

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, November 26, 2018 at 1:00 p.m., 8455
Heritage Drive, Thornton, CO 80602

Attendance

The regular meeting of the Board of Directors of the Heritage Todd Creek Metropolitan District was called and held as shown above in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualifications to serve on the Board, were in attendance:

Dan Kettle, Treasurer
William Gomer, Secretary
Paul Ozanich, Assistant Secretary

Absent: Rod Stone and Phil Anderson (absences excused).

Also present were Barbara T. Vander Wall and Cameron J. Richards, Seter & Vander Wall, P.C.; Diane Wheeler, Simmons & Wheeler, P.C.; Ross Dudley and Brandon Ming*, CCMC, District Manager; and Sharon Welch, Tom Kirker, Deborah Richardt, Tom Gavin, Ivan Widom, Stan Sheets, and Paul Domenico, members of the public.

[*Departed where indicated.]

Call to Order

Serving as Acting Chair in the absence of Director Stone, Director Kettle noted a quorum of the Board was present and called the regular meeting of the Board of Directors of the Heritage Todd Creek Metropolitan District to order at 1:00 p.m.

Conflict of Interest / Disclosure Matters

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. Legal counsel advised that written disclosures of the conflicts of interest for each Director had been filed with the Secretary of State prior to the meeting.

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Director Kettle asked about the “Replacement Reserve” line item. Ms. Wheeler clarified that the line item shows up as an appropriated expenditure in the budget, but is not actually spent, and is carried over to build up a reserve.

Director Kettle inquired about irrigation costs. Mr. Dudley reported he is working with Brightview Landscaping to generate more efficient watering schedules to decrease water usage, costs, and promote heartier growth.

Director Kettle inquired about two sperate line items, “Irrigation Repairs” and “CM Irrigation.” Ms. Wheeler clarified that CM Irrigation is contract maintenance, essentially scheduled, known cost, irrigation repair work while Irrigation Repairs is for unanticipated costs.

Director Kettle inquired about the CCMC management contract and the costs for services billed to the District. It was noted that the District and the HOA share certain CCMC services through CCMC’s implementation of its maintenance employee; Director Kettle requested to review the accounting for the fees and other employment costs applied by CCMC as part of its contract. Legal counsel, Ms. Wheeler, and CCMC will discuss how this item can be reviewed in connection with CCMC’s management services contract with the District.

Upon motion duly made, seconded, and unanimously carried, the financial statements were accepted as presented.

Public Hearing on the 2019 Budget

Director Kettle noted the District’s draft 2019 budget was submitted to the Board at the September 26, 2018, regular meeting. Director Kettle opened the public hearing on the District’s 2019 budget.

A member of the public asked about the expected increase in District fee revenue and whether District fees were being increased. The District is not increasing the fee, the revenue increase comes from more homes being sold in the District.

There being no further public comment on the 2019 budget, Director Kettle closed the public hearing.

The Board then discussed the proposed 2019 budget. Director Gomer asked if the budget takes into account the recently revised Brightview landscaping and snow removal contract and

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the costs associated with the Metco landscaping agreement. Ms. Wheeler clarified the budget does account for this.

Director Kettle asked about the irrigation repair budget amounts relative to the costs incurred in 2018. Ms. Wheeler noted the number was a place holder as it was difficult to predict repairs, but it was likely some would be needed. Director Kettle will work with Brightview to determine the percentage of the system that has been replaced or repaired for consideration in building the 2020 budget.

Following further discussion, and upon motion made by Director Gomer, seconded by Director Ozanich, and unanimously carried, the Board approved the 2019 budget, appropriated the budgeted funds and certified the District's mill levy for 2019. The Board further approved the budget resolution as presented.

Committee Reports

- Engineering Committee
Director Kettle presented the Engineering Committee report. The 2018 road work is largely complete and Brandon Collins of IDES is following up on the remaining punch list items. Road striping has been painted on Heritage Drive. More durable plastic road striping is planned to be laid down when the mill and overlay of Heritage Drive is completed in a few years. Director Kettle presented a spreadsheet of future anticipated projects and costs, including areas coming out of developer warranty.

- Landscape Committee
Director Gomer stated there was no report from the Landscaping Committee at this time.

- Special Committee on Park Benches
Director Gomer reported that the pads for bench placement are set. The District is waiting on additional information from Ms. Cooley and Lennar concerning the timing of installation. Once the concrete is poured and cured, the benches can be installed.

- Budget Committee
Director Ozanich stated that there was no further report from the budget committee.

- Updates from Director Stone
Mr. Kettle presented comments provided to him by Director Stone, who was absent from the meeting.

Handicapped crossing ramps located in Amendment 10 (Roslyn

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Street and Quince Street) in the District are not draining well. Director Stone and Mr. Dudley have brought this up with Lennar. Lennar has indicated it believes all construction conforms with code. Ms. Cooley is investigating this. Director Stone will continue to update the Board.

Winter landscaping work, such as cutting grasses, etc., had not been performed by Metco and Director Stone is following up. Mr. Dudley reported that Metco has completed the work as of today's meeting.

Plans for the Yosemite Pedestrian Bridge repairs have been submitted to Adams County. Lennar is waiting on comments.

District Manager's Report

Mr. Dudley presented the manager's report including a written report provided to the Board.

The entrance gates have been working well since the issue with electricity billing was addressed. Mr. Dudley is working with Lennar to prevent the billing issue from recurring.

Concrete pads have been poured at the gate entrances.

A streetlight issue was discovered related to a broken electrical line. Apparently, the electrical line was not run in conduit and is located 8 feet underground. Mr. Dudley is working to determine if the original work complies with building code or was properly installed. Similar issues may exist with other street lights.

An irrigation line along E. 148th Drive suffered a break necessitating repair, which was carried out by Brightview. Todd Creek Village Metropolitan District, the District's water provider, submitted an invoice to the District for investigating TCVMD water mains in the area of the break, which had necessitated digging up the street. The District has returned the invoice to TCVMD for payment, as the District was not involved in the repairs.

An inventory of trees and recommended pruning and care is being prepared. Mr. Dudley will provide future updates.

CCMC expects to add website services as a reimbursable expense to its management services contract with the District. CCMC is working with the District's legal counsel to make the appropriate changes to CCMC's contract to reflect these

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changes.

All chase drains planned to address the drainage issues have been installed and are being monitored to determine if any additional drains are necessary.

Holiday lighting is in place.

At the September board meeting, the Board authorized a contract for the installation of stop signs and golf cart crossing signs for a contracted amount not to exceed \$3,200. The actual cost of the project was \$3,500. Upon motion made, seconded and unanimously carried, the Board approved increasing the total contract amount to \$3,500.

The Board discussed its meeting schedule for 2019, so that appropriate room reservations can be made. The District's regular meeting schedule is the fourth Monday of every other month; the Board directed Mr. Dudley to reserve the craft room for meeting purposes on these dates, with the exception of the month of May, which falls on Memorial Day. Mr. Dudley agreed to look at room options for the Monday before or after the holiday to conduct the meeting.

Attorney Report

Ms. Vander Wall and Mr. Richards presented the Attorney Report including a written report which was presented to the Board.

- Update re Acceptance of Improvements

Mr. Richards noted there were no preliminary acceptance matters before the Board. There has been some delay associated with the replating of tracts from Golf Course ownership to Lennar ownership, to meet the District's required acceptance of ownership via deed from the developer Lennar. Mr. Richards reviewed the District's conditional preliminary acceptance procedures and remaining areas which may have acceptance upcoming. Mr. Richards will continue to follow up with Mr. Holpp and Lennar regarding this.

- Big Dry Creek Sewer Interceptor Easements

Mr. Richards reviewed the purchase and sale agreement for two easements being sought by the City of Thornton for the Big Dry Creek Sewer Interceptor project. The City has offered a total of \$651 for sewer easements across two District landscaping tracts. Mr. Richards reviewed with the Board the proposed changes which have been requested.

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The Board reviewed the purchase and sale and easement agreements. Upon motion made, seconded, and unanimously carried, the District approved the purchase and sale agreement and easement agreements subject to final agreement on the language and terms by legal counsel.

Old Business

No items of old business were discussed.

New Business

Director Ozanich noted approval of the Simmons and Wheeler engagement letter had been postponed at the previous meeting. Ms. Wheeler reported she will have the engagement letter for the Board to consider at the January 2019 meeting.

Ms. Vander Wall noted the retention of consultants, such as legal and accounting, will be made a part of the annual administrative resolution to be brought to the Board at its meeting scheduled for January.

Public Comment

No additional public comment was offered.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 3:08 p.m. The next regular meeting of the Board is scheduled for January 28, 2019 at 1:00 p.m.



Secretary for the Meeting