
RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

BATTLEMENT MESA METROPOLITAN DISTRICT

Held, Thursday, the 17th of November 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:

Michelle Foster
Sara McCurdy
Bruce Richards
Lynn Shore
Fred Inman

Steve Rippy, Sandy Yeager, Anne Huber, Keith Lammey, Eric Schmela, Bob Arrington and Amie Martin were also in attendance.

Call to Order

Director Foster called the meeting to order at 9:00 am.

Conflict/Disclosures

Director McCurdy disclosed that she is a member of the BMSA Board of Directors.

Public Comments

Keith Lammey provided the Board of Directors with a handout of the new BMSA website. Mr. Lammey asked the Board to look at the site and give feedback to him.

Lynn Shore stated that the new electronic sign at the Grand Valley Fire Protection District is functioning. Director Shore stated that community events, school events etc can be posted on the sign. Contact the GVFPD for more information.

Bob Arrington stated that he is concerned with the water connection Antero would like to make near Tamarisk Village. Mr. Arrington stated that Antero's water use may decrease water pressure in that area and could possibly impact fire protection for residents.

Mr. Rippy explained that BMMD has not received any information from Antero on their water needs or pipe design. Once the information is received, BMMD staff will review the water demand impacts before any agreements are reached to provide Antero water. All past agreements with Antero included language that serving the residents of Battlement Mesa is prioritized over supplying water to Antero. This allows the District to discontinue water flow to Antero should water pressure or capacity be impacted by their water use.

October 27, 2011
Regular Meeting
Minutes

A motion was made by Director McCurdy and seconded by Director Richards to approve the minutes with corrections. The motion carried unanimously.

Accounting Manager
Report

A motion was made by Director Shore and seconded by Director Richards to accept the October 2011 financial statements; subject to audit. The motion carried unanimously.

Activity Center Rep

See attached report.

District Manager Rep

See attached report.

Public Hearing for the
2012 Budget

Director Foster opened the public hearing on the 2012 budget.

Director Shore stated that he has concerns about adopting the new water and sewer maintenance/operation fees being proposed in the budget. He questions how the fees would be implemented on properties such as Mesa Ridge, the Willow Park and Willow Ridge apartments, the RV Park, and commercial properties that are supplied through a master meter rather than individual meters. Director Shore stated the idea of charging someone for providing them nothing just feels wrong and does it make us a more community friendly entity; does it entice commercial or residential builders or investors willing to buy distressed homes. Director Shore stated he believes the fees need more discussion before they are considered and therefore, he is opposed to adopting the fees.

Director Inman stated that we need a better understanding of the maintenance/operation fees.

Director Foster stated that we need to continue to research ways to generate revenues in order to stop drawing down our reserves. She suggested some workshops next year to continue assessing solutions.

Mr. Rippey stated that Director Shore raised some good questions about how the fees would be charged and the process in which the BMMD would track vacant units. He stated these are questions I can't answer right now and some research is needed.

Eric Schmela, representing Battlement Mesa Company, commented that 44% of their units are currently vacant and those vacant units would now be subjected to these new fees. He stated the current water and sewer fees, are based upon tenant use which can be transferred to the tenant, while the new fees, which would also be applied to vacant units, can not. In this current economic environment the maintenance/operation fee would have a huge impact on our company. Mr. Schmela commented that bulk water sales are a good way to generate additional revenue for the BMMD and this should be explored further.

Director Richards stated that he respects Director Shore's knowledge of the issue and the concerns he expressed about the maintenance/operation fees. Director Richards stated that he is unfamiliar with master meters but if the BMMD currently knows how to exclude vacant units from being charged a fee it would seem we could figure out how to charge the fee to a vacant unit. Director Richards stated it would appear that the majority of the vacant units in Battlement Mesa that would be impacted by the fees are owned by Battlement Mesa Company, should we as a Board be more concerned about Battlement Mesa Company or the community as a whole. Director Richards stated I believe we should be more concerned with a healthy bottom line for BMMD and keeping the overall fees low for the community's residents rather than saving money for those entities that own vacant units. Director Richards stated that if it is wrong to charge fees to vacant units that are connected to the system but are not using it, perhaps we should consider not charging the \$205 assessment to non-users of the Activity Center.

Director Shore stated that he would like to remove the maintenance/operation fees from the 2012 budget, and have a series of workshops to research the issue.

Director Shore stated that to reduce expenses the District could remove the infrastructure study cost of \$30,000 from the budget as it is doubtful that we will see any new development in the next few years.

Mr. Rippy provided the Board with another budget with the maintenance/operations fee removed.

Director Foster closed the public hearing for the 2012 Budget and re-entered the regular meeting.

2012 Budget

Mr. Rippy reviewed the budget with the Board.

Mr. Rippy explained that the minimum water rates for residential units will be increased from \$12 to \$14 per 5000 gallons. The rate for irrigation and residential will increase from \$2.55 to \$2.60 per thousand gallons. The commercial rate will increase from \$2.78 to \$2.85 per thousand gallons.

Mr. Rippy explained that the minimum sewer rate will increase from \$24 per month to \$25.

Mr. Rippy stated that he will remove the infrastructure study of \$30,000 from the 2012 budget.

Mr. Rippy explained that the activation fees for the Activity Center will be increased by \$2 for all users.

A motion was made by Director Shore and seconded by Director Inman to set the residential minimum water service charge at \$14 per EQR beginning January 1, 2012. The motion carried unanimously.

A motion was made by Director Shore and seconded by Director Inman to set the commercial monthly water service charge at \$2.85 per thousand gallons and the monthly irrigation service charge at \$2.60 per thousand gallons beginning January 1, 2012. The motion carried unanimously.

A motion was made by Director Shore and seconded by Director Inman to set the residential minimum monthly sewer service charge at \$25 per EQR beginning January 1, 2012. The motion carried unanimously.

A motion was made by Director Shore and seconded by Director Inman to set the monthly sewer service rate charged to the Town of Parachute at \$2.75 per thousand gallons beginning January 1, 2012. The motion carried unanimously.

A motion was made by Director Shore and seconded by Director Inman to adopt the 2012 budget as presented with amendments as noted during the meeting. The motion carried unanimously.

A motion was made by Director Inman and seconded by Director McCurdy to certify a zero mill levy. The motion carried unanimously.

Contest Winner

The winner of the website mistake contest for November 2011 is Karen Duncan. Ms. Duncan will receive a \$25 credit on her water and sewer bill.

Director Discussion

Director Shore stated that SDA has implemented new regulations that may require the District to install handicapped ramps in the weight room. Director Shore would like staff to research this further.

Eric Schmela stated that the Federal Mineral Lease District is fully functioning. The District has \$3.5 million dollars that needs to be spent within one year of receiving the funds. The committee is in the process of implementing a grant process. Funds will be disbursed twice a year.

Adjournment

There being no further business to come before the Board, and upon a motion made and carried, the meeting was adjourned at 10:12 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 15th day of December, 2011.


Secretary