

APPROVED

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF
DIRECTORS

OF

CONSOLIDATED METROPOLITAN DISTRICT

Held Thursday, the 27th day of August 2009 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:

Lynn Shore
Frank Lancaster
Bill Nelson

Steve Rippey, Anne Huber, Keith Lammey and Sandy Yeager were also in attendance.

Call to Order

Director Nelson 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 Nelson noted that a quorum was in attendance.

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

July 2009 Regular
Meeting Minutes

Director Lancaster moved to accept the July 23, 2009 regular meeting minutes as presented; Director Shore seconded the motion and the motion carried unanimously.

August 2009 Special
Meeting Minutes

Director Lancaster moved to accept the August 20, 2009 special meeting minutes as presented; Director Shore seconded the motion and the motion carried unanimously.

Accounting Manager
Report

The July financials were reviewed. Director Shore moved to accept the July 31, 2009 financial statements as presented, subject to audit; Director Lancaster seconded the motion and the motion carried unanimously.

2008 Audit

Director Nelson mentioned that on page B3, the language in the Business-type activities section regarding non-operating revenues should match the description of grants and contributions in the table at the top of the same page. Accounting Manager Yeager will have the auditors make this change. Director Shore moved to accept the 2008 audit as presented, with the noted change to page B3; Director Lancaster seconded the motion and the motion carried unanimously.

Caselle Software
Module Add-On

Accounting Manager Yeager requested that the Board approve the purchase of the Caselle Service Order add-on module for use by CMD and BMSA. She also requested the purchase of five Caselle modules for the BMSA recordkeeping, which will be contained in a separate directory from CMD. The total estimated cost of the software purchases is \$6,000. Director Shore moved to approve the purchase of the Caselle software at the approximate cost of \$6,000; Director Lancaster seconded the motion and the motion carried unanimously.

BMAC Director
Report

Anne Huber thanked the Board for changing the unsupervised minimum age from 12 to 11, or 6th grade. She asked the Board to change the current requirement that children under age 11 be accompanied by a person at least 18 years of age to 16 years of age. The Board agreed to implement this for a period of three months, at which time it will be reviewed. They also recommended that Ms. Huber obtain a form signed by the parents which names the responsible party.

As a follow-up to Lou Rotella's complaint, he was sent a letter denying his request. After receiving the letter, he came to the Center and requested a refund of his locker rent and stated he would never return to the Center. His locker rental fee was refunded.

Ms. Huber informed the Board that when the weight room was equipped with the new Nautilus equipment, two pieces were not replaced and she would be ordering a new inner/outer thigh machine and a new leg extension machine. These items will cost approximately \$5,399, within the budgeted amount for the year.

District Manager
Report

District Manager Steve Rippe reported that the paving of North Battlement Parkway, due to a water main break, will take place the last week in September. The District has spent nearly \$36,000 in repairs, to date, on this break. He projects that with the paving, we will most likely incur an additional \$75-78,000 in repair costs.

Mr. Rippe reported that the RV Lift Station project is complete. The punch list has been completed and a final walkthrough was done last week.

Progress on the new maintenance shop building is moving along. Block walls have been completed and the water/sewer line connections will be made within the next two weeks.

Mr. Rippe reported that he and Sandy Yeager had met with Jane Chapman twice regarding the BMSA transition. Ms. Chapman supplied us with the current year budget information, a list of contractors used by the BMSA, a call-out list and BMSA procedures. Office staff will likely have 2-3 more meetings with Jane and her staff.

A letter has been received from DOLA stating that the District has been awarded a \$234,000 grant for the drying bed project. Mr. Rippe will meet with Jack Kirtland regarding the grant and he will get a construction schedule from Roger Bulla.

Mr. Rippe supplied the Board with a sewer rate study for their review. He mentioned that when the budget process for next year begins, he will define our needs for next year's rates.

Mr. Rippe provided a copy of the ballot question for the November election. The ballot content needs to be at Garfield County by September 4. Director Shore stated that as it is currently written, it says that the District will increase annually by 5% or the inflation rate, whichever is less. He would like it to be reworded to include that the increase is at the discretion of the Board to increase or not. Director Shore moved to accept the proposed ballot question as presented, with the above noted addition and with the approval of legal counsel; Director Lancaster seconded the motion and the motion carried unanimously.

The Intergovernmental Agreement for November 3, 2009 Coordinated Mail Ballot Election needed to be at the Garfield County Clerk's office by August 25, but the Clerk has allowed us to submit by early next week, as Director Barbour is out of town.

Mr. Rippy is concerned that Director Barbour would not be back next week, and the agreement needs to be signed by the President and the Secretary of the Board. Director Shore moved to appoint Director Lancaster as secretary pro-tem until that time when Director Barbour returns; Director Nelson seconded the motion and the motion carried unanimously.

The contract with BMSA was discussed. Mr. Rippy requested that the Board accept the contract as presented, pending the final cost figures. The contract, along with the final numbers need to be to the BMSA Board prior to their September 15 meeting. Director Shore recommends that the District charge the same amount as Battlement Mesa Company is currently charging for the service. Director Shore moved to adopt the Contract for Management Services to BMSA, with the most recent version of 8/20/09, pending final cost figures to be inserted into Exhibit A; Director Lancaster seconded the motion and the motion carried unanimously.

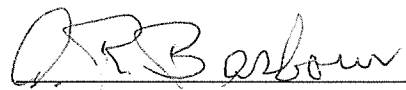
BMSA Election
Brochure

Director Shore and Anne Huber have compiled a brochure, with the intent of informing residents of the November 3 ballot issue. Director Shore cautioned the Board that the District can neither spend any funds on, nor promote the issue. The brochure is modeled after the one the School Board used for their successful ballot issue. Director Shore would like the brochure to be distributed to residents in early October, and he requests that Mr. Rippy run its contents by Matt Dalton for approval.

Adjournment

There being no further business to come before the Board and upon motion made, seconded and carried, the meeting was adjourned at 10:00 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 September, 2009.


Secretary