

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
GRANBY RANCH METROPOLITAN DISTRICT
HELD
AUGUST 10, 2018**

A special meeting of the Board of Directors of the Granby Ranch Metropolitan District was held on August 10, 2018 at 10:00 a.m. Ranch Hall, 998 Village Road, Granby, CO 80446

Attendance: In attendance were Directors:

Matt Girard; President
Terry Walker; Asst. Secretary/Treasurer
Fran Mejer; Secretary/Treasurer
Steve Conrad; Secretary

Also in Attendance:

Bob Blodgett, Patrick Shannon & Jason Carroll; CliftonLarsonAllen LLP
Jeffrey Erb; Seter & Vander Wall, P.C
Vince Mejer; 625 Cumulus
Mae and Dave Huffman; 293 Mt. Neva
Lance Badger, Granby Realty Holdings
Colleen Hannon; Granby Ranch Holdings
Elizabeth Titus (via telephone)

I. Call to Order

Director Girard called the meeting to order at 10:00 a.m. with a quorum of the Board present. The Directors confirmed their continuing qualifications to serve.

II. Declaration of Quorum/Director Qualifications/Disclosure Matters

Mr. Erb reported that conflict of interest disclosures have been 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 had not been filed.

III. Review and Approve Minutes

A. Review and Approve April 11, 2018 Special Meeting Minutes (Redlined)

Upon a motion duly made by Director Girard, seconded by Director Mejer, and upon a vote, unanimously carried, the Board approved the minutes.

B. April 11, 2018 Special Meeting (Original Draft Minutes)

No action required.

C. May 18, 2018 Special Meeting

Upon a motion duly made by Director Girard, seconded by Director Mejer, and upon a vote, unanimously carried, the Board approved the minutes as amended.

IV. Discuss Board Vacancy

Ms. Titus explained her interest in serving on the Board of Directors. After discussion and upon a motion duly made by Director Walker, seconded by Director Conrad, and upon a vote, unanimously carried, the Board appointed Ms. Titus to the vacant position on the Board subject to taking the Oath of Office from Director Girard or a Notary Public. Mr. Erb indicated his office would contact Ms. Titus to coordinate the paperwork.

Upon a Motion duly made by Director Girard, seconded by Director Conrad, and upon a vote, unanimously carried, the Board appointed Director Walker to the position of Vice President and Ms. Titus to the position of Assistant Secretary-Treasurer. All other positions remained as they are at present.

V. Financial Items

A. Discuss 2019 Draft Budget

Mr. Carroll reviewed the draft 2019 budget with the Board. He reported that he discussed the draft budget with Director Mejer prior to the Board meeting. The draft budget proposes a general fund mill levy at approximately 24 mills with a temporary mill levy reduction of six mills for a net mill levy of 18 mills for property owners in 2019. The debt service mill levy is proposed at 40 mills in 2019.

Mr. Carroll reviewed the debt service fund balance. He reported the required minimum fund balance is \$904,000 through the life of the bonds. He noted that in 2019 there is an approximate \$225,000 to \$250,000 surplus in the debt service fund balance which is not needed in 2019. Potentially, the general fund mill levy could be increased by some or all of this amount and the debt service fund mill levy lowered in order to have the same total mill levy of 64 mills with additional funds generated in the general fund for uses approved by the Board.

However, Mr. Carroll noted that the debt service mill levy will need to be increased again in 2020 and in future years as the annual principal amount increases. This is based on a no-growth scenario. If growth occurs, the District will have more flexibility and more

options related to the future debt service mill levy. The difference between the debt service mill levy and the 64 mill levy maximum is what is available for the general fund mill levy.

Director Girard expressed concern regarding a “roller coaster” effect of increasing and decreasing the general fund and debt service mill Levy annually in the future years. The remainder of the Board concurred. After discussion, the Board decided to leave the draft budget as proposed with the “surplus” remaining in the Debt Service Fund. The Board will make a final decision on the 2019 budget at its November 9 public hearing on the budget. At that time the Board can change the mill levy if desired.

Mr. Blodgett reported the annual website maintenance bill for 2018 will be received this week. It will be approximately \$2,000. Mr. Carroll will add this amount to the 2018 estimate and the 2019 draft budget.

Ms. Hannon stated the website has been incorrect and out-of-date in the past. Mr. Blodgett reported that this should not occur again. It is up-to-date with the current Board vacancy and today’s meeting location, time and agenda.

1. Budget Committee Report – Director Mejer/ Jason Carroll

This report was provided in the above discussion.

2. 2019 Budget Process

- a. August 25, 2018 (approx.) – Preliminary 2018 AV Received
- b. October 15, 2018 – Draft Budget filed with the Board
- c. November 9, 2018 Board Meeting – Public Hearing to Review and Approve 2019 Budget

Mr. Carroll reviewed the 2019 budget process with the Board. He reported two other key dates are the certification of the property tax rate for collection in 2019 to the County Assessor by December 15. The final approved budget must be filed by January 30 with the Department of Local Affairs.

B. Review and Accept June 30, 2018 Financial Statements and August 2018 Cash Position Report

Mr. Carroll reviewed 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 June 30, 2018 financial statements and August 2018 cash position report.

C. Review and Consider Approval of Current Claims Totaling \$21,311.74

Mr. Blodgett reviewed the current claims with the Board. Director Girard asked about the charges for the administrative costs relating to the May meeting posting error. Mr. Blodgett reported an amount in excess of this was reduced by a goodwill discount for the June bill. Director Girard also asked about the bond opinion cost by Seter & Vander Wall, P.C. Mr. Erb explained the fees incurred by Seter & Vander Wall, P.C. in preparing for the bond transaction are separate from the bond opinion cost. Director Girard also asked about the TBD cost. Mr. Blodgett explained this item.

Upon a motion duly made by Director Walker, seconded by Director Conrad, and upon a vote, unanimously carried, the Board approved the June claims totaling \$21,311.74.

D. Ratify June 30, 2018 Quarterly Disclosure Report

Mr. Carroll explained this report must be filed each quarter per the District bond refunding. Upon a Motion duly made by Director Girard, seconded by Director Walker, and upon a vote, unanimously carried, the Board ratified the June 30, 2018 continuing disclosure report.

E. Status of Road Repair Escrow Fund Payment Process

Mr. Carroll reviewed the summary of the Road Repair Escrow status with the Board. He reported that the summary prepared by CLA is correct. Mr. Badger noted his summary had the incorrect beginning balance and he will update his spreadsheet.

After discussion, the Board accepted the report.

F. Other

None.

VI. Attorney Items

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

Mr. Erb reported that he has submitted the third amendment to the District service plan to the town attorney for review. Once he receives the town attorney's comments he will formally submit to the town for a future public hearing and approval by the Town.

The amended service plan reflects what the District is currently responsible for. It reflects the agreements reached in conjunction with the 2018 bond refunding and removes references to the Headwaters Metropolitan District.

Mr. Erb has not yet received feedback from the town attorney. He will update the Board when additional information is received.

B. Discuss Amenity Fee Lien Release Process

Mr. Erb explained the lien release is related to the payment of the \$10,000 amenity fee. The lien release is requested by the title company prior to selling the lots so that the lien can be released at the time of payment of the fee. The fee was imposed by a joint resolution of the District and Headwaters, with the fee ultimately going to Headwaters. The Board asked that Mr. Erb's office ensure the fee has been paid prior to Board members signing the document. Mr. Erb noted that the lien release is contingent upon the fee being paid, so if the fee is not paid, the release is invalid.

C. Discuss Referrals from Town of Granby – Administrative Plat Amendment

Mr. Erb explained the referral process for the Town of Granby. Referrals are required to be sent to adjacent land owners. The District appears to be receiving comment forms even if not required as a courtesy. Mr. Erb noted that generally, he would not expect the District to comment unless there was a direct impact to the services being provided by the District.

After discussion, the Board asked Mr. Blodgett to continue to send referrals from the town to the entire Board when they are received.

D. Other

Mr. Erb distributed copies of a letter from Bowman Consulting regarding a new Granby Ranch boundary map for \$3,000. Mr. Badger reported Bowman is mapping the entire Ranch in conjunction with the current ongoing effort to sell the property by the developer. Mr. Badger reported Bowman can cost-effectively update the District map to include Filing 17 and 18 at the same time. Director Girard questioned the need to update. Mr. Erb explained it as a statutory requirement when you include or exclude property to update your boundary map and file with the Division of Local Government.

Mr. Badger reported the District's share of the fee will be \$1,500.

After discussion, upon a motion duly made by Director Walker, seconded by Director Conrad, and upon a vote, unanimously carried, the Board approved sharing in the cost of preparing the new map with Bowman Consulting in the not to exceed amount of \$1,500.

Mr. Erb reported the state legislature approved a new electronic data security bill in the 2018 legislative session. It requires the District to adopt a policy related to security of customer information. He stated it does apply to the District but the District generally does not have the type of information covered by the security bill. However, the District still must adopt a resolution to comply with the bill. He will bring this to the November meeting.

VII. Items from Manager

A. Website Update

Mr. Blodgett reported the website is up-to-date. He will add information regarding Ms. Titus' appointment and the new Director positions following the Board meeting.

B. SDA Conference – September 12-14, 2018, Keystone, CO

Mr. Blodgett reviewed the SDA conference dates and agenda briefly with the Board. The Board members will inform his office if any wish to attend some of the sessions.

C. Other

The Board will report on the recent SDA spring training workshops for Board members at the November meeting.

VIII. Director Items

A. Status of Road Repair Studies and Meeting with Town of Granby

1. Road Committee Report –Matt Girard / Lance Badger
2. Discuss Filing 10 Road Repairs Status – Lance Badger / Matt Girard

Mr. Badger reported that bid packages are out for the Cumulus Road repairs. The estimated amount is \$500,000 to \$600,000, with the Road Escrow funds earmarked for this work. Repairs for Nimbus Street will be an additional bid item, which repairs are estimated at \$700,000 to \$1,000,000. He is hopeful that the Cumulus work can be done in 2019 or before.

The pre-bid meeting was August 7. Four contractors in the valley were contacted. Two declined to bid. Jalisco and CSTI are possible bidders. Bids will be opened August 17. He will send the information to Mr. Blodgett and Mr. Carroll for transmittal to the Board.

B. Communications Report – Director Mejer

No report.

C. Presentation of Consultant Engagement Letters

1. Management Services – CliftonLarsonAllen LLP
2. Accounting Services – CliftonLarsonAllen LLP
3. Legal Services – Seter & Vander Wall, P.C.

Mr. Blodgett, Mr. Carroll and Mr. Erb each summarized briefly their proposed engagement letters. The Board asked Mr. Blodgett to add information in the

management letter regarding his rate and the hourly rate of each of the other two individuals working on the District for CLA.

4. Executive Session Pursuant to Section 24-6-402(4)(e)(1), C.R.S. to Discuss the Proposals for management and Accounting Services from CliftonLarsonAllen LLP and for Legal Services from Seter & Vander Wall, P.C., and Potential Negotiation Positions and Strategy

Upon a motion duly made by Director Girard, seconded by Director Mejer, and upon a vote, unanimously carried, the Board adjourned into executive session pursuant to Section 24-6-402(4)(e)(1), C.R.S. at 12:45 p.m.

Upon a motion duly made by Director Girard, seconded by Director Mejer, and upon a vote, unanimously carried, the Board adjourned the executive session at 1:24 p.m.

There was no motion from the Board regarding action on the three agreements. The Board asked that the consultants continue working for the District as they currently are. The agreements will be back on the agenda for the November 9th meeting for further discussion.

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

There were no additional public comments.

E. Confirm Quorum and Location for the Next Regular Meeting – Friday, November 9, 2018, 10:00 a.m. at Ranch Hall, 998 Village Road, Granby, CO 80446

A quorum was confirmed.

F. Other

None.

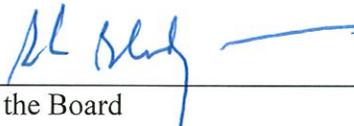
IX. Other Business

None.

X. Adjournment

There being no additional business, Director Girard adjourned the meeting at 1:25 p.m.

Respectfully submitted by,



Secretary of the Board