
RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of the Red Sky Ranch Metropolitan Districts November 10, 2022

- Attendance** **The following Directors were present:**
- James Malernee
 - Steve Stroker
 - Eric Kurzweil
 - James Benedict
- Also in attendance were:**
- Ken Marchetti, CPA Marchetti & Weaver LLC
 - Kathy Lewensten, Recording Secretary, Marchetti & Weaver LLC
 - Peter Mason, RSR property owner
 - Peter McClenahan, Esq. Ogborn Mihm
- Call to Order** The Special 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 October 17, 2022 meeting. Upon motion duly made and seconded, it was unanimously
- RESOLVED** to approve the October 17, 2022 minutes.
- New Business** The Board began discussion on the recent notice of excessive TTHM levels in the water for Red Sky Ranch. The notice stated that Property owners may want to use an alternative drinking water supply. It was noted this issue has been occurring since November of last year. The current GAC system does not appear to be adequate to mitigate the issue. The notice did include a description of steps that were being taken, however the Board felt Holland Creek Metro District has been too silent on the issue and should be notified it is expected to provide more robust information. One opportunity to do so might be the RSRPOA annual meeting that is scheduled for December. Director Kurzweil will coordinate with Ms. Floyd and Mr. Hoover to add this to the RSRPOA agenda.

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May 2023

Election

The May 2, 2023 election resolution was reviewed, it is a Board of Directors election. Ms. Lewensten will be the designated election official for the election. If there are no more candidates then seats available the election will be cancelled. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the May 2, 2023 Election Resolution.

Legal

The termination letter from White Bear Ankele Tanaka and Waldron had been included in the packet. Mr. Ankele had informed the Board at the last meeting of the intention to resign as general counsel.

The Board reviewed the engagement letter from Seter & Vander Wall. PC to provide general counsel services to the District. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the engagement letter with Seter & VanderWall, PC as District Counsel.

Financial

Mr. Marchetti presented the preliminary October 2022 financial statements including the 2022 Amended Budget and 2023 Budget. The public hearing Notice had been published as required for this meeting.

2022 Amended Budget

The public hearing for the 2022 Amended Budget was opened, no comment was offered and the public hearing was closed. The amendment related to anticipated excess Debt Service Fund expenditures. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2022 Amended Budget Resolution

2023 Budget

Mr. Marchetti began review of the 2023 budget. The public hearing was opened, no public comments were offered. The public hearing was closed. The 2023 budget reflects a transfer of \$317,288 in sales tax revenues from the sales tax fund to the debt service fund. The amount transferred was calculated on a percentage basis. The percentage was based on the amount of the bond proceeds that were allocated to roadway and transportation projects for that issuance. The percentage was then applied to the 2023 debt service payments. This transfer will allow the debt service portion of the mill levy to be lowered. The budget presented reflects a mill levy of 41.513 mills with a split of 10.597 mills for debt service and 30.916 mills for IGA contractual obligations (service). The mill levy may change slightly when the final assessed valuation is received at the end of

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November. Mr. Marchetti briefly reviewed the long-range projections which reflected a potential bond issuance in late 2023 or early 2024. The assessed valuation is expected to increase in 2023, for collection in 2024, due to higher sale prices throughout the valley. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the Red Sky Ranch Metropolitan District 2023 budget, and

FURTHER RESOLVED to appropriate the sums of money for 2023, and

FURTHER RESOLVED to certify the mill levy at 41.513 mills subject to receipt of the Final Assessed Valuation.

Director Benedict left the meeting at 4:15 p.m.

2022 Audit The Board considered the 2022 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 2022 Audit Engagement Letter with McMahan and Associates.

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

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

Future Meetings • The 2023 regular meetings will be scheduled for the Third Wednesday in February, May, July and October at 3:00 p.m. via zoom.

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 related to specific legal questions and developing positions related to the lawsuit. Mr. Mason was asked to attend. 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 special counsel attorney, constitute privileged attorney-client communication pursuant to §24-6-402(4)(b) and (e). The Board

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entered into executive session at 4:30 p.m. and adjourned the executive session at 5:18 p.m.

Mr. Marchetti exited the executive session at 4:30 p.m.
Ms. Lewensten exited the executive session at 4:34 p.m.

Upon return to regular session it was announced that all discussions were subject to attorney/client privilege and within the topics authorized by §24-6-402(4)(b) and (e). No motions or other decisions were made or consummated in the executive session

Ms. Lewensten rejoined the meeting at 5:18 p.m.

Adjourn Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the November 10, 2022 Meeting of the Red Sky Ranch Metropolitan District Board of Directors.

Respectfully submitted,
Kathy Lewensten
Recording Secretary