



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 15, 2022, 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
Jennifer DiTullio
Director John Cloudman
Luke Wagner
Ben Palmer
Mike DiTullio (via teleconference)

Absent & Excused

Kara DiTullio
Michael Harrington

Also in Attendance:

David O'Leary, of Spencer Fane
Guy Johnson, Jackie Johnson, from District Management, Ron Mullenbach, D.R. Horton
Several homeowners were present, please see attendance sheet in the Meeting Notebook as to homeowners that were present.

CALL TO ORDER:

Director Dino DiTullio called the meeting to order at 6:36 p.m.

QUALIFICATION OF BOARD MEMBERS/OATHS OF OFFICE:

Mr. O'Leary reported that all 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. 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 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 meetings 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 one public place within the District boundaries or posted on the District website at least 24 hours in advance of the meeting. If possible, the posting should include specific agenda information. Mr. Johnson further noted that notice of this joint special meeting had been so posted. The notice requirement is to post 24 hours in advance of the meeting either at one physical location in the District or online at the District website. (Conflicts are filed 72 hours in advance). Mr. Johnson further noted that notice of this joint special meeting had been so posted.

APPROVAL OF AGENDA:

Mr. Johnson presented the agenda for November 15, 2022, meeting,

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

APPROVAL OF MINUTES:

The meeting minutes of July 20, 2022, meeting was presented and discussed,

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and Director John Cloudman, and unanimously carried to approve the meeting minutes of July 20, 2022.

PUBLIC COMMENTS:

Director Dino DiTullio noted that residents were present, all stated they had nothing to comment at this time.

CONSIDER DIRECTOR APPOINTMENT FOR District #1:

Mr. O'Leary presented to STMD #1, the documents to appoint Ron Mullenbach of D. R. Horton as board director of STMD #1,

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio, and unanimously carried to appoint Ron Mullenbach as board of director to the STMD #1

APPROVAL OF POOL OPERATIONS/COST WITH SWTMD:

Mr. Johnson presented the cost detail for the operations and maintenance of the Community Center & Pool within and including all of Tract M. Director John Cloudman stated he understood the need that the SWTMD Board was in and their need to add additional revenue to offset the cost of the pool by selling Out of District Memberships, however he felt that SWTMD approving the sale of Out of District Memberships with out having a discussion with or joint agreement with the STMD board was inconsiderate to STMD, and would like to see the IGA between the district address the sale of Out of Poo Memberships for the future years.

Upon motion duly made by Director Dino DiTullio, seconded by Director Luke Wagner, Director Jennifer DiTullio and Director John Cloudman, 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. David O'Leary will come up with a IGA to address Out of District Pool Memberships sales.

RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2023:

Mr. Johnson presented a Resolution Concerning Annual Administrative Matters for 2023 for the Districts.

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and Director John Cloudman, and unanimously carried, the Board approved the Resolution Concerning Annual Administrative Matters for 2023, 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, 2023. 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 Jennifer DiTullio and Director John Cloudman, and unanimously carried, the Board approved the 2023 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 Jennifer DiTullio, and Director John Cloudman, 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 2023 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, Snack Shack agreement, 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. With no further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and Director John Cloudman, and unanimously carried to approve the District service agreements for District Management, Pool Management, Maintenance, Snack Shack, Audit Engagement, Internet and Phone contracts and District Counsel. The board has authorized Guy Johnson to finalize any negotiations and execution of the service agreements for 2023.

AUDIT AND AUDIT EXEMPTION:

Mr. Johnson reviewed with the Board preparing for the 2022 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 Jennifer DiTullio and Director John Cloudman, and unanimously carried to authorize Mr. Johnson to prepare for 2022 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 July 2022 through October 2022 for a grand total of \$537,047.51. After further discussion on the matters, With no further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and Director John Cloudman, and unanimously carried; the Board approved the payable for July 2022 through October 2022 for a grand total of \$537,047.51.

PUBLIC HEARING FOR 2022 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 2022 could be amended if necessary.

2023 BUDGET HEARING:

Upon motion made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and Director John Cloudman and unanimously carried, the public hearing was opened on the proposed budgets for fiscal year 2023 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 2023 budgets to the Board.

After further discussion regarding budget matters and questions, hearing no further comments, the public hearing was closed by motion by Director Dino DiTullio, seconded by Director Jennifer DiTullio and Director John Cloudman and unanimously carried.

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and Director John Cloudman and unanimously carried, the Board: resolved (1) to approve and adopt the 2023 budgets as presented with mill levies Gallagherized with any changes discussed; (2) to authorize the appropriation of funds for the expenditures set out in the budgets; (3) to authorize the President and the Secretary to sign the necessary documentation; and (4) directed the District Manager to finalize and file the budgets with the Division of Local Government prior to January 31, 2023 upon final confirmation of assessed valuations from the County.

CONSIDER APPROVAL & RATIFICATION OF THE UPDATED DISTRICT PROMISSORY NOTES:

Mr. Johnson stated the promissory notes require a renewal on an annual basis. Mr. Johnson noted the only changes were interest applied. Director John Cloudman stated that the schedule reflected more advances than the agreement allowed, and felt the schedule should be adjusted to not reflect more than the \$400,000 reflected in the agreement with no further

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and Director John Cloudman, and unanimously carried, the Board approved the District Promissory Notes with the board directing District Management to adjust the schedule to reflect only \$400,000 in advances/principal and interest.

DISTRICT LEGAL COUNSEL REPORT:

Mr. O'Leary presented to the Board the Resolution Calling the May 2, 2023, Election, with no further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and Director John Cloudman, and unanimously carried, the Board approved the Resolution Calling the May 2, 2023, Election.

DISTRICT MANAGERS REPORT:

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

General District items:

- a. Grub damage hit District hard, lots of issues, all fixed, but expensive.
- b. Stain and fence repair plan is staining an area every year, budget at least \$55,000.00 per year.
- c. Hooking up irrigation valves to the clocks.
- d. Keep in mind most of Summerfield's and The Preserves fence was built in 2008. Fence life span around 22 years. Maybe stretch to 25 years.
- e. Ash trees. Bore ash is coming, Lilac bore is here. Will need to remove trees and replace. Maybe order a

- truck load of 1-inch trees to plant in between ash trees, over several years.
- f. Changing out 5 areas that are mulch and replacing with cobble stone, in 2022. Did not do.
- g. 64 trees need to be removed. getting a price on, will have to use Contingency/3% in budget.
- h. Playgrounds on site, will be inspected and repairs made if needed.
- i. Will work on a few drainage issues around the site if budgets allow.

Web Site:

- a. Keeping site up.

Community Center & Pool:

- a. Had windows tinted in fitness area, working great.
- b. Power wash community center once a month.
- c. Power wash parks once a month. Started to clean.
- d. Pool hours are the same this summer 10:30 am to 8:00 pm, except July 4th, open at 11:00 am close at 5:00 pm, and no food serve by the guards. 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. Concerns on guard coverage in 2022. Currently 30/35 to 1, Red Cross is 50 to 1.
- e. Need to add money yearly to reserves for maintenance and replacement cost at Community Center.
- f. Doors are starting to show age with looks and issues. Getting two re-stained.
- g. Parking lot to be sealed and Paint parking spots. On hold.
- h. Carpets set up to be replaced. On hold.
- i. Set up paint inside of clubhouse. If funds allow. On Hold.
- j. Exterior should be painted and stain, next year, 2023. On hold.
- k. Need to order pool furniture. On Hold.

Mr. Johnson brought up the home on Sand Cherry as to where the homeowner built a trellis or a privacy barrier over 7 feet tall, within inches of the fence. Homeowner stated they might come to the meeting. Homeowner stated trellis or a privacy barrier not attached to the fence and felt builder-built homes or put homes in an order as to where the back yard patios were very close. Also, stated that the homes were built very close together. Director John Cloudman stated the board had already given a decision on this and it should be removed. Other board members such as Director Luke Wagner, Director Ron Mullenbach and Director Ben Palmer, agreed It should be removed.

Lots of projects on hold, need to think about getting funds to keep up maintenance on Community Center, pool, fence, dead trees, fence stain, etc.

OTHER MATTERS BEFORE THE BOARAD:

Mr. Johnson presented to the board dates for the 2023 year:

Thursday, March 9, 2023, at 6:30 pm and Thursday November 09, 2023, at 6:30pm

Director Luke Wagner asked Mr. Johnson what projects were not completed in the 2022 budget that the District Manager felt were priority, Director John Cloudman sated he would like to see a top 10 priority list from Mr. Johnson, and then the board could consider any projects for the future.

ADJOURNMENT:

Following no further discussion,

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and Director John Cloudman, 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 8:07 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