

**APPROVED**

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**RECORD OF PROCEEDINGS**

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MINUTES OF A REGULAR MEETING OF THE BOARD OF  
DIRECTORS

OF

BATTLEMENT MESA METROPOLITAN DISTRICT

Held Thursday, the 26<sup>th</sup> day of May 2011 at 398 Arroyo Drive,  
Battlement Mesa, Colorado.

Attendance

A regular meeting of the Board of Directors of 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  
Fred Inman  
Sara McCurdy  
Bruce Richards

A motion was made by Director McCurdy and seconded by Director Richards to excuse Director Foster's absence; motion carried unanimously.

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

Call to Order

Director Shore 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 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.

April 2011 Regular  
Meeting Minutes

A motion was made by Director Richards and seconded by Director Inman to accept the April 28, 2011 regular meeting minutes with the addition of an s following the apostrophe in Director Shore's name in the attendance section, second paragraph. The motion carried unanimously.

Accounting Manager  
Report

A motion was made by Director McCurdy and seconded by Director Inman to accept the April 30, 2011 financial statements, subject to audit. The motion carried unanimously.

Activity Center  
Report

Anne Huber reported that Riverside Elementary School visited the Center on May 16<sup>th</sup>. The day was successful for both the kids and the Center.

Ms. Huber mentioned that the Community Yard Sale will be held on June 11<sup>th</sup>.

Michelle Bargas and Kaylyn Stewart will attend a one-day workshop in Cheyenne, WY to participate in Aqua Arthritis Class Certification. The program will begin this summer at the Center.

Ms. Huber reported that the Rifle Chamber of Commerce will hold a ribbon cutting on June 9<sup>th</sup> for both the Center and KSUN Radio, in recognition of their becoming new members of the organization.

Ms. Huber sought Board approval to discontinue the rail advertising in the Grand Valley Echo and replace it with a 3"x6" display ad which can be changed monthly to highlight information about the District. The Board asked her to confirm that the remaining balance paid for twelve months of the rail ad can be applied to the display ad. Ms. Huber will return next month with this information, as well as what the cost for running the monthly display ad will be.

Ms. Huber reported that Laurel Koenig had suggested "Movies Under the Moonlight" be started this summer. A cosponsor is being sought to help with the expenses of purchasing a screen and possibly a projector and audio equipment, as well as the \$250-\$350 per showing to pay for the royalties charges. The Board agreed that Ms. Koenig may pursue this idea, but that the Center should not be involved, other than making sure everything is done correctly.

District Manager  
Report

District Manager Steve Rippy reported that the street sweeper had been taken to Denver for repairs of damage incurred during the sweeping of the debris left by last year's chip and seal by Garfield County. The cost of repairs will be approximately \$5,000. He is seeking reimbursement from Garfield County for the cost to sweep up the excess debris from the chip and seal project.

Mr. Rippy reported that during the last days of the legislative session, the legislature passed a bill that will require a cost benefit analysis be conducted by the Colorado Water Congress prior to any further implementation of the EPA's proposed nutrient and phosphorus standards being proposed by the CO Department of

Public Health and Environment. This delay will allow additional information to be collected that could change the type of standards that will be required, as well as outlining a time frame.

Mr. Rippy reported that the District office remodel is well underway. The interior demolition and framing have been completed. Exterior demolition on the siding and porches has begun, as has the work on the surrounding grounds. The existing heating/cooling duct work was found to be in very bad condition and had to be replaced.

Mr. Rippy explained that due to the expected high flows of the Colorado River during this spring's runoff, he and BMMD staff will be working to assess potential impacts flooding may have on the District's water and wastewater operations. Based on this assessment, they will put together a plan of action to be implemented in the event of flooding.

Mr. Rippy reported to the Board that, beginning with the May billing, the water/sewer/recreational assessment bills are being outsourced to a mailing company in Utah. The reason for moving this task from in-house was determined by the closing of the Glenwood Springs post office's distribution center. All Parachute/Battlement Mesa mail is now processed out of Grand Junction, and they are enforcing much stricter mailing regulations than Glenwood did. After researching the costs, it was determined that we can have the bills printed, stuffed and mailed for less than we can do it in-house.

#### Resolution 11-4

The Board discussed the proposed Resolution 11-4 which amends the current system development fees. It was determined that at a future time, this fee structure should be reviewed to include an allocation to the Battlement Mesa Activity Center. A motion was made by Director McCurdy to adopt Resolution 11-4, First Amendment to the Resolution of the Board of Directors of the Battlement Mesa Metropolitan District Concerning System Development Fees (with the insertion of the resolution number of 11-4 into the title); the motion was seconded by Director Inman and the motion carried unanimously.

#### Tap Fees Agreement

Director Shore briefly explained to the Board the agreement BMMD has with Battlement Mesa Company related to prepaid tap fees. When the District was first formed, bonds were taken out to cover development construction within the District. Rather than paying money to BMC, it was agreed that they would take prepaid

water and sewer taps, for which they have the first right of refusal to sell their taps to new construction or to keep them for their own development use. Director Shore offered three different scenarios based on his interpretation of the agreement:

1) An owner (3<sup>rd</sup> party) of a lot wants water and sewer taps for a new residence and BMC chooses to sell their taps to them. BMMD would collect \$9,000 (system development fee), \$5000 would go to BMC and BMMD would retain \$4,000.

2) A new business needs water and sewer taps and BMC chooses to sell their taps to them. BMMD would collect \$5,000, which would go to BMC and BMMD would retain \$-0-.

3) BMC uses their prepaid taps by developing their own land. They would use their prepaid tap credits and BMMD would receive \$-0-.

#### Other Business

Director Inman asked if the review of the insurance study on the impacts of gas drilling has been completed. District Manager Rippey said he and Director Richards are working on it, thus nothing finalized yet.

#### Director Discussion

Director Shore informed the Board that the Chamber of Commerce has updated their website to include an interactive forum. Chamber members are able to post on the site, and he thought the District may want to post information on the amount of money saved on the nutrient study, to inform residents of water breaks, etc.

Director Shore reported that he has been informed that with the District's purchase of our new office, we qualify to have a delegate represent us on the BMSA Board.

Director Shore reminded the Board that the annual election of officers takes place at the June meeting, and asked them to consider whom they would like to appoint for the positions of President, Vice President and Secretary/Treasurer.

#### Executive Session

Pursuant to Colorado Statute, the Board went into executive session at 10:20 a.m. to discuss the District Manager's annual employment evaluation.

#### Regular Meeting Resumes

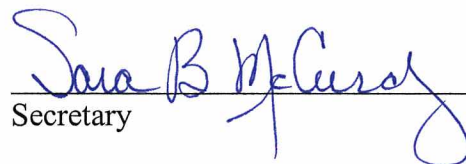
The Board came out of executive session at 11:04 a.m. A motion was made by Director Inman and seconded by Director Richards to increase the District Manager's annual salary from \$80,000 to \$86,000, effective May 28, 2011. The motion carried unanimously.

The Board requested Mr. Rippy inquire about the process needed to remove the term limit requirements for the District.

Adjournment

There being no further business to come before the Board, and upon motion made, seconded and carried, the meeting was adjourned at 11:10 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 23<sup>rd</sup> day of June, 2011.

  
Secretary