
RECORD OF PROCEEDINGS

**Minutes of the Special Meeting
of the Board of Directors
Ruedi Shores Metropolitan District
April 20, 2010**

A Special Meeting of the Board of Directors of the Ruedi Shores Metropolitan District, Eagle County, Colorado, was held April 20, 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
- Rocky Huber
- Nina Dunn
- Susan Atchison

The following Directors were absent and excused:

- John Rowley

Also in attendance were:

- Eric Weaver, Robertson and Marchetti, P.C. (via phone)
- Matt Jones, Robertson & Marchetti, P.C. (via phone)
- Doug McMillin, Project Manager

CALL TO ORDER

The Special 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 No input was received.

AGENDA Mr. Weaver added an update on the District election to the agenda.

MINUTES The Board reviewed the regular meeting minutes from February 9, 2010. Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve the February 9, 2010 meeting minutes as presented.

MEETING

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CALENDAR

The Board reviewed the 2010 calendar and determined that the May 11, 2010 meeting should be canceled but there may be the need for a special meeting in June.

CONSTRUCTION UPDATES

Mr. McMillin reported that the system is up and we now have two full meter readings. Zacanella has recommended reading the meters monthly for the next 2 years to get a consistent range of usage.

ROAD REPAIRS

Mr. McMillin reviewed the road repairs that are needed in the subdivision as a result of the installation of the system. Savage Excavation has estimated it will cost approximately \$30,000 to bring in additional road base, blade, water, compact, and apply mag chloride. The Association has agreed to fund approximately \$5,000 of this cost as part of their annual maintenance budget. This is far less than the \$70,000 of contingency that was allocated in the budget.

AMENDED RULES & REGULATIONS

Mr. McMillin reminded the Board that the Rules and Regulations adopted in early 2009 were those of the Upper Eagle Regional Water Authority/ Eagle River Water and Sanitation District. Those rules and regulations included many items that were not applicable to the District, primarily the sewer sections which the District does not do. Doug reviewed the major components of the draft of the Amended Rules and Regulations.

The Board discussed the pressure gradients of the system and based on the advice of Doug and other consultants of the District, concluded that the pressures being currently produced by the system to the curb stops are more than adequate.

The draft assumes that a tiered rate structure would be implemented to promote water conservation due to the limits on production of the wells. Based on usage from other communities and capacity of the new tank, Mr. Weaver recommended increasing the allowed usage in each tier to allow

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uses an adequate amount of water before the fees dramatically increase. Mr. Weaver also noted that due to the substantial cost of the system, the \$5,000 tap fee appears low. The Board felt that the tap fee was consistent with the amounts previously charged by the Association and was reasonable.

By motion duly made and seconded it was unanimously

RESOLVED to approve the Amended Rules and Regulations, subject to final review, and

FURTHER RESOLVED to adopt the 2010 fee schedule as provided in Appendix A except to set the water tiers at a \$150 flat fee for quarterly usage between 0 and 25,000 gallons, \$15 per 1,000 gallons for quarterly usage between 25,000 and 45,000 gallons, and \$50 per 1,000 gallons for all quarterly usage in excess of 45,000 gallons, and

FURTHER RESOLVED to accept the current pressure gradients of the system.

**GENERAL
MANAGER**

As outlined in the Rules and Regulations, Mr. McMillin suggested that the Board hire a general manager to oversee the functioning of the system and address issues and conflicts that may arise. Mr. McMillin offered to transition his owners representative services into this new, much more limited, role. Based upon Doug's thorough understanding of the system, by motion duly made and seconded it was unanimously

RESOLVED to hire Doug on an independent contractor basis as the general manager for the water system at the same rate of \$75 per hour.

**MILLER
COMPLIANCE**

The Board briefly reviewed the Miller / Huddick issue where Mr. Miller has alleged that the work performed on his property by Hudick upon his approval is not his responsibility and he is therefore not willing to reimburse the District for the amount paid to Hudick by the District. Based on conversations and

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observations during this time by both Doug and multiple community members it was very clear that this was understood to be the responsibility of Mr. Miller and that the damage to the line was in no way caused Hudick while doing work on the main system. To bring the issue to a close, by motion duly made and seconded it was unanimously

RESOLVED to approved to waive the accrued interest charges if Mr. Miller brings his account current by May 15, 2010, and

FURTHER RESOLVED that if the account is not paid by May 15, 2010 to not waive the accrued interest, to shut off water service to the property, to apply two separate \$2,000 fines for his two previous illegal diversions found in the system, and file a lien on the property for the entire balance owed..

MULCAHEY COMPLIANCE

Mr. McMillin reported that Mr. Mulcahey is still disputing that there is not enough pressure being supplied to his house. As previously determined, based on the advice of the District's consultants, the Board feels that the pressure is adequate to the curb stop.

ELECTION

Mr. Weaver noted that the District's May 2010 election has been canceled as there were 5 self nominations received for the 5 positions.

FINANCIAL STATEMENTS

Mr. Weaver presented the preliminary March 31, 2010 financial statements noting that the operation expenses and revenues are on track with the budget. Due to anticipated savings in the final cost of the system, which comes primarily from the lower road costs discussed earlier, he is anticipating that the District will be able to pay down the bonds by an additional \$40,000 and still maintain adequate reserves. This paydown would not be made until December of 2010 and will be reviewed in greater detail once the final costs are known this fall. Upon motion duly made and seconded it was unanimously

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RESOLVED to approve the preliminary March 31, 2010 financial statements.

2009 AUDIT

Mr. Weaver reviewed a draft of the 2009 audit, noting that the District has once again received an unqualified or "clean" opinion. Upon motion duly made and seconded it was unanimously

RESOLVED to accept the 2009 audit as presented

**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 noting the significant past due balance from Mr. Miller discussed earlier.

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 this April 20, 2010

Respectfully submitted,



Matt Jones
Recording Secretary for the Meeting