

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TIMBERS ESTATES METROPOLITAN DISTRICT AND OF THE WATER UTILITY ENTERPRISE HELD

June 22, 2020

A regular meeting of the Board of Directors of the Timbers Estates Metropolitan District (referred to hereafter as "Board") was convened on Monday the 22nd day of June, 2020, at 6:33 P.M., at the Timbers Estates Gatehouse, 26303 North Turkey Creek Canyon Road, Evergreen, Colorado. Due to the current Coronavirus Pandemic Public Health Orders, this meeting was noticed as open to the public via teleconference, in order to maintain capacity restrictions at the Gatehouse.

Directors In Attendance Were:

Dave Hartvigsen, President
Kurt Schwartau, Vice President
Robert Latham, Treasurer
Bob Gress, Secretary
Rob Ginieczki, Assistant Secretary

Also In Attendance Was:

Chelsey Green; Pinnacle Consulting Group, Inc.
Andrew Kunkel; Pinnacle Consulting Group, Inc. (via teleconference)
Mike Crosbie, Mike and MaryAnn Thaxton, Lynne Schwartau, Glen Curtis,
Linda Gress, Cindy Latham, and Lilly Croke; Timbers Estates Community
Members (via teleconference)

ADMINISTRATIVE/
MATTERS

Call to Order/Declaration of Quorum: Director Hartvigsen, called the meeting to order at 6:33 p.m., noting that a quorum was present, with two directors in attendance. There are three vacancies on the Board.

Board Member Comment: Director Hartvigsen expressed great appreciation to Kim Greer and Jeff Brekke, former Directors, for all their time and service on the Board and to the community.

Director Hartvigsen stated that he was very grateful to the community for passing the increase in taxes for the District to collect an additional \$30,000 annually from property taxes to begin to address deferred capital asset management projects. Director Hartvigsen provided a brief overview of the assets operated and owned by the District, noting major assets roughly include:

- Roadway Improvements – about 1.5 miles

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- Gatehouse & Gate System Operations
- Perimeter Fence – about 8,600 linear feet
- Public Tracts A-H – landscaping, tree maintenance, and pest control
- Four major sources of water – 3 ponds and 1 reservoir, including augmentation plan administration to maintain District owned water rights.

Agenda: Ms. Green distributed for the Board's review and approval a proposed agenda for the regular meeting. Following review and discussion, upon motion duly made by Director Ginieczki, seconded by Director Hartvigsen and, upon vote, unanimously carried, the agenda was approved, as amended.

Appointment of Candidate to Fill Vacant Director's Positions: Director Hartvigsen introduced Robert Latham, Robert Gress, and Kurt Schwartau, and thanked them for their interest in filling the three vacant seats on the Board of Directors.

Ms. Green noted all interested candidates are eligible electors that own property within the boundary of the District and qualify to serve on the Board of Directors. Following discussion, upon motion duly made by Director Hartvigsen, seconded by Director Ginieczki and, upon vote, unanimously carried, Robert Latham, Bob (Robert) Gress, and Kurt Schwartau were appointed to fill the vacancies and serve on the Board of Directors until the next regular election.

Administer Oaths of Office: Ms. Green administered an Oath of Office to Mr. Latham, Mr. Gress, and Mr. Schwartau. Ms. Green noted that she will work with legal counsel for the Oaths of Office to be filed with the District Court and Division of Local Government.

Election of Officers: Ms. Green reviewed with the Board the slate of officers' responsibilities, noting a President, Treasurer, and Secretary must be elected by the Board. Following discussion, upon vote, unanimously carried, the Board elected the following slate of officers:

President: Dave Hartvigsen
Vice President: Kurt Schwartau
Treasurer: Robert Latham
Secretary: Bob Gress
Assistant Secretary: Rob Ginieczki

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Delegation of Responsibilities: The Board reviewed the District's maintenance responsibilities and 2020 repair projects. It was the consensus of the Board to identify the following Directors as the lead on routine maintenance or special projects coordination in conjunction with authorization from the Board President as follow:

1. Augmentation Plan Coordination and Ponds & Reservoir Capital Asset Management Outlay: Director Hartvigsen will coordinate with consultants, contractors, and legal counsel related to water rights and the augmentation plan administration including diversions, releases, and capital outlay projections.
2. Ponds Maintenance: Director Ginieczki will be point of contact, with Director Hartvigsen as backup, for ponds operations and coordination with Solitude Lake Management for pond health and routine maintenance.
3. Fence Replacement Program: Director Ginieczki will be the point of contact for fencing related concerns and take lead on fence replacement projects coordination efforts.
4. Roadway Improvements: Director Schwartau will be the point of contact for roadways concerns and take lead on roadway repairs projects coordination efforts.
5. Gatehouse and Gate System: Director Latham will be the first point of contact for gate system access, with Director Gress and Mr. Crosby as back up. Director Latham will take lead on the Gatehouse maintenance projects and gate system replacement projections.
6. Snow Removal: Director Schwartau will coordinate snow removal services, with Director Hartvigsen serving as back up.
7. Landscape Maintenance Manicured/Routine: Director Schwartau will coordinate routine landscape services, with Director Gress serving as backup.
8. Public Tracts: Director Hartvigsen, Director Gress and Director Ginieczki will share responsibility for small tree removal and fire mitigation coordination efforts.

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Consent Agenda: Ms. Green reviewed with the Board the following consent agenda items:

1. Approval of Minutes – November 11, 2019 Regular Meeting Minutes.
2. Ratification of Payables.
3. Unaudited Financial Statements as of December 31, 2019, with adopted 2020 Budget and Unaudited Financial Statements as of May 31, 2020.
4. Ratification of Application from 2019 Audit.

Following review and discussion, upon motion duly made by Director Ginieczki, seconded by Director Hartvigsen and, upon vote, unanimously carried, the consent agenda items were approved.

OPERATIONAL MATTERS

Board Member Status Reports and Comments: The Board discussed the following items:

Status of Augmentation Plan/Reporting. Director Hartvigsen reported a diversion from Spruce Park Ditch #4 to Evergreen Reservoir #1 of 8.22 acre-feet of water was completed and filled Evergreen Reservoir #1. Director Hartvigsen noted that the water accounting showing the diversion information was provided to Jehn Waters, and the report was submitted to the State of Colorado Division of Water Resources Water Commissioner, Tim Buckley.

Director Hartvigsen discussed the history and value of the District's water rights with the Board.

Director Schwartau informed the Board that he had been contacted by the District's legal counsel, Evan Ela, regarding Consolidated Mutual Water Company interests in leasing certain water rights. Following review and discussion, it was the consensus of the Board for Directors Hartvigsen and Schwartau to work with legal counsel to explore a potential water rights leasing agreement being implemented and seek clarification on water accounting calculations.

Director Hartvigsen updated the Board on preliminary discussions with Tom Moore, representative from Evergreen Meadows Reservoir #4, regarding the Water Commissioner's potential request to have clear separation on the division of current water rights between Reservoir #1 (30%) and Reservoir #4 (70%). Director Hartvigsen reported he would continue to investigate this matter.

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Ponds & Reservoir Maintenance. Director Ginieczki reported that fish stocking to help algae and control mosquitos was completed. Director Ginieczki noted fish die off has been observed, and that Lilly Fisheries recommend adding aerators to help mitigate future fish die off. Director Ginieczki stated he is exploring aerators to maintain fish populations in Pond #1 for the Board to consider.

Director Ginieczki discussed with the Board the potential for the pond located in Tract C to be accessed by residents and their guests for catch and release fishing. Following discussion, it was the consensus of the Board to direct Director Ginieczki and Gress to flush out and draft a fishing policy for the Board to consider.

Director Hartvigsen discussed the condition of Reservoir #1 and the potential dredging and structural repairs, noting the cost for these necessary repairs are anticipated to be tremendously expensive and recommended the Board hold a work session to discuss the capital outlay projects and plan timelines in more depth.

Tree Maintenance. Director Hartvigsen reported that the Homeowner Association fire mitigation efforts to complete a shaded fire break on over 6.33 acres were successful and fully executed, making the Olympus Drive emergency route survivable for evacuation. The Board thanked the Crosbie and Carlson families that allowed this fire break to be completed on portions of their property.

Director Schwartau reported that he is coordinating with LAM Tree services for pest control to be applied and recommend switching to a paste instead of the pheromones packet that are clearly visible after application. Following discussion, it was the consensus of the Board to direct Director Schwartau to purchase the paste and work with LAM Tree services to identify and apply the treatment in common areas.

Roadway Repair Project. Director Schwartau reviewed the quote from Mark J. Ryan for identified areas along Timbers Drive that need repaired in the amount of \$51,000. Following review and discussion, upon motion duly made by Director Hartvigsen, seconded by Director Ginieczki and, upon vote, unanimously carried, the Mark J. Ryan roadway repairs proposal was approved.

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Perimeter Fence. Director Ginieczki and Hartvigsen discussed with the Board the status of current fence repairs proposal and project scope. After discussion, it was the consensus of the Board to authorize Director Ginieczki and Hartvigsen to work with Eagle Eye Fencing to complete fence repairs in the amount of \$7,800, prioritizing sections of the fence line to the east of the gatehouse.

Landscape Maintenance. Director Schwartau had nothing to report, routine landscape maintenance is being completed by Acres Services as scheduled.

Gatehouse. The Board discussed identified Gatehouse maintenance projects including flagpole repairs, exit lights malfunctions, and an electrical safety inspection. Following discussion, it was the consensus of the Board to authorize Director Ginieczki to coordinate flagpole repairs. Additionally, it was the consensus of the Board to direct Director Latham to seek a proposal for Tesla Electric to complete an electrical safety inspection and repairs to lighting.

Director Latham requested the Board explore potential replacement of the gate operation software, as the current software system is outdated and no longer supported by the manufacturer. Following discussion, it was the consensus of the Board to include further review of the gatehouse systems upgrade cost into the proposed capital outlay work session.

Board of Directors Work Session Regarding Capital Outlay Projects and Planning. It was the consensus of the Board to hold a work session to discuss capital outlay projects and planning timelines on July 8th at 5:30 p.m. at the Gatehouse.

MANAGEMENT AND FINANCIAL MATTERS

Discuss Property Owner New Development and Water Augmentation Plan: Director Hartvigsen updated the Board regarding new development at 7037 Timbers Drive. Director Hartvigsen noted that the property owners, Ben and Amanda Venuto, appear to be in the process of installing some sort of sprinkler system on the property. Director Hartvigsen reported that the District has made several attempts to gather information regarding the sprinkler system and building plans but has not received a response from the Venuto's. The Board discussed the District's responsibility to facilitate the water augmentation plan, requirements, and specification to install a sprinkler system in accordance with the augmentation plan, and the potential need to notify the State of Colorado Division of Water Resources in order to protect the District.

Following discussion, upon motion duly made by Director Schwartau, seconded by Director Latham and, upon vote, unanimously carried, the Board directed

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Director Hartvigsen to work with Ms. Green to draft and transmit a formal letter from the District's Board of Directors to the property owners, requesting the necessary documentation be submitted to insure the construction plans, installation, and function of the system do not violate the water augmentation plan. The Board further directed Director Hartvigsen and Ms. Green to work with legal counsel and contact the Water Commissioner if a response is not received by the deadline set in the formal letter.

Discuss Status of Road Impact Fee: Ms. Green updated the Board regarding the status of the Road Impact Fee issued to the property owners of 7037 Timbers Drive in accordance with the Road Impact Fee Resolution, noting that payment has been received in full.

Discuss Research and Recommendations Regarding Water Service Fees: Ms. Green reviewed with the Board the written recommendation regarding annual water service charge and answered questions. Following review and discussion, upon motion duly made by Director Hartvigsen, seconded by Director Ginieczki and, upon vote, unanimously carried, the Board approved the written recommendation regarding annual water service charge, and directed Pinnacle Consulting Group, Inc. to cease billing undeveloped lots the Water Service Charge and issue reimbursements to all property owners who paid the fee assessment in 2019 and 2020.

Consider Board Authorization of Payment to Timbers Estates Homeowner Association in the Amount of \$9,000 for Fire Mitigation: The Board discussed authorizing a payment to the Timbers Estates Homeowners Association in the amount of \$9,000 for fire mitigation efforts within the District. Ms. Green noted the Board adopted a budget of \$19,000 for fire mitigation expenses in 2020. Ms. Croke reported to the Board that the HOA is working to receive grant funding and will request additional money from the District if necessary.

Following review and discussion, upon motion duly made by Director Hartvigsen, seconded by Director Ginieczki and, upon vote, unanimously carried, the Board authorized payment to Timbers Estates HOA in an amount of \$9,000.

Discussion Regarding Payables Process and Update Check Signors: Ms. Green reviewed with the Board the monthly payables Board review process, and online bill pay approval processes through Firstbank's Internet Cash Management system. Ms. Green noted it was necessary to update the authorized check signors for the account and recommended all Directors be added as signors to the checking account. It was the consensus of the Board to authorize and set up Directors Hartvigsen, Latham, and Schwartau as approvers through the

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Firstbank Internet Cash Management system, with Director Hartvigsen and Latham taking the lead on monthly approvals, and Director Schwartau as backup when needed.

LEGAL ITEMS

There were no legal items to come before the Board.

OTHER BUSINESS

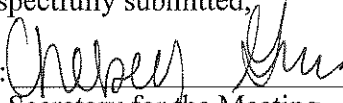
Community Comments: There were comments from the community.

ADJOURNMENT

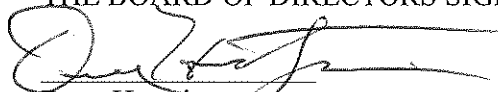
There being no further business to come before the Board, upon motion duly made, by Director Hartvigsen, seconded by Director Latham and, upon vote, unanimously carried, the regular meeting of the Timbers Estates Metropolitan District adjourned at 9:19 p.m.

Respectfully submitted,

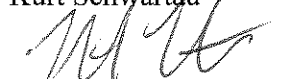
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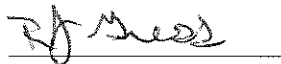

Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL JUNE 22, 2020
MINUTES OF THE TIMBERS ESTATES METROPOLITAN DISTRICT BY
THE BOARD OF DIRECTORS SIGNING BELOW:


Dave Hartvigsen


Kurt Schwartau


Robert Latham


Bob Gress


Rob Ginteczki

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