

APPROVED

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

CONSOLIDATED METROPOLITAN DISTRICT

Held Thursday, the 24th day of May 2007 at 5:00 p.m. at 398 Arroyo Drive, Battlement Mesa, Colorado.

Attendance

A special 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
Bill Wilde
Bill Nelson
George Cathey

Bob Jasper, Anne Huber, Ed Behrendsen, Nick Massaro, Sharon Massaro, Eileen Whitely, Susan Breier, Mindy Campbell, Mike Neighbor, Cheryl Brandon and Lynn Shore were also in attendance.

Call to Order

Director Inman called the meeting to order at 5:00 p.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.

BMAC Advisory
Committee

The Board welcomed the advisory committee and the discussion about funding the BMAC was opened. Nick Massaro stated that every member of the committee agrees that we are getting by too cheaply and they do not want to supplement the Activity Center's revenues with increased water and sewer charges. He also mentioned that the Center is a great amenity that adds to the value of every home.

The proposed ballot question allows for up to a 5% increase, based on the annual CPI. Director Lancaster pointed out that the ballot question states that the fee does not need to go up, but can only if necessary. Ed Behrendsen stated he believes the ballot question is flawed and he is “dead set against it and he will work against it” because it does not have a 5-year cap, which he wants. District Manager Jasper reported that the ballot question does have a cap of 5% per year, which is more stringent than Tabor. Other committee members vehemently disagreed with Mr. Behrendsen’s view point. Cheryl Brandon asked why we need to have a vote. She mentioned that the Activity Center is the only entity set up this way. The Service Association can raise their assessments and CMD can raise their water and sewer rates without a public vote. Director Wilde explained that the 1992 Service Plan set it up this way. When the Parks and Recreation District withdrew their funds, it impacted the Center. At that time the Center had three options: vote to raise the assessment, get new sources of revenue or scale back operations.

Director Wilde asked if all estimates for capital improvements had been taken out of the equation when calculating whether the CPI increase would be adequate. District Manager Jasper response was yes. The CPI increase covers only basic operations. The amount of revenue generated by the increase would not cover capital projects, which would be covered in the proposed System Development Fee.

It was stated that education of the residents on the ballot question was critical to its success. Other possible fees that would increase revenues will be evaluated by the committee. The ballot question will not be written without speaking with the District’s attorney and to see what other items may be needed on the ballot.

April 2007 Meeting
Minutes

Director Wilde requested that the topic heading of Water Rights on page three of the April 26, 2007 minutes be moved to the third paragraph of that page. A motion was made by Director Wilde to accept the minutes as presented, with the above change; Director Lancaster seconded the motion and the motion carried unanimously.

April 2007 Financial
Statements

Due to the office staff shortage over the past few weeks, no financials were ready for the meeting. April’s financials will be presented at the June meeting.

Tonder Construction
Proposal

District Manager Jasper requested that the Board look at the proposal from Tonder Construction to repair the buildings at the water and wastewater plants. He explained that the project evolved from just getting some painting done to needing replacement for some of the wood and trim. Director Wilde requested that Mr. Jasper obtain bids for this project. Director Inman mentioned that the District should have some guidelines for purchasing. Mr. Jasper will work on this issue prior to the next meeting. He will also publish a Request for Bids in the Citizen Telegram for this project.

District Manager
Report

District Manager Jasper reported that the storm drain on the golf course has been dug up and the defective pipe replaced. The Willow Creek storm drain is currently under repair. Mr. Jasper also reported that there are approximately 110 storm drains on Battlement Mesa public roads. He will be hiring a company to clean the public road drains.

Mr. Jasper requested permission to hire a facilitator for the strategic planning committee. He thought this should be around \$2,000. Director Lancaster agreed that someone is needed to be sure all issues are brought out. Director Wilde moved to approve \$2,000 for the strategic planning committee facilitator; Director Lancaster seconded the motion and the motion carried unanimously.

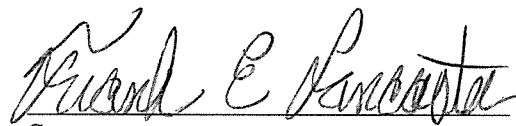
District Manager Jasper reported that the CMD Board of Directors will hold a joint meeting with the Battlement Mesa Service Association on June 21, 2007 at 1:00 p.m. at the BMAC. A number of topics will be discussed.

Director Wilde inquired as to the progress of the capital plan. District Manager Jasper replied that it will be ready for the July Board meeting.

Adjournment

There being no further business to come before the Board, and upon motion made and seconded and unanimously carried, the meeting was adjourned at 7:40 p.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 28th day of June, 2007.


Secretary