

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, March 27, 2017, at 12:00 p.m., 8455
Heritage Drive, Thornton, CO 80602

Attendance

The special 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
William Gomer, Secretary
Paul Ozanich, Asst. Secretary

[*Participating by telephone.]

Also present were Cameron J. Richards, Esq., Seter & Vander Wall, P.C.; Diane Wheeler, Simmons & Wheeler, P.C.; Denise Hogenes and Ross Dudley, CCMC, District Manager; Guy Ford, IDES, District Engineer; and Cindy Kettle, Mike McTigue and Mike Jackson, members of the public.

Call to Order

Director Stone noted a quorum of the Board was present and called the special meeting of the Board of Directors of the Heritage Todd Creek Metropolitan District to order at 12:03 p.m. Director Stone noted Director Anderson was participating by telephone.

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 Minutes	<p>The Board reviewed the minutes of the February 14, 2017, special meeting. Upon motion duly made, seconded, and unanimously carried, the minutes of the February 14, 2017, special meeting were approved as presented.</p>
Public Comments	<p>There were no public comments offered at this time.</p>
Executive Session	<p>Director Stone announced the agenda called for an executive session pursuant to § 24-6-404(4)(b) and (e), C.R.S., for purposes of receiving the advice of legal counsel and developing positions that may be the subject of negotiations pertaining to a consultant agreement.</p> <p>Upon motion duly made, seconded, and by unanimous vote, the Board entered executive session at 12:10 p.m.</p> <p>At 1:05 p.m. the Board of Directors reconvened in public session. Director Stone announced the Board had been in executive session pursuant to § 24-6-404(4)(b) and (e), C.R.S. for purposes of receiving the advice of legal counsel and developing positions that may be the subject of negotiations pertaining to a consultant agreement. The Board had not taken formal action nor had any policy, position, rule, or regulation been approved or adopted.</p>
Financial Matters	<p>Ms. Diane Wheeler, Simmons & Wheeler, presented three checks for approval: IDES for District Engineer services, Seter & Vander Wall for legal services and Simmons & Wheeler for accounting services. Upon motion duly made, seconded, and unanimously carried, the checks were approved.</p> <p>Ms. Wheeler presented financial statements through February 28, 2017. The District has approximately \$6,000.00 in outstanding fees due from homeowners</p> <p>Director Anderson noted the District is spending more on legal fees than anticipated. Mr. Richards noted a few unanticipated legal issues had arisen in the first part of the year, and the amount expended on legal should, hopefully, stabilize as those wind down. Director Anderson concurred, but stated the Board needed to be aware of this.</p> <p>The District has an additional \$80,000 in its general fund currently unallocated, as a “replacement contribution” line item,</p>

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plus the \$230,000 designated for payment into the replacement fund in the 2017 budget. The amount of \$230,000 is in addition to funds budgeted for street repairs.

Ms. Wheeler noted the District makes payments on its debt on June 1 and December 1 each year; these financials do not yet reflect any payments for debt service.

Upon motion duly made, seconded and with unanimous approval, the financial report was accepted as presented.

Update regarding Preliminary Acceptance of Filings 8 & 9, Block H, Landscaping, Irrigation and Gates

Director Stone noted he did not have anything to add regarding the District acceptance of improvements from Lennar. Mr. Richards reported the District is still waiting for Lennar to be able to present clean title to the indicated property.

Committee Reports
- Engineering Committee

Directors Kettle and Anderson presented the engineering committee report and a spreadsheet covering their evaluation of District roadways and associated maintenance costs. The spreadsheet was prepared in consultation with Guy Ford, District engineer. Roadways were broken down into zones and ranked for immediacy of repair. The District's roads required more maintenance than was initially anticipated. There are many large cracks and some instances of pavement failure that need to be addressed before larger problems result. Mr. Ford noted he was particularly concerned with the amount of degraded concrete curb and sidewalk areas that was present in certain areas, particularly around Xenia Court and Heritage Circle. Mr. Ford stated his opinion that over-watering of lawns may be contributing to the problems, as the damage observed was greater than may be expected at this stage of the useful life.

The committee reported the District had hoped to mill and overlay Heritage Drive as the main throughway of the community, but it appears that there are more pressing issues requiring attention in 2017. Future maintenance costs are likely to be higher than expected. Mr. Ford estimated the District can expect annual costs of around \$250,000.00 for the next few years just to catch up with needed street and sidewalk repairs.

The committee recommended a budgeted amount of \$280,000.00 for road and concrete projects in 2017. Mr. Ford reported that a notice of prequalification had been published in February, soliciting contractors for anticipated roadway projects,

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but no responses were received. The committee is sensitive to the need to perform landscaping projects required by the City of Thornton, but also noted if action is not taken the future costs could be even higher.

Director Stone suggested that the landscape report be presented, and that the Board defer action until discussion on the landscape issues took place.

- Landscape Committee Director Stone reviewed the landscaping projects being required by the City of Thornton to make the District compliant with the originally approved plans. The City has given the District three years to comply. BrightView has submitted quotes totaling \$110,000.00 to complete the projects, although this number may come down.

The deficiencies resulted from a number of areas being overplanted, beyond the planned installations, which has caused crowding issues and some plant die-off. In these areas, the District is not required to replace all installed landscaping, but just to return it to the approved plan. This resulted in the scope of work being slightly reduced over the proposals presented in the Board packet. Additionally, a lot of the current landscaping issues relate to poor or non-performed maintenance since installation. Director Stone has brought this to the attention of the developer, who installed the landscaping and was responsible for maintenance. The developer has acknowledged at least partial responsibility for some of the landscaping and will commit some money to corrective costs. The developer agreed to provide \$30,000, and may provide more subject to the final scope of work. Director Stone will continue to discuss with the developer.

Director Stone recommended the work be performed in one year, as opposed to three years, so the District can take advantage of certain bulk purchasing discounts and efficiencies which will further reduce the cost. Director Stone requested the Board authorize the landscape committee to finalize a scope of work with BrightView, secure funding commitments from the developer, and proceed with work for an amount not to exceed \$110,000. Director Stone expects the final number to come in below this threshold.

The Board reviewed amounts budgeted for landscaping, street repair, general maintenance, unallocated replacement

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contributions, and budgeted replacement contributions. The Board was advised by Mr. Richards and Ms. Wheeler the District may utilize funds from the replacement contribution line item as well as funds that were originally budgeted for replacement contribution fund for these projects.

A motion was made to authorize Directors Anderson and Kettle to authorize one or more agreements prepared by legal counsel after receiving bids for work to complete street repairs and concrete work as prioritized for 2017 by the engineering committee for an amount not to exceed \$280,000. The motion was seconded and unanimously approved. Mr. Ford noted he could assist with obtaining appropriate bids.

A motion was made to approve Directors Stone and Gomer to authorize the agreement with BrightView prepared by legal counsel, subject to finalizing the scope of work and costs, for an amount not to exceed \$110,000, and subject to assurances of funding by the developer. The motion was seconded and unanimously approved.

- Special Committee Report: Ms. Cindy Kettle presented a report from the special committee investigating the naming of common areas and installation of park benches. Five common areas had been identified for naming. The committee has considered soliciting homeowner ideas for names. The committee has considered different bench designs and decorative boulders with names inscribed. To offset expected costs, the committee is considering approaching community members or local businesses to see if they will consider sponsoring a bench. The Board is not being asked to approve anything or contribute money at this time. The committee asked for feedback and direction going forward.

Director Stone wanted to know if any sort of survey measuring popularity of the idea in the community had been conducted. It had not. Director Stone was also concerned about future issues that may arise when benches were installed and complaints from those who lived in close proximity were received. Director Stone raised concerns of costs and noted the District did not have money to allocate to the installation or upkeep at this time

The Board consensus was for the committee to continue investigating and to get more feedback from the community. Ms. Kettle was invited to return to the Board and present additional information at the next meeting. Ms. Kettle indicated

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she would investigate the questions raised.

Manager's Report

Mr. Dudley presented the manager's report. A written report was provided. The Yosemite Gate work is complete. Signs for installation on the gates have been received and are ready for installation. Irrigation systems are expected to be energized sometime in mid-April. CCMC has sent out second quarter statements. There are some outstanding fees from the last quarter in 2016. Mr. Dudley is following up on these.

Legal Report

Mr. Richards presented the legal report. A written report was provided. Legal counsel had been instructed to determine whether a letter purporting to be preliminary acceptance of "Yosemite Street Improvements" from 2008 included the streetlights along Yosemite Street. The District is currently paying the utility bill for these lights. In investigating the matter, Adams County discovered the road itself was never accepted in 2008, and that the final acceptance process needs to be complete. A walk-through by Adams County Public Works and the District engineer and a punch list will need to be completed. The results of this walk through are unknown. The County has taken the position that the streetlights were never intended to be accepted and indicates it has no plans to accept them. Legal counsel will continue to pursue streetlight acceptance separate from the road acceptance.

Public Comment

Mr. Mike McTigue commented on the Yosemite Street lights. He believed United Power or whoever provided service should have a flat fee for streetlights, and perhaps costs could be reduced if that rate was applied. Mr. Dudley agreed to investigate this and report back.

Mr. Jackson inquired about lighting at the Quebec Street entrance, noting it was difficult to see the entrance at night. The Board informed him that a lighting specialist had been contacted to make recommendations, but these gates had not been accepted by the District from the developer yet. The District was looking at the issue, but there were no current plans to take action.

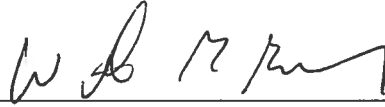
Other Business

There were no additional business items presented for discussion at this time.

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Adjournment

The meeting was adjourned at 3:58 P.M. The next regular meeting of the Board is scheduled for May 22, 2017.



Secretary for the Meeting