
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of Headwaters Metropolitan District July 16, 2014

The Regular Meeting of the Board of Directors of the Headwaters Metropolitan District, Town of Granby, Grand County, Colorado, was held at the Ranch Hall at Granby Ranch, 998 Village Road, Town of Granby, Grand County, Colorado, in accordance with State law.

Attendance The following Directors were present and acting:

- Kyle Harris
- Julie Krueger
- Marylane Packer
- Lance Badger

Also in attendance were:

- Clint Waldron, Esq. White, Bear and Ankele, PC (via phone)
- Eric Weaver, Robertson & Marchetti, P.C. (via phone)
- Kathy Lewensten, Robertson & Marchetti, PC (via phone)
- Marise Cipriani, Granby Realty Holdings
- Rusty Thompson, Granby Realty Holdings

Call to Order and Declaration of Quorum

The Meeting of the Board of Directors of the Headwaters Metropolitan District (HWMD) was called to order by Director Harris at 10:00 a.m. noting a quorum was present.

Disclosure of Potential Conflicts of Interest

The Directors reviewed the agenda for the meeting, following which each Director confirmed the contents of any written disclosure previously made, stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Each director also confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The Board noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts. Additionally, the Board determined that participation by the directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

Consideration of Agenda

Director Harris added an update related to a potential lawsuit involving NVH & LG Everist Materials and discussion of a Marijuana Policy as agenda items.

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Consent Agenda

The items on the consent agenda were:

- Approval of Accounts Payable
- Ratify Independent Contractor Agreements and Change Order – Premier Earthworks and Kumar & Associates, Inc

The Board considered a motion to approve the consent items as presented. By motion duly made and seconded it was unanimously

RESOLVED to approve and ratify all items on the consent agenda.

Minutes

The Board reviewed the minutes of the February 19, 2014 Regular Meeting. By motion duly made and seconded it was unanimously

RESOLVED to approve the February 19, 2014 minutes.

New Business

Director Krueger reported a proposed amenity fee agreement has been presented to Silver Star Condominiums for execution. This agreement is intended to align their amenity agreement with those that are in place throughout the rest of the District as discussed in the last meeting.

Public Records Request Policy

Mr. Waldron reviewed the public records policy that had been included in the packet. He explained the legislature had changed amounts that can be charged for requests. The policy presented meets current state statutes. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Public Records Request Policy as presented.

LG Everist

Director Harris reported the District had been notified of a potential lawsuit between LG Everist and NVH related to roadway asphalt material that had been rejected for not meeting specifications. Payment was not made by NVH for the non compliant material. Since the roadways had been conveyed to the District, the District was notified and would need to respond to the complaint. The District will need to engage special counsel if the lawsuit moves forward. It was reported the suit may be dropped per the latest information. Director Harris will continue to work with Mr. Waldron regarding the matter. Upon motion duly made and seconded, it was unanimously

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RESOLVED to authorize Director Harris to engage Special Counsel if necessary.

Marijuana Policy Mr. Waldron provided background information related to Amendment 64 legalizing marijuana in Colorado. He explained the District may set policies to regulate and prohibit marijuana within the District. Director Harris stated the intent is to have a clear policy related to marijuana within the District. The Board agreed the policy should prohibit consumptive use, growing of, or transportation of marijuana on District property. There is an effort underway to have all Granby Ranch entities; metro district's, homeowner associations, etc. adopt consistent comprehensive policies related to prohibition of marijuana. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint and authorize Director Harris and Director Badger to develop and implement a marijuana policy consistent with Board direction and with other entities policies.

Executive Session

The Board determined that an Executive Session was not necessary.

2013 Audit

Mr. Weaver presented a draft of the 2013 preliminary audit. He explained the draft included in the packet was not in final form noting there were several formatting and date revisions that did not get completed prior to the board packet being sent out. He requested appointment of an audit committee. He explained the necessary revisions will be made and a clean draft will be provided to the audit committee for final acceptance. He noted the District has once again received an unqualified or "clean" opinion. The Board appointed Director Krueger and Director Packer to the audit committee. Upon motion duly made and seconded it was unanimously

RESOLVED to accept the 2013 audit of the Headwaters Metropolitan District, subject to the revisions discussed and upon final review and acceptance by the audit committee.

Financial Statements

Mr. Weaver presented the preliminary May 2014 financial statements for HWMD. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the preliminary May 2014 financial statements.

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Future Meetings The next regular meeting is scheduled for Wednesday, October 15, 2014 at the same time and location.

Public Comment No public comment was offered.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the meeting of the Headwaters Metropolitan District this 16th day of July, 2014.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Secretary for the Meeting