
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors of Valagua Metropolitan District September 21, 2018

The Regular Meeting of the Board of Directors of the Valagua Metropolitan District, Gypsum, Eagle County, Colorado, was held on September 21, 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 (By telephone)
- 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 September 21, 2018 at 1:04 p.m. noting a quorum was present.

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.

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.

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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 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 minutes of the May 18, 2018 Regular Meeting. Ms. Fritsche recommended a couple of minor revisions. Upon motion duly made by Director Green and seconded by Director Causey it was unanimously

RESOLVED to approve the minutes of the May 18, 2018 Regular Meeting as amended.

Audit Engagement

Letter The 2018 Audit Engagement Letter was included in the Board packet for review. By motion duly made by and seconded it was unanimously

RESOLVED to approve the 2018 Audit Engagement letter with Chadwick, Steinkirchner, Davis and Company.

Verizon Improvements

Letter Gypsum's Town Manager, Jeremy Rietmann, is soliciting support of a project to promote and accelerate Verizon wireless service improvements in Gypsum. A

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draft letter supporting the project was attached for review. After discussion, the Board agreed to support the project and sign the final letter.

2019 Meeting Schedule

A calendar was presented to tentatively schedule the 2019 meetings. Tentative dates are May 17, 2019 and September 20, 2019 at 1:00 p.m. mountain time. The meeting calendar will be approved at the first meeting in 2019.

Financial Matters

Mr. Weaver presented the preliminary August 31, 2018 financial statements with a review of the balance sheet and statement of revenues and expenditures. He also has researched, with no success, the ability to refinance the bonds given the current status of the development and overall bond market. The District's debt service mill levy is capped at 50 mills, which was adjusted for Gallagher to 51.356 mills for 2018. The bond documents require the District to "Gallagherize" the mill levy rate above the maximum of 50.000 to neutralize the effect of the change in the residential assessment rate. 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 payments under the Bond Indenture.

Payments Of Claims

The payment of claims from May 2018 to September 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 August 31, 2018 financial statements and approve payment of claims as presented.

2019 Budget Hearing

The 2019 preliminary budget was distributed with the Board packet and made available to the public. Mr. Weaver asked for input regarding the fence along Valley Road. After discussion, it was determined that a capital appropriation of \$15,000 would be sufficient to improve that section of fence. The meeting was opened for public comment and upon hearing no public comment the public hearing was closed. After review and discussion and upon motion duly made by Director Causey and seconded by Director Petersen it was unanimously

RESOLVED to adopt the 2019 budget as amended at this meeting; to set the operating mill levy at 15.000 mills and the debt service mill levy at 51.390 mills, for a total mill levy of 66.390 mills; and to appropriate funds for spending in 2019, all as documented in the formal budget resolution

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but subject to minor adjustment for any further adjustments to the assessed values.

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 21st day of September 2018.

Respectfully submitted,



Anne Clarke
Secretary for the Meeting