

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT
HELD FEBRUARY 8, 2011

A special meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, February 8, 2011 at 6:00 p.m. at MedVed Auto Plex (Ford Bldg.), 1404 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
Russell Grant
Kirk Fischer

Residents and others in attendance:

Steve Boand, Douglas County Commissioner
Al Quist; 908 Glade Gulch Road, Castle Rock, CO
Jean Brabec
Ron Bulmer
Bob Randenis

Also in attendance:

Tim Flynn, Esq.; Collins Cockrel and Cole
Howard McCarthy, TetraTech
Philip Sack, TetraTech
Jeff Sucher; Treatment Technology, Inc.
Chuck Reid; R.S. Wells LLC / Clifton Gunderson LLP

Call to Order

Director Dassel called the meeting to order at 6:01 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 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.

County
Commissioner

County Commissioner Steve Board addressed the Board regarding the prototype water conservation plan Douglas County has prepared for 38 out of 40 water providers in Douglas County and provided a draft plan that had been prepared for the Silver Heights Water & Sanitation District.

Commissioner Board noted that Douglas County had checked with the State Engineers Office for BMR's 2010 water production data, which was not available. As ground water data is not always reported, the Water Commissioner for Water District 8 has requested information from BMR. Commissioner Board is looking for the District's monthly production records for 2010, and for full year production information for calendar years 2008 and 2009. Commissioner Board noted that Douglas County will get additional data via the District's webpage for the information the County is trying to collect for the purpose of preparing a prototype water conservation plan for the District. Commissioner Board will get back to the District's Board once the additional information has been tabulated.

Approval of
Agenda

Following discussion, and upon a motion duly made by Director Grant, seconded by Director Brabec, and upon vote unanimously carried, the Board approved the agenda as presented.

Administrative
Matters

- A. Review and Consider Approval of Minutes from the January 4, 2011 Regular Meeting Minutes

Upon a motion duly made by Director Grant, seconded by Director Brabec, and upon vote unanimously carried, the Board approved the January 4, 2011 regular meeting minutes.

B. Review and Consider Request for Reimbursement for Three Service Line Flushings

Upon a motion duly made by Director Brabec, seconded by Director Cobb and, upon vote unanimously carried, the Board approved all requests for reimbursement for the three service line flushings.

C. Review and Consider Approval for Claims for Year Ending December 2010, Represented by Check Numbers 2046 through 2051, totaling \$28,602.46

The Board requested that all invoices and back up sent to them prior to the meeting, separate from the packet. Following discussion, upon a motion duly made by Director Fischer, seconded by Director Grant, and upon vote unanimously carried, the Board approved the claims for year end December 2010, represented by Check Numbers 2046 through 2051, totaling \$28,602.46.

D. Review and Consider Approval of Claims for January 2011, Represented by Check Number 2054 through 2062, Totaling \$7,110.48

Again requesting that all invoices be sent to the Board prior to meeting, upon a motion duly made by Director Grant, seconded by Director Cobb, and upon vote unanimously carried, the Board approved the claims in the total amount of \$7,110.48 represented by checks 2054 through 2062

E. Review and Consider Approval of Requisition Number 1 in the Total Amount of \$31,541.19 for the Alternate Well

This requisition will be submitted to the Colorado Water Power Resource Development Authority. The Board indicated their preference for Clifton Gunderson / R.S. Wells to go ahead and submit monthly requisitions for this project as invoices are received, and the Board will approve the requisition and the claims when they come in front of the Board. Following this discussion, upon a motion duly made by Director Cobb, seconded by Director Fischer, and upon vote unanimously carried, the Board approved the Requisition Number 1 in the total amount of \$31,541.19 for the Alternate Well Project Loan.

F. Review and Consider Approval of Cash Position as of December 31, 2010

Following review, and upon a motion duly made by Director Fischer, seconded by Director Cobb and upon vote, unanimously carried, the Board approved the December 31, 2010 cash position statement.

G. Water Meter Monitors Update

The Board reviewed the water meter monitor specifications that were included in the packet. Mr. Reid noted the cost difference for the two different Orion models:

- The Automated Meter Reading System, is \$87.50;
- The in Home Display Model, is \$107.50.

Both monitors will require a \$25.00 administrative handling fee. A decision on which monitor to purchase was postponed until March.

H. Water Meter Transponder Replacement Project

Director Dassel requested a memo and recommendations from R.S. Wells regarding the water meter transponder change out project at the March meeting, and further recommended sending a letter to residents that have been identified for receiving a new transponder, requiring that they call and set up an appointment within ten days of notification, as it is important to move forward with the telemetry changes as soon as possible. The notification will state that if an appointment is not set the District will assume that the customer believes his/her meter is functioning properly. More discussion and a specific approach to this project will happen at the March meeting.

I. Consumption and Changes Report

The Consumption and Changes Report had previously been sent via email. The Board requested that this be resent, and took no action on this item.

Engineer

A. Phosphorous Levels

Howard McCarthy from TetraTech noted that the District continues to monitor phosphorous, and there has been a reduction in the phosphorous levels almost to a non-detect level in the raw water. Additionally, phosphorous readings are down in the plant's effluent. The District plans to take this information to the Chatfield Authority in March.

B. Water Color

Internal quality assessment/quality control is being done on the report authored by TetraTech related to the water discoloration. It is expected that the final report will be issued next month. It was reported that Treatment Tech and R.S. Well are logging all complaints made with respect to the color of the District's water. No complaints have been received during the last 30 days.

C. Well Update

The driller has been successful in drilling to 1,420 feet, which is the limit of drilling approved by the State Engineer's Office. Additionally, the well casing and gravel pack is installed and well cleaning will begin next. It is anticipated that the pump testing will occur on/about February 21st.

Mr. McCarthy provided an amended schedule noting that lead time for some of the equipment that will be used in the new well has a long manufacturing and delivery schedule. At this time, it is anticipated that the project will be pumping raw water by September, which is still an aggressive date. The District does have the opportunity to pay additional amounts for some of the equipment for faster delivery, although the available funding may preclude paying extra for this speed. Additionally, TetraTech/RTW believes that an additional backup generator will be required.

Water quality testing will occur after the pump test, at which time treatment options will be reviewed and discussed with Treatment Technology.

Mr. McCarthy noted that while the amended schedule is optimistic, the goal is to stay focused on the revised schedule in order to meet the time goals directed by the District. The Board reiterated the importance of completing this project as soon as possible, noting that time is of the essence and discussed incentives for early or speedy delivery of equipment.

Mr. McCarthy requested feedback on the weekly memo that he has been providing. It was noted that this information has been well received by the community and the Board would like to continue with the weekly memo process.

Water
Operator

A. Monthly System Report

Mr. Sucher reported the following:

- Approximately 1.7 million gallons of water was produced in January;
- The back wash line check valve has been replaced at the treatment plant;
- C&L has been contacted to replace valve boxes on High Spring Road and Bell Mountain Drive. These repairs are expected to happen as soon as the weather allows;
- Treatment Technology had an onsite meeting with Wright Water Engineers as part of Wright Water's independent water quality analysis;
- Treatment Technology continues to test for phosphorous, manganese and other constituents, and has no items to report as a result of the testing. Mr. Sucher noted, as Mr. McCarthy did earlier, that the phosphorous residuals are showing a downward trend. Everyone is hoping that this will be beneficial as the District takes its case to the Chatfield Water Quality Authority;
- Potassium chloride costs are increasing by approximately 50% from the current of about \$15.00 a bag to more like \$22.00 a bag. As the District looked at this issue a couple of years ago, they requested that the State Water Quality Control Division have the option of shifting from potassium chloride to salt which is a less expensive treatment option. Treatment Technology will resume those discussions with the State. Additionally, they will coordinate any changes in treatment processes with TetraTech.

Discussion
Items

A. Quality Controls and Efficiencies Audit Status

The Quality Controls and Efficiencies Audit will be discussed at a later date.

Action Items None.

Attorney Items None.

Directors' Items None.

Other Business None.

Community Items None.

Adjournment

There being no further business to come before the Board, Director Dassel adjourned the meeting at 6:52 p.m.

The foregoing minutes were approved by the Board of Directors on the 1st day of March, 2011.

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

Respectfully submitted,


Secretary for the Meeting