
RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of Lake Creek Metropolitan District June 2, 2022

A special meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on June 2, 2022 at 4:00 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, Eagle County, Colorado with an option to attend via electronic Zoom meeting <https://us02web.zoom.us/j/85085733693>, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Kathleen Eck (zoom)
- Ann Bourke
- Anne McGonagle (zoom)
- Hatsie Hinmon

The following Director was appointed but not acting, pending completion of Oath of Office:

- John Horan Kates, Resident (Zoom)

Also in attendance:

- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver LLC, secretary for the meeting
- Kendra Nicholson, Marchetti & Weaver, LLC
- Tony Zancanella, Zancanella & Associates (Zoom)
- Chris Geiger, Balcomb and Green (Zoom)

Call To Order

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:07 p.m. by Director Hinmon on June 2, 2022 noting a quorum was present, All participants were able to hear one another clearly. There were no conflicts of interest disclosed.

Agenda

The legal discussion was moved to the top of the agenda and a discussion item for the District's Due Diligence report for conditional water rights due before June 30, 2022 was added.

Public Comment

There was no public comment.

Legal

Chris Geiger gave an overview of water augmentation supplies and how they are used. He explained that due diligence is required every 6 years for the conditional rights to prove they are still needed and to provide detail on the planned use of the conditional rights until they become absolute. Mr. Geiger then spoke about a plan being developed to apply for absolute rights at the next due diligence filing. He

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District June 2, 2022 Meeting Minutes

does not believe there is sufficient evidence or basis. Mr. Geiger then reviewed the water rights for Moores' pond and the plan for refilling the ponds if they are depleted for any reason. General discussion continued on water rights, water calls and supply, timing for applying for absolute rights, and the priority of the District's rights. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to authorize the filing of an application before June 30, 2022 for finding of reasonable diligence to continue the District's conditional appropriative rights of exchange decreed in Case No. 15CW3117.

Mr. Zancanella reported the new Water Commissioner for this area, Joe "Raymond" Zupancic, has requested an onsite review of the District's water system to include all structures and the well system to take place sometime in June. The State is requesting additional accounting of the District's water use. The Board discussed this unique request with Mr. Zancanella who informed the directors that Mr. Zupancic is seeking to understand the water systems within his jurisdiction.

Minutes Ms. Johnston confirmed that revised minutes had been emailed out prior to the meeting and should replace the minutes in the packet. The Board reviewed the revised minutes and Director Eck went over the revisions and comments she submitted. The Board requested that a note be included in the minutes that states that people attending remotely by telephone can hear and be heard by all participants. There was also general discussion on the diversion channel and if it was represented accurately in the minutes. Following discussion and upon motion duly made and seconded, it was

RESOLVED to approve the February 24, 2022 minutes with revisions suggested.

Board Vacancy

The Board discussed the vacancy following the May 3 election and the letter of intent submitted by John Horan-Kates to fill the vacant seat with a term expiring May 2023. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to appoint John Horan-Kates to the Lake Creek Metropolitan District Board of Directors until the next election in May 2023.

Election

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District June 2, 2022 Meeting Minutes

Of Officers Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to elect the following officers:

Kathleen Eck	President/Chairman
John Horan-Kates	Secretary
Anne Bourke	Treasurer
Hatsie Hinmon	Vice Pres/Asst Secretary/Asst Treasurer
Anne McGonagle	Asst Secretary/Asst Treasurer

The Board requested that Management update all bank accounts to include all Board members as signers. Accounts payable approvers will be the Treasurer with the President as a backup.

SDA

Workshop Ms. Johnston advised the Board of the date and time of the workshop to be presented by the Special District Association (SDA). Directors Eck, Hinmon, Bourke, and Horan-Kates requested Management register them for the June 15 workshop in Eagle-Vail.

Water Operations Report

Mr. Zancanella advised the Board of recent activity on the Kelly property. He reviewed the original 2015 conditions survey that included a spring ditch across the road that feeds from the Tabb property prior to Kelly changes. He then showed the revised survey submitted in 2021 for the new garage that shows the original pipe that runs under the driveway and feeds onto the Kelly property, then continues down the ditch. The original survey provided to the Board does not show the diversion of the creek that was dug out by the Kellys.

The Board continued its discussion of the diversion of East Lake Creek made by the Kelly's in the summer of 2014, noting that the restoration effort which was intended to restore the area of the creek, which had been dug out and diverted by the Kelly's, to its original condition. It was noted that the area to be restored is most likely on the Spector property, as the Spector, Eck and Woodard property lines extend across the entirety of East Lake Creek to the other side of the creek. The restoration effort, which included placing rocks into the area where the diversion begins (which is on the Spector property), does not appear to be effective. The diversion now runs all year and Director Eck commented that they are not able to access their property across the creek. There was further discussion on the precedential impact of the Kelly diversion. Director Eck volunteered to have her husband, Dr. Jack Eck, contact Mr. Spector to discuss the current condition of the diversion. She will report back to the Board.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District June 2, 2022 Meeting Minutes

Capital Projects

Update

The Variable Frequency Drive Pumps (VFD) are approaching the end of their useful life and the fans have been replaced. An estimate is being prepared for replacement of all 3 VFDs. The installation of the new Vault has been postponed until fall due to run off. Mr. Zancanella reviewed the water usage graph and trending overall is looking normal. Although total water production is down, the unaccountable water, which should be around 10-12% for a system the size of the District's, is high at over 20%. Possible reasons for the high unaccountable water are water meters may need to be replaced since they are at the end of their useful life or there are undetected leaks in the system. General discussion continued on capital projects, projected costs, timing to fix the various components of the system and how to prioritize the projects such as replacement or construction of a new well which should take precedence over meter replacements. Mr. Marchetti and the Board discussed the advisability of holding a work session to review the capital plan, determine the priority and cost of capital projects and other appropriate topics, including the possible issuance of bonds, availability of grants and other funding sources.

Water

Features

The Board tabled this discussion until the next meeting.

Financial

Statements

Mr. Marchetti reviewed the April 2022 financial statements. It is not a property tax reassessment year however the residential assessment rate is being lowered moderately by the State Legislature. The District is levying the maximum amount per its voter authorization and it is all being used for operations and capital replacement since the District does not have any debt at this time. Water rates were raised for 2022 and expenses are tracking as expected so far. Mr. Marchetti called out the rapid depletion of the fund balance projected through 2023 resulting from the high amount of capital projects. There was additional discussion on having a special work session to review the capital plan, determine necessary projects and their priority and how to pay for them. There was general discussion on bond rates and potential grants, other funding sources need to be looked into to complete the projects.

Electronic Funds

Transfer

Policy

The Board tabled review of the policy until next meeting.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District June 2, 2022 Meeting Minutes

Accounts

Payable

Mr. Marchetti reviewed the accounts payable list included in the packet. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Accounts Payable List as presented.

Accounts

Receivable

Ms. Johnston reviewed the accounts receivable report and reported that the past due account on the report has been paid in full. There are no other accounts of concern at this time.

Other

Financial

There was general discussion of property that is under contract, and the potential for the new owner to request inclusion in the District. Following a short discussion, the Board agreed it would consider the request at the time it is made.

Landscaping

Proposal

The Board reviewed the proposal from Whittaker Landscape Services for irrigation service for the summer. Ms. Johnston confirmed that the proposal had been sent to the Board via email for review. Upon motion duly made and seconded, it was unanimously

RESOLVED to ratify the Irrigation proposal dated March 11, 2022 by Whittaker Landscape Services.

LCMHOA

Update

Director McGonagle gave an update on Association business explaining there is little to report since no meeting has been held since February at which the Ferguson new home project was rejected. She announced that the 2022 annual meeting was scheduled for June 21 at 4 pm and the annual owner picnic was scheduled for July 23, 2022 at 5 pm at the Wheeler's residence.

Calendar

The Board reviewed the meeting calendar and confirmed the next meeting would be August 11 at 4:00 pm. The Board also scheduled a Capital Projects Work Session for June 30, 2022 at 1:00 p.m.

RECORD OF PROCEEDINGS

Lake Creek Metropolitan District June 2, 2022 Meeting Minutes

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

RESOLVED to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 2nd day of June, 2022.

Respectfully submitted,
/s/ Kendra Nicholson
Kendra Nicholson
Secretary for the Meeting