

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
GRANBY RANCH METROPOLITAN DISTRICT
HELD
MAY 24, 2019**

A special meeting of the Board of Directors of the Granby Ranch Metropolitan District (“GRMD”) was held on May 24, 2019 at 12:00 p.m. Ranch Hall, 998 Village Road, Granby, CO 80446

Attendance: In attendance were Directors:

Matt Girard; President
Terry Walker; Vice President
Fran Mejer; Secretary/Treasurer
Steven Conrad; Assistant Secretary/Treasurer
Elizabeth Titus; Assistant Secretary/Treasurer

Also in Attendance:

Patrick Shannon; CliftonLarsonAllen LLP
Jason Carroll; CliftonLarsonAllen LLP
Alan Pogue and Anna Wool; Icenogle Seaver Pogue, P.C. (via speakerphone)
Mau Thompson; Granby Realty Holdings
Natasha O’Flaherty; 132 Fairplay
Vince Mejer; 625 Cumulus
Blane Day; 300 Base Camp Circle
Nick Raible; 485 Cumulus
Pete Kirchoff; resident (via speakerphone)

I. Call to Order

Director Girard called the meeting to order at 12:00 p.m. with a quorum of the Board present. The Directors confirmed their continuing qualifications to serve.

II. Declaration of Quorum/Director Qualifications/Disclosure Matters

Attorney Pogue reported that conflict of interest disclosures, if any, must be filed for each Board member no later than 72 hours before the meeting with the Secretary of State and the Board. 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 conflict of interest disclosures would be required to be filed.

- III. Review and Approve February 8, 2019 Regular Meeting Minutes
Upon a motion duly made by Director Girard, seconded by Director Titus, and upon a vote, unanimously carried, the Board approved the February 8, 2019 Minutes.
- IV. Accept March 31, 2019 Quarterly Continuing Disclosure Report
Upon a motion duly made by Director Girard, seconded by Director Walker, and upon a vote, unanimously carried, the Board approved the March 31, 2019 Quarterly Continuing Disclosure Report.
- V. Ratify October 2018 to April 2019 Claims Totaling \$49,669.43 and Mill Levy Refund Checks Totaling \$571.66
Mr. Blodgett reported that the amended Mill Levy Refund checks for those required to be issued, is \$547.66 instead of \$571.66. Mr. Blodgett also distributed checks totaling \$4,134.38 to 52 homeowners whose addresses were not previously identified.

The Board asked Mr. Blodgett to review the Seter & Vander Wall bills and ensure the credit promised by Mr. Erb is reflected in their claims above.

Upon a motion duly made by Director Girard, seconded by Director Titus, and upon a vote, unanimously carried, the Board approved the claims subject to verification of the Seter & Vander Wall credit.

Mr. Carroll reported there is one remaining property owner whose address he does not have. He reported that the great Colorado Payback initiative is a possibility for this address.

The Board directed Mr. Carroll to continue to attempt to locate the remaining property owner.

Mr. Carroll reported 70% of the 555 checks already mailed had cleared the bank as of April.

DISCUSSION AGENDA (Section VI - XI)

- VI. Financial Items
 - A. Review and Consider Approval of Current Claims Totaling \$0
No action required.
 - B. Review and Accept March 31, 2019 Financial Statements and May 2019 Cash Position Report
Mr. Carroll reviewed the March 31, 2019 Financial Statements and May 2019 Cash Position report with the Board. After discussion, upon a motion duly made by Director Girard, seconded by Director Mejer, and upon a vote, unanimously carried, the Board accepted the April 30, 2019 financial statements and May 2019 cash position report.

C. Status of 2018 Audit

Mr. Carroll reported the audit work has begun. The fieldwork should be completed by mid-June. Mr. Carroll's office will then draft financial statements. The audit is due to the State of Colorado by July 31st. An extension to September 30th is possible.

Upon a motion duly made by Director Titus, seconded by Director Girard, and upon a vote, unanimously carried, the Board authorized Director Mejer and Mr. Carroll to review and approve the 2018 audit and file it with the State of Colorado prior to July 31st. The Board will ratify the 2018 audit at the August meeting.

D. Status of Property Tax Refunds

Previously discussed.

E. Other

Mr. Blodgett and Attorney Pogue reported that a new statute approved by the state legislature effective August 2, 2019 allows the designated public place for posting of notices of public meetings to be a public website such as the District's website. The Notices to the Town and the County are still required.

The Board determined to address this issue on the August meeting agenda. Posting Notices will remain the same as they are presently for the August Board meeting.

VII. Attorney Items

A. Status of 3rd Amendment to the Service Plan with the Town of Granby

1. Reappoint Service Plan Committee Members

2. Schedule

Attorney Pogue discussed the status of the 3rd Amendment to the Service Plan with the Board. He noted the materials in the Board packet are those prepared by prior counsel, Mr. Erb. No changes have yet been made to the 3rd Amendment draft.

Ms. O'Flaherty, Town Trustee, reported the Town Board did not authorize the Town attorney to work on the Service Plan Amendment and the Town Board has not yet reviewed it. She recommended that a Town Board member be appointed and required to attend future Granby Ranch Metropolitan District Board meetings.

Director Girard reported that Ms. O'Flaherty and Mr. Raible are both on the present Service Plan Committee, however they are now Town Board members and are potentially conflicted. Ms. O'Flaherty and Mr. Raible agreed to participate in this effort as homeowners and provide input, rather than as committee members.

Upon a motion duly made by Director Girard, seconded by Director Mejer, and upon a vote, unanimously carried, the Board appointed Director Titus and Director Mejer to the GRMD Service Plan Committee and asked the Committee to meet with

Attorney Pogue and Ms. Wool with the goal of drafting a 3rd Amendment to be presented to the District Board at its August meeting for review.

B. Updated on the Status of Silver Star Development Summons

Attorney Pogue reported that GRMD has not been named in this quiet title action. Headwaters Metropolitan District was named. Ms. Wool has attempted to contact counsel to Citywide Banks to discuss this issue with them.

Attorney Pogue reported there is no need for a motion to intervene by GRMD at this time.

Ms. O'Flaherty asked about the status of the stipulation between Headwaters Metropolitan District and Citywide Banks. Ms. Wool reported that it has not yet been filed with the Court. The Board asked that Mr. Pogue or Ms. Wool send the stipulation to the Board once it is filed.

No action was taken by the District.

C. Other

None.

VIII. Items from Manager

A. Website Update

Mr. Blodgett reported the website is up to date with a special meeting notice at 10 a.m. He reported some of the information on the homepage and other pages of the website are somewhat dated. Director Mejer reported 70 people signed up on the website for future communications. Mr. Carroll reported there are 848 properties in the District and approximately 600 individual owners.

Director Mejer indicated several emails have requested that the District provide a status on the Granby Ranch sale on their website.

After additional discussion, the Board asked Director Mejer to work with Mr. Blodgett and Mr. Shannon at CLA to update the District website for the August meeting.

B. SDA Annual Conference September 18-20, 2019 in Keystone

Mr. Blodgett reported he will register Board members if they would like to attend this annual conference.

C. SDA Spring Workshops

Mr. Blodgett reviewed the spring workshop schedule including the one to be held in Granby. Board members will inform him if they would like to attend.

D. Other

Mr. Blodgett apologized for the confusion with the meeting notice and agenda notices for today's meeting, some of which indicated noon and others which indicated 10 a.m. He will ensure this does not occur again.

IX. Director Items

A. Public Comments – One comment per person – three (3) minutes maximum

Ms. O'Flaherty discussed the Headwaters Metropolitan District agreements and status. She also expressed concern that Headwaters Metropolitan District is managing the street reconstruction projects with the District funds.

B. Status of 2018 GRMD Refinancing Settlement Agreement

1. Granby Ranch Holdings ("GRH") Best Efforts to Add GRMD to SIAs Between the Town of Granby and GRH

Director Girard reviewed the information in the August 22, 2016 Plan for Refunding of 2006 Bonds; Road Operation and Maintenance; and Related Issues, as amended (Settlement Agreement) between GRMD and Granby Ranch Holdings. GRH is to make best efforts to add GRMD to the subdivision improvement agreements between the Town of Granby and GRH. Director Girard stated he can email Ms. Cipriani and her legal counsel. Director Titus suggested a letter from the District's legal counsel to GRH addressing this issue. Director Walker noted action is required by the Town to enforce the SIAs. Director Conrad suggested perhaps a letter to the Town instead.

No action was taken by the Board.

2. Headwaters Metropolitan District ("HMD") Adding a GRMD Board Member to the HMD Board

Director Girard reviewed the language in the Settlement Agreement noting that GRMD is to cause an eligible elector within GRMD to be appointed to the Headwaters MD Board. This individual had been Natasha Wall. Her home had been included into HMD. When she sold her home and moved, her home was excluded from HMD.

Attorney Pogue suggested that the District send a letter to HMD to encourage it to appoint an eligible elector in GRMD to the HMD Board. Mr. Mejer volunteered to be the candidate for this position.

After further discussion, the Board authorized Attorney Pogue to draft a letter regarding this matter to HMD for President Girard's signature.

C. Status of Road Repair Work

1. Status of Escrow Fund
2. Current Schedule and Status of Repairs
3. Status of SIAs With the Town of Granby

Director Girard reviewed the material in the Board meeting packet, including the status of the escrow fund, the current schedule, and the status of SIAs.

He reported that GRH said initially two months ago all three phases would be completed in 2019. Approximately one month ago they indicated Phase 1A and Phase 1B would be done in 2019 and Phase 2 in 2020. At the May 14th Town Board meeting GRH indicated only Phase 1A would be done in 2019 and Phase 1B and 2 were now in 2020. GRH noted the deadline of September 30, 2020 to complete all this work.

Director Girard noted that Ms. Cipriani stated GRH does not have the resources to complete all this work in 2019. They will complete Phase 1A with the District escrow funds and other lender funds now.

Mr. Raible reported the Town Board will address the issue by either filing a lien on the property or calling the letter of credit for the road at their December 10 Town Board meeting. Approximately one month prior to that meeting the Town will prepare for this possibility with their attorneys.

Mr. Raible explained that the Town is reluctant to move forward more quickly, knowing that a possible sale of the Ranch is imminent, which will provide funds to complete the roads. A letter of intent for the property purchase may be announced within the next few weeks.

Director Conrad expressed concern about Headwaters paying a 10% construction management fee for the re-work of the roads when the contractor was paid a 10% construction management fee for the initial construction of the roads that are not adequate.

The Board also expressed concern about the possibility of having the same engineer and contractor involved who did not construct the roads properly 10 years ago.

Mr. Raible thanked Director Girard for his involvement as a contractor in reviewing the general construction procedures for the new roads to provide greater assurance they will be done properly. Director Girard noted building roads in this environment on top of 12 to 14 feet of clay will be challenging with any design going forward, and noted even the current design does not address this issue.

Director Girard noted the current Road Committee includes Mr. Vince Mejer, Mr. Raible and Director Walker. There were no additional comments from the Road Committee.

D. Communications Report – Director Mejer

1. Status of Email Distribution List

Director Mejer reported approximately 70 individuals signed on to the Distribution List thus far.

E. Confirm Quorum and Location for the Next Special Meeting – Friday, August 16, 2019 at 10:00 a.m. at Ranch Hall, 998 Village Road, Granby, CO 80446.

Upon a motion duly made by Director Girard, seconded by Director Mejer, and upon a vote, unanimously carried, the Board called a special meeting for Friday, August 16, 2019 at 10:00 a.m. at Ranch Hall, 998 Village Road, Granby, CO 80446.

1. Discuss November 8, 2019 Regular Meeting

The Board determined to discuss this meeting at the August 16, 2019 Board meeting.

F. Executive Sessions

1. Executive Session pursuant to Section 24-6-402(4)(b), C.R.S., to confer with legal counsel for the purpose of receiving legal advice related to the 2018 GRMD Refinancing Settlement Agreement and the appointment of a Board member to the Headwaters Metropolitan District Board of Directors.

Upon a motion duly made by Director Girard, seconded by Director Mejer, and upon a vote, unanimously carried, the Board adjourned into Executive Session at 12:10 p.m.

Upon a motion duly made by Director Girard, seconded by Director Conrad, and upon a vote, unanimously carried, the Board adjourned out of Executive Session at 12:47 p.m.

No action was taken.

2. Executive Session pursuant to Section 24-6-402(4)(e), C.R.S., to determine positions relative to matters subject to negotiation; developing strategy for negotiation; and instructing negotiators with respect to contracts to provide consulting and other professional services to the District.

Upon a motion duly made by Director Girard, seconded by Director Titus, and upon a vote, unanimously carried, the Board adjourned into Executive Session at 12:48 p.m.

Upon a motion duly made by Director Girard, seconded by Director Titus, and upon a vote, unanimously carried, the Board adjourned out of Executive Session at 1:02 p.m.

- G. Public Session – Action related to 2018 GRMD Refinancing Settlement Agreement and the appointment of a Board member to the Headwaters Metropolitan District Board of Directors

No additional action was taken.

- H. Public Session – Action related to contracts to provide consulting and other professional services to the District

Upon a motion duly made by Director Girard, seconded by Director Titus, and upon a vote, unanimously carried, the Board terminated the Management and Accounting Professional Services Agreement with CLA and provided 30 days' notice.

Upon a motion duly made by Director Girard, seconded by Director Titus, and upon a vote, unanimously carried, the Board hired Community Resource Services to provide Management and Accounting Services to the District.

- X. Other Business

None.

- XI. Adjournment

There being no additional business, Director Girard adjourned the meeting at 1:05 p.m.

Respectfully submitted by,


Secretary of the Meeting