
RECORD OF PROCEEDINGS

Minutes of the Board of Directors Meeting of Headwaters Metropolitan District May 24, 2018

The Board of Directors Meeting of the Headwaters Metropolitan District was held in 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:

- Lance Badger
- Dustin Lombard

The following Director was absent and excused:

- Natasha Wall

Also in attendance were:

- Clint Waldron, Esq. White Bear Ankele Tanaka & Waldron (via phone)
- Eric Weaver, Marchetti & Weaver LLC (via phone)
- Kathy Lewensten, Recording Secretary (via phone)
- Nick Raible, Property Owner within Granby Ranch

Call to Order and Declaration of Quorum

The Meeting of the Board of Directors of Headwaters Metropolitan District (HWMD) was called to order by Director Badger at 11:00 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

No revisions were made to the agenda.

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Minutes The Board reviewed the March 22, 2018 minutes. By motion duly made and seconded it was unanimously

RESOLVED to approve the March 22, 2018 minutes.

Oaths of Office Director Lombard's oath was administered. Director Wall's oath was administered outside of the meeting.

Election of Officers After a brief discussion, upon motion duly made and seconded, it was unanimously

RESOLVED to elect the following officers:

President – Director Badger

Vice Pres/Secretary/Treasurer – Director Wall

Vice Pres/Asst Secretary – Director Lombard

Operations Director Badger reported on the status of the following matters:

Roadway Projects – Filing 10: Director Badger requested approval of several agreements related to roadway work that will be performed as described in the First Amendment to the Letter Agreement dated April 11, 2018 which the District was party to.

- **Road Repair Agreement** between HWMD and Granby Realty Holdings. An escrow account has been established at Clifton Larsen Allen by GRH to fund roadway repairs in Filing 10. The District will follow procedures established to request payment from the Escrow account for work performed. It was noted the roadway work may exceed the available escrow funds. Mr. Waldron will work with Director Badger to draft a separate funding agreement for additional amounts that may be needed. Mr. Waldron recommended a revision to the Road Repair Agreement to indemnify the District in case of insufficient funds. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Road Repair Agreement subject to revisions as described and final review by legal counsel.

- The following Independent Contractor Agreements are related to the roadway work:
 - Matrix Design Group** (Matrix)– Roadway Investigation for settlement and longer term for ongoing design services
 - Kumar & Associates** (Kumar)– Geotechnical Services for settlement and longer term for ongoing roadway repairs.

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Mountain Madness Inc – Time & materials (T&M) work related to settlement issue and a long-term agreement related to future roadway services

Director Lombard suggested the agreements include a not to exceed cost estimate along with the scope of work. Director Badger replied he was in the process of obtaining more information and estimates for the long-term work. The work related to the settlement issues was performed on a T & M basis. Upon motion duly made and seconded,

RESOLVED to approve the Independent Contractor Agreements with Matrix, Kumar and Mountain Madness for T&M work related to the settlement project, and

FURTHER RESOLVED to approve Mountain Madness Inc. Work Order #1 for work performed on the settlement project, and

FURTHER RESOLVED to approve Independent Contractor Agreements with Matrix, Kumar and Mountain Madness for future roadway services subject to review by legal counsel.

Director Badger explained the Town of Granby (TOG) will be requesting reimbursements for work it performs related to the Filing10 roadway project. He requested authorization to approve related TOG reimbursements. Upon motion duly made and seconded, it was unanimously

RESOLVED to authorize Director Badger to approve reimbursements to Town of Granby for work related to the Filing 10 roadway project.

Director Badger requested authorization to obtain gravel material from Everist Materials as needed for the roadway project. Upon motion duly made and seconded, it was unanimously

RESOLVED to authorize Director Badger to utilize Everist Materials for the Filing 10 roadway project.

South Road Agreement: Mr. Waldron reported receipt of a letter regarding the 2008 South Road Agreement with the Village Lot Owners Association (VLOA). He referred to the letter and memo which had been

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included in the packet. VLOA's counsel was requesting re-visitation of the agreement. Mr. Waldron noted he would welcome any comments from the Board. No action is required at this time

RFP Management Agreement: Director Badger stated a Request for Proposals (RFP) for Management Services for the mountain operations (ski/bike) and golf amenities will be drafted in the next week or so for review and comment. The RFP will be drafted to allow prospective management teams to respond to provide services as a whole or for each amenity individually. The goal will be to have the RFP available in June.

KMHD: Director Badger reported no response has been received from KMHD regarding the overdue amount owed per terms of their agreement. He has requested time at their Board meeting at the end of June to discuss the matter.

Legal

Mr. Waldron presented a brief legislative update.

Financial Statements

Mr. Weaver presented the preliminary March 2018 financial statements for HWMD. He reported the District had received reimbursement from Granby Ranch Metro District's refinancing for the receivable related to the cost of issuance planning it had incurred in the past. This recent receipt of funds allowed his office to bring accounts payable up to date and for the transfer of the transportation fund reserves to GRC. He reported the sale of the shuttle bus. Upon motion duly made and seconded it was unanimously

RESOLVED to accept the preliminary March 2018 financial statements for HWMD.

Accounts Payable

Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the accounts payable list.

Future Meetings

The next regular meeting is scheduled for Wednesday, July 18, 2018 at 11:00 a.m. in the same location.

Public Comment

Mr. Raible offered several comments and questions related to Director eligibility, roadway projects and general governance. He asked whether there would be any opportunities for homeowners to provide comments related to amenity matters. Director Badger suggested talking to the developer and counsel to see whether an advisory committee may be one avenue to consider.

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Adjournment

Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the meeting of the Headwaters Metropolitan District this 24th day of May, 2018.

Respectfully submitted,
Kathy Lewensten
Secretary for the Meeting