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## RECORD OF PROCEEDINGS

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### **Minutes of a Special Meeting Of the Board of Directors Cotton Ranch Metropolitan District December 15, 2020**

A Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on December 15, 2020 at 2:00 p.m. The meeting was held via Zoom in order to preserve the health, safety and welfare of the public in light of the imminent threat caused by the COVID-19 pandemic in accordance with the public health orders and applicable statutes of the State of Colorado.

**Attendance** The following Directors were present and acting via Zoom:

- Chris Meister
- Michael Pritchard
- Bob Rulon
- David Nordin

The following Director was absent and excused:

- Beric Christiansen

Also in attendance were via Zoom:

- Matt Dalton, District's Legal Counsel
- Thomas Peltz, District's Bond Counsel
- 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 December 15, 2020 at 2:00 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

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and this company provides services to the District managing and operating the District's raw water irrigation system.

There are certain business transactions between the District and Cotton Ranch Homeowners Association (CRHOA) and Directors Christiansen and Nordin are also members of the Executive Board of CRHOA. While both the District and CRHOA serve substantially the same constituency, transactions between the two entities could constitute a potential conflict of interest. The Board noted, for the record, that these disclosures are reported at this time with the intent of fully complying with laws pertaining to personal conflicts.

**Agenda** There were no changes to the agenda.

**Minutes** The Board reviewed the Minutes of the November 11, 2020 Special meeting. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the November 11, 2020 Special Meeting minutes as presented.

**Public Input** There was no public input.

#### **2020 Bond**

**Redemption** With the District's increased assessed value for 2020, and the District paying down the principal on the senior bonds, the District is required to convert another \$730,000 of the 2002A subordinate bonds to senior status. Mr. Peltz explained that the 2002A bond resolution requires the District to convert the subordinate bonds to senior bonds whenever the senior debt is below 35% of the District's assessed value. Mr. Dalton also explained that the District's minimum mill levy for debt service is 35 mills to be "Gallagher adjusted" for changes in the residential assessment rate.

Mr. Dalton has reviewed the bond documents and reported no issues with the bond redemption resolution. Mr. Peltz noted there is unpaid interest remaining on the 2002A bonds that remains on the District's balance sheet. The subordinate bonds bear interest at 5.95% and will be converted to senior bonds and then refunded with funds from the ANB note which bears interest at 3.45%, consistent with the 2017 and 2019 ANB Bond/Note. After discussion and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the resolution authorizing a loan and issuance of a note to ANB Bank in the amount of \$730,000 to be used to redeem the converted 2002A bonds in that amount and to authorize the president and

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secretary/assistant secretary of the District to sign all necessary documents to consummate the transaction.

Mr. Peltz will file make the necessary filings with the Colorado Securities Commission.

#### **Future Bond**

**Redemptions** The long-range plan was included in the Board packet. Mr. Marchetti explained \$950,000 in subordinate bonds remain after the 2020 conversion. With new construction and increased values predicted, the District could be required to convert the remaining 2020A bonds in 2021, or 2022 at the latest. The Board discussed the possibility of refunding all bonds including the remaining 2020A subordinate bonds in 2021, if interest rates remain low.

#### **Accounts**

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

**RESOLVED** to ratify approval of the November 12 through December 15, 2020 accounts payable lists, as presented.

#### **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 held this 15th day of December, 2020.

Respectfully submitted,

*Cheri Curtis*

Cheri Curtis  
Secretary for the Meeting