
RECORD OF PROCEEDINGS

Minutes of the Joint Special Meeting of the Board of Directors of Headwaters Metropolitan District and Granby Ranch Metropolitan District Nos. 2 & 8 November 4, 2015

The Joint Special Meeting of the Board of Directors of the Headwaters Metropolitan District and Granby Ranch Metropolitan District Nos. 2 & 8 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 Ankele Tanaka & Waldron
- Eric Weaver, Marchetti & Weaver LLC
- Kathy Lewensten, Marchetti & Weaver LLC (via phone)
- Natascha O'Flaherty, Property Owner

Call to Order and Declaration of Quorum

The Joint Meeting of the Boards of Directors of the Headwaters Metropolitan District (HWMD) and Granby Ranch Metropolitan District Nos. 2 & 8 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 requested deletion of item 7(a) under Legal.

Consent Agenda

The items on the consent agenda were:

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- Approval of Accounts Payable
- Approval Transportation and Streetscape Maintenance Agreements;
- Ratify Independent Contractor Agreements -
Bowman Vision Land
Matrix Design Group
V.S.R. 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 Boards reviewed the minutes of the July 15, 2015 HWMD Regular Meeting and the October 22, 2014 HWMD and GRMD Nos. 2 & 8 Joint meeting. By motion duly made and seconded it was unanimously

RESOLVED by HWMD to approve the minutes of the July 15, 2015 HWMD Regular Meeting, and

FURTHER RESOLVED by GRMD Nos. 2 & 8 to approve the October 22, 2014 minutes.

Road/Transportation Services RFP

It was reported the District had bid out the 2016 snow removal services and had received a bid from GR Amenities for snowplowing services. Another party has expressed interest in providing plowing services to the medical site area however their bid has not yet been received. It is expected in the next few days. The Board authorized the committee to review and accept a bid for plowing services for the medical center area if the cost does not exceed the bid provided by GRA. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the snowplowing bid from Granby Ranch Amenities excluding the medical site, and

FURTHER RESOLVED to authorize Director Packer to review and accept a bid for snowplowing at the medical site subject to the bid being lower or equal to the GRA bid.

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Posting Notice Mr. Waldron reviewed the GR Nos. 2 & 8 posting notice resolution included in the packet. The location will remain the Kiosk at the intersection of County Road 894 and Ten Mile Road. Upon motion duly made and seconded, it was unanimously

RESOLVED by GRMD Nos. 2 & 8 to approve the Resolution Designating the District's 24-hour Posting Location

**2016 Annual
Administrative
Resolution**

The joint annual administrative resolution included in the packet was reviewed. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the 2016 Annual Administrative Resolution.

**May 2016
Election**

The Board reviewed the May 2016 Board of Directors joint election resolution. If there are no more candidates than open seats the elections can be cancelled. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the Joint May 2016 Election Resolution.

**White Bear Ankele
Tanaka and Waldron
Engagement Letters**

Mr. Waldron reviewed the engagement letters from his firm noting each District would now have their own engagement letter. Director Krueger asked the time noted in item 6 for record retention be extended to ninety days. Mr. Waldron agreed to this change. Mr. Waldron also advised the Board that as he is not independent as to the engagement, the Board has the right to seek independent counsel's review of the engagement letters. Upon motion duly made and seconded it was unanimously

RESOLVED to approve separate Engagement Letters for each District with White Bear Ankele Tanaka and Waldron, PC as revised.

**Executive
Session**

The Board determined an Executive Session was not necessary.

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Financial Statements

Mr. Weaver presented the preliminary September 2015 financial statements which included the 2016 budgets. Upon motion duly made and seconded it was unanimously

RESOLVED to accept the preliminary September 2015 financial statements.

2016 Budget HWMD

Director Harris opened the public hearing for the 2016 HWMD budget. Mr. Weaver reviewed the revenues and expenditures. He noted HWMD expects to receive reimbursement for expenses related to the cost of issuance for the refinancing of the GR bond from net GR bond proceeds. Director Harris reported the developer has offered to contribute funds in an amount not to exceed \$225,000 towards operations expenses for one more year through 2016. Director Harris noted the developer has stated it will NOT contribute funds towards operation expenses after 2016. The Districts will need to develop a plan to fund operations expenses moving forward. Ms. O'Flaherty offered several comments related to other District budgets and expressed her opinion. The public hearing was closed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the resolution to adopt the 2016 Headwaters Metro District budget, to set the mill levy rates, and to appropriate funds subject to receipt of the final assessed valuation.

2016 Budgets GR Nos. 2 & 8

Director Harris opened the public hearings for the 2016 GR Nos. 2 & 8 budgets. Ms. O'Flaherty offered her comments. The public hearing was closed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the resolution to adopt the 2016 Granby Ranch Metro District No. 2 budget, to set the mill levy rates, and to appropriate funds subject to receipt of the final assessed valuation, and

FURTHER RESOLVED to approve the resolution to adopt the 2016 Granby Ranch Metro District No. 8 budget, to set the mill levy rates, and to appropriate funds subject to receipt of the final assessed valuation.

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2015 Audit Engagement Letter

Mr. Weaver recommended continuing the services of Chadwick, Steinkirchner & Davis, P.C. for the 2015 audit. He noted there had been a \$50 increase in the fee. Mr. Waldron requested the inclusion of Illegal Aliens provisions. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the engagement letter with Chadwick, Steinkirchner & Davis, P.C. for the 2015 Audit as revised.

GRMD Nos. 2 & 8 Audit Exemptions

Mr. Weaver referred to the 2015 Audit Exemption Resolutions for GRMD Nos. 2 & 8 which had been included in the packet. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Resolutions approving an Exemption from Audit for Fiscal Year 2015 for GRMD Nos. 2 & 8.

MWLLC Engagement Letter

Mr. Weaver asked the Board to consider approving new engagement letters. The fees will continue to be billed hourly. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the engagements letter with Marchetti & Weaver LLC.

Future Meetings

The next meeting is scheduled for Wednesday, February 17, 2016 at the same time and location.

Public Comment

No further public comment was offered.

Adjournment

Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the joint meeting of the Headwaters Metropolitan District and the Granby Ranch Metropolitan District Nos. 2 & 8 this 4th day of November, 2015.

Respectfully submitted,
/s/ Kathy Lewensten
Secretary for the Meeting