



SOUTH TIMNATH
METRO DISTRICT

**RECORD OF PROCEEDINGS
MINUTES OF THE JOINT SPECIAL MEETING
OF THE BOARDS OF DIRECTORS OF
SOUTH TIMNATH METROPOLITAN DISTRICT NOS. 1 & 2**

HELD: Tuesday, November 10, 2020, at 6:30 p.m. at 6000 Summerfields Parkway, Timnath, CO 80547.

ATTENDANCE:

The joint special meeting of the Boards of Directors of the South Timnath Metropolitan District Nos. 1 & 2 (collectively, the “Board”) was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Directors in Attendance:

Dino A. DiTullio
Ben Palmer
Luke Wagner
Mike DiTullio (via teleconference)
Kara DiTullio (via teleconference)

Directors Absent but Excused:

Jennifer DiTullio

Also in Attendance:

David O’Leary, of Spencer Fane
Guy Johnson, Jackie Johnson, and Bri Hicks from District Management
Numerous homeowners were present via Zoom, please see attendance sheet in the Meeting Notebook as to homeowners that were present.

CALL TO ORDER:

Dino DiTullio called the meeting to order at 6:37 p.m.

QUALIFICATION OF BOARD MEMBERS/OATHS OF OFFICE:

Mr. O’Leary reported that all of the Board members are registered to vote in Colorado and are residents and/or owners of taxable real or personal property within the Districts. Mr. O’Leary welcomed Ben Palmer and Luke Wagner as new Directors. Mr. Johnson informed the Board that the official bonds for the board members had been obtained through a bonding company and/or through the special district insurance pool and that all of the Board members had been administered the Oaths of Office. Thereupon, the directors assumed their duties as members of the Board of Directors.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

Mr. O’Leary discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements must be filed for each of the Directors with the Secretary of State and with the District at least 72 hours prior to a meeting in which a potential conflict may arise. In addition, each director is to verbally reveal his potential conflicts of interest to the Board at the start of the meeting in which the conflict may arise.

DISCUSSION OF OPEN MEETING REQUIREMENTS/POSTING REQUIREMENTS:

Mr. O’Leary discussed the open meeting requirements and the posting requirements for the Districts, noting that any non-social meeting of three or more of the directors constituted an official meeting, and that notice of a meeting for the Districts is to be (1) provided to each Board member, and (2) posted in at least three public places within the Districts at least 72 hours in advance of the meeting, and (3) at the same time, a copy of such notice is to be posted at the office of the County Clerk and Recorder; 72 hours in advance of the meeting, not any sooner per County Clerk. If possible, the posting should include specific agenda information. Mr. Johnson further noted that notice of this joint special meeting had been so posted.

APPROVAL OF AGENDA:

The Board reviewed the agenda,

Upon motion duly made by Director Dino DiTullio, seconded by Director Luke Wagner and unanimously carried to approve the agenda.

APPROVAL OF MINUTES:

The meeting minutes of March 10, 2020 meeting was presented and discussed,

Upon motion duly made by Director Dino DiTullio, seconded by Director Mike DiTullio and unanimously carried to approve the meeting minutes of March 10, 2020.

PUBLIC COMMENTS:

At this time Dino DiTullio, opened and acknowledged Public Comment portion of the meeting.

Director Dino DiTullio noted that we had homeowners present via Zoom, homeowners Rob Gorges of 5752 Banner Street, Dwayna Rogers of 5866 Calgary St, Janice L. Vesely 5937 Quarry Street, Paige Palmer 5667 Calgary Street. Director Dino DiTullio read the comments that Rob Gorges sent via Zoom, Mr. Gorges was curious as to the bond and the rate of the bond, which Director Dino DiTullio stated was 6.75% and would be expire 12/01/2047. Mr. Gorges requested the District send out the Board Meeting Notices 10 days in advance, Mr. Johnson stated that the meeting is put on the website calendar when set up by the board and the district sends the agenda and e-mail out 7 days prior to the meetings. Mr. Gorges also stated that the district needed to enforce the covenants in particular the painting of the homes. Mr. Johnson stated that he received ADA for painting regularly and he was watching and sending letters to the homes that needed to be painted. Most of Summerfield’s homes are over 10 years old and painting should be on homeowners’ minds. Mr. Johnson stated that he had put in the newsletter that residents needed to be preparing to paint their homes over the next year. With no further public comments, Director Dino DiTullio closed this portion of the meeting.

APPROVAL & RATIFICATION OF THE RESOLUTION FOR POSTING LOCATIONS:

Mr. Johnson presented a Resolution for the Posting Location with no changes, following discussion and upon motion duly made by Director Dino DiTullio, seconded by Director Luke Wagner and unanimously carried, the Board approved the Resolution of Posting Locations.

CONSIDER APPROVAL & RATIFICATION OF THE RESOLUTION OF ONLINE NOTIFICATION OF PUBLIC MEETING:

Mr. Johnson discussed there were new state statues allowing the District to post the Meeting Notification on the District website as it’s official notice at least 24 hours in advance in the meeting, after further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Ben Palmer and unanimously carried to approve the Resolution for On-line Notifications of Public Meetings for South Timnath Metropolitan Districts 1-2.

Community Center & Pool and all of Tract M cost, rates and schedule:

Mr. Johnson presented the cost detail for the operations and maintenance of the Community Center & Pool within and including all of Tract M. Mr. Johnson went over the Out of District pool memberships, guest fees, nanny passes, the lost FOB and FOB disconnection/reconnection fees for outstanding O & M fees, Covenant Violations, and the room rental fees, COVID cleaning charges for District members, non-district members. Also

touched base regarding no fees for Governmental agencies room usage, with the exception of the COVID – 19 cleaning charges.

Upon motion duly made by Director Dino DiTullio, seconded by Directors Luke Wagner, and Mike DiTullio and unanimously carried; the Board approved the resolution for the cost split for the Community Center & Pool and including all of Tract M for STMD with SWTMD, also approved the \$550.00 fee for the Out of District Pool Memberships for the pool season, not including the fitness center. Including and keeping the same current rate of a \$25.00 fee for the lost FOB replacement fee, and the disconnect/reconnect fee. The \$5.00 Guest fee with a limit of 4 guests per day and the nanny pass fee. Other rates remaining the same, which were approved was the District residents’ room rental fee of \$20.00 per hour with a minimum of 3 hours of room rental, which is \$60.00.

The Non-District room rental fee of \$80.00 per hour with a minimum of 3 hours of room rental, which is \$240.00. Then the no charge of the use of the rental room to governmental agencies, such as Federal, State, County Town, and any Districts. Then included in the approved resolution is the \$100.00 COVID -19 cleaning fee for all user Residents, Non-residents or any governmental agencies all must pay the \$100.00 COVID cleaning charges until no longer required.

Rates and Schedules presented to the Board

1. District members in good standing with the District with no Outstanding O and M fees, Taxes or any covenant/guideline violations is no charge. This is covered under the current O and M fee rate.
2. Out of District Pool Memberships, are \$550.00 for the pool season, not including the fitness area to be limited to 40 Pool Memberships per pool season. Not to be sold during COVID -19 restrictions.
3. Guest Fee of \$5.00 per guest and a limit of 4 guest per day and always accompanied by a District Member in Good standing.
4. Nanny Pass are \$50.00 per pool season, pass is for the resident usage for a guardian/nanny being at the pool with younger children and no other adults in the group.
5. Lost FOB replacement Fee is \$25.00 per occurrence.
6. Disconnect/reconnect fee is \$25.00 for each function due to outstanding O and M fees or any covenant violations. Over all ending up be a \$50.00 charge.
7. District residents’ room rental fee of \$20.00 per hour with a minimum of 3 hours of room rental, which is \$60.00. This includes Set up and clean up time.
8. The Non-District room rental fee of \$80.00 per hour with a minimum of 3 hours of room rental, which is \$240.00. This includes Set up and clean up time.
9. Then the no charge of the use of the rental room to governmental agencies, such as Federal, State, County Town, and any Districts.
10. COVID – 19 cleaning fees for all users, this includes all Residents, Non-residents or any governmental agencies. All must pay the \$100.00 COVID cleaning charges until no longer required.

RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2021:

Mr. Johnson presented a Resolution Concerning Annual Administrative Matters for 2021 for the Districts.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ben Palmer, Director Luke Wagner and unanimously carried, the Board approved the Resolution Concerning Annual Administrative Matters for 2021, including: the contact person (s) for the District; the designated posting location (s) for the District; and the location for meetings of the Board of Directors.

TRANSPARENCY NOTICES:

Mr. Johnson presented the Transparency Notices and discussed that these will need to be posted on the District's website on or before January 15, 2021. These notices will also be provided to the Division of Local Government and appropriate state agencies as required by law. After further discussion on the matter

Upon motion duly made by Director Dino DiTullio, seconded by Director Luke Wagner and unanimously carried, the Board approved the 2021 Transparency Notices for each of the Districts and to authorize District Management to post the notices and provide them to the Division of Local Government as required by statute in compliance with statutory requirements.

EXCLUSION OF WORKERS COMPENSATION INSURANCE:

Mr. Johnson noted that it was time to renew the Resolution for the Board to be excluded from Worker's Compensation, if the Board elects to continue not having worker's compensation coverage for the board members they must adopt a resolution and file updates with the State. After further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Mike DiTullio, Director Luke Wagner and unanimously carried, the Board approved the Resolution to Exclude the Board from Worker's Compensation Insurance and to file the Resolution along with the State of Colorado Worker's Compensation Exclusion form with the appropriate parties, and unanimously carried.

APPROVAL OF 2021 DISTRICT SERVICE AGREEMENTS:

Mr. Johnson presented and discussed engagement letters and/or proposals for service agreements for District Management, Pool Management, Landscape Maintenance Agreements, Annual Audit and Exemption, Agreements, Internet and Phone contracts and Engagement of District Counsel to the Board of Directors. Mr. Johnson discussed the renewal and/or engagement of service providers for the District and reviewed the proposed costs and expenditures related to these service agreements with the Board.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ben Palmer and unanimously carried to approve the District service agreements for District Management, Pool Management, Maintenance, Annual Audit and Exemption Agreement, Internet and Phone contracts and District Counsel. Also, authorized Guy Johnson to finalize any negotiations and execution of the Maintenance service agreements for 2021.

AUDIT AND AUDIT EXEMPTION:

Mr. Johnson reviewed with the Board preparing for the 2020 audits and/or exemptions. Mr. Johnson stated that both STMD #1 and STMD #2 would be audited due to #1 was the operating District and #2 held the bond.

Upon motion duly made by Director Dino DiTullio, seconded by Director Ben Palmer and Director Mike DiTullio and unanimously carried to authorize Mr. Johnson to prepare for 2020 audits and to take such further action as necessary to complete and file these documents with the necessary state agencies.

PAYABLES:

Mr. Johnson reviewed with the Board the expenditures for March 2020 through October 2020 for a grand total of \$1,029,229.96, After further discussion on the matters,

Upon motion duly made by Director Dino DiTullio, seconded by Director Luke Wagner, and unanimously carried; the Board approved the payable for March 2020 through October 2020 for a grand total of \$1,029,229.96.

CONSIDER APPROVAL OF INCREASE OF O & M Fees:

Mr. Johnson present to the Board the proposed increase the Operation & Maintenance fees from \$250.00 quarterly to \$300.00 (\$1,200.00 yearly), **this is a \$16.67 per month increase.** After discussion on the matter,

Upon motion duly made by Director Luke Wagner, seconded by Director Ben Palmer and unanimously carried; the Board approved the Resolution to increase the Operation & Maintenances fees to \$300.00 quarterly (\$1,200 yearly), this increase is to ensure that the district builds the long-term reserves, and get caught up on current maintenance issues, then these funds are to be for Board Directed expenses only.

PUBLIC HEARING FOR 2020 AMENDED BUDGET:

Mr. Johnson stated an amendment was not needed at this time. Notice of this action was provided to ensure that at the time of the meeting the budget for 2020 could be amended if necessary.

2021 BUDGET HEARING:

Upon motion made by Director Dino DiTullio, seconded by Director Luke Wagner and unanimously carried, the public hearing was opened on the proposed budgets for fiscal year 2021 for South Timnath Metropolitan District Nos. 1 & 2. Mr. Johnson reported that notice of the public hearing had been published in accordance with statutory requirements. Mr. Johnson presented the proposed 2021 budgets to the Board. The Board requested that with the previous action the O & M Fees would be increased for the purpose of “Long Term Reserves of 3%” and would be used only by direction of the board.

With no further discussion, the public hearing was closed by motion by Director Dino DiTullio, seconded by Director Luke Wagner and unanimously carried.

Upon motion duly made by Director Dino DiTullio, seconded by Director Luke Wagner and unanimously carried, the Board: (1) approved and adopted the 2021 budgets as presented with mill levies Gallagherized; (2) authorized the appropriation of funds for the expenditures set out in the budgets; (3) authorized the President and the Secretary to sign the necessary documentation; and (4) directed the District Manager to file the budgets with the Division of Local Government prior to January 31, 2021.

APPROVAL OF RESOLUTION TO UPDATE FINE POLICY AND FEE SCHEDULE:

Mr. Johnson stated the Fine Policy and Fee schedule needed to be updated. The Board discussed and

Upon motion duly made by Director Dino DiTullio, seconded by Director Mike DiTullio and unanimously carried, the Updated Fine Policy and Fee Schedule as presented.

STMD Metro District Fee Policy Schedule						
	11/10/2020					
Violation	Amount of Fine					Assess
	1st	2nd	3rd	4th	Thereafter	
All Covenant/Guideline Violations	Warning	Fine Warning	\$25.00	\$50.00	\$50.00	Every 10 days
Architectural Review, new Bulids	\$500.00	\$250				Each time
Architectural Review, not Conforming to Request/Approval	Warning	\$25.00	\$100.00	\$200.00	\$200.00	Monthly
Late O & M fee (Over and every 30 days)	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	Monthly
Irrigation/clock adjustments in tracts for events	\$85/hr	N/A	N/A	N/A	N/A	Hourly
Status Letter (Admin/Transfer Fee)	\$150.00	N/A	N/A	N/A	N/A	Each Time
Return check fee / QB return fee	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	Each time
Deactivate Pool Fob/Tag due to Violations	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	Each time
Activate Pool Fob/Tag due to Violations	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	Each time
Certified Letter Mailing	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	Each time
Lost Pool Fob/Tag Replacement fee	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	Each time
Collection Process including all collection fees such as Attorney fees, Management fees, liens, agent fees and court costs.						Actual Cost
District work on Covenants & Guideline work due to changes by others, Attorney & Management fees, copy fees with any court costs.						Actual Cost

APPROVAL & RATIFICATION OF THE PROMISSORY NOTE:

Mr. Johnson stated the Promissory notes required renewal yearly. Mr. Johnson noted the only changes were interest applied, After further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Luke Wagner and unanimously carried, the Board approved the District Promissory Notes as discussed.

DISTRICT LEGAL COUNSEL REPORT:

Mr. O’Leary had nothing to add at this time.

DISTRICT MANAGERS REPORT:

Mr. Johnson was asked to review some of the few points of the District Managers report.

1. General District items:

- a. Need to re-stain Tallgrass for the first time (In budget) and Meritage Homes area needs to be stained badly. Any extra funds should go to the fence stain.
- b. Will start stain plan, more than likely every 3 to 4-year fence for each area. All areas, budget at least \$55,000.00 per year. As noted, look at long term reserves to budget removal of fence and replacement of fence by 2030 for the Summerfield's & The Preserves area. Meritage Homes area & Prairie View by 2036, then Tallgrass by 2039. Average fence life time estimated to be 22 years.
- c. Ash trees. Bore ash is coming, will need to remove trees and replace. If Treatment is started it has to on through the life of the tree. Starting at \$120.00 per tree x 2. Treatment twice a year. Looking at buying smaller trees now and start planning, plant between existing trees.
- d. Changing out 5 areas that are mulch and replacing with cobble stone, around Sienna in 2021.
- e. Irrigation water fees are going up almost 6%. Over all rates have gone up over 45% the last few years.
- f. Will check for dead trees this spring (Second week of June) and arrange for R and R, as budget allows.
- g. Issue on site drainage: We have been cleaning detention ponds, inlets, outlets, drain pans and regrading areas for water issues. Working on goose deterrent. Tried Swan decoys which were vandalized and coyote decoy. Received several calls leave geese alone and ask not to tun off aerators, concerns on fish populations.
- h. Detention ponds working as designed. Have products put in every 3 or 4 weeks and Detention ponds: Aquatron and sludge remover are now being added to the detention ponds, as part of the maintenance program. Seems to work, very expensive. Also, a licensed company sprays Detention ponds every 4 to 6 weeks for several kinds of grasses and algae.
- i. Get a lot of trash in detention ponds. Clean out every two weeks. Trash cans in area blow over and a lot of trash ends up in detention ponds.
- j. Play grounds on site, will be inspected and repairs made if needed.

2. Web Site:

- a. Keeping site up.

3. Community Center & Pool:

- a. Rough year with COVID – 19 rules. Homeowners up-set with COVID rules. **The STMD had to follow Governors Executive orders and Mandates.** Some residents could not get into to pool area enough times or times for their schedules. But had to set up 3rd party reservation system. Per executive orders only allowed 50 people at a time. The math of 853 homes times an average of 4 people per home, equals 3,412 people trying to get 250 spots a day just makes it tough on everyone.
- b. Need to re-surface pool in 2021, looking at around \$100,000.00.
- c. Will get price on blinds for fitness area, 30 days in late Aug. and Sept. sun setting issues.
- d. Power wash community center once a month.
- e. Power wash parks once a month.
- f. Pool hours are the same 10:30 am to 8:00 pm, until school starts in August, then moves to open at 4:30 pm to 7:30 pm weekdays and normal time on the weekends. Schools changed start times. (Must have lifeguards)
- g. Need to add money yearly to reserves for maintenance and replacement cost at Community Center.
- h. Parking lot will need to be sealed soon. Paint parking spots.
- i. Add cameras to pool area? Roughly \$11,000.00.
- j. Change out grass to Astro -turf or fill in one section and place concrete? \$14,000.00.
- k. Carpets set up to be cleaned 4 times a year. Have re-place carpet in high traffic areas.

- l. This spring working on playground in pool area, fixing minor items. Every year have inspected.
- m. Set up paint inside of clubhouse, roughly \$9,500.00

ADJOURNMENT:

Following no further discussion,

Upon motion duly made by Director Dino DiTullio, seconded Director Luke Wagner and unanimously carried, the Board adjourned the joint organizational meeting of the Board of Directors of the South Timnath Metropolitan District Nos. 1 & 2 at 8:21 p.m.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of South Timnath Metropolitan District Nos. 1 & 2.



Guy D. Johnson, Secretary for the Meeting