

---

## RECORD OF PROCEEDINGS

---

### **Minutes of the Special Meeting Of the Board of Directors Cotton Ranch Metropolitan District November 20, 2012**

A Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on November 20, 2012 at 9:30 a.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
- Bob Rulon
- Beric Christiansen
- Tom Pohl

The following Director was absent and excused:

- Chris Sauro

Also in attendance were:

- Ken Marchetti, Robertson & Marchetti, P.C.
- Cissy Olson, 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 November 20, 2012 at 9:39 a.m. noting a quorum was present.

#### **Disclosure of Potential Conflicts of Interest**

The Board discussed the requirements pursuant to the 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

---

## RECORD OF PROCEEDINGS

---

---

### Cotton Ranch Metropolitan District November 20, 2012 Meeting Minutes

---

disclosure is restated at this time with the intent of fully complying with laws pertaining to personal conflicts.

#### **Consideration of Changes to the**

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

**Minutes**        The Board reviewed the Minutes of the September 24, 2012 meeting. After discussion and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the September 24, 2012 minutes with revisions.

#### **Water**

##### **Case 04CW239**

The Board reviewed Mr. Corona's water legal report concerning a final ruling for Case 04CW239. Mr. Corona reported that the water judge entered the final augmentation plan decree on November 4, 2012 concluding the case. Mr. Corona enclosed a copy of the final decree, an augmentation plan to support Cotton Ranch ponds and Sky Legend irrigation that also grants conditional and absolute water rights. The decree stipulates that the Town of Gypsum and the District will be required to file an application to make the conditional water rights absolute or seek a finding of diligence toward developing the conditional rights no later than November 30, 2018.

At 9:45 a.m. Director Pohl joined the meeting. Mr. Corona joined the meeting via telephone.

The Board and Mr. Corona discussed the water rights in a pond located next to the Club House. Mr. Corona stated he would like to move the water rights of the pond near the Club House to Cotton Ranch pond #2 and in order to do so the process must go through the Courts. The Board agreed to wait for a recommendation from Mr. Corona, Ms. Kropf, and the Town of Gypsum.

#### **Town of Gypsum/District Easement Agreement**

The Board discussed a provision requiring the District to provide a 30 day advance notice to the Golf Course and Town for any major maintenance repairs or replacement activities except those requiring an emergency. After further discussion and by motion duly made and seconded it was unanimously

---

## RECORD OF PROCEEDINGS

---

---

Cotton Ranch Metropolitan District November 20, 2012 Meeting Minutes

---

**RESOLVED** to approve the Easement Grant and Operations & Maintenance Agreement for the shared raw water delivery system between the Town of Gypsum and the District.

**Operations** Director Meister announced that the Sky Legend and the valley floor irrigation main lines have been blown out for the 2012 irrigation season.

Director Meister reported that he gave the Golf Course the authority to buy a second copper pipe to open valves to the District's irrigation system. The Board discussed whether the District should include information about irrigation system filters (scrubbers) on the Cotton Ranch website for anyone interested in improving their irrigation system. No action was taken.

Director Meister reported he has been tracking the District's water usage and providing the information to Zancanella & Associates and the Town of Gypsum. Discussion followed regarding the potential realignment of the Chatfield/Bartholomew Ditch.

### **Irrigation Repair**

**Funding** At the last meeting the Board discussed the condition of the District's irrigation system and raising the monthly base irrigation rate. The Board reviewed the current tiered irrigation water rate charges and agreed to increase the lower valley floor base rate from \$53 to \$56 per month from May 15<sup>th</sup> to October 15<sup>th</sup> and the Sky Legend base rate from \$26.50 to \$28 from May 15<sup>th</sup> to October 15<sup>th</sup> in 2013. After further discussion and by motion duly made and seconded it was

**RESOLVED** to authorize an increase of the lower valley floor base irrigation rate from \$53 per month to \$56 per month for up to 30,000 gallons commencing at the May 15, 2013 meter reading.

**AND FURTHER RESOLVED** to authorize an increase of the Sky Legend base rate from \$26.50 to \$28 per month up to 15,000 gallons commencing at the May 15, 2013 meter reading.

A new rate notice will be sent to all property owners to inform them of the recent water rate change prior to the 2013 irrigation season.

### **Financial**

**Statements** Mr. Marchetti reviewed the October 31, 2012 financial statements.

---

## RECORD OF PROCEEDINGS

---

---

Cotton Ranch Metropolitan District November 20, 2012 Meeting Minutes

---

### 2013 Budget Hearing

The continuation of the 2013 budget hearing was opened up to public comment on the budget. There being no public input, the public session was closed.

Mr. Marchetti reported that the District could consider refunding (refinancing) the converted 2002A bonds and the 2006 senior bonds in 2013 but it would require voter approval. The purpose of refunding the District's bond would be to lower the bond interest rate and extend the life of the bonds which would allow the District to lower the mill levy. Mr. Marchetti and the Board discussed the process and agreed to further pursue refinancing options at the next meeting in February. Mr. Marchetti will ask Mr. Dalton's or Mr. Peltz's input regarding this matter.

The Board discussed the 2013 budget and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the resolution adopting the 2013 budget, to appropriate funds, and to set the mill levy rate. A copy of the formal resolution for this purpose is incorporated herein by this reference.

### Accounts Payable

The Board reviewed the October accounts payable list and by motion duly made and seconded, it was unanimously

**RESOLVED** to ratify approval of the October accounts payable list, as presented.

The Board reviewed the November accounts payable list and by motion duly made and seconded, it was

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

### Action Log List

The Board reviewed and updated the Action Log list.

### 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 this 20th day of November, 2012.

---

RECORD OF PROCEEDINGS

---

---

Cotton Ranch Metropolitan District November 20, 2012 Meeting Minutes

---

Respectfully submitted,



Cissy Olson

Secretary for the Meeting