

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

January 31, 2020

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 2019

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 2019:

Water Line Extension	0
Trailside	0
Long Term Maintenance/Securities	0
Metro Backbone	0
Road Repairs – Phase 1 A Cumulus Rd	<u>\$864,862</u>
Total	<u><u>\$864,862</u></u>

Please note the costs reflected above for the Districts’ 2019 infrastructure projects are preliminary year end amounts. The audit exemption, which will provide final 2019 infrastructure costs, is expected to be completed by March 31, 2020. A copy of the audit exemption report will be provided to the Town upon completion.

2. Other major actions undertaken by the Districts during 2019 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.

Administrative & Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
(720) 210-9136

Another major action is that Headwaters Metropolitan District filed a lien against Developer lots late in 2019 in response to the failure of the Developer (Granby Realty Holdings LLC) and/or the Developers lender (Granby Prentice, LLC) to provide funding as agreed to in the letter dated May 22, 2019 “Evidence of Funding for Road Repairs at Granby Ranch for Phase 1A” for the 2019 Roadway Construction project. On January 15, 2020 District received funding from the Developer’s lender and released the lien.

3. Projections for 2020 capital projects fund for the Headwaters Metropolitan District are as follows:

Long Term Maintenance/Securities	\$0
Metro Backbone	\$0
Road Repairs	\$3,035,677
Contingency	<u>\$500,000</u>
Total	<u><u>\$3,535,677</u></u>

The District does not currently have funding for the potential 2020 Roadway Project above, however depending on available resources the District will determine whether to proceed at that time.

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