

# RECORD OF PROCEEDINGS

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## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, July 24, 2023 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:

Rod Stone, President  
Paul Ozanich, Vice President  
Robert Tade, Treasurer  
John Laatsch, Secretary  
Jon Rarick, Asst. Secretary

Absent: None.

Also in attendance were: Barbara T. Vander Wall, Seter & Vander Wall, P.C.; Diane Wheeler, Simmons & Wheeler, P.C.; Cody Conry\*, IDES; Lucas Nishimoto and Jackie Casas, AdvanceHOA, District Manager; Katie McVey\*\* and Shelby Noble\*\*, Piper Sandler; and residents/members of the public: Jan Guyer, Waydean Hedges, Terry Faber, Bill Peters, Greg Huffman, John Bales, Ray Ribordy, Brenda Anderson, Ken Schlessinger, Dawn Poindexter, Sharon Gray, Dan Daywalt, Lori Benjamin and Robert Richardt.

[\*Participating via Zoom.]

\*\*Arrived/departed where indicated.]

### Call to Order

Director Stone noted a quorum of the Board was in attendance 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 may 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

# RECORD OF PROCEEDINGS

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State prior to the meeting.

No additional conflict disclosures were announced.

## Approval of Agenda

The Board reviewed the agenda. Upon motion, second and unanimous vote, the agenda was approved with a spelling correction to “Uinta” where noted.

## Approval of Minutes

The Board reviewed the draft minutes of the May 22, 2023 regular meeting. Upon motion duly made, seconded and unanimously carried, the minutes were approved with the correction on page 3 from “14<sup>th</sup>” to “149<sup>th</sup>” and on page 5, from golf “cards” to “carts,” as discussed.

## Public Comment

A complaint was made regarding the street asphalt work which was done last week, noting tar spots, tracks and cracks not being filled. A question was asked about the repaving of Heritage, which is scheduled to be done next year. 149<sup>th</sup> Street will be re-done and repaved by Lennar.

The resident at 15145 Willow Drive spoke about his sump pump which runs year-round. He has tried to work with Lennar and with the District Board for a resolution. He is aware of the District’s chase drain policy, which does not help. Director Stone shared that the District has heard many complaints about sump pumps over the years, that it is an issue belonging to the HOA, and not the District, and that the District’s chase drain policy was created to the extent sump pumps impact District’s streets, pursuant to a design which has been approved by the City. Director Laatsch noted that each property is unique and different solutions are appropriate for different properties.

Public comment discussion continued with statements regarding the dangerous situation caused by the seasonal ice and slime created by the runoff, as well as mitigation options.

[\*\*Ms. Katie McVey and Ms. Shelby Noble, Piper Sandler, arrived during this discussion.]

There was no other additional public comment offered at this time.

## Financial Matters:

- Presentation by Piper Sandler re Refunding

Katie McVey and Shelby Noble, Piper Sandler, presented information regarding the District’s options for a refunding of

# RECORD OF PROCEEDINGS

---

debt. The District currently has three series of bonds, Series 2007B in the amount of \$4.8m, Series 2015 in the amount of \$22.2m, and Series 2020 in the amount of \$8.1m, for a total of \$36m, which has a blended rate of around 5.4% in interest. The proposal would allow the District to lower the blended interest rate on the outstanding debt, lower the debt service mill levy, and lower tax payments for the residents. The proposal would structure a refinance with two series of loans provided by a bank lender, which allows a refunding of the Series 2015 bonds as taxable, converting to tax-exempt in September, 2024, with a maturity date of 2044. The mill levy would be reduced from the current 56 mills to an estimated 31 mills beginning in 2024. The next steps include circulating a Request for Proposal to bank lenders with information regarding the District, and receiving proposals for consideration. The Board discussed timing considerations which would defer the proposed savings for a potential better financial environment in a couple years. After further discussion, and upon motion by Director Rarick, second by Director Laatsch and unanimous vote, the Board agreed to move forward with an RFP. The proposals would be presented to the District finance committee for discussion and recommendations. It was suggested that Phil Anderson be invited to the committee for thoughts, as he assisted the District with monitoring refunding options during his tenure on the Board. Depending upon the outcome, a special meeting may be necessary for Board action.

[\*\*Ms. Noble and Ms. McVey departed at this time.]

- Financial Report /  
Payment of Claims

Ms. Wheeler reviewed the claims updated through June 28, 2023 in the amount of \$92,989.51 for ratification, and claims through July 19, 2023 in the amount of \$38,428.22 for approval. Upon motion, second and unanimous vote, the Board approved the claims with a reduction for the water leak charges invoiced by BrightView pending corrective work.

Ms. Wheeler reviewed the financial statements for the period ending May 31, 2023. She noted the developer reimbursement revenues in the amount of \$70,000 from the cost sharing arrangement related to snow removal; costs attributed to Amendment 10, 11 and the new area have not yet been billed to Lennar. Legal costs are trending higher than budgeted, attributed to the management transition activities. Insurance costs exceeded the budget, due to unforeseen rate increases. Irrigation repairs and maintenance costs are higher than anticipated. Upon

# RECORD OF PROCEEDINGS

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motion, second and unanimous vote, the Board accepted the financial report as presented.

- 2022 Audit

Ms. Wheeler reviewed the draft 2022 audit report with the Board, which has been prepared by Simmons & Wheeler and submitted to the auditor for review and issuance of an opinion. She reviewed footnote 2 regarding the District's cash and investments in the approximate amount of \$250,000; she noted that this is comprised primarily of US securities, but is still safe as being within the PDPA criteria and protections. Upon motion, second and unanimous vote, the Board accepted the draft audit, subject to review by consultants and a clean opinion. In addition, the Board approved the request for extension, which Ms. Wheeler indicated may be needed based on the auditor's schedule.

- Other

There were no additional financial items presented at this time.

## Committee Reports

- Budget Committee

Director Ozanich suggested that Board members and committee representatives prepare a "wish list" for activities and items to take place in 2024 for funding. The District's budget committee will schedule a committee meeting for mid-September to review budget items for preparation of the draft 2024 budget.

- Engineering Committee

District engineer Cody Conry referred the Board to the IDES project status update which was circulated. He reported on the recent asphalt walk-through with the contractor for the crack sealing project, and noted the areas that still require work to be completed. He noted that the speed indicator and stop signs still need to be installed.

Lennar has requested final acceptance of 148<sup>th</sup> Drive, and a walk-through took place on June 28, 2023, with a punch list created.

Lennar has requested initial acceptance documents for Amendment 10 streets, sidewalks and right-of-way improvements on Quince Street, Roslyn Street, Quince Circle and E. 154<sup>th</sup> Court, but the punch list items created from the prior walk-through remain outstanding. Once those are complete, a new walk-through will be scheduled. Director Laatsch commented on the drainage area wall, which appears to be dangerous. Cody Conry advised that specifications and design plans for this detention pond area should be reviewed.

# RECORD OF PROCEEDINGS

---

Director Stone noted that he would like to do a walk-through in that area.

- Landscape Committee / Community Landscaping Advisory Special Committee:

Director Stone reported on the status of the JC Landscaping project involving installation of special bark mulch at Ehler; the free bark is no longer available, and an alternate bark was found priced at \$10 per yard, plus costs for the change in location. He expects the contract cost to increase as a result.

Director Stone noted that there will be a future change to the snow removal work scope to modify the language from “remove” to “push,” to clarify the management of the snow. The contract will also be clarified such that snow plowing is to be “required” where the snow fall continues. An amendment to the contract will be presented at a future meeting.

The Bartlett Tree Experts has been asked to do some dead limb clean up in coordination with BrightView work. The District is looking at whether winter watering will be needed. An e-blast is being circulated for Emerald Ash Borer tree advice.

The District’s contractor Golden Painting was paid the amount of \$15,900 for the District’s wall stucco project, but the work was not completed, pending conclusion of landscaping work. More work is anticipated which will increase the contract price. Lennar has obtained a separate proposal from Split Rail Fence for the amount of \$47,000. Golden Painting will do this work, including caulking and painting, and coordinate with the District’s project.

The District needs to budget additional funds for the removal of dead trees. Director Stone noted that there has been a huge amount of funds spent on sprinkler repairs; he would like to revisit this component of the landscaping work and develop a plan for improvement in these costs.

Director John Laatsch reported on behalf of the special landscape committee, noting that three new members with new expertise have been added to the committee. The committee has set up a priority list to provide feedback to go into the planning process, which will be coordinated with AdvanceHOA. The committee is focusing on fire mitigation related to dead trees, dry and wet conditions, and other dead material.

There is a need for ongoing maintenance. The committee desires

# RECORD OF PROCEEDINGS

---

to identify and construct a plan that a contractor can implement, including areas where there should be a reduction of water, the addition of water, fertilization, etc.

Homeowner Louise Benjamin stated that the area at Ehler and Quebec looks bad, without enough water to the trees behind her home. Director Stone noted that there should be drip lines in this location.

Another homeowner asked about the number of trees being removed; Director Stone stated that BrightView has been working on this project.

Director Laatsch suggested contacting Bartlett regarding the Elm trees, which have been impacted by the wet season, and whether more pruning may be needed to avoid damage in the future.

Mr. John Bales stated that the Master HOA received a complaint regarding weed issues, and that it is difficult to determine the point of demarcation between the District's property and the homeowners' responsibility, located on the Amendment 10 Quince Circle / Roslyn Court cul de sac area. Director Stone agreed to follow up with the District's contractor for this area.

- Traffic Calming  
Special Committee

On behalf of the traffic calming committee, Director Ozanich and Mr. Conry reported on the progress for the installation of the stop signs, and striping is in a location that is not wide enough for a bike lane. There is a meeting scheduled for this committee to take place on August 4, 2023. They will also be preparing to have another speed study take place. Comments from residents are invited. The speed study will be repeated if necessary.

- Other:

There were no other committee items presented at this time.

Manager's Report

Mr. Lucas Nishimoto reported on the progress being made to updates to the District's website. He reported on his work with improving the District's landscaping problem areas. He has divided the District landscaping into zones, and has met with BrightView on the additional attendance needed in the relevant zones, to address weeds, dead plants, irrigation issues, and potential soil issues.

Mr. Nishimoto reported that all of the gate transmitters have

# RECORD OF PROCEEDINGS

---

been distributed to residents, and new ones are being ordered. Director Tade suggested an email circulated to residents with regard to the District's gates and policies. Mr. Nishimoto stated that he has asked DGO Access to check on night time issues with the gates, and the standard amount of time gates stay open during the evening dark hours.

Mr. Nishimoto referred the Board to his report, with further details on maintenance, gate, landscape issues.

Mr. Conry responded to the recent citation received from the City of Thornton regarding the District's detention ponds. He suggested the District establish protocols for removal of vegetation and a regular maintenance program, which can be implemented and continued in the future.

## Legal Status Report:

- Amended Fee Resolution

Ms. Vander Wall provided background on the District's fee schedule and collections policy. Following the management consultant transition, the District is presented with new charges for certain disclosure-related services, which are District charges typically paid by lenders, purchasers or property owners and reimbursed to the management company for the related services. Ms. Vander Wall presented the Board with an updated schedule of charges to reflect the changes, with an effective date of June 1, 2023. Upon motion, second and unanimous vote, the Board approved the amended fee resolution as presented.

- On-Call Services Agreement with DGO Access

Ms. Vander Wall presented an agreement for on-call services with DGO Access which allows the contractor to perform gate repair and maintenance services under the contract provisions, subject to the approved rates. Upon motion, second and unanimous vote, the Board approved and ratified the on-call services agreement as presented.

- Work Order for Tree Replacement Services with BrightView

Ms. Vander Wall presented the work order in the amount of \$7,471.05 for the replacement of 5 dead trees on the west side of Uinta, to be performed by BrightView pursuant to the work order and the original landscape services agreement. The project was originally discussed at the prior meeting and previously presented by Director Stone. Upon motion, second and unanimous vote, the Board approved and ratified the work order.

# RECORD OF PROCEEDINGS

---

with BrightView as presented.

- Other

Ms. Vander Wall referred Board members to the legal status report regarding an update on other items in process.

Other Business

Director Stone confirmed the meeting posting locations as being on the District's website, as well as posted on the clubhouse. The Board agreed.

Director Ozanich noted that he has received comments from residents regarding a property owner harassing golf carts crossing adjacent property, which appears to be owned by the District. The Board requested legal counsel to research the issue further for ownership, maintenance and property rights and obligations.

Public Comment

There was no additional public comment presented at this time.

Adjournment

The next regular meeting of the Board of Directors is scheduled for Monday, September 25, 2023, at 1:00 p.m.

The meeting was adjourned at approximately 4:25 p.m.

  
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Secretary for Meeting