
RECORD OF PROCEEDINGS

**Minutes of the Special Meeting
of the Board of Directors
Ruedi Shores Metropolitan District
December 14, 2009**

A Special Meeting of the Board of Directors of the Ruedi Shores Metropolitan District, Eagle County, Colorado, was held December 14, 2009, at 6:00 p.m., at 093 Silver Spruce Lane, Basalt, Colorado, in accordance with the applicable statutes of the State of Colorado.

ATTENDANCE **The following Directors were present and acting:**

- Brad Lundgren
- John Rowley
- Rocky Huber
- Nina Dunn

The following Directors were absent and excused:

- Susan Atchison

Also in attendance were:

- Eric Weaver, Robertson and Marchetti, P.C. (via phone)
- Lynette Sander, Robertson & Marchetti, P.C. (via phone)
- Doug McMillin, Owner's Representative
- Lynn Colhoun, Property Owner
- Tom Shea, Property Owner

CALL TO ORDER

The Special Meeting of the Board of Directors of Ruedi Shores Metropolitan District was called to order by Director Dunn, at 6:00 p.m., noting that a quorum was present.

PUBLIC INPUT There was no public comment made.

AGENDA No changes were made to the agenda.

MINUTES The Board reviewed the regular meeting minutes from November 10, 2009. Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve the November 10, 2009 meeting minutes as presented.

RECORD OF PROCEEDINGS

Ruedi Shores Metropolitan District December 14, 2009 Meeting Minutes

MEETING CALENDAR

The Board reviewed the proposed meeting dates for 2010. Mr. McMillan recommended that the Board meet in January in addition to the proposed dates for 2010. On motion duly made and seconded it was unanimously

RESOLVED to approve the following meeting dates for 2010: Jan. 12, Feb. 9, May 11, Jul. 13, Sept. 14, and Nov. 9. All meetings will be held at 6:00 p.m., at 093 Silver Spruce Lane, Basalt, Colorado

CONSTRUCTION UPDATES

Mr. McMillan reported that the water system is operational. Flow tests have been conducted which show some issues with low flow rates below the PRVs which is being addressed. Follow-up tests will be made in the spring and if needed, options will be discussed to make improvements in the flow.

No agreement has been reached with the three parties on sharing the costs associated with the problems running the wire through the conduit. The extra costs were approximately \$16,000 and it was proposed that this be split four ways between the District and the three parties involved. Mr. McMillan will continue discussions with the parties involved.

Hudick is still reviewing the costs of damages caused to the John Rowley residence when a power surge was created as a result of an electrical line cut during construction.

The operations manual for the system will be completed once all controls are in place and the telemetry system is operational. At this time they are working on the connections between the three pump houses. It is anticipated that the work and testing of the system should be complete in February.

GJ Pipe will be responding to the amounts that were charged back as a result of issues with the PRVs. They are awaiting more information from the manufacturer.

The outstanding amount on the Dana Kepner account should be cleared up soon as the returns were made that represent the invoice amount outstanding.

RECORD OF PROCEEDINGS

Ruedi Shores Metropolitan District December 14, 2009 Meeting Minutes

Tom Shea had rented his house out to Hudick to house their employees while the construction was in progress. One of the employees was let go, and afterwards caused some destruction to Mr. Shea's car by smashing the hood and doors. In addition, several tools were taken from the garage. The total damages are estimated at \$4,600 for the car and missing tools. Hudick is working on resolving the issues.

MILLER/ MULCAHEY

Mr. Mulcahy was sent a certified letter on December 3 requesting that he bypass his curbside lift station, remove any connections, and bury the water line to a proper depth of 6 feet. Mr. McMillan reported that test results have shown adequate pressure at the lift station (45 psi) and 75 psi at the house, however, communication received from Mr. Mulcahy discounts those test results. An option would be to remove the plumbing, leave the lift, and meter him at that point. Once this is done any further issues, such as diversions in the line, can be addressed. Mr. McMillan will follow up with Mr. Mulcahy to come to resolution on the issue.

RELEASE OF RETAINAGE

The Board discussed the retainage being held on the three contractors involved in the water system construction. There are several issues that are still being resolved on the Hudick invoice and the Board determined it would withhold approximately \$17,000 of the retainage until those issues can be resolved. Pay applications for the retainage will be required before payment will be issued. On motion duly made and seconded it was unanimously

RESOLVED to approve release of retainage for Hudick (less \$17,000 for unresolved issues) Savage and Hi-Con upon receipt of pay applications from each.

ELECTION RESOLUTION

The Board reviewed the resolution concerning the May 2010 directors election. The following directors seats will be up for election with the specified terms:

Susan Atchison 2-year

RECORD OF PROCEEDINGS

Ruedi Shores Metropolitan District December 14, 2009 Meeting Minutes

Nina Dunn	2-year
Brad Lundgren	4-year
John Rowley	4-year
Rocky Huber	4-year

The election will be held as a mail-ballot election with Lynette Sander of Robertson & Marchetti, PC designated as the Designated Election Official. On motion duly made and seconded it was unanimously

RESOLVED to approve the election resolution for the above mentioned directors and terms, to be conducted as a mail-ballot election, with Lynette Sander appointed as DEO.

**POSTING
RESOLUTION**

The Board reviewed the annual posting resolution which designates the 24-hour emergency posting location and the requirement to post regular and special meeting notices in three locations within the District 72 hours in advance of the meeting. On motion duly made and seconded it was unanimously

RESOLVED to approve the posting resolution with the addition of "Spring" to the pumphouse location.

**FINANCIAL
STATEMENTS**

Mr. Weaver presented the November 30, 2009 financial statements and highlighted the amounts to be paid down on the bonds. This will result in a lower reserve fund requirement as well as a significant decrease in the annual principal and interest payments. On motion duly made and seconded it was unanimously

RESOLVED to approve the November 30, 2009 financial statement.

**BUDGET
AMENDMENT**

Mr. Weaver explained that the 2009 budget will require an amendment due to the pay down of the bonds, however, due to the meeting date changes the notice was not republished for the new date and time. The notice will be published this month, and the public hearing for the amendment will be on the January 12, 2010 meeting agenda.

RECORD OF PROCEEDINGS

Ruedi Shores Metropolitan District December 14, 2009 Meeting Minutes

BOND AMENDMENT

Mr. Weaver discussed the resolution amending the bond with the Board. On December 15, 2009, the District will pay down the bonds by \$790,000, \$750,000 of which is subject to a prepayment fee of \$44,996. By paying down the bonds the District will not only be able to re-amortize the loan to lower the annual principal and interest payments, but will also be able to lower the amount of funds required to be held in reserve. On motion duly made and seconded it was unanimously

RESOLVED to approve the resolution attached hereto and made a part thereof, amending the 2008 Bonds and to pay down the bonds in the amount of \$790,000 and pay the prepayment fee of \$44,996.

ACCOUNTS PAYABLE

The board reviewed the accounts payable list. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify payables as presented.

ACCOUNTS RECEIVABLE

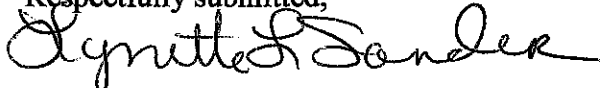
The Board reviewed the accounts receivable aging report. Most accounts that were significantly past due have been brought current. Finance charges are being accrued on delinquent accounts. Mr. Miller has not paid the invoice for work done by Hudick during the project.

ADJOURNMENT

There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Special Meeting of the Ruedi Shores Metropolitan District Board of Directors held on December 14, 2009.

Respectfully submitted,



Lynette L. Sander

Recording Secretary for the Meeting