
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors of Valagua Metropolitan District September 20, 2019

The Regular Meeting of the Board of Directors of the Valagua Metropolitan District, Gypsum, Eagle County, Colorado, was held on September 20, 2019 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

The following Directors were absent and excused:

Also in attendance were:

- Joan Fritsche, Fritsche Law
- Eric Weaver, Marchetti & Weaver, LLC
- Diane Kovalik, Marchetti & Weaver, LLC

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 20, 2019 at 1:00 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 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.

**Director
Matters**

Due to the death of Director Schmidt, there is a vacancy on the Board. Directors Janklow and Green have terms expiring next year. It was decided to fill Director Schmidt's vacancy next election in 2020.

Minutes

The Board reviewed the meeting minutes of the May 17, 2019 Regular Meeting. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the meeting minutes of the May 17, 2019
Regular Board meeting as presented.

**Legal
Matters**

Ms. Fritsche informed the Board next years election is scheduled for May 5, 2020. Self-nomination forms will be requested in January and due by March. Director Schmidt's seat on the Board will be for a term of 2 years. Directors Janklow and Green seats on the Board will be for a term of 3 years each.

Business

The Board reviewed the Election Resolution included in the Board packet, calling for a District 2020 Election and designation of election official. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Election Resolution.

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The Board reviewed the Audit Engagement Letter included in the Board packet, for fiscal year 2019. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Audit Engagement Letter from Chadwick, Steinkirchner, Davis & Co. P.C for fiscal year 2019 for fee of \$4,750.

The Board reviewed the Legal Engagement Letter distributed at the meeting. Upon motion duly made and seconded it was unanimously

RESOVLED to approve the Legal Engagement Letter from Fristche Law for District legal services.

The Board reviewed the proposed meeting calendar for 2020 included in the Board packet. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the 2020 meeting calendar for two regular meetings on May 15 and September 18, 2020.

The Board reviewed the Resolution Authorizing Online Notice of Public Meetings included in the Board packet. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Resolution Authorizing Online Notice of Public Meetings and not require physical postings within the District.

Financial Matters

Mr. Weaver presented the preliminary August 31, 2019 financial statements with a review of the balance sheet and statement of revenues and expenditures. Finances were running favorable to budget. The District's debt service mill levy is capped at 50 mills, which was adjusted for Gallagher to 51.390 mills for 2019. 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 January 1 through August 31, 2019 was presented to the Board. Upon motion duly made and seconded it was unanimously

RESOLVED to accept the August 31, 2019 financial statements and approve payment of claims as presented.

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2020 Budget

Hearing

The 2020 preliminary budget was distributed with the Board packet and made available to the public. Mr. Weaver stated the August assessed valuations provided by the county increased by 10% from 2019. The proposed maintenance contract for weed control and fence maintenance would increase by 5% and mosquito spraying would continue for 2020. The meeting was opened for public comment and upon hearing no public comment the public hearing was closed. After review and discussion upon motion duly made and seconded it was unanimously

RESOLVED to adopt the 2020 budget as presented, to set the operating mill levy at 15.000 mills and the debt service mill levy at 51.308 mills for a total mill levy of 66.308 mills; and to appropriate funds for spending in 2020, all as documented in the formal budget resolution but subject to minor modifications which may result from the final certification of 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 20th day of September, 2019t 1:50 p.m.

Respectfully submitted,

Secretary for the Meeting