

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
SEPTEMBER 7, 2021

A regular meeting of the Board of Directors of the BMR Metropolitan District (referred to hereafter as the "Board") was convened on Tuesday, September 7, 2021, at 6:00 p.m. at Lowell Ranch, 2330 S. I-25, Castle Rock, CO. *All attendees had been vaccinated for COVID-19 and were not required to wear individual protective masks.*

ATTENDANCE

Directors In Attendance Were:

Russell Grant; President
Calvin Bills; Vice President
Frank Strand; Secretary/Treasurer
Ed Ammon; Assistant Secretary/Treasurer

The absence of Director Vrabel was excused.

Also, In Attendance Were:

Josh Miller and Nic Carlson, CliftonLarsonAllen LLP
Tim Flynn; Collins, Cockrel & Cole PC
Mike Mysliwicz, 4275 Bell Mountain Drive

I. CALL TO ORDER

The meeting was called to order at 6:03 p.m. by Director Grant.

After each Director had summarily stated for the record the fact and nature of his or her respective private interest and stated that the determination to participate in voting or take any other action on any contract or other matter in which he or she may have a private interest would be made in compliance with Section 24-18-109(3)(a) and (b), C.R.S., on an *ad hoc* basis, the Board turned its attention to the remaining agenda items.

II. DECLARATION OF QUORUM/ DIRECTOR QUALIFICATIONS/ POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: All of the Directors had previously filed Disclosure of Potential Conflict of Interest Statements with the Board and the Secretary of State in accordance with statutory requirements. Such conflicts arise because each Director is also a Director on Consolidated Bell Mountain Ranch Metropolitan District. The BMR Metropolitan District has entered into and may from time to time enter into additional agreements with Consolidated Bell Mountain Ranch Metropolitan District. All Disclosures of Potential conflict of Interest Statements whether filed for this meeting or previously filed are deemed continuing in nature and are incorporated into the

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record of this meeting. All Directors stated that the participation of at least three of them in the meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act.

Quorum and location of meeting: The Board confirmed a quorum and the location of the meeting. Upon a motion duly made by Director Grant, seconded by Director Strand and, upon vote, unanimously carried, the Board excused the absence of Director Vrabel.

III. APPROVAL OF AGENDA

Following review, upon a motion duly made by Director Strand, seconded by Director Ammon and, upon vote, unanimously carried, the Board approved the Agenda as presented.

IV. COMMUNITY COMMENTS

Public Comment: Mr. Mysliwec asked about water billing for snowbirds, the plan for effluent water treatment and potential future water sources subsequent to the Castle Rock Water IGA. Directors Grant and Strand along with Mr. Flynn provided responses to Mr. Mysliwec's concerns. Mr. Mysliwec requested that financial materials be made available that break down future fees for BMRMD residents who are Castle Rock water users. See Item VIII A, which includes responses to Mr. Mysliwec's comments.

V. WATER OPERATOR

A. Monthly System Report: Due to extenuating circumstances, a representative from ORC was not present at the meeting; however, an Operations Report for the month of August 2021 was submitted via email to Josh Miller, which was not available at the meeting.

VI. ENGINEER ITEMS

None.

V. MANAGER'S REPORT/ ADMINISTRATIVE MATTERS

A. Review and Consider Approval of the August 3, 2021 Regular Meeting Minutes: Following review by Director Grant, upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the August 3, 2021 Regular Meeting Minutes as presented.

B. Review and Consider Approval of CRR for July 2021 Totaling \$132,777.96: Director Grant reviewed the CRR with the Board. Following review, upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the July 2021 CRR Totaling \$132,777.96 as presented.

C. Review and Accept Cash Position Report as of September 2021: Director Grant reviewed the Cash Position Report with the Board. Funds available for operations as of September 7, 2021 are \$876,804.75. Following review, upon a motion duly made by Director Strand, seconded by Director Bills and, upon

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vote, unanimously carried, the Board accepted the September 2021 Cash Position Report as presented.

D. Monthly Water Reports Summary:

- **Consumption & Charges Report:**
- **High Consumption Water Usage Report:**
- **Leak and Landscaping Credit Approval Reports:**
- **Zero and No Read Meter Reports:**
- **Watch List:**
- **Tap Fee Tracking:**

Mr. Carlson reviewed the reports with the Board. Following discussion, upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board accepted the reports.

E. Update on Transfer of Accounts Payable Processing to Simmons & Wheeler P.C.: Mr. Flynn provided an update to the Board and noted the transfer is in process, but the transfer date has not yet been determined.

F. Update on Backflow Preventer Inspections: Mr. Carlson provided an update to the Board regarding backflow preventer inspections, stating that 60 BFP reports have been received to-date representing 18.58%. Accordingly, since 90% of the BMR backflow prevention devices have not been tested, a mandatory State (CDPHE) Tier II Notice of Failure to Test Backflow Prevention Devices was included with the September water bills.

VIII. DIRECTOR ITEMS- ACTION

A. Discuss Status of Proposed Town of Castle Rock (TCR) Water Supply for BMR – Directors Vrabel and Grant: Director Grant provided an update to the Board. A presentation to the Bell Mountain Ranch Community was conducted by the Board on September 2, 2021 virtually Microsoft Teams to address the details of the proposed draft Intergovernmental Agreement (IGA) between the Consolidated Bell Mountain Ranch Metropolitan District and the Town of Castle Rock, whereby Castle Rock will provide treatable potable drinking water to Bell Mountain Ranch. The Minutes of the September 2, 2021 Presentation Meeting are available under separate cover. In regard to Mr. Mysliwiec's comments under Item IV, Public Comments:

- a. Castle Rock Water currently has no special provisions to address establishing "indoor water usage" for residents who may not occupy their homes December through March (winter months). Castle Rock Water will address this in the future for BMR "snowbirds".
- b. The final version of the IGA will include details on how the costs in the IGA were derived.

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- c. Any new construction (e.g. water plant expansion, new well sites) will be subject too review by the HOA Design Review Committee; however, the requirements for residential construction and commercial construction do differ.

Most of the substantive provisions of the proposed IGA are complete; however, several of the Exhibits still need to be finalized. The goal is to complete the IGA in October 2021 for presentation to the Castle Rock Town Council for approval in November and possibly earlier.

B. Backwash Holding Tank (Frac Tank) Acquisition: Director Grant reported that the holding tank has been purchased and will be delivered and placed adjacent to the water treatment plant in September 2021. The details for installation of the piping connections are being worked out with ORC. The transportation contract for the wastewater effluent is yet to be established. Mr. Carlson reported that a satellite dish will be moved on September 14th. Director Strand will meet the vendor on site to facilitate the movement.

C. Notice to Homeowners – Draft Terms of IGA with Town of Castle Rock for Water Service and Water System Improvements: A memorandum addressing the details of the draft IGA was published to the BMR Community on August 27, 2021 in preparation for the Special Study Session Meeting held on September 2, 2021. The memorandum as been posted on the BMR Metro District website.

IX. ATTORNEY MATTERS

A. Executive Session, if needed, and called in accordance with 24-6-402 (4) (b) (c) (d) (f) or (g) CRS regarding matters that may be subject to negotiation, receiving legal advice or potential personnel matters relating to water service from Castle Rock and internal Board governance matters: Executive Session was not necessary, and accordingly the Board did not go into Executive Session during this meeting.

B. Update on Castle Rock Water Agreement: Mr. Flynn provided an update on the proposed Castle Rock Water Service Agreement with the Consolidated Bell Mountain Ranch Metropolitan District to the Board. He noted that the Agreement will be executed concurrent with an agreement for the Dissolution of the BMR District and the transfer of its assets and service function to the Consolidated Bell Mountain Ranch Metropolitan District. Once the Dissolution Agreement is executed, a Petition will be filed with the Douglas County District Court requesting that an election be held in the BMR Metropolitan District on the question of its dissolution. If the election question is approved, the Douglas County Court will then be asked to issue an Order Dissolving the BMR Metropolitan District and transferring its service responsibilities and assets to the Consolidated Bell Mountain Ranch Metropolitan District.

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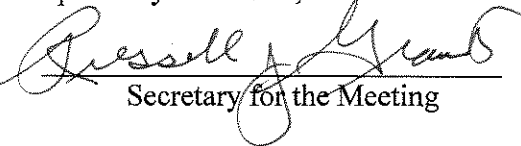
X. OTHER
BUSINESS

None.

XI. ADJOURNMENT

Director Grant adjourned the meeting at 6:49 p.m.

Respectfully submitted,


Secretary for the Meeting