

TAILHOLT METROPOLITAN DISTRICTS

RECORD OF PROCEEDINGS MINUTES OF THE COORDINATED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF TAILHOLT METROPOLITAN DISTRICT NOS. 1-3

HELD: Tuesday, February 23, 2021, at 6:00pm **Meeting Occurred Via Teleconference Only**

ATTENDANCE:

The coordinated special meeting of the Boards of Directors of the Tailholt Metropolitan District Nos. 1-3 (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 *via telephone*:

Directors Present: (All via Teleconference)

Dino DiTullio
Michael J. DiTullio
Dan Meyers
Kara DiTullio
Jennifer DiTullio
Ron Mullenbach

Also Present and in Attendance via Teleconference:

Guy Johnson, District Manager, Jackie Johnson, David S. O'Leary of Spencer Fane LLP, homeowners Craig Corder & Dan Spykstra, Kim Herman with D. R. Horton

CALL TO ORDER:

Director David O'Leary called the meeting to order at 6:01 p.m.

QUALIFICATION OF BOARD MEMBERS/OATHS OF OFFICE COMBINES MEETING AND NOTICES:

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 stated that all of the Board members had been administered the Oaths of Office. The Districts are meeting in a combined board meeting. Unless otherwise noted, the matters set forth below shall be deemed the actions of the Tailholt Metro District No. 1, with concurrence by the Tailholt Metro District No. 2, & 3. Mr. Johnson stated that the notice of the meeting was properly posted in 3 public places in District No. 1, 2, & 3 boundaries at least 72 hours prior to this meeting and on the Districts' website. Notice of meeting was posted as required by law.

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 the Secretary of the District at least 72 hours prior to a meeting in which a potential conflict may arise. In addition, each director discussed any potential conflicts of interest to the Board at the start of the meeting in which a conflict may arise.

APPROVAL OF AGENDA:

The Board reviewed the agenda, and

upon motion was made by Director Dan Meyers and seconded by Director Mike DiTullio and unanimously carried to approve the agenda.

APPROVAL OF MEETING MINUTES:

The Board reviewed the Meeting Minutes of the December 1, 2020 Meeting.

Upon motion was made by Director Dan Meyers and seconded by Director Mike DiTullio and unanimously carried to approve the Meeting Minutes of the December 1, 2020 meeting.

APPROVAL OF POSTING LOCATIONS, WHICH INCLUDES WEBSITE:

Mr. Johnson presented the posting locations for board meetings, stating this includes the website 24 hours prior to meeting,

upon motion was made by Director Dan Meyers and second by Director Dino DiTullio and unanimously carried to approve the Posting Location which includes the website.

PAYABLES:

Mr. Johnson presented and reviewed the Schedule of Payables with the Boards for December 2020 through January 2021 with a total of \$42,770.34.

After discussion on payables, upon motion duly made by Director Dan Meyers and seconded by Director Mike DiTullio and unanimously carried to approve and ratify payables for December 2020 through January 2021 with a total of \$42,770.34.

CONSIDER APPROVAL AND RATIFICATION OF THE UPDATED PROMISSORY NOTES:

Mr. O’Leary stated the Promissory Note should be amended to update through the end of the year and interest accruals through the date of meeting to include the annual interest to date.

Upon motion duly made by Director Mike DiTullio and seconded by Director Dino DiTullio and unanimously carried to approve the updated Promissory Notes and attach the updated schedule of principal, interest and payments through the date of the meeting as discussed.

LEGAL:

Mr. O’Leary discussed the Exclusion of real property from District #1 Tract A Tailholt Filing 3rd and the Inclusion into District #2, keeping all commercial property in one district, which is District No. 2, After further discussion,

upon motion Director Mike DiTullio opened the Public Hearing of the Exclusion, Director Dino DiTullio seconds, and unanimously carried to Open the Public Hearing,

Upon no comments from the public Director Dino DiTullio closed the Public Hearing, Mike DiTullio seconded, and unanimously carried to closed the Public Comment.

Upon motion duly made by Director Mike DiTullio and seconded by Director Dino DiTullio and unanimously carried to approve the Exclusion of Real Property from District #1 – Tract A Tailholt 3rd filing

Upon motion Director Dino DiTullio opened the Public Hearing of the Inclusion of the above referenced Real Property, Director Mike DiTullio seconds, and unanimously carried to Open the Public Hearing,

Upon no comments from the public Director Dino DiTullio closed the Public Hearing, Mike DiTullio seconded, and unanimously carried to closed the Public Comment.

Upon motion duly made by Director Mike DiTullio and seconded by Director Dino DiTullio and unanimously carried to approve the Inclusion of Real Property into District #2 – Tract A Tailholt 3rd filing

Mr. O’Leary stated that item 7c, the discussion of District fees in Tailholt 3rd filing would need to be tabled at this time.

DISTRICT MANAGERS REPORT:

Mr. Johnson reviewed the status of the Districts and management items with the Board summarized as follows:

1. General District items:

- a. Working on pump house, having set up for storage.
- b. Adding security cameras to Pump House.
- c. Will set up service for delivery of chlorine in April.
- d. Adding Dog Stations in Filing 1 and filing 2.
- e. Fixing some drain issues east of Haymaker Lane, with D R Horton.
- f. Will walk Filing 2, for warranty issues this April or May.
- g. Replaced dead trees this year, will walk again this spring.
- h. D R Horton is building Filing 4, 316 lots Total, but roughly building 56 lots at this time.
- i. Driving site for covenants issues.

2. Site Work:

- a. Added a 4-inch perforated pipe and gravel between homes on Second and Third, north of Harvest Moon Drive. Plus, added chase drain.

3. Web Site:

- a. Keeping web site up, placing new documents as needed.
- b. Have set up to pay O and M fee with a link from QB, via e-mail.

EXECUTIVE SESSION:

Mr. O’Leary stated an Executive Session was not needed.

OTHER MATTERS:

At this time Director Dan Meyers wanted to present some questions for answers now or at a later date, but wanted part of the minutes.

A. Financials:

1. When will the District seek additional bonds? It has not been determined yet. It depends on tax base of the community and the need of a bond.

2. What is the present balance from the first set of bonds? The District is approved for \$16,742,000.00 in bonds.

3. What would the newly issued bonds be used for: Pay any capital public improvement costs for infrastructure constructed and accepted by the District and all prior costs that have been certified and booked.

a. Present additional debt – \$4,107,016.64 as of 2/23/2021? This is the un-audited amount shown on current promissory note.

b. Infrastructure for southern Plat? Yes, first it has to be completed by the developer and accepted by the District (there are several steps here). At a later date, new bond funds would be used to help pay for or reimburse those public improvement costs, when tax base allows.

c. Will the District be involved in northern Plat and if so, would we need to fund that infrastructure? No, the landowner would submit plans to the Town for review and approval. The District can help finance after approvals, however the current service plan is capped at \$37,015,000.00

B. Community Communications (Posting, social media, etc.) The District post all of its items of communications on its own web site. The District is not on any social media site.

1. Recommendation from Mr. Meyers regarding posting candidate positions:

a. Notice in the legal section of the Greeley Tribune may be legally acceptable notification, however Mr. Meyers believes it is not reaching even a small percentage of residents. We need to expand the means of communicating. Examples: Poles (where meeting notices are presently posted), Webpage, email enrolled residents, develop Facebook page and establish Twitter account.

Board member openings can be posted on the District posting locations, and on the District web site, this would be under board direction to change any other procedures. The Board will consider the requests.

E-mailing is not available to all, only those that have signed up on the District web site currently. The newspaper, web site and posting can be viewed by the public.

Any social site to be set up would have to be under board direction. THMD already has a web site residents can join, not sure THMD wants members joining 3 sites or other social sites for viewing of District communications, but this would be at board decision with advice from counsel on how record keeping would take place.

2. Much better job on Meeting notification. Thank you, this is the same procedure followed from other meetings.

3. E-mail accounts for board members? [name@tailholtdistrict.com](mailto:tailholtdistrict.com)

This would need a board decision; no board members or employees of management company have an e-mail for the District for their own e-mails. This would be a board decision with advice from counsel on how record keeping would take place.

A little back ground, DRS management is the only company I know of that sets up a District with its own e-mail, web site and address for the District only, this is done for consistency. This is to keep it all the same in case of any management, board member, banking, mailing or address changes from anything.

4. Request for a Meet and Greet or Work Session (late spring/early summer) This would need a board decision to have another meeting, talk with Board president.

C. Discussion of lake viability and researching water biologist for consulting purposes?

1. Reach out to local universities – CSU, Northern CU.? Board direction would be needed for any changes for the Franklin Storage Facility and by The HOA to the east of the lake, since they own the east half of the surface rights of the water storage area. Plus, the developer who owns the south east corner of lake at this time would need to be involved.

Not sure of all the water agreements on the water storage area, agreement and degree might need legal counsel to review if any changes are ever made.

The Franklin Storage facility is for the non-potable water storage for irrigation water and on-site storm drainage usage. The Storage facility is limited on water volume due to a court decree; THMD is not allowed to go above a certain level which is marked on the head gate. During large storm events, head gates would be opened and any time excess water is in storage area.

One reason on limited water treatment, might be costly is due to large volumes of water.

The Franklin Storage facility is for the non-potable water storage for the irrigation system and the for the site storm drainage. Stating this; the water storage area has new water coming in every day from the water feed to the north, a Non-contributory water source and water leaving the storage area through the head gate under a control release and by irrigation as needed.

During the non-potable irrigation season, the water is let out through the head gate several times a month. If water was treated it would be washed away. Also, storm water from storm events comes into the water storage area, and any weather would dilute the water. Then again excess water is released.

During the irrigation season, water is running through the non-potable water system for THMD tracts and homeowners' yards. Any treated water would also be washed away and/or sprayed on residents' yards.

During the summer if a lot of water is being used, then the District brings in river water, to supplement the water flows/usage. Any new river water would dilute any treated water. This water would go into the non-potable irrigation system. Note: non-potable water is treated with chlorine in the wet well, inside the pump house, this way no chlorine is wasted and water that is being used is treated.

As the site grows, water turn over will be even higher. More than likely the last month of watering season would be mostly river water as the site grows.

This is one reason why THMD has a 3-day watering schedule, to control the water coming in and out. As phases get built out over time the water schedules will go into place.

The water in the Franklin Storage facility has been tested by Jim Keeton Director of science and Technology at Keeton Industries, Inc... Keeton Industries did recommend an aerator system, but that would not work, due to THMD not owning all of the lake. Plus, they recommend a treatment program to treat the entire lake.

An aerator system could not be put in place, this would have to be removed when the lake is dredged every few years.

A large amount of silt comes into the lake, that is why the diversion rock wall was built to deflect the silt away from the intake to the pump house.

On site testing was also completed By Travis Matoush at Underwater Recovery Specialists Inc., Travis Matoush was called out for the algae issue. His recommendation was the chlorine to be injected into the system. Travis felt any water treated outside of the pump house would be a waste of money.

Also, at this time, board president (Stan) wanted to install the chlorine injection pump, because it was cheaper and he had used that pump on another site. It was cheaper to treat the non-potable water in the wet well than to try and treat the whole storage facility.

Stan stated that it would be too expensive to treat all that water, especially since not all of the water is the Districts water and a lot of water leaves the site.

Both Underwater Recovery Specialists and Keeton sell water treatment products and maintenance programs, but when they realized the high rate of water turnover was happening on the non-potable water system and the transfers of any extra water in or out of the facility, the water treatment would be too costly and difficult.

One last item was brought up about trees along the shore and or let cattails grow.

These items end up in the water, then float to the in-take and are ground up. The small pieces over time would clog THMD irrigation heads, along with clogging homeowner's irrigation heads. Chlorine can't break down these items. Cattails seem to take over lakes and ponds and is highly recommended not to let them grow.

THMD and homeowners already have to clean irrigation heads several times a year due to just natural items found in the non-potable water, like silt, sand, ground up shells and other micro items.

If the board wants to do anything here, THMD has spoken to a Biologist and a water treatment company to come up with a maintenance program for a non-potable storage facility. This can happen any time, just needs to be budgeted for.

D. Southern Plat:

1. Tailholt Street – watch condition. Not a THMD item.

But an e-mail with pictures sent out to the board on 2/24/2021 going over the details.

2. Update on oil and gas operations? (Air monitoring) – look up emissions from operation. Not a THMD item.

At this time no oil and gas operations are within the District boundaries. Any oil and gas air monitoring would be at the County, State and Federal level as required by State approved permits.

3. Update on path from Tailholt across WCR23 to bridge to Great Western Trail (Severance interested in moving ahead with that) Not a District item.

I do not know anything about a trail and/or bridge across CWR 23. I assume any trail included in filing 4 will be built per plans as project is being built.

Only Phase 1 & Phase 2 are being built in filing 4 at this time. I'm sure the starting date of any other phases, this will depend on sales and market studies by the developer over the next year or so. I'm sure the Town of Severance can contact the developer on any projected work schedules.

E. Amenities

1. Benches (locations being determined (~ 6 throughout filing 1-3, Franklin Lake)

Board Member Dan Meyers has a THMD map of the area, and is currently making notes on locations for benches to be placed.

Once locations are determined, the District will check areas for underground utilities and site issues. Then run bench locations past the Board for approval. After THMD board approval then run bench locations pass the Town of Severance planner for a consideration of tentative approval.

Once approval is determined the District will get pricing when needed.

Normally when setting a bench, location is determined, then area dug out for a concrete pad around 6 feet wide by 10 or 12 feet long. Level area with retaining wall if needed. Larger pad is made to make bench area ADA assessable, so a wheel chair can sit next to bench and or back into place. Then irrigation is moved, pad is poured and bench is set, then last item clean up area, set rock with edging around disturb area. Roughly around \$4,500.00 each location without a retaining wall.

The THMD board will determine per the budgets when to move forward on all benches or spread-out bench placement over time. All depends on THMD Board approval and when budgets allow.

2. Lighting at Mailbox clusters (solar powered?) 3 or 4 in Filing 1-3?

If THMD board wants to look at lighting around the mailbox locations, we can get pricing for electric to be ran close to the mailbox's location for some kind of street light.

More than likely if a District meter is not in the area, it would be costly to have a meter set and

electric ran for 1 or 2 lights by the mail boxes. BUT as noted; to possibly get solar, we can get pricing on solar. Solar is a possibility but from what I have been told it comes with a lot of maintenance on the battery systems. Keep in mind D R Horton is building Phase 4 and more street lights will be installed along Harvest Moon Drive.

Maybe a few lights by the lake path?

If THMD board wants to look at lighting around part of the Franklin Lake Storage Facility, we can do that. At this time, we have power at the pump house for lighting. A lighting and routing plan would have to be drawn up. Lights for the west side of the lake would have to be on the east side of the trail, due to the gas, petroleum and power easements west of the trail.

Then lights would be placed at least 18 inches away from the trail to avoid issues with snow plowing. Keep in mind at this time the District has about 1000 feet of trail. East of the trail bridge is privately property owned by the HOA to the east. South of Filing 1 is not completed as of yet.

E. Misc.

1. Map of Metro districts 1-3 (including Franklin Place)?

District boundaries map had already been made a map showing Filing 3 in District No. 1, which was approved in the THMD December meeting. This is now on the THMD web site. Now that Filing 3 inclusion and exclusion for THMD No. 1 to be moved into THMD No. 2 have been approved by the boards in the February THMD meeting a new District boundaries map will be made showing the changes soon.

2. Crosswalk at 3rd and Buckrake to cross to pocket park? Not a THMD item,

I sent an e-mail to the Town Planner following the December THMD meeting, when Dan Meyers brought up the crosswalk and signage request. More than likely Dan should have the person that made the request go to a Town Board meeting and bring up the request in open comments to see if this is even anything the Town of Severance would consider.

Any crosswalk installation and cost would be up to the Town of Severance. Then signage would have to be in people yards along 3rd street, with south bound traffic heading towards the park. Not sure homeowners would like that. Then north bound traffic coming off of Harvest Moon Drive roughly has about 200 feet before Buckrake Road and they are at the pocket park, not sure what signage the Town would put there.

Guy Johnson answered some questions at the time of the meeting and others answer when list sent over, but all answered questions posted above.

PUBLIC COMMENTS:

Mr. O'Leary recognized Craig Corder of 333 Jay Ave, Mr. Corder stated he was there to just see how the Metro District worked, he was concerned about how Franklin reservoir would be affected by the new homes in the area, Guy Johnson stated that the reservoir could only hold a certain level of water before it had to be released, and that there was sufficient water to irrigate the purposed 1200 homes in the area. Mr. Corder also asked if an aerator or fountain had been considered for the reservoir, Guy Johnson stated he had not seen any issues that would warrant that item. Mr. Corder thanked the board for their time and stated he was just interested in being involved.

The board recognized Dan Spykstra of 198 Haymaker Lane, Mr. Spykstra stated he was just observing, thought that Guy Johnson was doing a great job and he loved the neighborhood.

Upon hearing no further comments, Director Dino DiTullio closed this portion of the meeting.

ADJOURNMENT:

Upon motion duly made by Director Ron Mullenbach and seconded by Director Dino DiTullio and unanimously carried, the Board moved to adjourn the coordinated special meeting of the Board of Directors of the Tailholt Metropolitan District Nos. 1-3 at 6:41 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 Tailholt Metropolitan District Nos. 1-3.



Guy D. Johnson, Secretary for the Meeting