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**RECORD OF PROCEEDINGS**

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MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

CONSOLIDATED METROPOLITAN DISTRICT

Held Thursday, the 24<sup>th</sup> day of April 2008 at 9:00 a.m., at 398 Arroyo Drive, Battlement Mesa, Colorado.

Attendance

A regular meeting of the Board of Directors of the Consolidated 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:

Fred Inman  
Frank Lancaster  
George Cathey  
Bill Nelson  
Bill Wilde

Jerry McMahon, Raymond Barbour, Lynn Shore, Bob Jasper, Anne Huber and Amie Martin were also in attendance.

Call to Order

Director Inman called the meeting to order at 9:00 a.m. and established that a notice of the meeting had been posted as required by statute. Director Inman noted that a quorum was in attendance.

No potential conflict of interest disclosures were noted or filed on behalf of any of the Directors.

2007 Audit

Mr. Jerry McMahon stated there were no major exceptions. In the management letter there are some options for company credit cards. We can switch to a credit card purchasing option that can scan out certain items that cannot be charged to the card, but we may not want to bother with this since our current system appears to be working fine. The other issue is the interest paid to us by Alpine Bank. We had a gentlemen's agreement with them. We need to have it in writing that the interest would be the same as Colorado Trust. A new State law is in effect for journal entries. They need to be approved when they are done. Sandy and Amie are doing this. Mr. McMahon stated it is technically illegal to adopt a deficit budget. In 2007 we made a journal entry to bring

cash to \$0.00. We need to adopt our amended budget before Mr. McMahon can send in our audit. There are two columns in the audit financials, original budget column and final budget column. We need to adopt the final column. Mr. McMahon stated in the audit report, the tap fees will be paid out at \$5000.00 not \$9000.00. The State deadline for the adoption is June 30, 2008. Mr. Jasper and the Board of Directors are very happy with the audit. Director Lancaster made a motion to have Director Nelson look at the journal entries quarterly; Director Wilde seconded the motion and the motion carried unanimously.

March Regular Meeting Minutes

A motion was made by Director Lancaster to accept the March 28, 2008 regular meeting minutes as presented; Director Cathey seconded the motion and the motion carried unanimously.

April Special Meeting Minutes

A motion was made by Director Wilde to accept the April 15, 2008 special meeting minutes as presented; Director Nelson seconded the motion and the motion carried unanimously.

March 2008 Financial Statements

The March 2008 financial statements were reviewed. A motion was made by Director Wilde to accept the March 31, 2008 financial statements as presented, subject to audit; Director Lancaster seconded the motion and the motion carried unanimously.

Activity Center Information

Anne Huber stated that the tennis courts are going to be secured soon. Hopefully this will not entice people who want access to do vandalism. The window frames are here. We will get to the installation once preschool is over. The bricks are also here. A company in Florida made them for us. We are designing a place for them. A punching bag has been installed in the weight room. Preschool is going well. The teachers are making a great effort at not letting the children wander around the center. Anne asked Mr. McMahon about getting a 501C3 status to get more contributions. Mr. McMahon stated it sometimes helps to have this status, that way we can earmark contributions. Director Inman suggested going to the IRS.gov website to get the application, and possibly Dr. Thompson could help us with the process. Anne stated that some corporations have bylaws which state they can only donate money to 501C3 organizations. The Board of Directors told Anne to proceed with the application process.

Dump Truck and  
Backhoe Purchase

Director Nelson stated this was to be tabled for 60 days per the March 2008 meeting. He asked why it was put on the agenda again this month? Mr. Jasper stated he called the bid companies to tell them we weren't ready to buy. Some of them wouldn't let us hold the bids any longer. He did not put this on the agenda to disobey the board. What is the equipment going to be used for? Mr. Jasper stated they would both be used to make repairs. Dan Cook will still be used but he can't get to us right away all the time. Purchasing the larger truck is more feasible. Since we have a grant we should go ahead with the larger truck. Dan Cook hauled our biosolids to the field for disposal. He needed to use his bigger truck because of the weight. Director Cathey stated that saving money by doing our own water leak repairs doesn't seem feasible. The timing doesn't seem right. Mr. Inman asked are we talking about timing or not purchasing any equipment? Director Wilde asked if used equipment was considered? Mr. Jasper stated that with DOLA, we have to prove we did a bidding process. Not sure we can show proof of bidding on used equipment. Director Wilde stated since this was to be tabled for 60 days per the March 2008 meeting minutes then we should move on.

Commissioners  
Meeting

Commissioner McGowan stated Battlement Mesa doesn't need anything. He thinks the streets only need a fog on them, not resurfacing. Commissioner Martin stated he would like to sit down with us to see what we could do. Director Cathey stated that Commissioner Houpt stated she thinks we should go ahead with the purchasing of the street sweeper. Director Wilde stated they never said they would take care of the arterial streets. Director Inman stated he would like to get a copy of their minutes from the meeting. Mr. Jasper stated the Commissioners ordered their street sweeper and it should arrive in a couple of weeks. Mr. Jasper stated the Commissioners want to meet with us again to see where we need to go. It is a good thing to get a good working relationship with them. Mr. Jasper felt that the Commissioners were leaning toward doing the arterial streets and we do the rest. Director Wilde stated he feels the street issue is a ~~done~~<sup>deal</sup> deal with the Commissioners. If we are going to take on the roads, then the service plan needs to be amended as far as the funding, staffing, equipment, plans, etc. Director Cathey agreed. Mr. Jasper stated the 1988 agreement with the County about street maintenance was never funded. He suggests if the County will vacate the roads once we take them over, then we shouldn't continue. Mr. Jasper would like to schedule an executive session meeting to discuss where we need to go.

Bill Wilde and  
George Cathey

Director Inman and the Board thanked Directors Wilde and Cathey for all their time and service to the community throughout the many years.

Canvas Board

Mr. Jasper stated we need a canvass board which will certify the election results. It typically takes a short meeting the day after the election. Director Wilde and Cathey volunteered.

Next regular meeting  
Date Changed

Mr. Shore stated he would be out of town on our next regular meeting day. Director Wilde stated a full assembled board should be present for swearing in new members and the election of officers. The next meeting will be moved to the 29<sup>th</sup> day of May from the 22<sup>nd</sup>.

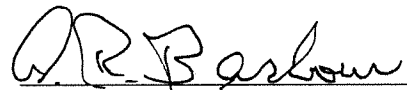
Potential Flooding

Director Wilde asked what discussions have been held with Ted and Roger about the possibility of the well field being flooded. Mr. Jasper stated that flooding is a concern, but no real discussions have taken place. Director Wilde stated the well field has been under water three times and several times flooding has occurred within just a few feet of the well fields. We disconnected the power and cleaned and chlorinated the well fields.

Adjournment

There being no further business to come before the Board, and upon motion made by Director Wilde and seconded by Director Cathey and unanimously carried, the meeting was adjourned at 11:30 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 29<sup>th</sup> day of May, 2008.

  
Secretary