

**RECORD OF PROCEEDINGS
MINUTES OF THE JOINT SPECIAL MEETING
OF THE BOARDS OF DIRECTORS OF
WINDSHIRE PARK METROPOLITAN DISTRICT NOS. 1 & 2**

HELD: Monday, November 14, 2022, at 6000 Summerfields Parkway, Timnath, Colorado 80547

ATTENDANCE:

The joint special meeting of the Boards of Directors of the Windshire Park 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:

Tim Hoops, James Wertz, Brian James, Sheila Stone, Todd Yancey, Dino A. DiTullio, Jennifer L. DiTullio, Mike DiTullio, & Jon Turner were present via telephone conference.

Martha Turner was absent and excused.

David S. O'Leary of Spencer Fane LLP, Guy Johnson, Jackie Johnson from the District, and several homeowners were also present for the meeting.

CALL TO ORDER:

Dino DiTullio called the meeting to order at 6:03 p.m.

QUALIFICATION OF BOARD MEMBERS/OATHS OF OFFICE:

Mr. O'Leary reported that all 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 also informed the Board that the official bonds had been obtained and that all the Board members had been administered the Oaths of Office.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

Mr. Johnson 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. Conflicts of interest have been filed in accordance with law.

APPROVAL OF AGENDA:

The Board reviewed the agenda,

Upon motion was made by Director Brian James and Director Dino DiTullio and seconded by Director Jennifer DiTullio, Director Tim Hoops and unanimously carried to approve the agenda.

APPROVAL OF MINUTES:

The meeting minutes of August 30, 2022, meeting was presented and discussed,

Upon motion made by Director Tim Hoops and Director Dino DiTullio and seconded by Director Jennifer DiTullio and Director Brian James and unanimously carried to approve the meeting minutes of August 30, 2022.

PUBLIC COMMENTS:

At this time Dino DiTullio, opened and acknowledged Public Comment portion of the meeting,

The board recognized Richard Currier on Camberley Drive, asked what maintenance was being performed to the newly planted trees, Mr. Johnson stated all newly planted trees were being water 4 times after being planted. This was once a month, through the winter or when the ground freezes. There were no additional public comments at this time, so the public comments portion of the meeting was closed.

RESOLUTION CONCERNING ANNUAL ADMINISTRATIVE MATTERS 2023:

Mr. Johnson presented a Resolution Concerning Annual Administrative Matters for 2023 for the Districts.

Following discussion and upon motion duly made by Director Dino DiTullio, and Director Tim Hoops and seconded by Director Todd Yancey & Director Jennifer DiTullio and unanimously carried, the Board approved the Resolution Concerning Annual Administrative Matters for 2023, including: the contact person (s) for the district; the designated posting location on site and District web site (s) for the district; and the location for meetings of the Board of Directors.

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, 2022. These notices will also be provided to the Division of Local Government and appropriate state agencies as required by law.

Upon motion duly made by Director Dino DiTullio, and Director Tim Hoops and seconded by Director Brian James & Director Jennifer DiTullio and unanimously carried to approve the updates to the Transparency Notices and authorized the District Manager to file the updates with the appropriate parties when required by law.

EXCLUSION OF WORKERS COMPENSATION INSURANCE:

Mr. Johnson noted that the annual confirmation of the Resolution for the Board to be excluded from Worker's Compensation was needed if the Board elects to continue not having worker's compensation coverage for the board members. After further discussion on the matter and

Upon motion duly made by Director Dino DiTullio, and Director Tim Hoops and seconded by Director Todd Yancey & Director Jennifer DiTullio and unanimously carried to approve the Resolution to Exclude the Board from Worker's Compensation Insurance and authorized the District Manager and consultants to file the Resolution along with the State of Colorado Worker's Compensation Exclusion form with the appropriate parties.

APPROVAL OF RESOLUTION TO UPDATE FINE & FEE SCHEDULE:

Mr. Johnson presented the Fine & Fee Schedule per the board's request. With no further discussion,

Upon motion duly made by Director Dino DiTullio, and Director Tim Hoops and seconded by Director Brian James & Director Jennifer DiTullio and unanimously carried, the Updated Fine Policy and Fee Schedule was confirmed and approved.

APPROVAL OF 2023 DISTRICT SERVICE AGREEMENTS:

Mr. Johnson presented and discussed engagement letters and/or proposals for service agreements for Management Consultant, Pool Management, Landscape Maintenance Agreements, Annual Audit and Exemption Agreements, Internet and Phone contracts at the community pool 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,

Upon motion duly made by Director Dino DiTullio, and Director Tim Hoops and seconded by Director James Wertz & Director Jennifer DiTullio and unanimously carried to approve the district service agreements for Management Consultants, Pool Management, Landscape Maintenance Agreements, Annual Audit and Exemption Agreements, Internet and Phone contracts at the community pool and Engagement of District Counsel. Also, the board appointed Director Dino DiTullio and Director Tim Hoops to authorized research and finalize District Management Contractor, and to finalize any negotiations and execution of the service agreements for 2023. Until the District Management Consultant has been reviewed and recommended by the presidents of each District Board, the current District Manager shall continue on a month to month basis and submit costs and expenses on a time and materials basis for approval.

AUDIT AND AUDIT EXEMPTION:

Mr. Johnson reviewed with the Board preparing for the 2022 audits and/or exemptions. It was noted that if revenues or expenditures for a district are less than \$750,000.00 in 2022, the district may file application for Exemption from Audit on or before March 31st. After further discussion on the matters,

Upon motion duly made by Director Dino DiTullio, and Director Brian James and seconded by Director Tim Hoops & Director Jennifer DiTullio and unanimously carried to authorize Mr. Johnson to prepare for 2022 audits

PAYABLES:

Mr. Johnson reviewed with the Board the expenditures for September 2022 through October 2022 for a grand total of \$798,891.65. After further discussion on the matters,

Upon motion duly made by Director Dino DiTullio, Director Tim Hoops and seconded by Director Jennifer DiTullio & Director Brian James and unanimously carried; the Board approved and ratified the payables for September 2022 through October 2022 for a grand total of \$798,891.65.

Director Tim Hoops questioned Mill Brothers maintenance contract, stating he felt the maintenance contractor did not mow the common ground 27 times, or put down fertilizer 4 times. Director Tim Hoops felt it was closer to 23 times and only 3 applications of fertilizer. Mr. Johnson stated the contractors have already been paid for the items submitted in the payables. Mr Johnson stated he would check his records and have Mill Brothers supply time sheets or a report on time on the job site. This would be reviewed at the office and reviewed with Director Tim Hoops. Any credit owned would be taken out of another invoice if it called for any type of credit.

PUBLIC HEARING FOR 2022 AMENDED BUDGET:

Upon motion made by Director Dino DiTullio and Director Tim Hoops, seconded by Director Jennifer DiTullio and Director Todd Yancey and unanimously carried, the public hearing was opened for the 2022 Amended Budget. Notice of a possible 2022 budget amendment and the 2023 budget hearings have been published and posted as required by law. Mr. Johnson stated that an Amendment to the 2022 budget was needed for the WPMD No. 1, the Districts have received revenue over the estimated budget adopted at the end of 2021 for the 2022 year. Mr Johnson did want to point out several items that were over budget such as the landscape repairs, expenses incurred due to grub damage, tree replacements, utilities bills for the pumphouse (now there are 3 pumps running) and expenses related to the pool house (as a result of the new heater with 3 burners and pool expenses), irrigation maintenance due to 3 irrigation main breaks, river runner fees, legal expenses resulting from unforeseen issues with the apartments and defense of litigation issues, snow removal, to name a few items, but overall, the Districts were under budget. After further discussion on this matter, upon motion made by Director Dino DiTullio and Director Tim Hoops, seconded by Director Jennifer DiTullio and Director Todd Yancey and unanimously carried, the public hearing was closed for the 2022 Amended Budget

Upon motion duly made by Director Dino DiTullio and Director Tim Hoops, seconded by Director Jennifer DiTullio and Director Todd Yancey and unanimously carried, the Board: (1) adopted the resolution to approve and adopt the Amended 2022 budgets as presented with mill levies Gallagherized; (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 2022 amended budgets with necessary changes with the state and Division of Local Government.

CONSIDER APPROVAL TO INCREASE THE NON-POTABLE WATE RATE:

Director Dino DiTullio and Director Tim Hoops presented to the board the need to increase the Non-potable Water Rates due to the rising cost of utilities, raw water deliveries, overall maintenance of the non-potable water system and the need to lease/purchase more water shares.

The non-potable water rate increase would be \$72.00, for the non-potable watering season, which is late May through the third Friday of October. Current non-potable water rate of \$180.00 would now be raised to \$252.00 for the non-potable watering season. The Board of Directors did want to point out other increases may have to occur, and that the WPMD Board of Directors would evaluate the non-potable water rates each year.

The board recognized Ms. Marlene Vandergeest on Clarendon, she stated she did not want to see the district put in water meters, due to the cost and did not agree with the non-potable water rate increase of \$72.00. The board thanked her for her comments.

The board recognized Leslie Shrack on Windshire Dr, and she stated she understood the need to increase both the non-potable water rate and Operation and Maintenance and was thankful the board was considering the non-potable water increase for 2023. The board thanked Mrs. Shrack for her comments. After no further discussion,

Upon motion made by Director Dino DiTullio and Director Tim Hoops, seconded by Director Jennifer DiTullio and Director James Wertz and unanimously carried, the Boards of Directors adopted the Resolution to Approve the Increase of \$72.00 to the Non-potable Water Rate, which makes the total cost of the non-potable watering season of late May

through the 3rd week of October a total of \$252.00. And it was further Resolved that the non-potable water rate is to be invoiced over two quarters or two invoices, 3 (three) increments of \$42.00 or a total of \$126.00 on the second quarter invoice and 3 (three) increments of \$42.00 or a total of \$126.00 on the third quarters invoice, with a yearly total of \$252.00 for the non-potable water season. Director Tim Hoops stated he did feel that the Operation and Maintenance fees would probably need to be increased in 2024.

2023 BUDGET HEARING:

Upon motion made by Director James, Director Dino DiTullio, seconded by Director Jennifer DiTullio, Director Todd Yancey, and unanimously carried, the public hearing was opened on the proposed budgets for fiscal year 2023 for Windshire Park 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 2023 budgets to the Board.

Following discussion, the public hearing was closed by Director Dino DiTullio and Director Tim Hoops and seconded by Director James Wertz, and Director Jennifer DiTullio and unanimously carried.

Upon motion duly made by Director Dino DiTullio and Director Tim Hoops and by seconded Director James Wertz and Director Jennifer DiTullio and unanimously carried, the Board adopted a Resolution regarding the 2023 proposed budgets with the following: (1) approved and adopted the 2023 budgets as presented with mill levies Gallagherized; (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 finalize and file the budgets with the state and Division of Local Government prior to January 31, 2023 upon final confirmation of assessed valuations from the County.

APPROVAL & RATIFICATION OF THE PROMISSORY NOTE:

Mr. Johnson stated the Promissory notes required renewal yearly, Mr. Johnson noted the changes were interest only, After further discussion on the matters,

Upon motion duly made by Director Dino DiTullio and Director Tim Hoops and seconded by Director Todd Yancey and Director Jennifer DiTullio and unanimously carried, the Board approved the updated Promissory Note for 2023.

DISTRICT LEGAL COUNSEL REPORT:

Mr. O’Leary presented the Resolution Calling the 2023 election.

Upon motion duly made by Director Dino DiTullio, Director Tim Hoops and seconded by Director James Wertz and Director Jennifer DiTullio and unanimously carried, the Board approved the Resolution Concerning Regular Election to be held May 3, 2023

DISTRICT MANAGERS REPORT:

1. General District items:

- a. Always be on our minds, replacement cost for District property in reserves.

2. Site Work:

- a. Non-Potable system did not get river water until May 14th, 2022. (A good year)
- b. Non-Potable system. Non-Potable system shuts down 10/14/2022.
- c. At WPMD pumps shut down several times to power issues and lighting. District management or contractors re-set pumps.
- d. District should budget to buy its own water rights.
- e. Street crossing at Latham and Twin Creeks, current pipe rusted out; Temp fix in place. Will need a permanent fix. Three farmers also on this line, want to wait for Town of Timnath to fix or City of Thornton to fix most of it during installation of their pipe. WPMD would still have some cost. Bid back in 2020 was about \$30,000.00.
- f. Over-all irrigation system is aging, will need up-grades to 6 out of 7 clocks over time, valves, wiring and irrigation heads. System works off nodes, can continue until clocks are up-grades. Nodes will need to be replace if clocks change. **Had 3 large main line breaks in 2022.**
- g. Fence stain no longer being done, powering washing Filing 5 in 2023 if approved by the board.
- h. Maintenance contract for 2023 went to Precision Landscaping and Maintenance.

- i. Tree replacements were completed in September of 2022, all 56 trees have a 1-year warranty. All new trees have wooden T-Post, older trees do not: new trees were watered October 25th, next watering set up for the 3rd week of November. Then more than likely set up for the 3rd week of December.
- j. Cleaning detention ponds monthly and drain pans on site. Work with Town on Drainage.
- k. Paint letters went out to homeowners giving 70 days to paint per WPMD Board. Those not completed by November will have to complete by May of 2023.
- l. Dead tree letters went out, homeowners should replace trees by June of 2023.
- m. Shutters letters went out to replace or remove and repaint area where shutter was.

Web Site:

- a. Keeping web site up. Making required items are still in place.
- b. Up-dating items that are required by State Statute.
- c. Looking at a new web site to be hosted by SDA and State of Colorado recommended company. Web site used for public document storage, WPMD documents and e-mail communications.
- d. ADA items required by the State to be on the web site by January 1st of 2024.

3. Pool:

- a. Broken gate was fixed, rewelded and new hinges put on in June of 2022.
- b. Someone cut gate wire at panic bar, repair made in Nov.
- c. Pool Filter system may need to be replace in a year or two. Not priced as of yet, need 300 to 500 washout tank or find new similar system.
- d. New heaters were installed. Several issue with gas volume, this has been checked by Xcel and or gas person, changed out regulator, have system running at 2 pounds of pressure as required. New heater has 3 burners, will use more gas.
- e. June, boilers inspected by the State Inspector, need power shut off at door installed.
- f. Need to add money to reserves for long term replacement of pool/pump house and Aluminum Fence is \$100.00 a foot at today's prices.
- g. Large tree in pool area dying. Will need to remove tree in 2023, might think about removing some landscape and putting in more pool deck.
- h. Talked with one board member on building a shed at the pool for tables, chairs and lounge chair storage. Shed should have James Hardy siding, 50-year shingles and fire rated north wall due to grills, and angled roof. Pool furniture stored in new shed if approved, might last longer and/or look better, so far, no complaints. Did do several cleanings of chairs and tables. No complaints at this time. Can't store in pump room need walking clearance in room, per fire code. Have put most of the furniture in guard room like we normally do and small stack of lounge chairs in restrooms. Again, leaving walkway open. Fire code and water main access.
- i. Board should think about ordering 20 new lounge chairs, throw away any old chairs with issues and order 6 more tables. In 2022 they were on back order for over 20 weeks. Order cancelled.
- j. New pool access system working great, gates close every time, and working fob must open gate. We have about 10 homes who did not get a fob, due to past due O and M fees, they all know, they were letter sent a letter not to get a fob or if they did it would not be active. One person did get a fob, it is not active at this time. Security system computer only has security system program on computer, does not have any program packages such, Word, Excel, power point etc., or do we have a printer at the pool. This means cannot save security reports if needed.

4. District Management change:

- a. Request for proposal needs to go out, permission needs to be given to board presidents to do this.
- b. Current management company will work with new management company for a smooth transition.

- c. New management company will get all 2022 files all set up for Audits.
- d. New management company will get all WPMD bank info, ColoTrust info, files, covenant violations list, phone number, e-mail and web site info.
District was set up to keep mailing address, e-mails and banking, why change out checks?? Large cost. Web site access.
- e. New management company will be trained on pool access system.
- f. All files will be stored in pump house on top shelves in plastic boxes from formation to 2021.
- g. Current management company will complete all filings and close out 2022, giving QB to new company after 1/15/23, along with filing 2023 budgets.
- h. Current management company will be ready to assist new management company as needed.

OTHER MATTERS:

Director James Wertz asked the board what the board wanted to do with the 11 homes in the neighborhood that had received several letters in reference to their homes needing painting and they had not responded to at least 3 letters mail to them at this time. Director James Wertz stated he felt that fines should begin immediately, after further discussion, the board determined not to assess fines until June of 2023 if no action was taken to paint the home at that time.

Director Tim Hoops asked if the district management had allowed evergreen/pine trees to be placed in the front yard as the primary tree. Mr. Johnson stated yes, the previous board determined they would allow evergreens/pine in the front yard as a replacement tree. Director Tim Hoops asked if a pine/evergreen tree could be put in as a secondary tree. Director Tim Hoops felt there must be at least one deciduous tree as primary tree and evergreen/pine as a secondary tree. Director Tim Hoops asked if we can make that happen, Director Todd Yancey, Director Brian James and Director James Wertz agreed, Director Sheila Stone did not comment. Upon motion duly made by Director Dino DiTullio, Director Tim Hoops and seconded by Director Todd Yancey, Director Jennifer DiTullio this will be added to the guidelines, on future trees.

Director James Wertz asked what the status of the shed at the pool was, Mr. Johnson stated no shed contractor would provide bid at this time, but he was having the two handyman companies get bids ready. Mr. Johnson noted numerous requirements, such as shed roof should be lean too style; making drainage go south, fire rated panels on the north side, by the grills, James Hardy siding, 50-year roof shingles, an 18 inch shelve inside, and a small garage door or double door is required.

Mr. Wertz asked where the pool furniture was being stored at this time, Mr. Johnson stated the guard room, bathrooms and outside like we do each year. Mr. Johnson noted, we cannot store any items in the pumphouse due to fire codes.

Mr. Wertz asked what the status of the fence that was on the west side of the district between the district and the storage rental yard on 17th. Mr. Johnson stated he received a bid as directed by the board at the previous meeting/work session and assumed project after the Board of Director saw the proposal the fence project was put on hold.

ADJOURNMENT:

Upon motion duly made by Director Dino DiTullio and Director Tim Hoops, seconded Director Todd Yancey, and Director Jennifer DiTullio, and unanimously carried, the Board adjourned the joint organizational meeting of the Board of Directors of the Windshire Park Metropolitan District Nos. 1 & 2 at 6:59 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 Windshire Park Metropolitan District Nos. 1 & 2.

Guy D. Johnson, Secretary for the Meeting