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## RECORD OF PROCEEDINGS

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### **Minutes of the Regular Meeting Of the Board of Directors of Valagua Metropolitan District May 18, 2018**

The Regular Meeting of the Board of Directors of the Valagua Metropolitan District, Gypsum, Eagle County, Colorado, was held on May 18, 2018 at 1:00 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

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

- Don Janklow
- Brandon Causey
- Scott Green
- Jeffrey Petersen
- Darrel Schmidt (By telephone)

Also in attendance were:

- Joan Fritsche, Norton & Smith, PC (By telephone)
- Eric Weaver, Marchetti & Weaver, LLC
- Anne Clarke, Secretary to the Meeting

#### **Call To Order**

The Regular Meeting of the Board of Directors of the Valagua Metropolitan District was called to order by Director Janklow on May 18, 2018 at 1:00 p.m. noting a quorum was present.

#### **Oath of Office**

The May 8, 2018 Election was cancelled and Directors Causey, Schmidt, and Petersen were elected by acclamation. The oaths of office were administered to Directors Causey, Schmidt, and Petersen.

#### **Disclosure Matters**

Ms. Fritsche, who is the District's counsel, advised the Board that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each Board member disclosed his conflicts of interest, stating the fact and summary nature of any matters as required under Colorado law, to permit official action to be taken at the meeting. The Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Janklow reported that he is an owner of real property within the District and is on the Brightwater Club Property Owners Association Board of Directors. This disclosure is associated with approval of items on the agenda, which may affect his interests.

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## RECORD OF PROCEEDINGS

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### Valagua Metropolitan District May 18, 2018 Meeting Minutes

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Director Petersen reported that he is an owner of real property within the District. This disclosure is associated with approval of items on the agenda, which may affect his interests.

Director Causey reported that he is an owner of real property within the District and his wife Inga Causey is on the Brightwater Club Property Owners Association Board of Directors. This disclosure is associated with approval of items on the agenda, which may affect his interests.

Director Schmidt reported that he is an owner of real property within the District. This disclosure is associated with approval of items on the agenda, which may affect his interests.

Director Green reported that he is an owner of real property within the District and owns Shades of Green Landscaping that provides contracted landscaping services to the District and the Brightwater Club Property Owners Association. This disclosure is associated with approval of items on the agenda, which may affect his interests.

Written disclosures of these interests were filed with the Secretary of State and the Board prior to the meeting.

**Changes to the  
Agenda**

There were no changes to the meeting agenda.

**Public  
Comment**

There was no public comment.

**Minutes**

The Board reviewed the meeting minutes of the September 15, 2017 Regular Meeting. Upon motion duly made by Director Green and seconded by Director Causey it was unanimously

**RESOLVED** to approve the meeting minutes of the September 17, 2017 Regular Board meeting as presented.

**Director  
Matters**

Ms. Fritsche provided the Affidavit of Eligibility and the Conflict of Interest Disclosures forms for the Board members to execute.

**Election of  
Officers**

By motion duly made by Director Green and seconded by Director Petersen it was unanimously

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## R E C O R D   O F   P R O C E E D I N G S

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### Valagua Metropolitan District May 18, 2018 Meeting Minutes

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**RESOLVED** to appoint the current officers as follows:

Donald Janklow, President  
Brandon Causey, Secretary/Treasurer  
Scott Green, Asst Sec/Treasurer  
Darrel Schmidt, Asst Sec/Treasurer  
Jeffrey Petersen, Asst Sec/Treasurer

**Legal  
Matters**

Ms. Fritsche has moved from Collins, Cockrel, & Cole to Norton & Smith. She presented an engagement letter with her new firm. Upon motion duly made and seconded it was unanimously

**RESOLVED** to engage the representation of Ms. Fritsche through Norton & Smith, P.C.

**Water Rights** At the prior meeting, the Board requested a memo for the District, which would describe the various water rights and ownership interests of water rights related to Brightwater Club and the District that could be used as an ongoing reference tool related to water rights and compliance issues under various developer and water court agreements and documents. Ms. Fritsche reviewed the memo with the Board.

**Administrative**

**Resolution** Ms. Fritsche presented the 2018 Administrative Matters Resolution to the Board. Director Janklow agreed to serve as the emergency liaison officer for the District. Upon motion made by Director Green and seconded by Director Petersen it was unanimously

**RESOLVED** to approve the 2018 Administrative Resolution as presented.

**CORA**

**Resolution** The District adopted a Colorado Open Records Act policy in 2014. The statute recently changed, so Ms. Fritsche presented a revised Resolution. Mr. Weaver requested a form template to put on the District website to facility the process of future records requests. Upon motion duly made and seconded it was unanimously

**RESOLVED** to approve and adopt the Resolution designating the official custodian of records and adopting a policy on responding to open records requests, as presented.

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## RECORD OF PROCEEDINGS

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### Valagua Metropolitan District May 18, 2018 Meeting Minutes

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- Banking** The District currently utilizes CSafe as a banking institution. A representative from CSafe contacted Mr. Weaver, describing a new fund option that will be available in their portfolio later this summer. Mr. Weaver will keep an eye on the materials and follow-up at the next meeting.
- Audit** Mr. Weaver presented the 2017 draft audit, noting that the District once again received an unqualified or “clean” opinion. It was noted the District was not able to make the full bond payment but has complied with all requirements to keep the Bonds out of a default status. Upon motion made by Director Green and seconded by Director Causey it was unanimously

**RESOLVED** to accept the 2017 draft audit as presented.

#### **Financial Matters**

Mr. Weaver presented the preliminary March 31, 2018 financial statements with an itemized review of the balance sheet and statement of revenues and expenditures. He reviewed the historical context for the current state of the bond payments. The District’s debt service mill levy is capped at 50 mills, which has been adjusted for Gallagher to 51.356 mills for 2018. As long as the District is assessing the maximum mill levy allowed under its Service Plan for debt service, the District is not in default on the bonds for underpayment of required annual debt service required payments under the Bond Indenture.

#### **Payments Of Claims**

The payment of claims from October 2017 to May 2018 was presented to the Board. Upon motion duly made by Director Green and seconded by Director Causey it was unanimously

**RESOLVED** to accept the March 31, 2018 financial statements and approve payment of claims as presented.

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

**RESOLVED** to adjourn the Regular Meeting of the Valagua Metropolitan District Board of Directors this 18th day of May 2018.

Respectfully submitted,



Anne Clarke  
Secretary for the Meeting