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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 September 15, 2017**

The Regular Meeting of the Board of Directors of the Valagua Metropolitan District, Gypsum, Eagle County, Colorado, was held on September 15, 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
- Eric Weaver, Marchetti & Weaver, LLC
- Anne Clarke, Secretary to the Meeting

#### **Call To Order**

The Meeting of the Board of Directors of Valagua Metropolitan District was called to order by Director Janklow 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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## RECORD OF PROCEEDINGS

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### Valagua Metropolitan District September 15, 2017 Meeting Minutes

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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 May 19, 2017 Regular Meeting. Upon motion duly made by Director Green and seconded by Director Bittner it was unanimously

**RESOLVED** to approve the May 19, 2017 meeting minutes as presented.

#### **Board Member**

**Election** The District is required by State Statute to hold an election for Board member terms expiring in May of 2018. Directors Schmidt, Bittner, and Causey terms are up for election. Mr. Weaver reviewed the election procedures. Upon motion by Director Green and seconded by Director Causey it was unanimously

**RESOLVED** to approve the Election Resolution as presented

#### **Audit Engagement**

**Letter** The 2017 Audit Engagement Letter was included in the Board packet for review. By motion duly made by Director Causey and seconded by Director Bittner it was unanimously

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## Valagua Metropolitan District September 15, 2017 Meeting Minutes

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**RESOLVED** to approve the 2017 Audit Engagement letter with Chadwick, Steinkirchner, Davis and Company.

### **2018 Meeting**

**Schedule** A calendar was presented to tentatively schedule the 2018 meetings. Expected dates are for May 18, 2018 and September 21, 2018 at 1:00 p.m. mountain time. These dates will be approved at the first meeting in 2018.

### **Other Business**

Director Schmidt inquired about the water rights regarding the water that moves through the District. Ms. Fritsche offered the services of a junior staffer at her firm who has a water rights background. He will prepare a memo for the District, which will catalog an understanding of the water rights.

Mr. Weaver described the Valley Road fence repairs that were addressed over the summer. The contractor is going to inspect the fence again to complete the project for the year.

### **Financial Matters**

Mr. Weaver presented the preliminary August 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. He also has researched the inability to refinancing the bonds given the current status of the development and overall bond market. As long as the District is assessing 50 mills for debt service, as adjusted for Gallagher, the District is not in default on the bonds. The Eagle County Assessor released updated property values last 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 May through September of 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 August 31, 2017 financial statements and approve payment of claims as presented.

### **2018 Budget Hearing**

The 2018 preliminary budget was distributed with the Board packet and made available to the public. The meeting was opened for public comment and upon hearing no public comment the public hearing was closed. After review and

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**RECORD OF PROCEEDINGS**

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**Valagua Metropolitan District September 15, 2017 Meeting Minutes**

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discussion and upon motion duly made by Director Bittner and seconded by Director Causey it was unanimously

**RESOLVED** to adopt the 2018 budget as presented at this meeting; to set the operating mill levy at 15.000 mills and the debt service mill levy at 51.356 mills, for a total mill levy of 66.356 mills; and to appropriate funds for spending in 2018, all as documented in the formal budget resolution but subject to minor adjustment for any further adjustments to the assessed values. A copy of the formal budget resolution is incorporated herein by this reference.

**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 15th day of September 2017.

Respectfully submitted,



Anne Clarke  
Secretary for the Meeting