
RECORD OF PROCEEDINGS

Minutes of a Regular Meeting Of the Board of Directors Cotton Ranch Metropolitan District May 9, 2023

The Regular Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on May 9, 2023 at 3:00 p.m., with 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 (Via Zoom)
- Beric Christiansen (Via Zoom)
- David Nordin (Via Zoom)
- Michael Pritchard (Via Zoom)
- Bob Rulon (Via Zoom)

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver, LLC (Via Zoom)
- Cheri Curtis, Secretary for the Meeting (Via Zoom)

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 9, 2023 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.

There are certain business transactions between the District and Cotton Ranch Homeowners Association (CRHOA) and Directors Christiansen and Nordin are also members of the Executive Board of CRHOA. While both the 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 OF PROCEEDINGS

Cotton Ranch Metropolitan District May 9, 2023 Meeting Minutes

record, that these disclosures are reported at this time with the intent of fully complying with laws pertaining to personal conflicts.

Agenda CRHOA discussion was added under Other Business.

Minutes The Board reviewed the Minutes of the November 15, 2022 Regular meeting. By motion duly made and seconded it was unanimously

RESOLVED to approve the November 15, 2022 Regular Meeting minutes as presented.

Public Input None.

Improvements on District

Property This discussion is related to Parcel B by the Golf Course. Since the Town and Golf Course are not interested in this parcel, the District may consider hardscaping in the area.

Election of Officers

There were no changes to Officers. Chris Meister will remain President; Beric Christiansen, Secretary; David Nordin, Treasurer; and Bob Rulon and Michael Pritchard as Vice Presidents, Assistant Secretary-Treasurer.

CRHOA

The Cotton Ranch HOA's covenants will terminate in 2025 unless a quorum of the members vote to extend the covenants. Director Meister stated the District is willing to assist the HOA to accomplish extending the covenants. Directors Christiansen and Nordin serve on the HOA Board and stated the HOA will be kicking off a campaign to educate property owners on the benefits of keeping the HOA active in perpetuity. Ballots will be distributed in the fall of 2023 with a hard sixty-day deadline to receive all votes. A yes vote of 2/3 of all property owners is needed to keep the HOA in existence.

Financial Report

The March 31, 2022 financial statements were included in the packet and presented by Mr. Marchetti. Senate Bill 23-303 and proposition HH that will be on the Colorado state-wide November ballot to reduce assessed values and TABOR refunds was presented by Mr. Marchetti. The preliminary 2024 budget was presented for discussion purposes. The Board discussed options to fund the replacement of the raw water system, when necessary, in future years. Mr. Marchetti reported the District has the ability to borrow funds through the Enterprise Fund if necessary to replace the raw water system but a preferable option will likely be to borrow the funds with the debt repayment occurring after

RECORD OF PROCEEDINGS

Cotton Ranch Metropolitan District May 9, 2023 Meeting Minutes

the existing bonds are paid off in 2035. The Board will continue to monitor the status of the existing system and evaluate replacement alternatives.

2022 Draft Audit

The 2022 draft audit was presented. The audit went smoothly and the auditor reported no concerns with the District's financial systems or reports. The District received a "clean" audit opinion. By motion duly made and seconded it as unanimously

RESOLVED to approve the 2022 audit as presented.

Accounts Receivable

The list of outstanding accounts was reviewed. By motion duly made and seconded it was unanimously

RESOLVED to approve the list of outstanding accounts.

Payments of Claims

The Board reviewed the payment of claims lists. By motion duly made and seconded, it was

RESOLVED to ratify approval of the May 9, 2023 payment of claims, as presented. Director Meister abstained from voting.

Operations Report

The Town of Gypsum installed a small mesh screen at Pond 1 that was clogged with debris. A larger mesh was installed that eliminated that issue. The upper and lower pump houses are both working well. Comcast hit the irrigation system on Wildhorse in Sky Legend after the system was shut down last fall. Currently Sky Legend and Mountain Sky are not pressurized until all leaks are repaired. Director Meister has requested the TOG inform Comcast to not do any work in Cotton Ranch after the system is shut down each fall, which Comcast has agreed to do. Director Meister questioned whether the Board should consider providing a discount to those property owners who still do not have irrigation water. The Board agreed with the cooler weather and wet spring, they would wait to make a decision only if approached by property owners.

Replacement Meters

The District purchased thirty additional meters in 2023. Four have been sold to property owners so far this year.

RECORD OF PROCEEDINGS

Cotton Ranch Metropolitan District May 9, 2023 Meeting Minutes

Replacement of the Raw Water System

Director Meister has requested Jim Hubert from Heritage Links, who replaced the golf course main lines, provide an estimate for replacing the District's raw water system at a future date.

Pump Houses The pumphouses will be stained in 2023, if the funds are available.

Action Item List

Item 119 still progressing. It is estimated it will take ten hours to complete the CAD program of the District's system. The cost is estimated for a few thousand dollars. The Board encouraged Director Meister to have this completed in 2023.

Action Item List Item 165 was updated. The District is waiting on TOG and the Golf Course to determine the proposed improvements to the Golf Course facilities and swimming pool.

Tap Fees Schedules

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

Next Meeting Unless there is a reason to call a special meeting, the next meeting is scheduled for August 8, 2023.

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 9th day of May, 2023.

Respectfully submitted,

Cheri Curtis

Cheri Curtis
Secretary for the Meeting