

APPROVED

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF

CONSOLIDATED METROPOLITAN DISTRICT

Held Tuesday, September 16, 2008 at 3:00 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:

Ray Barbour
Bill Nelson
Fred Inman
Lynn Shore
Frank Lancaster

Jay Haygood, Chuck Hall, Gordon Elliott, Frank Oakley, Ron Schelling, Jane Chapman, John Shepherd, Sue Lancaster, Dan Cohen, Bob Jasper and Sandy Yeager were also in attendance.

Call to Order

Director Nelson called the meeting to order at 3:00 p.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.

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

Gordon Elliott
Presentation

This special meeting was a joint meeting with the Battlement Mesa Service Association (BMSA) Board of Directors. Gordon Elliott began by stating that the Joint Action Committee (JAC) would like to bring both Boards to the next phase in consideration of forming a special district for the two organizations. As noted from previous presentations, it has been recognized that there is a need to govern our community in a different way. Options presented previously were: 1) no change; 2) incorporation; 3) annexation with Parachute; 4) special district.

Following discussion and research, the JAC has settled on two choices: 1) form a new special district; 2) use the existing special district, Consolidated Metropolitan District, with a name change. The consensus of the JAC was to go with the second option, with the District's name being changed to Battlement Mesa Metropolitan District (BMMD). Jay Haygood questioned whether there would be any problems with using the BMMD name since there recently was a BMMD. District Manager Jasper reported that Matt Dalton, the District's attorney is currently working on that issue.

Mr. Elliott continued by listing the advantages of the BMMD Special District: 1) one contact (eases the confusion as to whom people go to); 2) one organization (to listen to the needs of the community); 3) consolidation of staff; 4) utilize resources (DOLA and other grant opportunities not now available to BMSA, and possible levying of taxes in lieu of assessments).

Action Plan

Mr. Elliott next presented the JAC's proposed action plan. He reported that initially both BMSA and BMMD would govern the community and transition to a single government entity in 2-3 years. This would give both organizations time to evaluate if this approach is the way we should go. BMSA would: 1) contract with BMMD for management and services; 2) budget and set assessments; 3) continue to oversee covenants management. BMMD would: 1) oversee community government with a special advisor from BMSA; 2) provide management and financial services for BMSA; 3) take care of community operations.

BMMD and BMSA would create committees to deal with issues that will arise from the formation of this organization. This may require additional people to work on the JAC. Four or five committees might be needed. The duties of these committees would possibly include: 1) define roles and responsibilities; 2) visit communities who have gone through this process of consolidation; 3) look into services BMMD can provide and what they will need to contract out.

Director Nelson presented an organizational chart which outlined possible positions for the future BMMD special district.

Mr. Elliott stated that the JAC needs approval of both Boards to proceed and asked that a date be set for implementation. The date for implementation would be when the two groups agree to begin working together. He suggested that April 1, 2009 might be good.

Chuck Hall expressed his concerns with BMMD being able to absorb all the required duties and perform at the same level they now receive from Battlement Mesa Company. He stated he would like to see what BMMD can and cannot do. District Manager Jasper mentioned that he had done a rough pro-forma for the JAC showing how BMMD could handle the accounting and management services and how to run the street sweeping program. He also mentioned that the landscape contract would continue as is.

Director Shore mentioned that there may be a possibility that the District could continue to use some of Battlement Mesa Company's services from their maintenance department.

Jay Haygood asked if BMSA would eventually go away or continue on with covenants. Director Shore responded that BMSA could dissolve at some future time. Director Nelson interjected that BMSA would most likely stay together, meet once a year to do the management contract, and nothing else. It was reported that Matt Dalton informed the District that special districts can now perform two new duties: 1) provide covenant enforcement within the boundaries of the District; 2) provide security services if local law enforcement agrees.

John Shepherd asked if the JAC had prepared a sequence chart. Mr. Elliott said they have not, but this would be something that would be completed if the group gets approval to proceed.

Chuck Hall asked if the JAC has met with Garfield County and, if so, what was discussed and what was their response. Mr. Elliott reported that they had met and Garfield County officials are happy we are beginning to work together. The Garfield County Commissioners suggested that we look at forming a PID rather than a special district. With a PID, the County Commissioners are the governing body and they work with an advisory committee from the community. The JAC decided to move toward a special district rather than a PID. Commissioner John Martin agreed to meet with the JAC periodically to hear what is going on and to offer help where needed.

Mr. Elliott mentioned that there is always a risk with change, but there is also a big risk to do nothing. He stated that Battlement Mesa Company could sell out and we all could be left high and dry.

Regarding the target date, Director Shore stated that a date needs to be set so we are not still just talking about this a year from now. January 1, February 1 and April 1, 2009 were dates that were suggested.

A motion was made by Director Inman for the approval of the Joint Action Committee to proceed; Director Lancaster seconded the motion and the motion carried unanimously.

Adjournment

There being no further business to come before the Board and upon motion made by Director Inman and seconded by Director Lancaster and unanimously carried, the meeting was adjourned at 4:50 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 25th day of SEPTEMBER, 2008.



Secretary