
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Cotton Ranch Metropolitan District May 12, 2020

A Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on May 12, 2020 at 3:00 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, Eagle County, Colorado with certain participants attending via Zoom, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Chris Meister
- Bob Rulon
- Michael Pritchard
- Beric Christiansen (Via Zoom)
- David Nordin (Via Zoom)

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver, LLC (Via Zoom)
- Cheri Curtis, 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 12, 2020 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.

Directors Christiansen and Nordin reported that they are 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

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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.

Minutes The Board reviewed the Minutes of the December 17, 2019 Special meeting. By motion duly made and seconded it was unanimously

RESOLVED to approve the December 17, 2019 Special Meeting minutes as presented.

Public Input There was no public input.

Oaths of Office The oaths of office for Directors Christiansen, Nordin, Pritchard, and Rulon were administered and filed with Eagle County Clerk & Recorder prior to the meeting.

Election of Officers After discussion it was agreed to appoint the offices as follows:

President – Chris Meister
Secretary – Beric Christiansen
Treasurer – David Nordin
Vice President/Assistant Secretary/Treasurer – Robert Rulon
Vice President/Assistant Secretary/Treasurer – Michael Pritchard

24-Hour Posting Notice

Location The Board agreed to post regular and special meeting notices including the 24-hour notice meeting notices pursuant to Subsection 24-6-402(2)(c), C.R.S. electronically on the District’s website at www.CottonRanch.org:

RESOLVED to approve the 24-hour notice posting location pursuant to Subsection 24-6-402(2)(c), C.R.S. at www.CottonRanch.org along with posting of notices for other regular and special meetings.

2020 Meeting Calendar

The Board reviewed the proposed 2020 meeting calendar. The February meeting was cancelled. By motion duly made and seconded it was unanimously

RESOLVED to approve the 2020 meeting calendar with meetings scheduled for May 12, August 11 and November 10.

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Audit Engagement

Letter The 2019 audit fieldwork has been completed and the Audit Engagement letter was executed by Director Meister. The cost of the audit will remain the same amount as the 2018 audit. By motion duly made and seconded it was unanimously

RESOLVED to ratify approval of the 2019 Audit Engagement Letter.

Green Development Ditch

Crossing The Green Development Ditch Crossing agreement was presented at the November 12, 2019 meeting. The Board presented concerns to the Agreement. Those concerns were addressed by Mr. Green and the Agreement was executed. Upon motion duly made and seconded it was unanimously

RESOLVED to ratify approval of the Green Development Ditch Crossing Agreement.

Meter Reading

Agreement The raw water meters were previously read by Robert Salazar with the Town of Gypsum. Mr. Salazar provided notice he would no longer be available to read the meters in 2020. Dwight Winkelman with DWW Enterprise, LLC provided a proposal to read the meters in 2020 for \$2 per meter and \$100 for preparing the report. By motion duly made and seconded it was unanimously

RESOLVED to approve the agreement with DWW Enterprise, LLC to read the raw water meters in 2020.

Financial Report

The March 31, 2020 financial statements were presented by Mr. Marchetti. The 2019 column ties to the 2019 audit. The Year to Date revenues and expenditures are tracking with the 2020 budget. The 2021 preliminary budget is presented for discussion purposes and will be modified as necessary. The Assessor's 2020 preliminary report shows the assessed value increasing to \$15,456,620, subject to change which will trigger the conversion of another \$730,000 in subordinate bonds at the end of 2020.

Based on the funds available in the Debt Service Fund, the District can either optionally redeem a portion of the outstanding 2017 bonds or can make a payment to the subordinate bond holders. Mr. Marchetti presented a letter to ANB Bank requesting the optional redemption of \$145,000 of the 2017 bonds. The Board

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requested an updated long range financial projection before making a decision on the use of the surplus funds in the Debt Service Fund.

Mr. Marchetti presented an overview of the financial statements for the benefit of the new Board member.

2019 Draft Audit

The 2019 draft audit was presented. The District received a clean opinion on the audit. Mr. Marchetti reviewed the major items in the report. The Board waived the need to have the audit presented by the auditor. By motion duly made and seconded it was unanimously

RESOLVED to accept the 2019 audited financial statements as presented, subject to minor adjustments in finalizing the audit.

Accounts Receivable

The list of outstanding accounts was reviewed.

Accounts Payable

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

RESOLVED to ratify approval of the December 20, 2019 through May 12, 2020 accounts payable lists, as presented.

Operations Report

The raw water irrigation system is charged and operating and the filtration system has been installed on the lower pump house. The system will continue to be idle on Mondays throughout the season for repairs and maintenance. With Comcast installing fiber optic lines through the District, locates have increased.

Action Item List

Not included or reviewed due to no changes.

Tap Fees Schedules

The schedule of new tap fees received was included in the Board packet for review.

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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 12th day of May, 2020.

Respectfully submitted,



Cheri Curtis
Secretary for the Meeting