



SOUTH TIMNATH
METRO DISTRICT

**RECORD OF PROCEEDINGS
MINUTES OF THE JOINT ORGANIZATIONAL MEETING
OF THE BOARDS OF DIRECTORS OF
SOUTH TIMNATH METROPOLITAN DISTRICT No's. 1 & 2**

HELD: Thursday, November 09, 2017, at 10:30 a.m. at 6000 Summerfields Parkway, Timnath, CO 80547.

ATTENDANCE:

The joint organizational 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: Michael J. DiTullio, Jennifer DiTullio, Dino A. DiTullio, Kara DiTullio, Kevin Walker.

David S. O'Leary of Spencer Fane LLP, Debra A. Hessler with D.R. Horton and Guy Johnson, Jackie Johnson and Kayla English from the District and numerous homeowners, 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 10:33 a.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 had been obtained 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 Clerk. If possible, the posting should include specific agenda information. Mr. Johnson further noted that notice of this joint organizational meeting had been so posted.

APPROVAL OF AGENDA:

The Board reviewed the agenda,

With review of the agenda Mike DiTullio made a motion to change the agenda item number 9 and number 9a to

Read:

Consider Approval of Community Center & Pool Hours & Schedule.

Upon motion was made by Mike DiTullio and seconded by Dino DiTullio and unanimously carried to approve the change of the agenda item number 9 and No. 9a.

APPROVAL OF MINUTES:

The meeting minutes of April 06, 2017 meeting was presented and discussed,

Upon motion made by Dino DiTullio and seconded by Mike DiTullio and unanimously carried to approve the meeting minutes of April 06, 2017.

PUBLIC COMMENTS: At this time Dino DiTullio, opened and acknowledged Public Comment portion of the meeting, reminding all residents that because of the number of resident in attendance the board would allow each resident that wished to speak 3 minutes, and asked that if they wanted to just agree and/or state the same concern as the prior residents please just state your name and address and would like the record to show they also had the same concern.

The board recognized Deb Miller of 5756 Quarry Street, Mrs. Miller asked if the board would consider approaching cell phone business to place a cell tower in the neighborhood to receive better reception in the area. Also, this could give the district some revenue to apply to the budget. Mr. Dino DiTullio thank Mrs. Miller for her comment.

The board recognized Shayne Buckley of 6314 Richland Avenue, Mr. Buckley ask the Board what was the bid process for landscaping, maintenance and concession. Mr. Mike DiTullio thanks Mr. Buckley for his interest in the proposal process.

The Board recognized Tiffany Matkin of 5925 Quarry Street, Mrs. Matkin stated her concern was that her husband's employer was contacted because he spoke his opinion on issues he had with the District. Mrs. Matkin felt intimidated and wanted to know who else had spoken up and had their employer contacted. Mr. Dino DiTullio thanked Mrs. Matkin for her comment.

The Board recognized Ron Clark of 5936 Quarry Street, he asked if it was normal for the Board to contact employers of residents when they had disagreements. Mr. Dino DiTullio thanked Mr. Clark for his questions.

The Board recognized Mike Kincaid of 5759 Quarry Street, Mr. Kincaid commented, "Why would you contact an employer"? Mr. Dino DiTullio thanked Mr. Kincaid for his comment.

The Board recognized Julia Udick of 6309 Rock River Road, Mrs. Udick commented, that she did not feel that the community voices were being heard by the Board of Directors and wanted to know what was the proper form of communication with the District and Board members. She thought that there was a need for a District Liaison and she would be happy to be that liaison. She also would like to see the Board of Directors meeting be held in the evening which would be a more convenient time for residents with jobs and family, Mr. Dino DiTullio thanked Mrs. Udick for her comments and concerns.

The Board recognized Ron Clark of 5936 Quarry Street, Mr. Clark commented, he has had three trees behind his house die and need replaced, he would like to see a different species be planted, Mr. Dino DiTullio thanked Mr. Clark for his comments.

The Board recognized Shayne Buckley of 6314 Richland Avenue, Mr. Buckley commented, he would like the Board to be available to answer questions more often and stated he thought it would clear up rumors, Mr. Dino DiTullio thanked Mr. Buckley for the comments.

The Board recognized Mary Beth Shagena of 5948 Quarry Street, Mrs. Shagena asked if the Board would consider spending money on snow removal in the street when it was over 8 inches, she was concerned for the safety of children when cars could not stop in the snow, Mr. Dino DiTullio thanked Mrs. Shagena for the comments.

The Board recognized Carrie Sharpe of 5727 Claret Street, Mrs. Sharpe asked if the Board would answer the questions that have been asked and she feels that Mill Brothers does not have qualified employees to run the irrigation system and would ask that the Board chooses another landscape maintenance contractor, Dino DiTullio thanked Mrs. Sharpe for the comments.

The Board recognized Jan Vesley of 5937 Quarry Street, Mrs. Vesley asked if the Board would consider changing the Board of Director meeting times to evenings, she feels that resident comments would be better heard if more people could hear issues, Dino DiTullio thanked Mrs. Vesley for the comments.

The Board recognized Travis Matkin of 5925 Quarry Street, Mr. Matkin wanted to Thank all the residents that came to the meeting, he asked the Board why they would not consider changing the Board of Director meeting times to evenings which he felt would benefit the residents, Mr. Matkin stated that Mr. Johnson was asked to change the meeting time and refused. Mr. Matkin wanted to make the Board aware of an issue that he encountered at the pool, he witnessed a lifeguard swimming in his boxes, Mr. Matkin asked why the DiTullio's gave a Fob to non-residents, Mr. Matkin then wanted to Thank Mike DiTullio and David O'Leary for inviting him the Board of Directors meeting, Mr. Matkin also wanted to address the "secret meeting" of October 13, 2016 and asked why it was not posted on the website and asked why was the Garage Sale banners for the Community larger than the Meeting Posting signs, Mr. Matkin thought that the

meeting Notice signs should be more visible than they are. Mr. Matkin asked Mr. Dino DiTullio if he had ever had direct interaction with him. Mr. Matkin asked if he had every threatened him or had contact with him through his employment. Mr. Matkin stated that he felt Mr. DiTullio's actions were unprofessional since he was a representative of a government entity. Mr. Matkin wanted to remind the Board there were legal remedies to their actions and he stated the community felt ignored and had loss confidence in the Board. Dino DiTullio thanked Mr. Matkin for the comments.

The Board Recognized Mike Kincaid of 5759 Calgary, Mr. Kincaid asked if the District would call in street light outages, another resident spoke up and stated he needed to contact Xcel, Dino DiTullio thanked Mr. Kincaid for the comments.

The Board recognized Helen Clark of 5936 Quarry Street, Mrs. Clark asked if the District could replace the two dead trees behind her house, her husband spoke up and stated they had already gone over this issue, Dino DiTullio thanked Mrs. Clark for the comments.

The Board recognized Shayne Buckley of 6314 Richland Avenue, Mr. Buckley asked the Board to identify themselves and their positions on the Board, he wanted to know why a "Special Meeting" was called to approve an increase in the Operation and Maintenance fees and why no expenditure cut backs would be considered instead, he would like to see less spending versus increase of O & M fees, Dino DiTullio thanked Mr. Buckley for the comments.

The Board recognized Kristen Seidel of 5941 Sand Cherry Lane, Mrs. Seidel stated she felt that the meeting time should be moved to the evenings and a larger meeting room to accommodate the residents, she stated she felt that meetings held during the day when most residents could not attend was considered "taxation without representation", she asked what the agenda item number 8 was "New Director to Fill Board Vacancy" and who was the person that would be filling the Board vacancy, she would like better documentation to be put on the website explaining agenda items so they would be more educated and be able to direct the board on the communities thoughts on how to vote on these items, she felt the Board should be more transparent, Dino DiTullio thanked Mrs. Seidel for the comments.

The Board recognized Eric Sutherland of 5777 Dressage Street, Mr. Sutherland asked if the District could supply the residents with more detail budget breakdown so that they could see why an O & M fee increase would be needed, he would also like to see an evening Q & A session with the Board of Directors, Dino DiTullio thanked Mr. Sutherland for the comments.

The Board recognized Jan Vesley of 5937 Quarry Street, Mrs. Vesley stated she thought the meeting posting signs should be bigger and more visible, Dino DiTullio thanked Mrs. Vesley for the comments.

The Board recognized Don Kozak of 5892 Claret Street, Mr. Kozak wanted to ask if the meeting times could be changed to evening also, and would like clarification of the Districts, Dino DiTullio thanked Mr. Kozak for the comments.

The Board recognized Amanda Foose of 6504 Richland Avenue Mrs. Foose wanted to ask if the meeting times could be changed to evening, and the District to post meetings on Facebook and move the meeting to a large location so it could accommodate the residents, Dino DiTullio thanked Mrs. Foose for the comments.

An unknown resident who did not address the Board properly and shouted aggressively asked the comments made from residents previously be addressed. Mr. DiTullio asked multiple times "What is your issue, you have the floor please state your concerns, to which she replied "You are condescending little man" and left the meeting.

Mr. Dino DiTullio asked if there was any further public comment, with no further Public comments Mr. DiTullio thanked the residents for their comments, input and questions, and closed this portion of the meeting.

BOARD OF DIRECTORS DISCUSSION:

At this time Dino DiTullio, asked if anyone on the Board would like to address the comments, input and questions that was presented to the board, Mr. Shayne Buckley interjected that he would like the board to be introduced, he did not know who anyone was or their positions, Mr. DiTullio, informed Mr. Buckley that the Public Comment section was closed and the Board would not tolerate interjections or interruptions from the public, and the Board needed to continue with the Board of Directors meeting and conduct business, at this time Mr. DiTullio introduced the people sitting at the table, starting with Guy Johnson, District Manager, David O'Leary, District Counsel, Dino DiTullio, Board Member, Kevin Walker, Board Member, Mike DiTullio, Board Member, Kara DiTullio, Board Member, Jennifer DiTullio, Board Member,

Mike DiTullio, stated that the District had had multiple meeting's, with minor resident attendance, multiple elections, and the Board has never had others run for office & Q& A's with a low number of attendees. Jan Vesley interjected "I have never heard of a Q & A Meeting" Mr. DiTullio wanted to state that the Board was a volunteer position and that they represented the constituents and at every meeting the board gave out their phone #'s, e-mail address and personal home addresses. They are available 24/7 to listen to any concerns or questions. In the time that Mr. DiTullio has served on the Board he stated that he has only had 2 people contact him in reference to issues, the first being Todd and Carrie Sharpe,

the Sharpe's were in violation of the covenants for the backyard landscaping not being completed. Mr. DiTullio stated he had spoken with and discussed with the Sharpe's and in the end Mike DiTullio wrote a personal check to complete the Sharp's backyard since they could not financially do so, and Mr. DiTullio stated the second homeowner was Mr. Travis Matkin, Mr. DiTullio spoke to MR. Matkin via several e-mails and met with Mr. Matkin in person to discuss his issues with the lifeguards, the pool management company, and proposal procedures, Mr. DiTullio stated he felt Mr. Matkin was not happy with his responses so he referred him to talk to District Counsel and come to a meeting, Mr. DiTullio stated to Mr. Matkin that he was only 1 Board Member and there were 4 others.

Mr. DiTullio stated that District does not have to get bids/proposals for Services Contracts even though the District did, nor will they release the proposals received to the residents since this is proprietary information. Mr. DiTullio wanted the residents to know that communication was a two-way street and if they had concerns, questions or issues they should contact the District office, and/or the board members. The District manager forwards all e-mails to the Board Members with questions/concerns from residents for discussion and resolution by the board members. Mr. DiTullio also stated that he had received an overwhelming good feedback about "A & B Pool Services" from residents in the neighborhood, Mr. Matkin interjected that he felt that was an incorrect statement.

Mr. David O'Leary stated he had been in contact with the District Manager and Board member Mike DiTullio in reference to Mr. Matkin, Mr. O'Leary re-iterated that contracts do not have to go out for bid, however, the District received proposals for the work, and choice the contractor that could provide the best services and cost from the scope of work. Mr. O'Leary explained that there were "Regular Meeting" that the Board of Directors would set dates for in the following year, however, if issues arise, such as the new Loan/Bond there might need to be additional meetings to resolve and sign documents for that loan/bond. These meetings are called as needed and posted in the same time and way as the "Regular Meetings" are. The District will post the meetings as soon as the dates are set by the Board of Directors and give the required State mandated posting and notices for those meeting. Mr. O'Leary also noted the District Manager did not set up any meeting without the direction of the board. The District Manager can recommend meeting dates, but they must be approved by the board.

Mr. Dino DiTullio stated that he felt the petty issues at the pool with the lifeguards and Mr. Matkin had snowballed, Mr. DiTullio felt that Mr. Matkin did not get the answers he was wanting from Guy Johnson and or Mike DiTullio about the 7-minute issue with the closing time and Mr. DiTullio felt that the 45-min talk down with a 20-year-old female lifeguard was excessive and would not be tolerated in the future. Mr. DiTullio wanted to remind residents that there was a lot of "fake news" on social media and there had never been a secret meeting, dues were not going up and he would as always be happy to meet with any resident to discuss rumors they had heard. Mr. DiTullio wanted to also state all Operations & Maintenance fees that the district collects are spent on the community from the upkeep of the beautiful Community Center to the maintenance of the parks, greenbelts and irrigation system. Cost are always increasing and so was the value of the homes in the area. South Timnath Metro District is a beautiful and highly sought-after neighborhood. Mr. DiTullio stated that the Board was proud of the area they had developed. With no further discussion by the Board on the issues brought up in the Public Comment section Mr. Dino DiTullio closed this portion of the meeting by saying that if after the meeting any residents wished to speak with any member of the Board they would be happy to talk with them. However, the Board did have other matters that must be discussed and resolved, therefore they must move on with the regularly scheduled meeting and agenda.

RESOLUTION CALLING THE 2018 REGULAR ELECTION:

Mr. O'Leary presented a Resolution Calling the 2018 regular Election and explain the need for the Resolution, which allows the election judge to proceed with the election in May 2018.

Following discussion and upon motion duly made by Mike DiTullio, seconded by Jennifer DiTullio and unanimously carried, the Board approved the Resolution Calling the 2018 Regular Election.

APPROVAL & RATIFICATION OF THE RESOLUTION FOR POSTING LOCATIONS:

Mr. Johnson presented a Resolution for the Posting Location,

Following discussion and upon motion duly made by Dino DiTullio, seconded by Jennifer DiTullio and unanimously carried, the Board approved the Resolution of Posting Locations.

APPROVAL & APPOINTMENT OF NEW DIRECTOR TO FILL BOARD VACANCY:

Mr. O'Leary presented to the Board to approved the appointment of Debra A. Hessler to fill the vacancy on the Board of Directors at STMD #1., Mr. O'Leary stated that Debbie Hessler had all the qualifications and ask the Board to consider her for the vacancy.

Following discussion and upon motion duly made by Dino DiTullio, seconded by Jennifer DiTullio and unanimously carried, the Board approved the appointment of Debra A. Hessler to fill the vacancy on the Board of Directors at STMD #1.

COMMUNITY CENTER/POOL RATES AND SCHEDULE:

Guy Johnson presented the proposed Community Center/Pool Hours, Rates and Schedule to the board. Mr. Johnson went over the Community Center/Pool Hours, Rates and Schedule rates.

Following discussion and upon motion duly made by Mike DiTullio and seconded by Kara DiTullio and unanimously carried,

RESOLVED to approve and ratify the Community Center/Pool Hours Rates and Schedule for South Timnath Metropolitan District and that the District Manager is authorized to prepare the necessary pool access, management and maintenance agreements for the 2018 Pool Seasons, to implement the sale and updates to policies and passes/guest passes per discussion with the Board and to update and implement the new Community Center/Pool Hours Rates and Schedule for South Timnath Metropolitan District and the pool users.

Rates and Schedule presented to the Board

1. \$650.00 Out of District rate, for 2018 season (limit 20).
2. Guest Pass \$4.00 per guest, per visit and must be accompanied by a District resident or a person with a pool membership.
3. Nanny pass would \$50.00 per season.
4. Resident guest punch pass at 20 free punches.
5. In-District Pool Memberships are no charge for District members, but District member must be in good standing with the District, no outstanding O & M fees, taxes and/or any outstanding covenant violations.
6. Pool season starts the Saturday morning of Memorial Day weekend.
7. Pool season will end, Monday evening of Labor Day at 6:00 PM.
8. Pool hours are to be 10:30 am to 8:00 pm daily, through the 4th week of August, and then fall hours would be 3:30 pm to 7:30 pm on weekdays. 10:30 a.m. – 7:30 p.m. weekends (Except holidays and if school hours and days change)
9. Pool hours for Holiday's: 10:30 am to 6:00 pm.
10. The Community Center and Fitness Center hours will 4:00 a.m. to 10:00 p.m. daily.
11. Rental room would be available for rentals from 4:00 am to 12:00 am. (Midnight)

APPROVAL & RATIFICATION OF THE SWTMD & STMD COMMUNITY CENTER & POOL IGA:

Guy Johnson presented the STMD & SWTMD Community Center/Pool IGA for cost to be paid per permit ready lot.

Following discussion and upon motion duly made by Dino DiTullio and seconded by Mike DiTullio and unanimously carried,

RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2018:

Mr. O'Leary presented a Resolution Concerning Annual Administrative Matters for 2018 for the Districts.

Following discussion and upon motion duly made, seconded and unanimously carried, the Board approved the Resolution Concerning Annual Administrative Matters for 2018, 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.

Following discussion and upon motion duly made by Dino DiTullio and seconded by Mike DiTullio and unanimously carried,

TRANSPARENCY NOTICES:

Mr. O'Leary presented the Transparency Notices and discussed that these will need to be posted on the District's website on or before January 15, 2018. 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 matters and;

EXCLUSION OF WORKERS COMPENSATION INSURANCE:

Mr. O'Leary 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. After further discussion on the matters and;

Upon motion duly made by Dino DiTullio and seconded by Jennifer DiTullio and unanimously carried to approve the Resolution Concerning Annual Administrative Matter, Transparency Notices, and 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 2018 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. After further discussion on the matters and;

Upon motion duly made by Dino DiTullio and second by Jennifer DiTullio and unanimously carried to approve the District service agreements for District Management, Pool Management, Landscape/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 service agreements for 2018.

AUDIT AND AUDIT EXEMPTION:

Mr. O'Leary reviewed with the Board preparing for the 2017 audits and/or exemptions. It was noted that if revenues or expenditures for a district are less than \$750,000.00 in 2017, the district may file application for Exemption from Audit on or before March 31st. After further discussion on the matters and;

Upon motion duly made by Dino DiTullio and seconded by Jennifer DiTullio and unanimously carried to authorize Mr. Johnson to prepare for 2017 audits and or fill out application for exemptions from audits as appropriate and to take such further action as necessary to complete and file these documents with the necessary state agencies.

PAYABLE:

Mr. Johnson reviewed with the Board the expenditures for April 2017 through October 2017 for a grand total of \$858,791.05, After further discussion on the matters and;

Upon motion duly made by Dino DiTullio, seconded by Jennifer DiTullio and unanimously carried; the Board approved the payable for April through October 2017 for \$858,791.05.

PUBLIC HEARING FOR 2017 AMENDED BUDGET:

Dino DiTullio made a motion to open the 2017 Budget Hearing to the public, Jennifer DiTullio seconded. Notice of the hearing had been published in the Fort Collins Coloradoan in accordance with state budget law. There was a request for copies of the 2017 Budget in order for; the public hearing portion of the budget was closed upon motion duly made by Mike DiTullio and seconded by Dino DiTullio, After further discussion on the matters and;

The board reviewed the proposed 2017 budgets for District No. 1 and No. 2, which detailed estimated revenues and expenditures for each District in a coordinated, consolidated budget as follows:

District No. 1, The Operating District, has budgeted to collect \$1,298,479 in general fund revenues, coming from: \$582,230 Operation and Maintenance, \$39,785 in Pool Fees, along with \$ in Interest and Admin/Transfer fee revenue and \$145,000 in Developer advance; the expenditures consist of administrative and operations cost of \$625,485, however, due to unforeseen expenditures of the additional expense of the pool, irrigation repairs, and the increased cost of the irrigation utilities, new bond/loan expense that was to be paid through District #1 instead of #2 and lack of Developer advance the budget revenue and expenditures for 2017 did not meet the budget submitted to state. After further discussion on the matters and;

Upon motion duly made by Dino DiTullio, seconded by Mike DiTullio and unanimously carried, the Board approved the Amended 2017 Budge as presented.

2018 BUDGET HEARING:

Upon motion made by Dino DiTullio, seconded by Mike DiTullio and Kevin Walker and unanimously carried, the public hearing was opened on the proposed budgets for fiscal year 2018 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 2018 budgets to the Board.

Following discussion, the public hearing was closed by Dino DiTullio and seconded by Jennifer DiTullio and unanimously carried.

Upon motion duly made by Dino DiTullio and by seconded Mike DiTullio and unanimously carried, the Board: (1) approved and adopted the 2018 budgets as presented; (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, 2018.

APPROVAL & RATIFICATION OF THE PROMISSORY NOTE:

Mr. O'Leary stated the Promissory notes required renewal yearly, Mr. O'Leary noted the changes were just interest applied, After further discussion on the matters and;

Upon motion duly made by Dino DiTullio, seconded by Jennifer DiTullio and unanimously carried, the Board approved the Promissory Note for 2018.

DISTRICT LEGAL COUNSEL REPORT:

Mr. O'Leary stated he had nothing to report at this time.

DISTRICT MANAGERS REPORT:

Mr. Johnson was asked to just hit a few points of his report.

1. General District items:

- a. Have taken on new area, "Tallgrass" this will be added to the budget for maintenance and long-range replacements. District has brought on new areas every year and this adds cost to the overall budgets and revenue. Mr. Johnson noted each year the community is growing and the Districts takes on more areas for maintenance.
- b. Issue on site drainage: We have been cleaning detention ponds, inlets, outlets, drain pans and regrading areas for water issues. Several drainage issues in tracts around site, working on a few each year.
- c. Starting to re-stain fence again starting in the Meritage homes area.
- d. Flower contractor did a great job in 2017. Have re-signed contractor for 2018.
- j. District Audits to start May/June, 2017 on both Districts.
- k. District Manager did bring up any meeting requests over the last few months were given to the Board of Directors. District Manager does not schedule dates and times of board meetings without direction from the board. District Manager will recommend meeting dates early spring and late fall for District requirements to be facilitated.

2. Web Site:

- a. Did not go over.

3. Community Center & Pool:

- a. Went over Community Center and Pool in public comments. Board voted on a few changes.

4. Next meeting to be held on 3/8/18 at time to be determined by the board.

OTHER MATTERS:

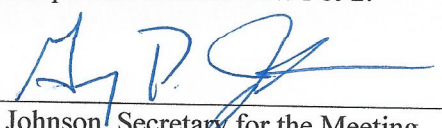
The Board noted there were no other matters at this time.

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 12:03 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