

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT
HELD JANUARY 4, 2010

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, January 4, 2011 at 6:00 p.m. at Lowell Ranch, 2330 South I-25, Castle Rock, Colorado 80104. The meeting was open to the public.

Attendance

In attendance were Directors:

Jeanne Dassel
Alan Cobb
Russell Grant
Kirk Fischer

Residents and others in attendance:

Al Hawkins; 1238 Riva Rose Circle, Castle Rock, CO
Lynne Norwood; 3590 Winterhawk Circle, Castle Rock, CO
Jack Shiker; 4424 Mariposa Road, Castle Rock, CO
Al Quist; 908 Glade Gulch Road, Castle Rock, CO
Bob Zimmerman, 1240 Glade Gulch Road, Castle Rock, CO
Tom Harris, 1209 Stardust Circle, Castle Rock, CO
Bill Tilman, 4578 High Spring Road, Castle Rock, CO

Also in attendance:

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

Call to Order

Director Dassel called the meeting to order at 6:00 p.m. and verified a quorum present. Upon a motion duly made by Director Fischer seconded by Director Cobb and, upon vote, unanimously carried, the Board excused the absence of Director Brabec.

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.

Approval of
Agenda

Following discussion, and, upon a motion duly made by Director Fischer, seconded by Director Cobb, and, upon vote, unanimously carried, the Board approved the agenda as amended with the amendment being changes to the claims' amount shown on the agenda, and explained below.

Administrative
Matters

A. Resolution 2011 1-1, Setting Regular Meeting Dates and Establishing Public Notice Requirements

Upon a motion duly made by Director Cobb, seconded by Director Fischer and, upon vote, unanimously carried, the Board approved Resolution 2011 1 -1.

B. Review and Consider Approval of Minutes from the November 3, 2010 Special Meeting Minutes

Upon a motion duly made by Director Fischer, seconded by Director Cobb, and upon vote unanimously carried, the Board approved the November 3, 2010 special meeting minutes.

C. Review and Consider Approval of December 7, 2010 Regular Meeting Minutes

Upon a motion duly made by Director Fischer, seconded by Director Cobb and, upon vote unanimously carried, the Board approved the December 7, 2010 regular meeting minutes.

D. Review and Consider Approval for Claims for December 2010

Following discussion that the check to Tetra Tech needed to be reissued and with the portion of the TetraTech invoice attributable to the Alternate Well Project submitted by requisition to the Colorado Water & Power Development Resource Authority, upon a motion duly made by Director Cobb, seconded by Director Fischer and upon vote, unanimously carried, the Board approved the claims in the total amount of \$36,156.65 represented by checks 2029 through 2045 except for voided check 2032 and check 2042 to TetraTech..

E. Review and Consider Approval of Cash Position as of January 4, 2011

Following review, and upon a motion duly made by Director Fischer, seconded by Director Cobb and upon vote, unanimously carried, the Board approved the January 4, 2011 cash position statement.

F. Purchasing Water Meter Monitors and Creating a "Check-Out" Policy

National Meter, the company that provides and reads the District's meters, has a product that allows a customer to monitor real time water use with a water meter monitor that can be read in the customer's home. Following discussion, and upon a motion duly made by Director Cobb, seconded by Director Fischer, and upon vote, unanimously carried, the Board approved the purchase of six water meter monitors in an amount not to exceed \$560 and the creation of a water meter monitor "check-out" policy. It was decided that deposit checks for use of the meters would be cashed and then the amounts refunded following return of the deposit. The deposit will be equal to the cost of a meter, which is approximately \$80.

G. Transponder Replacements

The District budgeted to replace approximately 80 transponders in 2011, and directed Mr. Sucher and Mr. Reid to develop a plan to install the transponders. This plan will concentrate on those areas where complaints have been received regarding usage and billing questions. Thereafter, ease of geographic concentration will be considered in laying out the plan.

H. IREA Debit Entries of the BMR Bank Account

The Board discussed entering into agreement with IREA that would allow IREA to automatically electronically debit the Consolidated Bell Mountain Ranch checking account for each of the three electric accounts held by the District. This is proposed as a cost-saving method. The Board asked that the paperwork to initiate this process be brought back to next month's meeting. Legal counsel will prepare a resolution setting forth a policy and procedure that will be followed for purposes of authorizing additional vendors, if any, in the future to be paid via electronic fund transfer, sometimes referred to ACH transactions.

I. Consumption and Charges Report

The Board reviewed the information handed out at the meeting and took no action on this item.

Engineer

A. Regular Alternate Well Update

Director Dassel requested a regular update from TetraTech for the alternate well construction project that could be provided on letterhead and that would be suitable for posting on the District's website and/or other public distribution. Mr. McCarthy will begin preparing this report.

Mr. McCarthy reported that the GESC (Grading, Erosion, and Sediment Control) permit from Douglas County is almost finalized and that the alternate well drilling is expected to begin soon with an anticipated completion date in March.

B. Water Treatment & Distribution Quality Review Report

This report is expected to be completed before the February Board meeting and will be forwarded to the Board as soon as it is available. Mr. McCarthy noted that any system operations and maintenance changes recommended by the report will take time to implement.

Water System

A. Monthly System Report

Mr. Sucher reviewed the monthly report and noted that December's operations were as expected with no unusual occurrences.

Action Items

None.

Attorney Items

A. Tract E Dedication

Mr. Flynn reported the Tract E conveyance documents have been sent to Evan Zucker for signature, and that the District's ability to use the property in the future may be limited.

B. Resolution 2011 1-2, an Indemnification Resolution

Mr. Flynn recommended this be tabled to the February 2011 board meeting. The Board concurred with this recommendation.

C. April Meeting Date

Mr. Flynn stated he had a conflict for the April 5, 2011 meeting, and requested the meeting be moved to April 12, 2011. Following discussion, and upon a motion duly made by Director Fischer, seconded by Director Cobb and, upon a vote unanimously carried, the Board voted to cancel the April 5, 2011 regular meeting, and hold a special meeting on April 12, 2011, at 6:00 p.m., at Lowell Ranch.

Directors' Items

A. Holding an Outstanding Amount in Abeyance

Director Dassel reported that she and Clifton Gunderson / R.S. Wells have been working with a property owner that believes they have a defective transponder. Earlier in the meeting, the board approved purchasing water meter monitoring devices, one of which will be checked-out by this property owner. While this research is occurring, it has been suggested that this customer pay a consistent amount each month, which is based on their averaged water bill, with the remaining amount due held in abeyance until research on accuracy of the meter and transponder can be done. Following additional discussion, and upon a motion duly made by Director Fischer, seconded by Director Grant and upon a vote unanimously carried, the Board approved this arrangement.

B. Outstanding Accounts Policies

The Board directed Mr. Flynn and Mr. Reid to work on amended policies for outstanding accounts, including termination of service policies, and to bring back a draft amended policy at the next meeting or when the policy is ready for review, noting that time is of the essence in this request.

Other Business

None.

Community Items None.

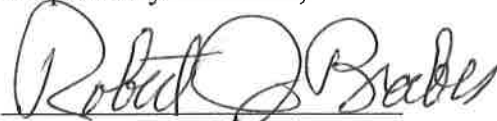
Adjournment

There being no further business to come before the Board, Director Dassel adjourned the meeting at 6:46 p.m.

The foregoing minutes were approved by the Board of Directors on the 8 day of February, 2011.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Robert J. Baber". The signature is written in black ink and is positioned above the printed name of the Secretary.

Secretary for the Meeting