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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan Districts October 18, 2021

- Attendance**                    **The following Directors were present:**
- 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
  - Peter Mason, RSR Property Owner
  - Peter McClanahan, Esq. OgbornMihm LLC
- Call to Order**                    The Regular Meeting of the Board of Directors of the Red Sky Ranch Metropolitan District was called to order by Director Malernee noting a quorum was present. This meeting was 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 8, 2021 Special Meeting. Upon motion duly made and seconded, it was unanimously
- RESOLVED** to approve the September 8, 2021 minutes.
- Old Business**                    **35 Acre Lot** Mr. Marchetti updated the Board on matters related to the request for water service on the 35-acre parcel. The matter was presented to the RSRPOA at their last meeting and has been reviewed by a water attorney and engineer. It was found the parcel is not currently included in the area served by the existing water rights of the District. The expansion of the water rights area would need to be done through water court and is estimated it would take between 7 months to a year and a half to do so The RSRPOA will be presenting further questions to the applicant to better understand what development is being planned for the parcel and whether the proposal meets the guidelines and requirements of the POA. No action was needed.

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### Legal

**Annual Administrative Resolution:** The Board reviewed the 2022 Annual Administrative Matters Resolution. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the 2022 Annual Administrative Matters Resolution.

**Meeting Location:** The Board considered the Resolution Designating the Location of Regular Meetings of the BOD. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolution Designating the Location of Regular Meetings of the BOD

**Capital Improvement Fee Promissory Note Renewal:** The Board considered the annual renewal of the Capital Improvement Fee Promissory Note. The note relates to the capital improvement fee advances made by VR to the District to cover debt payments related to the Holland Creek 2001 Bonds. Mr. Ankele noted the paragraph stating the District was not waiving any rights was included. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the execution of the Capital Improvement Fee Promissory Note Renewal including the language reserving the rights of the District.

### May 2022 Election

Mr. Ankele briefly reviewed the May 3, 2022 election resolution explaining it is a Board of Directors election. If there are no more candidates then seats available the election will be cancelled. There is a new legislative requirement to distribute the Call for Nominations by various methods, after discussion the Board chose posting on the District website as the additional method. Upon motion duly made and seconded, it was unanimously,

**RESOLVED** to approve the May 3, 2022 Election Resolution.

### Financial Statements

Mr. Marchetti presented the preliminary August 2021 financial statements including the 2021 Amended and 2022 budget. Sales tax revenue has been stronger than anticipated

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Amended budget and the 2022 Budget and the date, time

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and place of the public hearing was made in a newspaper having general circulation within the District.

### **2021 Amended Budget**

The public hearing for the 2021 Amended Budget was opened, no comment was offered and the public hearing was continued to a special meeting scheduled for Wednesday, December 1, 2021 at 2:00 p.m.

### **2022 Budget**

The Board reviewed the 2022 budget. Discussion concerning sales tax revenue and related uses followed. The budget presented reflects a mill levy of 59 mills with a split of 28.084 mills for debt service and 30.916 mills for IGA contractual obligations (service). The public hearing was opened, no public comments were offered. The public hearing was continued to a special meeting scheduled for Wednesday, December 1, 2021 at 2:00 p.m.

### **2021 Audit**

The Board considered the 2021 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 2021 Audit Engagement Letter with McMahan and Associates.

### **Accounts Payable**

The Board requested removal of the transfer of \$116,322.39 in sales taxes revenue to Holland Creek Metro District. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve and ratify the accounts payable listing as revised.

Mr. Trueblood stated he would be reporting the delay in the transfer of sales tax revenue to the Holland Creek Metro District Board at their meeting later this afternoon. He asked for clarification as to the reasoning behind the delay. The Board expressed a need to better understand the reserve funds currently being held in the HCMD general fund and what appropriate reserve levels should be. It was noted sales tax revenue has increased beyond expectations making it prudent for the Board to look closer at the matter.

### **Future Meetings**

The Board requested a special meeting on Monday, October 25, 2021 at 2:00 to hold an executive session and a special meeting on Wednesday, December 1, 2021 at 2:00 p.m. for consideration of budget matters. Both meetings will be held via zoom.

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**Adjourn**

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the October 18, 2021 Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,  
*Kathy Lewensten*  
Recording Secretary