
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors Cotton Ranch Metropolitan District May 17, 2018

A Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on May 17, 2018 at 3:00 p.m., at the offices of Marchetti & Weaver, LLC, 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
- Beric Christiansen
- Craig Jagger
- Tom Pohl

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver, LLC
- Cheri Curtis, Secretary for the Meeting

**Call To
Order**

The Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District was called to order by Director Meister on May 17, 2018 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.

Minutes The Board reviewed the Minutes of the November 29, 2017 Special meeting. By motion duly made and seconded it was unanimously

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RESOLVED to approve the November 29, 2017 Special Meeting minutes as presented.

Public Input There was no public present.

Oaths of Office There were no more candidates than positions available so the May 2018 Election was canceled and the two candidates were elected by acclimation. The oaths of office were administered to Christopher Meister and Craig Jagger. There is one open seat on the Board. The Board discussed potential Board members.

Election of Officers By motion duly made and seconded it was unanimously

RESOLVED to keep the officer's positions the same as follows:

Christopher S. Meister, President
Craig Jagger, Vice President/Assistant Secretary/Treasurer
Thomas Pohl, Secretary
Beric Christiansen, Treasurer
(Vacant), Vice President/Assistant Secretary/Treasurer

Posting Notice Resolution The 24-Hour Posting Notice designated location is the Gypsum Creek Golf Course at 530 Cotton Ranch Road. By motion duly made and seconded it was unanimously

RESOLVED to approve the 24-Hour Posting Notice location as the Gypsum Creek Golf Course.

Financial Report The April 30, 2018 financial statements were included in the Board packet and presented by Mr. Marchetti. Director Meister questioned the value of water rights on the balance sheet. Mr. Marchetti explained that the water rights are recorded on the balance sheet using the "historic cost" accounting principle reflecting their value at the cost the District paid for the water rights conveyed to the District by the Developer. The Board discussed the potential cost to replace the existing raw water system and the potential interest in acquiring additional water rights.

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The water usage from the meter reads will be compared to the amount of water passing through the mag meters. Director Meister expressed concerns with unmetered water usage/leakage.

2017 Amended Budget

Hearing The meeting was published as the public hearing to amend the 2017 budget. The public hearing was opened for public comment. There being no public comment, the public hearing was closed. After review and by motion duly made and seconded it was unanimously

RESOLVED to adopt the 2017 amended budget resolution as presented. A copy of the formal amended budget resolution is incorporated herein by this reference.

2017 Draft Audit

The Board reviewed the draft of the 2017 audit. Director Meister questioned the ability to use the authorized but unissued bond authorization designated for streets and streetscapes for landscaping. Mr. Marchetti confirmed that would be allowed but that the voter authorization expires 20 years after the election question. The Board agreed they do not intend to issue additional debt for landscaping.

By motion duly made and seconded it was unanimously

RESOLVED to accept the 2017 draft audit as presented.

Accounts Receivable

The list of outstanding accounts was reviewed.

Accounts Payable

The Board reviewed the May 2018 accounts payable lists. By motion duly made and seconded, it was

RESOLVED to approve the May 2018 accounts payable list, as presented.

Operations

The golf course maintenance staff have advised the District Operations Manager that the golf cart paths are not suitable for automobile use and the District will need to purchase a utility vehicle for driving on the cart path. The utility vehicle can be shared with the CRHOA community liaison officer. Director Meister would like a covered vehicle that seats three with a dump bed. The Board authorized Mr. Meister to proceed with acquiring a utility vehicle.

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The HOA approved replacing sprinkler heads on Cotton Ranch Drive for better coverage. The silt in the irrigation system clogs the current heads which will be improved by installing the new heads.

The master meter was installed at the Villas. The Villas is currently being charged for thirty units.

There were problems with the Chatfield/Bartholomew Ditch water flows at beginning of season that have been corrected.

Pump number four in the lower pump house is down and will be repaired. A pressure reducing valve was installed at the upper pump house, which will allow for lower pressure in the raw water system than required by the golf course.

Park

Location

Park location options were discussed. Option A would be adjacent to the swimming pool and clubhouse but this location is small and perhaps not suitable for a park. Option B would be on the north end of Legend Drive and would require an easement from the developer. Option C would be Lot B across from the clubhouse and the last option would be a dog park adjacent to the Villas. Director Pohl will discuss potential park locations with the Town of Gypsum and other entities.

Action Item

List

The Action Item List was reviewed by the Board. The auto-cad of the irrigation system is still needed. The District is waiting on direction from the School District prior to considering piping the Chatfield/Bartholomew Ditch. The application to make the District's water rights absolute have been approved by the Court.

Tap Fees

Schedules

The tap fees schedules were reviewed.

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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 Special Meeting of the Cotton Ranch Metropolitan District Board of Directors this 17th day May, 2018.

Respectfully submitted,



Cheri Curtis
Secretary for the Meeting