



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 09, 2021, 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  
Luke Wagner  
Ben Palmer (via teleconference)  
Mike DiTullio (via teleconference)  
Kara DiTullio (via teleconference)

**Also in Attendance:**

David O'Leary, of Spencer Fane  
Guy Johnson, Jackie Johnson, from District Management  
Numerous 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 6:37 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. 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 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:**

The Board reviewed the agenda, Mr. Johnson asked to amend the agenda by moving the Public Comment portion of the meeting to the end, a board member need to leave as soon as possible and this would allow homeowners more time if needed.

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and unanimously carried to approve the agenda with the above mention change.

**APPROVAL OF MINUTES:**

The meeting minutes of March 09, 2021 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 09, 2021.

**APPROVAL & RATIFICATION OF THE RESOLUTION FOR POSTING LOCATIONS:**

Mr. Johnson presented a Resolution for the Posting Location with minor 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.

**PUBLIC COMMENTS:**

The Director Luke Wagner asked to have a moment to address a few issues he was concerned about, his first item was he thought the District should get a proposal for a study from a Long-Range Planning Company, he stated he wanted to feel comfortable about the long-term study and showing homeowners this study if fees were increased to cover items addressed in the plan. Director Dino DiTullio, stated that he did not know that this was needed and they could be very pricey, however, the board did direct Director Luke Wagner to get a proposal for this service.

Second item was he thought the district could impose an Impact fee or Working Capital fee, which could be put in the long-term reserves. Director Dino DiTullio did not believe that he Service Plan would allow such a fee, and the board directed District Counsel to look into this idea.

Third Item on Director Luke Wagner's list was he wanted to requested the board ot get 2 or 3 RFPs for the audit/exemptions for 2022 year. The board did direct Director Luke Wagner to get a proposal for this service and for Guy Johnson to look also.

The board recognized Homeowner Tom Wood, his question was in reference to the bond, he was curious what the rate was, Guy Johnson stated the interest on the bond is 5.000% for the Senior and 5.500% for the Subordinated bond.

**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.

Upon motion duly made by Director Dino DiTullio, seconded by Directors 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,

**RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2021:**

Mr. Johnson presented a Resolution Concerning Annual Administrative Matters for 2022 for the Districts.

Upon motion duly made by Director Dino DiTullio, seconded by Directors Mike DiTullio and unanimously carried, the Board approved the Resolution Concerning Annual Administrative Matters for 2022, 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, 2022. 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 2022 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, 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 2022 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. Director Luke Wagner requested that the district is to get 2 or 3 RFPs for the Audit and Exemptions. Homeowner Tom Wood wanted to let the board know that he thought Tiffany Babcock did an amazing job with the snack shack.

Upon motion duly made by Director Dino DiTullio, seconded by Director Luke Wagner and unanimously carried to approve the District service agreements for District Management, Pool Management, Maintenance, Snack Shack, Internet and Phone contracts and District Counsel. As for Annual Audit and Exemption Agreement, the district is to get 2 or 3 RFP's and return to the board with its findings. The board has authorized Guy Johnson to finalize any negotiations and execution of the service agreements for 2022.

**AUDIT AND AUDIT EXEMPTION:**

Mr. Johnson reviewed with the Board preparing for the 2021 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 unanimously carried to authorize Mr. Johnson to prepare for 2021 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 2021 through October 2021 for a grand total of \$1,022,079.33, After further discussion on the matters,

Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio, and unanimously carried; the Board approved the payable for March 2021 through October 2021 for a grand total of \$1,022,079.33.

**PUBLIC HEARING FOR 2021 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 2021 could be amended if necessary.

**2022 BUDGET HEARING:**

Upon motion made by Director Dino DiTullio, seconded by Director Kara DiTullio and unanimously carried, the public hearing was opened on the proposed budgets for fiscal year 2022 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 2022 budgets to the Board. The board recognized Tom Wood of 5684 Edgevale, he asked if the district had plans to start putting funds in Repair/Replace Reserves and Fence Reserves and start a long-range plan to budget for these items. Mr. Johnson noted the board was working towards this goal, but it would require either O & M increases or additional fees/funds.

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 unanimously carried. Upon motion duly made by Director Dino DiTullio, seconded by Director Jennifer DiTullio and unanimously carried, the Board: resolved (1) to approve and adopt the 2022 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, 2022 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.

Homeowner John Cloudman of 6772 Silver Dollar requested to speak in regards to the Promissory note. He stated as District #2 is now effectively built out, I believe it is time to change the nature of the promissory notes and developer funding reimbursement agreements. He further stated that both districts have already determined, in the IGA between them in 2019, that District #2 has no more capital funding or debt issuance capacity. As a result, the only district that can realistically pay back the remaining balance on the capital promissory note is district #1. Mr. Cloudman urged the boards of districts #1 and districts #2 to negotiate, with the developers and district counsel, a release of District #2 from the capital promissory note - **before its next renewal a year from now.**

He further stated that there is no reason District #2 should have this note hanging over its heads any more when both Districts have agreed that there is no capacity to pay it back from District #2 mill levies.

Mr. Cloudman also urged the boards, in collaboration with district counsel, to negotiate with the developers a release from the O&M funding agreement. The agreement before the board says the max principal amount is \$400,000 but the promissory note is over \$450,000 and the total amount funded exceeds the \$400,000 agreed-to limit. Both parties must realize that there is no capacity for District #2 to pay this back in full, and to keep accruing interest on it does not make sense. Mr. Cloudman stated further that I understand we must approve these updated agreements tonight to avoid default, but it is time for the District board to act as fiduciaries and negotiate with the developers a release of District #2 from both agreements. After Mr. Cloudman's statement, the board discussed the need for the promissory notes and directed District Counsel to look into if changed, would there be consequences to the bonds, and how it would be presented. Director Luke Wagner requested a Work Session after District Counsel's findings to determine what actions should be taken at the next meeting.

Upon motion duly made by Director Dino DiTullio, seconded by Director Kara DiTullio and unanimously carried, the Board approved the District Promissory Notes with the board directing District Counsel to look into the concerns of Mr. Cloudman and to coordinate a work session with the board to discuss the matter further.

**DISTRICT LEGAL COUNSEL REPORT:**

Mr. O'Leary presented to the Board the Resolution Calling the May, 3, 2022 Election, with no further discussion, Upon motion duly made by Director Dino DiTullio, seconded by Director Kara DiTullio and unanimously carried, the Board approved the Resolution Calling the May 3, 2022 Election

Mr. O'Leary presented to the Board the Resolution of Social Media Policy, Director Luke Wagner stated that he did not believe there was a need for this Resolutions and he did not see any of the issues addressed in the resolutions happening in the South Timnath Metro District. Mr. Wagner discussed the consideration of something more like a code of conduct for board members and constituents. With no further discussion, this Resolution was not passed and the board directed district Counsel to prepare a Code of Conduct to be discussed at the next meeting.

**DISTRICT MANAGERS REPORT:**

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

**1. General District items:**

- a. Re-stain Meritage Homes and Prairie View in 2022.
- b. Stain and fence repair plan, is staining an area every year, budget at least \$55,000.00 per year.
- c. 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.
- d. Ash trees. Bore ash is coming, 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, order several species of trees, work with Town.
- e. Drain pans have settlements around the site, will work with Town but this is a STMD expense.
- f. Front trees in homeowners tree lawns and issues with cottonwoods and soon ash trees. They should Work with Town.
- g. Changing out 5 areas that are mulch and replacing with cobble stone, in 2022. If approved.
- h. Irrigation water fees are going up almost 3% 2022.
- i. Will check for dead trees this spring (Second week of June) and arrange for R and R, when budget allows.
- j. Site drainage: We have been cleaning detention ponds, inlets, outlets, drain pans and regrading areas for water issues. Trees in east detention pond need pruned.
- k. Geese what to do? Some want no geese around the ponds. Some homeowners up set, about harassing wild life. Received several calls leave geese alone and ask not to tun off aerators, concerns on fish populations.
- l. Play grounds on site, will be inspected and repairs made if needed.
- m. Will work on a few drainage issues around the site if budgets allow.

- n. Adding at least two new up-graded irrigation clocks in 2022.

**Web Site:**

- a. Keeping site up.

**1. Community Center & Pool:**

- a. Re-surface pool, looking good, will do again in 10 years or so.
- b. Some folks want blinds for fitness area, 30 days in late Aug. and Sept. sun setting issues.
- c. Power wash community center once a month.
- d. Power wash parks once a month. On hold.
- e. 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. **Concerns on guard coverage in 2022, guards hard to fine.** Currently 30/35 to 1, Red Cross is 50 to 1.
- f. Need to add money yearly to reserves for maintenance and replacement cost at Community Center.
- g. Need to add money yearly to reserves for maintenance and replacement cost for the whole site.
- h. A lot of STMD is over 10 years old some areas over 14 years old. Will have a lot of replacements & repairs.
- i. Community Center doors are starting to show age with looks and issues.
- j. Parking lot will need to be sealed soon. Paint parking spots. Set for 2022
- k. Add cameras to pool area on poles or north side of pump house.
- l. Change out grass to Astro -turf or fill in one section and place concrete?
- m. Carpets set up to be replaced. Set up for 2022.
- n. Set up paint inside of clubhouse. Set up for 2022.
- o. Exterior should be painted next year.
- p. Covid cleaning charge still in place, on rental room.

**ADJOURNMENT:**

Following no further discussion,

Upon motion duly made by Director Dino DiTullio, seconded Director Mike DiTullio 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 7:57 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