

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
BMR METROPOLITAN DISTRICT (THE "DISTRICT")
HELD
JULY 6, 2022

A special meeting of the Board of Directors of the BMR Metropolitan District (referred to hereafter as the "Board") was convened on Wednesday July 6, 2022, at 6:00 p.m. at Lowell Ranch, 2330 S. I-25, East Frontage Road, Castle Rock, CO 80104 and via Microsoft TEAMS.

ATTENDANCE

Directors In Attendance Were:

Russell Grant; President
Calvin Bills; Vice President
Frank Strand; Secretary/Treasurer
Steve Vrabel; Assistant Secretary/Treasurer (virtual)
Edward Ammon; Assistant Secretary/Treasurer (virtual)

Also, In Attendance Were:

Josh Miller, CliftonLarsonAllen LLP ("CLA")
Tim Flynn; Collins Cole Flynn Winn & Ulmer, PLLC
Tom Schubert; ORC

I. CALL TO ORDER

The meeting was called to order at 6:02 p.m. by Director Grant.

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

Disclosures of Potential Conflicts of Interest: All Directors previously filed Potential Conflict of Interest Disclosure Statements with the Board and the Secretary of State. Such disclosures were filed because: (i) each Director is a Director of the Consolidated Bell Mountain Ranch Metropolitan District; and (ii) the functions of each District overlap at times, and there are now and may be in the future intergovernmental agreements between the two Districts. All Potential Conflict of Interest Disclosures whether filed for this meeting or previously filed are deemed 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 (3) Board members 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.

III. APPROVAL OF AGENDA

Director Grant reviewed the Agenda with the Board. Following review, upon a motion duly made by Director Grant, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the Agenda as presented.

RECORD OF PROCEEDINGS

IV. COMMUNITY COMMENTS

Public Comment: None.

V. WATER OPERATOR

A. Monthly System Report: Mr. Schubert reviewed the enclosure provided to the Board as follows:

- All sampling was completed for the month.
- Power Systems West will be replacing two blown transformers on the generator at the Treatment Plant.
- Mountain Peaks has corrected the SCADA to reflect the well, backwash and distribution systems totalizers to be reflected correctly on the Treatment Plant's computer screen.
- The water softeners backwashing cycle has been put in timer mode. This will lessen the number of times the softeners backwash, thus, lowering the amount of water used for backwashing. We will continue with process control sampling to monitor if there are any changes with the water quality in a negative way and adjust the backwash accordingly.
- Mountain Peaks has not received the printed circuit board for the flow meter and a new HMI screen and will schedule a repair date as soon as it is received.
- The signed quote and contract addendum was returned to Elite Surface Infrastructure (ESI) on 14 June for the repair of the valve, valve box and asphalt at the lower end of Glade Gulch where it meets Bell Mountain Drive. ORC has not received the completed quote or heard back from Elite Surface Infrastructure. Director Strand offered to contact a manager at ESI to see if he could speed along action to complete the repair contract documentation.

The Board accepted the report. Discussion ensued.

- a. Mr Schubert stated that Mountain Peaks has updated the computerized flow metering for the frac tank to more closely match the physical level of the wastewater. Director Grant stated the wastewater pickup schedule for McDonald Farms has been changed to Monday, Wednesday & Friday.
- b. In reviewing the water production, distribution, and billing amounts, it appears that over 2,000,000 gallons of water is unaccounted for. Mr Schubert was directed to have the water meter that measures gross water production recalibrated, as it is unlikely that much water is being leaked from the water distribution system.

VI. MANAGER'S REPORT/ ADMINISTRATIVE MATTERS

A. Review and Consider Approval of the June 7, 2022, Regular Meeting Minutes: Following review, upon a motion duly made by Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the June 7, 2022 Regular Meeting Minutes as presented.

RECORD OF PROCEEDINGS

B. Review and Consider Acceptance of the June 2022 Bill.com claims report totaling \$32,492.15: Director Grant reviewed the June 2022 Bill.com claims with the Board. Following review, upon a motion duly made by Director Bills, seconded by Director Strand and, upon vote, unanimously carried, the Board accepted the June 2022 Bill.com claims report totaling \$32,492.15 as presented.

C. Review and Accept Cash Position Schedule as of July 2022: Director Grant reviewed the July Cash Position Schedule with the Board. Following review, upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board accepted the July 2022 Cash Position Schedule as presented.

D. Consider Approval of 2021 Audit Extension: Upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the 2021 Audit Extension.

E. 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. Miller reviewed the reports with the Board. Following review, upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, Board accepted the reports.

F. Update on Residential Fire Protection System Backflow Preventer Inspections – Director Grant: Mr. Miller provided an update to the Board.

VII. DIRECTOR ITEMS- ACTION

A. Status of the BMR-TCR Water Main Connector Design Update – Director Grant: Director Grant provided an update to the Board. The contract to construct the new water tank and booster pump station was awarded to Velocity Constructors and the Notice to Proceed has been issued. The preconstruction conference is being scheduled.

The contract for the watermain pipeline connector has been awarded to Elite Surface Infrastructure (ESI), a subsidiary of RMI Construction. The Notice to Proceed for the pipeline has not yet been issued awaiting finalization of the needed construction easements.

RECORD OF PROCEEDINGS

VIII. ATTORNEY MATTERS

A. Update on Status of BMR Metro District Dissolution Agreement – Mr. Flynn: Mr. Flynn updated the Board. The “Finding, Order and Decree Dissolving the BMR Metropolitan District” was issued by the Douglas County District Court on July 6, 2022. BMR’s Dissolution will not be effective until the Order is recorded upon the records of Douglas County, Colorado. The target date for transferring BMR’s system to CBMR and then for CBMR to simultaneously transfer the water system, under the Water Service IGA CBMR has with the Town of Castle Rock, is September 1, 2022. As of the date of that Closing, the Town will assume full operation of what is now the BMR water system. Mr Flynn can now schedule the final closing with the Town.

B. Other: None.

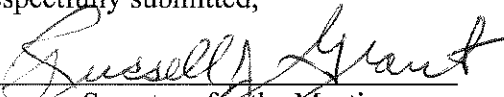
IX. OTHER BUSINESS

A. Confirm Quorum for August 2, 2022 Board Meeting: The Board confirmed that a quorum should be available for the August 2, 2022 Board meeting.

X. ADJOURNMENT

Director Grant adjourned the meeting at 6:50 p.m.

Respectfully submitted,


Secretary for the Meeting