

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, March 25, 2019 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
William Gomer, Secretary
Dan Kettle, Treasurer
Paul Ozanich, Assistant Secretary

Absent: Phil Anderson (absence excused).

Also present were Cameron J. Richards, Seter & Vander Wall, P.C.; Diane Wheeler, Simmons & Wheeler, P.C.; Gary Debus and Ross Dudley, CCMC, District Manager; and Michael Amaloo, Robert Tate, John Bales, Tony Unren and Ivan Widom, members of the public.

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 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.

Approval of Agenda

The Board reviewed the agenda. The agenda was approved upon

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motion duly made, seconded and unanimously carried.

Approval of Minutes

The Board reviewed the minutes of the January 28, 2019 regular meeting. Upon motion duly made, seconded and unanimously carried, the minutes were approved as presented.

Public Comment

Mr. Unren, a resident of the District, commented on the District's snow removal activities and concern that the sidewalks were not being appropriately cleared. He has observed plow trucks driving on the sidewalks and is concerned about public safety and damage to District property. Also, handicapped crossing ramps at 8031 and 8131 E. 148th are not draining and frequently are full of water which then freezes.

Director Stone stated the Board shares Mr. Unren's concerns. Director Stone frequently communicates with the District's contractor about snow removal and has reiterated that ATVs should be used to clear the sidewalks, not pickups, and addressed other issues to obtain the level of service the District expects. The District is aware of issues with the handicapped ramps and is discussing it with the developer and the District's engineer.

Mr. Tate, a resident of the District, commented that the handicapped ramps are a problem and that the City has flow tests in other communities to verify proper functioning. Mr. Tate offered further comment on lighting in the District. The island at the Quebec entrance is poorly lit and difficult to see. He would like to see more lighting installed. Also, he would like to see more holiday lighting, including having the wreaths on the gates lit. He noted the wreaths have lights, but were apparently not plugged in.

Director Stone noted that the island at the Quebec gate has been a repeated topic of conversation. The District has not accepted the gates, but the developer has stated the entrance was built to approved plans and the developer does not intend to install additional lighting in this area. The District has directed CCMC to obtain some landscape lighting proposals to help illuminate the area. Director Stone will look into the holiday lighting questions.

Mr. Bales, a resident of the District, introduced himself as the vice-chair of the Heritage Todd Creek Master Association and is

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working with the Association's design action committee. A number of community questions about water service have been presented and the Master Association would like to have a representative of the water district come to answer these. Mr. Bales requested the District co-sponsor the program. Director Stone stated his opinion that a meeting would be beneficial for the community and the District supports having the meeting. When scheduled, the meeting will be included in the District e-blast sent by Mr. Dudley.

Mr. Amaloo, a resident of the District, asked who is responsible for trash pickup in the drainage channel north of Roslyn and Quince Street. Mr. Amaloo described that construction debris including tarps, insulation, and other debris have been accumulating there. Director Stone noted the developer has been responsive to clean up efforts in the past and he will ask they clean out the drainage area.

There was no additional public comment.

Financial Matters

- Financial Reports and Payment of Claims

Ms. Wheeler presented draft financial statements for the period ending January 31, 2019, and a schedule of claims for payment.

Claims payable totaled \$14,777.42. Upon motion duly made, seconded and unanimously carried the Board approved the payment of the presented claims.

Ms. Wheeler reviewed the financial reports and fund balances. There was not much financial activity for January, either in terms of expenses or property tax revenues. Approximately \$77,000 in builders' fees are past due, but are expected to be paid by the following week. The Board requested Mr. Dudley follow up on this with the developer and update the Board when paid. Upon motion, seconded and unanimously carried, the January 31, 2019 financials were accepted.

- Other Matters: Draft 2018 Audit

Ms. Wheeler presented draft 2018 financials and a draft audit report for the Board to review. Ms. Wheeler stated there are a few questions relating to acceptance of capital improvements, and once answered, the audit will be finalized. No action was taken regarding the 2018 audit at this time.

Committee Reports:

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- Engineering
Committee

Director Kettle presented the Engineering Committee report. Planning for the 2019 road projects is underway. A walk-through with Mr. Collins of IDES is scheduled to identify and prioritize the projects. IDES has begun pre-qualifying bidders for the 2019 work. Director Kettle reviewed the scope of the anticipated projects including mill and overlay, crack fill, slurry seal, and concrete and gutter work. The 2019 budget includes \$350,000 for street and sidewalk work.

Lennar has agreed to pay for street sweeping in areas where they are constructing homes.

Director Stone reported a resident has inquired about “dead end” signs being placed at roads with no outlets. The Board did not take action at this time. Mr. Dudley will follow up with the homeowner.

Director Ozanich inquired about responsibility for repairing separations that may occur where homeowner driveways meet the sidewalk. Legal counsel advised this may be an engineering question as to whether the separation is the result of the District’s sidewalk heaving/subsiding or the homeowner driveway heaving/subsiding. Director Kettle asked for the address of any known issues and he will review with IDES.

Finally, it was reported that the Ehler entrance pedestrian gate was damaged by snow removal activity. Mr. Dudley is following up with Brightview to have repairs made.

- Landscape Committee

Director Stone presented the Landscape Committee report. Snow removal issues were reviewed. There has been more snow recently than last year. Snow storage was taking place in the cul de sacs, and the intent is to spread the impact out over the District so one area isn’t unduly burdened. It is a balancing act and there are not many areas available to store snow. Director Stone will continue to work with Brightview to manage these issues.

Director Stone reported communications with homeowners along the east side of Uinta Street concerning the strip of sod between the sidewalk and the roadway. The sod is the responsibility of the homeowners along Uinta and each home’s irrigation system waters the area by each house. However, the strip is reportedly not within their property boundaries. The developer has confirmed that the strip is to be maintained by the

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adjacent homeowners and that trees were installed in the strip at the homeowner request. The homeowners have questioned their ownership and of responsibility for the strip. Recent communication with the developer about the area will be passed along to the homeowners.

- Budget Committee No report was made at this time.

District Manager's Report

Mr. Dudley presented the manager's report including a written report provided to the Board.

Mr. Dudley reported the Master Association has approved the acquisition of a used golf cart for use by the HOA and District maintenance manager subject to the sharing of the costs of acquisition and maintenance with the District. The Board discussed the issue and agreed to move forward. Mr. Richards advised the Board that there are insurance and liability issues that will need to be addressed to ensure protection of the District in its intended and unintended use. Upon motion duly made, seconded and unanimously carried, the District approved splitting the cost of acquiring and maintaining a golf cart with the Heritage Todd Creek Master Association subject to legal review of insurance requirements and other necessary arrangements.

Mr. Dudley reported that the District has grant funds available through the Special District's Property and Liability Pool for safety projects that will expire soon. In anticipation of these funds, Mr. Dudley has ordered lights for the Quebec entrance island. After the grant funds are applied, expected cost to the District will be approximately \$185. Upon motion duly made, seconded and unanimously carried, the Board approved the expenditure of up to \$210 for the acquisition and installation of lights on the Quebec entrance island.

Mr. Dudley reviewed the reimbursable expenses pending with the developer. There has been turnover in the accounting department which has slowed down the review and check issuance procedure.

Mr. Dudley reported Mr. Ming, the District maintenance manager, and Director Gomer will meet to identify appropriate locations for the pet waste stations in the near future.

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Attorney Report

Mr. Richards presented the attorney report including a written report which was presented to the Board.

- Acceptance of Special Warranty Deeds

Mr. Richards reviewed that at the January 2019 meeting, the Board approved and accepted plat language for Amendments 17, 18 and 19, replatted areas creating landscaping tracts to be maintained by the District. Lennar has signed special warranty deeds transferring ownership to the District. Upon motion duly made, seconded and unanimously carried the District accepted the special warranty deeds and ownership of Heritage Todd Creek Filing No. 1, Amendment No. 17, Tract A; Amendment No. 18, Tracts A, B and C; and, Amendment No. 19, Tract A.

- Public Service Company Easement

Mr. Richards reported a request for a utility easement for the installation of a natural gas line has been received from Public Service Company of Colorado and the developer. The utility line will serve the homes being developed in the north eastern portion of the District. The easement will cross Filing No. 1, Amendment No. 8, Tract B, which is a landscaping tract along Hwy 7 on the District's north boundary. The Board reviewed the easement request. Upon motion duly made, seconded and unanimously carried, the Board granted the easement and authorized signature of the easement agreement.

- Amendment to the District's Management Services Contract with CCMC and 2015 Fee Resolution

Mr. Richards reported, following Board guidance, legal counsel and CCMC have negotiated modifications to the District's management services contract to include web hosting services on behalf of the District. CCMC requested modification of certain disclosure-related fees for services provided by CCMC, and collected by CCMC, on the District's behalf. Mr. Richards informed the Board because the disclosure and administrative fees are collected by CCMC on behalf of the District, amendment to the District's 2015 Fee Resolution was also necessary.

The fees proposed to be modified are: 1) Increase in the lender questionnaire fee from \$50 to \$100; 2) Increase in the Refinance and Lien Estoppel Disclosure Fee from \$50 to \$100; 3) Increase in the Resale Disclosure and Lien Estoppel Disclosure Fee from \$295 to \$350 and a decrease in an additional 'per unit' fee from \$150 to \$50; 4) Increase in the Lien Estoppel Update Disclosure Fee from \$50 to \$100; and 5) Increase in the Collection Service Fee for Manager Demand Letter from \$55 to \$60. All modifications are effective as of January 1, 2019. The increased

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fees are collected from third parties and results in a net zero change to District expenses and revenues.

Legal counsel presented a revised Exhibit B to CCMC's contract and an Amended 2015 Fee Resolution reflecting these changes for discussion.

Gary Debus, vice president of CCMC, provided background to the CCMC fee changes. CCMC does not propose to modify the base management fee charged to the District and proposes to provide the website services on a pass-through basis, such that the District pays only actual costs for website service with no administrative mark up. Mr. Debus informed the District the fees CCMC is requesting to modify have not been updated in approximately 10 years and are no longer in line with other similar communities or the costs of providing the services.

The Board discussed the presented documents. Director Kettle stated he would like to see additional changes to include explicit costs of maintenance manager services and other administrative services. These costs are currently set annually during the budgeting process.

Upon motion made, seconded and carried by a 3-1 affirmative vote (Director Kettle opposed) the Board approved the modified Exhibit B to CCMC's Management Services Contract.

Upon motion duly made, seconded and unanimously carried, the Board approved and adopted the Amendment to the 2015 District Fee Resolution.

- Other Items

The oil wells located in the District are being abandoned and plugged. Director Kettle inquired about the District's ability to landscape in those areas covered by the surface use agreement in place. Legal counsel will look into the viability of this including property ownership and what rights are retained by the well owners under the surface use agreements.

Old Business

No items of old business were discussed.

New Business

No new business was brought before the Board.

Public Comment

Mr. Tate stated the stucco wall by the Ehler gate has a hole in it.

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The Board directed Mr. Dudley to follow up with the developer about this as the gate has not been accepted by the District yet.

Other Business

No other business was brought before the Board.

Adjournment

The next regular meeting of the Board is scheduled for May 27, 2019 at 1:00 p.m. Director Ozanich noted this is the Memorial Day holiday and proposed the meeting be rescheduled for June 3, 2019. The Board agreed to cancel the May 27, 2019 meeting and hold a special meeting on a rescheduled date. Mr. Dudley to check on room availability and a new date will be set shortly.

The meeting was adjourned at approximately 3:15 p.m.



Secretary for the Meeting