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## RECORD OF PROCEEDINGS

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### Minutes of the Special Meeting Of the Board of Directors Cotton Ranch Metropolitan District March 22, 2017

A Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on March 22, 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
- Beric Christiansen
- Chris Sauro
- Tom Pohl

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver, LLC
- 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 March 22, 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 disclosure is restated at this time with the intent of fully complying with laws pertaining to personal conflicts.

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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 Sauro and that the statement had been filed in accordance with statute, indicating that Mr. Sauro is a principal of Sunnyside Gardens, a landscaping 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.

#### **Changes to the**

**Agenda**        There were no changes presented.

**Minutes**        The Board reviewed the Minutes of the November 8, 2016 Special meeting. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the November 8, 2016 Special Meeting minutes as presented.

#### **Public**

**Input**            There was no public input.

#### **24 Hour Posting**

**Notice**          The 24-Hour Posting Notice was presented for approval. By motion duly made and seconded it was unanimously

**RESOLVED** to approve the 24-Hour Posting Notice Resolution as presented.

#### **Potential Bond**

**Refunding**     The current information on the potential bond refunding and the long-range financial projection were presented to the Board. According to the assumption as shown in the long-range financial projection it is anticipated that the subordinate Bonds will convert in approximately 2024 (\$500,000), 2026 (\$500,000), 2027 (\$745,000), and 2028(\$740,000). Pursuant to the bond resolution for the 2002A bonds, all unpaid principal and interest on those bonds at the end of 2037 will be discharged. Based on the projection it appears that much of the principal and interest will be paid by 2037 but the full extent will be dependent on what the assessed values ultimately are.

If the District issues new bonds to refund the existing subordinate bonds, the proposal would be to issue new general obligation bonds and use those proceeds to negotiate a discounted settlement with the subordinate bond holders. While this approach could ultimately reduce the District's cost to repay these bonds, it

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would require the District to begin paying interest immediately on the new bonds whereas interest is currently not being paid on the subordinate bonds.

The Board discussed the advantages and disadvantages of issuing general obligation bonds to refund the existing subordinate bonds and felt that issuing new bonds that require current interest payments to pay off bonds that don't currently require payments didn't make sense at this time for the District.

In addition to potentially refunding the 2002A subordinate bonds, the analysis of refunding the 2006, 2010 and 2013 bonds was discussed. The 2006 bonds are currently at a lower interest rate than can be obtained today so it doesn't make sense to refund those bonds. However, the 2010 and 2013 bonds can potentially be refunded at a savings to the District. The Board requested that this alternative continue to be pursued and requested a second opinion on the best way to proceed.

**Operations** Director Meister reported the raw water irrigation system will be started in the next couple of weeks, contingent on weather.

#### **Pump & Pump House**

**Issues** There are no problems to report with the pumps or at the pumphouse.

#### **2017 Meeting**

**Schedule** The Board reviewed the 2017 meeting schedule. The Board agreed to meet in November as a regularly scheduled meeting. The November meeting will be held in Gypsum during evening hours. The meeting will be held at a public facility like the Gypsum Recreation Center or at the Town of Gypsum offices. By motion duly made and seconded it was unanimously

**RESOLVED** to accept the 2017 meeting schedule as revised.

**2016 Audit** Discussion was deferred to the May 9, 2017 meeting.

#### **Accounts**

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

**RESOLVED** to approve the March accounts payable list, as presented.

#### **Action Items**

**List** The action item list was reviewed and updated. Directors Pohl and Meister stated the District, the Cotton Rand HOA and the Sky Legend HOA are interested in

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improving the landscaping of the road median at the entrance to Sky Legend which requires extension of utilities into the median. Director Meister will obtain boring prices for this and Sky Legend HOA has offered funds toward the landscape project.

The Town of Gypsum has agreed to clean the bar ditches. Debris will be moved to the golf course maintenance facility.

**Reports** The tap fee schedules and billing register were 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 Regular Meeting of the Cotton Ranch Metropolitan District Board of Directors this 22nd day March, 2017.

Respectfully submitted,



Cheri Curtis  
Secretary for the Meeting