

APPROVED

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

BATTLEMENT MESA METROPOLITAN DISTRICT

Held Thursday, the 28th day of January 2010 at 398 Arroyo Drive, Battlement Mesa, Colorado.

Attendance

A regular meeting of the Board of Directors of the 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:

Ray Barbour
Frank Lancaster
Lynn Shore
Bill Nelson
Fred Inman

Steve Rippy, Sandy Yeager, Anne Huber, Keith Lammey, Mary Lee Mohrlang, Bill Wilde, Michelle Foster and Amie Martin 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.

Director Shore pointed out that an item included with the Activity Center Report requesting consideration by the Board of a proposal for transferability of membership, presented a potential conflict of interest for every Director. Director Nelson agreed that in a narrow technical sense the potential for conflicts might be perceived to exist. However, such an interpretation would render impossible any discussion of the matter by the Board. Since the interests of the District are the primary concern of the Board, it was agreed that discussion of the item would be allowed.

December 2009
Regular Meeting
Minutes

Director Inman moved to accept the December 17, 2009 regular meeting minutes with two changes; Director Shore seconded the motion and the motion carried unanimously.

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| Accounting Manager Report | The December 2009 financial statements were reviewed. Director Inman moved to accept the December 31, 2009 financial statements as presented, subject to audit; Director Lancaster seconded the motion and the motion carried unanimously. |
| 2010 Meeting Schedule | Director Shore moved to accept the 2010 Meeting Schedule as presented; Director Lancaster seconded the motion and the motion carried unanimously. |
| 2010 Designated Posting Location | Director Shore moved to designate the Battlement Mesa Activity Center as the designated posting location; Director Lancaster seconded the motion and the motion carried unanimously. |
| Adopt Resolution Concerning Regular Election to be held May 4, 2010 | Director Inman moved to adopt the Resolution concerning the Regular Election to be held May 4, 2010; Director Barbour seconded the motion and the motion carried unanimously. |
| BMAC Report | Mrs. Huber met with Kiwanis regarding moving their meetings back to the Activity Center. They seem to be in favor of slowly increasing the cost of room rental. Mrs. Huber feels there has been a positive result from the decision to split the \$205 annual Recreation Assessment into 12 monthly payments and include them on the water bill. The pump in the swimming pool is now functioning. The pool temperature is back up to 83-84 degrees. Mrs. Huber has included in the Board packets a draft proposal to allow property owners that do not use their Activity Center Membership to transfer their membership to someone that would normally have to purchase an out-of-district membership. A transfer fee of \$50.00 would be charged which could be paid by either party. Mrs. Huber explained that this is just a starting point and welcomed Board member comments. Director Nelson suggested the Board study the proposal and discuss it at the next Board meeting. Mrs. Huber explained that the swim team traveled to Mesa State College and brought home some 1 st and 2 nd place trophies. |
| District Manager Report | Mr. Rippy explained to the Board the progress that has been made on the take-over of the management of the Battlement Mesa Service Association. He stated we brought in a temporary employee, Kallie Knightwalker, to help with some of the paperwork. We are working on the work load as far as phone calls for trash cans on the trails needing attention, the recycle dumpster, and other items. We are having some issues with the snow removal on the paths. Mr. Rippy is working with the contractor on |

these issues. Mr. Rippy explained that the tractor we included in the grant, is too small to pull the spreader. The tractor needed is approximately \$10,000 more than what was granted. Mr. Rippy stated that he and Ted Anderson had reviewed several John Deere tractors at Delta Implement in Grand Junction. In addition they have received cost estimates on two other brand of tractors from Western Implement in Grand Junction. These tractors were priced similarly to the John Deere tractors. Mr Rippy also received price estimates for a plow attachment which ranged from \$8,000 to \$10,000. This would allow Building Maintenance Superintendent, Larry Huber, to use the tractor to plow snow at the Activity Center. Mr. Rippy also explained the tractor could be used to aerate bio-solids in the drying beds which will allow the solids to dry faster and increase the processing capacity of the beds. Director Shore asked whether the purchase of the tractor made sense at this time due to the limited need and cost benefit to the District. Director Shore asked if the Board could have a copy of the District boundary map? Mr. Rippy stated that we do not have any small copies but would check into getting some made.

Possible Purchase of Property

Mr. Rippy requested direction from the Board on whether to research the possibility of purchasing the Sales Pavilion property adjacent to the Activity Center for use as an office for the BMMD. Mr. Rippy explained that BMMD currently pays rent in an amount equal to that of a \$400,000 mortgage. Mr. Rippy stated that he had received a copy of the blue prints for the building and with its existing layout the building could work as an office for BMMD. Mr. Rippy further stated the building sits on 2.03 acres and includes the small building behind it that was used as a model home and an office. Director Shore stated that before we get too far into the process it would make sense to have an inspection of the building to determine its condition. Director Shore also requested some sketches be completed to show how the building floor plan might be utilized or modified. The Board agreed to have Mr. Rippy do some research on the possible purchase of the property.

Other Business

Mr. Rippy explained that the District has been approached by Encana to purchase bulk water for their drilling and fracing operation on a drilling pad outside of the PUD and east of the New Middle School. The well pad would be serviced by an above ground waterline in a similar manner as the Antero pad that was supplied by the District in 2009. Mr. Rippy estimates the water sales for this operation to be approximately \$70,000 and Encana would be paying for all material costs for installing the system.

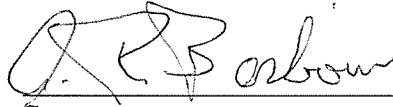
The Board agreed to have Mr. Rippy move forward with the request and any other similar requests that comes forward.

Mr. Rippy explained that he would also like to explore the possible purchase of a bulk water sales station for the purpose of supplying water on a regular basis to oil & gas and other types of construction companies. Mr. Rippy explained that currently bulk water sales come from existing fire hydrants which are not designed to have this type of constant use. Mr. Rippy stated that the bulk stations start out at a price of approximately \$40,000. Mr. Rippy explained that in the drilling process of a well the water sales range from \$7,000 to \$10,000 per well and that the fracing process generates an additional \$19,000 in sales per well. The Board agreed to have Mr. Rippy research the possible purchase and installation of a bulk water station.

Adjournment

There being no further business to come before the Board and upon motion made and carried the meeting was adjourned at 10:05 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 Battlement Mesa Metropolitan District on the 25 day of February, 2010.


Secretary