

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT
HELD NOVEMBER 1, 2011

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, November 1, 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:

Mike Mysliwicz; 4275 Bell Mountain Drive
Ron Bulmer; 3441 Medallion Road
Bob Zimmermann; 1240 Glade Gulch
Al Quist; 908 Glade Gulch
Bill Tilman; 4578 High Spring Road

Also in attendance:

Tim Flynn, Esq.; Collins Cockrel and Cole
Bob Blodgett; Clifton Gunderson, LLP
Jeff Sucher; 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 Cobb, seconded by Director Brabec 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 October 4, 2011 Regular Meeting Minutes

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

- B. Review and Accept Cash Position as of October 31, 2011

Director Cobb reported he has reviewed the Cash Position and all is in order.

Upon a motion duly made by Director Grant, seconded by Director Brabec, and upon a vote, unanimously carried, the Board accepted the October 31, 2011 Cash Position Report.

- C. Review and Consider Approval of Claims for September/October 2011 Totaling \$52,596.65 and Direct Pays to IREA Totaling \$7,525.34

Mr. Blodgett reported the September/October claims totaled \$52,596.65 instead of \$50,678.96 on the agenda. This is due to an additional Tetra Tech claim that was processed since the packet was distributed.

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

claims for September/October 2011 represented by checks number 2186 through 2197 totaling \$52,596.65, and Direct Pays to IREA totaling \$7,525.34.

D. Approve Consumption and Charges Report

Director Brabec reported he has reviewed the report.

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

E. 2012 Insurance Renewal

Tabled to December Board meeting.

Engineer

A. Alternate Well Update

Director Dassel provided an update in the absence of Mr. McCarthy. Residents asked about the temporary closure of the road adjacent to the well. Director Dassel explained this is due to the installation of new pipes and equipment for the new well. She stated they anticipate the delay will be no longer than absolutely necessary.

Water
Operator

A. Monthly System Report

Mr. Sucher distributed copies of his October 2011 System Report with the Board.

After discussion, the Board accepted the report.

B. Status of Transponder Replacements

Mr. Sucher reported twelve homes have had their equipment changed out in the last month. Others have not yet responded. He will continue to follow up with C & L Water Solutions and the other residents.

C. Recommendations Regarding Future Use of Data Loggers

Mr. Sucher reported two hydrants were tested in October. Testing will cease until the spring due to the possibility of the hydrants freezing while testing through the colder months. He estimated Treatment Technology will test 34 hydrants from March to October 2012. The estimated cost will

be \$2,210 for the 34 hydrants tested. He is coordinating the information received from the loggers with Mr. McCarthy at Tetra Tech.

D. Status of Water Meter Monitor Usage Plan Test with Residents

No residents have requested the water meter monitor usage equipment.

E. Request to Colorado Department of Public Health and Environment Re: Replacement of Chemicals at WTP

Mr. Sucher reported Treatment Technology was able to obtain the Colorado Department of Public Health and Environment's approval to change from potassium chloride to sodium chloride at the water treatment plant. He estimates the annual savings at approximately \$60,000. The Board congratulated Mr. Sucher on making this cost effective change for the District.

F. Other

The Board discussed the present water shut off procedures due to lack of bill payment. Mr. Flynn recommended that the procedure include a requirement that someone be present in the home when the water is turned back on. If this is not the case, the house could be flooded. The Board concurred.

The Board also asked that the procedures be modified to reflect information for the homeowner that if the water service is turned off at valve, the fire suppression system flow of water is also turned off at the same time. Mr. Blodgett will work with Mr. Urkoski and C& L to amend the shut off procedures. This will be brought back at the December meeting.

Director
Discussion Items

- A. Conduct Public Hearing to Consider Amending the 2011 Budget; Consider Adoption of Resolution to Amend 2011 Budget

A 2011 Budget amendment is not required.

- B. Conduct Public Hearing to Consider Adoption of 2012 Budget, Appropriate Expenditures and Set Mill Levy; Consider Adoption of Resolution to Adopt 2012 Budget, Appropriate Expenditures and Set Mill Levy

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board opened the public hearing at 6:15 p.m. There was no public comment.

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board closed the public hearing at 6:16 p.m.

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved Resolution 2011-11-1 approving the 2012 Annual Budget.

Upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved Resolution 2011-11-2, appropriating funds for the 2012 budget.

Upon a motion duly made by Director Cobb, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved Resolution 2011-11-3 as revised, certifying a zero (0) mill levy for the BMR Metropolitan District for tax year 2011. Legal counsel will revise the Resolution to reflect that the District operates as a water activity enterprise and as a result will not levy general property taxes for the 2011 tax year.

- C. Consider Adoption of Resolution Establishing 2012 Regular Meeting Dates, Time and Location and Designating Locations for Posting of 72-Hour and 24-Hour Notices

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved Resolution 2011-11-5 adopting 2011 regular meeting dates, time and location and designating locations for posting of 72-hour and 24-hour notices.

- D. Consider Adoption of Resolution Establishing Records Retention Policy

Upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved Resolution 2011-11-4, adopting the Colorado Special District Records Retention Schedule. Mr. Flynn noted he has added a provision that requires Clifton Gunderson to present a list of any records for destruction to the Board prior to any destruction occurring in compliance with the resolution.

- E. Review and Consider Approval of Engagement Letter with Simmons and Wheeler for 2012 Accounting Services

This letter is not yet available. Action was tabled to the December Board meeting.

- F. Review and Consider Approval of Engagement Letter with L. Paul Goedecke, P.C. for 2011 Audit Services - \$3,450

Upon a motion duly made by Director Grant, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved the 2011 Audit engagement letter with L. Paul Goedecke, P.C. for \$3,450.

- G. Approve 2012 Annual Administrative Matters Resolution

Mr. Blodgett recommended this be withdrawn. The Board concurred.

Attorney Items

- A. Approve 2012 Service Agreement With Treatment Technology, Inc.

Mr. Sucher distributed copies of his November 1st letter agreement to the Board. Mr. Flynn recommended that the 2010 agreement be utilized and merely be extended in 2012. The Board concurred. Action was tabled to the December meeting.

- B. Phosphorus Allocation

Mr. Flynn reported he has contacted Lockheed Martin to discuss the possibility of buying or leasing a phosphorus allocation from them. They noted that they probably will not be able to respond until the end of the year. Action was tabled to the January 2012 Board meeting.

Other Business

None.

Community Items

None.

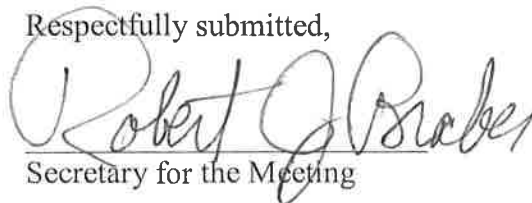
Adjournment

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board adjourned the meeting at 6:40 p.m.

The foregoing minutes were approved by the Board of Directors on the
6th day of Dec, 2011.

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

Respectfully submitted,


Secretary for the Meeting