

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, August 2, 2021 at 1:00 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
Paul Ozanich, Secretary
Dan Kettle, Treasurer
Karl Wilmes, Assistant Secretary

Absent: None.

Also in attendance were Barbara T. Vander Wall, Seter & Vander Wall, P.C.; Diane Wheeler, Simmons & Wheeler, P.C.; Janell Henderson and Jeff Girardeau, CCMC, District Manager; Andrew Gaittens*, IDES, District Engineer; and the following residents and members of the public: Corky Kahn, RJ Hicks, Tom Mink, Mike Garrett, John Bales, Cathy Drozda, Jan Romich, and Howard Rosenthal.

[*Departed where indicated.]

Call to Order

Director Stone noted a quorum of the Board was in attendance and called the special 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 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.

RECORD OF PROCEEDINGS

No additional conflict disclosures were announced.

Approval of Agenda

The Board reviewed the agenda. The agenda was approved as presented.

Approval of Minutes

The Board reviewed the draft minutes of the May 24, 2021 regular meeting. Upon motion duly made, seconded and unanimously carried, the May 24, 2021 minutes were approved as presented.

Public Comment

Mr. RJ Hicks introduced himself as a board member on the Heritage Todd Creek Townhome Association. He suggested that the District and the Townhome Association might coordinate communication efforts to improve snow removal services in the community.

Mr. Corky Kahn commented on traffic along Heritage Drive, noting the fast speeds and failure to stop. He also commented on his observations of the landscape services, noting that the dirt pileup at the base of the trees turns to mud with irrigation, and that the irrigation lines have broken caps. He suggested the District consider mulch in lieu of dirt for the trees.

No further public comment was offered at this time.

Financial Matters

- Financial Report and Payment of Claims

Ms. Wheeler presented the financial reports for the period ending June 30, 2021. She pointed out that several budgeted expenditures, such as water and landscaping costs, have not yet accrued. The interest rates for District investments remain very low. Lennar's obligation to pay development fees does not come due until November, which will be the final payment for Lennar for the District's development fees. The District's subordinate bond payments are due to be paid on December 15, 2021. Upon motion by Director Anderson, second by Director Kettle and unanimous vote, the Board accepted the financial statements as presented.

Ms. Wheeler reviewed the statement of claims for the District, including legal, accounting and engineering invoices, in the amount of \$28,097.06. Upon motion, second and unanimous vote, the Board approved and ratified the claims as presented.

RECORD OF PROCEEDINGS

- 2020 Audit / Extension
Ms. Wheeler reported that due to a backlog by the auditor, the District has requested an extension for the filing of its 2020 audit from the deadline of July 31, 2021 to the extension deadline of September 30, 2021. Upon motion, second and unanimous vote, the Board approved the extension request.
- Other
Ms. Wheeler indicated that the District will have its preliminary assessed valuation report by the end of the month, and it is time to begin preparing for the 2022 budget. She will work with the budget committee members, Director Anderson and Director Ozanich, on drafting the 2022 budget for the District. Ms. Henderson noted that she has requested updated information from Lennar on estimated home sales for 2021 and forecasted projections for future home sales. Currently there are 1021 closed homes.

Committee Reports

- Engineering Committee
Director Anderson provided a summary of the status of current and upcoming projects. Currently, the District is in the process of crack-filing and concrete repair work. Striping work will follow. The concrete work is expected to begin in approximately 3 weeks. The City of Thornton is applying stricter standards to require additional asphalt on the streets, which will require a change order with a price increase on the current roadway repair work contract.

Ms. Cathy Drozda, resident, raised her concern that the crosswalks be ADA compliant. Director Anderson agreed that this is a goal of the District, which will prioritize the work to address the neediest areas first for crosswalks and pedestrian ramps.

Director Anderson also noted that the Amendment 10 roadways have not yet been accepted, there exists a huge dip in the area that needs to be repaired. Currently there is an orange cone placed at the site to warn of the danger. It is expected to be fixed by winter time. Director Stone indicated he would raise this issue with Lennar; if he does not get a timely response, the District will take steps to do the repairs, and bill Lennar afterwards for reimbursement.

Director Anderson reported that the concrete repair work done on Willow Drive and Heritage now has a new crack that will need repair. Director Stone agreed to include this item in his discussions with Lennar.

RECORD OF PROCEEDINGS

The Board discussed the contract with ABC Asphalt, Inc., for the roadway repair work. Mr. Andrew Gaittens described the project and the contract, noting that the bid came in under the District's budgeted amount. He further described the proposed change order #1 to the contract to increase the pricing by an amount not to exceed \$16,000, to cover the additional asphalt costs as described by Director Anderson. He also described change order # 2 required to address additional work to be added to the ABC Asphalt contract to cover concrete costs used by Reconstruction Experts (R&E) required to hold down the trailer located on Xenia Street by the golf maintenance shop due to high winds, in an amount not to exceed \$7,000. R&E has agreed to reimburse the amounts back to the District. Finally, Mr. Gaittens described the proposed change order #3 to cover the striping costs in 4 locations (1 repair, 3 new areas), to be provided by ABC Asphalt, in an amount not to exceed \$5,000. After further discussion, and upon motion, second and unanimous vote, the Board approved and ratified the original contract with ABC Asphalt, and the three change orders as discussed.

The engineering committee, Directors Anderson and Kettle, will start budgeting for 2022 repairs.

[*Mr. Gaittens departed at this time.]

- Landscape Committee Director Stone presented the landscape committee report.

The ad hoc landscape advisory committee has been formed with three to five resident representatives. The committee did a drive-through of the community last week and identified areas of focus. The committee will be reviewing the landscape plans that were prepared and provided at the time of acceptance of the landscape improvements from Lennar.

Director Stone reported that he has been in communication with the City of Thornton, to clarify the City's requirements for landscaping in the eastern versus the western portion of the community. The two areas appear to have inconsistent landscape improvements. Amendments 14 and 16 contain a significant amount of native landscaping versus other areas which do not.

Director Stone reported that the District has received proposals

RECORD OF PROCEEDINGS

for landscaping and snow removal services from two companies, BrightView and CoCal, for the upcoming season. The committee will be reviewing the proposals, holding interviews, and will make a recommendation at the September board meeting.

- Budget Committee Director Anderson reported that per prior discussions, the budget committee will begin working with Ms. Wheeler on the preparation of the District's 2022 budget. He noted that he is still in communications with Mr. Mike Sullivan regarding potential refinance of the District's subordinate bonds, although he does not anticipate that this will take place in the near term.

- Entrance Gate Committee Director Kettle reported on the amendment to the District's gate policy, which revises the hours of operation in coordination with the seasons. Legal counsel noted that the District's bond and tax counsel has reviewed the change in hours of operation which are deemed to be consistent with the tax-exempt financing requirements. It was noted that the updated policy revises the original 2016 gate policy, but does not replace it in its entirety. Upon motion, second and unanimous vote, the Board approved the resolution with the amendment to gate policy as presented.

Next, Director Kettle presented a community education policy, which identifies procedures to be used to inform and educate the community, including new residents, regarding the District's gates and operations. The procedures will be implemented by CCMC, and will include specific directions related to the transmitters that are issued to the residents for the gates, with details on their activation and de-activation upon the sale of a home. Upon motion, second and unanimous vote, the Board adopted the gate education policy dated July 20, 2021.

Director Kettle then reported on the Request for Proposals that the gate committee prepared for gate maintenance, repair and evaluation services. A copy of the RFP was included in the meeting materials, and has been sent out to seven companies. Director Kettle reviewed the milestone dates with the Board; he expects to make a recommendation for approval at the September board meeting. Upon motion by Director Kettle, second by Director Anderson, the Board approved and ratified the RFP as presented.

Director Kettle thanked the committee members for all their hard work.

RECORD OF PROCEEDINGS

Manager's Report

Ms. Henderson presented the manager's report. A written report was also provided. The District has received two responses for the snow and landscape services RFP; interviews will follow. There will be changes to the District's preferences for snow depth on the streets and sidewalks. The District will also look at adding mulch to the proposals. There will be a five-year plan for budgeting purposes.

She noted that the District's irrigation system is aging, and has experienced seven main line breaks in the recent period.

She noted that Golden Painting Services will begin painting, with patching of the exterior walls, which will involve a decrease in the price. Director Kettle identified issues of the contractor accessing private property, and would like the contractor to notify the residents prior to work.

Taddiken Tree Company will be removing 21 dead trees from the property; modifications will be made to Taddiken's scope of work to free up amounts that can be diverted to this purpose. Director Kettle noted that the remaining funds can be reallocated for the removal of the dead trees.

Ms. Henderson updated the Board on the pedestrian gate repairs, noting that she intends to obtain a couple more proposals as the original contractor could not do the work. This is estimated to be approximately \$700-800 in costs. The Board authorized CCMC to proceed with getting two quotes to fix the gate, in the proposed amount as discussed.

She noted that the City is performing mosquito spraying in the area due to the standing water from the recent rains.

The maintenance supervisor position is open, as the last supervisor completed his final work day last week.

Director Anderson inquired about Ms. Henderson's request to Lennar about financial assistance with landscaping on the District's external tracts to improve the appearance and marketability of the District. Ms. Henderson responded that the request was rejected.

RECORD OF PROCEEDINGS

Ms. Henderson reported that the gate wiring issues have been repaired, though she anticipates additional related expenses at a later time.

Legal Status Report - Acceptance of Improvements

Ms. Vander Wall presented the legal status report. A written report was also provided.

Ms. Vander Wall reported on the status of various areas which are pending initial or final acceptance, and provided updates as appropriate.

She advised that the 3 landscape tracts located in Amendment 15 (also referenced as Amendment 10) were complete and eligible for final acceptance based on recent walk-throughs and recommendation by Director Stone. Director Stone noted that Tracts A and C had been previously accepted by the District. Tract B lies within a cul de sac off of Rosalyn Street. There are a couple trees on this affected parcel which do not look good, due to the wet area, but are expected to thrive. Upon motion, second and unanimous vote, the Board approved the Resolution indicating final acceptance of Tract B.

Director Stone reported that the access road within Amendment 13 has been pending resolution of whether there would be mill and overlay on the street, or a slurry. Lennar has recently advised that the City now requires the street receive mill and overlay treatment, which will be performed. The associated landscape tract in Amendment 13 is ready for final acceptance; legal counsel was directed to prepare an appropriate form of resolution for this acceptance. Upon motion, second and unanimous vote, the Board agreed to proceed with final acceptance of this area (tract 13A) subject to the form of resolution to be prepared by legal counsel

Director Stone also advised that Lennar has stated it will install a pedestrian gate at Highway 7 to connect to the perimeter trail in Amendment 16.

Ms. Vander Wall reported on the recent activity with United Power; it has extended its permit through October 2021 to accommodate delays in its project. Ms. Henderson stated that she is in contact with United Power, the work is starting today, and will not impact traffic within the District. She will work on coordination of the ABC Asphalt contract and United Power.

RECORD OF PROCEEDINGS

Ms. Vander Wall presented a form of “Grant of Easement” requested by United Power for right-of-way work, which will serve to avoid a 90-degree bend and allow for a more efficient connection. She received the documentation this morning and would like to more thoroughly review, to eliminate the proposed indemnification language and provide adequate protection to the District’s landscaping. Upon motion, second and unanimous vote, the Board approved the grant of easement as presented, subject to the legal edits recommended by legal counsel.

Ms. Vander Wall presented the final form of management services agreement between the District and CCMC, which had been directed to be negotiated following the last meeting. The Board discussed the form of contract with Mr. Girardeau from CCMC, and noted two areas to be revised: revision of the “actual time and costs” to be charged to the District so that it is consistent with Exhibit B, and an insertion to acknowledge that a copy of the invoice will be provided to the District Treasurer, to ensure an independent review of the monthly invoice and report presented by the Manager for payment. Upon motion, second and unanimous vote, the Board approved the agreement as presented, with the modifications discussed.

- 2021 Legislative Update

Ms. Vander Wall presented an update on recent legislative activity affecting the District, including authorization for virtual meetings, additional disclosure to be incorporated into the District’s website, additional communications required in connection with director elections, and temporary changes in assessed valuations for residential and non-residential property.

The Board agreed to discuss the in-person vs virtual meeting policy at its next meeting. The policy should also address compensation for virtual attendance.

Old Business

- Updated District Management Contract with CCMC
- Traffic Calming Options

The Board noted this was addressed as part of the legal report, and no additional discussion was necessary.

Director Stone provided background on the status of the District’s traffic calming efforts within the community. Director Wilmes reported his observations on traffic calming options, and support for the formation of a committee to further explore traffic calming options. He shared his concern that the Heritage Todd Creek community will become an area for pass-through traffic once the adjacent Parterre development is built.

RECORD OF PROCEEDINGS

He suggested more narrow roadways may be appropriate. Ms. Cathy Drozda introduced herself, and discussed the possibility of 3-way stop signs, and her interest in serving on a committee if formed. Mr. John Bales, resident, stated that the Thornton police department will enforce speed limits in the community, based on his personal observations.

After further discussion, and upon a motion by Director Wilmes, second by Director Ozanich, the Board agreed to form an ad hoc committee on traffic calming efforts for the community. Director Stone advised that the Board would be following the established protocols for the formation of the committee, to ensure adequate representation from the residents for the benefit of Heritage Todd Creek in its entirety.

New Business

- Parterre Development Director Wilmes noted that this topic was addressed as part of the traffic calming discussion.

- Property Acquisition from HTC Golf Director Stone reported that HTC Golf Acquisition has approached the District with an opportunity to discuss the District's acquisition of certain areas of property from HTC Golf. The proposed areas are located along both sides of Heritage Drive, coming in off of Quebec. The arrangement would result in HTC Golf ensuring the property is established with adequate landscaping improvements prior to their conveyance, for the District to take over ownership and maintenance responsibilities. Director Anderson stated that he is not against this concept; he would like to learn more about what is included, obtain a survey of the affected property, obtain an estimate of the additional maintenance costs, ensure water exists on both sides, and affirm that the District does not fund the costs required to research the options. Director Ozanich stated that he was in favor of further discussions of the topic. The Board agreed there was consensus to move forward with additional discussions with HTC Golf Acquisition regarding the proposed property conveyance issue.

Public Comment

No other public comment was offered at this time.

Other Business

There was no other business presented at this time.

RECORD OF PROCEEDINGS

Adjournment

The next regular meeting of the Board of Directors is scheduled for Monday, September 27, 2021, at 1:00 p.m. The Board noted multiple conflicts with this date and determined to reschedule the meeting for Monday September 20, 2021 at 1:00 p.m.

The meeting was adjourned at approximately 4:34 p.m.



Secretary for the Meeting