
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Cotton Ranch Metropolitan District July 11, 2012

A Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on July 11, 2012 at 1:00 p.m., at the offices of Robertson & Marchetti, P.C., 28 Second Street, Suite 213, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Chris Meister
- Tom Pohl
- Bob Rulon
- Chris Sauro
- Beric Christiansen

Also in attendance were:

- Matt Dalton, Esq., Grimshaw & Haring, P.C. (via telephone)
- Ken Marchetti, Robertson & Marchetti, P.C.
- Cissy Olson, Secretary for the Meeting

Call To Order

A Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District was called to order by Director Meister on July 11, 2012 at 1:03 p.m. noting a quorum was present.

Disclosure of Potential Conflicts of Interest

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Director Meister requested that members of the Board disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting.

It was noted that there had been filed with the District and Secretary of State a disclosure of potential conflict of interest statement for Chris Meister and that the statement had been filed in accordance with statute, indicating that Mr. Meister is the owner of Meister Builders, Inc., a building, operations and management firm and this company provides services to the District managing and operating the District's raw water irrigation system. The Board noted, for the record, that this disclosure is restated at this time with the intent of fully complying with laws pertaining to personal conflicts.

RECORD OF PROCEEDINGS

Cotton Ranch Metropolitan District July 11, 2012 Meeting Minutes

Consideration of Changes to the

Agenda There were no changes to the meeting agenda.

Minutes The Board reviewed the Minutes of the May 15, 2012 meeting. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the May 15, 2012 minutes as presented.

Joe Webster Irrigation Pump Usage from Red Fox Pond

A pump was recently found in Red Fox pond pumping irrigation water onto Mr. Joe Webster's property at 260 Whitetail Drive. Although the pond is located partially on Mr. Webster's property, the water rights in the Chatfield/Bartholomew Ditch passing through Red Fox pond belong to the Town of Gypsum and the District. Director Meister reported he has called Mr. Webster and left a message on his telephone stating his irrigation pumping system in Red Fox pond is an unauthorized use of the Cotton Ranch irrigation system and he should remove his pump immediately. The District subsequently mailed a letter to Mr. Webster explaining he is in violation of the District's Irrigation System Rules and Regulations and he may be fined \$1,000 plus any additional expenses related to the violation if he does not immediately cease all further unauthorized use of the District's irrigation system.

Mr. Webster was invited to the District Board meeting however he was unable to attend.

Rulon Irrigation

Water Leak Director Rulon, whose property is located at 151 Black Bear, recently experienced a water leak in the meter/timer of his irrigation line located along the berm parallel with Valley Road. It became apparent to Director Rulon that the leak began last month by the amount of water that was consumed relative to his normal monthly usage. Director Rulon reported in an email to the Board that he has had the leak repaired and asked if his excessive water usage could be reduced to an amount consistent with previous usage. The Board reviewed Director Rulon's past irrigation usage and agreed that they would remain consistent with other property owner's water leaks that have occurred in the past. By motion duly made and seconded it was

RESOLVED to authorize a reduction to Director Rulon's excessive water usage and charge him \$53, an amount consistent to his June irrigation usage in the past.

RECORD OF PROCEEDINGS

Cotton Ranch Metropolitan District July 11, 2012 Meeting Minutes

Mendoza Irrigation Water Leak

Mr. Andres Mendoza also experienced an irrigation water leak at his property located at 261 Black Bear. According to Mr. Mendoza after repeated valve repairs it appears that the leak has been fixed. Mr. Mendoza also requested a reduction to his irrigation bill. After discussion and by motion duly made it was

RESOLVED to authorize a reduction to Mr. Mendoza's excessive water usage and charge him \$53, an amount consistent with his June irrigation usage in the past.

Director Rulon joined the meeting.

Request from Homeowner at 375 Timberwolf

A fire occurred as the result of a ditch burning accident this past March. The fire damaged some trees and landscaping at 375 Timberwolf and Director Meister's truck while he was volunteering at the site. The Board discussed the accident and how to proceed with filing an insurance claim. Staff was requested to obtain a copy of the accident report from the Gypsum Fire Department.

Case 04CW239

A proposed ruling for Case 04CW239 is pending before the referee. The referee is expected to enter into a ruling within the next couple of months unless there are additional concerns or more information is required. After the ruling is entered there is a 20 day protest period. If no protest is filed, the ruling will go to the water judge to be signed as a decree of the court.

At 2:00 p.m. Mr. Dalton was called into the meeting.

Town of Gypsum/District Easement Agreement

The Board reviewed the District's revisions to the draft Easement Grant and Operations & Maintenance Agreement for the shared raw water delivery system between the Town of Gypsum and the District. The District is responsible for 34% of the operation, maintenance, repair, and replacement costs of the shared irrigation water system and the Town is responsible for the remaining 66%. Director Meister stated that the shared split should also be included in paragraph 3.b of the Agreement. Mr. Dalton agreed with the revision.

RECORD OF PROCEEDINGS

Cotton Ranch Metropolitan District July 11, 2012 Meeting Minutes

375 Timberwolf

The Board discussed the fire damage to the trees and landscaping at 375 Timberwolf when the ditch burning occurred. Mr. Dalton recommended that the District file a claim with their insurance company and request an insurance claim from the Collins, owners of 375 Timberwolf, for the damage to their property. The District's insurance company should send an adjustor to the home to inspect the damaged landscaping and determine the value of the damage replacement.

At 2:10 p.m. Mr. Dalton left the meeting.

Operations Director Meister has been monitoring the District's water diversion levels noting that lately the water level in the Chatfield/Bartholomew Ditch and Red Fox pond has been satisfactory due to the recent amount of rainfall.

Chatfield/Bartholomew Ditch Improvements

Director Meister reported that 800 to 1,000 feet of the Chatfield/Bartholomew Ditch is in need of repair. The Board discussed adding bentonite to the ditch, after the Town of Gypsum completes the ditch burning next spring, in order to prevent water loss because water is not reaching the west bar ditch. Director Meister also recommended installing a 6 inch pipe from the ditch to the ponds in order to be sure of a consistent flow of water. Director Meister offered to draft a letter to the Town regarding the District's future improvements.

Irrigation Repair

Funding The Board agreed to table further discussion of funding the District's irrigation improvements and repairs.

Financial Statements

Mr. Marchetti reviewed the June 30, 2012 financial statements noting that the District's preliminary budget will be reviewed at the September meeting. Mr. Marchetti is projecting another dip in the District's assessed values to occur in 2014 because the comparable sales have been at lower prices. The Board discussed possible ways to increase District revenue or mitigate the impacts of the assessed value decrease.

2012 Water Initiative

Director Rulon announced that there are two Colorado ballot initiatives #3 and #45 concerning the future of Colorado's water. Ballot initiative #3 proposes to change the State's constitution to adopt a "public trust" doctrine for divvying up Colorado's water and to stress that the water belongs to the public. Ballot initiative #45 proposes to create limits on water diversions. Backers have until

RECORD OF PROCEEDINGS

Cotton Ranch Metropolitan District July 11, 2012 Meeting Minutes

August 6th to collect at least 86,105 valid signatures of support. The Colorado Water Congress and other organizations, including the Colorado Farm Bureau, oppose the proposals saying that if voters approved these measures they would change more than 100 years of Colorado water law.

2011 Audit Report

The Board reviewed the 2011 preliminary audit draft. By motion duly made and seconded, it was unanimously

RESOLVED to approve the 2011 draft audit report as presented.

Accounts Payable

The Board reviewed the June accounts payable list and by motion duly made and seconded, it was unanimously

RESOLVED to ratify approval of the June accounts payable list, as presented.

The Board reviewed the July accounts payable list and by motion duly made and seconded, it was

RESOLVED to approve the July accounts payable list as presented.

Action Log List

The Board reviewed and updated the Action Log list.

Adjournment

There being no further business to come before the Board and by motion duly made and seconded it was unanimously

RESOLVED to adjourn the Regular Meeting of the Cotton Ranch Metropolitan District Board of Directors this 11th day of July, 2012.

Respectfully submitted,



Cissy Olson
Secretary for the Meeting