

Cotton Ranch Metropolitan District

Overview

The Cotton Ranch Metropolitan District ("District") was formed in 1994 and continues as a governmental entity, is a political subdivision of the State of Colorado, and a quasi-municipal corporation. It has an elected Board of Directors consisting of five persons with staggered four year terms. Elections are in May of odd-numbered years.

The primary purposes of the District were and are to finance the infrastructure required by the Cotton Ranch Development, and to provide an ongoing institutional structure for the operation and maintenance of some of that infrastructure, primarily the Irrigation Water System. The primary benefits of utilizing a Colorado Special District include:

1. Limited liability through the Colorado Governmental Immunity Act;
2. The ability to use, among other sources of revenue, the power of taxation to collect the cost of service on an equitable basis, through income tax deductible means;
3. Exemption of the District from Colorado property, sales, and income taxes;
4. Continuing Existence as a Governmental entity with a primary focus of providing service to constituents;
5. An Elected Board of Directors which assumedly reflects the political needs and desires of the constituency.
6. The ability to borrow funds to finance infrastructure using double tax exempt municipal bonds resulting in lower interest rates with the District's debt currently financed at 2.39%

Services

The Service Plan of the District, which was originally approved by the Gypsum Town Council, provides for the District to provide the following services that have been conveyed to the Town of Gypsum; Potable Water System,

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Sewage Collection System and Streets & Drainage. There are additional services approved including Raw Water, Parks & Recreation, Mosquito Control and Traffic & Safety Controls.

Raw Water Irrigation

The District constructed the potable water system, and the Irrigation Water System. The potable water system was conveyed for permanent operation and maintenance to the Town of Gypsum. The Irrigation Water System continues to be owned and operated by the District. The Golf Course also utilizes the raw water system for irrigation purposes. The two systems share certain common facilities for economy of construction and operation purposes.

The raw water system uses water from the District's ponds and diversions off Gypsum Creek. The District installed filters in both the Valley floor and Sky Legend pump houses in an attempt to remove silt from the unfiltered water. Even with the filtration systems, it is common to find silt in individual irrigation systems. It is the property owner's responsibility to maintain their individual systems including cleaning out irrigation heads.

The Valley floor property was purchased for the construction of Cotton Ranch and has senior water rights. Sixty-six percent (66%) of the senior water rights are used by the Town of Gypsum for the golf course and potable water system. The District retained the use of thirty-four percent (34%) of the senior water rights. The Irrigation Water System Rules and Regulations allows for up to 5,000 square feet of sod and up to 30,000 gallons per month during the six-month irrigation season for a base rate. Exceeding 30,000 gallons is billed at tier rates per gallon used.

Since the senior water rights weren't able to be used in Sky Legend, junior water rights were acquired by the District to serve Sky Legend where the maximum sod square footage is limited to 900 square feet for Cottage homes, 1,200 square feet for Traditional homes, and 1,500 square feet for Custom homes. The base rate water provided allows for 5,520 gallons for Cottage homes, 6,900 gallons for Traditional homes, and 8,625 for Custom homes per month. Exceeding these amounts will be billed at tier rates per gallon.

Each property connected to the system was required to pay a tap fee to the District and purchase a meter for the raw water system. It is the responsibility of each property owner to ensure their individual system is operating properly and using the water allotted. The meters are read and billed monthly. In the event of excess water usage, the District provides a one-time only forgiveness if a property owner can provide proof they have repaired any issues with their system.