

---

# RECORD OF PROCEEDINGS

---

## Minutes of the Special Meeting of the Board of Directors of Lake Creek Metropolitan District February 18, 2021

A special meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on February 18, 2021 at 4:00 p.m., via electronic Zoom meeting <https://zoom.us/join>, Phone Only US 1 253 215 8782, Meeting ID 846 7994 7828, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

**Attendance** The following Directors were present and acting:

- Kathleen Eck
- Dan Barry
- Hatsie Hinmon
- Anne McGonagle

The following Director was absent and excused:

- Ann Bourke

Also in attendance:

- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver LLC, secretary for the meeting
- Chris Geiger, Balcomb and Green
- Tony Zancanella, Zancanella & Associates
- Tom Zancanella, Zancanella & Associates
- Matt Bowles, Zancanella & Associates

### **Call To Order**

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order by Mr. Barry on February 18, 2021 noting a quorum was present.

### **Conflict of Interest**

Director Barry stated that he is the filer of the Application for Water Rights of Daniel S Barry Case 20CW3184 on the agenda resulting in a conflict of interest for that matter.

### **Agenda**

There were no changes to the meeting agenda.

### **Public Comment**

There was no public comment.

### **Water Case 20CW3147 Pilgrim**

#### **Downs**

Mr. Geiger reviewed the current water case application for Change of Water Rights and Amendments to Plans for Augmentation filed by Pilgrim Downs HOA and gave background of previous applications for augmentation stating that this new case allows them to address a potential flaw in the other cases which may have resulted in too much water allocated to the designated retention ponds. Mr. Geiger confirmed that a

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District February 18, 2021 Meeting Minutes

---

statement of opposition was filed by the District. Discussion continued on other opposition statements filed against the application and District expectations for the engineering and legal teams in this case.

Mr. Geiger reviewed the general reasons to file an application for water rights and the rights of users to file opposition with continued discussion on water diversions and calls with regard to water decrees. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to ratify filing an opposition statement to Water Case 20CW3147.

### Water Case 20CW3168

**Eck/Benbow** Mr. Geiger provided background on the Eck/Benbow well, potential uses for the water and speculation of adequate supply for those uses. Director Eck stated that she and her husband, Jack Eck, are not related to the applicant in this filing. Mr. Geiger reviewed the application submitted by James J Eck Dynasty Trust and Louann Benbow for Absolute Underground Water Right, Absolute Storage Rights, Approval of Augmentation Plan and Conditional Appropriative Right of Exchange and reasons for the recommended opposition by the District including a lack of augmentation plan in the event of a call and no option for diversion to West Lake Creek since the source is ground water from a well. Discussion continued on the intent of the application, administrative definitions, accounting for the water, and other potential opposers to the application. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to file an opposition statement to Water Case 20CW3168 by the deadline of February 28, 2021.

### Water Case 20CW3184

**Barry** Mr. Geiger reviewed the application submitted by Daniel S. Barry for Absolute Water Storage Right explaining it is to establish water rights for an existing pond. Mr. Geiger does not recommend the District oppose the application since it includes an augmentation plan and provides direct diversions to Lake Creek in the event of a call. Director Barry explained that the purpose of the pond was to aid in fire suppression efforts and is expected to be filled 4 to 5 months per year and the pond could be filled or drained on demand directly by East Lake Creek. Discussion continued on the location of the pond and estimated evaporation depletion. Following discussion, and upon motion duly made and seconded, with Director Barry abstaining from the vote, it was unanimously ,

**RESOLVED** to not file an opposition statement to Water Case 20CW3184.

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District February 18, 2021 Meeting Minutes

---

### **Blanket Augmentation**

**Plan** There was general discussion on a blanket Augmentation Plan for the District. Mr. Zancanella reviewed possible call scenarios on Lake Creek, and the Eagle and Colorado Rivers. He reviewed how calls on the water were made and priority for water is determined. Discussion continued on the potential benefits of the District having a blanket augmentation plan with updated assumptions based on current growth projections for Lake Creek and the surrounding areas. The Board requested Mr. Zancanella and Mr. Geiger prepare a presentation outlining a potential plan for the Board to consider at their next meeting.

### **Zancanella Conflict**

**of Interest** Mr. Zancanella raised a potential conflict of interest between the District and another client. Mr. Zancanella presented to the Board a request to represent the Too Well Ranch, LLC property that is located upstream of the District and the Creamery Ditch on East Lake Creek. The property owners, Sam and Kelly Bronfman, purchased the property years ago in Lake Creek and have asked Zancanella and Associates to represent them on a senior water rights transfer on their property. The Bronfman's are currently dealing with historical access and ditch easements and proposing to transfer their irrigation credits in upstream senior ditches, downstream to a proposed pump station off of East Lake Creek for the continued use on their property. Following discussion, the Board thanked Mr. Zancanella for bringing it to their attention and did not object to Zancanella and Associates representing the Bronfmans.

### **Future Meetings**

The Board confirmed that the next meeting would be held on February 25, 2021 at 4:00 pm.

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

**RESOLVED** to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 18th day of February, 2021.

Respectfully submitted,



Beth Johnston  
Secretary for the Meeting

---

# RECORD OF PROCEEDINGS

---

## Minutes of the Meeting of the Board of Directors of Lake Creek Metropolitan District February 25, 2021

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on February 25, 2021 at 4:00 p.m., via electronic Zoom meeting <https://zoom.us/join>, Phone Only US 1 253 215 8782, Meeting ID 829 2945 4620, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

**Attendance** The following Directors were present and acting:

- Kathleen Eck
- Dan Barry
- Ann Bourke
- Anne McGonagle

The following Director was absent and excused:

- Hatsie Hinmon

Also in attendance:

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

**Call To  
Order**

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order by Mr. Barry on February 25, 2021 noting a quorum was present.

**Conflict of  
Interest**

Director Barry stated that he is the filer of the Application for Water Rights of Daniel S Barry Case 20CW3254 on the agenda resulting in a conflict of interest for that matter.

**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. There was general discussion on sending minutes to the Board timelier after the meeting. Following discussion and upon motion duly made and seconded, it was

**RESOLVED** to approve the October 8, 2020 minutes as presented.

---

# RECORD OF PROCEEDINGS

---

Lake Creek Metropolitan District February 25, 2021 Meeting Minutes

---

## **Water Augmentation Plan**

Mr. Geiger reviewed the concept of a blanket water augmentation plan, what it would involve, and the steps for creating one for the District. A subscriber model of augmentation was proposed, however more information, modeling and analysis for the District's requirements would be needed to develop a comprehensive plan. Mr. Geiger explained that the District already has a decreed plan for augmentation from various sources. The new plan would take into consideration future uses and the potential need for additional water rights in case of potential calls. Discussion continued on water rights, use, encouraging conservation, costs of an augmentation plan and how to charge users of the plan. Mr. Marchetti said it would be possible to develop a fee structure that charges only those users that directly benefit from the augmentation plan and Mr. Geiger noted it would allow the District greater control over the water and its uses.

Following discussion, the Board requested that Mr. Geiger and Mr. Zancanella proceed with the suggested modeling and analysis so as to present a plan at the next District meeting.

## **Water Operations Report**

The Board reviewed the Water Production and Consumption Analysis reports included in the packet noting that there were no major leaks at this time. Mr. Zancanella reviewed the capital projects budgeted for 2021 including fixing the pumphouse piping and replacing the brass fittings with stainless steel; the PRV replacement project was moving forward and refurbish of Well #2 with a jet stream cleaning to increase water production without having to drill a new well.

## **Fire Hydrant Project**

Mr. Zancanella reported that the fire hydrant project was moving forward. The surveys had been completed and there were four easements that would need to be obtained. Three additional hydrants above the original estimate were identified for installation .

Mr. Zancanella reviewed the Fire Hydrant Assessment Report included in the packet identifying the District's system and the current fire suppression codes. Phase 1 identified in the plan was underway with the installation of new hydrants. Phase 2 of the project includes pressurized distribution of system to the top of Lake Creek. The current domestic lines installed would not provide the necessary water flows required under current IFC standards for a fire suppression system, however it was deemed adequate for the classification of a rural water system. A rough estimate of \$300,000 was given to upgrade the water lines plus \$500,000 to upgrade the pump station to provide necessary water flows and pressure. Discussion continued on existing conditions within the District as well as the benefits, drawbacks, and responsibility of upgrading the system, especially for areas of

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District February 25, 2021 Meeting Minutes

---

inclusion at the top of Lake Creek. The Board directed Zancanella and Associates to proceed with planning for installation of both Phase 1 and Phase 2.

Discussion turned to potential financing sources, including bonds, for upgrading the system to meet current code. Mr. Marchetti advised that an election would most likely be required to authorize the Board to issue bonds and discussion turned to communications with constituents and the process and timeline for an election to be held in November. The Board directed Marchetti & Weaver to investigate the best manner to proceed with issuance of bonds for financing the water system improvements.

### **Financial Statements**

Mr. Marchetti reviewed the 2020 year-end financial statements and long range plan included in the packet. He noted the fund balances, the favorable budget variances and that unspent project funds from 2020 had been moved forward to 2021. The long range plan included an estimated 15% increase to property values to affect the District's budget in 2024 and expenses were increased with annual inflation estimates. Given the District's renewed focus on upgrading the fire suppression system and water augmentation plan, discussion continued on potential funding options including issuance of bonds.

### **2020 Application for Exemption from Audit**

Mr. Marchetti reviewed the 2020 application for exemption from audit included in the meeting packet explaining that it was the same as the year-end financial statements but presented on a State mandated form. Mr. Marchetti also reviewed the Resolution to approve 2020 Application for exemption from Audit. Following review and discussion, upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the 2020 Application for Exemption from Audit;  
and

**FURTHER RESOLVED** to approve the Resolution Approving an  
Exemption from Audit for Fiscal Year 2020.

### **Accounts Payable**

Ms. Johnston reviewed the accounts payable list included in the packet and explained the accounts payable process. Following discussion and, upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Accounts Payable Report as presented.

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District February 25, 2021 Meeting Minutes

---

### Posting Location

**Resolution** The Board reviewed the posting location resolution included in the packet. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolution Designating Location to Post Notice.

### Parking

Director Barry reported that he had spoken with Eagle County who told him that on street parking was prohibited on all roads in Lake Creek. The HOA Board would be addressing the issue in the spring and evaluate if increased signage was necessary.

### Future

**Meetings** The Board requested that a special meeting be held May 13, 2021 at 4:00 pm to follow up on items discussed in today's meeting especially the water augmentation plan presentation, potential election and bond issue.

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

**RESOLVED** to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 25th day of February, 2021.

Respectfully submitted,



Beth Johnston  
Secretary for the Meeting

---

# RECORD OF PROCEEDINGS

---

## Minutes of the Meeting of the Board of Directors of Lake Creek Metropolitan District May 13, 2021

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on May 13, 2021 at 4:00 p.m., via electronic Zoom meeting <https://zoom.us/join>, Phone Only US 1 253 215 8782, Meeting ID 829 2945 4620, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

**Attendance** The following Directors were present and acting:

- Kathleen Eck
- Ann Bourke
- Anne McGonagle

The following Directors were absent and excused:

- Hatsie Hinmon
- Dan Barry

Also in attendance:

- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver LLC, secretary for the meeting

### **Call To Order**

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:08 p.m. by Mr. Marchetti on May 13, 2021 noting a quorum was present. There were no conflicts of interest disclosed.

### **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. Upon motion duly made and seconded, it was

**RESOLVED** to approve the February 18, 2021 minutes as presented; and

**FURTHER RESOLVED** to approve the February 25, 2021 minutes as presented.

### **Water Reports**

The Board reviewed the Water Production and Consumption Analysis reports included in the packet.

### **Capital Projects**

Mr. Zancanella reported on the water system capital projects:

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District May 13, 2021 Meeting Minutes

---

- The Pumphouse project was complete and the pumphouse back online. All of the corroded piping and fittings were replaced with new stainless steel hardware. There was a small leak found and it would be repaired under warranty.
- All parts for the Meadow Road PRV repair were in.
- The Creamery Ditch head gate plans and design were complete. The ditch gate would be regouted in the next week.
- There was no further information on the blanket water augmentation plan. The Board requested that the plan be presented at the next meeting.
- Well #1 may need to be replaced sooner than anticipated due to increased production demands. The flows of Lake Creek would continue to be monitored to gauge the impacts to the Wells #1 and #2.
- The Fire Suppression and Hydrant Installation project was moving forward. The temporary and permanent easements had been sent out to the identified owners at the end of April and several had been received back already. Following further analysis, four additional hydrants were recommended for installation for a total of 16 throughout the District. Mr. Zancanella explained the Eagle Crest hydrant was going to be installed in the cul de sac and would tap into the existing 4" water line to provide pressurized flow instead of the original plan to add a hydrant to the top of the Eagle Crest pumphouse. The draft hydrant is being installed along the current water line and a generator installed to tap into the existing concrete water tanks which will be filled with water for the summer. It was explained that this setup would provide the most cost-effective, immediate solution for that area and that they will need to reevaluate installing fully pressurized 8" line to Eagle Crest. Mr. Zancanella reviewed the updated estimate for the project including the additional hydrants and other costs such as the easements bringing the project total to \$467,400.
- Mr. Zancanella reported that the plans and specifications for replacement of the Brook Place PRV vault were complete and ready to go out to bid. Mr. Zancanella reviewed the updated proposal from EFI for construction of the vault and confirmed that the generator to be installed at Brook Place has been ordered.

There was discussion on the Fire Suppression Project and PRV Vault replacement, including timing and urgency of the projects, the projected increases from the original estimates and funds available for the projects. Following discussion, the Board requested that both projects move forward. Upon motion duly made and seconded, it was unanimously

---

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District May 13, 2021 Meeting Minutes

---

---

**RESOLVED** to approve the Equipment Proposal by EFI Solutions for the Below Grade Pressure Reducing Station as submitted; and

**FURTHER RESOLVED** to proceed with the Fire Suppression and Hydrant Installation Project with the updated Engineering cost estimate of \$467,400.

### **Financial Statements**

Mr. Marchetti reviewed the financial statements through March 31, 2021 included in the packet noting that items were tracking as expected. The preliminary assessed value was expected to increase by 12% over last year and a small allowance for protests was included. The forecast with the increased costs to the Fire Suppression Project and PRV Vault was discussed. Long term projects and their costs still needed to be identified and once they were, the District could develop a plan to determine the best financing options including going to voters for potential debt authorization. Discussion continued on the cost of the augmentation plan and the District's fiduciary duty to provide water against the cost to the constituents.

### **Accounts Payable**

Ms. Johnston 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 Report as presented.

### **Accounts Receivable Report**

Ms. Johnston reviewed the accounts receivable report recommending that no action be taken at this time.

### **Reimbursement**

#### **Resolution**

Mr. Marchetti reviewed the Reimbursement Resolution explaining that it preserves the District's option to finance the Fire Suppression Project at a later date without obligating the District to issue debt. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Reimbursement Resolution for the Fire Suppression Project.

### **Vendor 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

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District May 13, 2021 Meeting Minutes

---

the Board via email in April. Following review and upon motion duly made and seconded, it was unanimously

**RESOLVED** to ratify the Irrigation proposal dated February 26, 2021 by Whittaker Landscape Services.

### **Future**

**Meetings** The Board confirmed the next meeting for June 10, 2021 at 4:00 pm.

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

**RESOLVED** to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 13th day of May, 2021.

Respectfully submitted,



Beth Johnston  
Secretary for the Meeting

---

# RECORD OF PROCEEDINGS

---

## Minutes of the Meeting of the Board of Directors of Lake Creek Metropolitan District August 12, 2021

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on August 12, 2021 at 4:00 p.m., in the Marchetti & Weaver conference room, 28 Second St, Ste 213, Edwards, Eagle County, Colorado, with an electronic Zoom option, in accordance with the applicable statutes of the State of Colorado.

**Attendance** The following Directors were present and acting:

- Hatsie Hinmon
- Ann Bourke
- Anne McGonagle
- Dan Barry

The following Director was absent and excused:

- Kathleen Eck

Also in attendance:

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

### Call To Order

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:04 p.m. by Director Barry on August 12, 2021 noting a quorum was present. There were no conflicts of interest disclosed.

### 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. Mr. Zancanella confirmed the accuracy of the fire hydrant installation section. Upon motion duly made and seconded, it was

**RESOLVED** to approve the May 13, 2021 minutes as presented.

### Legal Memo

The Board reviewed the legal memo from Balcomb and Green included in the packet.

### Blanket Augmentation

#### Plan

Mr. Geiger reviewed the process that he and Mr. Zancanella took to analyze the need for a blanket augmentation plan for the District summarizing that the District may have enough water if it is accounted for differently. Mr. Zancanella reviewed

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District May 13, 2021 Meeting Minutes

---

the current irrigation water available and the method used to account for it. Currently, all of the water is consolidated and accounted for using the wells. General discussion continued on the remaining Equivalent Residential Units (EQRs), current irrigation usage, with the limiting factor of water availability being the ability to pump from the wells. The following changes were recommended:

- Properties next to the creek and ditches need to take irrigation water from the creek and ditches instead of from the wells. This allows separation of the water rights and maximizes current available priorities.
- Future water reports will separate out well versus creek/ditch water use based on meter usage.

Discussion continued on encouraging use of creek and ditch water for irrigated properties, contractual limitations on inclusion properties and the EQR summary included in the packet. Following discussion, it was determined that the District has sufficient water for current and future needs and Mr. Geiger and Zancanella both recommend that no further action be taken on the Blanket Augmentation plan at this time.

### **Water Operations**

#### **Report**

Mr. Zancanella reported that the negative unaccountable water in May was due to the pumphouse plumbing and meter replacement. Additional discussion was had on unaccountable water for June and July and replacement of domestic water meters.

### **Capital Projects**

#### **Update**

Mr. Zancanella reported on the following:

- Fire Hydrant Installation – Parts and material are in, Ewing Construction is expected to start installations next week with 360 Civil maybe doing some installations as well, outstanding easements are in process and will be added to the existing permit once finalized, general discussion on construction options and easements.
- PRV Vault – the vault is delayed in shipping with delivery expected in November, Ewing has been contracted to install the Vault in spring 2022.

### **Draft Replacement**

#### **Model**

Mr. Zancanella reviewed the Water System Component Replacement and Amortization Model included in the board packet explaining it was based on a prior study with updated pricing and expected life projections. The model assumed that that the 6” main lines were suitable for a rural fire suppression system and that the Eagle Crest tanks would remain filled year round. There was general discussion on the timing of asset replacement, adding an additional well in the future, and installation of a backup generator for the Eagle Crest system. Discussion continued on water rates, tap fees and plant investment fees and integration of the replacement schedule into the District’s long range plan. The Board requested that Mr.

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District May 13, 2021 Meeting Minutes

---

Zancanella contact Mr. and Mrs. Kelly about installing a dual purpose three-phase generator as backup for the District water system on their property.

### **Financial Statements**

Mr. Marchetti reviewed the financial statements included in the packet . General discussion continued on District's cash position, absence of debt, and preliminary assessed value. Expenses were tracking as expected with some questions on capital projects due to shortages of available labor and delays with materials procurement.

### **Budgets**

Mr. Marchetti stated the meeting had been published as the public hearing to adopt the 2022 Budget and Amend the 2021 Budget, if needed. The public hearing was opened to take comments on the preliminary 2021 amended budget and 2022 budget. The Board reviewed the 2021 forecast, 2022 preliminary budget, operations and capital expenses. The Board requested more information on the future capital projects and funding options. Following discussion, the 2021 Amended Budget and 2022 Budget hearings were continued to the next meeting.

### **Accounts Payable**

Ms. Johnston confirmed that an updated Accounts Payable was emailed to the Board prior to the meeting. The Board reviewed the updated Payables list and there was discussion on the capital projects and Marchetti invoices. Following discussion and, upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Accounts Payable Report as presented.

### **Accounts Receivable**

Ms. Johnston reviewed the Accounts Receivable Report for the District distributed via email to the Board. No action was taken.

### **IGA with CSD Pool**

Mr. Marchetti and Ms. Johnston reviewed the Intergovernmental Agreement included in the packet. There was discussion on coverage needed for the District and types of coverage provided by Colorado Special District Pool. Following discussion and, upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool.

### **Other Business**

Director Barry announced that the Eagle River Park Development project was scheduled to go before Eagle County planning commission in early September.

### **Future Meetings**

The Board confirmed the next meeting for October 14, 2021 at 4:00 pm.

---

## RECORD OF PROCEEDINGS

---

Lake Creek Metropolitan District May 13, 2021 Meeting Minutes

---

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

**RESOLVED** to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 12th day of August, 2021.

Respectfully submitted,



Beth Johnston  
Secretary for the Meeting

SUBJECT TO APPROVAL

---

# RECORD OF PROCEEDINGS

---

## Minutes of the Meeting of the Board of Directors of Lake Creek Metropolitan District October 14, 2021

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on October 14, 2021 at 4:00 p.m., via electronic Zoom meeting, <https://us02web.zoom.us/j/82929454620>, phone only US 1 253 215 8782 Meeting ID: 829 2945 4620, in accordance with the applicable statutes of the State of Colorado.

**Attendance** The following Directors were present and acting:

- Hatsie Hinmon
- Ann Bourke
- Anne McGonagle
- Dan Barry
- Kathleen Eck

Also in attendance:

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

### **Call To Order**

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:02 p.m. by Director Barry noting a quorum was present. There were no conflicts of interest disclosed.

### **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 noted some spelling errors. Upon motion duly made and seconded, it was

**RESOLVED** to approve the August 12, 2021 minutes with suggested spelling corrections.

### **Water Operations Report**

Mr. Zancanella reported that consumption was higher than normal due to the leak found on Meadow Road that has been fixed. One complaint on the leak repair work was that the shoulders needed to be reseeded which will be completed in conjunction with the hydrant project revegetation.

---

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District October 14, 2021 Meeting Minutes

---

---

### Capital Projects

#### Update

Mr. Zancanella gave updates on the following capital projects:

- Creamery Headgate Replacement – A contractor has been secured to complete the work this fall.
- Brooks Place PRV – The vault is expected to be shipped in November and installation by Ewing Trucking will be completed in Spring 2022 to avoid additional costs of a winter installation.
- Fire Hydrant Installation – The project is in process with two hydrants installed. Ten more hydrants are expected to be installed by next week with additional hydrants installed as weather permits. Any hydrants not installed this fall will be done in Spring 2022.
- Brook Place Transfer Switch – The transfer switch has been installed and can now be hooked up to a generator.
- Eagle Crest Booster – a float has gone bad and will be replaced in October.
- Pumphouse Generator – The Kelly's are no longer interested in sharing a generator with the District. Discussion was had the type of generator needed to run the District's infrastructure and where to install the generator. Following discussion, the Board requested that Zancanella and Associates move forward with finding a sound-reduced 3-phase generator to be installed on District property near the pumphouse and to look into additional enhanced sound insulation to mitigated potential noise.

#### Legal

Mr. Geiger updated the Board on the following issues:

- 1521 Lake Creek Inclusion – 1521 Lake Creek was included in the District in 1994, has the same rights as all Lake Creek Metro District owners, and should receive 1.7 EQR with irrigation from Lake Creek as long as the conditions of the inclusion have and are being met. Discussion continued on the property's separate water rights to a small spring on the property, installation of a meter to monitor creek usage, general discussion on ornamental versus beneficial usage of water and the effect of low creek levels on overall home values. Following discussion, the Board decided to table installation of a creek meter pending further research.
- Opposition cases – responses to the draft rulings were submitted and awaiting a response.
- Bellyache Ridge request for temporary water source – Mr. Zancanella explained that due to the ongoing drought, Bellyache Ridge may experience extremely low water levels insufficient to supply their users over the winter without a temporary water source. Mr. Geiger reviewed the request from Bellyache Ridge to purchase water from the District and have it trucked into Bellyache Ridge to fill their supply tanks. Mr. Geiger explained that the District's water rights required that any District water used needed to be returned back into Lake Creek. Since Bellyache Ridge did not drain back into the Lake Creek water basin, the District's water could not be transported into that area for use. Following discussion, the Board

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District October 14, 2021 Meeting Minutes

---

expressed their regret that the District could not be a potential water provider for Bellache Ridge.

### **Clarification to Water Rules and**

**Regulations** Ms. Johnston reviewed the suggested clarifications to sections 5.2.4 and Exhibit A section 3 of the Water Rules and Regulations explaining that the clarifications were minor and did not constitute an amendment. After discussion on the suggested clarifications, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the clarifications to the suggested sections of the Water Rules and Regulations.

### **Tap Permit and Plant Investment Fee**

**Application** Ms. Johnston explained to the Board that two owners recently needed to complete the tap fee application, one for an addition to an existing home and another for new construction. During the process, it was determined that the previous application should be updated to provide more clarity to the applicant and provide the necessary information for the District to review. Ms. Johnston reviewed the updated application and how the District calculated the tap fee and plant investment fee. Discussion continued on the calculations, who should be charged the fee, how credit for existing structures was calculated and if the fees should be increased. Following discussion, the Board decided to table the application review to the next meeting.

### **Water System Replacement**

**Schedule** Mr. Marchetti introduced the Water System Replacement Projection prepared by Zancanella and Associates identifying upcoming capital projects for the District. Mr. Marchetti explained that the identified projects have been incorporated into the District's financial statements and long range financial projections.

### **Financial Statements**

Mr. Marchetti reviewed the financial statements included in the packet. The capital project costs identified in the Water System Replacement Schedule were reviewed highlighting the large expenses of the hydrant replacement program, to upgrade the fire suppression system, backup generator and replacement of the wells. If the District proceeds with all these improvements it will need to borrow approximately \$1.6 million. The annual debt service on this amount is estimated to be approximately \$130,000 which will take a mill levy increase of approximately 6 mills in the District's mill levy rate. A 6 mill increase will result in an annual property tax increase of \$429 per \$1 million of home value.

Mr. Marchetti explained that if the District wanted to borrow funds to finance any of the water projects, it would need to go to election for voter authorization to incur debt and to raise the mill levy. Mr. Marchetti reviewed the requirements for a

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District October 14, 2021 Meeting Minutes

---

TABOR election to approve new debt and recommended a May 2022 election so construction on the projects could be started in 2022. General discussion continued on putting together a plan to educate the community, possible alternatives to provide fire protection to Eagle Crest, the potential of paying for some of the improvements through increased water user fees, and the potential to phase installation of some of the improvements to lessen the near-term costs to the District.

### **Water Rate Increase**

Mr. Marchetti stated that the Notice 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 requested a projection of potential water rate and fee increases to be prepared for consideration. The public hearing to consider a rate increase was continued to the next meeting.

**2022 Budget** Mr. Marchetti stated the meeting was a continuation for the public hearing to adopt the 2022 Budget. The public hearing was reopened to take comments on the proposed budget. Mr. Marchetti explained the budget assumed a 5% increase across most expense line items due to raising inflation, that water user fees were kept the same, and most expenses were consistent with an extra budget for water legal for the opposition cases. The Board reviewed the 2022 proposed budget, operations and capital expenses, noting that some of the capital projects would carry over into 2022. Following review and discussion, the public hearing was closed. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolutions to Adopt the 2022 Budget, subject to moving any unspent capital funds from 2021 to 2022 and other minor adjustments; and

**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 2022 subject to moving any unspent capital funds from 2021 to 2022 and other minor revisions.

### **Accounts Payable**

Ms. Johnston confirmed that an updated Accounts Payable List was emailed to the Board prior to the meeting. The Board reviewed the updated list. Following discussion and, upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the updated Accounts Payable List as presented.

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District October 14, 2021 Meeting Minutes

---

### Accounts

**Receivable** Ms. Johnston reviewed the Accounts Receivable Report for the District distributed via email to the Board. No action was taken.

### Other

**Business** Ms. Johnston introduced a request received inquiring if water features were allowed within the District. Discussion on water features was had including if the proposal had been presented to the HOA, how water for the features would be accounted for, where water feature water would be returned and if ornamental water features were an acceptable use of the District's water. Following discussion, the Board asked Management to request plans of the water feature for the District to review.

### Future

**Meetings** The Board confirmed the next meeting for November 11, 2021 at 4:00 pm. The Board reviewed the 2022 meeting calendar included in the packet but tabled action until the next meeting.

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

**RESOLVED** to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 14th day of October, 2021.

Respectfully submitted,



Beth Johnston  
Secretary for the Meeting

---

# RECORD OF PROCEEDINGS

---

## Minutes of the Meeting of the Board of Directors of Lake Creek Metropolitan District November 11, 2021

A meeting of the Board of Directors of the Lake Creek Metropolitan District, Eagle County, Colorado, was held on November 11, 2021 at 4:00 p.m., via electronic Zoom meeting, <https://us02web.zoom.us/j/82929454620>, phone only US 1 253 215 8782 Meeting ID: 829 2945 4620, in accordance with the applicable statutes of the State of Colorado.

**Attendance** The following Directors were present and acting:

- Hatsie Hinmon
- Ann Bourke
- Anne McGonagle
- Dan Barry
- Kathleen Eck

Also in attendance:

- Tony Zancanella, Zancanella & Associates
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver LLC, secretary for the meeting

**Call To  
Order**

The meeting of the Board of Directors of the Lake Creek Metropolitan District was called to order at 4:05 p.m. by Director Barry noting a quorum was present. There were no conflicts of interest disclosed.

**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 upon motion duly made and seconded, it was

**RESOLVED** to approve the October 14, 2021 minutes as presented.

**Tap Permit and  
Plant Investment Fee**

**Application** The Board continued review of the Tap Permit and Plant Investment Fee Application including the lay out, information requested and verbiage updated since last meeting. General discussion was had on how the Plant Investment fee should be applied and the amount of revenue that may be generated. Further discussion was had on the verbiage used in the Rules & Regulation for secondary dwelling versus accessory dwelling unit as used in the HOA Design Guidelines. Director Eck volunteered to work on a red-line version clarifying the Rules for presentation to the Board at the next meeting. Following discussion, and upon motion duly made and seconded, it was unanimously

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District November 11, 2021 Meeting Minutes

---

**RESOLVED** to approve the Tap Permit and Plant Investment Fee Application as presented.

### **Proposed Water**

**Feature** The Board reviewed the site plans submitted for a water feature to be installed at a proposed new home at 588 Eagle Crest. Mr. Zancanella noted that the District's water rights may restrict usage of District water for beneficial uses only and recommended that Mr. Geiger be consulted on proposed uses that may be considered non-beneficial uses. Discussion turned to water features already in place, if fees need to be imposed, if new water features should be allowed, and beneficial versus aesthetic use of District water. Following discussion, the Board agreed that the home should go through the HOA DRB process and tabled discussion on the water feature pending further input from Mr. Geiger and the DRB.

### **Water Operations**

**Report** Mr. Zancanella reported that all but one of the fire hydrants have been installed and the hydroseeding was mostly completed. The remaining hydrant would be completed in the spring once owner approval for an easement was obtained. During the hydrant installation, it was found that the 6" line runs the entire length of Elk Place so a booster may only be needed for the top of Eagle Crest. There are 4 20,000 gallon fiberglass water tanks at the top of Eagle Crest that could be dedicated water storage for fire use with a draft hydrant, then install 4" pressurized hydrant to the supply. Mr. Zancanella will verify all systems with the fire district and make recommendations to the Board on next steps.

### **Capital Project**

**Financing** Mr. Marchetti reviewed provisions included in the packet including water rates, potential bond issue, and timing of capital projects. General discussion was had on timing of a bond issue, funding and timeline for a new well and other capital projects. Following this discussion, the Board concluded that it was not necessary to plan for an election for bond issuance at this time, providing more time to determine the District's needs and how to best plan for future capital projects.

### **Water Rate**

**Increase** Mr. Marchetti stated that the Notice To Consider a Rate Increase had been posted on the District's website as required by State statute and was continued from the previous meeting. Mr. Zancanella reviewed the rate comparisons with other Districts included in the packet. Ms. Johnston reviewed the revenue projections explaining the base and different tier rates. Discussion was had on the amount of revenue raised through rate increase, raising revenue based on usage versus mill levy increase, and need for more research and information before going to the voters to ask to raise mill levy or approve debt financing. Discussion continued on water tap and alternative revenue generation options. The Board requested Management prepare an analysis of tap and plant investment fee comparison with

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District November 11, 2021 Meeting Minutes

---

other Districts. Following discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve increasing the base water fee to \$66 per 1 SFE; and

**FURTHER RESOLVED** to approve increasing the Irrigation Season Tier rates as follows: Tier 2 \$3 per 1000 gallons, Tier 3 \$8 per 1000 gallons.

### **Accounts Payable**

Ms. Johnston confirmed that an updated Accounts Payable List was emailed to the Board prior to the meeting. The Board reviewed the updated list and general discussion was had on the hydrant installation expenses. Following discussion and, upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the updated Accounts Payable List as presented.

### **Accounts Receivable**

Ms. Johnston reviewed the Accounts Receivable Report for the District distributed via email to the Board. No action was taken.

### **Legal Counsel for District**

Mr. Marchetti reviewed the letter from Collins, Cockrel and Cole explaining that the practice was splitting into two practices with different special district focuses. Following discussion, and upon motion duly made and seconded it was unanimously

**RESOLVED** to retain Collins Cole Flynn Winn and Ulmer for District legal counsel effective January 1, 2022.

### **2022 Election Resolution**

In May of even numbered years the District is required to have an election. Mr. Marchetti confirmed that the resolution was for a Director election only and reviewed the Resolution to call the election, list the Directors whose terms are up, designates the election official and authorizes the Designated Election Official to cancel the election if there are no more candidates than terms to fill. There was general discussion on terms and recruiting new candidates to join the Board. Following discussion, and upon motion duly made and seconded it was unanimously

**RESOLVED** to adopt the Resolution Calling for the 2022 Regular District Election.

---

# RECORD OF PROCEEDINGS

---

---

## Lake Creek Metropolitan District November 11, 2021 Meeting Minutes

---

### **Future Meetings**

The Board reviewed the 2022 meeting calendar included in the packet with regular meeting proposed for the fourth Thursday of February and second Thursday of May, August, October and November. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve the 2022 Meeting schedule.

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

**RESOLVED** to adjourn the meeting of the Lake Creek Metropolitan District Board of Directors this 11th day of November, 2021.

Respectfully submitted,



Beth Johnston  
Secretary for the Meeting