MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT
HELD June 7, 2011

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, June 7, 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:
Alan Cobb
Bob Brabec
Russell Grant

Residents and others in attendance:
Doug and Kathy Luallen; 4559 Bell Mountain Drive
Jack Shiker; 4424 Mariposa Road
Ron Bulmer; 3441 Medallion
Kayda Holden;

Also in attendance:
Tim Flynn, Esq.; Collins Cockrel and Cole
Jeff Sucher and Bob Clodfelter; Treatment Technology, Inc.
Bob Blodgett; Clifton Gunderson, LLP

Call to Order

Director Brabec called the meeting to order at 6:04 p.m. and verified a quorum was present.

Upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon a vote, unanimously carried, the Board excused the absences of Director Dassel and 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 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.

Director Brabec reported he is no longer a member of the Bell Mountain Ranch HOA Board of Directors.

Approval of Agenda

Director Cobb asked that Requisition No. 6 in the amount of $40,850 to Layne Christensen Company for the alternate well construction be added the Agenda.

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

Administrative Matters

A. Review and Consider Approval of Minutes from the May 3, 2011 Regular Meeting Minutes

Following discussion, and upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved the May 3, 2011 regular meeting minutes as submitted.

B. Review and Consider Approval of Cash Position as of June 7, 2011

Mr. Blodgett distributed copies of the June 7, 2011 Cash Position Report prepared by Mr. Simmons. Director Cobb reported the Cash Position Report was in order.

Following discussion, and upon a motion made by Director Grant, seconded by Director Cobb, and upon a vote, unanimously carried, the Board accepted the Cash Position Report as of June 7, 2011.

C. Review and Consider Approval of Claims for May 2011 Totaling $50,606.41 Represented by Checks Number 2121 through 2132

and Direct Pays to IREA Totaling $6,698.33, Grand Total of $57,606.41

Upon a motion duly made by Director Grant, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved the May 2011 Claims totaling $50,606.41 represented by checks number 2121 through 2132 and Direct Pays to IREA totaling $6,698.33 for a grand total of $57,606.41.

D. Review and Consider Ratification of Requisition Number 5 in the Amount of $8,642.75 and Requisition Number 6 in the Amount of $40,850.00 for the Alternate Well

Following discussion, and upon a motion duly made by Director Grant, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved Requisition Number 5 in the amount of $8,642.75 represented by check number 2133 to Tetra Tech and Requisition Number 6 in the amount of $40,850 represented by check number 2134 to Layne Christensen Company for the alternate well expenses. The total for both requisitions is $47,492.75. Claims and alternate well expenses combined total are $107,099.16 for this billing cycle.

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

Mr. Sucher reported C&L Water Solutions will contact Directors Brabec and Fischer in the near future to arrange for new meters so the test can be conducted.

F. Approve Consumption and Charges Report

Mr. Blodgett distributed copies of the Consumption and Charges Report prepared by Mr. Urkowski. The Board noted a very high usage of water in May. Twelve accounts had greater than 20,000 gallons of usage that month. Mr. Sucher reported the system is pumping approximately 240,000 gallons a day presently.

Upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board accepted the May Consumption and Charges Report.

Director Brabec asked Mr. Blodgett to ensure that the District's water shut-off policy is being followed for all accounts that are 90 days overdue. Mr. Blodgett will confirm with Mr. Urkowski.

G. 2011 Preliminary Assessed Value for Collection in 2012

Mr. Blodgett reported he has not yet seen this information from Douglas County. He will contact Mr. Simmons to request for the July Board meeting.

H. Other

Mr. Blodgett distributed copies of the April 30, 2011 financial statements. Director Cobb recommended their acceptance.

After discussion, and upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved the April 30, 2011 financial statements.

Engineer

A. Alternate Well Update

Mr. Flynn reported he will send a letter to the State Engineer's office asking them to remove the language related to the new well being approved for emergency use only. He will also request other minor changes per the request of Director Dassel and the Board.

B. Water Distribution System Construction Material

This item was deferred.

C. Seismic Testing of Distribution System Pipes – Consider Approval of Agreement with Olson Engineering - $10,500 (2 days) or $15,750 (3 days)

The Board decided that they did not want to pursue this. This may be removed from future agendas.

Water Operator

A. Monthly System Report

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

He reported that 16 valves need to be cleaned and/or repaired as a result of the valve exercising project. He will bring cost estimate recommendations to the Board in the near future.

Mr. Sucher reported 14 homes had their transponders and/or meters replaced in May, 14 in June and 7 are scheduled for the future. This leaves approximately 15 homes that have not contacted the District since the May 17th letter was sent to the targeted homes for 2011.

The Board asked that the District follow the established policy in the letter and attempt to contact the residents after 30 days. If there is not contact back to the District within 48 hours, the shut-off procedure will begin.

The CCR has been received by Clifton Gunderson, LLP and will be included with the June 2011 billing statements.

An open house was held at the water treatment plant on Saturday, May 21st. Over 20 members of the BMR community attended. The Board agreed that this was a successful event.

Mr. Sucher reported he had proceeded with the flushing of the system from May 23-25 in accordance to the engineer's recommendations.

There have been high pressure complaints in fire suppression systems and PRV's throughout the District since the flushing occurred.

Mr. McCarthy preliminarily believes the flushing probably exposed certain private service line PRV's which had corroded and were otherwise not workable. This has potentially caused them to fail.

Mr. Sucher recommended replacement on some of the pressure regulating vaults and equipment. He will provide a recommendation to the Board in the near future.

Mr. Flynn recommended that residents send information to Mr. Blodgett regarding problems with pressure within their homes so that it can be filed with the insurance company. They will determine whether or not the District has responsibility for these claims.

Mr. and Mrs. Luallen reported extremely high pressure in their home since the flushing occurred. They have had expenses to the fire suppression company and their landscape maintenance firm since.

Ms. Holden reported problems with her PRV and pressure in the home as well. Director Cobb indicated he also has pressure issues since the flushing. Mr. Sucher distributed a sheet of reported high pressure complaints since the flushing. There have been eight calls since May 25th with high pressure problems.

After discussion, the Board asked Mr. Sucher to contact the engineer immediately and recommend solutions to the high pressure problems within the District.

Director Cobb emphasized the importance of logging all trouble calls and tracking them within Clifton Gunderson and Treatment Technology. Mr. Blodgett will discuss with Mr. Urkoski and Mr. Sucher.

B. Status of Transponder Replacements

Previously discussed.

C. Hydrant Flushing Program

Previously discussed.

D. Results of May 21st Treatment Plant Open House

Previously discussed.

Discussion Items

None.

Attorney Items

A. Chatfield Watershed Authority Phosphorus Exemption. Status of Data and Report for Delivery to Authority

Mr. Flynn reported the District has been notified that the Authority will not consider the District's phosphorus exemption request until the August meeting. Mr. Sucher is preparing a report with Mr. McCarthy. This will be provided to the Board for review prior to being submitted to the Chatfield Watershed Authority. The target is for the Board to review this draft report by July 15th.

Other Business

None.

Community Items

Previously addressed.

Adjournment

Upon a motion duly made by Director Grant, seconded by Director Cobb, and upon a vote unanimously carried, the Board adjourned the meeting at 6:55 p.m.

The foregoing minutes were approved by the Board of Directors on the _____ day of 5 July, 2011.

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

Respectfully submitted,

Robert J. Braber

Secretary for the Meeting