

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, July 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, Secretary
Karl Wilmes, Assistant Secretary

Also present were Barbara T. Vander Wall* and Cameron J. Richards, Seter & Vander Wall, P.C.; Diane Wheeler*, Simmons & Wheeler, P.C.; Janell Henderson, CCMC, District Manager; Brandon Collins*, IDES, District Engineer, Brian Horan, Wells* & Associates, and Larry Harding*, Mike Kearns*, Cindy Kettle, Dave Beau, Deborah McClanahan, Deby Weatherhead*, Debbie Stone*, Gary Wickham*, Greg Hermanson*, Jill Hartman*, Joanie Owens*, John Owens*, John Gunderson*, Kathy Thweatt*, Mike Garrett*, Rick Tremmel*, and Tony Unreine*, members of the public

[*Attended via remote connection.]

[# 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 1:10 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

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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.

Approval of Agenda

The Board reviewed the agenda. The agenda was upon motion duly made, seconded and unanimously carried.

Approval of Minutes

The Board reviewed the draft minutes of the June 8, 2020 special meeting. Director Ozanich requested a change to page 7, to clarify the Board decided not to take action on relocating a stop sign or installing lighting at mailboxes. Upon motion duly made, seconded and unanimously carried, the minutes were approved as modified.

Public Comment

No public comment was offered.

Financial Matters

Ms. Wheeler presented the District's financial reports and claims for payment through June 30, 2020.

The Board reviewed the financial statements. Director Anderson inquired as to why the working or capital contributions line was below budget. Ms. Wheeler thought that perhaps sales in April, May and June were more sluggish than expected, but the number may come back up. Director Kettle asked if the capital improvement line item will increase with the District having granted final acceptance of improvements in Amendments 8, 9 and Block H. Ms. Wheeler will look at how acceptance will impact the District books. Ms. Wheeler reviewed the District's debt service fund. The June interest payment was made. The Board reviewed that a few budgeted items were well under budget; storm water fees were lower and street and sidewalk repair work had come in under budget. The Board accepted the June 30, 2020 financial report as presented upon motion duly made, seconded and unanimously carried.

Claims for payment totaled \$32,546.93 for legal, engineering and accounting costs. Legal services attributed to the proposed bond issuance are billed separately as those costs are eligible for funding from the bond proceeds as part of the costs of issuance.

The Board approved the submitted claims for payment upon motion duly made, second and unanimously carried.

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2019 Audit

The draft 2019 audit was presented and reviewed. The District is expected to receive a clean, or unmodified, audit opinion that the financial reports accurately represent the financial position of the District. The audit reflects a negative net position for the District because it accounts for debt and interest but does not set off against capital assets and improvements. Ms. Wheeler reviewed the notes to the audit. The Board accepted the 2019 audit subject to minor revision and the auditor's issuance of an unmodified opinion upon motion duly made, seconded and unanimously carried.

Proposed Bond Transaction Update

The District has been considering the issuance of 2020 bonds to refund series 2007A and 2007B bonds. Due to the COVID-19 pandemic, the bond market became volatile before a transaction could be initiated. An update on current market conditions was presented. Mike Sullivan with D.A. Davidson advises that a bank loan placement may provide the District with a better interest rate than the bond market at this time. A bank loan would only be able to refund the 2007A bonds; the 2007B bonds may be difficult to refinance below their current rate in the market. The Board agreed to send out a request for proposals and obtain term sheets to see if favorable interest rates could be obtained. Ms. Wheeler will coordinate with Mr. Sullivan.

[#Ms. Wheeler departed at this time.]

Traffic Study Report

Director Wilmes introduced Brian Horan of Wells & Associates who performed a traffic study as part of the District's consideration of traffic calming measures. Mr. Horan summarized the study methods and results. A written report was provided to the Board that included traffic volume, speed and class of vehicle. Two areas where traffic calming measures are recommended were identified. Traffic calming measures could include speed cushions, medians or more passive measures like signage. Mr. Horan can make further recommendations based on Board input. The Board discussed the report. Director Wilmes suggested the Board review the report and further discuss options at the next board meeting.

[#Mr. Horan departed at this time.]

Committee Reports - Engineering

Directors Anderson and Kettle presented the engineering

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Committee

committee report. Mr. Collins gave an update on the 2020 street repair project.

Mr. Collins reported the contract with Martin Marietta has been finalized. The District has the option to install speed cushions if the Board desires. Work will begin in mid-August. The contractor will notify Ms. Henderson when work is going to start so the community may be notified. The project is expected to be completed for less than the \$225,000 budgeted. Upon motion duly made, seconded and unanimously carried the Board authorized the engineering committee to finalize the scope of work and executed the contract and necessary change orders with Martin Marietta so long as the cost does not exceed \$225,000.

At the request of the engineering committee Mr. Collins and Mr. Richards reviewed preliminary acceptance requests. Amendments 10, 11, 13 and 14 are all in various stages of review. Mr. Collins will coordinate walk throughs and legal is reviewing the necessary 12-step submissions. Amendments 11 and 13 are likely going to be ready first.

At the request of the engineering committee, Mr. Collins and Mr. Richards updated the Board on research into homeowner-installed chase drains. A number of municipalities protocols have been reviewed, including standard Thornton specifications for a drain. The responsibility for maintaining the drain would be on the homeowner. Mr. Richards is working to ensure a District process fits with the City of Thornton permitting standards.

[#Mr. Collins departed at this time].

- Landscaping
Committee

Director Stone presented the landscaping committee report.

Much of the focus has been on accepting new tracts, but starting to look back at areas the District has held for a while. Brightview has identified a few areas requiring immediate attention. A work order was presented to replace mulch in four high profile bed areas. A proposal for additional work was presented for an amount not to exceed \$17,899.46. The proposal was approved upon motion duly made, seconded and unanimously carried.

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Director Stone presented a proposal for \$32,544.48 covering additional beds in the community. The Board discussed that mulch was expensive, and that before many thousands of dollars are spent on it, the District should ensure it will not wash away at the first rain. Ms. Henderson and the landscape committee will continue to work with Brightview to come up with solutions to keep the District looking nice.

Director Stone reviewed landscaping along Quince Court. It is supposed to be native grass, but the landscaping has been disrupted by Lennar construction. He noted that the irrigation timers appear to have been stolen. Director Stone is working with homeowners and the Developer to have the landscape installation redone.

The Yosemite bridge work is nearly complete and should be accepted by the County in the near future.

Budget Committee

Director Anderson presented the budget committee report. Work on the 2021 budget will begin soon. Committee members are encouraged to think about and provide 2021 expenditures. The draft budget will be delayed because preliminary assessed valuations will be delayed by the County assessor due to COVID-19.

Manager's Report

Ms. Henderson presented the manager's report. A written report was provided. Ms. Henderson is working with Brightview to come up with a maintenance plan to ensure landscaping issues are regularly addressed. She is working with the maintenance manager, M. Palma on this.

Taddiken Tree has been working in the District. A 2021 proposal has been received that includes addressing some damaged and dead tree removal and replacement. A competitive proposal from Brightview was received as well. Ms. Henderson is recommending the District continue with Taddiken.

The recent storm damaged some trees which may not be salvageable. The Board asked if these are covered by the District's insurance. Mr. Richards will investigate, but did not think landscape damage coverage was in the scope of the District's property coverage.

Irrigation filters have been replaced.

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The Master Association has retained a provider for the reserve study. The District would like to update its reserve study using the same contractor. The cost is not expected to exceed \$2,100. The Board approved retaining a reserve study provider for a not to exceed amount of \$2,100 upon motion duly made, seconded and unanimously carried.

Gate closing issues have been repaired. The District's contractor has looked at the gates and says the timing is set within normal parameters. Shortening the time may result in vehicles being trapped.

Legal Status Report

Mr. Richards presented the legal status report.

Dedication and acceptance matters were discussed earlier in the meeting.

Mr. Richards presented a proposed 2021 annual contract with Taddiken Tree for \$60,051.00. The contract was approved upon motion duly made, seconded and unanimously carried.

Mr. Richards updated the Board on discussions concerning the ownership and maintenance of the perimeter regional trail. Discussions with Thornton are ongoing. Mr. Richards deferred further comment on this topic to executive session.

Mr. Richards presented a right of entry from the City of Thornton. The City is investigating the location of a proposed sewer line. The Board requested that notice of use of the right of entry be sent to Ms. Henderson so the community could be notified. The area involved is along Quebec Street. The right of entry was approved as modified upon motion duly made, seconded and unanimously carried.

Mr. Richards presented a resolution amending the makeup of the landscape committee, the engineering committee and the budget committee. These had not been updated since 2017. The Board adopted the resolution and made the committee appointments as listed upon motion duly made, seconded and unanimously carried.

Old Business

The reserve study was covered earlier in the meeting.

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New Business

No new business was presented.

Other Business

The Directors discussed recent communications with residents. Concerns over landscaping were the most common comment. Additionally, the hanging of signs and use of District property for personal use is becoming common. The Board is mostly concerned that District property not be damaged as that involves additional costs. The Board determined no new committee is needed, but public education should continue to address these issues. The community newsletter may be a good communication tool.

Public Comment

No public comment was presented.

Executive Session

Director Stone announced the agenda called for an executive session pursuant to § 24-6-404(4)(b), C.R.S., for purposes of receiving the advice of legal counsel concerning the District's responsibilities of the perimeter trail and concerning irrigation mainline location.


Upon motion duly made, seconded and unanimously carried, the Board entered executive session at 4:15 p.m.

At 5:25 p.m. the Board of Directors reconvened in public session, and noted that no actions had been taken in executive session.

Adjournment

The next regular meeting of the Board of Directors is scheduled for Monday, September 28, 2020, at 1:00 p.m.

The meeting was adjourned at approximately 5:25 p.m.


Secretary for the Meeting
