
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Cotton Ranch Metropolitan District May 10, 2016

A Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on May 10, 2016 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
) Beric Christiansen
) Chris Sauro
) Tom Pohl
) Craig Jagger

Also in attendance were:

) Ken Marchetti, Marchetti & Weaver, LLC
) Cheri Curtis, Secretary for the Meeting

Call To Order

The Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District was called to order by Director Meister on May 10, 2016 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.

RECORD OF PROCEEDINGS

Cotton Ranch Metropolitan District May 10, 2016 Meeting Minutes

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.

Appointment Of Director

Director Rulon has resigned from the Board creating an open seat. By motion duly made and seconded it was unanimously

RESOLVED to appoint Craig Jagger to serve on the Board of Directors until May 2018.

Oaths of Office

There were no more candidates than seats available so the May 3, 2016 election was cancelled and Directors Christiansen and Pohl were elected by acclamation. The oaths of office were administered to Directors Christensen, Jagger, and Pohl.

Minutes

The Board reviewed the Minutes of the November 10, 2015 Regular meeting. Director Meister questioned the changes to the Cotton Ranch Golf Course water irrigation system. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the November 10, 2015 Regular Meeting minutes as presented.

Public Input

There was no public input.

Election Resolution

The Election Resolution for the May 3, 2016 election was previously presented to the Board for approval. By motion duly made and seconded it was unanimously

RESOLVED to ratify approval the 2016 Election Resolution as presented.

RECORD OF PROCEEDINGS

Cotton Ranch Metropolitan District May 10, 2016 Meeting Minutes

Posting Notice

Location The District is required to designate the posting location for 24-Hour meeting notices. By motion duly made and seconded it was unanimously

RESOLVED to designate the Cotton Ranch Golf Course Club House as the 24-Hour Meeting Notice location.

Use of Unmetered

Water Robert Salazar, with the Town of Gypsum who reads the water meters for the District, has reported people are possibly taking water before it passes through the meter. The Board discussed the probability for people to take water due to the high water pressure before the meter. Director Meister is checking the water used weekly and will monitor the usage compared to the meter readings. The Board agreed if someone is caught using unmetered water, the District should be notified. The Board reviewed an excerpt from the rules and regulations related to unmetered water. The Board agreed if there is a known issue, the Board will address the issues at that time

Director Meister presented pictures of a meter set-up for any new houses that would be required for all new meter installations to improve the system.

Water

Operations It was reported the meter boxes fill with dirt from animals digging in the area. Director Meister is willing to clean meters so Mr. Salazar can easily read meters. A remote meter reader is being considered. Director Meister informed the Board there is one user north of the District who was grandfathered in by the Developer who uses unmetered water.

There were questions presented on the possibility of a leak causing the usage in Sky Legend to exceed the allowed limit. Director Meister believes the system is tight and currently it would not be a problem. The Board might need to revisit this issue as Sky Legend builds out.

The Board discussed changing the District Rules and Regulations to require meters that can be read remotely. The Board agreed to investigate the costs before changing the Rules and Regulations to require new meters.

Two gate valves were replaced on Sky Legend. The line was reported to be a 2" pipe and a 6" pipe was discovered. A 2" drain was installed at the location of the recent leak.

RECORD OF PROCEEDINGS

Cotton Ranch Metropolitan District May 10, 2016 Meeting Minutes

Water Grants

Director Meister suggested replacing the water main and the first gate valve on the lower level. The Colorado Water Conservancy issues grants for water system repairs. Director Meister questioned whether the Board was interested in pursuing a grant.

Mr. Marchetti suggested obtaining an engineer's report on the existing system and recommendations for improvements. The Town of Gypsum had a study done on the golf course irrigation system with recommendations for system improvements. Staff will look at the cost for the report and the requirements to obtain grants.

Pump House

The lower pump house had a bad heat exchanger that was rebuilt last year. Craig Gershon with Rocky Mountain Pump & Controls came to check out the District's system. The lower pump house needs to be insulated to protect the system. The lower pump house building could use media blasting and staining, which was approved.

A new mag meter was installed in vault at the Villas at Cotton Ranch. The meter needs to be put in a meter box for protection.

2015 Audit

The Board reviewed the 2015 draft audit. By motion duly made and seconded it was unanimously

RESOLVED to approve the 2015 audited financial statement as presented.

Financial Statements

Mr. Marchetti presented the March 31, 2016 financial report.

Accounts Payable

The Board reviewed the November 2015 to May 2016 accounts payable lists and by motion duly made and seconded, it was

RESOLVED to approve the May accounts payable list and to ratify the November 2015 to April 2016 accounts payable lists, as presented.

Accounts Receivable

The accounts receivable list was included in the Board packet. There were two issues noted that will be reviewed prior to the next meeting. The Board discussed the two properties that had large bills. Director Meister will work with the owner.

RECORD OF PROCEEDINGS

Cotton Ranch Metropolitan District May 10, 2016 Meeting Minutes

The second item needs to be addressed by a letter. The Board agreed any disputes need to be sent in a letter for the Board to discuss at the next meeting.

Action Items

List The action item list was reviewed and updated.

Tap Fees The Cotton Ranch and Sky Legend tap fees schedules 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 10th day of May, 2016.

Respectfully submitted,



Cheri Curtis
Secretary for the Meeting