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## RECORD OF PROCEEDINGS

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### Minutes of the Regular Meeting Of the Board of Directors Cotton Ranch Metropolitan District May 15, 2012

A Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on May 15, 2012 at 1:00 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
- Tom Pohl
- Bob Rulon
- Chris Sauro

The following Director was absent and excused:

- Beric Christiansen

Also in attendance were:

- Ken Marchetti, Robertson & Marchetti, P.C.
- Cissy Olson, Secretary for the Meeting

#### **Call To Order**

A Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District was called to order by Director Meister on May 15, 2012 at 1:05 p.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

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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 February 20, 2012 meeting. After discussion and by motion duly made and seconded it was unanimously

**RESOLVED** to approve the February 20, 2012 minutes with revisions.

#### **Oaths of Office**

Ms. Olson, a notary public, administered the oath of office to Directors Pohl and Sauro.

#### **Election of Officers**

By motion duly made and seconded it was unanimously

**RESOLVED** to appoint Director Meister as President, Director Pohl as Secretary, Director Christiansen as Treasurer, and Directors Rulon and Sauro as Vice President/Assistant Secretary-Treasurer.

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

#### **Water Outlook**

The Town of Gypsum is putting certain water use restrictions in place to help conserve supply and meet critical summer demands. The Board discussed the record low water year and agreed to support the Town's water use restriction policy. After discussion the Board agreed to include a comment on the District's monthly irrigation statements asking residents to voluntarily conserve outdoor water usage and to visit the Town of Gypsum's website for future watering restrictions.

#### **Golf Course Easement**

**Agreement** Director Meister expressed concern that certain places, such as the pump houses on the golf course, weren't considered in the easements when the Golf Course Easement Agreement between the District and the Town of Gypsum was drafted. Director Meister reported the Town is in agreement with Director Meister's concerns and a revised draft will be reviewed at the next meeting.

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### **District Irrigation System Repair & Maintenance**

The Board discussed the irrigation main breaks that occurred at the beginning of the season and how to implement procedures to prevent future breaks. The breaks have primarily been the result of the system not being winterized well and the Board authorized Meister Builders to watch/oversee the fall blow-out of the system this year.

### **Ditch Burning**

**Accident** Director Meister gave a brief explanation of a fire that occurred as the result of ditch burning this past last March. Director Meister's truck caught on fire while he was volunteering with the ditch burning, and as a result he had to take a \$5,000 loss because his automobile insurance would not cover the full replacement cost of the truck. Additionally, the fire damaged trees and landscaping at 375 Timberwolf. The Board discussed the accident and agreed to table the matter for further discussion at the next meeting.

### **Irrigation Repair**

**Funding** At the last meeting the Board had a short discussion about long term replacement of the District's irrigation system and how to go about funding replacements as they become necessary. The Board reviewed a spreadsheet reflecting a summary of the District's authorized but unissued debt and discussed future funding possibilities. The Board requested that Mr. Marchetti prepare a financial projection regarding this matter.

### **District Communications**

The District has implemented a broadcast email system for the purpose of communicating events that may arise such as water leaks and tree spraying to property owners and residents.

The Board reviewed other items they would like to communicate to residents on the District's irrigation statements such as:

1. requesting their email address for future communications
2. refrain from being on the golf course unless it is related to authorized golf activities
3. the District and Gypsum Creek Golf Course emergency contact names and phone numbers

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#### Cotton Ranch HOA

Director Pohl announced that Mr. Mike McGinty has stepped down as President of the Cotton Ranch Homeowners Association and he has been elected to fill that role.

#### 2011 Amended Budget Hearing

Mr. Marchetti reported that in order to meet a technical requirement the District needs to amend the 2011 budget due to additional water legal and engineering costs that were not anticipated when the 2011 budget was approved. It was noted that the meeting was published as a public hearing on the proposed amended 2011 budget. The meeting was opened to public input and upon hearing no public input; the public input session was closed. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the resolution amending the 2011 budget, a copy of which is incorporated herein by this reference.

#### Financial Statements

Mr. Marchetti reviewed the April 30, 2012 financial statements and status of the District's bonds. After discussion Mr. Marchetti offered to analyze the cost of replacing the District's irrigation system with the authorized and unissued bonds.

#### Accounts Payable

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

**RESOLVED** to ratify approval of the March and April accounts payable lists, as presented.

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

**RESOLVED** to approve the May 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

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**RESOLVED** to adjourn the Regular Meeting of the Cotton Ranch Metropolitan District Board of Directors this 15th day of May, 2012.

Respectfully submitted,



Cissy Olson  
Secretary for the Meeting