
RECORD OF PROCEEDINGS

Minutes of the Board of Directors Special Meeting of Headwaters Metropolitan District March 25, 2020

Attendance

The following Directors were present:

- Lance Badger
- Dustin Lombard

Also in attendance were:

- Clint Waldron, White Bear Ankele Tanaka & Waldron
- Megan Murphy, White Bear Ankele Tanaka & Waldron
- Eric Weaver, Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- Christopher Harff, Highline Financial Group LLC
- Alan Pogue, Esq. Icenogle & Pogue, PC
- Jessica Alizadeh, Esq. Fairfield and Woods PC
- Jace Wirth, GP Granby Amenities Holdings, LLC
- Andre Wirth, GP Granby Amenities Holdings, LLC
- Marise Cipriani, Granby Realty Holdings
- Various additional members of the public and press

Call to Order and Declaration of Quorum

The special meeting of the Board of Directors of Headwaters Metropolitan District (HWMD) was called to order by Director Badger at 2:07 p.m. noting a quorum was present. He explained due to the Executive Order issued by Governor Polis on March 25, 2020, requiring all residents of the State of Colorado to stay-at-home to minimize the spread and impact of COVID-19, and the Updated Public Health Order 20-24 implementing the Executive Order, issued by the Colorado Department of Health and Environment (CDPHE) on March 26, 2020, the meeting is being held in a teleconferencing format.

Disclosure of Potential Conflicts of Interest

The Board restated their disclosures publicly for clarification purposes. It was confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The Board noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts. Additionally, in some instances the Board determined that participation by the directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

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Resolution Declaring Emergency

Procedures Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Declaring Emergency Procedures and Authorizing Teleconferencing for Regular and Special Meetings.

Consideration of Agenda

The Board reviewed the proposed agenda for the meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the agenda.

Director Badger reviewed the procedures that will be followed for today's teleconferencing meeting.

Appointment of Director

The Board considered the appointment of Mr. Harff to the Board. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Mr. Harff.

Director Badger administered the oath of office to Mr. Harff.

Election of Officers Upon motion duly made and seconded, it was unanimously

RESOLVED to elect the following officers:

President – Director Badger

Secretary/Treasurer – Director Lombard

Vice President – Director Harff

Management/Operations

Roadway Project Filing 10 – Director Badger requested consideration of Change Order No. 1 – Mutual Termination of Contract Related to Phase 1B and Phase 2. He explained due to uncertain funding circumstances the roadway project which was bid last year is stalled and the contractor has requested termination of the remaining phases of the contract to allow them to move forward with other projects. Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve Change Order No. 1- Mutual Termination of Contract Related to Phase 1B and Phase 2

RFP for Amenities Management: Director Badger reported a response to the RFP for Amenities Management had been received by the District. He stated the District is going through due diligence at this time. He explained the review process will take several more work sessions and or special meetings to work through logistics of transitional matters and concerns. This meeting was an opportunity for the applicant to introduce themselves to the Board and interested parties. He introduced Mr. Jace and Andre Wirth from GP Granby Amenities Holdings, LLC. They presented information on their background and qualifications. After their presentation Marise Cipriani of Granby Ranch Amenities (GRA) stated GRA has been trying to weather the current health crisis and related shut down as best it can noting concern for the employees. Both parties expressed interest in further discussions to ensure the preservation of the assets, protection of the employees and a smooth transition between operators, if that is determined to be the best course of action.

Legal

Funding Agreement: The Board reviewed a Funding Agreement which would provide a mechanism for the District to receive funds for administrative and operations expenses from the Receiver. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Funding Agreement as discussed subject to final legal review.

Service Plan Amendment: Director Badger explained the need for a service plan amendment is related to changes made by Granby Ranch Metropolitan District (GRMD) to their service plan as part of the refinancing of their bonds several years ago. The Board directed Director Badger to work with legal counsel on the matter until there is adequate information to bring back to the Board for action. Upon motion duly made and seconded, it was unanimously

RESOLVED to authorize Director Badger to work with Legal counsel on matters related to a Service Plan Amendment.

Resolution Concerning Online Notice of Meetings: Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the Resolution Concerning Online Notice of Meetings

Minutes

Upon motions duly made and seconded, it was unanimously

RESOLVED by HWMD to approve the October 30, 2019 minutes.

Financial Statements

Mr. Weaver presented the preliminary December 2019 financial statements. He reported the District has received a request from GRA for consideration of a 90-day delay for the rent payment due March 31st due to the unprecedented times of COVID 19 and the State Order to shut down ski resorts. Upon motion duly made and seconded, it was by a vote of two (2) ayes and one (1) abstention (Director Lombard)

RESOLVED to approve a 90-day extension of the due date for the Amenities rent payment to June 30, 2020.

2019 Audit

Mr. Weaver presented the Audit Engagement letter from Chadwick Steinkirchner Davis & Co, PC for the 2019 Audit. He explained that due to the 2019 Roadway construction project the District exceed the threshold of \$750,000 to qualify for an audit exemption. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the 2019 Audit Engagement Letter from Chadwick Steinkirchner Davis & Co, PC

Accounts Payable

The Board reviewed the AP list in the packet. It was noted the construction project invoices have been paid in full but need to be ratified by the Board. The other invoices as listed are pending receipt of funding. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the accounts payable list.

Public Comment

Director Badger opened the meeting to public comment.

Alan Pogue requested appointment of a representative from the Granby Ranch Metropolitan District (GRMD) to the HWMD Board. He expressed frustration in the response he received from the Receiver and their counsel regarding qualifying a potential appointee through the same

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process as today's appointee. Director Badger explained the District is not in a position to take action on this request but is aware of it.

Matt Gerard requested transparency related to any District matters, in particular the roadway projects.

Natascha O'Flaherty stated her support for the Amenities Management applicant, commented on the roadway project funding, restated the request for a representative of GRMD to be appointed to the HWMD board, and expressed frustration at allowing a delay in the Amenities rent payment.

Executive Session No executive session was necessary.

Future Meetings A work session was scheduled for Wednesday, April 1, 2020 at 2:00 p.m. for further discussion related to the Amenities Management proposal. The meeting will be held by teleconference similar to today's meeting. Mr. Waldron stated a work session is time for the Board to receive and review information related to a topic, the Board cannot take action, and there will be no public comment, the public can listen and observe.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the meeting of the Headwaters Metropolitan District this 25th day of March, 2020.

Respectfully submitted,
Kathy Lewensten
Secretary for the Meeting