

RECORD OF PROCEEDINGS

MINUTES OF THE COMBINED SPECIAL MEETING OF THE BOARDS OF DIRECTORS OF THE MERIDIAN RANCH METROPOLITAN DISTRICT MERIDIAN SERVICE METROPOLITAN DISTRICT

Held: Wednesday, March 14, 2018, 10:00 a.m., at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831

Attendance

The combined special meeting of the Boards of Directors of the Meridian Ranch Metropolitan District and the Meridian Service Metropolitan District was called and held, as shown, in accordance with Colorado law. The following Directors were in attendance:

Butch Gabrielski, President
Bill Gessner, Asst. Secretary/Treasurer
Mike Fenton, Asst. Secretary/Treasurer
Wayne Reorda, Secretary/Treasurer
Tom Sauer, Asst. Secretary/Treasurer

Also present were:

Tom Kerby; Meridian Service Metro District
Fred Jackson; Meridian Service Metro District
Jeff Scheble; Meridian Service Metro District
Kevin Fackerell; Water Operator
Braden McCrory; Sewer Operator
Dane Leecy and Alyson Hannan; YMCA
Raul Guzman, Construction Manager, Tech Builders
Jim O'Hara; GLT (via telephone)
Ted Tchang; GTL
Sue Blair, Marcos Pacheco; Community Resource Services
Matt Dalton, Spencer Fane
Tiffany Leichman, Sherman Howard (via telephone)
Zach Bishop; D.A. Davidson & Co.
Mike Sullivan; D.A. Davidson & Co. (via telephone)
Blake Jordon (via telephone)
Nancy Loew, Homeowners Committee Representative

Call to Order

A quorum of the Board was present and the Directors confirmed their qualification to serve.

Disclosure Matters

Mr. Dalton noted that written disclosures of the interests of all of the Directors have been filed with the Secretary of State.

Approve Agenda/Minutes

The Board reviewed the agenda and Director Fenton moved to approve the Agenda as presented. Upon second by Director Gessner, a vote was taken and the motion carried unanimously.

Comments from Visitors

None presented.

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Update on Meridian Ranch Homeowners Committee

Ms. Nancy Loew shared several items from Homeowners Committee meeting held on February 8, 2018. Four (4) residents attended, none of the Board members were present at this meeting. The discussed items are listed below:

- Discussed DRC not defining fees at closing.
- Discussed conflicting guidelines regarding property lines in the front of the homes for maintenance to sidewalks or streets.
- Discussed the overlap of two (2) Boards.
- Discussed unauthorized vehicles on paths.
- The Recreation Center roof is 90% complete.
- Currently removal of tree metal stakes is in process in common areas.
 - Homeowners Sub-Committee
 - Residents will pay 10 mills more for future infrastructure improvements not a detriment to the District.

The next Homeowners Committee is scheduled for Monday, April 2, 2018.

Update on Meridian Ranch Recreation and Facility Usage Report

Recreation Center: Mr. Dane Leecy presented to the Board of Directors the growth of the recreation center and how it has increased by seven percent (7%) as a total. He reviewed the increases of all activities; water activities twenty-one percent (21%), swimming program thirty percent (30%), water aerobics twenty-six percent (26%), monitoring children five percent (5%), group exercises ten percent (10%), and within the last month Silver Sneakers increased thirty-two percent (32%). Mr. Leecy reviewed the need for additional classes and instructors in the near future.

The Board discussed outside trainer(s) and should they pay a guest fee while training personal and/or group activities short-term and/or long-term at the recreation center. Should they sign a “term contract”? Mr. Dalton advised the board they should to have a waiver/contract in place that would be accepting of all responsibility/liability from the trainer(s) to protect the District.

Facility Maintenance:

The Board proposed suspending the discussion of the metal lockers and swimming suit dryer until the April meeting. The Board recommends additional research on other brands, costs and warranty before replacing the items.

Bond Discussion:

Consider Adoption of a Resolution Authorizing the Incurrence of a General Obligation Limited Tax loan from Compass Mortgage Corporation (“Compass”):

Mr. Bishop presented to the Board several options regarding the term sheet provided by Compass Bank. The Board reviewed each of the options, including the current issuance of \$24 million, 12-year loan with the interest rate of 3.58%. The loan is expected to close April 17, 2018.

Mr. Jordan presented a Resolution authorizing the loan transaction and its associated documents and agreement. He explained the Resolution’s intents and

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purposes.

Mr. Guzman then discussed certain proposed concessions and agreements by GTL, the developer, that will facilitate the District's ability to perform its obligations under the proposed loan. Specifically:

- (1) GTL will reduce the interest rate of the District's 2008 Subordinate Bond held by GTL from 8% to 5% for the duration of the debt, a savings of \$210,000 per year;
- (2) Following the issuance of the 2018 loan, the District will until January 1, 2026 forego interest on the current interest that has accrued to date on the principal amount owed GTL for unreimbursed advances (\$11,588,989) resulting in a savings to the District of \$579,450 per year. Interest on the current principal amount owed to GTL (\$12,424,661) will continue to accrue at the original 5%, and the District and GTL will agree to pursue converting the principal amount to an additional subordinate bond to be held by GTL or its designee, or other reasonable methods of financing the retirement of obligation to GTL.

Following discussion of the pros and cons of closing on the loan, and the other terms and conditions discussed by Mr. Guzman, Mr. Jordan and Mr. Bishop, Director Gessner moved to adopt the Resolution authorizing the execution of a Loan Agreement between the District and Compass. Upon a second by Director Reorda, a vote was taken and motion carried unanimously.

Water, Sewer, Drainage Operations

The monthly reports were reviewed with the Board.

Financial/Admin Items

Approval of Payment of Claims: The Board reviewed claims presented for payment at this meeting represented by check nos. 1992 – 2003 totaling \$5,371.00 for Meridian Ranch and to approve check nos. 10351 - 10425 totaling \$297,870.78 for Meridian Service. Director Reorda moved that the Board approve and ratify payment of the claims as presented. Upon a second by Director Sauer, a vote was taken and the motion carried unanimously.

Cash Position and Financial Statements: Ms. Blair reviewed the cash position dated March 9, 2018 and financials dated January 31, 2018 for Meridian Service Metropolitan District. Upon a motion by Director Gessner and a second by Director Reorda, the motion unanimously carried to accept the cash position summary and financial statements as presented.

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Public Hearing to Amend MRMD and MSMD 2017 Budgets: Director Gabrielski opened the public hearings to amend the 2017 budgets of Meridian Ranch Metropolitan District and Meridian Service Metropolitan District. There being no public present to comment on the budget amendments, the public hearings were closed. Ms. Blair reviewed the budget amendments with the Board. After discussion, Director Gessner motioned to approve both the Meridian Ranch Metropolitan District and Meridian Service Metropolitan District Resolutions to Amend 2017 Budgets. Upon a second by Director Fenton, a vote was taken and motion carried unanimously.

Review 2018 Tap Fee Report: Ms. Blair reviewed the tap fee report. No action was needed.

Election Update: Ms. Blair reported that there were not more self-nomination petitions filed than terms expiring. The elections in both Districts will be cancelled in accordance with statute. Directors Reorda and Sauer will take new Oaths of Office after May 8, 2018, and their new terms will expire in May 2022.

Items from the Manager

Firework Agreement for Falcon Freedom Days:

The Board voted to award Western Enterprises, Inc., to provide the Pyrotechnic Production for Falcon Freedom Days. Director Fenton moved to approve the Pyrotechnic Production Proposal. Upon second by Director Reorda, a vote was taken and the motion carried unanimously.

Tank Painting and Maintenance Agreement:

The Board voted to award the Tank Painting and Maintenance Agreement to National Coatings. Director Fenton moved to approve the Maintenance Agreement. Upon second by Director Sauer, a vote was taken and the motion carried unanimously.

Lease and Maintenance for Copier/Printer/Scanner:

Director Reorda moved to approve the agreement with Axis Business Technologies for a printer/copier for the District office. Upon second by Director Sauer, a vote was taken and the motion carried unanimously.

Comcast Service Agreement for Internet and Cable TV Service for the Recreation Center

The Board discussed the Comcast Service Agreement. Director Reorda moved that the Board ratify the Comcast Service Agreement as submitted. Upon second by Director Fenton, a vote was taken and the motion carried unanimously.

Vista Park Playground Equipment:

Director Gessner motioned to approve the purchase of the Vista Park Playground Equipment using the CTF Funds. Upon a second by Director Fenton, a vote was taken and motion carried unanimously.

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Retirement Plan Agreements:

Tabled until the April 2018 Board meeting.

Meridian District Metropolitan District Adding Two (2) New Staff Members:

Director Gabrielski shared with the Board the Recreation Center has received a combined fifty applications for the Receptions Operations Manager and Administrative/Accounting Clerk. Background checks are being ran on the finalists and a report will be provided to the Board at the April Board meeting.

Items from the Construction Manager

Monthly Report:

- Mr. Guzman stated the Board of County Commissioners approved the sketch plan from 4060 to 4500.
- Mr. Guzman also provided an update on South on Londonderry the grading permit was approved.

Board Member Items

None presented.

Legal Items

Director Sauer moved that the Board adopt the Resolution to Create the Meridian Service Metropolitan District Subdistrict. Upon second by Director Fenton, vote was taken and motion carried unanimously.

Director Gabrielski opened the public hearing on inclusion of property into the Meridian Ranch Metropolitan Subdistrict. No public was present and the public hearing was closed. Director Reorda moved that the Board approve the inclusion of property as presented. Upon second by Director Fenton, vote was taken and motion carried unanimously. Mr. Dalton stated that the inclusion would not be completed pending discussion with the county.

Executive Session: At 12:02 Director Fenton moved that the Board enter into Executive Session pursuant to Section 24-6-402(4)(b), to receive legal advice and contract negotiations.

A motion was made by Director Reorda to reconvene into general session at 12:30 p.m. Upon a second by Director Sauer, a vote was taken and the motion carried unanimously.

Meridian Service Metro District/YMCA Agreement for 2018


Director Reorda moved to approve of the amended YMCA 2018 Agreement subject to final legal review. Upon second by Director Sauer, a vote was taken and the motion carried unanimously.

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Adjournment

There being no further business to come before the Board, the meeting was adjourned at 12:35 p.m.

Respectfully submitted,


Secretary for the Meeting