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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 August 14, 2018**

A Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on August 14, 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:

- Bob Rulon
- Kathleen Zepada
- Ken Marchetti, Marchetti & Weaver, LLC
- 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 August 14, 2018 at 3:05 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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#### **Board**

#### **Opening**

Bob Rulon and Dave Nordin have both expressed interest in serving on the Board. After discussion and by motion duly made and seconded it was

**RESOLVED** to appoint Bob Rulon to serve on the Board until the May 2020 election.

Director Christiansen abstained from voting.

#### **Public Input**

The Board has a request from the owners of 280 Red Fox regarding their water billing overage fees. They have new landscaping and are using more water than normal. The Board heard the appeal from Kathleen Zepada. It was taken under advisement and will be discussed during the business section of the meeting. Ms. Zepada left the meeting at 3:15 p.m.

#### **Minutes**

The Board reviewed the Minutes of the May 17, 2018 Special meeting. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the May 17, 2018 Special Meeting minutes as revised.

#### **Oaths of Office**

The Oath of Office was administered to Bob Rulon.

#### **Parks**

Director Pohl explained the Town of Gypsum does not have excess funds available for parks and might be looking at in-kind donations. There are three locations still being considered. The construction of a park would be a funding partnership between the HOA, District, and possibly other partners.

#### **Business**

**280 Red Fox Usage** - The Board discussed the water usage and new landscaping. The Board decided the usage was consistent with the usage in the neighborhood and there was no need to waive the overage charges.

The Board agreed to send letters to new owners explaining the water rates and the raw water system. Marchetti & Weaver's office was asked to draft a letter to both the valley property owners and a letter to Sky Legend property owners that would be sent when properties change ownership.

**John Lowry** – The District discovered the water meter had not been read after the tap fee was paid and construction was completed. Mr. Lowry was assessed the broken meter fees from 2014 to 2018. It was discovered there was a meter but it was not being read because the meter could not be found. Mr. Lowry requested

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the District reconsider the excessive fees. The Board agreed to reduce the broken meter fees to 50% and forgive the late fees. Mr. Lowry will be given thirty days to either pay the bill in full or enter a payment plan. Director Meister stated the District installed a new gate valve and saddle tap to bring the system up to District standards and that information should be included in the letter to Mr. Lowry.

**Jami Childers** – Ms. Childers indicated they were not receiving the water bill and requested the Board waive the late fees. The Board agreed to waive the late fees one time, as long as payments are being made monthly.

**170 Red Fox** – Director Christiansen presented a letter with the water billing, showing there is a meter issue at his property causing large overage charges. Director Christiansen does not believe that much water was used and is in the process of replacing the meter. The Board is willing to waiver excess charges. By motion duly made and seconded it was

**RESOLVED** to waive the overage charges as long as the meter is replaced.

Director Christiansen abstained from voting.

### **Record Retention**

**Policy** The resolution to allow the District to destroy old paper files that are not required to be retained by the State Archivist was reviewed. By motion duly made and seconded it was unanimously

**RESOLVED** to adopt the Record Retention Policy Resolution as presented.

### **Financial Report**

The July 31, 2018 financial statements were included in the Board packet and presented by Mr. Marchetti. The fixed assets were reviewed and the non-potable water system items will be combined into one-line item on the financials.

The 2019 preliminary budget was included in the financials. The budget hearing will be held at the fall meeting and the Board will adopt the 2019 budget at that time. There are currently \$24,397 in CTF funds reserved for parks. The Club Car purchase is included in the utility fund. The Board discussed measures to reduce water usage and increase income or reduce the amount of common landscaping. The original agreement with the town limits the grass to 5,000 square feet on the valley floor. The amounts of grass allowed for Sky Legend is more limited.

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The pump system repair and replacement line should be increased to \$5,000 to in 2019 to rebuild the pump motor #4. The \$5,000 amount should continue to be budgeted for this line item in future years.

**Accounts  
Receivable**

The list of outstanding accounts was reviewed.

**Accounts  
Payable**

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

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

**Operations**

Director Meister read a letter from Zancanella and Associates related to the calls on the Shoshone plant that affects Sky Legends' water rights. Sky Legend water usage in July was under the allotted amount of water available. The predicted usage in August may remain under the allocated amount. The watering for all Sky Legend common areas was cut back by 75%. The allocated amount of water is considerably less in September and October and water usage will need to be reduced to not exceed the allocated amounts. Sky Legend could experience water restrictions later this season.

Sky Legend will need more irrigation water for as it moves closer to build-out. Director Meister would like to start the discussion to determine if the District could acquire additional water and what the cost would be.

**Action Item  
List**

The Action Item List was reviewed by the Board. There were no updates.

**Tap Fees  
Schedules**

The tap fees schedules were reviewed. There are currently 30 units in the Villas and only twenty-four tap fees are being shown paid. Ms. Curtis will investigate the difference.

**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 14th day August, 2018.

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Respectfully submitted,

*Cheri Curtis*

Cheri Curtis

Secretary for the Meeting