

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT
HELD OCTOBER 4, 2011

A regular meeting of the Board of Directors of the BMR Metropolitan District was held on Tuesday, October 4, 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

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 6:10 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 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 Cobb, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved the agenda as submitted.

Administrative
Matters

- A. Review and Consider Approval of Minutes from the September 6, 2011 Regular Meeting Minutes

Upon a motion duly made by Director Brabec, seconded by Director Cobb, the Board approved the September 6, 2011 regular meeting minutes as submitted.

- B. Review and Approve August 31, 2011 Financial Statements

Director Cobb reported he has reviewed the statements and recommends approval.

After discussion, and upon a motion duly made by Director Cobb, seconded by Director Brabec, the Board approved the August 31, 2011 Financial Statements.

- C. Review and Accept Cash Position as of October 4, 2011

Director Cobb reported he has reviewed the Cash Position. There is nothing unusual to report.

Upon a motion duly made by Director Cobb, seconded by Director Grant, and upon a vote, unanimously carried, the Board accepted the October 4, 2011 Cash Position Report.

- D. Review and Consider Approval of Claims for September 2011
Totaling \$44,597.40 and Direct Pays to IREA Totaling \$9,204.33

Upon a motion duly made by Director Grant, seconded by Director Cobb, and upon a vote, unanimously carried, the Board approved the claims for September 2011 represented by checks number 2174 through 2183 totaling \$44,597.40, and Direct Pays to IREA totaling \$9,204.33.

- E. Review and Consider Ratification of Requisition Number 10 in the Amount of \$1,501.50 for the Alternate Well

After discussion, and upon a motion duly made by Director Cobb, seconded by Director Brabec, and upon a vote, unanimously carried, the Board ratified Requisition Number 10 in the amount of \$1,501.50 for the alternate well payment to Tetra Tech, Inc. represented by check number 2184.

- F. Approve Consumption and Charges Report

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

- G. Status of Water Meter Monitor Usage Plan Test with Residents –
Jeff Sucher

The Board asked that this item be moved to the Water Operator's Report section.

- H. 2012 Insurance Renewal

This item was tabled. The Board asked that Mr. Blodgett coordinate with Director Fischer regarding the 2012 insurance policy. This will be on the November 1, 2011 meeting agenda.

Engineer

- A. Alternate Well Update

Director Dassel reported that the Board has awarded the alternate well construction contract to Jennison Construction Company, Inc. The contract has been executed by the Board at tonight's meeting. The Construction Administration Services contract with Tetra Tech, Inc. is also being approved at tonight's Board meeting. The well is anticipated to be completed by May 2012.

Water
Operator

A. Monthly System Report

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

He reported that PRV Vault Number 6 was the last to be completed. The 3 inch OCV valve has been installed and is functioning properly.

Wagner has repaired the leaking fuel injector pump in the generator.

B. Status of Transponder Replacements

Meter/transponder change out letters have been sent, and appointments are being scheduled.

C. Meter Change Out Schedule

Previously discussed.

D. Recommendations Regarding Future Use of Data Loggers –
Jeff Sucher

The data loggers will be moved every two weeks throughout the District until the full data base is obtained. The Board asked that Mr. Sucher document his costs to move and address the data loggers. The Board wants to ensure they are aware of the costs and the potential benefits of this project. Mr. Sucher reported there are 117 hydrants in the Ranch.

E. Other

Mr. Sucher reported he spoke with Mr. Kim at the State Engineer's office. He requested that the State reconsider the District's request to replace potassium chloride with sodium chloride at the plant. This would result in an approximate 60% cost savings to the District. Mr. Kim indicated he would reconsider this request. Director Dassel asked that Mr. Sucher keep the Board informed of this review process.

Director
Discussion Items

A. 2012 Draft Budget Status – Alan Cobb

Director Cobb distributed copies of the draft 2012 budget. He reported that no increases in water usage charges, service charges or availability

charges are recommended. The budget anticipates making a payment on the drinking water revolving loan fund amount in 2012.

The budget also anticipates transferring the legal water charges to the Consolidated Bell Mountain Ranch Metropolitan District (CBMR). Director Cobb asked for comments from the Board and consultants prior to the November 1st meeting.

1. Call Public Hearing For November 1, 2011 Board Meeting to Review and Approve 2012 Budget

The Board agreed to hold the public hearing on the 2012 budget at the November 1, 2011 Board meeting. Mr. Blodgett's office will advertise this public hearing.

Attorney Items

- A. Status of High Pressure Repair Claims Filed With SDA Insurance Pool

Mr. Flynn reported the SDA Pool has paid three claims without admitting fault or liability by the District.

Mr. Blodgett will provide a copy of these to Directors Dassel and Fischer.

- B. Approve Agreement With Wagner Equipment Company for Generator Repair Services

Upon a motion duly made by Director Cobb, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved Exhibit A, addendum to the agreement with Wagner Equipment Company subject to review by counsel and any necessary legal changes.

Mr. Flynn reported this agreement has not yet been approved by Wagner. It will be submitted to them as the Board's recommended addendum.

- C. Status of Phosphorus Exemption Request to Chatfield Water Authority: Contact with Lockheed Martin Regarding Allocation Transfer/Purchase

Mr. Flynn reported he has contacted Lockheed Martin regarding the availability of a phosphorus allocation for sale or lease. He has not yet received a response.

D. Approve Construction Services Agreement with Tetra Tech, Inc. for Alternate Well - \$50,585

Mr. Flynn reported the final amount is \$50,585 not to exceed (NTE).

Upon a motion duly made by Director Grant, seconded by Director Brabec, and upon a vote, unanimously carried, the Board approved the Construction Services Agreement with Tetra Tech, Inc. for the alternate well construction.

Other Business

Mr. Sucher recommended approval of a new backwash booster pump for the water treatment plant. The present pump has failed. The estimated cost is \$1,238.

Upon a motion duly made by Director Brabec, seconded by Director Grant, and upon a vote, unanimously carried, the Board approved NTE \$1,500 for a new backwash booster pump.

Community Items

None.

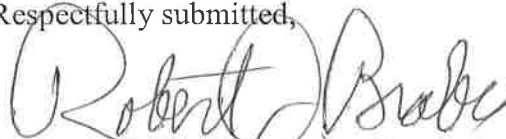
Adjournment

Upon a motion duly made by Director Brabec, seconded by Director Cobb, and upon a vote unanimously carried, the Board adjourned the meeting at 6:45p.m.

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

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

Respectfully submitted,



Secretary for the Meeting