

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT
HELD May 3, 2011

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, May 3, 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
Kirk Fischer

Residents and others in attendance:

Bob Zimmerman; 1240 Glade Gulch
Lynn Norwood; 3590 Winterhawk Creek
Randy & Sandy Floyd; 3779 Bell Mountain. Drive
Susan Paddock; 180 Starburst Circle
Amy Matger; 3697 Bell Mountain Drive
Jim Holmes; 89 Burgundy Drive
Keith Molenhouse; 3941 Bell Mountain Drive

Also in attendance:

Tim Flynn, Esq.; Collins Cockrel and Cole
Howard McCarthy; TetraTech
Jeff Sucher; Treatment Technology, Inc.
Bob Blodgett; R.S. Wells LLC
Phillip Sack; Tetra Tech

Call to Order

Director Dassel called the meeting to order at 6:00 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.

Approval of
Agenda

Director Dassel asked that the Indemnification Resolution and the Treatment Technology Contract Amendment be added under Attorney Items.

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 amended.

Administrative
Matters

- A. Review and Consider Approval of Minutes from the April 12, 2011 Special Meeting Minutes

Following discussion, and upon a motion duly made by Director Grant, seconded by Director Fischer, and upon vote, unanimously carried, the Board approved the April 12, 2011 special meeting minutes as submitted.

- B. Review and Approve 2010 Audit

Following discussion, and upon a motion duly made by Director Brabec, seconded by Director Fischer, and upon vote, unanimously carried, the Board approved the 2010 Audit and authorized the accountant to file the audit with the State Division of Local Government.

- C. Review and Consider Approval of Cash Position as of April 30, 2011

Following discussion, and upon a motion duly made by Director Grant, seconded by Director Cobb, and upon vote, unanimously carried, the Board accepted the Cash Position as of April 30, 2011.

- D. Review and Consider Approval of Claims for April 2011 Totaling \$40,673.93 and Direct Pays to IREA Totaling \$4,683.24, Grand Total of \$45,357.17

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon vote, unanimously carried, the Board approved the April 2011 Claims totaling \$40,673.93 and Direct Pays to IREA totaling \$4,683.24 with a grand total of \$45,357.16.

- E. Review and Consider Ratification of Requisition Number 4 in the Amount of \$8,803.99 for the Alternate Well

Following discussion, and upon a motion duly made by Director Cobb, seconded by Director Grant, and upon vote, unanimously carried, the Board approved Requisition Number 4 in the total amount of \$8,803.99 with the amended sheet listing of prior requisitions.

- F. Approve Water Meter Monitor Usage Plan

After discussion, the Board decided that board members Director Brabec and Director Fischer would conduct a "test run" of the monitors. The Board decided the \$90 deposit fee would be waived for this test usage. After this is completed, preferably before the June board meeting, the Board would finalize the BMR reader monitor checkout procedure.

- G. Approve Bulk Water Permit

Director Brabec confirmed that MacDonald Farms has posted the necessary deposit and permits with the Town of Castle Rock. The District does not need to do anything else.

- H. Approve Letter to Homeowners Regarding Transponder Replacement Procedures

After discussion, the Board decided that the following procedures would be followed:

A regular (not certified) letter will be sent to the 51 homes scheduled for a transponder replacement in 2011. The letter will be signed by R.S. Wells. LLC and will include the name of the contact person, phone number and email address, to schedule an appointment for the transponder

replacement. If no contact has been made with the District within 30 days, a phone call will be made to the resident. If no contact has been received from the homeowner within the 48 hours following the phone call, a certified letter will be sent to the homeowner giving them seven (7) days to schedule the appointment or the shutoff/termination of service procedures will begin at that time. The letter will also include a notation that the replacement of the transponder will be at no cost to the homeowner.

The Board also asked that C&L Water Solutions have ID's and/or business cards for each employee to present to homeowners as they make the appointment to enter their home. Mr. Sucher also reported C&L has trucks with their name on the side of the trucks. Mr. Sucher will revise the letter and forward a draft to the Board and Mr. Blodgett for final review and approval.

I. Approve Consumption and Charges Report

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

Engineer

A. Well Status Update

Mr. McCarthy reported he is still awaiting final approval from CDPHE for the well design and construction plans. He stated that CDPHE may require some additional baffling in the clear well to increase the contact time with the water and chlorination prior to it being put into the distribution system. Director Dassel asked that the option of another clear well be explored. Mr. McCarthy will do so.

Mr. McCarthy will provide a further report at the next board meeting.

Mr. Sack asked if the Board had signed the approval form for the GESC (Grading, Erosion and Sediment Control) permit for Douglas County. Director Dassel will sign the form and return it to Tetra Tech.

Mr. McCarthy asked the Board if they had approved the grading as currently configured. Director Brabec agreed to meet Mr. McCarthy and/or Mr. Sack tomorrow on site to approve the final grading at the new well site.

B. Status of Pending Approvals From State on Construction Design

Previously discussed.

C. Status of Bid Package for Construction Phase

Previously discussed.

D. Water Distribution System Construction Material

Item deferred.

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

Mr. McCarthy reported he is getting additional information regarding the potential testing. He will report back at the June board meeting.

Water Operator

A. Monthly System Report

Mr. Sucher reviewed his April 2011 report with the Board.

He reported that flushing of hydrants would begin this month and be completed by the end of May. He is working to ensure erosion control methods so that the flushing does not erode the trails or other District infrastructure.

Discussion Items

A. Treatment Plant Open House – Saturday, May 21st

After discussion, the Board decided to conduct an open house at the treatment plant on Saturday, May 21st from 9:00 a.m. – 11:00 a.m. They invited Mr. McCarthy to bring a chemist from Tetra Tech. The Board will invite all the homeowners. The Board authorized Mr. Sucher to rent a tent.

Attorney Items

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

Mr. McCarthy reported he is reviewing recent data from Mr. Sucher. After discussion, the Board asked that Mr. McCarthy contact Ms. Vlier to schedule a meeting with the Chatfield Watershed Authority Technical Committee in early June with the plan to present the District's request for the exemption at the June Chatfield Watershed Authority regular meeting.

B. Resolution for Board President and/or District Manager's Signature on Requisitions

In accordance with the discussion at the April Board meeting, legal counsel revised this Resolution so that it included authorization for the President and all Board members to sign requisitions for disbursements under the District's loan with the Colorado Loan Water Resource and Power Development Authority used to finance the construction of the new well.

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

C. Approval of Indemnification Resolution

After discussion, and upon a motion by Director Cobb, seconded by Director Grant, and upon vote, unanimously carried, the Board approved the Indemnification Resolution.

D. Treatment Technology Contract Amendment to Provide C&L Water Solutions as a Subcontractor to Treatment Technology

Upon a motion duly made by Director Dassel, seconded by Director Grant, and upon vote, unanimously carried, the Board executed the contract amendment between the District and Treatment Technology as approved by the Board at the April meeting.

Other Business None.

Community Items None.

Executive Session Adjourn to Executive Session Pursuant to Section 24-6-402(4)(g), C.R.S. To Discuss Documents and Preliminary Findings Protected By The Deliberative Process Privilege

Upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon vote, unanimously carried, the Board recessed the meeting at 7:00 p.m.

Upon a motion duly made by Director Cobb, seconded Fischer, and upon vote, unanimously carried, the Board adjourned into Executive Session at 7:40 p.m. Pursuant to Section 24-6-402(4)(g), C.R.S. to discuss documents and preliminary findings protected by the deliberative process privilege. The Executive Session was duly recorded as required by law.

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon vote, unanimously carried, the Board adjourned out of Executive Session into Regular Session at 8:00 p.m. No action was taken by the Board.

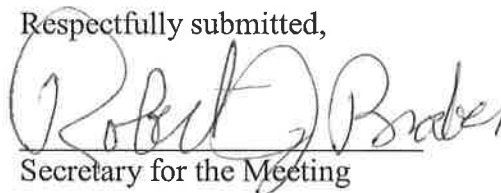
Adjournment

Upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon vote unanimously carried, the Board adjourned the meeting at 8:01 p.m.

The foregoing minutes were approved by the Board of Directors on the 7 day of July, 2011.

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

Respectfully submitted,


Secretary for the Meeting