

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF THE

THOMPSON CROSSING METROPOLITAN DISTRICT NO. 3

Held: Tuesday, September 17, 2019 7:30 a.m., at The Abundant Life Tabernacle, 5450 River Ranch Parkway, Johnstown, Colorado 80534.

Attendance:

A special meeting of the Board of Directors of the Thompson Crossing Metropolitan District No. 3 was scheduled in compliance with the laws of the State of Colorado, with the following directors in attendance:

Bruce Rau, President
Brandon Wyszynski, Secretary/Treasurer
Chris Carlton, Assistant Secretary

The following directors were absent (absences excused):

Bradley Lenz
Jason Pock

Also present were: Kevin Collins and Mariah Comlan, CliftonLarsonAllen, LLP; Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Jerry Jacobs, Timberline District Consulting, LLC; Russ Hofer, MSI, Inc; Bill Stevens and Joel Kiesey, Thompson Crossing Metropolitan District No. 4 board members and the following members of the public: Joe Amon (Denver Post), Natalie Allen, Joyce Robinson, Elaine Hoffman, Danny Fernandez, Janice Lenga, Phil Beedle, Lynn Beedle and Mark Lenga.

Call to Order:

Director Wyszynski, noting the presence of a quorum, called to order the special meeting of the Board of Directors of the Thompson Crossing Metropolitan District No. 3.

**Director Matters/
Disclosure Matters:**

Ms. Ivey then advised the Board that pursuant to Colorado law, certain disclosures by the Board members may be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member

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confirmed the contents of any written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

Director Rau disclosed his interests and association with Clayton Properties Group II, Inc., a Colorado corporation and developer within the boundaries of the District and noted his board membership on each of Thompson Crossing Metropolitan District Nos. 4, 5, and 6. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Wyszynski disclosed his interests and association with Clayton Properties Group II, Inc., a Colorado corporation, and noted his board membership on each of the Thompson Crossing Metropolitan District Nos. 4, 5, and 6. This disclosure is associated with approval of items on the agenda that may affect his interests.

Director Carlton disclosed his interests and association with Clayton Properties Group II, Inc., a Colorado corporation, d/b/a Oakwood Homes. This disclosure is associated with approval of items on the agenda that may affect his interests.

Written disclosures of these interests had been filed with the Secretary of State and the Board prior to the meeting.

Approval of/Additions
to/Deletions from the
Agenda:

After discussion, upon motion of Director Wyszynski and second of Director Carlton, the Board unanimously approved the agenda as presented.

Public Comment For
Matters Not on the
Agenda:

Ms. Hoffman inquired about the status of the 2019 Bonds for Thompson Crossing Metropolitan District No. 4 and was advised that they closed on September 5, 2019. It was further advised that Timberline District Consulting, LLC is working on an informational piece that will be distributed to residents and will contain a summary of the 2019 Bonds issued by Thompson Crossing Metropolitan District No. 4.

Mr. Lenga inquired about the status of the Kerr-McGhee oil and gas drilling operations. It was noted that this is not a Thompson

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Crossing Metropolitan District No. 3-6 matter but that a notice from Occidental recently advised of a community information meeting that is being held related to this matter on October 2, 2019 from 5:00 p.m. to 7:00 p.m. at the Johnstown Community Center. A number of the residents shared with each other the information they had heard.

Mr. Fernandez inquired about the need for repairs to the landscaping and grass in the medians that may be owned by Thompson Crossing Metropolitan District No. 3. Mr. Jacobs was directed to take note of the issue and investigate remediation.

Thompson Crossing Metropolitan District No. 4 Director Stevens discussed issues related to landscaping and accountability of contractors and emphasized that community input and involvement in that process is important.

Joint Study Session
Thompson Crossing
Metropolitan District
Nos. 3-6 re 2020 Budget:

Mr. Collins reviewed with the Boards of Directors for Thompson Crossing Metropolitan District Nos. 3-6 the draft 2020 budget for each of Thompson Crossing Metropolitan District Nos. 3-6 and addressed inquires related to the same. The following items related to the Thompson Crossing Metropolitan District Nos. 3 and 4 budgets were discussed in detail:

- Mr. Collins noted that the has included a full 10 mill reduction in the draft 2020 Thompson Crossing Metropolitan District No.4 budget but that this item has not been decided and only reflects the maximum decrease allowed under the 2019 bond covenants.
- It was noted by Director Rau that the \$192,000 listed in the Thompson Crossing Metropolitan District No. 3 budget as revenue from system development fees should be placed in a capital projects account.
- Mr. Stevens inquired about the difference between the line items in the Thompson Crossing Metropolitan District No. 3 budget for "Covenant Control and Inspections" and "Community Management". Mr. Collins explained that these items are for the same work and are simply a reclassification/nomenclature change to better describe the nature of the expenditure in the budget. It was noted that the \$45,000 listed in the Thompson Crossing Metropolitan District No. 3 budget for 2020 for "Community

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- Management” is therefore redundant and needs to be removed and the items from the past years’ budgets should then be moved to “Covenant Control and Inspections”, i.e., the line items should be consolidated. Mr. Stevens noted that there is still a proposed increase of \$15,000 from the 2019 budget for this item and requested details from MSI, Inc. related to why this increase is being requested.
- Mr. Collins noted that \$40,000 is being included in the Thompson Crossing Metropolitan District No. 3 budget to cover election related expenses but that this item may be less if there are not contested elections and the elections can therefore be cancelled.
 - Mr. Jacobs noted that he believed the estimated 2019 budget for the line item “Lifeguards” would more likely be \$60,000, not the \$90,000 included in the draft 2020 budget for Thompson Crossing Metropolitan District No. 3.
 - Mr. Kiesey inquired about what the “Snow Removal” line item in the Thompson Crossing Metropolitan District No. 3 budget included. Director Rau advised that this covered sidewalks in the community that are located on public property.
 - Mr. Stevens inquired about what the “Pool and Rec Center Maintenance” line item in the Thompson Crossing Metropolitan District No. 3 budget represented. Mr. Jacobs advised that this covers cleaning and chemicals for the pool, restroom maintenance and routine repairs to the pool and recreational areas.
 - Mr. Stevens noted that Timberline District Consulting, LLC is paid \$90,000 a year to oversee the communities covenant enforcement, pool, and landscaping, all of which are areas of great concern to the residents. Mr. Stevens shared his recent experience of holding a private event in a community pavilion area that was coordinated through management and that despite this coordination the sprinklers were on and resulted in water collecting in areas and making the event less pleasant for his guests.
 - Mr. Stevens stated that he cannot support devoting any additional mills from Thompson Crossing Metropolitan District No. 4 being spent on operations and maintenance with the current level of services and that they are not getting their money’s worth.
 - Mr. Stevens noted that it would be his preference to go out

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for multiple bids on several of the contracts to remedy this issue. Director Rau noted that the Thompson Crossing Metropolitan District No. 3 contracts have been bid in the past but that bidding also brings certain issues including, but not limited to, costs associated with bidding, increased costs for contractors that are requested to rebid an ongoing contract, and, if a new contractor is engaged, a significant learning process to bring the new contractor up-to-speed on the community. Mr. Stevens acknowledged these concerns and indicated that it may be worth trying to work on improving the performance of the current contractors before replacing them.

- The possibility of expanding the pool hours was discussed and it was noted that there are costs attendant to such an expansion for additional lifeguard and other services.
- Mr. Kiesey noted that the Thompson Crossing Metropolitan District No. 4 system development fees would be placed in a designated account for use by the Thompson Crossing Metropolitan District No. 4 Board as directed in the future. He further noted that at this time a reserve study has not been completed because of lack of funds and age of the capital infrastructure. Director Rau noted that Oakwood Homes has to date advanced in excess of \$5,000,000 for operations and maintenance of the Thompson Crossing Metropolitan District Nos. 3-6 and has acted as the capital reserve when improvements have been needed.
- Director Rau directed Mr. Jacobs to prepare a list of the Thompson Crossing Metropolitan District No. 3 management, pool, and landscape contractors, the last time the contracts were bid, what the bid results were, if the current contractors will be raising prices for 2020 and why the contractors that are currently engaged were recommended.

Consider Approval of
Resolution Forming
Citizens Advisory
Committee:

Ms. Ivey presented to and reviewed with the Board a Resolution regarding the formation of a Citizens Advisory Committee. After further review and discussion, upon motion of Director Wyszynski and second of Director Carlton, the Board unanimously approved the resolution and directed Ms. Ivey to initiate a process soliciting resident applications similar to that which has previously been used including web posting and e-mail blast to the community. Ms. Ivey reported that Mr. Beedle had already submitted an application over

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Labor Day weekend and that she indicated to him that she would keep it on file until the application process was approved by the Board.

Other Business: None.

Adjournment: There being no further business to come before the Board, and upon motion of Director Wyszynski, second of Mr. Carlton and unanimous vote, the meeting was adjourned



Secretary of the Meeting