
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors Cotton Ranch Metropolitan District December 17, 2019

A Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on December 17, 2019 at 3:00 p.m., at the Gypsum Public Library, 47 Lundgren Boulevard, Gypsum, 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
- Bob Rulon
- David Nordin

Also in attendance were:

- Owen Lococo
- Thomas Peltz, Kutak Rock LLC (Via Telephone)
- Ken Marchetti, Marchetti & Weaver, LLC
- Cheri Curtis, Secretary for the Meeting

Call To Order

A Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District was called to order by Director Meister on December 17, 2019 at 3:08 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.

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Directors Christiansen and Nordin reported that they also serve on the executive board of Cotton Ranch Homeowners Association (CRHOA). There are certain business transactions between the District and 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.

Changes to the

Agenda Appointing Director Christiansen as secretary was added to the agenda.

Appointment of

Secretary Currently Director Meister is the President, Director Christiansen is the Treasurer and all other Board Members are Vice Presidents/Asst Secretary/Treasurer. By motion duly made and seconded it was unanimously

RESOLVED to appoint Beric Christiansen as Secretary/Treasurer.

Minutes The Board reviewed the Minutes of the November 12, 2019 Regular meeting. By motion duly made and seconded it was unanimously

RESOLVED to approve the November 12, 2019 Regular Meeting minutes as presented.

Public Input Owen Lococo questioned whether the District's tap fees and line deposit need to be collected by the HOA. The Board explained the need to have the DRC collect the tap fee and line deposit fee prior to approving plans.

2019 Bond Issuance

With the District's assessed value increasing and the District paying down the principal on existing senior bonds, the District has the obligation to convert another \$805,000 of the 2002A subordinate bonds to senior status, bringing the total senior bonds outstanding up to 35% of the District's assessed value. When the 2002A bonds convert to senior status they will continue to earn 5.95% interest until redeemed by the District. Pursuant to the ANB Bank commitment to lend agreement done in conjunction with issuance of the District's 2017 bonds, ANB will loan the funds at an interest rate of 3.45% rate to redeem the converted 2002A bonds. This will save the District 2.5% interest over the remaining life of the 2002A bonds which mature in 2035 resulting an interest savings of \$239,000 over the life of the bonds.

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Director Meister questioned the procedure if the Cooks can not locate the original bond to be redeemed. Mr. Peltz explained there are procedures for the bond holder to indemnify the District in the event of a lost bond and the bond registrar and paying agent (UMB Bank) will make sure the District is protected. Mr. Marchetti reported Ms. Cook has now located the original bond and will release it to UMB this week.

Mr. Marchetti explained the ownership of the remaining subordinate bonds. 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 \$805,000 to be used to redeem the converted 2002A bonds in that amount and to authorize the president and secretary/treasurer of the District to sign all necessary documents to consummate the transaction.

Disputed Water

Billings 193 Legend – The Board reviewed the information provided in the Board packet from Mr. and Ms. Jones. Director Meister explained the Board approved at the November meeting to only charge the first tier rates for water users. By motion duly made and seconded it was unanimously

RESOLVED to agree to only charge the first-tier rates for 193 Legend.

271 Black Bear – The owners requested the Board consider waiving the late fees. Director Rulon requested the owners present their request to the Board. The Board reviewed the account and decided the owner has a history of not paying their invoice monthly. The Board directed staff to have the account included with tax collections next year.

Other

Business Director Meister reported the District will be installing the new filtration for the lower pump house in early 2020.

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 held this 17th day December, 2019.

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Respectfully submitted,



Cheri Curtis
Secretary for the Meeting