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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 20, 2016

The Regular Meeting of the Board of Directors of the Valagua Metropolitan District, Gypsum, Eagle County, Colorado, was held on May 20, 2016 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
- Darrel Schmidt (By Telephone)
- Jim Bittner (By Telephone)

Also in attendance were:

- Joan Fritsche, Collins Cockrel & Cole (By Telephone)
- Eric Weaver, Marchetti & Weaver, LLC
- Cheri Curtis, Secretary to the Meeting (By Telephone)

#### **Call To Order**

Director Janklow noted that a quorum of the Board was present, verified that notice of the meeting was posted in three locations within the District and that the Directors had confirmed their qualification to serve, and therefore called the meeting of the Board of Directors of the Valagua Metropolitan District to order.

#### **Oath of Office**

The May 3, 2016 Election was cancelled and Directors Janklow, Green and Causey were elected by acclamation. The oaths of office were executed to Directors Janklow, Green and Causey.

#### **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.

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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.

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.

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.

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

**Changes to the  
Agenda**

The Oaths of Office were administered at the beginning of the meeting to allow all Directors to act on matters at the meeting.

**Public  
Comment**

There was no public comment.

**Minutes**

The minutes of the September 18, 2015 Special Board Meeting were presented. Upon motion duly made by Director Green and seconded by Director Janklow it was unanimously

**RESOLVED** to approve the meeting minutes of the September 18, 2015 Special 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.

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The Conflict of Interest for Scott Green notes he owns Shades of Green Landscaping and contracts with the District and the Brightwater Club Property Owners Association for landscaping services.

#### **Election of Officers**

By motion duly made be Director Green 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  
Scott Green, Asst Sec/Treasurer  
James Bittner, Asst Sec/Treasurer  
Brandon Causey, Asst Sec/Treasurer

#### **Administrative Matters**

**Resolution** Ms. Fritsche presented the 2016 Administrative Matters Resolution to the Board. The Board agreed to leave the meeting at 1:00 p.m. on September 16, 2016. 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 2016 Administrative Resolution as presented.

#### **Audit Engagement**

**Letter** The 2015 Audit Engagement Letter was not approved at the previous Board meeting last fall. By motion duly made by Director Green and seconded by Director Causey it was unanimously

**RESOLVED** to approve the 2015 Audit Engagement letter by Chadwick, Steinkirchner, Davis and Company.

#### **Marchetti & Weaver Engagement**

**Letter** A new engagement letter with Marchetti & Weaver was presented. By motion duly made by Director Green and seconded by Director Causey it was unanimously

**RESOLVED** to approve the Engagement letter with Marchetti & Weaver, LLC.

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#### Other

##### Business

It was reported at the Brightwater Club Property Owners Association meeting held earlier today, there is a party interested in purchasing the Brightwater properties from Gypsum Creek Holdings.

#### 2015

##### Audit

Mr. Weaver presented the 2015 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 Causey and seconded by Director Green it was unanimously

**RESOLVED** to accept the 2015 draft audit as presented.

##### Financial

##### Matters

Mr. Weaver presented the March 31, 2015 financial statements with an itemized review of the balance sheet and statement of revenues and expenditures. The District will not be able to make the entire bond payment in 2016 or for the next several years until the community is revitalized by a new developer. As long as the District is assessing 50 mills for debt service, the District is not in default on the bonds.

##### Payments

##### Of Claims

The payment of claims from October 2015 to May 2016 was presented to the Board. Upon motion duly made by Director Causey and seconded by Director Green it was unanimously

**RESOLVED** to accept the March 31, 2016 financial statements and approve payment of claims as presented.

##### SDA

##### Workshop

Mr. Weaver presented information on the spring SDA workshops for Board members to attend if interested.

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

**RESOLVED** to adjourn the Special Meeting of the Valagua Metropolitan District Board of Directors this 20th day of May 2016.

Respectfully submitted,

Cheri Curtis  
Secretary for the Meeting