
RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors Lake Creek Metropolitan District February 26, 2015

A Special Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on February 26, 2015, 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
- Dan Barry

The following Director was absent and excused:

- Rick Cunningham
- Hatsie Hinmon

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Robertson & Marchetti, P.C.
- Cissy Olson, Secretary for the meeting

**Call To
Order**

The Special Meeting of the Board of Directors of Lake Creek Metropolitan District was called to order by Director Flynn on February 26, 2015 at 5:10 p.m. noting a quorum was present.

**Changes to the
Agenda**

The Board agreed to add the Vangalis Tap Fee, Tippet Rise proposal, and the District's 2014 application of Exemption from Audit to the agenda.

Minutes

The Board reviewed the Minutes of the December 11, 2014 Regular meeting. After discussion and by motion duly made and seconded it was

RESOLVED to approve the December 11, 2014 Regular meeting minutes as presented.

**2015 Meeting
Calendar**

The Board reviewed the 2015 regular meeting calendar and agreed to change the meetings to the fourth Thursday of the month in order to accommodate Director Cunningham's work schedule. The meetings will still be held at 5:00 p.m. at the Marchetti & Weaver conference room. After discussion and by motion duly made and seconded it was unanimously

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Lake Creek Metropolitan District February 26, 2015 Meeting Minutes

RESOLVED to establish 5:00 p.m. on the fourth Thursday of each month as the meeting date for regular meetings of the District Board of Directors in 2015.

Moore's Plan/District

Reservoir Mr. Zancanella recently received word that the Eagle County Community Development has determined that the Moore's pond expansion project requires a 1041 application permit in lieu of a Finding of No Significant Impact (FONSI) application. Ms. Moore's had originally applied for a FONSI and a wetland permit application from the U.S. Army Corps. Mr. Zancanella stated that the newly required 1041 application will increase the cost and extend the time of completing the project. Ms. Moore's is moving the location of the storage pond and moving the point of diversion.

Mr. Geiger, the District's water attorney, included a final draft of the Agreement for Water System Development and Operation between Ms. Moore's and the District in the board packet in redline format. Mr. Geiger reported that the Agreement is consistent with the version approved by the Board last summer and ready for execution. The plans outlined in the final draft should result in valuable benefits to the District and material improvement to its water supply portfolio. The Board discussed the Agreement and by motion duly made and seconded it was unanimously

RESOLVED to approve the Moore's Agreement for Water System Development and Operation as presented.

118 & 120 Brook

Place Mr. Tabb, owner of 118 & 120 Brook Place, began improving a pond area located on his vacant lot at 120 Brook Place. It appears that the area has been excavated down to natural ground water and now a spring is feeding into the pond area. Mr. Zancanella reported that Mr. Tabb is proposing to irrigate four acres and if all lots irrigate this much it will exceed the District's allowable irrigated area.

Mr. Zancanella reported that Mr. Tabb is applying to the District Court for additional water rights. A previous owner of the lot, Barbie Allen, had originally purchased additional water rights however they were abandoned sometime later.

The Board and Mr. Zancanella discussed adoption of a policy specifying how much each lot is entitled to irrigate. Mr. Zancanella offered to draft a policy and calculate how much water is needed if the District were to apply for additional water rights for future irrigation needs.

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Scanlan Water

Leak Mr. Scanlan who lives at 1952 Lake Creek Road has a leak in his water line between his house and the meter pit at the street. A water leak occurred several years ago under similar circumstances. His water bill increased significantly last November which indicated a leak. Due to the weather it is impractical to repair the leak during the winter months. Mr. Scanlan provided a written explanation of the leak and he requested a reduction of his \$6.00 per thousand gallon excess usage water rate to the summer water rate of \$2.00 per thousand gallon excess usage. Mr. Scanlon pointed out that the water from the leak is going back into the aquifer because the leak is located 8 feet below the ground surface. Mr. Scanlan plans to repair the leak in the spring at which time he will likely replace the entire water line.

The Board discussed Mr. Scanlan's request and by motion duly made and seconded it was unanimously

RESOLVED to reduce Mr. Scanlan's excess water usage from the winter rate of \$6.00 per thousand gallons to the summer excess usage water rate of \$2.00 per thousand gallons until July 31, 2015 at which time Mr. Scanlan should have the leak repaired.

Vangalis Water

Tap Fee A letter was mailed to Mr. Vangalis in May 2014 explaining the District's tap fee calculation for construction of his office/bathroom located above his new garage on his lot. Mr. Vangalis has since questioned the District's tap fee calculation because he did not understand how District's tap fees are calculated. Ms. Olson explained that Mr. Vangalis has a primary unit, a secondary unit, and will soon have additional living space above his new garage. The Board briefly discussed the matter and agreed to table the topic until Directors Berry and Flynn can talk to Mr. Vangalis in order to better understand his reasoning and visit the property site.

Operations Mr. Zancanella reported that they recently discovered why the District has a high unaccountable water rate during the summer months. Evidently the grounds located above the tank at the top of Eagle Crest Road have never had a water meter installed to monitor irrigation of that area.

Source Water Protection

Plan The District's first meeting to develop a Source Water Protection Plan will be held at 6:00 p.m. on March 10th at the Eagle County Health Services District building located at 1055 Edwards Village Blvd behind the Edwards Post Office.

Whittaker Landscaping

Proposal Whittaker Landscaping Services forwarded a 2015 irrigation proposal for maintaining the grounds located above the tank at the top of Eagle Crest Road. The Board

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Lake Creek Metropolitan District February 26, 2015 Meeting Minutes

discussed the annual proposal and by motion duly made and seconded it was unanimously

RESOLVED to approve the 2015 Whittaker Landscaping contract according to last year's maintenance schedule.

Marchetti & Weaver, LLC Engagement Letter

The American Institute of CPA's has adopted new guidelines for the services that CPAs can perform related to preparation of financial statements. Mr. Marchetti gave a brief explanation of the new guidelines and presented a new Marchetti & Weaver, LLC engagement letter that meets the adopted requirements. By motion duly made and seconded it was unanimously

RESOLVED to approve the Marchetti & Weaver, LLC engagement letter as presented.

Tippet Rise Musical Educational Facility

The Halstead's would like to create a commercial venue to host classical musical performances, classroom music education, music education camps and private meetings on 18 acres of land in upper West Lake Creek several miles south of the District. The plan calls for using an existing building on the donated property for a music library and studio, and the construction of a permanent educational facility and parking lot on an undeveloped part of the property.

Many District residents have been opposed to the project due to the amount of traffic the project will generate traveling through the District and the land is not zone for commercial use. If the project receives County approval many residents are concerned it will open the door for approval of other projects in this rural area.

2014 Audit Requirements

The District could consider filing an application for exemption from audit with the State for 2014, since the District's annual revenues and expenditures are less than \$500,000. The Board reviewed the 2014 Application from Exemption from Audit and by motion duly made and seconded it was unanimously

RESOLVED to approve the 2014 Application for Exemption from an Audit with the State.

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Edwards Community

Authority Update

Director Flynn reported that the Edwards Community Authority (ECA) has not met since November 2014. The ECA has been continuing discussion of how to fund future Edwards area improvements.

Accounts

Payable

The Board reviewed the January accounts payable list and by motion duly made and seconded it was unanimously

RESOLVED to ratify the January accounts payable lists as presented.

The Board reviewed the February accounts payable list and by motion duly made and seconded it was unanimously

RESOLVED to approve the February accounts payable list 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 Special Meeting of the Lake Creek Metropolitan District Board of Directors this 26th day of February, 2015.

Respectfully submitted,



Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Lake Creek Metropolitan District May 14, 2015

A Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on May 14, 2015, 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
- Dan Barry
- Hatsie Hinmon

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Kathleen Eck
- Ken Marchetti, Marchetti & Weaver, LLC
- Jim Martin, 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 14, 2015 at 5:10 p.m. noting a quorum was present.

Changes to the Agenda

Appointment of Director was added to the agenda.

Appointment of Director

A motion was put forward to appoint Kathleen Eck to the Board to fill the seat recently vacated by the resignation of Rick Cunningham. The motion was discussed and duly seconded and it was unanimously

RESOLVED to appoint Kathleen Eck to the Board of directors.

Ms. Eck took the oath of office.

Minutes

The Board reviewed the Minutes of the February 26, 2015 Special meeting. After discussion and by motion duly made and seconded it was

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Lake Creek Metropolitan District May 14, 2015 Meeting Minutes

RESOLVED to approve the February 26, 2015 Special meeting minutes as presented.

2015 Meeting Calendar

The Board reviewed the 2015 regular meeting calendar and agreed to change the meetings back to the second Thursday of the month. The meetings will still be held at 5:00 p.m. at the Marchetti & Weaver conference room. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to establish 5:00 p.m. on the second Thursday of each month as the meeting date for regular meetings of the District Board of Directors.

118 & 120 Brook Place

Mr. Tabb, owner of 118 & 120 Brook Place, improved a pond on his property last summer. Mr. Zancanella reported that Mr. Tabb is proposing to irrigate four acres and if all lots irrigate this much it will exceed the District's allowable irrigated area.

Mr. Zancanella reported that Mr. Tabb is applying to the Water Court for additional junior water rights. A previous owner of the property, Jim Allen, had purchased additional water rights, however they expired due to lack of due diligence.

The Board and Mr. Zancanella discussed adoption of a policy specifying how much each lot is entitled to irrigate. Mr. Zancanella offered to draft a policy and calculate how much water is needed if the District were to apply for additional water rights for future irrigation needs.

A motion was put forward to ratify the Board's opposition to the Tabb case in order to be "in the case" and have access to the information and preserve the opportunity to provide input in the future. After discussion and by motion duly seconded it was unanimously

RESOLVED to ratify the District's opposition to the Tabb water rights case.

Lake Creek

The Board discussed the stream "ribbon" or diversion that crosses two properties, one owned by Mr. Specter and one by Mr. Kelly. Mr. Zancanella informed the Board that the U.S. Army Corps of Engineers and the U.S. Fish and Wildlife Service have become involved in this matter. The Board also discussed information regarding the widening of this ribbon/diversion that has apparently taken place within the previous year.

The Board discussed monitoring any changes made to the stream channels and questioned who has enforcement authority regarding unauthorized changes to the

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Lake Creek Metropolitan District May 14, 2015 Meeting Minutes

stream channels. The Board requested that Mr. Zancanella and Mr. Marchetti work with attorney Chris Geiger and report back to the Board on this matter.

Operations

Mr. Zancanella reported that his firm has continued to work on the Moores reservoir project, and that Daiva Katieb with Watershed Environmental Consultants is preparing a 1041 submittal to Eagle County Community Development on behalf of the Lake Creek Metropolitan District and Ms. Moores. Mr. Zancanella has prepared a draft hydrology study for East and West Lake Creek as part of the 1041 submittal to Eagle County.

Source Water Protection Plan

The District's third meeting to develop a Source Water Protection Plan will be held at 1:00 p.m. on June 16th at the Eagle County Health Services District building located at 1055 Edwards Village Blvd behind the Edwards Post Office. A tour of the District's facilities is scheduled.

Accounts Payable

The Board reviewed the April and May accounts payable list and by motion duly made and seconded it was unanimously

RESOLVED to ratify the April and May accounts payable lists 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 14th day of May, 2015.

Respectfully submitted,



Jim Martin
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Lake Creek Metropolitan District July 9, 2015

A Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on July 9, 2015, 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
- Dan Barry
- Hatsie Hinmon

The following Directors were absent and excused:

- Kathleen Eck

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC
- Jim Martin, Secretary for the meeting
- John Kelly, district resident
- Mia Glick, district resident

Call To Order

The Regular Meeting of the Board of Directors of Lake Creek Metropolitan District was called to order by Director Flynn on July 9, 2015 at 5:10 p.m. noting a quorum was present.

Consideration of the Agenda

No changes were made to the agenda.

Public Comments

Mia Glick voiced concern with lack of “dark sky” restrictions in Lake Creek. Chairman Flynn mentioned the code for exterior lighting is a maximum of 25 watts. After discussion the Board referred Ms. Glick to Lake Creek Meadows HOA as the proper venue for Ms. Glick’s concerns.

Minutes

The Board reviewed the Minutes of the May 14, 2015 Regular meeting. After discussion and by motion duly made and seconded it was

RESOLVED to approve the May 14, 2015 Regular meeting minutes as presented.

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Lake Creek Metropolitan District July 9, 2015 Meeting Minutes

Kelly Property Water Channel

Mr. Kelly, owner of 119 Brook Place, addressed concerns from the Board regarding any current enhancement of the Lake Creek diversion/stream channel running through Mr. Kelly's property. Mr. Kelly put forth information that the Department of Fish and Wildlife had approached him in hopes of enhancing spawning habitat for trout in Lake Creek. Mr. Kelly stated he does not intend to put in ponds or file for a water right, and that his intention is to irrigate an acre or less utilizing water provide the District's system once the construction of his new home is completed.

Hartland Addition

The Board discussed the proposed pool house and bridge improvements on the property owned by Georgina Hartland, 2374 East Lake Creek Road. The proposed addition is to include 2,730 sq. ft. of finished space, as well as a 9,000 sq. ft. children's playhouse. Tony Zancanella reported that Ms. Hartland has enough remaining SFE's for the proposed project, but the amount of the tap fee still has to be determined. Mr. Zancanella stated his main concern is that Mrs. Hartland is nearing the limit on the amount of square feet she can build, based on her number of SFE's.

The board decided to have Mr. Zancanella perform additional due diligence on the total amount of habitable square feet.

Legal

The Board reviewed the July Attorney Report, Stipulation and Ruling documents provided by counsel. After discussion and by motion duly made and seconded it was

RESOLVED to ratify authorizing Balcomb & Green to file a statement of opposition to the water rights application filed by Upper Eagle Regional Water Authority related to a new well field near the confluence of Lake Creek and the Eagle River and the related plan for augmentation.

FURTHER RESOLVED to approve the stipulation provided by Balcomb and Green related to Case 13CW3056 and to authorize Balcomb and Green to enter the stipulation on behalf of the District.

FURTHER RESOLVED to confirm direction to the District's water counsel and engineers to file the Eagle County 1041 and U.S. Army Corp wetlands impact permit consistent with the Moores' Water System Agreement.

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Lake Creek Metropolitan District July 9, 2015 Meeting Minutes

Operations

Mr. Zancanella reported that his firm has continued to work on the Moores reservoir project, and that Daiva Katieb with Watershed Environmental Consultants has completed a 1041 submittal to Eagle County Community Development on behalf of the District and Ms. Moores. Mr. Zancanella has prepared a revised Reservoir Alternatives and Hydrology Evaluation study for East and West Lake Creek as part of the 1041 submittal to Eagle County.

Mr. Zancanella also reported a failure in one of the electric switches in the water system, and as a result there are approximately 400,000 gallons of unaccounted water. Mr. Zancanella also reported that a meter has been installed at the tank sight at the top of the District, that he and his firm will start checking for leaks, and that they may need to conduct a leak study if the unaccounted water number continues to remain high.

Accounts Payable

The Board reviewed the June and July accounts payable list and by motion duly made and seconded it was unanimously

RESOLVED to ratify the June and July accounts payable lists 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 9th day of July, 2015.

Respectfully submitted,

Jim Martin
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Lake Creek Metropolitan District September 10, 2015

A Regular Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on September 10, 2015, 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

The following Directors were absent and excused:

- Dan Barry
- Hatsie Hinmon

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Tom Zancanella, Zancanella & Associates
- Paul Hempel, Colorado Rural Water Association
- Ken Marchetti, Marchetti & Weaver, LLC
- Jim Martin, 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 September 10, 2015 at 5:10 p.m. noting a quorum was present.

Consideration of

The Agenda No changes were made to the agenda.

Minutes

The Board reviewed the Minutes of the July 9, 2015 Regular meeting. After discussion and by motion duly made and seconded it was

RESOLVED to approve the July 9, 2015 Regular meeting minutes as presented.

Source Water Protection

Plan

Paul Hempel of the Colorado Rural Water Association presented the draft Source Water Protection Plan. Mr. Hempel explained that the Lake Creek Metropolitan District was awarded a \$5,000 in-kind matching grant to identify risks or areas of

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Lake Creek Metropolitan District September 10, 2015 Meeting Minutes

concern to the water supply and communicate those risks to District members. The District has incurred \$3,300 of in-kind costs to date.

Mr. Hempel also explained that the Plan is not intended to be a rule or regulation, and that if the draft Plan is approved by the Board then the next step would be to produce outreach materials for District members.

Hartland Addition

The Board discussed the proposed pool house and bridge improvements on the property owned by Georgina Hartland, 2374 East Lake Creek Road. Ms. Hartland is adding two living suites for which the District needs to assess a tap fee. Mr. Zancanella stated his main concern is that Mrs. Hartland is nearing the limit on the amount of square feet she can build, based on her number of SFE's. A detailed review of the total square feet of space built will be reviewed to ensure it is in compliance with the inclusion agreement.

Legal

The Board discussed the Tabb water rights case. Mr. Tabb has filed for boundary wide water rights on both of his lots, comprising approximately eight acres. Mr. Zancanella reported that the District has an implied water exchange but with the number of junior water rights being applied for his recommendation, along with that of Balcomb and Green, is that the District authorize them to proceed with filing a case to get the implied exchanges specifically decreed, hopefully with the date recognized as the original date the implied exchanges were used. After discussion and by motion duly made and seconded it was

RESOLVED to authorize Zancanella & Associates and Balcomb and Green to file a case to have the District's implied exchanges specifically decreed.

Operations

Tony Zancanella reported that the District continues to realize approximately 400,000 gallons of unaccounted water each month. Mr. Zancanella stated one potential cause of the problem could be the age of the residential meters throughout the District, and another explanation would be the hydrant flushing that occurred in August.

Budget

This meeting was published as the 2016 budget hearing and the meeting was opened to public input. The public hearing on the 2016 budget was continued to the next meeting.

Accounts Payable

The Board reviewed the August and September accounts payable list and by motion duly made and seconded it was unanimously

RESOLVED to ratify the August and September accounts payable lists as presented.

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Lake Creek Metropolitan District September 10, 2015 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 10th day of September, 2015.

Respectfully submitted,

Jim Martin
Secretary for the Meeting

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Minutes of the Special Meeting Of the Board of Directors Lake Creek Metropolitan District October 29, 2015

A Special Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on October 29, 2015, 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
- Dan Barry
- Kathleen Eck
- Hatsie Hinmon

Also in attendance were:

- Tony Zancanella, Zancanella & Associates
- Tom Zancanella, Zancanella & Associates
- Chris Geiger, Balcomb & Green, P.C.
- Jack Eck, Lake Creek Property Owner
- Spence Denison, Lake Creek Property Owner
- Ken Marchetti, Marchetti & Weaver, LLC
- Cissy Olson, Secretary for the meeting
- Anne Clarke, Marchetti & Weaver, LLC

**Call To
Order**

The Special Meeting of the Board of Directors of Lake Creek Metropolitan District was called to order by Director Flynn on October 29, 2015 at 5:00 p.m. noting a quorum was present.

Consideration of Changes to the

Agenda No changes were made to the agenda.

Minutes

The Board reviewed the Minutes of the September 10, 2015 Regular meeting. After discussion and by motion duly made and seconded it was

RESOLVED to approve the September 10, 2015 Regular meeting minutes as presented.

Legal

The Board reviewed the October Attorney Report provided by counsel.

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Lake Creek Metropolitan District October 29, 2015 Meeting Minutes

Moore's 1041 Application

Mr. Geiger reviewed the purpose of the Moore's 1041 Application and he recommended that it would be helpful if a couple of Board members and any supporting community members would attend a County meeting and comment on the benefits of why this location for an augmentation pond is beneficial to the District. The Eagle County public hearing to consider the Application, comments, and staff recommendations is scheduled for November 17, 2015

Change Applications for the Lake Creek Meadows Reservoir & Ditch

Zancanella & Associates and Balcomb & Green prepared draft applications to change the location of storage for a portion of the District's reservoir right and change the point of diversion for the ditch on the Moore's property. The Division Engineer was generally supportive and the applications will be filed this month. According to the Water System Development Agreement between Ms. Moore's and the District, the costs to change the place of storage are paid by the District, and the costs to change the point of diversion are to be paid by Moore's or credited to the District's contribution cap to the project.

Exchange Application (Case 01CW277 Decree)

Until recently, plans for augmentation did not regularly describe specific exchange operations. Zancanella & Associates and Balcomb & Green have been working together to confirm the need for and develop an application to file by the end of the year 2015 that will quantify and specifically decree the exchange operations in the District's decreed plan for augmentation. This application will conform the District's plan with the water court's standards and ensure proper operation of the plan going forward.

Mr. Zancanella reported that Eagle Park may have several acre feet of water available for sale and that the District should consider purchasing more water rights. After discussion the Board requested Zancanella & Associates and Balcomb & Green prepare a recommendation and a summary of costs concerning the purchase of additional water rights.

Lui Hopper Crossing 141 Polar Star Drive

The owners of 141 Polar Star Drive would like to construct their driveway over the Lui Hopper Ditch which crosses their property. The District does not currently operate the ditch in this location and has not for many years; however the District wants to maintain the ability to operate the ditch in the future. Mr. Geiger gave a brief description of the ditch piping and retaining walls the owners would like to construct and assume responsibility for maintenance.

After discussion and by motion duly made and seconded it was,

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Lake Creek Metropolitan District October 29, 2015 Meeting Minutes

RESOLVED to approve a ditch crossing easement agreement for 141 Polar Star Drive to cross the Lui Hopper ditch with provisions that:

- The property owner will pipe the ditch at the owner's sole cost
- The ditch will be piped in accordance with plans and specifications as determined by the District's engineer
- The property owner will be responsible for the cost of all maintenance of the piped section of the ditch
- The property owner will indemnify the District against any costs the District incurs arising out of their piping the ditch
- The property owner will reimburse the District for all costs the District incurs (primarily legal and engineering costs) related to this easement
- The agreement will be reviewed and approved by the District's water attorney and engineer

Directors Flynn, Barry, Hinmon and Eck voted in favor and Director Bourke abstained.

Upper Eagle Regional Water Authority Application (Case 15CW3032)

Earlier this year Balcomb & Green and Zancanella & Associates recommended that the District file a statement of opposition to the water rights application filed by Upper Eagle Regional Authority (UERWA) for a new well field near the confluence of Lake Creek and the Eagle River, and related plan for augmentation incorporating UERWA interests in the Brett and Creamery ditches on Lake Creek. Mr. Geiger reported that UERWA had requested to meet with Mr. Zancanella and himself to discuss their application and the District's plans to file the change applications for Lake Creek Meadows reservoir and ditch.

Kelly Property Water Channel

It was reported that a group of property owners have met with the Kelly's and they have jointly reached a conclusion that the stream channel through the Kelly's' property located at 119 Brook Place needs to be restored to its historic condition. The Board agreed that the Lake Creek Meadows Homeowners Association may have more jurisdiction related to this matter and the District is not involved.

Operations The Board reviewed the October Operations report. Mr. Zancanella reported that the water system's unaccounted consumption rate was 15.6% in September and 27.6% in October. Zancanella & Associates will continue to investigate why the unaccountable consumption continues to increase.

The Lake Creek water tank and Cattlemen's water tank were inspected and cleaned on September 22nd. Both tanks are generally in good condition. The Lake Creek water

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tank shows signs of corrosion in the piping that will have to be addressed, but not before the next inspection which will occur in five years. The Cattlemen's water tank had some minor corrosion of the internal components.

At 6:22 p.m. Mr. Denison and Mr. Geiger left the meeting.

Mr. Zancanella recommended that property owners use magnetic meters for all new diversion installations.

At 6:37 p.m. Messrs. Tom and Tony Zancanella left the meeting.

2016 Budget Hearing

Mr. Marchetti reviewed the District's 2016 preliminary budget numbers noting that the Operating mill levy will increase from 3.605 mills to 7.296 mills and the Debt Service mill levy will decrease from 6.853 mills to 3.162 mills with the total mill levy decreasing from 10.458 mills to 9.000 mills.

Mr. Marchetti reviewed the District's future forecast and outstanding debts noting that one bond will be paid off in December 2015 and the other bond will be paid off at the end of 2017.

The meeting was opened up to public comment on the budget. There being no public input, the public session was closed. The Board discussed the 2016 budget and by motion duly made and seconded it was unanimously

RESOLVED to approve the resolution adopting the 2016 budget, to set the mill levy rate and to appropriate funds. A copy of the formal resolution for this purpose is incorporated herein by this reference.

Accounts Payable

The Board reviewed the October accounts payable list and by motion duly made and seconded it was unanimously

RESOLVED to ratify the October accounts payable lists 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 Special Meeting of the Lake Creek Metropolitan District Board of Directors this 29th day of October, 2015.

Respectfully submitted,

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Lake Creek Metropolitan District October 29, 2015 Meeting Minutes

Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors Lake Creek Metropolitan District December 21, 2015

A Special Meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on December 21, 2015, 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

The following Directors participated via conference call:

- Dan Barry

The following Directors were absent and excused:

- Kathleen Eck
- Hatsie Hinmon

Also in attendance were:

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

**Call To
Order**

The Special Meeting of the Board of Directors of Lake Creek Metropolitan District was called to order by Director Flynn on December 21, 2015 at 5:10 p.m.

**Changes to the
Agenda**

No changes were made to the agenda.

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

Minutes The Board decided to postpone the review of the Minutes of the October 29, 2015 Special meeting until the next meeting.

Operations The Board reviewed the December Operations report. Mr. Zancanella reported that the water system's unaccounted consumption rate is due to a leak in the system. They have checked all of the hydrants, PRV and ARV vaults. Mr. Zancanella recommends adding a master meter to the Eagle Crest vault. Utility Tech from Denver has been contacted to resolve the situation.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District December 21, 2015 Meeting Minutes

In October, the Board requested a recommendation and a summary of costs concerning the purchase of additional water rights. Mr. Zancanella presented the draft of an Irrigation Policy, summarizing the review of the water usage and associated augmentation for the existing and future scenarios within the District. Mr. Zancanella recommends that the implementation of an Irrigation Policy will be more effective than the purchase of additional water rights. After discussion, it was decided that the policy adoption would be discussed again at the next meeting.

At 6:00 p.m. Director Barry joined the meeting via conference call, establishing a quorum.

Exchange Application (Case 01CW277 Decree)

As directed, Zancanella and Associates and Balcomb & Green prepared the application to obtain a water right for the reservoir-release exchange operations under the District's plan for augmentation in Case No. 01CW277. Confirming a water right for this exchange does not increase the District's supply, but will make the plan for augmentation consistent with evolving water court standards and more dependable over the long run. After discussion and motion duly made and seconded it was unanimously

RESOLVED to approve filing the application in water court this month.

Tabb (Case 15CW3013)

Zancanella and Associates and Balcomb & Green reviewed a ruling proposed by Bruce Tabb in this case (draft of November 19, 2015). Balcomb & Green believes the ruling will adequately protect the District's water rights from injury by operation of Tabb's water rights. After discussion and by motion duly made and seconded it was unanimously

RESOLVED that Balcomb & Green can stipulate to the entry of the draft ruling on behalf of the District.

24 Hour Posting Notice & Meeting Calendar

The Board reviewed the locations for the notice which is required to be posted 24 hours prior to each meeting (the "24 Hour Notice") and agreed to change the location to the Pump House at 119 Brook Place. The Board reviewed the proposed schedule for the 2016 regular meetings noting that meetings are scheduled for 5:00 p.m. on the second Thursday of each month. After discussion and by motion duly made and seconded it was unanimously

RECORD OF PROCEEDINGS

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RESOLVED to approve the Resolution Regarding Posting Notices for Meetings establishing the Pump House at 119 Brook Place as the posting location for the 24 Hour Notice. A copy of the resolution is incorporated herein by this reference.

FURTHER RESOLVED to establish 5:00 p.m. on the second Thursday of each month as the meeting date for regular meetings of the District Board of Directors in 2016.

Election Resolution

The board seats of Directors Flynn, Bourke, Barry, Hinmon, and Eck are available for election on May 3, 2016 and the District is required to call an election for these seats. By motion duly made and seconded it was unanimously

RESOLVED to adopt the Resolution Calling for the 2016 Regular District Election. A copy of the formal resolution is incorporated herein by this reference.

Records Retention Policy

The District's attorney prepared a resolution outlining the procedure for records retention of the District's public documents. Upon motion duly made and seconded it was unanimously

RESOLVED to adopt the Records Retention Policy as presented. A copy of the Resolution which is incorporated herein by reference shall be retained in the District's permanent records.

Accounts Payable

The Board reviewed the November accounts payable list and by motion duly made and seconded it was unanimously

RESOLVED to ratify the November accounts payable lists as presented.

The Board reviewed the December accounts payable list and by motion duly made and seconded it was unanimously

RESOLVED to approve the December accounts payable lists as presented.

At 6:15 p.m. Director Barry left the meeting.

Other Business

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District December 21, 2015 Meeting Minutes

The Lake Creek Meadows HOA is reviewing methods towards improving the safety of the corner of Lake Creek and W Lake Creek Road. The Board discussed traffic patterns and the possibility of adding a three-way stop at this corner. Ken Marchetti will submit a request to the county.

Edwards Community

Authority Update

Director Flynn reported that the ECA is looking for permanent funding sources. There is a potential to redefine the boundaries of the ECA to be 100% within the Edwards Metro District.

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 Special Meeting of the Lake Creek Metropolitan District Board of Directors this 21st day of December, 2015.

Respectfully submitted,



Secretary for the Meeting