
RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

BATTLEMENT MESA METROPOLITAN DISTRICT

Held Thursday, the 22nd day of July 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:

Lynn Shore
Sara McCurdy
Michelle Foster
Bruce Richards

Director Inman was excused.

Keith Lammey, Anne Huber, Ron Galterio, Bill Wilde, Steve Rippy and Amie Martin were also in attendance.

Call to Order

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

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

Public Comment

Ron Galterio, Canyon View Resident and Co-Chair of the Battlement Mesa Concerned Citizens informed the Board that Middle Colorado River Watershed Partnership is a new partnership that is forming to protect Colorado river watershed from Glenwood Springs to Debeque. The Middle Colorado River Watershed Partnership would like BMMD and Town of Parachute to be involved in the partnership. Mr. Galterio will get contact information to the Board. Director Shore stated that since BMMD gets it's water from the Colorado River it makes sense for us to participate in it.

Mr. Galterio stated that he was told that Antero cannot do their fracing during the day because they are limited on when they can get their water from BMMD. Mr. Rippy explained that there are no restrictions with BMMD.

Mr. Galterio asked the Board if we are going to write a letter of support for the 1041? Director McCurdy stated that BMMD has not received any further information on the 1041 to help understand what BMMD may or may not be supporting. Director Shore told Mr. Galterio that BMMD is in a holding pattern until BCC acquires a new attorney.

June 2010 Regular Meeting Minutes

Director Richards moved to accept the June 24, 2010 regular meeting minutes as presented; Director Foster seconded the motion and the motion carried unanimously.

Accounting Manager Report

The June 2010 financial statements were reviewed. Director McCurdy moved to accept the June 30, 2010 financial statements as presented; subject to audit. Director Richards seconded the motion and the motion carried unanimously.

BMAC Director Report

Mrs. Huber informed the Board that Garfield County Sheriff's Department is partnering with the Activity Center to combine "Touch a Truck" with National Night Out. The event is scheduled for Tuesday, August 3, 2010 from 3:30 to 7:30 pm.

Mrs. Huber stated that beginning August 14, 2010 Debra Strait will teach a beginning yoga class. The class will be offered on Saturday mornings and Monday evenings.

Mrs. Huber stated that the second session of swim lessons had 25 students enrolled. A third session has been added for levels 1 and 2 for July/August.

Mrs. Huber also informed the Board that the number of active residents using the BMAC has decreased.

District Manager Report

Mr. Rippy informed the Board that during the month of June, Encana and Antero purchased 11,938,000 gallons of water from the District for their well production activities. This equates to \$131,000 in bulk water sales. Mr. Rippy explained that the bulk water sales will be down because Encana has completed their current fracing operations. Antero will continue fracing the remaining wells located on the Watson pad in July. The total bulk water sales through June is 19,568,400 gallons and \$215,250.

revenue.

Mr. Rippy stated that the painting of fire hydrants has been completed in Monument Creek Village, Willow Creek Village, Canyon View, Stone Ridge, Battlement Creek Village, The Reserve, Mesa Ridge Townhomes, The Fairways and Valley View. The new color has improved the visibility and appearance of the hydrants.

Mr. Rippy informed the Board a woman walking on Monument Creek Trail stepped into a water valve box at the intersection of Lodgepole Circle and Monument Creek Trail and injured her leg. The valve cover was missing and the metal ring that holds the cover in place was broken. We believe it may have been hit by a snow plow this winter. Mr. Rippy stated he has spoken with the woman and her husband and have been in contact with the District's insurance carrier. Mr. Rippy and staff are working on replacing the sidewalk and curb around the valve box in order to repair it.

Mr. Rippy stated that Holy Cross Electric has notified the District that they will only do locates on primary underground electric lines. They will no longer do locates on secondary electric lines. The secondary lines are those lines which run from the transformer to the meter. Locates for secondary lines are the responsibility of the property owner or company doing the work. The change in policy will result in a minor increase in water line repairs of approximately \$65.00 per repair.

Mr. Rippy stated that the upper level parking lots at BMAC have some serious cracks in the asphalt. The cracks are not new but do need some attention in order to reduce more severe damage from moisture. Mr. Rippy and Ted Anderson will be meeting with an asphalt contractor to determine the best method to use on repairing the asphalt and put together a cost estimate.

Mr. Rippy informed the Board that the current policy at BMMD office has been not to accept credit/debit card payments from customers for water and sewer billings. Mr. Rippy would like the Board's approval to change this policy. Mr. Rippy explained that the cost to the District would run approximately 2% of the transaction cost. A motion was made by Director Richards and seconded by Director McCurdy to begin taking credit/debit card payments, the motion carried unanimously. The Board also asked Mr. Rippy to check into customers paying their bills on line and

also the ability of emailing bills to customers.

Mr. Rippy explained to the Board that the District's existing computer server is no longer adequate to handle the large volume of data we must maintain for the District and Service Association. The District's computer technician recommends a true computer server that has the capability of handling the larger volume of data. A motion was made by Director Richards and seconded by Director McCurdy to purchase a server for the District. The cost cannot exceed \$4,000. The motion carried unanimously.

Mr. Rippy stated that the street sweeping of Garfield County streets has taken quite a bit of time. Keith Sheppelman is sweeping daily. The debris from the sweepings will be used at the new maintenance building.

Adopt 2010 Lien
Resolution

A motion was made by Director McCurdy and seconded by Director Foster to approve the 2010 Lien Resolution, the motion carried unanimously.

Approve Final
Preliminary Audit
Draft

A motion was made by Director Richards and seconded by Director McCurdy to approve the Final Preliminary Audit Draft, the motion carried unanimously.

Other Business

Director Richards asked Mr. Rippy about the street sweeping contract with BMSA? Mr. Rippy explained that BMMD does have a street sweeping contract with BMSA to do interior streets. Stone Quarry Road and Battlement Parkway are swept by Garfield County. Mr. Rippy stated that BMSA receives a gift of \$15,000 from Encana each year to help with the cost of street sweeping.

Director Richards asked how the transfer of duties from BMSA to BMMD is going to be handled? Director McCurdy explained that BMMD is handling the management of BMSA. The covenant and other duties are still handled by BMSA.

Director Shore explained that the JAC was a group, instructed by both Boards, to research consolidation into one group to achieve combined municipal activities. Director Shore went on to explain that in 3 to 5 years BMSA would take a smaller role in the day to day operations of Battlement Mesa. ie. street sweeping, lights, etc. BMMD and BMSA are trying to create a single operating entity. Community members are confused as to which entity handles which aspects of the community.

Director Richards stated that with a quorum of 3 the majority vote would be 2 votes. He explained that if BMMD's responsibilities increase than this Board may want to go to 7 members instead of 5. Director Shore asked Mr. Rippy to discuss this matter with our attorney.

Director Foster asked if a customer has their water shutoff for non-payment, do they need to become current with their bill or just pay the past due amount? Mr. Rippy explained that it is either a statutory or a policy that the customer only pays the past due amount on their account. Director Foster stated that people may be more inclined to pay their water and sewer bill on time if they had to pay it in full when they were shutoff.

After much discussion the Board agreed to schedule a workshop for August 26, 2010 at the BMAC. Director Shore directed the Board members to email any questions they have for the workshop to Mr. Rippy.

Mr. Lammey asked if BMMD had explored any other options for ownership and operation of the BMAC? Perhaps there are other avenues to explore to help fund the center. Mr. Lammey asked if it makes sense for BMSA to own BMAC for funding purposes? We need to explore ways to get around the challenge of asking the community to raise the assessment fees. Mr. Lammey explained that the BMAC is critical to the community and it would be detrimental to lose it.

Director Shore stated that Parachute/Battlement Mesa Park and Recreation District could own the BMAC because of their tax base. This is a conversation that we need to have.

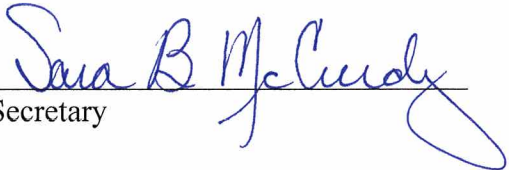
Mr. Lammey stated that BMSA is beginning their budget process, if this is something that could happen for 2011, it needs to happen quickly.

Bill Wilde stated that he has completed the renovation cost estimate for the sales office facility. We will add it to the agenda for August 2010.

Adjournment

There being no further business to come before the Board and upon a motion made and seconded, the meeting adjourned at 10:45 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 26 day of August, 2010.


Secretary