

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Wednesday, March 4, 2020 at 1:30 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
Paul Ozanich, Assistant Secretary

Absent: William Gomer (absence excused).

Also present were Barbara T. Vander Wall and Cameron J. Richards, Seter & Vander Wall, P.C.; Diane Wheeler*, Simmons & Wheeler, P.C.; Tony Ledvina, CCMC, District Manager; Michael Sullivan**, D.A. Davidson; and John Bales, Leslie Freeman, John Gunderson, John Laatsch, Karima Tannis, Dick Wheeler, and Ivan Widom, residents of the District.

[* Participated by phone]

[** Departed where indicated.]

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 1:30 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.

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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 January 27, 2020 regular meeting. The Board requested a change to page 7, clarifying the Adams County imposed weight limit on Yosemite Street was 7,000 lbs., not 7,500 lbs. Upon motion duly made, seconded and unanimously carried the minutes were approved as modified.

Public Comment

Mr. Laatsch inquired if the District has a map of all the landscaping and right of ways that it is responsible for. Director Stone reported that the District does not have formal or official maps, but that he has a number of working maps he is willing to share. Mr. Laatsch stated his opinion that such a map is important to District information and operations.

Ms. Freeman requested that a map of the approved landscaping along Quebec north of Heritage Drive be provided. Director Stone reported that the landscape design was approved by the City of Thornton and the City should have the plans. Additionally, external tracts require City acceptance and sign-off, which the District has received.

In the interest of time, the public comment period was carried over to the end of the meeting so the Board could discuss the bond refinance matter.

Discussion Regarding 2020 Bond Refinance

Director Anderson made a presentation on behalf of the budget committee regarding the proposed bond refinancing.

The District has asked the Developer to consider waiving certain contingent and unsecured debt obligations held by the Developer as part of the Districts refunding of the 2007A and 2007B bonds. The Developer holds the 2007B bonds and would be paid out as a result of the refunding. The Developer is not willing to unconditionally waive the unsecured contingent obligations at this time.

Mr. Sullivan, D.A. Davidson, reviewed the proposed 2020 bond structure with the Board. A refunding of the 2007A and 2007B

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bonds with 2020A and 2020B bonds will allow the District to take advantage of lower interest rates and to have some flexibility in the minimum mill levy that must be imposed beginning in 2021. The District could meet its debt obligations by imposing 45 mills, or it could keep the mills at 50 and pay off obligations more quickly. If the District just refunds the 2007A bonds, lower interest rates could be obtained, but the District will not be able to lower the mill levy until the 2007B bonds are paid off in 2028.

The refunding of the 2007A bonds will allow the District to lower its interest rate from 5.5% to approximately 3%; the refunding of the 2007B bonds are projected to lower the interest rate from 7.5% to 6.5%. Final interest rates will not be known until the bonds go to market. The unsecured conditional debt obligations are not expected to impact the District's creditworthiness or bond rating.

The Board discussed the pros and cons of various courses of action. The finance committee recommended proceeding with refunding both the 2007A and 2007B bonds. Director Ozanich made a motion for the District to proceed with refunding both the 2007A and 2007B bonds per the finance committee's recommendation. The motion was seconded by Director Stone. The motion carried unanimously.

Mr. Sullivan will get a new schedule of events out to the finance committee and all consultants shortly.

[* Ms. Wheeler left the call at this time.]

[** Mr. Sullivan departed the meeting at this time.]

Public Comment

The Board resumed public comment.

Mr. Laatsch clarified that his concern is making sure the District accounts for the incremental asset value represented by the landscaping installation and makes appropriate decisions around maintenance to protect that value. He is interested in seeing a map which shows District, Golf, Developer and City-owned parcels so residents know who is responsible for what.

Director Anderson noted that information is widely available at the District meetings and the Board is happy to discuss particular concerns of any party in response to questions asked.

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Ms. Freeman stated that she would like more details about the landscaping along Quebec, and whether the road is going to be expanded to 6 lanes as proposed by City planners, and she also noted that she would like to see additional tree screening. Director Stone reported the City is the appropriate jurisdiction for those questions, as the District only inspects and accepts what is planted pursuant to the City-approved plans.

Ms. Freeman inquired about road issues in Amendment 10, noting there are persistent problems. She does not know who to bring her complaints to. Director Stone noted those roads had not yet been considered by the District for preliminary acceptance and would not be until such time as the roads are in appropriate condition as approved by the City of Thornton and the District Engineer. Those streets remain the responsibility of the Developer and any information will have to be obtained through them.

A resident inquired about cement trucks driving through the District. Director Stone reported in 2018 the District put two construction entrances in place off Yosemite Street. Unfortunately, Adams County placed a weight limit of 7,000 lbs. on traffic on Yosemite, and this precludes cement trucks, truss trucks and other heavy trucking from using the road. The County has said they will only grant a waiver permit if the Developer can give the license and VIN number for each vehicle in excess of that weight. The Developer is unable to provide this information. Director Stone noted that he plans to speak with the Adams County Board of County Commissioners representative for their area, Emma Pinter, and encourages other residents to contact her as well.

Other Business

Claims for payment totaling \$27,062.68 were presented. These expenses are for legal, accounting, and the release of retainage to Martin Marietta for the 2019 street project. The claims were approved as presented upon motion, second and unanimous vote.

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Adjournment

The next regular meeting of the Board of Directors is scheduled for Monday, March 23, 2020, at 1:00 p.m.

The meeting was adjourned at approximately 3:00 p.m.



Secretary for the Meeting