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## RECORD OF PROCEEDINGS

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### **Minutes of the Continuation Meeting Of the Board of Directors Cotton Ranch Metropolitan District November 28, 2018**

A Continuation Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, that was originally held on November 6, 2018, was continued to November 28, 2018 at the Creekside Grill, 530 Cotton Ranch Road 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
- Bob Rulon

Also in attendance were:

- David Nordin
- Karl & Linda Gunzelman
- Ken Marchetti, Marchetti & Weaver, LLC
- Cheri Curtis, Secretary for the Meeting

#### **Call To Order**

The Continuation Meeting of the Board of Directors of the Cotton Ranch Metropolitan District was called to order by Director Meister on November 28, 2018 at 5:00 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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**Public Input** There was no public input. The public in attendance was there to obtain information on how the District operates.

**Financial Report**

The October 31, 2018 financial statements were included in the Board packet and presented by Mr. Marchetti. The balance sheet along with the revenues and expenditures were reviewed, noting the assessed values and anticipated taxes for 2019. The 2018 forecast for the general fund is tracking with the adopted 2018 budget. The District will have the ability to transfer funds to the water fund from general fund if necessary.

The debt service fund was reviewed showing the bond payments, and allocation of overhead from the General Fund. The utility fund revenues and expenditures were reviewed noting the decrease in the fund balance. The meeting was published as a rate increase hearing. The Board agreed to table the 2019 rate increase hearing, based on the need for future discussions on water rights and rates. It was noted the District budgeted for a new filtration system for the Sky Legend pumphouse and \$50,000 for operations.

**2019 Budget Hearing**

The continuation of the public hearing on the 2019 budget was opened for comment. Hearing no public comment, the public session was closed. By motion duly made and seconded it as unanimously

**RESOLVED** to adopt the 2019 budget; to set the debt service mill levy at 43.199 mills and the operating mill levy at 1.345 mills, resulting in a net total mill levy of 44.544 mills (subject to adjustment for the final assessed value from the County Assessor); and to appropriate funds for spending in 2019, all as documented in the formal budget resolution. A copy of the formal budget resolution is incorporated herein by this reference.

**Delinquent Accounts**

District staff notified delinquent owners of the hearing at this meeting for the purpose of certifying delinquent accounts to the Eagle County Treasurer for collection with property taxes. There were no delinquent property owners present. By motion duly made and seconded it was unanimously

**RESOLVED** to certify delinquent accounts over \$150 and more than six months in arrears to the County Treasurer for collection with the property taxes. A copy of the resolution for this purpose is incorporated herein by this reference.

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#### Other

##### Business

The Gunzelmans discussed a berm that was constructed behind a home on Whitetail (perhaps 175 Whitetail). The homeowner is currently watering this berm (which may be on golf course property) and is concerned what this will do to his water bill if water rates are increased and adjustments made to tiered rates. The Board responded that a public hearing will be conducted before the water rates are increased and the homeowner will be able to provide input at that time.

The Board also presented information with issues on the aging system and the need to build a reserve of funds for future repairs. A report on the raw water system is also typically presented at the HOA Annual Meeting.

#### Accounts

##### Payable

The Board reviewed the November 28, 2018 accounts payable lists. By motion duly made and seconded, it was

**RESOLVED** to approve the November 28, 2018 accounts payable list, as presented.

#### Villas Tap

##### Fees

The Board discussed the tap fees collected and assessed values the project has brought to the community. The District discussed preparing an agreement with the Villas stating the tap fees will be 50% of the normal tap fee per unit. This will be incorporated into the agreement with the Villas regarding the ownership and maintenance of the Villas raw water irrigation system.

#### Operations

Director Meister reported 2018 was a good season with extra work performed this year. The new filtration system in Sky Legend will help with the maintenance of the Sky Legend system. There are 1,800 sprinkler heads in Sky Legend that Gerber Landscaping maintains. Gerber Landscaping was paid \$8,928 in 2018 for cleaning sprinkler heads. By installing the filtration system, it should help to keep the sprinkler heads in Sky Legend operating properly.

#### Other

##### Business

The Board discussed scheduling a work session in early 2019 to review water rights and irrigation rates. The Board will then schedule a meeting with property owners to provide education on water rights and rate increases.

Director Christiansen suggested trading the Wolford lease for a LEDE lease. The Board agreed to continue to study the water rights and obtain information from Zancanella and Associates and then hold a Board work session to review the

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information obtained. Following that the District may approach the Town of Gypsum for different water rights.

#### **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 28th day November, 2018.

Respectfully submitted,



Cheri Curtis  
Secretary for the Meeting