

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, January 27, 2020 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
Phil Anderson, Vice President
Dan Kettle, Treasurer
Paul Ozanich, Assistant Secretary

Absent: William Gomer (absence 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, Gary Debus, and Tony Unrein, CCMC, District Manager; Brandon Collins, IDES, District Engineer; Michael Sullivan*, D.A. Davidson; and Harvey and Marylee Bruneau, Hank Edmiston, Leslie Freeman, Christine Taylor and Janet Thomson, residents of the District.

[* Departed where indicated.]

Call to Order

Director Stone 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 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 State prior to the meeting.

No additional conflict disclosures were announced.

RECORD OF PROCEEDINGS

Approval of Agenda

The Board reviewed the agenda. Approval of the 2020 Taddiken Tree contract was added under the Legal Status Report.

Approval of Minutes

The Board reviewed the draft minutes of the November 25, 2019 regular meeting. The Board requested a changes to page 4, clarifying that a group looking at issues of surrounding development is a homeowner group and not a District formed group, page 5, to reflect the stop sign at Heritage Drive and Uinta is a four way stop, page 6, to reflect the total debt service fund expenditures in 2019, and page 7, to reflect the District's expected general fund expenditures in 2020. Upon motion duly made, seconded and unanimously carried, the minutes were approved as modified.

Public Comment

A resident asked about responsibility for the maintenance of the area between the sidewalk and the street. Director Stone clarified the District is generally responsible with certain exceptions, including the area along Uinta that is the responsibility of the adjacent homeowners. The resident further inquired about those areas located at intersections which currently are unimproved. She would like to see better landscaping in these areas. Director Stone noted these areas have daylilies during the growing months and the District will work to ensure the landscaping in all areas is up to community standards.

Mr. Harvey Bruneau reported he received a letter accusing him of throwing a snow shovel at a snow plow driver. He stated he did not do so and does not want any record that he did such a thing. Director Stone clarified that the letter was sent to Mr. Bruneau by mistake, apologized for the mistaken identity and noted the District had identified the party who had thrown a shovel. A formal letter noting the mistaken identity will be sent to Mr. Bruneau.

Ms. Christine Taylor commented on the landscaping within the tract located off of Heritage Circle. It is currently choked with weeds. She is unclear about who owns the tract or when the landscaping was approved. Director Stone noted County records reflect that Lennar is the owner, that the tract has apparently never been landscaped, and that the City has a sewer easement over the bulk of the tract that restricts landscaping. Ms. Taylor

RECORD OF PROCEEDINGS

noted that native grass and rock would make the area consistent with other areas in the District. Director Stone noted he would continue to work with Lennar to reach an acceptable solution on landscaping.

A resident complained about snow removal in the District and questioned if other residents of Thornton receive better service. Director Stone reviewed the District's snow removal plan and noted that managing snow removal was something the District communicates with the contractor on frequently.

A resident complained about snow on sidewalks, noting that some areas are cleared, while others are not and that sometimes the snow from the street is plowed onto an already cleared sidewalk. He asked if the District considers additional contractors when it is looking for service. Director Stone reported the District always requests multiple bids on service and that he will continue to evaluate and work with the District's snow removal contractor to address the concerns.

A resident inquired about responsibility for watering landscaping along Quebec. Director Stone noted this was most likely Metco, but upon acceptance by the District, the service will be provided by Brightview. The resident stated the area is being over watered. Director Stone noted that the area has been inspected and a punch list of repairs and plant replacements will be made as part of the turnover process.

Annual Administrative Matters

Ms. Vander Wall discussed a number of administrative matters with the Board, which are generally addressed at the Board's first meeting of the year, in accordance with Colorado laws.

- Director Qualification Affidavit

Ms. Vander Wall asked the Directors to complete an affidavit which she distributed to each Director, confirming the Directors' qualifications to serve on the Board.

- Disclosure and Conflicts of Interest

Ms. Vander Wall asked the Directors to review the information provided to each Director by her firm, describing how to identify a conflict of interest, and the requirements under Colorado law for disclosure of such conflicts of interest by each Director. Ms. Vander Wall asked each Director to review the contents of the letter, and to identify all existing and potential conflicts of interest each Director may have in connection with serving as a member of the Board of the District, and to complete the

RECORD OF PROCEEDINGS

attached disclosure forms to be returned to her office.

- Annual
Administrative
Resolution

Ms. Vander Wall presented the annual administrative resolution for discussion.

The Board reviewed and determined to continue to use its existing newspaper publication designated for publication of legal notices, identified as the *Northglenn-Thornton Sentinel*.

Next, the Board determined to use its 24-hour posting place as the clubhouse at 8455 Heritage Drive in Thornton, Colorado.

The Board determined that its regular meeting schedule will be the fourth Monday of the odd numbered months starting in January. The meetings will be held at 1:00 p.m. at the clubhouse located at 8455 Heritage Drive, Thornton, Colorado.

The Board confirmed the existing officers of the Board:

Rod Stone, President/Chair
Phil Anderson, Vice President
Dan Kettle, Treasurer
William Gomer, Secretary
Paul Ozanich, Asst. Secretary

The Board reviewed the engagement of its consultants, Seter & Vander Wall, P.C. serving as the District's legal counsel, Simmons & Wheeler P.C., serving as the District's accountant, IDES, serving as the District's engineer, and CCMC, serving as the District's administrator, and determined to renew its consultants for 2020.

Finally, the Board reviewed the proposed form of resolution presented by Ms. Vander Wall which memorializes the above determinations in addition to certain other administrative actions providing direction from the Board regarding actions to be taken by its consultants on the Board's behalf. Upon motion made by Director Ozanich, and second by Director Anderson, the Board unanimously approved the Resolution.

Financial Matters

Ms. Wheeler presented the District's financial reports and claims for payment through December 31, 2019.

Claims for payment totaled \$168,971.59 and included payment

RECORD OF PROCEEDINGS

to Martin Marietta and the MetroStudy report that was necessary to move the bond transaction forward. The MetroStudy expense can be reimbursed out of bond proceeds if the District issues 2020 bonds. The Board approved payment of the outstanding claims upon motion, second, and by unanimous vote.

The Board reviewed the financial reports, including fund balances and a review of the District's outstanding debt. Snow removal and landscaping expenses were over budget, water and legal fees were under budget. The District has approximately \$2.8 million in its debt service fund, but most of that is required to be kept in its reserve fund. The District income stream remains strong and the Developer is current with the payment of financial obligations to the District.

Director Kettle discussed his research regarding outstanding back charged amounts between the District and the Developer. In summation, both the Developer and the District have paid amounts they believe they should be reimbursed for in the period between March 2018 and January 2020. The District and the Developer have reviewed their respective invoice and billing records to appropriately assign responsibility for the costs, with the District seeking approximately \$86,000 in payments and the Developer seeking approximately \$78,000 in payments. Both sides have agreed to waive repayment for the back charged amounts in order to clean up the obligations going forward, and avoid the delay, expense and difficulties involved in proving up the actual amounts and allocations. After discussion, the Board agreed this appears to be an appropriate and reasonable outcome. The Board directed legal counsel to prepare an agreement documenting the mutual waiver of repayment obligations for Board approval. Director Stone asked that the Developer have the affirmative obligation to turn over or transfer ownership of all clocks or meters for electrical or water billing to the District.

The Board accepted the December 31, 2019, financials as presented upon motion, second and by unanimous vote.

Update Regarding Bond Refinance

Mr. Sullivan presented an update on the District's efforts to refinance its 2007 bonds. Currently, there is \$8.5 million outstanding on the 2007A bonds and \$6.5 million, including accrued interest, on the 2007B bonds. The proposed transaction would lower the interest rate on 2007A bonds from 5.5% to a projected 3.5% and the 2007B bonds from 7.5% to 6.5%. The

RECORD OF PROCEEDINGS

District has asked the Developer to consider waiving certain contingent and unsecured debt obligations that may never be paid back to help clean up the District's balance sheet. Limited response has been received at this time.

Mr. Sullivan noted whether the financial obligation is waived or not does not impact the proposed transaction other than in the disclosures made to potential investors and the credit rating company.

The Board asked Mr. Sullivan to obtain a response from the Developer regarding the request to waive the contingent obligations. If the Developer will waive the unsecured obligation, the District would like to move the transaction forward as proposed; otherwise, the Board will discuss other options. Mr. Sullivan will follow up and make a report to the finance committee on his findings.

[*Mr. Sullivan departed at this time]

Committee Reports

- Engineering Committee

Director Kettle presented the engineering committee report.

Roads and sidewalks in Amendments 8 and 9 and Block H are ready for final acceptance. The District granted preliminary acceptance on April 20, 2016. The warranty period has expired and a walk through and punch list from both the City of Thornton and the District was been prepared and completed. One asphalt area requires additional patch work in the spring when temperatures rise, and the Developer has committed to completing that at that time. Upon motion made, seconded and by unanimous vote, the Board approved final acceptance and adopted the final acceptance resolution.

Director Kettle reported the entrance gates off of Quebec Street and Ehler Parkway are ready for final acceptance with the Developer recently having completed outstanding punch list items. The District engineer confirmed the gates are ready for final acceptance. Upon motion made, seconded and by unanimous vote the Board approved final acceptance of the gates off Quebec Street and Ehler Parkway and adopted the final acceptance resolution.

The Board noted that roads in Amendment 11 and Quince Court have been discussed for acceptance. However, no

RECORD OF PROCEEDINGS

documentation has been received from the Developer. The District will seek to accept these roadways at the same time as the City of Thornton issues its final acceptance.

IDES Task Order #21 totaling \$22,000 was presented for consideration. The task order is for on call engineering services related to dedication and acceptance as well as other ongoing engineering work in the District. The Board approved Task Order #21 upon motion, second and by unanimous vote.

Roads in Amendment 11 appear to be ready for preliminary acceptance. However, the documents necessary to facilitate preliminary acceptance have not been provided. When the documents are provided the District will proceed with consideration for preliminary acceptance.

- Landscaping
Committee

Director Stone presented the Landscaping Committee report.

Final acceptance of all landscaping tracts currently under preliminary acceptance is being recommended. The District has conducted a walk through, developed a punch list, and identified items that are to be repaired or replaced in the spring. The Developer has agreed to pay the District for the District's contractor to perform the work. Upon motion made, seconded and by unanimous vote the Board approved final acceptance of the landscaping tracts and adopted the final acceptance resolution.

Ms. Freeman and Ms. Taylor, members of the public, stated their opinion that the District should not accept landscaping until future development plans on the west side of Quebec Street and south of Ehler Parkway were known.

Director Stone reported the Yosemite Street bridge work is complete. Adams County has indicated the County will accept ownership and maintenance of the bridge. The District is waiting for a letter from the County confirming acceptance.

Director Stone reported Adams County is not releasing the 7,000 lb. weight limit imposed on Yosemite Street. This prevents Lennar from using the construction entrances created to serve development in the northeast portion of the District. Construction traffic related to that work will have to use the Quebec or Ehler gates and drive through the community. Director Stone noted community members could contact the

RECORD OF PROCEEDINGS

Adams County Board of County Commissioners regarding this. Traffic signage will be placed to help direct construction traffic.

- Budget Committee No additional report was made by the budget committee.

Manager's Report

Mr. Dudley presented the manager's report. A written report was also provided.

All pricing information related to repair and replacement of landscaping and irrigation repairs between Brightview and Metco has been transmitted.

Holiday lighting has been removed and stored.

Concerns and suggestions related to speeders have been received, including a request for additional signage, a crosswalk, and repair. These have all been passed on to the Board for consideration. Director Stone asked that the District Manager work with Director Gomer on possible speed bump placement for future consideration.

Legal Report

Mr. Richards presented the legal report. A written report was also provided.

Mr. Richards noted the City of Thornton Storm Water Utility revision has not been passed through City Council, but expects this to happen shortly. Legal counsel will follow up to ensure past bills from the City are resolved.

United Power is requesting an easement; however, a formal easement agreement has not yet been received.

A new contract with Taddiken Tree Services for 2020 services was presented. Upon motion, second and by unanimous vote the Board approved the 2020 contract.

Old Business

It was noted that Director Gomer is working on traffic control options, but was not present to provide an update. The Board expects to discuss options at the next meeting.

New Business

Director Kettle asked about the status of the District's reserve study. Mr. Dudley suggested that an updated study could be

RECORD OF PROCEEDINGS

prepared in conjunction with the HOA's reserve study for cost savings.

Public Comment

A member of the public asked if all the directors were residents of the District. Director Stone noted all current directors are District residents.

The Board took notice of an email received from Ms. Freeman dated January 17, 2020, concerning future development on parcels of land adjacent to but outside the District. The Board will continue to monitor the situation and evaluate what potential impacts to the District may be. Interested residents should direct comment and concerns to the City of Thornton.

Adjournment

The next regular meeting of the Board of Directors is scheduled for Monday, March 23, 2020, at 1:00 p.m.

The meeting was adjourned at approximately 3:50 p.m.


Secretary for the Meeting
