
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Cotton Ranch Metropolitan District March 10, 2015

A Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on March 10, 2015 at 3:00 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
- Chris Sauro
- Tom Pohl
- Bob Rulon (Via Telephone)

The following Directors were absent and excused:

- Beric Christiansen

Also in attendance were:

- Ken Marchetti, Robertson & Marchetti, P.C.
- 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 March 10, 2015 at 3:00 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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Minutes The Board reviewed the Minutes of the November 11, 2014 Regular meeting. Director Meister reported that he will request that Shawn Gerber follow up to ensure Tim Cashin has disconnected from the raw water irrigation system.

The Board discussed the reference in the minutes for recreation, noting the District does not have an estimate for refurbishing the clay tennis courts. Director Pohl suggested requesting the Town of Gypsum (TOG) accept/acknowledge responsibility for the maintenance of the courts. The Board also discussed working with the TOG as a funding partner and requesting possible funding participation from Cotton Ranch Homeowners Association (CRHOA). CRHOA is exempt from CCIOA which requires that their dues be limited to \$300 per property per year and cannot be increased. [It was noted CRHOA is considering revising the Declaration to be able to increase assessments, charge special assessments and real estate transfer assessments.] Director Meister expressed concerns with the District assuming maintenance responsibility for the tennis courts.

The TOG has recommended installing a playground to the north of the existing swimming pool. Director Pohl suggested resurfacing one or both clay tennis courts for tennis or Pickleball courts. Director Pohl suggested the District consider building a community garden.

Director Pohl informed the Board that CRHOA's 2015 budget is being affected by the District's decision to bill CRHOA for the water usage on Valley Road. It was also noted there are known broken meters. The Board reiterated that property owners are responsible for lines and meters downstream of the gate valve at the mainline.

After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the November 11, 2014 Special Meeting minutes as revised.

**Public
Input**

CRHOA's Annual meeting will be held on March 30, 2015 at 6:00 p.m. at the Creekside Grill.

24-Hour Posting

Notice

The Board is required to adopt a resolution each year indicating the location of the 24-Hour Posting Notice. Upon motion duly made and seconded it was unanimously

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RESOLVED to approve the 24-hour Posting Notice Resolution with the Clubhouse as the 24-Hour Notice location. A copy of the 24-Hour Posting Notice Resolution is incorporated herein by this reference.

Emergency Liaison

Resolution The Board is required to adopt a resolution appointing the President of the Board as an Emergency Liaison Officer. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Emergency Liaison Resolution. A copy of the Emergency Liaison Resolution is incorporated herein by this reference.

Recreation The District will work with the TOG to obtain costs for revamping tennis courts, a dog park, and pickleball courts. Further discussion followed on creating a community garden and creating a co-op. The topic will be presented at the CRHOA annual meeting. If a community garden is to be installed, the Board will need assurance from the TOG that the community gardens will only be available to Cotton Ranch property owners or residents.

Director Meister suggested consideration of Parcel B for a community garden. It was reported that pickleball courts and tennis courts are not interchangeable. Director Pohl stated the District and CRHOA working together could be beneficial for all property owners. Director Sauro suggested working with the TOG to determine what the best solution for the recreation on the land where the tennis courts are located and Parcel B.

The Board briefly discussed combining the District and CRHOA to provide better services to constituents. It would require voter approval and at the same time the District could ask for voter approval to increase property taxes to replace CRHOA Assessments. It was noted the CRHOA could become inactive and available for possible future transfer assessments.

Operations The TOG is planning to build a new pump house and then will convey the existing pump house to the District. Director Rulon questioned the status of funds needed for the raw water irrigation system improvements. Director Meister stated the District maintains the 4" mainline and gate valves. A new pump for the existing pump house may be required, which will cost approximately \$5,000 plus installation and fittings. Mr. Marchetti indicated the District has initiated a reserve for a new pump and pump house in future years. The system should not require significant additional capital improvements for approximately five to seven years.

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Director Meister reported he has been working with the Paul's Corp which is building in Sky Legend to make sure they are aware of the mainline locations. If there are mainline breaks during construction, Paul's Corp will be responsible for repairs.

Director Meister stated the raw water irrigation system will be turned on for the season in April, with the system scheduled to be operational by April 17, 2015, contingent on weather.

Village Project

Maps were distributed of the Cotton Ranch Village Development with seventy-two proposed units. The Ulin Ditch has been realigned by the Cotton Ranch Village developer to better accommodate their project and to improve flow. Director Meister stated the intent is for the Cotton Ranch Village Development to connect to the raw water irrigation system at the mainline on the eighth tee box. It will require a sidewalk cut to install the connection. The Board questioned the ability to collect tap fees on individual units. It was reported the developer is paying reduced duplex rates, which will be verified. A drain valve will be required for the irrigation system. The Village Developer has been advised that the District needs to review and approve their irrigation system plans prior to installation.

Financial Statements

The January 31, 2015 financial report was included in the Board packet and reviewed by the Board.

Marchetti & Weaver Engagement Letter

Mr. Marchetti reviewed the memo and the proposed engagement letter for Marchetti & Weaver, LLC. The engagement letter incorporates new AICPA guidelines that allow a CPA to "prepare" financial statements instead of the historical options to either compile, review or audit financial statements. By motion duly made and seconded it was unanimously

RESOLVED to approve the proposed engagement letter with Marchetti and Weaver, LLC.

Accounts Payable

The Board reviewed the December 2014 to March 2015 accounts payable lists and by motion duly made and seconded, it was unanimously

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RESOLVED to approve the March accounts payable list and ratify the December to February accounts payable list, as presented.

Accounts

Receivable The accounts receivable list was included in the Board packet.

Action Item

List The action item list will be updated and included in the May Board packet.

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 10th day of March, 2015.

Respectfully submitted,



Cheri Curtis
Secretary for the Meeting