

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CONSOLIDATED BELL MOUNTAIN RANCH METROPOLITAN
DISTRICT (THE "DISTRICT")
HELD
JULY 6, 2021

A regular meeting of the Board of Directors of the Consolidated Bell Mountain Ranch Metropolitan District (referred to hereafter as the "Board") was convened on Tuesday, July 6, 2021, at 6:30 p.m. at Lowell Ranch, 2330 S. I-25, Castle Rock CO. .

ATTENDANCE

Directors In Attendance Were:

Russell Grant, President
Frank Strand; Secretary/Treasurer
Edward Ammon; Assistant Secretary/Treasurer

Also, In Attendance Were:

Josh Miller; CliftonLarsonAllen LLP
Tim Flynn; Collins, Cockrel & Cole PC
Pam Kalstrom, Kalstrom Energy
Ann Molner, 4219 Serenade Road
Bruce Vinson, 1636 Glade Gulch Road
John Anderson, 4745 E. Upper Lake Gulch Road
Larry Lomison, 501 Chandelle Road

I. CALL TO ORDER

The meeting was called to order at 6:30 p.m. by Director Grant.

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

After each Director had summarily stated for the record the fact and nature of his 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 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.

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 BMR Metropolitan District ("BMRMD"). The BMRMD 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

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continuing in nature and are incorporated into the record of this meeting.

Confirm Quorum and Location of 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. 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 Directors Vrabel and Bills from the meeting.

III. APPROVAL OF AGENDA

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

A. Public Comment: There were no public comments.

V. KALSTROM ENERGY

A. Presentation Regarding Water Line Easements: Ms. Pamela Kalstrom, CEO Kalstrom Energy Partners, made a presentation to the Board regarding a proposed water pipeline that will mostly be constructed in the Union Pacific Railroad right-of-way. Items addressed included the following:

1. Permanent and Temporary Easements Discussion
 - Temporary Easements. Needed during construction and vary from 20' to 50' wide – 3,791 linear feet total length. Owners of the affected lots are:
 - A. David & Rebecca Martin
 - B. David & Barbara Goddard
 - C. Joel Knight
 - D. Gary Dean & Jane Blythe Konrad
 - E. Bryan & Gina Schreck
 - F. Robert Fuehr
 - G. Long Family Trust
 - H. Mark Edward Guenlin 2010 Trust
 - I. Chris & Chastain Taylor
 - Permanent Easements. Permanent easements needed for future pipeline maintenance and vary from 30' to 35' wide – 440 linear feet total length. These lots also require a 50' wide temporary easement during construction. Owners of the affected lots are:
 - A. Consolidated Bell Mountain Ranch Metro District
 - B. John E. Humphreys II
 - C. Darrell & Kristine Holvick
2. Consolidated Bell Mountain Ranch Metro District
 - Total Width(s) 50' Temp., 30' Permanent
 - Length 100 LF

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3. Consideration: Consolidated Bell Mountain Ranch - \$35 per LF Perm (\$3,500)
4. Process for obtaining Temp/Perm easements from HOA homeowners Bell Mountain.
5. Disclaimer only includes lands owned by UP
6. Does not include right of Bell Mountain to access road
7. Source Deed may have restricted language

The proposed pipeline is 24" in diameter and will be capable of delivering 10,000 gallons per minute, which equates to 16,130-acre feet of water per year. An information sheet addressing multiple details was provided to the Board.

The Board took the matter under advisement and will discuss it in greater detail at a future Board meeting.

VI. MANAGER'S REPORT/ ADMINISTRATIVE MATTERS

A. Review and Consider approval of the Minutes of June 1, 2021 Regular Meeting: Upon a motion duly made by Director Ammon, seconded by Director Strand and, upon vote, unanimously carried, the Board approved the June 1, 2021 Regular Meeting Minutes.

B. Review and Consider approval of the Cash Requirements Report (CRR) Totaling \$58,700.06 Including BMR Water Usage Totaling \$115: Director Grant reviewed the CRR with the Board. Upon a motion duly made by Director Ammon, seconded by Director Strand and, upon vote, unanimously carried, the Board approved the April CRR totaling \$58,700.06 including the BMR water usage totaling \$115 as presented.

C. Review and Accept Cash Position Reports as of July 6, 2021: The Cash Position Report for June was not available due to a computer malfunction; however, the June disbursements are reflected in the July Cash Position Report. Director Grant reviewed the July Cash Position Report with the Board. Upon a motion duly made by Director Strand, seconded by Director Ammon and, upon vote, unanimously carried, the Board accepted the July Cash Position Report.

D. Update to the Accounts Payable (AP) Process Transferring to Simmons & Wheeler P.C.: There was no discussion, and this item was tabled pending legal review.

VII. DIRECTOR ITEMS

A. Proposed Fence Repair/Replacement on BMR Southern Border –
Director Grant: John Anderson, manager of the JA Cattle Ranch, addressed the Board and presented his request that CBMRMD share the cost of replacing the northern JA Ranch fence that restricts cattle from wandering onto Bell Mountain Ranch. Mr Anderson stated that the CBMRMD had paid \$3,000 for shared fence maintenance costs in the past, but no documentation was readily

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available to support that statement. Mr Anderson stated that there is a State statute that addresses the sharing of fence maintenance costs by adjacent land owners. Mr Flynn asked Mr Anderson to provide him with a specific reference to the State statute. The fence to be replaced is entirely on the JA Ranch property and is not on the shared property line between BMR and the JA Ranch. Mr Anderson stated that on his half, the proposed fence (east portion) has already been constructed and that cattle would soon be grazing in the pasture adjacent to BMR. He stated that BMR could hire a company to construct the other half of the proposed fence, or he offered to construct the other half for the CBMRMD. The proposed cost to CBMRMD would be as follows:

Total distance of fence: 4,232'

Proposed cost for BMRMD, 2,116' of fence:

- Brush removal - \$1,750 (payment made to JA Cattle)
- Removal of old fence (haul & disposal of .75 per ft) - \$1,587
- Rebuild new fence, 4 strand American made barbed wire @ \$3.00 per ft. - \$6,348
- Total cost - \$7,935 (payment to John Anderson)

The Board directed Mr. Flynn to review the statute and the item will be considered at the August Board meeting.

B. Equestrian Center/Trail Update - Director Bills: This item was deferred because Director Bills was not in attendance.

C. APM Updates- Director Bills: Director Strand provided a brief update.

D. BMR Fire Mitigation Proposal – Director Ammon: Director Ammon provided an update and stated that the next meeting will be held on July 15th.

E. BMR Entrance Logs – Director Vrabel: Director Grant noted-that after further discussion with the vendor, it was determined that using glue-lam beams in place of the existing logs will not work due to the harsh radiant effects of the sun. Updated drawing and cost estimates prepared by Director Vrabel were distributed showing two proposals to use steel beams fabricated by Prestige Iron. Further discussion was deferred to the August meeting, when all Board members should be present.

F. Community Park Plan Update (Tot Playground Equipment): Directors Strand provided an update to the Board regarding installation of the Tot Lot playground equipment. Also, Ms Molner provided an update regarding additional picnic tables and benches that the HOA has ordered for the Park. In addition, Director Bills is working on purchasing bear-proof trash cans.

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G. IREA Projects Update – Director Strand: Director Strand provided an update noting that the electrical feeder connecting to electrical distribution system at Mariposa Road is complete.

H. Road Shoulder and Walking Path Repair and Upgrade – Director Strand: Director Strand stated that the concrete gutter work along Bell Mtn Drive between Mariposa Rd and Starfire Circle is complete. APM has additional work to complete on the walking path. Additional road shoulder work is needed on Riva Rose Cir and Old Gate Rd. Planning is in process.

I. Road Shoulder Damage Letter – Director Bills: Director Ammon provided an update noting that he is working with Director Bills and CLA to finalize a standard letter that can be sent to residents regarding needed corrective actions when damage is observed to drainage ditches and road shoulders that is caused by homeowners.

J. Resident Use of Roadsides and Drainage Ditches for Property Access – Directors Ammon and Bills: This item was discussed as part of Item I.

K. Chip Seal Paving Project- 2021 Update: Director Grant reported that the bid opening for the project was held on 1 July 2021 at the offices of CLA. The low bidder was A-1 Chipseal Co, Denver CO, at a bid of \$133,379.36. The proposed construction start date is 11 Aug 2021. Upon a motion duly made by Director Strand, seconded by Director Ammon and, upon vote, unanimously carried, the Board accepted the A-1 Chipseal bid.

VIII. ATTORNEY MATTERS

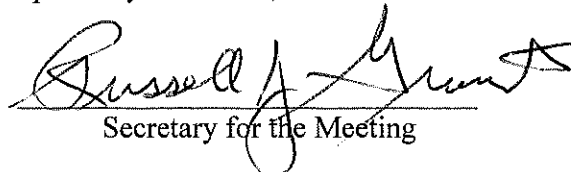
- A. Executive Session, if needed, and called in accordance with 24-6-402 (4) (b) (c) or (g) CRS regarding matters that may be subject to negotiation, receiving legal advice or potential personal matters relating to water service from Castle Rock and internal Board governance matters.

No Executive Session was necessary.

IX. ADJOURNMENT

Director Grant adjourned the meeting at 7:40 p.m.

Respectfully submitted,


Secretary for the Meeting