

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL WORK SESSION MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, August 19, 2019 at 11:00 a.m., 8455
Heritage Drive, Thornton, CO 80602

Attendance

The special work session 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 Vander Wall and Cameron J. Richards, Seter & Vander Wall, P.C.; Diane Wheeler, Simmons & Wheeler, P.C.; Ross Dudley, CCMC, District Manager; Zach Bishop and Michael Sullivan, D.A. Davidson & Co.; and Mike Jackson, Sarah Little, and John Laatsch, members of the public.

Call to Order

Director Stone noted a quorum of the Board was present and called the special work session meeting of the Board of Directors of the Heritage Todd Creek Metropolitan District to order at 11:05 a.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.

No additional conflict disclosures were announced.

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Approval of Agenda	The Board reviewed and approved the agenda as presented.
Approval of Minutes	The Board reviewed the draft minutes of the July 22, 2019 regular meeting. Director Anderson requested a change to page 3 of the minutes. Upon motion duly made, seconded and unanimously carried, the minutes were approved as modified.
Presentation on District Refinance Options	<p>Ms. Vander Wall introduced Zach Bishop and Mike Sullivan of D.A. Davidson. Director Anderson noted that the finance committee has been working with Mr. Bishop regarding potential options to refinance a portion of the District's debt. The work session meeting has been called to provide a presentation on options, and allow the entire Board to participate in the discussion.</p> <p>Mr. Bishop provided a brief background of his firm and an overview of the District's current debt situation. The District's 2007 Series A bonds are senior debt with an interest rate of 5.50%; additionally, the District holds 2007 Series B bonds, which are subordinate to other fiscal obligations and are held by the developer at an interest rate of 7.50%, and 2015 bonds which are also considered senior debt, with an interest rate of 6.20%. The 2007 bonds can be refinanced at this time; the 2015 bonds cannot be refinanced prior to 2024 without penalty.</p> <p>Mr. Bishop reported that interest rates are at historically low levels which provide opportunities to incur some savings and possibly lower the District's debt service mill levy. Different costs and levels of savings apply to whether the District chooses to refinance only the 2007A or both the 2007A and 2007B bonds. Mr. Bishop reviewed options and the Directors asked questions concerning interest rates, costs of issuance and future refinancing.</p> <p>The Board asked Mr. Bishop to run some numbers under different scenarios that were discussed and which serve different goals. The finance committee will follow up with Mr. Bishop and provide further information to the Board.</p>
Other Business	Director Stone reviewed the upcoming walk through of landscaping in areas being considered for final acceptance in Amendment 8, 9 and Block H. Metco, Brightview and the District will participate in the walk through. Brightview will be responsible for shutting down and winterizing irrigation and

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landscape while Metco and the developer will provide reimbursement for any landscaping requiring replacement. All replacement landscaping will be installed in the spring by Brightview. The shared maintenance agreement with Metco will be amended to reflect the reduced scope of work.

Ms. Little, a resident of the District inquired about lighting on the entrance islands. The Board stated that solar lights have been recently installed at the Quebec gate entrance.

Ms. Little asked who is responsible for sidewalk maintenance and reported some broken concrete. The Board asked her to provide her address to the District Manager so the issue could be looked at. The District is responsible for sidewalks that have been accepted, the developer remains responsible for sidewalks in areas not yet ready for acceptance.

The Board discussed proposed work to the Yosemite gate. The Board noted the gate has been working and determined to defer repair costs until a later date.

Director Anderson requested that each committee provide expected 2020 cost estimates to the finance committee so a draft 2020 budget can be prepared before October 15.

Mr. Laatsch, a resident of the District, asked if a map showing areas owned by the District, areas under preliminary acceptance, and areas maintained by the developer is available. The Board noted that working maps were available, but there is not a currently existing master map. A copy of working maps will be provided to Mr. Laatsch.

Mr. Jackson, a resident of the District, reported that a list of areas that might benefit from a chase drain has been provided to the Board. Director Stone reported he has passed the list on to the developer for consideration of additional chase drains.

The Board's next regular meeting is scheduled for September 23, 2019. Due to a lack of a quorum for that date, the Board rescheduled the September meeting to take place on September 6, 2019, at 9:00 a.m.

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Adjournment

The meeting was adjourned at approximately 12:50 p.m.



Secretary for the Meeting