
RECORD OF PROCEEDINGS

**Minutes of the Regular Meeting
Of the Board of Directors of
Lake Creek Metropolitan District
January 24, 2019**

The Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on January 24, 2019 at 5:00 p.m., at the offices of Marchetti & Weaver, LLC, 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:

- Ann Bourke
- Kathleen Eck
- Gerry Flynn
- Hatsie Hinmon

The following Director was absent and excused:

- Dan Barry

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC
- Anne Clarke, Secretary to the Meeting

**Call To
Order**

The Meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order by Director Flynn on January 24, 2019 noting a quorum was present.

Agenda

There were no changes to the meeting agenda.

**Public
Comment**

There was no public comment.

Minutes

The Board reviewed the minutes of the October 11, 2018 Regular Meeting. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the October 11, 2018 meeting minutes as presented.

Financial Matters

Mr. Marchetti presented the preliminary December 31, 2018 financial statements. The Board reviewed the 2018 Application for Exemption from Audit and by motion duly made and seconded it was unanimously

RESOLVED to approve the 2018 Application for Exemption from Audit.

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Accounts

Payable The accounts payable report from October 2018 to January 2019 was presented to the Board. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the accounts payable report as presented.

24 Hour Posting Notice & Meeting Calendar

The Board reviewed the Posting Notice locations and the proposed meeting schedule for the 2019 regular meetings. By motion duly made and seconded it was unanimously

RESOLVED to approve the posting location resolution and the meeting schedule, a copy of which is attached hereto and made a part hereof.

Legal Matters

Mr. Geiger reported that subsequent to the execution of the Moores pond easement agreement, his office filed an application seeking to confirm the water rights as absolute. By motion duly made and seconded it was unanimously

RESOLVED to ratify the following statement:

The Board of Directors of the Lake Creek Metropolitan District ("District") finds that all conditional water rights decreed to the Lake Creek Meadows Reservoir are necessary and valuable to the District's operations, that these conditional water rights have been diligently developed and should be maintained, and that these conditional water rights have been perfected through construction of storage capacity and storage in priority at the original and certain alternate locations of storage decreed to the Lake Creek Meadows Reservoir water rights, and hereby RESOLVES that the District shall file an application in the District Court, Water Division No. 5, seeking confirmation that the District has been diligent in perfecting the conditional water rights decreed to the Lake Creek Meadows Reservoir and that these water rights have been made absolute through construction of storage capacity and storage in priority, and further that Balcomb & Green P.C. and Zancanella and Associates, Inc. are hereby directed to prepare and file such an application on or before December 31, 2018 or as soon thereafter as possible.

Operations Current water production reports were included in the Board packet for review. Mr. Zancanella reported that 28 Eagle Crest had a leak in January due to a PRV failure. A significant amount of water flowed through the property owners' meter. The Directors requested that the fire hydrants be cleared of accumulated snow. The Directors reviewed the revised fire hydrant permit policy and application. They would like to minimize the sale of water to third parties.

New groundwater monitoring equipment will be installed soon, which will produce better data for forecasting the replacement of Well #2. This capital replacement is currently budgeted for 2020 at the estimated cost of \$150,000. Mr. Zancanella will also prepare a plan to add a backup generator for the well sites.

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The Directors discussed fire hydrants within the District. A hydrant was not required at 1952 Lake Creek Road after all, as determined by the Fire Department. The residence currently meets rural ISO requirements. Under the rural classification, the District meets all standards.

The Directors discussed the District's augmentation. Mr. Zancanella reported for Mr. Geiger that increasing the District's authority to have more water would require purchasing junior water rights and then incurring the ongoing expense of maintaining those rights. The Directors determined that the District has sufficient water rights.

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

RESOLVED to adjourn the Regular Meeting of the Lake Creek Metropolitan District Board of Directors this 24th day of January 2019.

Respectfully submitted,



Anne Clarke
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors of Lake Creek Metropolitan District May 9, 2019

The Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on May 9, 2019 at 5:00 p.m., at the offices of Marchetti & Weaver, LLC, 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:

- Ann Bourke
- Kathleen Eck
- Gerry Flynn
- Dan Barry (via phone)

The following Director was absent and excused:

- Hatsie Hinmon

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC
- Anne Clarke, Secretary to the Meeting

Call To Order

The Meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order by Director Flynn on May 9, 2019 noting a quorum was present.

Agenda There were no changes to the meeting agenda.

Public Comment

There was no public comment.

Consent Agenda

The following documents were included in the board packet for review and approval under the consent agenda:

- Regular Meeting minutes October 11, 2018
- Preliminary Financial statements March 31, 2019
- Accounts Payable report
- Water Consumption and Production reports
- Tap Fee reports

Upon motion duly made and seconded it was unanimously

RESOLVED to approve the consent agenda items as presented.

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28 Eagle Crest The Patriacca residence experienced a significant water leak in January, resulting in 252,000 gallons flowing through their meter into a crawl space. Mr. Patriacca requested a waiver of the excess usage fees. He also sent a request to Zancanella & Associates, requesting reimbursement of his mitigation and repair expenses. The Board discussed the request as well as the need to remain consistent in the application of excess usage fees charged to other property owners. They unanimously declined the waiver request. They also discussed the reimbursement posed to Mr. Zancanella. Mr. Elmore, of Zancanella's firm, replaced a failed meter at the residence in 2013. The meter replacement is a simple threaded connection. There have been no mechanical issues with this meter for five years. January's leak was a failure of the PRV and internal plumbing. The Directors did not feel that Mr. Zancanella's firm was liable for any of the Patriacca repair expenses.

The use of "water cop" devices to protect homeowners from water leak damages was suggested. Mr. Zancanella informed the Directors that the devices can be problematic because they can shut off water service unnecessarily. Property owners need to be aware of how to reset their devices, if they are installed on the property. The District should also consider adding a service fee if the water operator has to make a site visit to a property to reset a water cop device.

Legal Balcomb & Green's office circulated documentation updating the Directors on their application for Case No. 18CW3205. The Division Engineer's Office recommends approval upon clarification of two minor issues. The Directors reviewed the draft response addressing the minor issues and agreed to have Mr. Geiger submit the response as drafted. They also thanked Mr. Geiger for preparing a document detailing the District's water supply and plan to use the document in all future discussions of water supplies.

Strategic Planning

The Directors reviewed a summary of 2010-2020 goals and achievements for the District. Ms. Clarke prepared an overview to set 2020-2030 strategies. Director Eck reiterated that a key goal must be to protect and conserve water. The Directors discussed several items and requested a few adjustments to the overview document. They discussed water rates and agreed that the current rate structure is appropriate to their water operation. In the near future, they would like to review water rates and fees from other water districts as well as better understand the cost of maintaining the water system. Director Bourke inquired about the long-range replacement plan necessary to maintain the integrity of the system. She inquired about Buffalo Mountains current project and Mr. Marchetti explained that the project was ten years in the making and they are financing the capital improvements with a low interest rate loan. The Directors requested

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additional analysis on their water system revenues and expenditures for future rate guidance.

Mr. Zancanella reported that the installation of raw water meters has proven that prior usage estimates were higher than actuals. He is preparing a proposal for purchase of a diesel generator to power the well pumps in case of an electrical power outage. The Directors indicated that they wanted the generator proposal to include noise mitigation. The equipment needs to be quiet, except when actually turned on to power the pumps. Existing telecom generators are noisy and intrusive to adjacent property owners.

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

RESOLVED to adjourn the Regular Meeting of the Lake Creek Metropolitan District Board of Directors this 9th day of May 2019.

Respectfully submitted,

Anne Clarke
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors of Lake Creek Metropolitan District August 8, 2019

The Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on August 8, 2019 at 5:00 p.m., at the offices of Marchetti & Weaver, LLC, 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:

- Kathleen Eck (via phone)
- Gerry Flynn
- Dan Barry (via phone)

The following Directors were absent and excused:

- Anne Bourke
- Hatsie Hinmon

Also in attendance were:

- Marie Minnick, owner
- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Secretary to the Meeting

Call To Order

The Meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order by Director Flynn on August 8, 2019 noting a quorum was present.

Agenda There were no changes to the meeting agenda.

Public Comment

Director Flynn introduced Ms. Minnick. Ms. Minnick expressed her concerns on the water rate structure for the District saying that the District's base rate for 10,000 gallons of water encouraged waste and penalized low water users. Ms. Minnick then presented research on other water rates within the area. Director Flynn addressed Ms. Minnick's concerns explaining that most water districts set a base fee with a tiered usage fee for excess usage. Mr. Zancanella explained how the District's base rate was determined and general discussion continued on water use, rates, and how to encourage conservation. Ms. Minnick explained that when she approached the Board several years ago about her concerns over water use in the District, a director on the Board was dismissive and condescending. Director Flynn apologized for her previous experience. Following the discussion, the Board expressed that they would take Ms. Minnick's concerns into consideration when setting future water rate structures for the District.

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The Board discussed the email from Ms. Milbery and the mosquito control information included in the packet. Mr. Marchetti noted that the primary control was at the larvae stage with spraying done in a controlled manner as a secondary measure when needed. Following discussion, the Board decided to forgo any further mosquito control for the remainder of 2019 and to revisit the issue before next spring.

Consent Agenda

The following documents were included in the board packet for review and approval under the consent agenda:

- Regular Meeting minutes May 9, 2019
- Preliminary Financial statements ending June 30, 2019
- Accounts Payable report (updated report distributed by Ms. Johnston at meeting)
- Water Consumption and Production reports
- Tap Fee reports

Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the consent agenda items as presented.

Water

Mr. Zancanella reviewed the operations report. Mr. Zancanella reported that CenturyLink was not willing to mitigate the noise from the generator. Mr. Kelly inquired if the District would be willing to tie into their generator to help with the pump house which could potentially help with the noise level of the generators. The Board requested more information to be presented at the next meeting.

Legal

The Board reviewed the Decree for case 2018CW3205 noting that the absolute water rights meant there was no further due diligence required. Ms. Johnston gave an overview of the Moores' winter plan for augmentation included in the packet and Mr. Zancanella recommended that the District extend the deadline for two years. The Board asked Mr. Zancanella to follow up with Mr. Geiger with Balcomb and Green to determine the best course of action and report back at the next meeting. The Board reviewed the resolutions included in the packet and, upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Consumer Data Privacy Policy Resolution and;

FURTHER RESOLVED to approve the resolution Authorizing Online Notice of Public Meetings.

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Future Meetings

The next meeting has been scheduled for October 10, 2019 starting at 5:00 p.m. and the 2020 budget would be considered.

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

RESOLVED to adjourn the Regular Meeting of the Lake Creek Metropolitan District Board of Directors this 8th day of August 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors of Lake Creek Metropolitan District October 24, 2019

A Special Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on October 24, 2019 at 5:00 p.m., at the offices of Marchetti & Weaver, LLC, 224 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:

- Kathleen Eck
- Gerry Flynn
- Anne Bourke
- Hatsie Hinmon

The following Director was absent and excused:

- Dan Barry

Also in attendance:

- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC (via telephone)
- Beth Johnston, Secretary to the Meeting

**Call To
Order**

The Meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order by Director Flynn on October 24, 2019 noting a quorum was present.

Agenda

There were no changes to the meeting agenda.

**Public
Comment**

There was no public comment.

Minutes

The Board reviewed the minutes included in the packet and, upon motion duly made and seconded, it was unanimously

RESOLVED to approve the August 8, 2019, minutes as presented.

**Accounts
Payable**

Director Flynn and Ms. Johnston reviewed the accounts payable list included in the packet explaining the Zancanella and Associates invoice and billing structure. Following discussion and, upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Accounts Payable Report as presented.

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Water Consumption

Reports Mr. Zancanella reviewed the Water Production and Consumption Analysis reports included in the packet. Mr. Zancanella explained the high unaccountable water consumption was due to a meter vault leak and has been repaired. General discussion continued on future capital projects such as the water system pipes and replacing the Brooks Place pumphouse.

Future Meetings

Ms. Johnston noted that no more meetings were scheduled for 2019 and the Board reviewed the 2020 proposed meeting calendar. Following review, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2020 Meeting Calendar as presented.

Election Resolution

Ms. Johnston explained that a regular election to elect directors would be held on May 5, 2020 and that State statutes were changing district elections from even to odd years. Ms. Johnston reviewed the 2020 election resolution included in the meeting packet noting two director seats were up for election, and that the resolution designated Beth Johnston as the Designated Election Official and allowed the election to be cancelled if there were fewer nominations than Board seats available. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Calling for the 2020 Regular District Election as presented.

Other Legal The Board discussed the winter water augmentation plan for the Moores' pond evaporation. Ms. Johnston relayed from Mr. Geiger that the agreement with the Moores' provides that they are to pursue the winter augmentation plan but the District may pursue as well to be sure it can obtain the necessary water rights to cover any water lost due to evaporation. Discussion continued on the impacts to the District and Mr. Zancanella recommended pursuing the plan to keep the pond full throughout the winter and noted that funds had been included in the 2020 budget to do that. The Board asked Mr. Zancanella to prepare a more detailed cost plan for the District to pursue a winter augmentation plan.

Water Ms. Johnston distributed the Operations Report from Zancanella and Associates and confirmed that the reports had been distributed via email before the meeting. Mr. Zancanella review the report noting that three irrigation meters still needed to be installed. Discussion ensued on how to get compliance from the remaining

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owners. Following discussion, the Board directed that pumps could not be run by non-compliant owners until the new meters were installed.

Discussion continued on generator issues brought up at previous meetings. Mr. Zancanella told the Board the Kelly's generator could not be used for District purposes because it was two-phase and the District required a three-phase generator. Mr. Zancanella also reviewed the actions taken so far by the District regarding noise complaints about the utility generators and noted those generators were not the District's responsibility. No further action was taken on either issue.

The Board continued discussion on the strategic planning from earlier in the year. General discussion was had on increased irrigation and usage and the need for the District to have a plan that anticipates the demand. The Board requested Mr. Zancanella prepare a multiple year comparison of water use in the District and distribute to the Board for review.

Financial Statements

Mr. Marchetti reviewed the financial statements included in the packet including the 2019 forecast and multiple year projections. Mr. Marchetti noted that the Assessed Valuation was kept consistent since home values were anticipated to increase but be offset by a decrease in the Residential Assessment Rate. Discussion continued on the financial statements and the projections with Mr. Zancanella reviewing in detail the anticipated capital projects for the next 5 years.

Water Rate Increase and 2020 Budget

Mr. Marchetti 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. The Board decided no rate increase was needed at this time.

Mr. Marchetti stated the meeting had been published as the public hearing to adopt the 2020 Budget and Amend the 2019 Budget, if needed. The public hearing was opened to take comments on the proposed budget. Mr. Marchetti explained that there was no need to amend the 2019 budget based on the forecast. The Board reviewed the 2020 proposed budget, operations and capital expenses, noting that the replacement of the vault at Brook Place would be \$150,000 not \$75,000 as presented in the proposed budget. Following review and discussion, the public hearing was closed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution to Adopt the 2020 Budget subject to increasing vault replacement to \$150,000 other minor adjustments; and

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FURTHER RESOLVED to approve the Resolution to Set the Mill Levy to 10.458 mills for operations, and

FURTHER RESOLVED to approve the Resolution to Appropriate Sums of Money for spending in 2020 with a \$75,000 increase to the Capital Outlay amount and subject to minor revisions.

Audit

Exemption Mr. Marchetti explained that the District was projected to qualify to submit an Application of Exemption from Audit for 2019. The Board requested that Marchetti and Weaver, LLC, prepare an Application for Exemption from Audit for 2019.

Accounts

Receivable Ms. Johnston reviewed the Accounts Receivable report for the District noting that no accounts were certified to the County in 2019 and there were no major issues with any accounts at this time.

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

RESOLVED to adjourn the Regular Meeting of the Lake Creek Metropolitan District Board of Directors this 24th day of October 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting