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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 19, 2017**

The Regular Meeting of the Board of Directors of the Valagua Metropolitan District, Gypsum, Eagle County, Colorado, was held on May 19, 2017 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
- Jim Bittner
- Scott Green
- Darrel Schmidt (By telephone)

Also in attendance were:

- Joan Fritsche, Collins Cockrel & Cole (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 19, 2017 at 1:02 p.m. noting a quorum was present.

#### **Disclosure Matters**

Ms. Fritsche with Collins Cockrel and Cole, 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.

Director Bittner 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.

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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 Green 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 16, 2016 Regular Meeting. Upon motion duly made by Director Green and seconded by Director Bittner it was unanimously

**RESOLVED** to approve the meeting minutes of the September 16, 2016 Regular Board meeting with the correction as discussed.

**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 Bittner and seconded by Director Causey it was unanimously

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

Donald E. Janklow, President  
Darrel D. Schmidt, Secretary/Treasurer

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Scott Green, Asst Sec/Treasurer  
James Bittner, Asst Sec/Treasurer  
Brandon Causey, Asst Sec/Treasurer

#### **Administrative Matters**

**Resolution** Ms. Fritsche presented the 2017 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 Causey it was unanimously

**RESOLVED** to approve the 2017 Administrative Resolution as presented.

**Banking** The District currently utilizes CSafe as its sole banking institution. Mr. Weaver recommended that the Board consider adding an additional bank to utilize the services of Bill.com for payables as well as QuickBooks payroll direct deposit. CSafe does not allow these types of transactions. The Directors discussed the appropriate signers on the account and agreed that First Bank is the most appropriate bank, considering fees and branch locations. After discussion and upon motion made by Director Causey and seconded by Director Bittner it was unanimously

**RESOLVED** to approve opening a First Bank checking account for the District, to allow any Board member to be an authorized signer, and for representatives from Marchetti & Weaver to be allowed inquiry access only.

**Fence** Mr. Weaver described the fence repairs needed along the southern boundary of the District. Mr. Schneider, a District property owner and contractor, is scheduled to visit the site later today and Director Green agreed to meet him out there to discuss the repairs. The Board felt that proceeding with Mr. Schneider as long as the costs were reasonable was in the best interest of the District.

**Audit** Mr. Weaver presented the 2016 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 2016 draft audit as presented.

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#### **Financial Matters**

Mr. Weaver presented the preliminary March 31, 2017 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. As long as the District is assessing 50 mills for debt service, the District is not in default on the bonds. The Eagle County Assessor released updated property values earlier in the month. Mr. Weaver reviewed the change in assessments, the change in the State's residential assessment rate and the impact those will have on taxes collected in 2018. The bond documents require that the District "Gallagherize" the mill levy rate above the maximum of 50.000 to neutralize the effect of the change in the residential assessment rate.

#### **Payments Of Claims**

The payment of claims from October 2016 to May 2017 was presented to the Board. Upon motion duly made by Director Bittner and seconded by Director Causey it was unanimously

**RESOLVED** to accept the March 31, 2017 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 19th day of May 2017.

Respectfully submitted,



Anne Clarke  
Secretary for the Meeting