

TAILHOLT METRO DISTRICTS

RECORD OF PROCEEDINGS

MINUTES OF THE COORDINATED SPECIAL MEETING

OF THE BOARDS OF DIRECTORS OF

TAILHOLT METROPOLITAN DISTRICT NOS. 1-3

HELD: Thursday, October 26, 2023, at 6:00 p.m. at Town of Severance Town Hall, 3 South Timber Ridge Parkway, Severance, Colorado 80546

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 and acting:

Directors Present: Dan Meyers, Ron Mullenbach, Jackie Gottschalk, Shelby Foland, James, Donahue, Jim Umberger was present. Dino DiTullio, Mike DiTullio, and Jennifer DiTullio were present via a call in.

Also, Present and in Attendance: David S. O'Leary of Spencer, Fane LLP, Guy Johnson, and Jackie Johnson from the District were also present, and several homeowners please see sign in sheet for attendees.

CALL TO ORDER:

Mr. 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 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 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 to be 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 2 public places in each District No. 1, & 2, and properly posted in 4 public places in District No. 3 boundaries at least 72 hours prior to this meeting. Notice of meeting and agenda was posted in accordance with 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 is to verbally reveal his potential conflicts of interest to the Board at the start of the meeting in which the conflict may arise.

CONSIDER APPROVAL OF AGENDA:

The Board reviewed the agenda, upon motion duly made by Director Jackie Gottschalk and seconded by Director Jim Donahue & Director Ron Mullenbach and Director Dino DiTullio, and unanimously carried, it was resolved to approve the agenda with the changes.

CONSIDER APPROVAL OF March 16, 2023, MEETING MINUTES:

The Board reviewed the Meeting Minutes of the March 16, 2023, meeting. Upon motion duly made by Director Dan Meyers and seconded by Director Shelby Foland & Director Ron Mullenbach and Director Dino DiTullio, and unanimously carried, it was resolved to approve the agenda.

PUBLIC COMMENTS:

David O'Leary opened the Public Comment Section, Resident Gary Bond from 2nd Street came in concerned about vandalism at the park and the letters were being stolen from the entry way. Mr. Bond was the one who called the police originally. The police have not called

him yet. Mr. Johnson said that we have called the police and filed a report. The letters have been reordered and they should be better and less likely to be removed.

Mr. Meyers stated there is some graffiti also. He also mentioned the idea that cameras throughout the green belt might be a good idea.

RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2024:

Mr. O’Leary presented a Resolution Concerning Annual Administrative Matters for 2024 for the Districts. Following discussion and appointment of the Directors slate to be:

<u>Tailholt Metro District No. 1 & 2</u>		<u>Tailholt Metro District No. 3</u>	
<u>Board of Directors</u>	<u>Office</u>	<u>Board of Directors</u>	<u>Office</u>
Dino DiTullio	President	Shelby Foland	President
Michael J. DiTullio	Secretary/Treasurer.	Jim Donahue	Secretary/Treasurer.
Jennifer DiTullio	Vice President, Asst. Sec./Treas.	Jackie Gottschalk	Vice Pres./Asst. Sec./Treas.
Ron Mullenbach	Vice President, Asst. Sec./Treas.	Daniel Meyers	Vice Pres./Asst. Sec./Treas.
Vacant	Vice President, Asst. Sec./Treas.	Jim Umberger	Vice Pres./Asst. Sec./Treas.

and upon motion duly made by Director Jackie Gottschalk, seconded by Director Shelby Foland, & Director Ron Mullenbach and Director Dino DiTullio unanimously carried, the Board resolved to approve the Resolution Concerning Annual Administrative Matters for 2024,

Mr. Meyer’s asked about meetings that are held electronically. He asked if that is something we have to approve of. Mr. O’Leary explained that it is in the annual matters, and if we do that, we will let everyone know.

CONSIDER 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, 2024. These notices will also be provided to the Division of Local Government and appropriate state agencies as required by law.

After discussion, upon motion duly made by Director Jackie Gottschalk and seconded by Director Shelby Foland, & Director Ron Mullenbach and Director Dino DiTullio and unanimously carried, it was resolved to approve the 2024 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.

CONSIDER 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. Upon motion duly made by Director Jackie Gottschalk, seconded by Director Shelby Foland Director Ron Mullenbach and Director Dino DiTullio, and unanimously carried, it was resolved to approve 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.

CONSIDER APPROVAL OF 2024 DISTRICT SERVICE AGREEMENTS:

Mr. Johnson presented and discussed engagement letters and/or proposals for service agreements for District Management, Landscape Maintenance Agreement, Annual Audit Agreements, contracts, pest control in pump house 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. Mr. Meyer’s thanked Mr. Johnson for his fast production of the contracts.

After further discussion on the matters and upon motion duly made by Dan Meyers and seconded by Director Jackie Gottschalk Director Ron Mullenbach and Director Dino DiTullio and unanimously carried, it was resolved to approve the District service agreements and make changes if needed for District Management, Landscape/Maintenance, Annual Audit and Exemption Agreement, Pest Control contracts and District Counsel. Also authorized Guy Johnson to finalize any negotiations and execution of the service agreements for 2024.

CONSIDER APPROVAL OF AUDIT AND AUDIT EXEMPTION:

Mr. Johnson reviewed with the Board the 2023 audits and/or exemptions and preparation of the 2023 Audits and exemptions. It was noted that if revenues or expenditures for a district are less than \$750,000 in 2023, the district may file application for Exemption from Audit on or before March 31st.

Upon motion duly made by Director Jim Umberger and seconded by Director Shelby Foland Director Ron Mullenbach and Director Dino DiTullio and unanimously carried, it was resolved to Ratify the 2022 Audits and authorize Mr. Johnson to prepare for 2023 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.

CONSIDER APPROVAL OF DISTRICT PAYABLES:

Mr. Johnson presented the Schedule of Payables for March 2023 through October 2023 with a total of \$516,360.55. After discussion with the Boards, upon motion duly made by Director Jim Umberger and seconded by Director Shelby Foland and Director Ron Mullenbach and Director Dino DiTullio and unanimously carried, it was resolved to approve and ratify payables March 2023 through October 2023 with a total of \$516,360.55.

2023 AMENDED BUDGET HEARING:

Ms. Jackie Johnson stated that an Amendment to the THMD 2023 Budget was not needed, and this section of the meeting tabled.

2024 BUDGET HEARING:

Mr. Johnson indicated that notice of the budget hearing and potential budget hearing was published in accordance with state requirements. Director Shelby Foland made the motion to open the Public Hearing, seconded by Director Jim Umberger. Mr. Johnson presented the proposed 2024 Budget to the Board and answered any questions presented. Mr. Johnson said that there is going to be a potential increase for the 2024 Operations and Maintenance fees. Mr. Johnson explained how the long-term range plan works for different maintenance items within the District. Mr. Johnson used fence staining and replacement in the District. Mr. Meyer's expressed his concern for getting a huge bill in future years, but he recognizes "that it is our community, and we need to take care of it." Mr. Mullenbach asked about the new town ordinance of cutting native grass too low. Mr. Johnson explained the process of how native grass grows and how the process works with weeds. Since the town made us mow the native areas, the seed was not able to reseed and fill in the holes. Mr. Meyer's expressed his admiration for Guy Johnson and his attention to detail about this topic and coming to the town board meeting about the new native grass ordinance. Mr. Mullenbach explained the height of the grass is going to be rediscussed and expressed the cost that it will hit the Metro District hard. Mr. Mullenbach explained the contradictory element of the new native grass ordinance from the town of Severance. Hearing no further comments, Director Jim Donahue made a motion to close the Public Hearing, which was seconded by Director Dan Meyers.

Upon motion duly made by Director Shelby Foland and seconded by Director Jim Donahue, Director Ron Mullenbach and Director Dino DiTullio and unanimously carried, the Board resolved as follows: (1) to approve and adopt the 2024 budgets as presented, with Gallagherized mill levies; (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 file the budgets with the state and Division of Local Government prior to January 31, 2024 in accordance with state law.

CONSIDER APPROVAL OF PROMISSORY NOTES:

Mr. Johnson stated the Promissory notes required renewal yearly and /or when changes occur. Mr. Johnson noted that the only update was the interest at this time, after further discussion on the matters, upon motion duly made by Director Dan Meyers and seconded by Director Jackie Gottschalk, Director Ron Mullenbach and Director Dino DiTullio and unanimously carried, the Board resolved to approve the Promissory Note as noted.

CONSIDER APPROVAL OF OPERATIONS AND MAINTENANCE FEE INCREASE

Mr. Johnson explained the process of staining a fence and how that impacts on the budget, along with the need for long-term reserves. At this time, the management team reiterated to the board the need for an increase in the Operations fees to be \$700 per year/ \$175 quarterly, this is a \$9 per month increase.

Mrs. Gottschalk asked a clarifying question about the amounts. The language around the amount is going to be changed to be clearer. Ms. Foland clarified that over the next three years the district board and management would do everything possible to not increase the fees again.

After discussion, upon motion duly made by Director Jackie Gottschalk and seconded by Director Shelby Foland, & Director Ron Mullenbach and Director Dino DiTullio and unanimously carried to approval the Operations and Maintenance fee increase \$700 per year/ \$175 quarterly.

LEGAL COUNSEL REPORT:

Mr. David O' had nothing else to add at this time.

MANAGERS REPORT:

1. **General District items and site work:**
 - a. Overseeing Lake levels, opening head gates as needed. The Franklin Outfall will have to be moved to a new location at the Town Park.
 - b. Chlorine not to be used in the pump house anymore.
 - c. Have set up bacteria program in Franklin Lake. Keep in mind of water turn over in lake.
 - d. THMD to blow out whole non-potable system includes homes. Might change to third Saturday of Oct.
 - e. Fence stain complete for filing 2.
 - f. Driving site for covenants issues.
 - g. Keeping up maintenance of all tracts.
 - h. On-site builders have been fixing any issues or giving money to the district to fix items as needed.
 - i. Talk about placing concrete pads and benches around the community when funds allow, plus limited locations to put benches.
 - j. Talk about the Emergency Liaison, addressed in the Annual Matters Resolution, this is for District No. 1.

2. **Web Site:**
 - a. Keeping web site up, placing new documents as needed.
 - b. E-mails to the community come from the web site.

3. District Office:

- a. Will need to upgrade some programs on computer.
- b. Does the board want to change positions.

Dan Meyer's brought up SDA conference. He wants to attend some training.

Mr. Meyer's gave kudos to Shelby for the events at THMD.

Mr. Meyer's asked if we could do something like a neighborhood watch to help with vandalism. He really wants cameras in the area. Shelby pointed out the psychological effect could create more issues among residents.


OTHER MATTERS:

Jackie Gottschalk is selling her house and moving. She has resigned as a board member.

ADJOURNMENT:

With no other matters to bring before the Boards, upon motion duly made by Director Jackie Gottschalk, seconded by Director Dan Meyers and Director Ron Mullenbach and Director Dino DiTullio unanimously carried, the Board resolved to adjourn the meeting of the Boards of Directors of the Tailholt Metropolitan District Nos. 1-3 at 6:52 p.m.

The foregoing minutes constitute a true and correct copy of the minutes of the above-referenced meeting and were approved by the Board of Directors of Tailholt Metropolitan District Nos. 1-3.



Guy D. Johnson, Secretary for the Meeting