
RECORD OF PROCEEDINGS

Chatfield Corners Metropolitan District October 25, 2018 Meeting Minutes

Minutes of the Special Meeting of the Board of Directors Chatfield Corners Metropolitan District October 25, 2018

The Special meeting of the Board of Directors of the Chatfield Corners Metropolitan District, Eagle County, Colorado, was held Tuesday, October 25, 2018 at 5:30 p.m. at the Alpine Bank Gypsum Branch located at 104 Oak Ridge Drive, Gypsum, Eagle County, Colorado in accordance with State regulations.

Attendance The following Directors were present and acting:

- David Barton
- Grant Murphy
- Joe Schwan
- Mike Woods
- Sherri Wilde-Sisneros, upon appointment

Also in attendance were:

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- Chris Huffman, Sagebrush Services
- Ken Marchetti, Marchetti & Weaver LLC
- Beth Johnston, Marchetti & Weaver, LLC, Secretary for the Meeting
- Alan Pogue, Icenogle Seaver Pogue, District attorney (via telephone)
- Jamie Pappas, Borne Consulting
- Jennifer Kirkland, Friends of Gypsum Fire (arrived 5:50 p.m.)

Call to Order The Special Meeting of the Board of Directors of Chatfield Corners Metropolitan District was called to order at 5:35 by Director Murphy noting a quorum was present.

Conflict of Interest

Board members were asked to disclose any potential conflicts of interest in accordance with State Statute. There were no potential conflicts disclosed by any of the Board members.

Changes to Agenda

There were no changes to the agenda.

Reserve Study Presentation

Mr. Marchetti introduced Jamie Pappas with Borne Consulting. Mr. Pappas explained his approach in completing the reserve study for the District explaining that he worked with Chris Huffman and used provided documents, maps, and drawings to prepare the study. Mr. Pappas reviewed the various assets identified

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in the report, estimated expenditures, and suggested contributions requesting input and questions from the Board. General discussion continued on dredging and relining the ponds, types of pond liners available, potential benefits of dredging the ponds, and replacement of the main irrigation lines. Mr. Marchetti noted that the reserve study expenditures had been entered into the District's financial projection and would be reviewed later in the meeting. Following discussion, the Board requested that Mr. Pappas issue the final report for District records and requested that it be posted on the website.

Mr. Pappas left the meeting at 6:20 p.m.

Gypsum Fire

Presentation Ms. Johnston introduced Jennifer Kirkland. Ms. Kirkland gave background on the Gypsum Fire Protection District (GFPD) ballot question 7E explaining that it allows the GFPD to adjust the mill levy rate as necessary to keep revenues consistent regardless of Residential Assessment Rate fluctuations, known as de-Gallagherization. General discussion continued on the services the Fire District provides and how Chatfield Corners could assist with getting information to voters. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution in Support of the Gypsum Fire Protection District Ballot Questions 7E.

The Board requested that the approved Resolution be sent to Chatfield Corners owners via an email blast.

Ms. Kirkland left at 6:30 p.m.

Board

Appointment Ms. Johnston stated that one Board position remained vacant following the May 2018 election. Ms. Wilde-Sisneros was nominated to fill the vacant seat. After consideration, and upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Sherri Wilde-Sisneros to fill the vacant Board position until the District's next regular election in May 2020.

Ms. Wilde-Sisneros took the Oath of Office and joined the meeting as an acting Director.

Election of Officers

The Board discussed the appointment of officers. Upon motion duly made and seconded it was unanimously

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RESOLVED to appoint the following officers of the Chatfield Corners Metropolitan District:

Grant Murphy, President
Joseph Schwan, Vice President/Asst Secretary/Asst Treasurer
Mike Woods, Treasurer
David Barton, Secretary
Sherri Wilde-Sisneros, Asst Secretary/Asst Treasurer.

Minutes Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve the March 20, 2018 meeting minutes as presented.

Annual Admin Resolution

Ms. Johnston introduced Mr. Pogue, the District's counsel. Mr. Pogue reviewed the administrative resolution explaining that it delegated the required reporting and administrative duties for the District. Ms. Johnston reviewed changes to the meeting schedule and location in item 22 of the resolution. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Chatfield Corners Metropolitan District Annual Administrative Resolution for 2019.

Indemnification Resolution

Mr. Pogue reviewed the Indemnification Resolution explaining that the District is indemnifying the Directors from any claims while performing their duties as a Board member. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Providing for the Defense and Indemnification of Directors, Officers, and employees of the District.

Legislative Summary & 2018 Ballot Initiatives

Mr. Pogue reviewed the Summary of 2018 legislation and 2018 ballot initiatives explaining that they were compiled and provided to educate the Board on important issues affecting Special Districts.

Mr. Pogue left the meeting at 6:45 p.m.

Operations

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Reports Ms. Johnston reviewed the District Managers Report included in the packet. There was general discussion on water restrictions, their effectiveness this past season, and how to improve communication in future years.

Ms. Johnston reviewed the 2018 annual Covenant Enforcement report provided by Jill Barron. There was general discussion on covenant enforcement and what constituted a violation. Directors Murphy and Wilde-Sisneros agreed to continue service on the Covenant Enforcement committee.

**Vendor
Contracts**

Ms. Johnston presented the 2018-2019 snow removal proposal from Brush Creek Landscaping noting an increase in the fee of \$30 per month. Following review, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2018-2019 Snow Plow Contract with Brush Creek Landscaping.

Ms. Johnston presented the 2019 Landscaping agreement noting it was the final year of the three-year contract that was signed in 2017, if the Board decided to accept. The Board discussed the landscaping services from the summer noting that some areas, specifically the sod areas next to the recreation paths, were not mowed weekly as the contract specified. There was also discussion on additional mows for the native and wetlands areas along the recreation path. The Board requested increased oversight on these issues for 2019. Following review, and upon motion duly made and seconded, it was unanimously

RESOLVED to continue with Brush Creek Landscaping for the 2019 landscaping season.

Ms. Johnston presented the garden bed enhancement project for the bed off of Autumn Glen Drive. Following review, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Autumn Glen Garden Bed Enhancement proposal dated 8/7/2018 by Brush Creek Landscaping for an amount not to exceed \$480.

The Board reviewed the proposal from Mountain Maintenance for crack seal and seal coating of the recreation paths in 2019. Ms. Johnston noted that the map showing the patching referenced in the bid had not been provided. The Board requested that Ms. Johnston follow up on the patching estimate and table the bid until all of the information was received.

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Ms. Johnston reviewed the status of underground locates for the District's raw water infrastructure explaining that the insurance for Sagebrush Services would not accept the liability for doing the locates. Ms. Johnston explained that USIC would continue doing the locates at a substantial fee increase of \$300 per month. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the \$300 per month fee with USIC for underground locates of the District's raw water infrastructure.

Waste Receptacles at Doggie Stations

Ms. Johnston reported that an owner requested waste receptacles be installed at the doggie bag stations throughout the community. There was general discussion on the doggie bag stations and responsibility to maintain the stations. Following discussion, the Board decided not to purchase or install waste receptacles at the stations due to the cost and effort to empty and maintain them.

Irrigation System Report

Mr. Huffman reported that 41 million gallons of water were used during the 2018 irrigation season which was significantly down from previous years. Mr. Huffman explained part of the reason was the District's earlier and stricter implementation of the water restrictions. There was a general discussion on water rights and the District's rights on the McBrayer ditch and Chatfield and Bartholomew ditch. Mr. Huffman reported that the variable frequency drive and 2 large pumps in the pump house had been replaced during the spring start up and the two west pumps have been pulled and are being cleaned and serviced currently.

Pond #2 Liner Update

Mr. Huffman explained that the pond lining project had not been completed in the spring due to adverse conditions. Mr. Huffman distributed an updated proposal from Scott Green Excavating reviewing the full scope of work for the Pond #2 lining noting that the project was now projected to be completed in winter 2018 or early spring 2019. The updated bid is \$7665 more than the original bid accepted in March. The Board discussed the updated proposal as well as other options for the pond including making it smaller and filling in it in completely. Following further discussion, upon motion duly made and seconded, it was unanimously

RESOLVED to approve the updated Scott Green Excavating Pond #2 Liner Replacement bid dated 10/24/2018 for \$49,300.

Ditch Head Gate

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Repairs Ms. Johnston reviewed the background of the head gate repairs. Ms. Johnston reported that Zancanella and Associates assisted with determining the other water rights owners on the ditch and their percentage of ownership. Letters were sent to all owners requesting them to pay a deposit for their share of the head gate repair and to date all owners had committed to contribute as requested. Mr. Huffman distributed and reviewed updated proposals from Scott Green Excavating and Sagebrush Services with a complete scope of work to complete the project. Mr. Huffman advised that the project was urgent and would be completed in 2018. Ms. Johnston noted that the estimated amount for the District was less than the \$5500 amount approved to be spent in March. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the proposal for replacing the McBrayer Ditch Head Gate from Scott Green Excavating dated 10/24/2018; and

FURTHER RESOLVED to approve the proposal for replacing the McBrayer Ditch Head Gate from Sagebrush Services dated 10/25/2018.

Owner

Education Ms. Johnston noted that this was a requirement for the Chatfield Corners Owners Association and the education was review of the reserve study.

Financial Statements

Mr. Marchetti reviewed the Financial statements ending September 30, 2018 that were included in the board packet. Mr. Marchetti reviewed the long-range projection for the District noting in particular the effects of the reserve study projections on the Water Fund. Mr. Marchetti explained that either the operating mill levy would need to be raised and excess funds transferred to the water fund or water user rates would need to be drastically increased, or a combination of both, to cover upcoming costs in the Water Fund. Mr. Marchetti explained that the District's service plan capped the operating mill levy at 10 mills however they could appeal to the Town of Gypsum to effectively de-Gallagherize the mill levy cap allowing the District to raise the operating mill levy. The Board directed Mr. Marchetti to proceed with requesting approval from the Town of Gypsum to increase the mill levy to offset the impacts of the reduction in the residential assessment rate.

Water Rate Increase

Ms. Johnston stated that the notice of meeting to consider a rate increase had been posted on the District's website as required. After discussion, and upon motion duly made and seconded, it was unanimously

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RESOLVED to approve an \$0.84 per month irrigation water rate increase from \$28.00 to \$28.84 beginning January 1, 2019.

Budget

Mr. Marchetti stated the meeting had been published as the public hearing to adopt the 2019 Budget. The public hearing was opened to take comments on the proposed budget. Mr. Marchetti reviewed the 2019 proposed budget noting that the operating mill levy was increased to 12.79 mills to offset the impacts of the reduction in the residential assessment rate and the 2019 Water Fund capital projects will be reduced by \$78,000. Following review, the public hearing was closed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolutions to Adopt the 2019 Budget, subject to a \$78,000 reduction to the Water Fund capital project line item and other minor adjustments; and

FURTHER RESOLVED to approve the Resolution to Set the Mill Levies at 12.637 mills for operations and 25.713 mills for debt service, pending approval by the Town of Gypsum; and

FURTHER RESOLVED to approve the Resolution to Appropriate Sums of Money for spending in 2019.

Audit

Exemption

After reviewing the 2018 forecast, Ms. Johnston noted that the District was projected to qualify to submit an Application of Exemption from Audit for 2018. The Board directed Marchetti and Weaver, LLC, to prepare an Application for Exemption from Audit for 2018.

Accounts

Payable

Ms. Johnston reviewed the Accounts Payable list included in the packet. After discussion and review, by motion duly made and seconded it was unanimously

RESOLVED to approve and ratify the accounts payable list distributed in the Board packet.

Ms. Johnston reviewed the current Accounts Payable process and the comparison included in the packet to use an online bill paying services called Bill.com. Ms. Johnston explained that the anticipated fees would be about the same as current charges but was anticipated to streamline the accounts payable process, potentially leading to savings. The bill payment (“check signing”) process will be similar to the current process where all payments will require the approval of a Board member. The Board agreed to try Bill.com with two users, Directors Murphy and Woods.

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CCOA Ms. Johnston updated the Board on the Accounts Receivable for Chatfield Corners Owners Association.

Future Meetings The Board cancelled the regular meeting scheduled for October 30, 2018. After reviewing the 2019 proposed meeting calendar, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2019 meeting calendar with meetings set for March 5, June 18, and October 15, 2019, as proposed.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Special meeting of the Chatfield Corners Metropolitan District Board of Directors this 25th day of October 2018.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting