

RECORD OF PROCEEDINGS

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**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
GRANBY RANCH METROPOLITAN DISTRICT  
HELD  
SEPTEMBER 29, 2017**

A special meeting of the Board of Directors of the Granby Ranch Metropolitan District was held on September 29, 2017 at 11:00 a.m. Ranch Hall, 998 Village Road, Granby, CO 80446

Attendance: In attendance were Directors:

Natasha Wall; President  
Lance Badger; Asst. Secretary  
Terry Walker; Secretary/Treasurer  
Dale Floren; Vice President (via telephone)

Also in Attendance:

Bob Blodgett; CliftonLarsonAllen LLP  
Patrick Shannon & Jason Carroll; CliftonLarsonAllen LLP (via telephone)  
Jeffrey Erb; Seter & Vander Wall, P.C  
Fran & Vince Mejer; 625 Cumulus  
Laura Manning; 1275 Lone Eagle Drive  
Kim Crawford; Butler & Snow (via telephone)  
Sam Sharp & Laci Knowles; D.A. Davidson & Co. (via telephone)  
Colleen Hannon & Mau Thompson; Granby Ranch Hall Staff

I. Call to Order

Director Wall called the meeting to order at 11:00 a.m. with a quorum of the Board present. The Directors confirmed their continuing qualification to serve.

II. Declaration of Quorum/Director Qualifications/Disclosure Matters

Mr. Erb reported disclosures have been filed for each Board member, and have also been filed with the Secretary of State. 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.

III. Review and Consider Approval of August 25, 2017 Special Meeting Minutes

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Upon a motion duly made by Director Walker, seconded by Director Badger, and upon a vote, unanimously carried, the Board approved the August 25, 2017 Special Meeting Minutes.

### IV. Status of Issuance of 2017 General Obligation Refunding Bonds

#### A. Review D.A. Davidson Proposed Financing Options

Mr. Sharp reviewed the District's financing options which consisted of the Existing Debt Schedule, a three year non-rated bond, a 20 year loan plus a 30 year non-rated subordinate cash flow bond or a loan plus a swap. He noted the interest rate on the existing debt is 6.75%, the 30 year non-rated bond would be 5.25% to 5.5%, the 20 year loan plus a 30 year non-rated subordinate cash flow bond would vary from 3.3% to 3.6% depending on the loan call feature and the loan plus the swap is 4.2%. He discussed the various pros and cons of each potential refinancing instrument.

The Board expressed concern that after over a year the District had not been able to accomplish its objective of refunding the bonds through the loan plus swap arrangement. They expressed concern about the five year balloon with the swap and future refinancing and interest rate and swap counter party risk.

After discussion, upon a motion duly made by Director Walker, seconded by Director Badger, and upon a vote, unanimously carried, the Board decided to pursue the 20 year loan plus a 30 year non-rated subordinate cash flow bond.

Upon a motion duly made by Director Wall, seconded by Director Walker, and upon a vote, unanimously carried, the Board adjourned into Executive Session at 11:34 a.m. Pursuant to Section 24-6-402(4)(b) and (e), C.R.S. Regarding Termination of Engagement with Piper Jaffray for Underwriting Services.

Upon a motion duly made by Director Badger, seconded by Director Walker, and upon a vote, unanimously carried, the Board adjourned out of Executive Session at 11:47 a.m.

No action was taken during Executive Session.

#### B. Consider Approval of Engagement Letter with D.A. Davidson for Underwriting Services Associated with the Issuance of the 2017 Refunding Bonds

Upon a motion duly made by Director Walker, seconded by Director Badger, and upon a vote, unanimously carried, the Board approved the September 25, 2017 engagement letter with D.A. Davidson for Underwriting Services at the compensation amounts described for the various bonds in their letter and approved termination of the present agreement with Piper Jaffray with no compensation to be provided.

After further discussion, the Board chose the non-callable 20 year option for the loan which provides for the lowest interest rate of 3.3%.

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### C. Refinance Schedule

The Board discussed the refinancing schedule with Mr. Sharp. It provides for a disclosure document for the subordinate cash flow bond feature. The schedule indicates a Board meeting to approve the Parameters Resolution at the November 10, 2017 regular meeting, and a closing during the first week of December in 2017. The Board asked Mr. Sharp and all the consultants to expedite this schedule as much as possible.

### V. Executive Session Pursuant to Section 24-6-402(4)(b) and (e), C.R.S. Regarding Termination of Engagement with Piper Jaffray for Underwriting Services

Previously discussed.

### VI. Consider Adoption of Resolution Making a Final Determination to Issue General Obligation Bonds/General Obligation Refunding Bonds of the District

Deferred to the November 10, 2017 Board meeting.

Upon a motion duly made by Director Walker, seconded by Director Badger, and upon a vote, unanimously carried, the Board approved the September 18, 2017 Term Sheet with NBH Bank to authorize moving forward with the 20 year loan. Director Wall executed the Term Sheet on behalf of the District.

### VII. Review 2018 Budget Schedule

- A. Review 2017 Preliminary Assessed Value
- B. October 15 – 2018 Draft Budget Submitted to Board
- C. November 10, 2017 Board Meeting – Public Hearing to Review and Approve 2018 Budget

The Board discussed the budget schedule. Director Badger reported that at the suggestion of Director Walker, the Headwaters Metropolitan District has decided to shift all of the Operating and Maintenance costs of road repair and snow removal to the Granby Ranch Conservancy who will bill all the homeowners for these costs through an assessment. These costs will no longer be included in the Granby Ranch Metropolitan District (GRMD) Operating and Maintenance Budget. The only costs in the GRMD O&M Budget will be management, legal, accounting, insurance, audit and other overhead costs required. This will be effective on January 1, 2018.

Director Walker reported that his goals for the 2018 Budget were to complete the refinancing of the bonds with D.A. Davidson, provide additional capacity within the District's O&M mill levy to create a reserve for future road replacement costs, and transfer the ongoing maintenance responsibilities of the District to the Granby Ranch Conservancy.

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Director Badger reported Mr. Vince Mejer will join the Road Repair Committee with Director Walker and Nick Grabel, and they will become the 2018 Budget Committee. They will prepare a white paper on the budget for the November 10<sup>th</sup> meeting.

Mr. Blodgett asked if they could coordinate with Mr. Carroll and prepare whatever information possible prior to the October 15<sup>th</sup> deadline for a draft budget.

The Board confirmed November 10, 2017 Board meeting as the public hearing to review and approve the 2018 Budget and approve the Parameters Resolution for the 2017 bond refinancing.

### VIII. Other Business

Ms. Manning asked when road repair work would be completed. Director Wall and Director Badger reported it should be completed within the next 12 months, by the Fall of 2018.

### IX. Adjournment

Upon a motion duly made by Director Wall, seconded by Director Walker, and upon a vote, unanimously carried, the meeting adjourned at 12:15 p.m.

Respectfully submitted by,



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Secretary of the Board