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## RECORD OF PROCEEDINGS

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### **Minutes of the Regular Meeting Of the Board of Directors Cotton Ranch Metropolitan District May 13, 2014**

The Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on May 13, 2014 at 3:00 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
- Chris Sauro
- Beric Christiansen
- Tom Pohl (By Telephone)

Also in attendance were:

- Ken Marchetti, Robertson & Marchetti, P.C.
- Cheri Curtis, Secretary for the Meeting

#### **Call To Order**

The Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District was called to order by Director Meister on May 13, 2014 at 3:00 p.m. noting a quorum was present.

#### **Disclosure of Potential Conflicts of Interest**

The Board discussed the requirements pursuant to 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.

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**Consideration of  
Changes to the  
Agenda**

There were no changes to the meeting agenda.

**Minutes**

The Board reviewed the Minutes of the April 8, 2014 Special meeting. After discussion and upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the April 8, 2014 Special Meeting minutes as revised.

**Oath of  
Office**

The Oaths of Office were administered to Directors Meister and Sauro.

**Director**

**Appointment** There were three Director positions up for election in 2014, with only two Self-Nomination and Acceptance Forms submitted, leaving one vacant seat. Upon motion duly made and seconded it was

**RESOLVED** to appoint Robert Rulon to serve on the Board until the 2016 election.

**Election of  
Officers**

The Board agreed to keep the officer's positions the same which are:

Christopher S. Meister, President

Robert Rulon, Vice President/Assistant Secretary/Treasurer

Thomas Pohl, Secretary

Beric Christiansen, Treasurer

Christopher Sauro, Vice President/Assistant Secretary/Treasurer

**Operations**

Director Meister reported there have been numerous issues with the raw water irrigation system during the start-up process. The gate valves at individual properties are breaking when individuals turn on their individual irrigation systems. The large isolation valves need to be worked a couple of times of years to be able to isolate specific areas that need to be repaired. The Town Of Gypsum has a machine that exercises the large isolation valves to keep them operational. Director Meister would like establish an agreement with the Town to rent their machine to exercise the District's isolation valves.

The Board questioned the policies other water service providers have adopted to address gate valves for individual property owners. Mr. Marchetti reported Eagle River Water and Sanitation District charges the owner if the gate valve is on the owner's property. The Board acknowledged the District needs to replace the gate

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valves to ensure the process is completed to the District's standards. The Board questioned whether the charges to replace gate valves should be billed to the property owner or paid by the District. Director Meister explained the process can take up to three or four hours to shut down the irrigation system, replace the valve, let the glue dry, and recharge the system. Director Pohl questioned whether the District has the ability to replace gate valves on individual properties. It was noted property owners are responsible for the line past and including the meter.

The Board discussed raising water rates in 2015 to cover the cost of replacing gate valves. Director Meister explained irrigation operators are having to hand dig down to up to eight feet deep to repair broken irrigation valves, which is time consuming. Director Sauro is interested in learning the irrigation system and assuming operations from Director Meister in 2015. The Board agreed to absorb the cost of replacing gate valves in 2014 and review increasing rates during the 2015 budget process.

The Pauls Corp has caused four breaks in main lines during the construction of three homes. Robertson and Marchetti staff will work with the DRC and notify the system operators of DRC approvals so the operator can make sure the District's lines are avoided. A letter will be sent to the Pauls Corp requesting they notify the District to mark irrigation lines prior to digging.

Director Meister questioned if the irrigation operator should work nights and weekends at straight rates, or should they be charging time and a half. The Board agreed if the irrigation lines are marked and a subcontractor breaks a line, the cost to repair the line will be billed back to the owner. Only emergency repairs will be completed outside normal business hours and the operator will be paid time and a half for those hours.

Director Meister suggested only allowing repairs on Mondays to avoid draining the system more than one day a week. The Board discussed whether it would be helpful to have the Covenant Enforcement Officer notify the District of violators watering on Mondays. With lawns that are just being established it was determined it was not possible. If a property owner has a new lawn, they will need to notify the District that they need to water daily.

Director Meister has purchased three additional bags each of the Hydro Sorb. The material will be placed in ditches to prevent irrigation water being absorbed into the ground.

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**Archer****Letter**

The Board reviewed the letter from the Archers regarding excessive water usage charges. The Board agreed to charge the regular monthly base rate during the period in question.

**Financial****Statements**

The April 30, 2014 financial report was included in the Board packet and reviewed by the Board.

**Accounts****Payable**

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

**RESOLVED** to approve the May accounts payable list, as presented.

**Accounts****Receivable**

The list of past due accounts receivable accounts was reviewed. Delinquent accounts are being collected by Eagle County Treasurer with property taxes.

**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 13th day of May, 2014.

Respectfully submitted,



Cheri Curtis

Secretary for the Meeting