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# RECORD OF PROCEEDINGS

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## Minutes of the Special Meeting of the Board of Directors of the Red Sky Ranch Metropolitan Districts November 4, 2020

- Attendance**            **The following Directors were present:**
- Beth McGregor
  - James Malernee
  - Steve Stroker
  - James Benedict
- Also in attendance were:**
- Bill Ankele, Esq White Bear Ankele Tanaka & Waldron
  - Ken Marchetti, CPA, Marchetti & Weaver LLC
  - Kathy Lewensten, Recording Secretary
  - Mike Trueblood, President HCMD
  - Tom Zancanella, Zancanella & Associates
  - Patrick Churchillo, Real estate agent
  - Charley Ford, Chartrand Family Trust
- Call to Order**            The Special 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.
- Due to Executive Order D 2020 044 Safer at Home issued by Governor Polis on April 26, 2020, and Public Health Order 20-28 implementing the Executive Order, issued by the Colorado Department of Health and Environment (CDPHE) on April 26, 2020, this meeting is being held in a teleconferencing format.*
- 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, the intent of fully complying with laws pertaining to potential conflicts.
- Minutes**                    The Board reviewed the minutes of the September 22, 2020 Special Meeting. Upon motion duly made and seconded, it was unanimously
- RESOLVED** to approve the September 22, 2020 minutes.
- Accounts Payable**            Upon motion duly made and seconded, it was unanimously
- RESOLVED** to approve and ratify the accounts payable listing as presented

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### Public Input

Mr. Zancanella introduced himself to the Board, explaining he is the water engineer and consultant who provided the request from Chartrand COP QPR which had been included in the packet. The request is for water service to a 35.5 acre parcel which is adjacent to four lots (Lot 51 through 54) within the Red Sky Ranch Metro District and potential inclusion into the RSRMD. He stated those lots water service is provided by Holland Creek Metro District. The request is for consideration of the transfer of water service SFE's currently available to Lot 54 to the parcel.

The request states the owners are seeking to receive only water service from the District. They would prefer the parcel remains governed under Eagle County for building codes, not RSR DRB. They would provide their own ISDS system for the wastewater using Eagle County requirements which do meet the HCMD standards. The property would need to petition for inclusion into RSRMD and would pay property taxes to RSRMD, and water tap and usage fees to HCMD. The potential for out of district water service was mentioned as an alternative. Access to the property was discussed. The owner would pay for costs related to extension of the water line from the curb stop to the parcel. Mr. Zancanella stated their intent was to have a zero-net impact for water services. He stated they were hoping to receive an indication as to whether the District would be supportive of the request noting they were open to discussing conditions.

The Board asked about the intent for the parcel, questioning the applicant whether the parcel would be subdivided. The applicant responded it would require application to Eagle County for any use by right changes, but subdividing was not currently under consideration. General concern was raised with the request to not be subject to all of the District and POA guidelines and requirements. It was suggested the applicant could submit a conceptual plan for reference to help the Board understand the project. It was noted the applicant is willing to cover legal expenses of the District related to the parcel water issues. Mr. Ankele was directed to draft a funding agreement to cover such funding.

The Board explained it would like to receive input from HCMD and RSRPOA on the request before responding further to the applicant.

Mr. Zancanella, Mr. Churchillo and Mr. Ford left the meeting at 9:40 a.m.

The Board continued discussion of the request noting it seems awkward for the parcel to just receive water service and not be subject to the other requirements of the Districts. Mr. Ankele provided alternatives for consideration. Unanswered questions remain such as the potential for the parcel to be subdivided in the future, how to ensure the parcel complied within the limits of the water usage

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requested, why they were not drilling a well instead, or why they were requesting exemption from the RSR DRB review process. The Board directed Mr. Ankele to obtain a deposit for potential legal fees related to the request, ask the applicant for a plan, and whether they would consider being subject to the covenants of the POA and District. The Board tabled the matter.

Director Malernee left the meeting at 10:00 a.m.

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

**RESOLVED** to enter into executive session citing §24-6-402(4)(e) for the purpose of developing positions related to negotiations for debt management and water matters. Mr. Mason was asked to attend the executive session. 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 §24-6-402(4)(b). The Board entered into executive session at 10:03 a.m. and adjourned the executive session at 10:29 a.m.

After returning to regular session, upon motion duly made and seconded it was unanimously,

**RESOLVED** to engage OgbornMihm LLC as Special Counsel authorizing Director McGregor to execute the engagement letter.

**Future Meetings** The next regular meeting is scheduled for February 15, 2021 unless the need to schedule a special meeting sooner arises.

**Adjourn** Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the November 4, 2020 Special Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,  
*Kathy Lewensten*  
Recording Secretary