
RECORD OF PROCEEDINGS

**Minutes of the Continuation Meeting
of the Board of Directors
Ruedi Shores Metropolitan District
November 11, 2008**

A Regular Meeting of the Board of Directors of the Ruedi Shores Metropolitan District, Eagle County, Colorado, was held November 11, 2008, 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:**

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

Also in attendance were:

- Eric Weaver, Robertson and Marchetti, P.C. (via phone)
- Lisa Hosey, Robertson & Marchetti, PC (via phone)
- Doug McMillan, Owner's Representative
- Jerry Peters, property owner
- Kai Peterson, property owner
- Tom Shea, property owner
- Ann Morris, property owner

CALL TO ORDER

The Regular Meeting of the Board of Directors of Ruedi Shores Metropolitan District was called to order by Director Atchison, at 6:06 p.m., noting that a quorum was present.

AGENDA

No changes were made to the agenda.

MINUTES

Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve the October 8, 2008, minutes as presented, and

FUTHER RESOLVED to approve the June 5, 2008, June 17, 2008 and July 22, 2008 meeting minutes as presented.

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OFFICIAL CUSTODIAN

OF RECORDS Upon motion duly made and seconded it was unanimously

RESOLVED to make Robertson & Marchetti, P.C. the official custodian of records for the Ruedi Shores Metro District.

FUTURE MEETINGS

The Board reviewed the 2008 meeting dates schedule included in the packet. The next regular meeting will be Tuesday, December 9, 2008 at the same time and location. It was suggested to send out an email to all homeowners signed up on the HOA database stating the regular meeting dates for the year 2009 once set.

LETTER FROM HOMEOWNER

The board reviewed a letter received from the Farmer family which expressed their concern with the HOA assessments that were issued to support District operating costs. Mr. Weaver informed the Board that he had exchanges multiple e-mails with them explaining the billings and other affairs of the District. He also informed them of this meeting and invited them to attend to discuss any issues with the Board. Director Rowley suggested the website be updated with all information pertaining to the Ruedi Shores Metro District, so that interested homeowners can be referred to the sight for additional information.

AVAILABILITY OF SERVICE FEE

Mr. Weaver explained the provisions necessary to consider an Availability of Service Fee. The Board decided they would like to proceed with a public hearing regarding the Availability of Service Fee at the next meeting and instructed Robertson & Marchetti, P.C to proceed with the requirement of mailing a notice of the hearing to all District constituents.

WINDWARD RANCH SUBDIVISION

The Board discussed possibly selling water to the neighboring Windward Ranch subdivision. Mr. McMillan informed the Board that it was previously concluded that the District does not have sufficient water resources to service the additional units. The Board agreed that this should not be considered at this time.

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WATER FEES Brief discussion followed regarding billing for water fees and overages. It was agreed to bill quarterly, at the end of the quarter, after the meters had been read and overages recorded.

OPERATING BANK ACCOUNT Upon motion duly made and seconded it was unanimously

RESOLVED to open an operating bank account with Colorado State Bank & Trust as required by the bond contract documents and to allow any of the Board members to be signers on the account, and

FURTHER RESOLVED to add Nina Dunn as a signer to all current bank accounts.

CONSTRUCTION UPDATE

Mr. McMillin reviewed the Water Project Status Report with the board and discussion followed. Due to the delay with the 1041 permit, a pre-construction meeting and the road work to access the tank site will not be started until the Spring of 2009. With the per unit estimates that he has prepared, Mr. McMillan is hopefully that the project can be completed within the budget of the District, especially with the downturn in the economy which is causing contractors to be more competitive with their bids.

Kai Peterson expressed his concern of granting an easement across his property. Mr. Peterson explained that he fully supports the project but feels that a permanent access easement would have a negative impact to the value of his property. He would rather not grant an easement for maintenance access to the water tank, but does not mind allowing temporary access for construction as long as the damage is restored. Mr. McMillin stated another possibility for access would be through the Holton property and that he would look into this further.

Mr. McMillin also suggested that the board adopt rules, regulations and standards for the water system before bids are submitted so that the contractors know the construction standards that will be required.

Discussion followed regarding the homeowner responsibilities for locating curb stops, identifying the type and size of line used, and

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the related costs of doing so. Mr. McMillin explained, "Every Home Owner will need to identify their curb stop and waterline to their house. We have a concern that all homeowners will need to be aware of. Some may be affected more than others. When each lot owner built they likely ran their water line to the easiest path to their home sites. Each home has their own unique tap in and curb stop placement with a possibly different size, type, & manufacturer of service line. In some cases with subsequent ownership this is probably a mystery to current owners. Cheaper water lines are made of pvc type piping and without tracer wire placed, detection is difficult if not impossible. I am sure we will have several in this category. It is very important that each homeowner spends the time to investigate where their existing curb stop is, where the water line path to their house is, and what size and type is their current waterline. We will want to know as much as possible about each property to minimize the potential for hitting your existing service and the subsequent disruption it will cause to neighbors and needless to say the expense for repairs. That information will also facilitate the switch over so we may have the proper fittings, patches bubble gum etc. on hand."

2008 AUDIT PROPOSALS

Mr. Weaver presented to the board 3 bids for audit proposals which had been submitted. Mr Weaver explained that he feels all of the firms are qualified to perform the audit and since the bid from Haynie & Company was the lowest they are the firm that he recommends.. Upon review of the proposals and by motion duly made and seconded it was unanimously

RESOLVED to engage Haynie & Company to perform the 2008 Audit.

FINANCIALS

Mr. Weaver reviewed the October 31, 2008 financial statements with the Board. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the financial statements as presented.

2009 BUDGET HEARING

Mr. Weaver noted this meeting had been published as the public hearing for the 2009 budgets. The Boards opened the public

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hearings for the 2009 budgets. No public comment was offered and the public hearing was closed. Mr. Weaver went through the budget in detail with the Board explaining the budgeted revenues and expenses of each fund. He added that since the project was expected to go over the original budget estimates the bonds had been increased to provide the maximum allowable funding. Although the interest rate in the bonds was less than anticipated, the increase in amounts borrowed will still require the District to levy 70 mills for debt service in 2009 rather than the 62 mills originally anticipated. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2009 budget and appropriate the sums of money for Ruedi Shores Metropolitan District subject to receipt of final assessed valuation, and

FURTHER RESOLVED to certify the mill levy at 29.000 mills for operations and 70.000 mills for debt service for the Ruedi Shores Metropolitan District.

ACCOUNTS PAYABLE

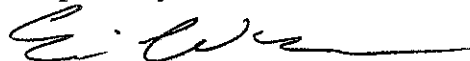
The board reviewed the accounts payable list. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable list as presented.

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 November 11, 2008.

Respectfully submitted,



Eric Weaver
Recording Secretary for the Meeting