

RECORD OF PROCEEDINGS

MINUTES OF THE ORGANIZATIONAL MEETING OF
RUEDI SHORES METROPOLITAN DISTRICT

HELD

JUNE, 17, 2008

The Special Meeting of the Board of Directors of the Ruedi Shores Metropolitan District was held at 10 Hawk Lane, Basalt, Colorado, on June 17, 2008 at 6:30 p.m.

ATTENDANCE

Directors in Attendance Were:

Jim Geib	Susan Atchison
Jon Rowely	Doug McMillan
Brad Lundgren	

Also in Attendance:

Lyn Colhoun	Nina Dunn
Kye Peterson	

NOTICE

It was noted that Notice had been properly posted at least three days prior to the meeting in three public locations within the District's boundaries, and a copy was sent to the Eagle County Clerk and Recorder for posting on the bulletin board. The notice also included the agenda items. Certification of such posting is attached hereto.

RECORD OF PROCEEDINGS

MANAGEMENT FOR DISTRICT

Jim Geib discussed the idea of hiring Management Company to take over administrative and management duties of district once all has been established. This was proposed as the work load for many of the persons sitting on the board is too much on top of their own personal work load. Motion was passed to solicit proposals from three different companies operating in the Roaring Fork Valley.

DIRECTORS FEES

All agreed on Directors fee per meeting. Also discussed & agreed to hire Doug McMillan as a consultant and project manager for the Water Tank Project as his hours into the task are accumulating into a part time position.

ZANCANELLA & ASSOCIATES

It was passed onto Zancanella & Associates that Ruedi Shores Metropolitan District was not happy with their attention to the project. Both the Metropolitan and Homeowner Boards felt that they had dropped the ball as far as being organized to start the project this summer. Water tests had not been done, paper work not filed (1041) on time and problems found with the existing water tanks that had not been addressed. It was questioned whether or not we should hire another engineering firm. Realized as far as cost effectiveness that no other engineering firm should be hired until certain aspects of the project were completed through Zancanella (i.e. 1041, plans & designs).

Mr. McMillan received a new bid for the project from Aspen Earthmoving, LLC for installation of the water tank. It was noted that an above tank was only \$25,000 less than if it were a below ground tank. It was also noted through this bid that Zancannella was off in its proposal for the projects budget. Mr. McMillan will get more proposals for the water project to compare costs. It was also noted by Mr. McMillan that he had tried repeatedly to get together with Mr. Tim Beck of Zancanella but that Mr. Beck did not make himself or the proposed plans for the project readily available.

RECORD OF PROCEEDINGS

ENGAGEMENT LETTER

TO HIRE CHRISSIE S

An engagement letter to hire Chrissie Sloan as the representative for Ruedi Shores Homeowner Association and Metropolitan district was issued and accepted. A motion was passed to engage Ms. Sloan to convey property interest and easements to the district and to cover any legal matters concerning district both legal and non legal matters regarding water and road rights.

TRANSFER OF LAND &

ROAD RIGHTS/

BOND ISSUING

Mr. Geib noted that the need to purchase ownership of certain land where certain springs are located was necessary in order to guarantee bond issuing. The bond holder needs verification of ownership of land use. Also needed is the transfer of easement ownership and road rights from Ruedi Shores Homeowner to the Ruedi Shores Metropolitan District. It was noted that Ms. Sloan will do all of the transferring once engaged by HOA and Metropolitan District.

Mr. Geib also discussed the need to decide when to secure the bond as project will not begin until next season. The interest rates may go up so it may be in everyone's best interest to secure bond now. Mr. Geib will get study to all regarding increase in interest rates and what it will cost each year in interest.

RECORD OF PROCEEDINGS

Adoption of 2008 BUDGET

Expenses of budget discussed. Mr. Geib pointed out that the State requires the ending fund balance to higher than the allotted \$1500.00. Transfer of funds from HOA discussed. Mr. Geib explained that the HOA would not see any special assessments until this 3rd quarter or the 1st quarter of 2009. Motion to adopt budget was passed.

EAGLE COUNTY RIVER WATER

& SANITATION DISTRICTS RULES

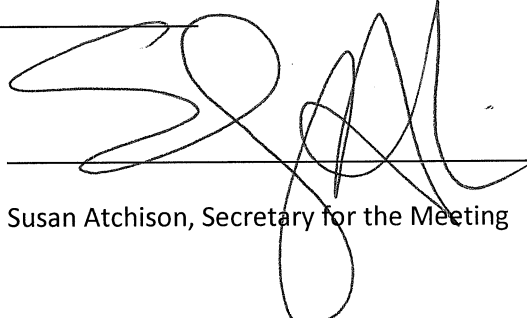
& REGULATIONS

Zancanella & Associates wants the Metropolitan District to adopt regulations regarding tapping and maintenance as regulated by the County. Mr. Rowley agreed to research the regulations.

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned.

RECORD OF PROCEEDINGS



Susan Atchison, Secretary for the Meeting