

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

BATTLEMENT MESA METROPOLITAN DISTRICT

Held, Thursday, the 15th day of December 2016 at 401 Arroyo Drive, Battlement Mesa, Colorado.

Attendance

A regular meeting of the Board of Directors of Battlement Mesa Metropolitan District, Garfield County, Colorado was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following Directors present and acting:

Bill Nelson
Sara McCurdy
Dick Deussen
Vinnie Tomasulo
Michelle Foster

Steve Rippey, Brenda Locker, Roger Bulla, Matt Honeycutt and Amie Martin were also in attendance.

Call to Order

Director Nelson called the meeting to order at 9:00 am.

Conflict/Disclosures

Director McCurdy disclosed that she is a Board member of the Battlement Mesa Service Association.

Public Comments

None

Discussion of Ursa's BMC "B" Pad

Director Nelson stated that a neighbor of his informed him that he had contacted the EPA over his concerns that a potential spill could occur on the newly permitted BMC "B" pad and contaminants from the spill had the potential to reach the BMMD retention pond containing Battlement Mesa's drinking water source.

Director Nelson had invited the neighbor to attend the meeting to discuss his concerns with the Board. The neighbor did not attend the meeting. Water/Wastewater Superintendent, Roger Bulla, explained to the Board the elevation of the "B" pad is significantly lower in elevation than the retention pond and therefore a spill at the pad site would be unable to reach the pond.

November 17, 2016
Regular Minutes

A motion was made by Director McCurdy and seconded by Director Foster to approve the November 17, 2016 minutes as presented. The motion carried unanimously.

Financial Statements

A motion was made by Director McCurdy and seconded by Director Tomasulo to approve the November 2016 financial statements; subject to audit. The motion carried unanimously.

District Manager
Report

See attached report.

Mr. Rippy reported that he reviewed mileage of the 4-lane county streets and the 2-lane BMSA streets in Battlement Mesa. There are 7 miles of 4-lane streets or 14 miles of 2-lane streets that would need to be swept for Garfield County. Currently we charge BMSA \$15,000 to sweep 15.2 miles of 2-lane streets. Mr. Rippy is proposing to provide a bid to Garfield County for \$15,000 which is an equal amount to our current sweeping for BMSA. This would include 2 sweepings per year.

A motion was made by Director Tomasulo and seconded by Director Deussen to bid \$15,000 to sweep a total of 14 miles of streets for Garfield County twice per year. The motion carried unanimously.

Mr. Rippy reported that the BMMD currently has conditional water rights associated with Battlement Lakes 3, 4 and 5 that require proof of due diligence to maintain the conditional right and the report of due diligence is required to be submitted to the State of Colorado by the end of January 2017. The conditional rights were obtained in 1989 and the lakes, which have never been built, would provide 18.2 acre feet, or approximately 6 million gallons, of storage.

Mr. Rippy discussed with BMMD water engineer, Tom Zancanella, and former Board member, Bill Wilde, the water rights and their current value to the BMMD in light of the Reudi water rights the BMMD currently has in place. The consensus of those discussions was the conditional water rights no longer had real value to the district.

A motion was made by Director Tomasulo and seconded by Director Deussen to abandon the water rights. The motion carried unanimously.

Mr. Rippy reported that he met with Ursa regarding the pipeline that will be built between the B and D pads. There will be two pipelines, one 12" gas line and one 10" water line both made of steel which is coated and a poly liner is wrapped around the pipes. The pipelines will be bored about 30 to 40 feet deep. Ursa is requesting a 90 day temporary work space on BMMD property to bore the pipelines.

Roger Bulla stated that the temporary workspace will not interfere with any BMMD operations.

A motion was made by Director Tomasulo and seconded by Director McCurdy to approve a 90 day temporary work space agreement with Ursa to bore 2 pipelines between the B & D pads. The motion carried unanimously.

Public Hearing to
Adopt 2017 Budget &
Appropriate Sums of
Money

A motion was made by Director Deussen and seconded by Director Foster to go into Public Hearing to Adopt the 2017 Budget & Appropriate Sums of Money. The motion carried unanimously.

No questions.

A motion was made by Director Deussen and seconded by Director Foster to go out of the Public Hearing. The motion carried unanimously.

A motion was made by Director McCurdy and seconded by Director Deussen to approve the 2017 Budget & Appropriate Sums of Money. The motion carried unanimously.

Approve 2017
Meeting Schedule

A motion was made by Director McCurdy and seconded by Director Foster to approve the 2017 meeting schedule with moving the December meeting date to the 14th. The motion carried unanimously.

Designate Official
2017 Posting
Locations

A motion was made by Director McCurdy and seconded by Director Deussen to approve the official 2017 posting locations as the BMMD office, Clark's Market and BMMD's website. The motion carried unanimously.

Ursa Easement
Agreement

A motion was made by Director Deussen and seconded by Director Tomasulo to approve the Ursa Easement Agreement. The motion carried unanimously.

Update to BMMD
Employee Manual

A motion was made by Director McCurdy and seconded by Director Deussen to adopt the updated employee manual as of January 1, 2017. The motion carried unanimously.

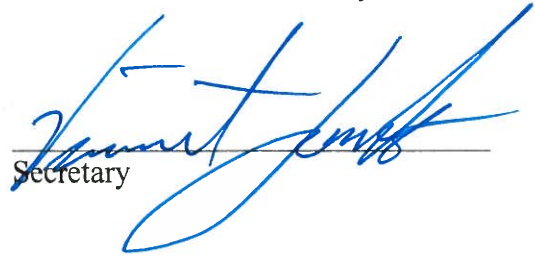
Other Business

None

Adjournment

There being no further business to come before the Board, and upon a motion made and carried, the meeting adjourned at 10:40 am.

The foregoing constitutes the true and correct minutes of the above referenced meeting and was approved by the Board of Directors of the Battlement Mesa Metropolitan District on the 26th day of January 2017.


Secretary

Battlement Mesa Metropolitan District

Manager Report

Date: December 15, 2016
To: Board of Directors, Battlement Mesa Metro District
From: Steve Rippy, District Manager

Street Patching: Asphalt repairs were completed this past month to those streets that were excavated to accommodate water service line repairs since the spring of this year. Approximately fifteen damaged areas were repaired and patched with asphalt.

Water Quality Monitoring Equipment: The water quality monitoring equipment to be installed at the BMMD river pump station has been ordered as well as the system control data acquisition (SCADA) system.

BMMD Personnel Policy Manual: Included in your packet is the amended employee personnel manual. As you may recall the District's insurance provider, Travelers Insurance, conducted a risk assessment earlier this year and provided recommendations for modification of the manual to reduce employment liability. Some of the items noted were discipline, discharge, complaint reporting, cell phone use while driving, etc. The attorney reviewed the document in relation to the recommendations and the BMMD, Board of Directors were provided copy for comment. Director's Deussen and Nelson provided comments and those comments were then incorporated into the document.

2017 Ford Pickup Purchase: The 2017 Ford F-150 pickup truck was delivered this past week.

Street Sweeping - County Streets: As you may recall Garfield County asked if the BMMD would be willing to provide a bid to sweep the 4-lane county streets in Battlement Mesa. I reviewed the mileage of the 4-lane streets along with the mileage of the 2-lane streets the BMMD currently sweeps for the BMSA. There are 7 miles of 4-lane streets or 14 miles of 2-lanes. The BMMD currently sweeps 15.2 miles of 2-lane streets. I am proposing to provide a bid to Garfield County of \$15,000, an amount equal to our current price for sweeping the BMSA streets. This would include two sweepings of the streets.