
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Lake Creek Metropolitan District January 12, 2017

A Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on January 12, 2017, 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:

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

Also in attendance were:

- Tom Zancanella and Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC
- Anne Clarke, Secretary for the meeting
- Corey Lamothe and Claes Holm, Representatives for Amanda Precourt

Call To Order

The Regular Meeting of the Board of Directors of Lake Creek Metropolitan District was called to order by Director Flynn on January 12, 2017 at 5:00 p.m. noting a quorum was present.

Changes to the Agenda

There were no changes to the agenda.

Public Input There was no public input offered at the meeting.

Petition for Inclusion

Amanda Precourt submitted a petition to include 1902 E. Lake Creek Road into the District. A Notice of Open Meeting for the Hearing of the Petition for Inclusion has been published. The meeting was opened for public comment on the inclusion. Ms. Lamothe and Mr. Holm represented Ms. Precourt and answered questions concerning the property.

Executive Session

The Board moved to Executive Session to discuss the petition. The Board emerged from Executive Session at approximately 5:40 p.m.

Director Flynn gave a summary of the Board's position and the District's goals to Ms. Lamothe and Mr. Holm. The District's long term concerns are future irrigation and

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allocation of the remaining SFE's. The Board agreed to consider the petition. If agreed, the property will be under strict restrictions concerning residential square footage and outdoor irrigation.

At approximately 5:53 p.m., Ms. Lamothe and Mr. Holm adjourned.

After further discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the acceptance of the inclusion petition subject to the parties entering into a written inclusion agreement to be prepared by Balcomb and Green specifying the terms of the inclusion. The Owner shall be eligible for up to 2.0 SFE's for indoor residential use and up to 2,500 square feet of outdoor irrigation. Prior to completion of the agreement, the District's independent architect will confirm the current residence square footage, based on construction plans. The District will allow the Owner to add up to 850 square feet of additional primary residential space in the future, as long as it is contained by the 2.0 SFE requirements. The inclusion agreement shall specify that the applicant is responsible for all legal, engineering and administrative costs incurred by the District in connection with the inclusion, initially estimated at \$5,000 but to be adjusted to actual costs incurred. The inclusion agreement shall also show an inclusion fee of \$18,000 and a water rights cash in lieu fee of \$11,664. In addition to the above stated fees, the property shall be required to pay the District's water tap and plant investment fees in accordance with the District's current rates.

24 Hour Posting Notice & Meeting Calendar

The Board reviewed the Posting Notice locations and the proposed meeting schedule for the 2017 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.

Minutes

The Board reviewed the Minutes of the September 8, 2016 Regular meeting. The Board suggested clarification of the discussion of the strategic planning concerning protection of the District's water rights. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the September 8, 2016 Regular meeting minutes with revisions.

The Board also reviewed the Minutes of the November 10, 2016 Regular meeting minutes. After discussion and by motion duly made and seconded it was unanimously

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RESOLVED to approve the November 10, 2016 Regular meeting minutes as presented.

Legal Matters

Balcomb & Green distributed a proposal to monitor the 2107 Legislative Session and provide reporting to the Board. The Board discussed their concerns and requested that Mr. Marchetti follow-up with Mr. Geiger requesting that Balcomb and Green prepare a periodic newsletter with water rights information both on the legislative front and any relevant court cases. The Board felt this should be an “included service” from Balcomb and Green and should not involve an extra charge for these newsletters.

Operations September – December 2016 water production reports were included in the Board packet for review. Issues with Well #2 and the new radio system installation created meter reading issues which resulted in inconsistencies in the water reports. The meter reading issues have been resolved.

Financial Statements The preliminary December 31, 2016 financial statements were included in the Board packet for review.

Accounts Payable

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

RESOLVED to approve/ratify the accounts payable report as presented.

Long Term Strategy

A memo from Mr. Collins regarding irrigation allocations was reviewed. Ms. Bourke disagreed with the notion of equal property taxes for all lots, explaining her research behind the premium placed on properties located on the creek and that larger properties pay larger property taxes as the result of large land valuations. The fact that the HOA provides one and one-half (1.5) votes to Class A property owners, while only allowing one vote to Class B property owners further illustrates the intent of the original developer to provide different levels of service to larger versus smaller properties. Ms. Clarke maintains the HOA voting list for reference. The Board requested that a draft revised irrigation area allocation table be prepared taking the above factors into consideration along with the factors currently being considered. The Board will review the revised allocation table at the next meeting.

The Board discussed the metering of pumped raw water from the creek. Ms. Bourke presented, and the Board discussed, several meter models available for purchase and requested that the Board move forward with installing accurate meter devices at all the appropriate properties. Mr. Zancanella reported that they have also evaluated raw water meters for use by the District. The Board believes it is in the best interest of the District to install new meters as time and budgets permit.

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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 Lake Creek Metropolitan District Board of Directors this 12th day of January, 2017.

Respectfully submitted,



Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Lake Creek Metropolitan District February 9, 2017

A Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on February 9, 2017, 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:

- Dan Barry
- Ann Bourke
- Kathleen Eck

The following Directors were absent and excused:

- Gerry Flynn
- Hatsie Hinmon

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC
- Anne Clarke, Secretary for the meeting

Call To Order

The Regular Meeting of the Board of Directors of Lake Creek Metropolitan District was called to order by Director Barry on February 9, 2017 at 5:10 p.m.

Changes to the Agenda

The Whittaker proposal was removed from the agenda. The Long-Term strategy section was postponed to a future meeting.

Public Input There was no public input offered at the meeting.

Minutes The Board reviewed the Minutes of the January 12, 2017 Regular meeting. Director Eck submitted several revisions concerning the text used for the inclusion and long-term strategy discussions. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the January 12, 2017 Regular meeting minutes with revisions.

Appointment of Director

Director Hinmon was elected in the May 2016 election, but was unable to submit the required oath before the deadline. Due to this technicality, a motion was put forth to

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Lake Creek Metropolitan District February 9, 2017 Meeting Minutes

appoint Harriet Hinmon to the Board. By motion duly made and seconded it was unanimously

RESOLVED to appoint Harriet Hinmon to the Board for the remainder of the term, ending May 2018.

Director Hinmon will be contacted by Anne Clarke to take the oath of office.

Petition for Inclusion

The Inclusion draft agreement was included in the Board packet for review. The Board discussed the document and suggested a few revisions for consideration by Balcomb & Green. The inclusion agreement specifies that the Owner shall be eligible for up to 2.0 SFE's for indoor residential use and up to 2,500 square feet of outdoor irrigation and that the applicant is responsible for all legal, engineering and administrative costs incurred by the District in connection with the inclusion. The inclusion agreement also shows an inclusion fee of \$18,000 and a water rights cash in lieu fee of \$11,664 and that the property shall be required to pay the District's water tap and plant investment fees in accordance with the District's current rates. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the above described inclusion agreement subject to final review and approval by counsel; and

FURTHER RESOLVED to reaffirm the acceptance of the inclusion petition approved at the January 12, 2017 meeting, subject to completion of the above described inclusion agreement.

Operations January 2017 water production reports were included in the Board packet for review. The capital radio purchase was installed in December, which now allows communication between the two tanks, the Cattleman's Booster Station, and the wells. In January, the Bernstein property suffered a significant water leak between the meter pit and the house.

Mr. Zancanella discussed the plan to install meters on the lots pumping water from the creek. It was discussed that the District should pay for the meters, since the entire District benefits from this water usage. It was agreed that the Board would continue to discuss the installation and results of the metering information gathered.

Mr. Zancanella also gave an update on the Moore's Pond construction. The project is progressing and they are waiting on the final as-built drawings.

Financial Statements

Updated December 31, 2016 financial statements and the 2016 Audit Exemption report were included in the Board packet for review. Mr. Marchetti reviewed the

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documents in detail. The Board asked questions about depreciation and asset replacement plans. By motion duly made and seconded it was unanimously

RESOLVED to approve the 2016 Application for Exemption from an Audit.

**Accounts
Payable**

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

RESOLVED to approve/ratify the accounts payable report as presented.

Tap Fees

Director Barry requested to purchase an additional EQR for his property for a future expansion of his primary residence. Zancanella & Associates established the current residence square footage for the base line and it was calculated that the additional tap fee and plant investment fee would total \$10,300. This allows the Barry residence a total of 6,000 SF.

Long Term Strategy

The updated irrigation table was not ready for review, but the Board discussed additional considerations for the blended calculation. The revised table will be presented for further discussion and recommendation.

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 Lake Creek Metropolitan District Board of Directors this 9th day of February, 2017.

Respectfully submitted,



Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Lake Creek Metropolitan District May 11 2017

A Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on May 11, 2017, 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:

- Gerry Flynn
- Dan Barry
- Ann Bourke
- Kathleen Eck

The following Directors were absent and excused:

- Hatsie Hinmon

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC
- Anne Clarke, Secretary for the meeting

Call To Order

The Regular Meeting of the Board of Directors of Lake Creek Metropolitan District was called to order by Director Flynn on May 11, 2017 at 5:05 p.m.

Changes to the Agenda

None.

Public Input There was no public input offered at the meeting.

Minutes The Board reviewed the Minutes of the February 9, 2017 Regular meeting. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the February 9, 2017 Regular meeting minutes as presented.

Operations 2017 current water production reports were included in the Board packet for review.

Mr. Zancanella also gave an update on the Moores Pond construction. Leak detection is still in progress. In the lower pond, settling has been found behind the agri drain box. Repairs are under warranty with Fredrize. The pond needs to be filled in May, while priority water is available.

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Construction at 1952 Lake Creek Road has resulted in a hydrant installation request by the Fire Department. Mr. Zancanella presented a District map with existing hydrants and their fire protection coverage. He proposed a phased installation to improve the coverage. In 2017, two hydrants can be installed on Lake Creek Road without road cuts. Additional installations will be incorporated with pipe replacements in future year appropriations. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to authorize \$10,000 each for hydrant installations at 1952 Lake Creek Road and 2033 Lake Creek Road, on the east side of the road.

Financial Statements

The preliminary April 30, 2017 financial statements and the current Tap Fee Schedule report were included in the Board packet for review. Mr. Marchetti reviewed the documents and gave an update on the District's preliminary 2018 assessed value and the residential assessment rate change.

Accounts Payable

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

RESOLVED to approve/ratify the accounts payable report as presented.

Tap Fees

The District has not received additional tap requests. The water connection of 1902 Lake Creek Road and the District main line is complete.

Long Term Strategy

The District is in the process of preparing a table of maximum water to be allocated to each lot in the event a water call is placed on the District. Mr. Zancanella's team has prepared several recommendations as to the methodology in allocating to each lot, including lot size, HOA voting shares, tap fees paid, and assessed land value. Mr. Zancanella presented a dynamic version of the irrigation allocation table that allows for the Directors to experiment with weights given to each component. After guiding them through the methodology and much discussion, Director Barry asked for three options to review. Mr. Zancanella will distribute the dynamic version of the table and a write-up of the allocation.

Mr. Zancanella gave an update on Point of Diversion measuring device installation project. He aims to install five recording devices this summer.

Director Bourke brought pictures of the Tabb diversion and discussed the abandoned wheel gate at the bridge. The Directors discussed private owner diversions and their impact on the District water.

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Lake Creek Metropolitan District May 11, 2017 Meeting Minutes

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 Lake Creek Metropolitan District Board of Directors this 11th day of May, 2017.

Respectfully submitted,



Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Lake Creek Metropolitan District July 13, 2017

A Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on July 13, 2017, 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:

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

The following Directors were absent and excused:

- Dan Barry

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Anne Clarke, Secretary for the meeting

Call To Order

The Regular Meeting of the Board of Directors of Lake Creek Metropolitan District was called to order by Director Flynn on at 5:13 p.m.

Changes to the Agenda

Director Hinmon's oath of office was added to the agenda.

Public Input There was no public input offered at the meeting.

Minutes The Board reviewed the Minutes of the May 11, 2017 Regular meeting. After discussion of the long-term strategy notes and by motion duly made and seconded it was unanimously

RESOLVED to approve the May 11, 2017 Regular meeting minutes with revisions.

Business Director Hinmon was elected in the May 2016 election to serve the remainder of a term ending in 2018, but was unable to submit the required oath before the deadline. Due to this technicality, a motion was put forth to appoint Harriet Hinmon to the Board at the regular February 9th meeting. After additional extenuating circumstances, by motion duly made and seconded it was unanimously

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Lake Creek Metropolitan District July 13, 2017 Meeting Minutes

RESOLVED to appoint Harriet Hinmon to the Board to serve until the next regular election to be held in May 2018.

Director Flynn administered the Oath of Office to Director Hinmon.

Operations 2017 current water production reports were included in the Board packet for review.

Ms. Clarke reported that the owner of 37 Elk Place contacted the office regarding water pressure at the residence. Mr. Zancanella was already aware of the owner's concerns. Previous water pressure testing results satisfied industry standards and health department regulations. The District maintains the CDPHE minimum operating pressure. To increase the water pressure, the owner will need to connect to the high pressure line or increase the size of the pipe between the service line and the structure. Ms. Clarke will forward the information to the owner.

Mr. Zancanella received two complaints of air in the water line. His office has scheduled repairs to address the issue.

At the last meeting, the District reviewed a phased installation plan for additional fire hydrants. Subsequent to the meeting, additional information from the ERFPD fire marshal regarding International Fire Code and National Fire Protection Assoc codes and guidelines changed the situation at 1952 Lake Creek Road. The Board requested that Mr. Zancanella get clarification on the codes and guidelines. The goal of the clarification is to have a written document that can be applied to the entire District. Director Hinmon questioned the installation of any additional hydrants in the District. The properties above and below the District do not have hydrants. After the Board is able to discuss the ERFPD requirements as it applies to the entire District, they will reevaluate the hydrant installation plan.

Mr. Zancanella gave an update on the Moores Pond project. The pond liner leak repairs are complete. On July 6th, Mr. Geiger hosted a conference call to address all outstanding items in the Agreement for Water System Development and Operation document. The District will hold their capital contribution until the easements are complete.

**Financial
Statements**

The preliminary June 30, 2017 financial statements, preliminary 2018 budget, and the current Tap Fee Schedule were included in the Board packet for review. Ms. Clarke reviewed the documents and the District's preliminary 2018 assessed value and the residential assessment rate change. The Board asked Mr. Zancanella to provide additional information on the proposed 2018 capital projects.

**Accounts
Payable**

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

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Lake Creek Metropolitan District July 13, 2017 Meeting Minutes

RESOLVED to approve/ratify the accounts payable report as presented.

Long Term Strategy

Mr. Zancanella described the water allocation table to Director Hinmon, indicating the allocation is to be used when the District's water is under a call and use needs to be curtailed. He explained additional measurements and calculations that need to be completed before further consideration by the Board in a strategic planning work session.

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 Lake Creek Metropolitan District Board of Directors this 13th day of July, 2017.

Respectfully submitted,



Secretary for the Meeting

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District October 12, 2017 Meeting Minutes

Minutes of the Regular Meeting Of the Board of Directors Lake Creek Metropolitan District October 12, 2017

A Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on October 12, 2017, 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:

- Dan Barry
- Ann Bourke
- Kathleen Eck

The following Directors were absent and excused:

- Gerry Flynn
- Hatsie Hinmon

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC
- Anne Clarke, Secretary for the meeting

Call To Order

The Regular Meeting of the Board of Directors of Lake Creek Metropolitan District was called to order by Mr. Marchetti noting a quorum was present.

Changes to the Agenda

No changes.

Public Input There was no public input offered at the meeting.

Minutes The Board reviewed the Minutes of the July 13, 2017 Regular meeting. After discussion of the water operation notes and by motion duly made and seconded it was unanimously

RESOLVED to approve the July 13, 2017 Regular meeting minutes with revisions.

Election

Resolution The board seats of Directors Barry, Eck, and Hinmon are available for election on May 8, 2018 and the District is required to call an election for these seats. By motion duly made and seconded it was unanimously

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RESOLVED to adopt the resolution calling for an election, appointing a designated election official and providing for the cancellation of the election if it is unnecessary. A copy of the formal resolution is incorporated herein by this reference.

Operations 2017 current water production reports were included in the Board packet for review.

Mr. Zancanella gave an update regarding the previous complaints of air in the water line. A check valve needed replacement at the well. The ultimate issue was a fried pump at the Hartland residence which caused the booster to continuously short-cycle. Mr. Zancanella and Ms. Clarke will calculate the appropriate amount to bill to Hartland for reimbursement.

The Moores Pond easements have been documented by Alpine Engineering. Moore's attorney, Mr. Houpt will draft the easement document. Mr. Geiger has provided Mt. Houpt with a sample easement document for reference. The District will hold their capital contribution until the easement document is complete.

Five point-of-diversion measuring devices are on order and installation will be scheduled as soon as they are delivered. This is part of a phased project to measure all domestic and irrigation diversions as part of the District's long-term strategy.

At a prior meeting, the Board requested that Mr. Zancanella get clarification on fire codes and guidelines. The District does meet fire code requirements for the average residential size of 3,500 square feet, but a simple document describing that is not feasible. The requirements have many variables, including the size and type of the residence. Mr. Zancanella recommends modifying the Rules & Regulations. A redline draft of changes will be presented to the Board for review.

2018 Budget Hearing

Mr. Marchetti reviewed the 2018 budget with the Board. A review of the assessed value for the District is down 4.1%, which is primarily driven by the reduction in the state-wide residential assessment rate from 7.96% to 7.20%. The District's debt will be paid off in 2017. The total mill levy will remain consistent, applying that tax revenue to capital projects and the reserve fund rather than the debt service fund. Mr. Marchetti opened the meeting for public comment on the 2018 budget. There being no public input, the public hearing was closed.

Mr. Marchetti reviewed the September 30, 2017 preliminary financial statements and the long-range financial plan through 2020. Replacement distribution lines are a significant expense and the District's goal is build the reserves to \$3,000,000 for this replacement. Mr. Zancanella is developing a phased and prioritized strategy to maximize funds and minimize construction impacts. The Directors discussed the

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temporary mill levy credit of approximately 1.458 that has been levied for several years. They decided that it would be better to not levy this credit in 2018 and apply the approximately \$22,000 in tax revenues to capital projects and the reserve fund. By motion duly made and seconded it was unanimously

RESOLVED to approve the resolution to adopt the 2018 budget, to certify the mill levy at 10.458 mills and to appropriate funds for spending in 2018, subject to adjustment for the final assessed valuation. The formal resolution to adopt the budget, certify the mill levy and appropriate funds for expenditure in 2018 are incorporated herein by this reference.

**Accounts
Payable**

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

RESOLVED to approve/ratify the accounts payable report as presented.

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 Lake Creek Metropolitan District Board of Directors this 12th day of October, 2017.

Respectfully submitted,



Secretary for the Meeting