cobb, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved the June 30, 2011 Financial Statements.

- C. Review and Consider Approval of Claims for July 2011 Totaling \$43,437.35 Represented by Check Numbers 2147 through 2158 and Direct Pays to IREA Totaling \$9,905.90, Grand Total of \$53,343.25

Upon a motion duly made by Director Cobb, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved the July 2011 Claims totaling \$43,437.35 represented by checks number 2147

through 2158 and Direct Pays to IREA totaling \$9,905.90 for a grand total of \$53,343.25.

- D. Review and Consider Ratification of Requisition Number 8 in the Amount of \$17,226.44 Represented by Check Number 2159 for the Alternate Well

Mr. Sack reported that Tetra Tech recommends this final payment to Layne Christensen not be made. The engineers report that the work at this time cannot be accepted and will contact Layne Christensen to address the outstanding issues for acceptable completion.

Following discussion, and upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon a vote, unanimously carried, the Board tabled consideration of Requisition Number 8, represented by check number 2159 in the amount of \$17,226.44 as final payment for the alternate well to Layne Christensen Company.

- E. Approve Consumption and Charges Report

After review, and upon a motion duly made by Director Cobb, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved the July Consumption and Charges Report as submitted.

- F. Discuss Meter Change Out Schedule

- 1. Approve Policy

Mr. Flynn reported he will draft a policy regarding the \$500 fine for failure to contact the District to schedule the change out of the older meters instead of termination of water service. This will be presented at the September Board meeting.

- G. Consider Request of Account Credit to Mr. Salerno for an Amount to be Determined - 480 Young Circle

After discussion, and upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved a \$200 credit for Mr. Salerno on his August water bill.

- H. Consider Request for Flush Credit of \$200 - 750 Bold Sun Circle

The Board reported that their policy is to approve a maximum of \$205 per home as a one time credit for flushing the private service line which may contain debris and material from the District's lines. This flushing will

also assist in keeping the District's lines cleaner by preventing a backflow of materials from the service line.

Mr. Flynn recommended this policy be placed in writing and be phased out at the end of 2011. He will draft a policy for review at the September meeting.

Upon a motion duly made by Director Cobb, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved a credit of \$200 for 750 Bold Sun Circle.

The Board asked that Mr. Blodgett prepare a summary of flush credits previously approved by the District organized by name, address, amount of credit and date of credit. Mr. Blodgett will provide at the September Board meeting.

The Board also asked that this information be placed on a site map. Mr. Sucher reported that most of these flushing issues revolve around cul-de-sacs where the water is not being circulated as frequently.

I. Consider Request for Flush Credit of \$205- 749 Bold Sun Circle

Upon a motion duly made by Director Cobb, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved a credit of \$205 for 749 Bold Sun Circle.

J. Consider Request for Flush Credit of \$205 - 3589 Winterhawk Circle

Upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved a flush credit of \$205 for 3589 Winterhawk Circle.

K. Ratify Termination of Waste Management Contract at Water Treatment Plant

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board ratified the termination.

L. Status of Water Meter Monitor Usage Plan Test with Directors Brabec and Fischer

Director Brabec reported the water meter monitor is in place in his home and being utilized. He is able to note the amount of usage for dishwasher,

showers, irrigation and other uses. He stated his experience has been positive thus far.

The Board asked Director Brabec to write a brief article about his experiences with the water meter monitor usage tests for a future BMR Newsletter.

The Board authorized Mr. Blodgett and the consultants to proceed with the test for the water meter monitors with the residents per the policy approved by the Board several months ago.

Engineer

A. Alternate Well Update

1. Approve Change Order No. 2 With Layne Christensen Company – Compliance with Davis Bacon Wage Requirements – No Cost Consideration

Upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved Change Order No. 2 with Layne Christensen Company – compliance with Davis Bacon wage requirements – no cost consideration.

2. Approve Change Order No. 3 With Layne Christensen Company Adjustment of Bid Quantities to Actual “As Installed” Quantities – (\$5,784.10)

Upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved Change Order No. 3 with Layne Christensen Company – adjustment of bid quantities to actual “as installed” quantities – (\$5,784.10).

3. Final Opinion of Probable Costs

Mr. McCarthy reviewed the final opinion of probable construction costs for the new Denver aquifer well dated July 26, 2011. The current total project cost estimate is \$1,345,903.00. Discussion ensued regarding the ability of the contracts to be broken into options that the bidders could select from and whether the costs could be reduced and meet the bid package standard and criteria. A conference call with the engineers and Board members Cobb and Dassel will take place to evaluate cost savings.

Mr. Flynn reported he has spoken with the State Department of Public Health & Environment who indicated there are funds available for grants for well construction. A letter has been sent to the State regarding an

amendment of the grant amount to include additional monies consistent with the increase in construction costs.

Mr. McCarthy will provide Mr. Flynn the exact amount of the overage due on the well from the original cost estimate and the current grant. Mr. Flynn reported the District needs to submit their request by August 15<sup>th</sup> to the State so that it may be placed on an October 15<sup>th</sup> agenda for possible approval. Mr. McCarthy reported bids are due August 18<sup>th</sup>. Mr. Flynn reported the grant request must be submitted by August 15<sup>th</sup>. Once the bids are received, the information can be supplemented with actual cost to replace the estimate in the August 15<sup>th</sup> grant request.

The Board authorized Mr. Flynn and Mr. McCarthy to move forward immediately on the grant submittal to cover the District's additional cost on the well by August 15<sup>th</sup> to the CDPHE.

#### 4. Bid Schedule

Mr. McCarthy reported the pre-bid conference was held today. Seven contractors were at the conference. Bids are due August 18<sup>th</sup>. The Notice of Award is anticipated by September 6<sup>th</sup>.

#### 5. Insurance

The Board asked if the equipment and fixtures of the alternate well as now in place are covered by the District's insurance policy. The concern of the Board was damage to the site in the down time interim and prior to commencement of the next phase of the contract. Mr. Flynn will contact the pool and add this to the District's policy. Mr. Flynn reported there may be a separate premium required for the addition of this property that will be scheduled on the District's policy.

#### B. Consider Approval of Agreement with Tetra Tech for Construction Administration Services for Alternate Well - \$45,000

Upon a motion duly made by Director Grant, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved the agreement with Tetra Tech for construction administration services for the alternate well - \$45,000

Mr. Flynn reported the agreement needed to be placed on the District's standard contract forms. He will do so and then send to the Board and Tetra Tech for signatures.

- C. Approve Quality Control Testing Proposal With Tetra Tech - \$3,940

Upon a motion duly made by Director Dassel, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved the agreement with Tetra Tech for quality control testing in the amount of \$3,940. Mr. Flynn will prepare a short form "mini contract" for this agreement with Tetra Tech and the District.

Water  
Operator

- A. Monthly System Report

Mr. Sucher distributed copies of his August 2, 2011 System Report and reviewed it with the Board.

He noted that three repair kits for the PRV vaults have been ordered and will be installed on August 3<sup>rd</sup>. These are at a nominal cost.

Mr. Sucher recommended that a 3 inch OCV valve be installed in Vault No. 7 to replace the valve which is broken. This cost is \$1,835 plus labor.

Upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved the 3 inch valve installation as outlined above.

Mr. Sucher recommended pressure loggers be installed on either hydrants or in some homes for high pressure that has been reported. These data loggers will allow data to be extracted into an excel spreadsheet where trends can be tracked. The cost is \$865 per unit. He recommended the purchase of two units.

Upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved the purchase of two pressure logger units at \$865.00 each for a total of \$1,730.

The Board asked Mr. Blodgett to notify Mr. Simmons of this approval so that these items can be added to the District's inventory of assets.

Mr. Sucher reported that Wagner Equipment is assisting with repairing the generator failure. Mr. Flynn reported that Wagner needs a contract with the District directly to do this work. Mr. Flynn will draft a contract for Mr. Sucher to provide to Wagner Equipment.

B. Status of Transponder Replacements

No report.

Director  
Discussion Items

None.

Attorney Items

A. Status of Amendment to SDPHE Letter Approving Alternate Well Design

Mr. Flynn reported the letter received this week by the SDPHE was sent by mistake. It was the identical letter sent several months ago. SDPHE is revising the letter to indicate that the new alternate well is for general purposes and not emergency only.

B. Accept Chatfield Watershed Authority Phosphorus Exemption Report

Mr. Sucher reported that the report prepared by he and Mr. McCarthy was submitted on July 29<sup>th</sup>. Director Dassel reported it is on the August 11, 2011 Chatfield Watershed Authority Meeting Agenda. The Board asked Mr. Flynn to attend this meeting. The meeting will be held at the Plum Creek Watershed Authority at 2:30 p.m.

C. Status of High Pressure Repair Claims

Mr. Flynn and Mr. McCarthy reported they have both met with the adjuster to provide information regarding the high pressure issues within the District. The Board asked Mr. McCarthy to prepare a list of questions to provide the adjuster so he has the proper information in which to make a decision regarding whether the District was liable for these high pressure repair problems or not.

Director Dassel noted there is quite a bit of confusion in the Ranch with the residents regarding the difference between fire protection system valves and the pressure reducing valves. Director Cobb reported that maintenance contractors for these systems also do not provide the same information regarding the purpose of the systems.

The Board asked that Mr. McCarthy prepare a brief article regarding the purpose of the fire protection system gauges and the pressure reducing valves and how they operate within the homes. This will be distributed to the residents at a future date.

Other Business           None.

Community Items       None.

Adjournment           Upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote unanimously carried, the Board adjourned the meeting at 7:15 p.m.

The foregoing minutes were approved by the Board of Directors on the 4<sup>th</sup> day of Oct-, 2011.

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

Respectfully submitted,

  
Secretary for the Meeting