

Headwaters Metropolitan District and Granby Ranch Metropolitan District Nos. 2 - 8

January 29, 2018

Town Manager
Town of Granby
PO Box 440
Granby, CO 80446

Re: Annual Report for Headwaters Metropolitan District and Granby Ranch Metropolitan District Nos. 2 & 8 (the "Districts") for 2017

Dear Town Manager,

In accordance with the requirements of Section 9(f) of the Amended and Restated Intergovernmental Agreement between the Town of Granby, Headwaters Metropolitan District, and Granby Ranch Metropolitan District Nos. 2 & 8, the Districts are submitting the following information:

Major Actions Taken by the Districts during the Preceding Year

1. Capital fund expenditures of the Headwaters Metropolitan District in 2017:

Water Line Extension	0
Trailside	0
Long Term Maintenance/Securities	0
Metro Backbone	0
Total	<u>0</u>

Please note the costs reflected above for the Districts' 2017 infrastructure projects are preliminary year end amounts. The audit, which will provide final 2017 infrastructure costs, is expected to be completed by July 31, 2018. A copy of the audit report will be provided to the Town upon completion.

2. Other major actions undertaken by the Districts during 2017 include the ongoing lease of the ski mountain and golf course as well as operation and maintenance of the roads within the Districts.

The ski area (Ski Granby Ranch) and the golf course (Golf Granby Ranch) are leased by Headwaters Metro from the Developer of the community. In December 2012 Headwaters Metropolitan District entered into a Second Amended Lease Purchase Agreement with Granby Realty Holdings, LLC and also a Leased Premises Management Agreement with Granby Ranch Amenities, LLC.

Administrative & Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
(720) 210-9136

Also, the Districts approved the following intergovernmental agreements during 2017: *Amendment to August 22, 2016 Letter Agreement* between Headwaters Metro District, Granby Ranch Metro District Nos. 2 through 8 and Granby Ranch Metro District; *Road Maintenance and Snow Removal Agreement* between Headwaters Metro District, Granby Ranch Metro District Nos. 2 through 8 and Granby Ranch Metro District; *Termination of Intergovernmental Agreement* between Headwaters Metro District, Granby Ranch Metro District Nos. 2 through 8 and Granby Ranch Metro District; and *Waiver and Release of Claims* between Headwaters Metro District, Granby Ranch Metro District Nos. 2 through 8 and Granby Ranch Metro District

3. Projections for 2018 capital projects fund for the Headwaters Metropolitan District are as follows:

Long Term Maintenance/Securities	0
Metro Backbone	0
Contingency	500,000
Total	<u>500,000</u>

At this time, the District is not anticipating any large capital improvements in 2018 but did budget a contingency to allow for unexpected or necessary improvements that may arise.

If you have any questions regarding this report, please contact me at (970) 926-6060, Ext 6.

Sincerely,



Eric Weaver
District Administrator

cc: Sharon Spurlin, Town of Granby Finance Director
Deb Hess, Town of Granby Clerk
Town of Granby Board of Trustees
Clint Waldron, Districts' Counsel

HWMD Board of Directors
GRMD Nos. 2&8 Board of Directors