
RECORD OF PROCEEDINGS

**Minutes of the Regular Meeting
of the Board of Directors of the
Red Sky Ranch Metropolitan Districts
July 18, 2022**

Attendance

The following Directors were present:

- James Malernee
- Steve Stroker
- Eric Kurzweil
- Ron Zapletal

The following Director was absent and excused:

- James Benedict

Also in attendance were:

- Bill Ankele, Esq White Bear Ankele Tanaka & Waldron
- Trish Harris, Esq White Bear Ankele Tanaka & Waldron
- Kathy Lewensten, Recording Secretary, Marchetti & Weaver LLC
- Ken Marchetti, CPA Marchetti & Weaver LLC
- Peter Mason, RSR property owner

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.

**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 May 16, 2022 meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the May 16, 2022 minutes.

Old Business

Director Kurzweil reported on the requests for consideration of coordinating water service with new projects within the Wolcott area. Representatives from both HCMD and RSRMD have met with the parties to better understand what the requests consisted of. No formal requests have been received by HCMD. Director Kurzweil stated information had been requested by the parties related to the current capacity and type of system in use at HCMD. He believed the builders were still waiting for this information. Mr. Marchetti will follow up. No further information has been received from Chartrand on their request.

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It was reported that at the RSRPOA meeting there was discussion of a project to replace all of the address/light poles within the District. The Board questioned whether all of the poles need to be replaced at this time and expressed concern over the cost of such a project. Mr. Marchetti stated this type of project has not yet been budgeted for by HCMD.

The Board agreed it would be prudent to have a member of the Board attend future HCMD meetings. After discussion Director Zapletal offered to act as the District representative at future HCMD meetings.

Director Kurzweil opened discussion regarding the current sales tax noting the last time the board reviewed the rate was in 2019. He suggested it was time to look at this matter in greater detail for the upcoming budget discussion. When the sales tax was implemented, the intent was to offset a portion of the mill levy. It was noted the Wayfair ruling did expand the purchases subject to the sales tax. One concern is the extra costs it adds to new construction. The current sales tax revenues generated have exceeded expectations. The rate can be adjusted without further elections. An analysis was requested for review.

Legal No separate legal report was necessary.

Financial Mr. Marchetti presented the preliminary June 2022 financial statements. He reviewed current expenses as compared to the adopted budget. A preliminary estimate for the 2023 budget had been included, he noted there is an expectation that assessed valuation will rise significantly in 2023 for collection in 2024 based on the sales data from Eagle County Assessor. This could trigger the requirement in the Master IGA for the District to issue additional debt depending on the outcome of the current litigation. The Board asked about the timeline requirements for issuance of new debt based on the terms in the Master IGA. It was requested that the issuance of any debt be removed from the 2023 preliminary budget at this time.

The Board then reviewed the June 2022 preliminary financial statements for HCMD with Mr. Marchetti. A question was raised about the availability or inventory of spare parts for the water plant noting water service had recently been interrupted while a part was needed from Denver. Mr. Marchetti informed the Board that at the HCMD meeting earlier in the day Mr. Volk of Water Quality Control Professionals had indicated that due to staffing challenges he does not expect to be in a position to continue providing his services in 2023.

Accounts Payable Upon motion duly made and seconded, it was unanimously

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

Future Meetings A special meeting was scheduled for Monday September 19, 2022 at 4:00 p.m. The next regular meeting is scheduled for Monday, October 17th at 4:00 p.m. The Board requested the meetings be held in person with an option to join by zoom.

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 invited to attend. The Board entered into executive session at 5:41 p.m. and adjourned the executive session at 6:06 p.m.

Mr. Ankele, Ms. Harris, Mr. Marchetti and Ms. Lewensten exited the meeting at 5:45 p.m.

Adjourn Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the July 18, 2022 Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,
Kathy Lewensten
Recording Secretary