
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors Cotton Ranch Metropolitan District October 30, 2017

A Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on October 30, 2017 at 3:00 p.m., at the offices of Marchetti & Weaver, LLC, 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
- Craig Jagger
- Chris Sauro
- Beric Christiansen

The following Directors was absent and excused:

- Tom Pohl

Also in attendance were:

- Tom Peltz, Kutak Rock – Bond Counsel (By Telephone)
- Ken Marchetti, Marchetti & Weaver, LLC (By Telephone)
- Cheri Curtis, 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 October 30, 2017 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

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

Minutes The Board reviewed the Minutes of the July 5, 2017 Special meeting and the July 25, 2017 Special meeting. By motion duly made and seconded it was unanimously

RESOLVED to approve the July 5, 2017 Special Meeting minutes as presented. The Board further

RESOLVED to approve the July 25, 2017 Special Meeting as presented.

2002A Supplemental Bond

Resolution Tom Peltz, bond counsel, joined the meeting by telephone and explained the 2002A Supplemental Bond Resolution which is to align the future redemption of the outstanding 2002A bonds with the provisions of the 2017 Restructured Bonds. Also, the original bonds did not designate the order in which the bonds were to be redeemed. By approving the Supplemental Bond Resolution, the order of redemption of the outstanding 2002A bonds is specified. This action will still require approval from the Bond holders but the Resolution can be approved subject to receiving approval from the Bond holders. By motion duly made by Director Sauro and seconded by Director Jagger it was unanimously

RESOLVED to approve the 2002A Supplemental Bond Resolution, subject to receipt of approval by the 2002A bondholders.

The actual bonds can be signed and distributed by the paying agent to the Bond holders.

Sky Legend Director Meister reported the next phase of Sky legend is slated to begin in 2018. There was a prior infrastructure agreement with ASW but that agreement expired several years ago. All infrastructure which the District will be accepting must be built to the District's standards and inspected and tested before the District accepts the infrastructure.

The Board reviewed the letter to Scott Russell on construction requirements and authorized the letter to be sent.

Financial Report

The budget meeting will be held on November 29, 2017 at 6:00 p.m. Mr. Marchetti reviewed the September 30, 2017 financial statements.

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The Board discussed combining the District with the Association and decided to not pursue consolidation at this time.

Director Meister suggested switching out the sprinkler heads on the berm on Valley Road. The current heads are clogging from the sediment in the irrigation water and are not working properly. The Board discussed whether the District or the POA should fund the replacement of the sprinkler heads. No action was taken.

2017 Audit

Upon motion duly made and seconded it was unanimously

RESOLVED to approve the engagement letter with Chadwick Steinkirchner Davis and Company to prepare the 2017 audit for the District.

Accounts Payable

The Board reviewed the October 2017 accounts payable lists. By motion duly made and seconded, it was

RESOLVED to approve the October accounts payable list, as presented.

Accounts Receivable

The list of outstanding accounts was reviewed. The Board questioned the process on collections and it was noted accounts over six-months old can be collected through property taxes. There were questions on the properties that are receiving a separate raw water irrigation bill on Lynx Cir. [Subsequent to the meeting and upon review, AmCoBi realized they should not be invoiced separately and corrected the problem.]

Excessive Fees

The Board reviewed the requests to waive excess water fees and the account history from two owners. The Board agreed to waive 20% of the entire bill for Charles and Loraine Bell if the account was paid in full within thirty days. Based on the usage history the Board decided to not waive the overage charges for the Fitzgerald's account.

Operations

The upper pump house has been shut down and lower pump houses will be shut down the week of November 6, 2017. A new CPU unit was ordered and will be installed.

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Action Item

List Not reviewed.

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 30th day October, 2017.

Respectfully submitted,



Cheri Curtis
Secretary for the Meeting