
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors Cotton Ranch Metropolitan District April 8, 2014

A Special Meeting of the Board of Directors of the Cotton Ranch Metropolitan District, Eagle County, Colorado, was held on April 8, 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
- Chris Sauro
- Beric Christiansen (By Telephone)
- Tom Pohl (By Telephone)
- Bob Rulon (Via Telephone)

Also in attendance were:

- Ken Marchetti, Robertson & Marchetti, P.C.
- 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 April 8, 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 disclosure is restated at this time with the intent of fully complying with laws pertaining to personal conflicts.

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**Consideration of
Changes to the
Agenda**

There were no changes to the meeting agenda.

Minutes

The Board reviewed the Minutes of the November 12, 2013 Regular meeting. After discussion and upon motion duly made and seconded it was unanimously

RESOLVED to approve the November 12, 2013 Regular Meeting minutes as presented.

24-Hour Posting

Notice

The Board is required to adopt a resolution each year indicating the location of the 24-Hour Posting Notice. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the 24-hour Posting Notice Resolution. A copy of the 24-Hour Posting Notice Resolution is incorporated herein by this reference.

Election

Resolution

The terms for Directors Meister, Rulon and Sauro expire in May 2014. The District will be calling an election for the open Board Member positions. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the 2014 Election Resolution as presented to hold a polling place election, appoint Cheri Curtis as the Designated Election Official, and allow Ms. Curtis to cancel the election if there are no more candidates than positions available. A copy of the 2014 Election Resolution is incorporated herein by this reference.

Director's Meister and Sauro submitted Self-Nomination and Acceptance forms by the statutory February 28, 2014 deadline. Being there were no more candidates than seats available, the 2014 Board of Director Election was cancelled. There is one available seat on the Board and Director Rulon has agreed to serve on the Board until the May 2016 election, or until there is someone else interested in serving. The Board can appoint Director Rulon to the open seat at the next meeting following May 6, 2014.

Rate Increase

Public

Hearing

Ms. Curtis reported that notice of the public hearing on the 2014 water user fee rate increase was provided to all property owners in the District and the public

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hearing was opened for public comment. Hearing no public comment, the public hearing was closed. Upon motion duly made and seconded it was unanimously

RESOLVED to ratify the increase in raw water user fee rates for 2014.

Operations Director Meister reported irrigation ditches have been burned to improve water flows. A main line water break in Sky Legend has already been repaired. A letter will be sent to the Pauls Corp noting this is the fourth line break on Sky Legend Drive.

Director Meister is meeting with Shawn Gerber to discuss needed improvements to the irrigation system in 2014. The irrigation system start-up is scheduled for between April 25 and April 29, 2014.

The water rights call for the Shoshone hydro plant has been withdrawn so there are no current calls on Gypsum Creek water. The Grundell Brothers head gate has been opened. The Chatfield/Bartholomew ditch will start flowing as soon as all ditches have been burned.

Director Pohl questioned if it would be beneficial to put Hydro Sorb in the ditches that have been burned and/or dug down. Director Meister would like to put Hydro Sorb in the Grundell Ditch. The Board authorized Director Meister to purchase additional bags of Hydro Sorb.

2013 Audit The 2013 draft audit was reviewed. Director Meister stated Note E Related Party and Concentrations is probably no longer applicable. The Board agreed to either have the first two paragraphs of Note E removed or revised. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the 2013 audit with the above described changes.

Financial Statements The February 28, 2014 financial report was included in the Board packet and reviewed by the Board.

Accounts Payable The Board reviewed the December to April accounts payable lists and by motion duly made and seconded, it was unanimously

RESOLVED to ratify approval of the December to March accounts payable list and approve the April accounts payable list, as presented.

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Accounts

Receivable The list of past due accounts receivable accounts was reviewed. Director Meister questioned the balance at 131 Black Bear and requested Robertson and Marchetti make sure to certify 2014 past due accounts.

Action Log List

The action log was reviewed. The Board noted the irrigation system as-built drawings project is on hold due to a change of personnel at the Town of Gypsum. The Board discussed hiring an independent engineer to complete the irrigation system as-builts, if the Town decides to not proceed on the project.

Improvements are being made to the irrigation clocks to determine if water is leaking during a certain timeframe.

Researching the removal of the two clay tennis courts and replacement of the other two tennis courts was added to the Action Log. Director Christiansen suggested discussing improvements to tennis courts with the Town of Gypsum. It was suggested considering replacing two of the tennis courts with pickle ball courts and possibly a basketball hoop on one end. Director Meister agreed to provide information on options for the tennis courts at an upcoming meeting.

The Board discussed requesting a playground from the TOG in Cotton Ranch. The Town of Gypsum has expressed interest in assisting with grant applications for the District.

Tap Fees The Board requested Robertson & Marchetti follow-up on getting tap fees paid early in the construction process.

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 8th day of April, 2014.

Respectfully submitted,



Cheri Curtis
Secretary for the Meeting