
RECORD OF PROCEEDINGS

Chatfield Corners Metropolitan District October 20, 2020, Meeting Minutes

Minutes of the Meeting of the Board of Directors Chatfield Corners Metropolitan District October 20, 2020

A regular meeting of the Board of Directors of the Chatfield Corners Metropolitan District, Eagle County, Colorado, was held on Tuesday, October 20, 2020, at 5:30 p.m. at the Eagle Valley Rod and Gun Club located at 100 Gun Club Road, Gypsum, Eagle County, Colorado in accordance with State regulations.

Attendance The following Directors were present and acting:

- David Barton
- Grant Murphy
- Mike Woods
- Patrick Johnson
- Joe Schwan

Also in attendance:

- Chris Huffman, Sagebrush Services
- Ken Marchetti, Marchetti & Weaver LLC
- Beth Johnston, Marchetti & Weaver, LLC, Secretary for the Meeting

Call to Order The meeting of the Board of Directors of Chatfield Corners Metropolitan District was called to order at 5:30 p.m. 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.

Public Input There was no public input.

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

RESOLVED to approve the June 30, 2020, meeting minutes as presented;
and

FURTHER RESOLVED to approve the July 21, 2020 meeting minutes as presented.

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District Manager's

Report The Board reviewed the District Manager's Report included in the packet. Ms. Johnston reviewed the landscaping and capital projects in process.

Covenant Enforcement

Report The Board reviewed the annual report included in the packet noting that violations for recreational vehicles were down but that other violations stayed fairly consistent. Discussion continued on the resignation of Ms. Baron and possible options to replace her. The Board requested that Management reach out to Ms. Baron to see if she had any recommendations and also to Mr. Marx with Jabulani Services. The Board acknowledged Ms. Baron and wished to thank her for many years of great service to the Association and District.

On-Site Assistant

Report Mr. Huffman gave an overview of the summer activities and communications between the landscaping contractor and Management. Ms. Johnston said the position seems to provide quicker response and follow up to issues within the community and recommended that the Board consider continuing the service for 2021. General discussion on the position followed.

Locates Specialist

Report Mr. Huffman gave a summary of the locates from the summer. There was general discussion on the volume of locates and the accuracy of the tracer wires, and the number of utilities in the easement area. Mr. Huffman reviewed the repair of a District line damaged during the Comcast installation and Ms. Johnston reported she sent a bill to the company at fault explaining that they probably would not reimburse the District since the damage was outside the 18" locate area. Discussion continued on the gas explosion and possible unknown damage to the District system and property.

Raw Water System

Report Mr. Huffman reported:

1. It was a dry year and there was increased water usage. For 2020, the District pumped 25,713,000 gallons during the flood period and 66,286,000 gallons during the remainder of the season both of which are over the allotted usage for the District. General discussion continued on the overages and possible repercussions to the District
2. Overall, the system ran good with only one call for water to the Ditch Rider.
3. Starting next year, the District may need to meter the water for reporting to the State.

Mr. Huffman reviewed the capital projects for the season:

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1. Ewing Trucking is scheduled to dredge Pond #1 and Step Pond at the beginning of November. The project was expected to take 10 days once it was started.
2. Scott Green Excavating was ready to start the repairs to the Pond #2 as soon as the pond dried out, hopefully by November 1.

Owner

Education

Ms. Johnston explained that the State requires the Chatfield Corners Owners Association to provide at least one owner education opportunity per year. Ms. Johnston and Director Murphy reviewed the information on Fire Mitigation and Xeriscaping included in the packet. Ms. Johnston confirmed that the information had also been posted to the District's website.

Vendor

Contracts

Ms. Johnston reviewed the request for rate increase from Leah Mayer with LKSM Designs, the District's architect for Design Review. After brief discussion, the Board agreed to the increases.

Ms. Johnston reported that Brush Creek Landscape declined to continue snow removal services for the District. A request for proposals was prepared and sent to several possible contractors with three returning proposals which were summarized in the packet. The Board reviewed the snow removal proposals and contractors. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to accept the snow removal proposal submitted from The Ground Up for an unlimited seasonal contract from November 15, 2020 through April 15, 2021 for \$4,250 for the season.

Ms. Johnston reported that the recreation paths in the District are on a two-year schedule for maintenance and it was last done in 2019. The Board reviewed the patching, crack fill and seal coat proposal from Mountain Maintenance and Asphalt and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the proposal from Mountain Maintenance and Asphalt for recreation path maintenance to be completed in the spring of 2021.

The Board reviewed the water system agreements from Sagebrush Services included in the packet, noting a slight increase to the weekly maintenance fee. The Board also reviewed the On-Site Assistant Agreement for 2021 provided by Sagebrush Services which included no increase in fee. Following discussion and upon motion duly made and seconded, it was unanimously

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RESOLVED to approve four Agreements from Sagebrush Services for water system repairs and maintenance and On-Site Assistant for 2021.

Financial Statements

Mr. Marchetti reviewed the financial statements included in the packet stating that they looked good and things were mostly tracking as expected. There was general discussion on the forecast for 2020 and transfer of surplus funds from the general fund to the water fund for future capital projects.

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 by State statute. The Board reviewed the water rates and the amounts projected to be needed in the future for capital improvements per the Reserve Study. After discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve a \$1.25 per month irrigation water rate increase from \$29.75 to \$31.00 beginning January 1, 2021.

Budget

Mr. Marchetti stated the meeting had been published as the public hearing to adopt the 2021 Budget and Amend the 2020 Budget, if needed. After review, it was determined that the 2020 budget did not need amended. The public hearing was opened to take comments on the proposed 2021 budget. Mr. Marchetti reported that the increase to the assessed valuation was due to the new construction in the community. The anticipated bond refunding was expected to lower the District's bond payments so the debt service mill levy would also decrease by over 3 mills. Following review and discussion, the public hearing was closed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolutions to Adopt the 2021 Budget as presented, subject to minor adjustments; and

FURTHER RESOLVED to approve the Resolution to Set the Mill Levies at 12.737 mills for operations and 21.352 mills for debt service; and

FURTHER RESOLVED to approve the Resolution to Appropriate Sums of Money for spending in 2021, subject to minor adjustments.

The Board reviewed the title statement fee currently charged for the completion of title statement request reports in conjunction with home sales. Ms. Johnston noted that the current fee of \$75 did not fully cover the cost to

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complete the report and process the transaction. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOVLED to approve increasing the Title Statement Fee to \$100 effective January 1, 2021.

Ms. Johnston explained the funds were included on the District's 2021 budget to cover the Chatfield Corners Owners Association administration and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Chatfield Corners Owners Association budget for \$0 in 2021, and

FURTHER RESOLVED to set assessments for 2021 to \$0.

2020 Audit Mr. Marchetti explained that the District would exceed the limits for an application for exemption from Audit for 2020 due to the bond refunding. Following discussion, the Board requested that Management send a request for proposals for the 2020 Audit and add \$6,000 to the general fund 2021 budget to cover the potential cost of the audit.

Bond Refinancing

Proposals Mr. Marchetti gave background and an overview of the request for proposals sent out for refinancing the District's 2010 Bonds and that the responses were summarized in the packet. Mr. Marchetti explained the different rates, call dates and terms of the proposals. Since there was no anticipation for calling the new issue Bonds early, Mr. Marchetti recommended the Bank of Oklahoma non-callable option which offered the lowest interest rate. If the Board preferred a callable option, Mr. Marchetti recommended the Vectra Bank proposal. There was general discussion on yield maintenance, interest rates, and stability of the represented banks. Further discussion was had on the proposed debt service schedule, refinance and rate lock timing, and bond and general counsel opinions. Following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to accept the Bank of Oklahoma 2.13% Yield Maintenance for Life proposal and move forward with preparation of necessary documents for refinancing the 2010 Bonds.

The Board directed Management to send the Bond Redemption Notice in anticipation of refunding the 2010 Bonds.

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Accounts

Payable Ms. Johnston reviewed the Accounts Payable list included in the packet and the accounts payable process. 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.

CCOA Accounts

Receivable Ms. Johnston and Director Murphy updated the Board that the outstanding litigation had been decided and the matter was considered closed.

Annual Administrative

Resolution The Board reviewed the Resolution included in the meeting packet and following discussion, and by motion duly made and seconded it was unanimously

RESOLVED to approve the 2021 Annual Administrative Matters Resolution as presented.

Resolution Supporting

Repeal of the Gallagher

Amendment Mr. Marchetti gave background on Amendment B on the November 3, 2020 ballot that would repeal of the Gallagher Amendment and the potential effect on the District. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Supporting the Repeal of the Gallagher Amendment of 1982.

Future

Meetings

Following discussion, the Board called a special meeting for Thursday, November 19, 2020 starting at 5:30 pm to consider the 2020 Bond Issue.

The Board then reviewed the proposed 2021 meeting calendar and upon motion duly made and seconded, unanimously

RESOLVED to approve the 2021 Meeting calendar as presented.

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

RESOLVED to adjourn the Regular meeting of the Chatfield Corners Metropolitan District Board of Directors this 20th day of October, 2020.

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Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Beth Johnston".

Beth Johnston
Secretary for the Meeting