

APPROVED

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

CONSOLIDATED METROPOLITAN DISTRICT

Held Tuesday, the 15th day of April 2008 at 9:00 a.m. at Garfield County Fairgrounds Events Center, Rifle, Colorado.

Attendance

A special joint meeting between the Board of Directors of the Consolidated Metropolitan District and the Garfield County Commissioners, 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
George Cathey
Frank Lancaster
Fred Inman
Bill Wilde

Larry McCown, Tresi Houpt, John Martin, Ed Green, Marvin Stephens, Jake Mall, Lynn Shore, Gordon Elliott, Chuck Hall, Eric Schmela, Chris Coyle, Bob Jasper and Sandy Yeager were also in attendance.

Call to Order

Director Inman called the meeting to order at 9:07 a.m. and established that a quorum was in attendance.

Director Inman thanked the Garfield County Commissioners and staff for their attendance. The CMD Board of Directors were introduced.

Director Inman explained that the Battlement Mesa Service Association (BMSA) and CMD provide services for our community. A joint advisory committee (JAC), comprised of two members from each board, was formed to face issues common to both groups. Governance of Battlement Mesa and street sweeping are two of those issues. CMD is in the position to purchase a street sweeper, with a DOLA grant having been approved for the purchase. CMD is working with the BMSA to work out an agreement for funding the sweepings.

District Manager Jasper reported that the vision of the two groups is moving from a developer controlled community to a representative democracy type of governance.

Chuck Hall, President of the BMSA, distributed a handout that details the duties of the BMSA. He explained that there are thirteen villages in Battlement Mesa. Ten elected delegates sit on the BMSA Board of Directors. In addition to the ten village delegate board members, Battlement Mesa Partners holds two board positions. Mr. Hall explained that their objective is to make Battlement Mesa a better place. The BMSA receives their funding from common assessments from home/land owners. He reported that eight of the thirteen villages in Battlement Mesa rely on Garfield County for road maintenance, snow plowing and signage. This works well for those eight villages. However, five villages (Mesa Ridge, Canyon View, Fairway Villas, Valley View and Eagle's Point) were formed after Garfield County no longer accepted new roads for maintenance. These five villages pay a lower assessment to the BMSA, but pay their individual homeowners' associations additional for street maintenance.

Gordon Elliott, BMSA board member, reported that with the formation of the JAC, it was the first time both groups sat down together and are working together for the betterment of the community. The leaders are trying to lead through the changes and not to be reactionary. He reported that a Memorandum of Understanding between the BMSA and CMD was executed in December 2007. The goals of the coalition are to provide and maintain services, to plan for the future, be more responsive to public needs, to better represent our community with representation to other groups (County Commissioners, Town of Parachute, etc.). Mr. Elliott introduced the JAC members Bill Nelson and Frank Lancaster, members of CMD board, and Lynn Shore and himself, members of the BMSA board. He explained that their roles are to improve communications between BMSA and CMD and to review and identify problems and make recommendations to both boards for action. He also reported that the JAC would like to be the Battlement Mesa representative to Garfield County and the Town of Parachute.

District Manager Jasper reported that CMD had compiled a capital plan which contains provisions for the purchase of heavy equipment. A grant for a street sweeper has been received. BMSA has been contracting with a private firm for street sweeping once each spring. The idea was for CMD to purchase the street sweeper

then contract with BMSA for the sweeping. Mr. Jasper mentioned that in the meantime, Garfield County has purchased a street sweeper. The BMSA has committed to paying \$14,000, the five villages who do not receive street maintenance from Garfield County will pay a small amount for sweeping, and Encana will provide \$15,000 for street sweeping in 2009. Mr. Jasper mentioned that CMD is looking at a Pelican sweeper and that Garfield County had purchased a much larger sweeper. He asked if we could possibly partner with Garfield County on the street sweeping, with Garfield County sweeping the arterial roads and with CMD sweeping the streets within the subdivisions. This would make the funding for our sweeping go further.

Commissioner Houpt stated that since the grant has been awarded, CMD should proceed with their purchase of the street sweeper. She also mentioned that Mr. Jasper should meet with Ed Green and then report back to both the County Commissioners and to the CMD board with a proposed agreement.

District Manager Jasper reported that the potential for additional subdivisions within Battlement Mesa is very real. The county maintains the roads in the older subdivisions and on the arterial and collector roads. A few months back, CMD proposed that Garfield County bring the roads up to standard and then pay CMD to maintain them. With new subdivisions coming on-line, a property tax could be implemented and with funding from Garfield County, we could do it. The five newer subdivisions could join our District for street maintenance. Commissioner Houpt stated that it is important to have a meeting of the minds for improving and maintaining the roads, with consideration of cost and the viability of CMD taking over this task. She voiced that it looks like CMD may want to annex to Parachute or incorporate, but they want the roads up to standard prior to this happening. She wants to see details. Commissioner McCown stated that CMD better be careful about what they ask for. If you get the roads, we will abandon them. We will give you X amount of money, whatever is agreed on, and then the roads will be yours. We will not let you maintain our roads. District Manager Jasper mentioned that the county will lose gas tax money and Commissioner McCown responded with, "no problem". Mr. Jasper stated that the county could set maintenance standards and if CMD doesn't meet them the county would not have to pay us. Commissioner McCown stated that if annexation with the Town of Parachute happens, the streets will automatically become town streets. He also mentioned that he had participated in a drive-through of Battlement Mesa and the cul-de-sacs do not need replacing, just patching. He also stated that we

are further apart than what the CMD board thinks on what needs upgrading and maintenance. Commissioner Martin reported that in 2006 the road and bridge mil levy portion of taxes for Battlement Mesa totaled only \$91,000. Our road taxes do not pay for the \$250,000 annual costs. Commissioner Houpt suggested that Mr. Jasper and Marvin Stephens get together and determine what improvements are wanted. She wants all the information presented before any decision is made. She thinks it is worthwhile to continue talking about it, but all the numbers need to be brought together. Commissioner McCown asked how funding flows into CMD. Director Inman stated that our funds come from water and sewer and the BMAC recreational assessment. There is currently no street funding in the CMD budget.

Commissioner Martin stated that he would like us to work off the success with the street sweeping and then face each challenge as they arise. Commissioner McCown mentioned that planning is good. He cautioned CMD about buying dump trucks and backhoes if they are considering being annexed into Parachute. He also believes that the most practical approach is annexation. Commissioner Martin suggested that a meeting between the commissioners, Ed Green, legal counsel, the Town of Parachute and the BMSA and CMD boards be held to discuss different issues. Mr. Jasper should contact Mr. Green who is the county contact. Gordon Elliott summarized that Battlement Mesa has four options for the future: 1) stay as we are; 2) annexation to Parachute; 3) incorporation; 4) hybrid. Perhaps we need to evaluate the best approach of these four options.

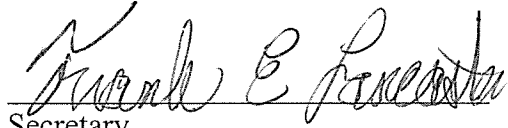
District Manager Jasper mentioned that CMD owns the storm drains at Battlement Mesa. With new subdivisions being built, many with retention ponds which eventually go into our storm drains, CMD has no control over what ends up in our storm drains. He would like to work with Garfield County on setting standards for new development. He stated that CMD signs off on water and sewer standards and he would like to sign off on the storm drains, as well.

District Manager Jasper also mentioned that CMD is seeking a text amendment on the width of roads. As of today, if you have a private road that goes into a cul-de-sac, it only needs to be 24 feet wide. We would like them wider, per county standards. Director Wilde responded by stating that this is not correct. CMD wants the PUD regulations that govern street width enforced, not the county standards.

Adjournment

There being no further business to discuss, the meeting was adjourned at 10:40 a.m.

The foregoing constitutes the true and correct minutes of the above referenced meeting and was approved by the Board of Directors of the Consolidated Metropolitan District on the 24th day of April, 2008.


Secretary