

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
TODD CREEK VILLAGE METROPOLITAN DISTRICT
ADAMS COUNTY, COLORADO
January 13, 2011**

A special meeting of the Board of Directors of Todd Creek Village Metropolitan District, Adams County, Colorado, was held on Thursday, January 13, 2011 at 10450 E 159th Ct, Brighton, CO 80602. The meeting was called to order at 2:14 p.m.

The following Directors were present:

Kathy Kropp
Roger Hollard
Ken Hammerle
George R. Hanlon
Roger Addlesperger

Also Present:

Denise Vineyard, Admin. Assist. Village Water Management, LLC
Tamara Seaver, Legal Counsel, Icenogle Seaver Pogue, P.C.
Joe Daniels, Faegre & Benson, LLP

Call To Order/Declaration of Quorum.

Noting the presence of a quorum of the Board of Directors, Director Hanlon called to order the special meeting of the Board of Directors of the Todd Creek Village Metropolitan District.

Conflict Disclosures

Director Hanlon noted for the record that, in accordance with state law, written disclosures were filed with the Secretary of State. All directors reaffirmed the written disclosures on file with the Secretary of State.

Approval of Agenda

Director Hammerle recommended the addition of a discussion regarding the merits of performing an analysis of competitive tap fees. Director Hanlon recommended the addition of a discussion regarding possible amendments to the District's rules and regulations regarding any defaulted tap fee purchase agreements; and an executive session discussion of audit items. Thereafter, upon a motion duly made by Director Addlesperger seconded by Director Kropp, the Board unanimously approved the revised agenda for the meeting.

Minutes of December 9, 2010 Meeting

Following brief discussion, upon a motion duly made by Director Hollard, and seconded by Director Hammerle, the Board approved the December 9, 2010 minutes as presented. Director Addlesperger abstained from the vote as he was not present for the December board meeting.

Financial Report

Director Hammerle reviewed with the Board of Directors the claims for January 2011. Following Director Hammerle's review, upon a motion of Director Kropp and second by Director Addlesperger, the Board voted unanimously to approve the payment of claims.

Director Hammerle reviewed with the Board the District's financial statements dated December 31, 2010. Following discussion, upon a motion duly made by Director Kropp seconded by Director Addlesperger, and unanimously approved, the Board accepted the financial statements, as presented.

Director Hammerle then reviewed the total customer overview report with the Board.

Budget Amendments for 2008, 2009 and 2010 Budgets

Director Hanlon opened a public hearing on the amendment of the 2008, 2009 and 2010 budgets at 2:33 pm. Mr. Daniels was the only member of the public present and did not wish to address the Board regarding the proposed amendments. There, being no public comment Director Hanlon closed the public hearing at 2:34.

Director Hammerle then reviewed with the Board a resolution amending the 2008 budget for the capital fund from zero to \$2.5 million. Following discussion, upon a motion duly made by Director Hammerle seconded by Director Hollard, and unanimously approved, the Board approved the resolution amending the 2008 budget.

Director Hammerle reviewed with the Board a resolution amending the 2009 budget for the general fund from \$2.4 million to \$2.7 million. Following discussion, upon a motion duly made by Director Hammerle seconded by Director Hollard, and unanimously approved, the Board approved the resolution amending the 2009 budget.

Director Hammerle reviewed with the Board the resolution amending the 2010 budget for the capitol fund from \$109,900 to \$500,000. Following discussion, upon a motion duly made by Director Hammerle seconded by Director Hollard, and unanimously approved, the Board approved the resolution amending the 2010 budget.

Tap Fee Analysis

Director Hammerle reviewed with the Board his preliminary competitive analysis for tap fees in surrounding municipal entities providing water, wastewater and irrigation services. Following discussion the Board directed Director Hammerle and Director Hollard to conduct additional review regarding area tap rates and to bring back to the Board a proposed increase for the tap fees.

Operations

Management Services Proposal

Ms. Seaver reported to the Board that her office received only one proposal for management services in response to the Board's request for proposals. Village Water Management, the current management services provider was the sole proposer. Ms. Seaver then reviewed the Village Water Management proposal with the Board of Directors, noting that the manner of operation was identical that to currently provided

with the addition of one more operator position in the reverse osmosis water treatment plant. Mr. Hammerle explained that as water demands have increased, the plant's operational schedule has increased to serve the demand. This necessitates the employment of one additional plant operator qualified in reverse osmosis technology. This labor increase is the sole dollar increase over District's present contract with Village Water Management. Following discussion, Director Kropp moved that the Board accept the Village Water Management proposal, and enter into a new contract through January 31, 2014 for the sum of \$55,000 per month. Director Addlesperger seconded the motion. At this point, Directors Hammerle and Hanlon abstained due to their relationships with Village Water Management. Director Hollard, declared for the record that he has an ongoing employment relationship with Village Water Management, but noted because his vote as necessary to make a quorum of the Board of Directors and allow the body to act, he would participate in the voting on Director Kropp's motion to approve the contract. Therefore, Directors Kropp, Addlesperger and Hollard voted to approve the 2011 Management Services Contract with Village Water Management.

Rules and Regulations review

Director Hanlon presented to the Board the notion that he would like the Board to consider amendments to the District's Rules and Regulations to clarify that owners who take title to property which is the subject of defaulted tap purchase agreements would be required to pay for all, and not portions of, the taps at issue. The Board of Directors thereafter requested the Ms. Seaver review the present rules and regulations and present the Board with proposed amendments at the next Board meeting.

Other Business Matters

None.

Attorney Items

2011 Annual Administrative Resolution

Ms. Seaver reviewed with the Board the 2011 Annual Administrative Resolution. Following discussion, upon a motion duly made by Director Hammerle seconded by Director Kropp, and unanimously approved, the Board approved the 2011 annual resolution and, as part of the approval, the Board re-elected the 2010 Board officers to the same positions for 2011. The Board also changed the Board's regular meeting time to 2:00 pm on the second Thursday of each month.

Resolution Repealing Resolution Regarding Identity Theft Policy

Ms. Seaver explained that at the February Board meeting she would bring to the Board a resolution repealing the Board's earlier resolution adopting identity theft policies as the federal legislation requiring the onerous policy had been repealed with regard to municipal service providers and other non-lending institutions.

Executive Session

Director Hollard made a motion, pursuant to Section 24-6-402(4)(a), 402(4)(b) and 402(4)(e), that the Board go into executive session in order to confer with general counsel to receive legal advice on specific legal questions, to determinate positions on matters which may be subject to negotiation, develop strategies for negotiation and instruct negotiators related to the Liberty Bank, Guaranty Bank litigation, Baseline Lakes, City

Wide Bank, Audit Issues. Director Kropp seconded the motion, which was thereafter unanimously approved. The Board entered into executive session at 3:34 p.m.

Upon a motion duly made by Director Hammerle, seconded by Director Addlesperger and unanimously approved, the Board came out of executive session at 5:06 p.m.

Following the executive session, the Board directed Ms. Seaver to work with Director Hammerle to send Liberty Bank a final invoice for unpaid taps and to record a statement of lien if Liberty Bank fails to make payment as specified in the final invoice.

The Board also discussed Mr. Osborne's response to the Board's 2010 demand letter and investigation undertaken relating to the status of assets conveyed to the District by Osborne related entities and Mr. Osborne's financial status. Following discussion, the Board determined that from the investigation of District staff into the circumstances under which various and major district water system assets were contributed to the District by Mr. Osborne, it appeared that such assets were contributed with the intent that Mr. Osborne receive compensation for the contributions but that inadequate record keeping led to incorrect classification of the assets on the District's books. The Board further determined that Guaranty Bank's judgment against Mr. Osborne and their investigation into his assets reveal no present ability to collect the demanded amount. In light of the foregoing, the Board determined that substantial legal fees which would be expended to undertake any collection effort would not constitute a prudent use of the District's funds, especially in the light of the District's own financial issues with its Bonds and COPs. Therefore, upon the motion of Director Addlesperger and second of Director Kropp, the Board unanimously determined: (A) to correct the District's books to accurately reflect categorization of all District assets, and (B) not to pursue Mr. Osborne or related entities provide Mr. Osborne agrees in writing to the following terms: (1) Mr. Osborne agrees to sign (or cause to be signed) any and all documentation the District requires in order to perfect or clarify the District's ownership interests in any District assets of any kind, (2) Mr. Osborne waives any and all claims he or entities he controls might assert against the District related in any manner to conveyance of assets to the District.

The Board directed Mr. Hammerle to work with the District's auditors to bring prior year audits to closure as expediently as possible and to proceed with the 2010 Audit.

Adjournment

There being no further business, the Board of Directors adjourned the meeting at 5:21 p.m. The Board's next meeting will be a regular meeting to be held on February 10, 2011 at 2:00 p.m. at the Todd Creek Village Metropolitan District, 10450 E 159th Ct, Brighton, CO 80602.

The foregoing minutes constitutes a true and correct copy of the minutes of the above referenced meeting and was approved by the Board of Directors of the Todd Creek Village Metropolitan District.



Roger Hollard, Secretary