
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan Districts October 15, 2018

The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District, Eagle County, Colorado, was held Monday, October 15, 2018, at 4:00 p.m., in the conference room at 1099 Red Sky Road, Wolcott, Eagle County, Colorado.

Attendance **The following Directors were present:**

- Beth McGregor
- James Benedict
- Steve Stroker (via phone)

The following Director was absent and excused:

- Jim Malernee

Also in attendance were:

- Bill Ankele, Esq White Bear Ankele Tanaka & Waldron (via phone)
- Ken Marchetti, CPA, Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- Peter Mason, RSR Property Owner (via phone)

Call to Order The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District was called to order by Director McGregor noting a quorum was present.

Potential Conflicts The Board reviewed the agenda for the meeting. The Board confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The Board noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

Public Input No public comment was offered.

Executive Session Upon motion duly made and seconded, it was unanimously

RESOLVED to enter into executive session citing §24-6-402(4)(b) and (e) for the purpose of receiving legal advice and developing positions related to negotiations for debt management and water matters. Furthermore, pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., no record or electronic recording will be kept of those portions of the executive session that, in the opinion of the Board's attorney, constitute privileged attorney-client communication pursuant to §24-6-

RECORD OF PROCEEDINGS

Red Sky Ranch Metropolitan District October 15, 2018 Meeting Minutes

402(4)(b). The Board entered into executive session at 4:08 p.m. and adjourned the executive session at 4:28 p.m.

Minutes

Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the July 27, 2018 minutes.

Old Business

Director McGregor reported there have been personnel changes at VR, so at this time there is a bit of uncertainty as to who VR will appoint to continue negotiations with the RSR committee.

Supplemental Water Lease HCMD/VR: Mr. Ankele reported the Supplemental Water Lease between HCMD and VR has been executed. A copy of the final agreement was included in the packet for informational purposes. An updated calculation of water needs based on usage resulted in the amount of water rights referred to in the draft agreement being increased for the final agreement. The interim lease agreement will allow VR to charge, based on an actual use basis, for any excess water that is consumed. The agreements term runs through October 2019. There is no provision for any catch up, just charges for excess water usage moving forward from the date of the agreement.

Mr. Mason left the meeting at 4:35 p.m.

Legal

Annual Administrative Resolution: The Board reviewed the 2019 Annual Administrative Matters Resolution. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2019 Annual Administrative Matters Resolution.

WBA Engagement letter: Mr. Ankele referred to the engagement letter that had been included in the packet. He explained the revisions included hourly rates which have been updated, an arbitration clause was added and a notification that the Districts will be included in the representative client listing for WBA. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the engagement letters with White Bear Ankele Tanaka and Waldron.

Capital Improvement Fee Promissory Note Renewal: Mr. Ankele reviewed the background of the Capital Improvement Fee Promissory Note. The note relates to the capital improvement fee advances made by VR to the District to

RECORD OF PROCEEDINGS

Red Sky Ranch Metropolitan District October 15, 2018 Meeting Minutes

cover debt payments related to the Holland Creek 2001 Bonds. He stated the note needs to be renewed prior to the end of the year. It was reported the note was signed last year after a paragraph was added stating the District was not waiving any rights. Upon motion duly made and seconded, it was unanimously

RESOLVED to ratify the execution of the Capital Improvement Fee Promissory Note Renewal subject to inclusion of similar language as last year reserving the rights of the District.

Data Privacy:

Mr. Ankele stated this matter was presented as an “fyi” for the Board regarding new legislation. No action was necessary.

Financial Statements

Mr. Marchetti presented the preliminary September 2018 financial statements which included the 2019 preliminary budget. He reported sales tax collections were higher than expected in 2018. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the preliminary September 2018 financial statements as presented.

2019 Budget

The Board discussed the 2019 budget which was presented as part of the September preliminary financial statements. The public hearing for the 2019 budget was opened. No comment was offered and the public hearing was closed. The mill levy is reflected at 64 mills in total with a split of 27 mills for debt service and 37 mills for IGA contractual obligations. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the Red Sky Ranch Metropolitan District 2019 budget, and

FURTHER RESOLVED to appropriate the sums of money for 2019, and

FURTHER RESOLVED to certify the mill levy at 64.000 mills.

2018 Audit

The Board considered the 2018 Audit Engagement Letter from McMahan and Associates which had been included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2018 Audit Engagement Letter with McMahan and Associates.

RECORD OF PROCEEDINGS

Red Sky Ranch Metropolitan District October 15, 2018 Meeting Minutes

Accounts Payable The Board reviewed the accounts payable list included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the accounts payable listing as presented.

Future Meetings The next regular meeting is scheduled for Monday, February 18, 2018. A special meeting may be scheduled prior to that date if the need arises.

Adjourn Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the October 15, 2018 Regular Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,
Kathy Lewensten
Recording Secretary