
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Cotton Ranch Metropolitan District November 11, 2014

A Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on November 11, 2014 at 3:00 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
- Beric Christiansen
- Bob Rulon

The following Directors were absent and excused:

- Chris Sauro
- Tom Pohl

Also in attendance were:

- Tim Cashin
- Ken Marchetti, Robertson & Marchetti, P.C.
- 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 November 11, 2014 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.

Public Input

Tim Cashin is a property owner in Sky Legend. During construction of his home, the tap fee was paid and the backyard irrigation system was connected to the raw water irrigation system. He has never used the irrigation water and would like to disconnect from the system. Director Rulon questioned how disconnecting a property from the system would affect the cost of operating the raw water irrigation system. Mr. Marchetti stated the affect would be minimal. The Board agreed to discuss the request during the business section of the meeting.

Mr. Cashin left the meeting at 3:15 p.m.

Consideration of Changes to the Agenda

There were no changes to the meeting agenda.

Minutes

The Board reviewed the Minutes of the August 26, 2014 Special meeting. Director Meister noted the District approved charging the CRHOA for the water usage on Valley Road. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the August 26, 2014 Special Meeting minutes as presented.

District Business

Cashin Account – Based on the earlier discussion and by motion duly made and seconded it was unanimously

RESOLVED to allow Tim Cashin to disconnect from the raw water irrigation system and remove the current balance due to the District. The Board will receive confirmation that the system was disconnected.

Sauro Account – Chris Sauro sent a letter indicating they received an excessive charge of \$259.85 in October and disputed the charges. By motion duly made and seconded it was unanimously

RESOLVED to reduce Chris Sauro's balance by \$259.85.

Saint Account – Daran Saint called and stated he was not aware he owed the District for raw water irrigation and will bring his account current. Mr. Saint

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requested the Board waive the late fees on their account. By motion duly made and seconded it was unanimously

RESOLVED to waive 50% of the late fees on Daran Saint's account

Recreation The results from the survey were discussed with repairing the tennis courts, installing play ground equipment, a Pickleball court and a dog park receiving the most votes. The Board is negotiating with the Town of Gypsum on refurbishing the tennis courts. It was determined the cost to refurbish the tennis courts is not feasible for the District to do alone. The District will continue to work with the Town of Gypsum to establish additional recreation amenities in Cotton Ranch.

2015

Meetings The schedule with the proposed 2015 meeting dates was presented. By motion duly made and seconded it was unanimously

RESOLVED to accept the proposed 2015 meeting schedule of February 10, May 12, August 11, and November 10, 2015.

Operations Director Meister reported the system blow-out went well. It took nine hours using a 1500 horsepower compressor to blow out the system on the lower bench. Gerber Landscaping blew out the irrigation system in Sky Legend. The District needs more and larger drains to assist with shutting down the system.

Director Meister is hoping to work with the Town of Gypsum to borrow the trailer to exercise the District's valves. The valves were only exercised twice this year and they need to be exercised more frequently.

Director Sauro will be assuming the operations for the District after 2015. Director Meister is creating a checklist of the procedures to operate and blow out the system. Director Meister would like to have Peak Land Consulting complete the map process. More of the valves need to be located.

The Town of Gypsum is considering building a new pump house for the golf course irrigation system. The District will then take control of the existing pump house, which will increase the cost of operating the raw water irrigation system for the District. Discussion followed on replacing or repairing existing pumps. A motor is expected to be needed for the lower pump house in 2016.

Director Meister reported on the process of making repairs without the ability to isolate certain sections where the repair is being needed, results in shutting down the entire system for the repair. Director Meister explained the need to build

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reserves for future pump house expenditures. The Board discussed funding improvements in 2016.

2015 Budget Hearing

The 2015 proposed budget was distributed with the Board packet and made available to the public. The meeting was opened for public comment and upon hearing no public comment the public hearing was closed. The Board noted water rates will be increase by \$2 in 2015. A letter will be sent to Village Homes and Sky Legend noting the increase in rates. Upon motion duly made and seconded it was unanimously

RESOLVED to adopt the 2015 budget as presented at this meeting with water service fees being increased to \$62 for the Valley floor, \$31 for the Sky Legend individual yards and tap fees increased to \$2,600; to set the operating mill levy at 1.345 mills and the debt service mill levy at 47.000 mills, for a total mill levy of 48.345 mills; and to appropriate funds for spending in 2015, all as documented in the formal budget resolution but subject to minor adjustment for any further adjustments to the assessed values. A copy of the formal budget resolution is incorporated herein by this reference.

Financial Statements

The September 30, 2014 financial report was included in the Board packet and reviewed by the Board.

Delinquent Water

Accounts The delinquent water accounts and the Resolution Certifying Delinquent Accounts for Collection the County Treasurer were included in the Board packet and reviewed by the Board. Ms. Curtis reported that several accounts on the list have been collected recently. By motion duly made and seconded it was unanimously

RESOLVED to adopt the Resolution Certifying Delinquent Accounts for Collection the County Treasurer, which is incorporated herein by this reference.

Marchetti & Weaver Engagement

Letter Mr. Marchetti presented the engagement letter between the District and Marchetti & Weaver, LLC to the Board. By motion duly made and seconded it was unanimously

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RESOLVED to approve the Engagement Letter with Marchetti & Weaver, LLC.

**Accounts
Payable**

The Board reviewed the September and October accounts payable lists and by motion duly made and seconded, it was unanimously

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

**Accounts
Receivable**

The accounts receivable list was included in the Board packet.

**Action Item
List**

The action item list was included in the packet.

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 11th day of November, 2014.

Respectfully submitted,

Cheri Curtis

Cheri Curtis
Secretary for the Meeting