

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE WILLOW BROOK METROPOLITAN DISTRICT

ATTENDANCE: The special meeting of the Board of Directors of the Willow Brook Metropolitan District was called and held on Friday, August 17, 2018 at 3:00 p.m., at The Gate House, 524 Ruby Road, Silverthorne, Colorado, in accordance with Colorado law. An alternative location was held at the offices of CFC Construction, 14062 Denver West Parkway, Suite 110, Building 52, Golden, Colorado and a video conference was held. The following Directors were present and confirmed their qualification to serve on the Board:

Donald Samuels, President
Randy Lewis, Vice President
EJ Olbright, Asst. Secretary
Mat Sherwood, Secretary/Treasurer
Michael Good, Asst. Secretary

Also in attendance were:
David W. Robbins
Rebekah Barrington
Sue Blair
Angie Kelly
Jason Carr, S. A. Miro
Stephen Wilkerson, CFC Construction
John Drake
David Radlauer
Mark and Marilyn Nadeau
Chris McGadden
Dean Settje
Michael Perischette, RBC
Matt Dalton, Esq.
Ken Cremer
Desmond Hague

CALL TO ORDER: President Samuels noted that a quorum of the Board was present and the meeting was called to order at 3:01 p.m.

DISCLOSURE OF CONFLICTS OF INTEREST: President Samuels asked whether members of the Board had any conflicts of interest on matters coming before the Board. Director Samuels noted he has in the past purchased hay from the District contractor.

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**APPROVAL OF
AGENDA:**

Ratification/Approval of Payments Made Between Meetings: Ms. Blair reviewed the list of payments made between Board meetings and current claims to be paid. After review, Director Samuels moved to ratify the payment of the claims presented and approve the claims presented at today's meeting. Upon a second by Director Sherwood, a vote was taken and the motion carried unanimously.

**MANAGER
ITEMS:**

Cash Position and Financial Statements: Ms. Blair reviewed with the Directors the District's Cash Position and Financial Statements dated July 31, 2018 and August 13, 2018 respectively.

Review Timeline re November Election and 2019 Budget Adoption Schedule: Ms. Blair discussed the election deadlines in the event the Board wishes to move to a November Election. In addition, the 2019 budget deadlines were reviewed. The preliminary assessed valuation will be received by August 25th which will aid in the budget discussions and may have an effect on the ballot questions. Director Samuels moved that the Board hold a special meeting on September 21, 2018, at 3:00 p.m. to review the draft 2019 budget. Upon a second, vote was taken and motion carried unanimously.

Eligible Electors: Ms. Blair reported that she has compiled a list of eligible electors for voter registration records and property owner records. Ms. Blair is drafting a form that can be distributed at the Annual Meeting to property owners who are not currently on the eligible elector list but who believe should be. The information obtained will allow Ms. Blair to research voter status.

STRATEGIC PLAN

Rebekah Barrington reviewed The Ruby Ranch Subdivision 2018-2020 Strategic Plan, and in particular, the vision statement. She stated that it is a living document used by the Association to determine where to spend its time, human capital and money. The plan is based on the community vision and the Board's mission to achieve it as quickly and efficiently as possible. Numerous volunteers support both the WBMD and the RROA with recommendations and long-term strategic planning. Committee members are volunteers. The Boards thanked Rebekah for all of her work on the Plan. She requested feedback on the Plan that will be incorporated prior to the Annual Meeting.

**IMPROVEMENT
PROPOSAL**

Security: Mark Nadeau reported that the Security Committee members are:
Mark Nadeau
Don Meinholdt
Mat Sherwood

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EJ Olbright
John Drake

Mr. Nadeau stated that the Committee's objectives are primarily to prevent trespass and to protect the wildlife. Some of the tactics that the Committee has discussed are:

- Ensure Smith Ranch access to the National Forest is via the Willow Brook trailhead
- Consider moving the gate about 200/250 feet
- Reinstall current gate at the Lowe emergency exit
- Fence east border above Smith Ranch and post No Trespass Signs
- Post signs on the north, west, balance of east and south perimeters
- Suggested signage to read: "No Trespassing - This is a designated Ranch and Wildlife Habitat"
- If trespassing, 2nd degree trespass - up to 1 year jail time
- Looking at a cast of signage - every 100 yards or so
- Estimated cost of signage \$8,500
- Looking at fencing options (type)
- Will provide architectural renderings for gate

Rebekah Barrington asked about fencing/signage on Annie Road. Mr. Robbins explained that it is a natural emergency exit for residents; however, there is no exit ownership by the Ranch and no legal right. Perhaps the Committee could speak with the owners re fencing/signage. Mr. Cremer suggested that the Town may grant a wildlife easement along the eastern boundary. Mr. Cremer noted that there is barbed wire above the hay field below his home and there are breaks in the fencing. Buffalo Mountain skiers cut through the western boundary of the Ranch. Director Olbright stated that there should be a reasonable operational gate at the emergency access. Mr. Robbins stated that homeowner input would be obtained at the Annual Meeting when the plan is reviewed.

Communications Committee: Ms. Barrington reported that the Communications Committee members are:

John Drake
Holly Adnan
Rebekah Barrington

Ms. Barrington reported that the Committee is focused on the improvement of communications on the Ranch and the addition of social events. Over 34% of survey respondents rated their overall community

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experience as neutral or poor and the majority agreed they would attend more social events if they were held. Improvements in the newsletter and website were discussed.

ENGINEERING REPORT

Director Olbright briefly discussed proposed infrastructure and operations including the waterline replacement program and roadway improvements, and speeding reduction on the roads within the Ranch. Mr. Olbright introduced Jason Carr of S.A. Miro to the participants.

Mr. Carr reviewed the Potable Water and Roadway Report for Ruby Ranch dated August 16, 2018. Mr. Carr reported that the report consists of information gathered from many different courses. This is a first draft of the report and it should be expected that there exists errors and/or omissions. The report will continue to be updated as information is received. The WBMD owns and maintains the entire water infrastructure. WBMD is in the midst of a waterline replacement program. There is an annual budget of \$140,000 for this replacement program. The program, in its current form, has 22 years remaining (this is an adjustment to the report which states 9 years remaining). The table reflecting improvements/maintenance/repairs of the roadways will be adjusted on revised numbers from Ms. Blair. The cost associated with continuing with the current phasing approach is estimated in the range of \$3.1 million to \$3.7 million. The costs associated with a single phase are estimated between \$1.8 million to \$2.2 million.

There are approximately 5 miles of unpaid roads of varying widths, with roadside drainage ditches and storm culverts. A majority of the roads are constructed with Recycled Asphalt Pavement (RAP). Current issues raised by homeowners include: washboard surface, dust and cost of maintenance. Filing No. 1 has dedicated roads: Ruby, South Ruby, Topaz, Jade and Garnet Roads. Filing No. 2 has dedicated roads: Emerald Opal, Agate Roads. Surface options considered in the report are RAP, Gravel Road, Double Chip Seal, and Asphalt Pavement. Traffic calming was discussed, and the following options were mentioned: Lateral Shift, Chicane, Mini-Roundabout, Speed Hump, Choker and Signs. The speeds observed during the traffic counts indicate that there is currently no need for traffic calming measures.

Dust control measures discussed included Magnesium Chloride, Lignin, and Soybean Oil Soapstock. Washboard roads and dust are a concern heard from the residents. Many roads have lost their crown and many roadside ditches are in disrepair.

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Mr. Carr reviewed the Ruby Ranch Water Service Analysis. There are currently 49 active meters, and 7 lots to be developed.

Mr. Carr then reviewed the traffic volume summary by sections of roadway and projected traffic volumes based on full-time, part-time, and rental occupancy.

Paving the main dedicated roads was discussed at an estimate cost of \$725,000. This would exclude secondary roads and private driveways.

CTL Thompson prepared the preliminary pavement section thickness recommendations for Ruby Ranch and the report was reviewed. Once laboratory testing is completed and test results are received, recommendations will be reevaluated.

FINANCIAL ADVISORY

Mr. Perischette reviewed financing requirements. The District's current capital mill levy of 25.7 mills generates approximately \$140,000 per year. Contained within the S.A. Miro report are two projects that represent the following costs:

Total Water Project \$2,050,000
Total Road Project Fund \$725,000

20 and 30 year projections were reviewed for each project. Also shown was the cost per home value for the increase in mill levy to pay for the debt. Mr. Perischette distributed draft questions as examples only. Matt Dalton, District Counsel, did not write or approve the language contained within the questions.

Mr. Hague questioned what the total improvements within the Ranch would cost - not just the waterline project and paving project? Director Olbright indicated that information is being gathered that will be shared at the Annual Meeting.

Mr. Cremer stated that he has talked with homeowners who are upset because of the unpaved roads and he has built a metric with higher taxes because improvements increase the values of homes. Discussion ensued regarding an HOA assessment requiring 2/3rds vote to impose an assessment to cover the entire cost of the projects.

Questions regarding wells repairs and whether a new well should be drilled were discussed. Costs were generally discussed versus repair and maintenance costs.

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Mr. Perischette reviewed the Debt Capacity Analysis and explained what a GO bond is and how payment works. The AV and RAR play into the mill levy increase. The District can only issue bonds at 50% of the assessed valuation – or approximately \$2.7 million. The total estimated combined costs for the waterline replacement project and paving of main roadways is over the \$2.7 million and would require an additional fee to offset the difference.

The question was asked if the mill levy is increased is it feasible to assume that would have an impact on resale of homes within the Ranch. Mr. Perischette replied that, yes, it could have an impact on the resale of homes.

Director Sherwood reviewed a summary he prepared on a funding option through the Colorado State Revolving Fund Loan program. Director Lewis stated that this option could require an “enterprise status” and would restrict the use of property taxes to repay the loan to 10% of property tax revenues collected. Director Sherwood stated that the regional representative stated that it would not require an enterprise and they encourage the use of property taxes to pay back the loan. Director Sherwood will explore further and get back to the Board.

NEXT STEPS

Director Olbright requested that comments/questions on the plan, improvements, etc., be sent to Sue Blair by EOD Thursday, August 23. She will then distribute them to the Boards and Jason Carr. The intent is to have all questions answered in a timely fashion to allow a vote at the Annual Meeting. Director Samuels asked why the rush? Director Olbright stated due to concerns of the failure of the waterline, potential increase in interest rates, increase in construction costs, etc.

The updated report from Miro and Debt Capacity Analysis will be sent out this evening.

Items for consideration at the Annual Meeting:

- strategic plan and its adoption
- discussion/vote on the waterline project – pay as you go or complete in the next year or two
- discuss funding options
- discuss/vote on paving project

SPECIAL MEETING

Upon motion duly made, seconded and unanimously carried, a special meeting of the Willow Brook Metropolitan District was called for September 4, 2018, at 3:00 p.m.

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ADJOURNMENT There being no other business items to discuss, Director Olbright moved that the meeting be adjourned. Upon a second by Director Lewis, a vote was taken and the motion carried unanimously. The meeting was adjourned at 6:09p.m.

Respectfully submitted,

Secretary for the Meeting

DRAFT