

# RECORD OF PROCEEDINGS

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## MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Friday, September 6, 2019 at 9:00 a.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 Cameron J. Richards, Seter & Vander Wall, P.C.; Diane Wheeler\*, Simmons & Wheeler, P.C.; Brandon Collins\*, IDES; Ross Dudley, CCMC, District Manager; and Michael Sullivan\*, D.A. Davidson & Co.

[\* 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 9:00 a.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.

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Approval of Agenda	The Board reviewed and approved the agenda as presented.
Approval of Minutes	The Board reviewed the draft minutes of the August 19, 2019 special work session meeting. Upon motion duly made, seconded and unanimously carried, the minutes were approved as presented.
Public Comment	No public comment was offered at this time.
Financial Matters	
- D.A. Davidson Presentation	<p>Mr. Sullivan of D.A. Davidson presented a summary sheet showing different scenarios for the proposed refinancing of the District's Series 2007 A and Series 2007 B bonds. The District is considering a refinance to achieve lower interest rates and decrease its debt payments. Under each scenario presented, the projected payback schedule is inclined, meaning payments are initially low and increased in later years, to allow for more accelerated payoff as the 2015 bond payments decrease.</p> <p>The Board discussed the options presented. It was discussed that the Series 2007 B bonds are held by the developer. The developer also holds unsecured rights to payment under other District obligations memorialized in agreements with the District. The Board discussed the goal of decreasing or eliminating the developer obligations, as part of the refinance of the District's Series 2007 B bonds. Otherwise, these debts would not be paid off until the senior debt is retired.</p> <p>It was noted that regardless of which refunding scenario is pursued, the District should be able to lower its mill for tax collections in 2021 once the senior debt reserve is fully funded. If the Board chose to maximize the mill levy decrease, the debt repayment time would be extended. Alternatively, smaller decreases in the mill levy would allow the debt to be repaid more quickly.</p> <p>The Directors discussed having additional time to consider the options and to receive the input of Director Gomer before moving forward with a formal engagement. Ms. Wheeler and Mr. Richards noted that once the bond issuance process begins, there will be some increased costs, but the majority of bond issuance costs will be paid as part of the bond refinance transaction.</p>

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The Board determined to meet on September 19, 2019, at 10:00 a.m. for the limited purpose of making a determination on whether to proceed with the bond refinance, and the engagement of D.A. Davidson and bond counsel to assist with any issuance. Upon motion duly made, seconded and unanimously carried, the Board authorized its legal and financial consultants to work with D.A. Davidson to begin diligence regarding the refunding of the District's Series 2007 A and B bonds, and negotiating the forgiveness of the unsecured financial obligations held by the developer.

[\*Mr. Sullivan departed at this time.]

- Financial Reports and Payment of Claims Ms. Wheeler presented financial statements through July 31, 2019, and a register of claims for payment.

Claims totaling \$11,001.30 for engineering, legal and accounting were presented. Upon motion made, seconded, and unanimously carried the Board approved payment of the submitted claims.

Ms. Wheeler reviewed the District's financial position through July 31, 2019. The Board asked what expenses went into the miscellaneous category. Ms. Wheeler stated that approximately 50% of this category is the District purchase of gate micro transmitters from Rocky Mountain Access, costs that were recouped as revenue when the transmitters were purchased by residents.

Director Anderson noted street sweeping was more expensive than anticipated due to the inclusion of additional areas. The budget would be adjusted in future years.

The Board asked about payments to People Ready. Ms. Wheeler clarified this was the temp agency who was providing the maintenance assistant until a CCMC hires someone on a full-time basis.

The July 31, 2019, financial statements were accepted as presented upon motion duly made, seconded and unanimously carried.

[\*Ms. Wheeler departed at this time.]

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## Committee Reports:

- Engineering Committee

Director Anderson and Mr. Brandon Collins presented the engineering committee report. Concrete work and crack filling is complete. Slurry sealing is scheduled for September 9 and 10, mill and overlay will be done between September 16 and 22. Notices will go out, and a map showing affected areas and dates will be included in the website e-blast.

A final acceptance walkthrough of roads in Amendments 8, 9 and Block H is scheduled for September 11, 2019. The City of Thornton has not yet issued final acceptance of these streets. The Board wants to ensure Thornton's acceptance is complete before granting its own final acceptance. Mr. Collins is not sure if the handicapped ramps previously identified as deficient have been addressed. This will be reviewed during the walkthrough.

The developer is requesting preliminary acceptance of roads in Amendment 11 and the gates at Ehler and Quebec. Mr. Brandon Collins and legal counsel will work to ensure the necessary 12 step documents are prepared.

[\*Mr. Collins departed at this time.]

- Landscape Committee

Director Stone presented the landscaping committee report. A walkthrough for final acceptance is scheduled for September 19, 2019. Director Stone asked the Board to consider moving up the date of final acceptance for certain areas still under preliminary acceptance. This will simplify District operations by bringing all landscaping maintenance under the control of the District Manager and landscaping contractor and concluding the shared maintenance agreement with Metco. All areas have been under preliminary acceptance for at least one year. The District intends to discuss this with the developer and, in exchange for granting early acceptance, try to resolve other issues concerning the back charging and landscaping in the District at the same time.

The proposed process includes a walkthrough of all landscaping and fencing areas in September, identifying all landscaping that requires correction work including plantings and irrigation, and generating a cost bid for all repair replacement work. The District will receive monetary compensation for the identified work and the agreement with Metco would then be terminated. Brightview will perform all winterization work. In the spring, Brightview will perform all repair and replacement work and be

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fully responsible for maintenance going forward.

Director Stone and Mr. Dudley have been working with Brightview to add the appropriate areas to the District's landscape services contract for 2020 and 2021. The Board provided feedback to Mr. Dudley for further discussion with Brightview.

The Board acknowledged its support for Director Stone's recommendation and directed legal counsel to work to prepare necessary documents for final acceptance pending the walkthrough.

- Budget Committee

Director Anderson presented a draft budget to the Board and reviewed some of the assumptions that went into the document. It was expected that 42 new homes would be sold in the District in 2020, impacting the District's fee revenue. Director Anderson noted the draft budget is conservative on both revenue and expenses. The budget for landscaping and snowplowing was increased to account for areas coming under final or preliminary acceptance. The budget also includes expected costs from the City of Thornton storm water utility fee, though that issue has not yet been resolved. Director Anderson requested that each Director review and provide revised numbers to him so that a final budget could be prepared by the District's accountant for consideration in November.

District Manager's Report

Mr. Dudley presented the District Manager's report. A written report was provided.

The golf cart agreement with the HOA is complete and the appropriate certificates of insurance have been requested. Mr. Dudley continues to search for a maintenance assistant, but the hiring pool has proved difficult. The District is under budget on watering and both Metco and Brightview have been good about monitoring this issue. Mr. Dudley will follow up regarding balancing of the Ehler gates with the developer.

Attorney Report

Mr. Richards presented the legal report. A written report was provided.

Mr. Richards reviewed the report and noted most topics had been previously discussed in the meeting.

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## Old Business

Director Stone reported that work on the Yosemite Street pedestrian bridge should be commencing soon. Silt fencing and preliminary site work has commenced pending final approval. The work is expected to take 6 weeks.

An irrigation line at the corner of 148<sup>th</sup> and Ehler is apparently leaking. Brightview is investigating, but it appears to be a District irrigation main line. The homeowner has requested to know if an easement exists for the line or if the line can be moved off the property. The leak is under a bed of flowers. Legal counsel will look into the easement issue.

Director Kettle inquired about changing CCMC's payment procedures such that someone other than CCMC was processing payments to be made to the management company, as an accounting best practice procedure rather than to address an explicit concern. Legal counsel and CCMC will discuss further.

## New Business

No new business was presented.

## Public Comment

No public comment was offered at this time.

## Other Business

No other business was presented.

## Adjournment

The meeting was adjourned at approximately 12:00 p.m.



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Secretary for the Meeting