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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 February 12, 2013

A Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on February 12, 2013 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
- Bob Rulon
- Beric Christiansen
- Tom Pohl
- Chris Sauro

Also in attendance were:

- Matt Dalton, Esq., Spencer Fane Grimshaw, P.C. (via telephone)
- Ken Marchetti, Robertson & Marchetti, P.C.
- Cissy Olson, 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 February 12, 2013 at 1:05 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.

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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 November 20, 2012 meeting. After discussion and by motion duly made and seconded it was unanimously **RESOLVED** to approve the November 20, 2012 minutes as presented.

#### Cotton Ranch HOA

**Update** Director Pohl reported that the Cotton Ranch Homeowner's Association will be meeting next month and it would be a good opportunity to announce to the homeowners that the District's irrigation system will be turned on soon so they should make sure their sprinkler system is in good working order.

**Operations** Director Meister reported that the Gypsum Creek Golf Course Superintendent recently sent the upper pump house in-line screen to the manufacturer because the welds had started leaking last summer. The screen was given a free service and the welds were replaced, however the reverser housing wasn't allowing the screen to rotate back and forth to fully clean it. The total repair is estimated to be \$564 and the District will be responsible for 34% of the cost.

Director Meister requested an auto cad drawing from the Town of Gypsum showing all water rights and points of diversion for Cotton Ranch and the golf course areas. The Town has not documented this information in auto cad yet, but they did provide a detailed map of all diversion points and springs throughout the District. Director Meister reported he would like to meet with a surveyor to create a map that would include the head-gate locations, flume settings, and flow levels of the District and the golf course irrigation system as a quick reference for future Board members. Director Meister offered to develop a list of items to include on the map. The Board discussed the project and by motion duly made and seconded it was unanimously

**RESOLVED** to authorize Director Meister to work with a surveyor and develop a map detailing all diversion points and springs, head-gate locations, flume settings, and flow levels of the District and golf course irrigation system.

At 1:32 p.m. Director Rulon joined the meeting.

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### **Chatfield/Bartholomew**

#### **Ditch Improvements**

Director Meister reported that the Town of Gypsum is considering realigning the Chatfield/Bartholomew Ditch in order to allow the school district the opportunity to develop the land where the ditch is currently located. Director Meister talked to the Town about installing an underground pipe which would eliminate future ditch burning needs.

### **Bond**

#### **Refinancing**

The District is considering refunding (refinancing) the 2006 Senior Bonds and possibly the converted 2002A Bonds. The purpose of refunding the District's bonds would be to lower the bond interest rate and extend the life of the bonds which would allow the District to lower the mill levy. At the last meeting the Board discussed the process and agreed to ask Mr. Dalton's and Mr. Peltz's input regarding this matter.

At 1:43 p.m. Mr. Dalton joined the meeting via telephone.

Mr. Dalton and the Board discussed various options related to refinancing the converted 2002A Bond and 2006 Bond and if stretching out the life of the bonds would help to lower the mill levy.

At 2:05 p.m. Mr. Dalton left the meeting.

The Board discussed the pros and cons of refinancing the bonds, if refinancing would require voter authorization and if so whether the District's existing voter authorization could be used for this purpose. The Board agreed to send a request for proposals to three underwriters and continue the meeting to March 20<sup>th</sup> to discuss the underwriter's proposals.

### **24 Hour Posting**

#### **Notice/Meeting**

#### **Dates**

The Board approved continuing to use the Cotton Ranch Club House as the posting location for the 24 hour notice. The Board reviewed the proposed 2013 regular meeting schedule noting that the meetings for the remainder of the year are scheduled for May 14, July 9, September 10, and November 12<sup>th</sup> at 1:00 p.m. After discussion and by motion duly made and seconded it was unanimously

**RESOLVED** to adopt the 24-hour Posting Notice Resolution establishing the Cotton Ranch Club House as the posting location, a copy of which is incorporated herein by this reference.

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**FURTHER RESOLVED** to establish 1:00 p.m. on May 14, July 9, September 10, and November 12<sup>th</sup> for regular meetings of the District Board of Directors.

**Financial  
Statements**

Mr. Marchetti reviewed the December 31, 2012 financial statements.

**Accounts  
Payable**

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

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

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

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

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

**RESOLVED** to approve the February accounts payable list as presented.

**Action Log List**

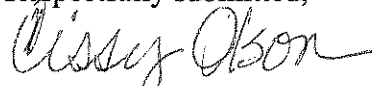
The Board reviewed and updated the Action Log list.

**Continuation**

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

**RESOLVED** to continue the Regular Meeting of the Cotton Ranch Metropolitan District Board of Directors this 12th day of February, 2013 to Wednesday, March 20, 2013 at 1:00 p.m. at the offices of Robertson and Marchetti, P.C.

Respectfully submitted,



Cissy Olson

Secretary for the Meeting