

## RECORD OF PROCEEDINGS

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MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
BMR METROPOLITAN DISTRICT (THE "DISTRICT")  
HELD  
AUGUST 3, 2021

A regular meeting of the Board of Directors of the BMR Metropolitan District (referred to hereafter as the "Board") was convened on Tuesday, August 3, 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  
Stephen Vrabel; Assistant Secretary/Treasurer  
Ed Ammon; Assistant Secretary/Treasurer

#### Also, In Attendance Were:

Josh Miller & Nic Carlson, CliftonLarsonAllen LLP  
Tim Flynn; Collins, Cockrel & Cole PC  
Ann Molner, 4219 Serenade Road

### I. CALL TO ORDER

The meeting was called to order at 6:00 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 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

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otherwise enable the Board to act.

**Quorum and location of meeting:** The Board confirmed a quorum and the location of the meeting.

### 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:** There was no public comments.

### V. WATER OPERATOR

**A. Monthly System Report:** ORC was not present, and Director Grant provided brief specifics to the Board on the report that was submitted as follows:

- All sampling was completed for the month.
- Continued looking into zero reads water meters. The homeowners have been contacted and appointments have been made to check the functionality of these meters.
- Konrad Electric installed a conduit for the waste holding tank alarm.
- McDonald Farms will be providing a proposal for supplying a frac tank which will store the backwash water from the treatment plant. ORC will install a duplex pump system in the existing sump pit and reconfigure the existing outlet piping to go to the frac tank. This will include the installation of the pump control box as well.
- Power Systems West is still waiting for the replacement radiator for the generator at the well with no estimate time for arrival. Although the initial recommendation was to have the radiator replaced, we have instructed Power Systems West to remove the current radiator and have it evaluated for the possibility of a short-term repair.
- The routine maintenance of valve exercising is continuing throughout the distribution system. When this is completed, a full report will be provided with observations, issues and corrective actions.

### VI. ENGINEER ITEMS

None.

### V. MANAGER'S REPORT/ ADMINISTRATIVE MATTERS

**A. Review and Consider Approval of the July 6, 2021 Regular Meeting Minutes:** Following review, upon a motion duly made by Director Strand, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the July 6, 2021 Regular Meeting Minutes as presented.

**B. Review and Consider Approval of CRR for June 2021 Totaling \$35,259.94:** Director Grant reviewed the CRR with the Board. Following

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review, upon a motion duly made by Director Ammon, seconded by Director Bills and, upon vote, unanimously carried, the Board approved the June 2021 CRR Totaling \$35,259.94 as presented.

**C. Review and Accept June 30, 2021 Unaudited Financial Statements:**

Director Grant reviewed the June 30, 2021 Unaudited Financial Statements 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 June 30, 2021 Unaudited Financial Statements as presented.

**D. Review and Accept Cash Position Report as of August 2021:**

Director Grant reviewed the Cash Position Report with the Board. Following review, upon a motion duly made by Director Strand, seconded by Director Ammon and, upon vote, unanimously carried, the Board accepted the August 2021 Cash Position Report as presented.

**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. Carlson reviewed the reports with the Board. The Board directed Management to send a letter to 3188 Glade Gulch informing them of a 10-day notice for water shutoff if access is continually denied to read the meter in the home. Following discussion, the Board accepted the reports.

**F. Update on Transfer of Accounts Payable Processing to Simmons & Wheeler P.C.:**

Mr. Flynn provided an update to the Board and noted that he has asked Simmons & Wheeler to draft and submit a new engagement letter for the processing of accounts payable. He stated he has not yet received an update.

**G. Update on Backflow Preventer Inspections:**

Mr. Carlson provide an update to the Board regarding backflow preventer inspections, stating that the District has received 46 backflow reports to-date representing 14.24% compliance.

**H. Approval of Hughes Transfer of Ownership:**

Following review and discussion, upon a motion duly made by Director Ammon, seconded by Director Bills and, upon vote, unanimously carried, the Board approved of the transfer of ownership of the Hughes Network Systems account for internet service to the BMR Water Treatment Plant from ORC to the BMRMD and the addition of

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ORC as the account managers for the account.

### VIII. DIRECTOR ITEMS- ACTION

**A. Discuss Status of Proposed Town of Castle Rock (TCR) Water Supply for BMR – Directors Vrabel and Grant:** Mr. Flynn provided an update to the Board stating that the terms of the Intergovernmental Agreement and the BMRMD Dissolution Agreement are nearing completion. Although the agreements can be signed prior to the end of the year, since the Dissolution Agreement must be processed through the Douglas County District Court, TCR will probably not assume official ownership of the BMR water system until early 2022.

**B. Update on Needed Repairs to the Arapahoe Well – Director Grant:** Director Grant provided an update to the Board, stating that the needed repairs for the Arapahoe well have been completed and that the well is back in service. The well was tested to provide a minimum of 200 gpm.

**C. Backwash Holding Tank (Frac Tank) Acquisition:** Director Grant reported to the Board that a holding tank (called a frac tank) has been purchased from Geneva Equipment for \$10,500 and will be delivered to the BMR Water Treatment Plant (WTP) to store the backwash from the WTP so nothing will be discharged into Glade Gulch. ORC has been requested to provide the necessary pumps and piping to connect the backwash system to the frac tank. The frac tank will be installed on the south side of the WTP. Since there will no longer be any discharge from the WTP into Glade Gulch when the installation is complete, the BMRMD will then be in compliance with the CDPHE Discharge Permit issued to the BMRMD. The plan is to have the backwash pumped into a tanker truck and subsequently pumped into the TCR sewer system, where the backwash will be diluted with millions of gallons of sewage water, and thus brought into compliance with CDPHE standards.

### 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 no action was taken.

### X. OTHER BUSINESS

None.

### XI. ADJOURNMENT

Director Grant adjourned the meeting at 7:06 p.m.

Respectfully submitted,

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Secretary for the Meeting