

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

January 30, 2017

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 2016

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 2016:

Water Line Extension	8,234
Trailside	10,363
Long Term Maintenance/Securities	8,939
Metro Backbone	15,086
Total	<u><u>42,622</u></u>

Please note the costs reflected above for the Districts' 2016 infrastructure projects are preliminary year end amounts. The audit, which will provide final 2016 infrastructure costs, is expected to be completed by July 31, 2017. 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.

3. Projections for 2017 capital projects fund for the Headwaters Metropolitan District are as follows:

Municipal Water Line Extension	1,400,000
Trailside	490,624
Settlers Ridge – F11	36,000
Ranchview – F3	389,760
Saddleridge – F6	10,000
Eisehower Cabins – F8	672,000
Sagelands I – F17	900,000
Sagelands II – F18	25,000
Long Term Maintenance/Securities	20,550
Metro Backbone	100,000
Crack sealing	30,000
Total	<u><u>4,073,934</u></u>

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