

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

OF THE

HERITAGE TODD CREEK METROPOLITAN DISTRICT

Held: Monday, September 24, 2018 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
William Gomer, Secretary

Absent: Dan Kettle, Paul Ozanich (absences excused).

Also present were Barbara T. Vander Wall, Esq., and Cameron J. Richards, Esq., Seter & Vander Wall, P.C.; Diane Wheeler, Simmons & Wheeler, P.C.; Ross Dudley, CCMC, District Manager; Brandon Collins*, IDES, and Mick McGraw, Sandy Buckingham, Dick Anderson and Deby Weatherhead, members of the public.

[*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 1:00 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.

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Approval of Agenda The Board reviewed the agenda. Director Stone moved the Engineering Committee report to after Public Comment and added snow removal and landscape contract under the Landscaping Committee report. The revised agenda was approved upon motion duly made, seconded and unanimously carried.

Approval of Minutes The Board reviewed the minutes of the July 23, 2018 regular 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

Engineer's Report The Board requested that District's engineer, Mr. Collins with IDES, present his engineering report at this time, which will impact other meeting discussions, and to allow Mr. Collins to depart early. Mr. Collins noted that the 2018 street and sidewalk repair projects were nearly complete and the final walk through is scheduled. The work has been completed under the budgeted amount. An application for payment from Martin Marietta has been included in the claims and will be reviewed with the financial report. Quotes for painting street lines will be obtained.

The Yosemite Street pedestrian bridge project is moving ahead, with designs submitted on September 4 by Martin & Martin. The County has a review and comment period, but final plans are expected to be approved in approximately 60 days. Director Stone noted the bridge work will likely be delayed until the weather is colder and ground freezes. Director Stone will ask if Lennar is willing to pay for IDES oversight of the project on behalf of the District.

[*Mr. Collins departed at this time.]

Financial Matters

- Financial Reports and Payment of Claims Ms. Wheeler presented financial statements for the period ending August 31, 2018, and a schedule of claims for payment.

Total claims for July were \$14,089.47 and included checks for accounting, engineering and legal. August and September claims totaled \$5,379.45 for legal and engineering. The Martin Marietta pay application for \$176,624.05 was added to the claims for approval. Upon motion made, seconded and unanimously carried, the presented claims were approved,

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including the pay application separately presented from Martin Marietta.

The District's financial statements dated August 31, 2018, were reviewed. Interest rates for ColoTrust and CSAFE accounts have been added for the Board's information. Property tax collection is nearly complete and specific ownership tax continues to trend above budget. The District is in position to make its upcoming debt service payment due on December 1, 2018.

Upon motion duly made, seconded, and unanimously carried, the financial statements were accepted as presented.

- Draft 2019 Budget / Public Hearing Date

Ms. Wheeler presented a draft 2019 budget. The assessed valuation is projected to increase, but final numbers will not be available from the County until December. Lennar projects completion of 42 new homes in 2019, which will impact property tax and developer fee revenues to the District. The draft budget includes a small debt service mill levy increase from 53.946 to 54.302 due to the impacts of the Gallagher Amendment. The operations mill levy is unchanged at 10.000.

Ms. Wheeler explained the additional budget line items added to provide clarity. She noted that the budget balances revenues against total expenditures, which allows changes to individual line items, but any changes to the total fund amounts require an amendment to the budget.

A public hearing on the budget will be held at the November board meeting, tentatively scheduled for November 26, 2018 at 1:00 p.m. Directors Stone and Anderson advised that they may not be in attendance due to travel plans.

- 2019 Engagement Letter of Simmons & Wheeler

This item was deferred to the November Board meeting.

Committee Reports

- Engineering Committee

Director Anderson presented additional information from the Engineering Committee. Road work completed this year was reviewed and anticipated projects for next year were discussed. Director Anderson expects approximately \$320,000 worth of road / engineering work will be necessary in 2019. This amount

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is included in the 2019 budget. Construction traffic through the entrance gates is expected to continue, causing mill and overlay of Heritage Drive to be deferred until that is complete.

Concrete is scheduled to be poured at the entrance gates to better protect the gate loops. Lennar is performing this work.

Sandy Buckingham, a member of the public, asked about the landscaping island located at the Quebec gate noting that it is difficult to see in the dark. Director Stone agreed the island can be difficult to see, but the construction conforms to the City of Thornton approved plans and no changes are anticipated. The District is considering options to make the island more visible.

- Landscape Committee Director Stone noted 6 “Fat Albert” Spruce trees have been installed on golf course property. Lennar has funded the installation; the District will maintain the trees and has entered into a license agreement with the golf course for maintenance purposes.

Director Stone reported that he tries to meet with Lennar to review landscaping-related issues prior to the District’s Board meeting. He met with Adam Coates and Rick Holpp on September 18 to discuss the following items: acceptance of Tract 2F, entrance gate concrete work, monument repair, fencing turnover, the ongoing replatting of small tracts from golf ownership into District ownership, the Yosemite Street pedestrian bridge, and ongoing installation of chase drains in Amendment 9.

Director Stone recommended that the District enter into a new agreement with Brightview for landscape and snow removal services. Brightview has proposed an agreement with the prices built in for the next three-year period. Director Stone presented the annual amounts and quote sheet to the Board. Director Stone emphasized a need for increased accountability for the work done by Brightview, and appropriate oversight by CCMC.

Members of the public asked several questions related to landscaping and which entity is responsible for various areas. Some areas are the responsibility of the golf course. Lennar is responsible for others.

The Board discussed the proposed snow removal costs. The District currently contracts for the snow removal services at a

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fixed fee. Alternatively, the District could opt to pay on a time and materials basis. In heavy snow years, the fixed fee is beneficial to the District; in light snow years, time and materials may be more cost effective. Without the ability to predict in advance, the budgeting certainty of a fixed fee is preferable.

Upon motion made, seconded, and unanimously carried, the Board approved entering into a new agreement with Brightview for snow removal and landscape services in the bid amounts subject to legal counsel preparing an acceptable form of contract. The arrangement would use the same format as the District's current form of agreement.

Brightview has proposed to add some additional color plantings to the beds along Yosemite and Highway 7 at a cost of \$790.83. Upon motion made, seconded and unanimously carried, the Board approved the Brightview proposal.

- Budget Committee Reference was made to the discussion concerning the draft 2019 budget. No additional budget committee report was presented at this time.

- Special Committee on Park Benches Director Gomer reviewed the history of the committee, noting that Lennar has offered to pay for the acquisition and installation of six benches. Director Gomer met with the members of the Neighborhood Association committee that originally considered the idea and reviewed thirteen locations for benches and types of benches recommended by the committee. The Board discussed whether benches should be located on the perimeter trail, how to make them handicapped accessible, and bench designs.

A recommended design was presented and will be passed on to Lennar for input.

A map of proposed locations was distributed and reviewed. The Board agreed three benches should be placed along the perimeter trail, one on Yosemite, one on Ehler and one on Quebec. Three additional benches would be placed on locations along Heritage Drive to take advantage of the views and fewer homes in the proximity. These locations are indicated as numbers 1-5 and 7 on the provided map.

The Board discussed that the District will need to obtain license agreements for each location that is not on District owned

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property, and directed that such agreements be prepared by legal counsel. Directors Gomer and Stone agreed to meet with Lennar to confirm the purchase of the benches and installation. Brightview will be asked to assist with relocating irrigation as necessary.

District Manager Report

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

CCMC is still seeking a qualified maintenance manager to fill the position. Entrance gates have been working consistently since the control boards were replaced.

CCMC is obtaining recommendations for how to care for the District trees as they mature. This includes pruning, treating for insects, and otherwise ensuring healthy growth occurs.

Reimbursable and back charged expenses from Lennar are current through July. This includes areas that are completed by Lennar but not yet turned over for maintenance.

Lennar has completed Phase 1 of the chase drain installation. Results will be monitored before any additional drains are considered for installation.

Bids for stop signs along Heritage Drive at Uinta Street and golf cart crossing signs have been obtained. Three bids have been received and were presented to the Board for review. The Board reviewed the proposals and upon motion made, seconded, and unanimously carried approved contracting with TNT signs to install the stop signs and golf cart crossing signs for an amount not exceed \$3,200 subject to a satisfactory reference check.

Attorney Report

Ms. Vander Wall and Mr. Richards presented the attorney report including a written report which was presented to the Board.

- Update re Acceptance of Improvements

Mr. Richards presented a map showing locations that were currently under preliminary acceptance and the remaining areas to be turned over. Mr. Richards reviewed that the District has determined to accept landscaping improvements by completed amendment for organizational purposes. Director Gomer asked if a report identifying tracts that have been identified as complete and have been walked through can be provided in

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advance of board meetings.

Mr. Richards reviewed tracts that have been identified as ready for preliminary acceptance as Filing No. 2, Amendment 1, Tract 1A and Filing No. 1, Tract A and a roundabout located in Tract S9-2. These tracts are ready for preliminary acceptance subject to the receipt of a signed bill of sale and warranty agreement from Lennar, which legal counsel expects to receive soon.

The Board inquired how internal tracts that were not inspected or accepted separately by the City were handled. Mr. Richards noted that when an element of the 12-step process, such as City acceptance, could not be addressed, the Board can be asked to waive the requirement.

Upon motion made, seconded and by unanimous vote, the Board approved preliminary acceptance of landscape, irrigation, and related improvements in Filing No. 2, Amendment No. 1, Tract 1A conditional upon the receipt of a signed bill of sale and two-year warranty agreement.

Upon motion made, seconded and by unanimous vote, the Board approved preliminary acceptance of landscape, irrigation and related improvements in Filing No. 1, Amendment No. 9, Tract A and a part of Tract S9-2 conditional upon the receipt of a signed bill of sale and two-year warranty agreement.

Mr. Richards presented the Board with a signed deed transferring Filing No. 1, Amendment No. 3, Tract 2F to the District's ownership and two bills of sale for fencing, irrigation and landscape personal property in Filing No. 1, Amendment No. 3, Tract 2E and 2F.

Upon motion made, seconded, and by unanimous approval, the Board accepted the deed for the conveyance of Heritage Todd Creek Filing No. 1, Amendment No. 3, Tract 2F.

Upon motion made, seconded and upon unanimous approval, the Board accepted the bill of sale for the conveyance of the personal property located in Heritage Todd Creek Filing No. 1, Amendment No. 3, Tract 2E and 2F.

- Discussion re Personally Identifying Information and

Ms. Vander Wall discussed the new law designed to protect personally identifying information (PII). She identified the primary provisions of the law, noting that the District is required

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Consider Resolution
re Disposal

to have a written policy regarding the proper disposal of documents containing PII. It was noted that the law also requires that the District ensure it has appropriate processes and procedures to maintain documents containing personal information and noted that the law has a process for reporting breaches. A resolution and policy concerning the disposal of PII was presented. Upon motion made, seconded and unanimously carried, the Board approved the resolution and adopted the policy concerning document disposal.

- Follow up re
Agreement with
FrontSteps

Ms. Vander Wall discussed the proposed new agreement in connection with the District's upcoming transition of website from AtHome.net to FrontSteps, to parallel the similar change being accomplished by the Master Association. Ms. Vander Wall pointed out several issues that will need to be addressed related to the District's distinguished requirements as a local government, rather than a private entity, and the likely difficulties in negotiating such changes. Alternatively, it was suggested that CCMC may perform the duties for the District, which would be incorporated into the scope of services outlined in the existing management services agreement between the District and CCMC. Mr. Dudley agreed this could be accomplished and a website fee added to the contract between the District and CCMC. Legal counsel and CCMC were directed to proceed with working out an appropriate arrangement. The new service provider is expected to be operational in March 2019.

Old Business

- Golf Course Crossing
Signage Installation

The Board noted that it had approved the golf course crossing signage proposal presented as part of the manager's report and discussion.

There were no additional items of old business presented for discussion.

New Business

- Resolution regarding
Disposal of PII

The Board noted that it had approved the Resolution regarding Disposal of PII presented as part of the attorneys' report and discussion.

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- Other

Director Anderson suggested that the District consider a new reserve study in the future. The Master Homeowners Association is conducting one in 2020, and it may make sense for the District to consider doing one at the same time.

Some members of the public have suggested adding swing sets in the community. The directors stated that the District is not interested in this proposal at this time.

The location of mailboxes in the community has been a topic of conversation. The District is not involved in this, and mailbox placement is determined by the United States Postal Service.

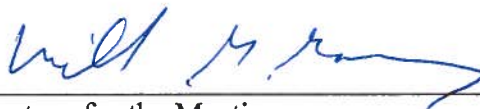
The City of Thornton is holding comprehensive plan meetings and has requested to hold one in the Heritage Todd Creek community. The District is not directly involved in the City's meeting, but the presentation may be informational.

Public Comment

No additional public comment was offered.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 3:50 p.m. The next regular meeting of the Board is scheduled for November 26, 2018 at 1:00 p.m.



Secretary for the Meeting