

# RECORD OF PROCEEDINGS

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## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE VALAGUA METROPOLITAN DISTRICT

Held: Wednesday, October 14, 2009 at 1:00 p.m., at 296 Village Club Drive, Gypsum, Colorado.

### Attendance

The regular meeting of the Board of Directors of the Valagua Metropolitan District was called and held as shown above and in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualification to serve on the Board, were in attendance:

C. Michael Budd  
Ian K. Hause  
Russ E. Hatle  
Vernon L. Brock

Also present: Eric Weaver, Robertson & Marchetti, P.C.; Joan Fritsche, Foster Graham Milstein & Calisher, LLP; Russell Thrasher, Thrasher, LLC; Michael Brown, Mikim Brown; the following property owners: Günter Mussmann and Dan Hoffman; and Chief Dave Vroman, Gypsum Fire Protection District.\*

\* Arrival where indicated.

### Call to Order

Director Budd noted that a quorum of the Board was present, verified that notice of the meeting was posted in three locations within the District and 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.

### Disclosure Matters

Ms. Fritsche 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.

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Director Budd reported that he is an owner of real property within the District and that he is a real estate broker with Prudential Colorado Properties and represents property owners within the District. This disclosure is associated with approval of items on the agenda, which may affect his interests.

Director Brock reported that he is an owner of real property within the District and has had a consulting contract with Clearwater Development, Inc. Clearwater Development, Inc. is a property owner and developer within the District, which may have a right to reimbursement costs from the District. This disclosure is associated with approval of items on the agenda, which may affect his interests or those of Clearwater Development, Inc.

Director Hatle reported that he is an owner of real property within the District and that he has an ownership interest in Clearwater Development, Inc. Clearwater Development, Inc. is a property owner and developer within the District, which may have a right to reimbursement costs from the District. In addition, Director Hatle reported that he has investments in Imprimis LLC; Mt. 20 LLC; and Hares Ear LLC. This disclosure is associated with approval of items on the agenda, which may affect his interests or those of Clearwater Development, Inc.

Director Hause reported that he is an owner of real property within the District and a consultant to Clearwater Development, Inc. Clearwater Development, Inc. is a property owner and developer within the District, which may have a right to reimbursement costs from the District. This disclosure is associated with approval of items on the agenda, which may affect his interests or those of Clearwater Development, Inc.

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

Public Comment

There was no public comment.

Meeting Minutes

The minutes of the special meeting of the Board of Directors held on August 26, 2009 were read. Upon motion duly made by Director Hause, seconded by Director Brock and unanimously carried, the minutes were approved by the Board of Directors, as amended.

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Appointment of  
Director

Director Budd informed the Board that Robertson & Marchetti received one response from an interested property owner concerning the Board vacancy created by the resignation of Robert Savage. Ms. Fritsche advised the Board that Carl H. Luppens has met all qualifications to serve on the Board. Upon motion duly made by Director Hause, seconded by Director Brock and unanimously carried, the Board approved the appointment of Mr. Luppens. Mr. Luppens term expires in May, 2010.

Financial  
Report/Payables

Mr. Weaver reviewed with the Board the District's financial reports dated September 30, 2009 and payment of claims dated October 14, 2009. Upon motion by Director Hause, seconded by Director Hatle and unanimously carried, the Board accepted the financial reports and approved and ratified the payment of claims as presented. Mr. Weaver presented the Board with a breakdown of delinquent property tax payments and discussed the status of County property valuations, the County tax sale and possible changes to the District's debt service mill levy. The Board requested Mr. Weaver add a section to the next District newsletter alerting property owners that an increase in mill levy may not result in an increase in property taxes due to lower assessed valuations on certain properties within the District.

2010 Budget

Mr. Weaver reported that the meeting had been published in the *Eagle Valley Enterprise* as the District's hearing for its 2010 budget and presented to the Board the proposed 2010 District budget. Director Budd opened the public hearing on the 2010 budget. Mr. Weaver discussed options with the Board concerning mill levies and capital improvements. The Board determined not to adopt a budget until the results of the Eagle County tax sale, scheduled for early November, are known so that the District can more accurately predict its tax collection and revenue stream for 2010. Upon motion by Director Hause, seconded by Director Hatle and unanimously carried, the Board determined to continue the public hearing to the District's next scheduled meeting – November 13, 2009 at 1:00.

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### Fence Contract

Upon motion made by Director Hatle, seconded by Director Hause and unanimously carried, the Board approved and ratified the Valley Road fence contract with M&J, LLC. Due to cost estimates and the quality of M&J's work to date, Mr. Thrasher requested the Board consider a change order to the M&J contract authorizing M&J to extend the fence and create a rough trail to the creek. The Board authorized Mr. Thrasher to contact M&J with a proposal to extend the fence and create a rough fisherman's trail to the creek for a maximum amount of \$60,000.

\*\*Mr. Thrasher left the room and returned a few minutes later with a response from M&J. Upon motion duly made by Director Hause, seconded by Director Hatle and unanimously carried, the Board approved a change order to the M&J contract for completion of the creek trail and fencing in the amount of \$55,000.

### Status of Town Calling Completion Bonds

Director Hatle gave the Board an update on the status of completion of infrastructure for Filings 4, 5 & 6 based upon his discussions with Jeff Shroll, Town Manager, Inco/Dyco, bonding company for Filing 4 improvements and Insurance Company of the West, bonding company for Filing 5 improvements. CDI has provided plans and bid documents to the bond companies. There are insufficient bond funds to complete all of the remaining improvements in Filing 4. There has been some discussion of deplating Filing 4A (Creekside) into a super pad in order to complete the rest of Filing 4 and have the Filing and improvements accepted by the Town. In Filing 5, Mountain Spur will need water and sewer improvements, at a minimum in order to serve the Fire Station in Filing 6 and loop the water line. The Town's preference is to build all of the improvements as currently platted.

The Town is currently completing warranty work on Valley Road and is in the process of gathering information for negotiations with the bonding companies. The Town will bid and construct, to the extent possible, all remaining improvements for Filings 4, 5 & 6. The Board directed Ms. Fritsche to keep in touch with Jeff Shroll on the status and progress of completing the improvements.

### Security Services

Upon motion duly made by Director Brock, seconded by Director Hatle and unanimously carried, the Board approved the Security Services Agreement with Mikim Brown. However, not all of the exhibits were attached to the Agreement. The Board agreed to review and ratify the Exhibits at its November meeting.

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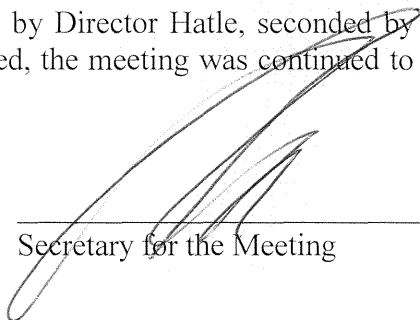
Filing 6, Lot 1

\* Chief Vroman arrived at this time.

Chief Vroman informed the Board that the Fire District is requesting a third addendum to the existing IGA with the District clarifying the obligations of the Metro District and CDI regarding impact fees and conveyance of Lot 1, Filing 6. The Board received a copy of the Addendum prior to the meeting but did not have an opportunity to review the document provisions. The Board tabled action on this matter until the next Board meeting.

Continuation of  
Meeting

There being no further business to come before the Board, and upon motion duly made by Director Hatle, seconded by Director Hause and unanimously carried, the meeting was continued to November 13, 2009 at 1:00 p.m..



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Secretary for the Meeting