
RECORD OF PROCEEDINGS

**Minutes of the Regular Meeting
of the Board of Directors
Ruedi Shores Metropolitan District
January 12, 2010**

A Regular Meeting of the Board of Directors of the Ruedi Shores Metropolitan District, Eagle County, Colorado, was held January 12, 2010, 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
- Susan Atchison

Also in attendance were:

- Eric Weaver, Robertson and Marchetti, P.C. (via phone)
- Lynette Sander, Robertson & Marchetti, P.C. (via phone)
- Lynn Colhoun, Property Owner
- Tom Shea, Property Owner
- Doug McMillan, Project Manager
- Bill Hudick, Hudick Excavating Inc.

CALL TO ORDER

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

PUBLIC INPUT

Comment was given to the board regarding the condition of the roads and how the narrower areas are causing some problems with vehicles getting stuck.

AGENDA

No changes were made to the agenda.

MINUTES

The Board reviewed the regular meeting minutes from December 14, 2009. Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve the December 14, 2009 meeting minutes as presented.

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MEETING CALENDAR

The Board reviewed the proposed meeting dates for 2010. On motion duly made and seconded it was unanimously

RESOLVED to approve the following meeting dates for 2010: 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

BUDGET AMENDMENT

Mr. Weaver informed the Board that notice had been published as required by State statute to hold a hearing to amend the 2009 budget. On motion duly made and seconded it was unanimously

RESOLVED to open the public hearing to allow public comment on the proposed 2009 budget amendment. Mr. Weaver explained the since the project had come in dramatically under budget, a budget amendment was required for the additional pay down of the bonds. There was no public comment given so the public hearing was closed. On motion duly made and seconded it was unanimously

RESOLVED to approve the amendment to the 2009 budget as presented.

Mr. Doug McMillan and Mr. Bill Hudick joined the meeting.

CONSTRUCTION UPDATES

Mr. McMillan reported that the installation of the controls for the water system is currently in progress. Pump upgrades are also being made and the rough electrical work on the lines to the PRVs is being finished. An issue has recently arisen with getting electrical line to one of the PRVs but the details are unknown.

Samuelson is working on upgrades to the flow-center that will be connected to the controls. A computer and monitor will be required to be located in the pump house so that data can be transmitted to Zancalla's office. Jerry Peters will receive the data as a back up.

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There are only five meters left to be installed. They will coordinate the installation of Mr. Mulcahy's meter with pressure testing as prescribed by the letter sent to the District by Mr. Mulcahy. Mr. McMillan recommended that the District mimic the standards used by Eagle River Water and Sanitation District (ERWSD). The standards vary across the state, and ERWSD would be most representative of the conditions at RSMD.

Currently pumps #1 and #3 are in use. An issue with silt has occurred with pump #2, so it has not been in use. That pump will need to meet testing requirements before it can be used. The two pumps are able to pump adequately, and if the silt issues can not be resolved that pump may be left inactive.

Bill Hudick was present to discuss the unresolved issues for which the District is withholding a portion of the remaining retention owed to Hudick Excavating. Mr. Hudick stated that he has discussed the Rowley issue whereby an electrical wire was cut, causing damage to the home with his insurance company. His feeling is that Underground Locaters is ultimately responsible as the line that was struck had not been flagged. Mr. Huddick asked that the District and Mr. Rowley contact the locate company to get them to assume responsibility for the damages caused to Mr. Rowley's home. The District feels that it should be responsibility of Hudick to cover the costs of the damage caused and then go after the utility locate company. Mr. Hudick and the Board ended the topic by "agreeing to disagree". John Rowley left the meeting.

In a separate issue, Tom Shea had rented his house out to Hudick Excavating to house their employees while the construction was in progress. A dismissed employee became belligerent and as a result, damages were caused to Mr. Shea's property of approximately \$4,600. Mr. Hudick has given the claim to his insurance, and he is requesting that Mr. Shea do the same. The insurance companies can then battle over who should cover the cost of the damages. Mr. Beaver has been charged and there is the potential of receiving restitution through the courts. However, it will likely take some time to recover the full amount of the damages. Mr. Shea stated that he did not feel this issue should even involve the District since it is

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really between Hudick Excavating and himself. At this time the District's only involvement is and should remain holding back a portion of the retainage from Hudick in an amount equal to the damages.

Mr. McMillan discussed the email included in the board packet which showed a four-way split of the costs that were incurred when wire was not able to be properly fed through conduit. Mr. Hudick, although willing to accept the split, did not feel his company should really have to bear any of the costs associated with this issue. Mr. McMillan did feel that the manor in which the conduit was laid on top of the pipes and then backfilled could have contributed to the problem. He observed the contractors working well into the night on that location and also felt the possibility existed that in their haste to finish up, the conduit could have been improperly placed and when backfilled if the conduit was against an elbow in the pipes, could have resulted in damage to the conduit. Hudick, Zancanella and RSMD will each contribute \$3,725.81 to resolve the issue. JC Electric has given a \$5,000 credit on an earlier invoice.

Mr. McMillan stated that he hoped the District and Mr. Hudick would consider similar cost sharing to resolve the other outstanding issues as Hudick Excavating had been extremely good to work with on the project and was able to keep the cost of the project down. By settling now both sides can save on legal and other fees involved in settling the disputes.

RELEASE OF RETAINAGE

Mr. Weaver informed the Board that Savage and High-Con checks were included in this payables batch for pay out of all their outstanding invoices and released all of their retainage. A check is also included for Hudick Excavating which is all of the retainage and costs to date with the exception of \$17,052.97 which is being held until the outstanding issues have been resolved.

MARY SHEA INVOICES

The Board reviewed invoices that had been sent to Mr. McMillan for costs resulting from damage to her irrigation and internal system leaks. On motion duly made and seconded it was unanimously

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RESOLVED to approve payment of two invoices to Environmental Management Inc. totaling \$280.95 and to issue Mary Shea a credit of \$150.00 (one quarter water usage) on her Metro District billing.

Mr. McMillan and Mr. Hudick left the meeting.

FINANCIAL STATEMENTS

Mr. Weaver presented the preliminary December 31, 2009 financial statements. The project did not get completed by year end as anticipated but the total costs are still on track with the forecast. On motion duly made and seconded it was unanimously

RESOLVED to approve the preliminary December 31, 2009 financial statement.

2009 AUDIT

A copy of the engagement letter from Haynie and Company for the 2009 audit was included for the Board's review. On motion duly made and seconded it was unanimously

RESOLVED to approve Haynie and Company to provide audit services for the 2009 audit.

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. Miller has not paid the invoice for work done by Hudick during the project. The Board requested R & M to send out a pre-lien letter to encourage him to bring his account current rather than have a lien placed on his property.

ADJOURNMENT

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

RESOLVED to adjourn the Regular Meeting of the Ruedi Shores Metropolitan District Board of Directors held on January 12, 2010

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Respectfully submitted,



Eric Weaver

Recording Secretary for the Meeting