



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
FEBRUARY 6, 2019 AT 1:00 P.M.**

Pursuant to posted notice, the joint meeting of the Boards of Directors of the Woodmen Heights Metropolitan District Nos. 1, 2 and 3 was held on Wednesday, February 6, 2019 at 1:00 p.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO 80903.

In attendance were Directors:

Lindsay J. Case, President
Les Krohnfeldt, Vice President/Treasurer
James Morley, Secretary
Randle Case II, Asst. Secretary
Kyle Geditz, Asst. Secretary

Also in attendance were:

K. Sean Allen, Esq., White Bear (by phone)
Kevin Walker, WSDM
Lori VonFeldt, WSDM
Kristina Kulick, WSDM
Ron Waldthausen
Corey Watson, Quail Brush HOA
Corey Pilato, Quail Brush HOA
Bryan Long
Mike Trimboli
Dave Mersman

Combined Meeting:

The Boards of Directors of the Districts have determined to hold a joint meeting of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of all Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

1. Call to Order:

President Lindsay Case called the meeting to order at 1:03 p.m.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters:

Walker Schooler District Managers
614 N. Tejon St., Colorado Springs, CO 80903
(719) 447-1777 www.wsdistricts.co

President Case indicated that a quorum of the Boards was present and stated that each Director has been qualified as an eligible elector of the Districts pursuant to Colorado law. The Directors confirmed their qualification. Mr. Allen advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. VonFeldt reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Allen inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

3. Approval of the Agenda:

Mr. Walker requested that the Quail Brush HOA presentation be moved up in the Agenda. The Board agreed. Director Case moved to approve the Agenda; seconded by Director Krohnfeldt. Motion passed unanimously.

4. Approval of the Minutes:

Director Geditz moved to approve the November 7, 2018 meeting minutes; seconded by Director Krohnfeldt. Motion passed unanimously.

5. District Manager Report:

a. Marksheffel Rd Extension Status and Sand Creek Improvement Costs:

Mr. Walker updated the Board and noted that Ms. Kathleen Krager is no longer with the City. He said he spoke with Mr. Ryan Phipps and he indicated the City about a month away from having the design complete including utility locations. Mr. Walker explained that instead of 3 box culverts there will be one 60-foot arched culvert to get the trail underneath. The estimate of cost is \$5,000,000 and the City's available funds are \$4,000,000 remaining in the PPRTA #1 and it will be pledged to this project. He added bidding for the project is likely within 30 to 60 days. Improvements include two drop structures but does not include connecting Marksheffel or north to Cow Poke, they are just building the bridge. He said the excuse for not connecting to an existing road is they are trying to limit the scope and size of the project to prevent having to get a second permit. Mr. Walker said \$147,000 has been collected for Marksheffel, so that could be contributed as well as future platting fees. There is also over \$500,000 in a Park fund that was designed to build the park structure in the eastern side of the District and we could contribute a portion of that as part of the trail system, so those are potential available funds for consideration. Also, there is \$70,000 sitting in escrow for the water line that was sent to the City that they could contribute to the utility crossing. Director Morley indicated that he personally has no interest in any of the park money he had to contribute going to pay for Marksheffel road or bridge, and he would like it reimbursed to him if the fee's original purpose changes. Director Case asked if there were any TOPS funds or grant money that Mr. Phipps offered to match. Mr. Walker said no but that could be something to discuss. Director Morley said the District should be reimbursed for everything over 12 inches. Director Krohnfeldt said he thought the Pilot paid for a lot of that. Mr. Walker explained the money was supposed to

come into the District and Pilot payments were pledged to the bonds. Director Geditz said it does not make any sense and asked why Aspen View would pay for this. Mr. Walker said that might be what the escrow was for, so the pipe could be moved when they moved the bridge. Mr. Walker said this was just an update on the status, but the Board's issues are legit issues that can be discussed. Director Case noted the engineer report said it was to cost \$2.4 Million for the bridge and now it is \$5 Million. Mr. Walker said they claim there is \$4 Million left in the PPRTA and it is dedicated to this project. Director Geditz noted they were supposed to start last February. Director Krohnfeldt said the District potentially could contribute but not millions of dollars, so that will go back onto the Developers. Mr. Walker said he had another conversation with Mr. Zach Bishop from D. A. Davidson about the possibility of additional funds and he said there was no point in talking about it until 2021 when we have the ability to pay down current debt. As far as a sub-district, there is still no way to add debt. After December 2021 the District could refinance its debt service. President Case asked about a fill-up bond. Mr. Walker said he thinks the documents are strict about not allowing anymore debt.

b. COLA Reimbursement Update:

Mr. Walker said he met with Director Morley and they are still working on it.

c. Market Status of Ground or Developers:

Mr. Walker discussed the fast food restaurant on the Church property's possible development, residential development, plans for last phases of Shiloh mesa, a 70,000s.f. liquor store plus additional retail space going through development plans. He noted the Woodmen Road property has not closed yet and they are allowing them to close simultaneously. At the Circle K on southwest corner of Black Forest and Woodmen, there is a 3-office building in-concept plan on the southeast corner. Challenger, Aspen View and Keller are all building homes. Mr. Walker noted he has not heard anything on additional approvals or plats. President Case asked if the District will see 300 lots this year, Mr. Walker said yes, he thinks so. President Case noted that there could be 2,200 homes within the District at the end of 2019.

d. Quail Brush HOA/Landscaping Management:

Mr. Walker said that a resident called asking questions about the Quail Brush HOA and the relationship with the District. He explained Challenger turned over the landscaping and HOA responsibilities to the residents, so they wanted clarification on what the District is responsible for. The situation is that there are some common areas in the development that the HOA owns and is responsible for and would the District consider taking it over along with the other landscaped areas in the northern parts of the District. Mr. Walker said he recommended they write a letter and they could come discuss it with the Board. President Case said he would not be able to make a decision without seeing all the land on a map. He suggested they go to the City because the developer and the HOA has never spoken to this Board before about pushing landscape maintenance onto the Districts. President Case said future revenue could be discussed. Mr. Walker clarified that they are just here with the Board to start a discussion since some taxpayers within the District have a request. Director Geditz said he does not know how or when Quail Brush came into the District and would like them to explain their revenue, budget of landscape, and the exact area for landscaping they are wanting to be taken over by the District. President Case discussed the service plan and how they were not involved in those discussions. Mr. Corey Watson said he currently pays around \$20 per month for landscaping to

the HOA. President Case discussed the costs for the District to take over their landscaping and asked if they want some of their taxes to pay for their HOA. Mr. Watson explained the HOA Board just took it over from Challenger. Director Krohnfeldt indicated that it's a responsibility of the Manager to explain to the taxpayers where the funds are allocated, and Mr. Walker is working on that information sheet. Director Geditz added that it is a rational request for them to come to the Board, but he would like additional information. President Case asked how many homes there are. Ms. Corey Pilato said there are 218 homes total. Mr. Walker said the question is with the O&M not the debt and how much was spent last year. They are working on water costs, so they can put that together and bring it to the Board. Mr. Walker confirmed this was just an introduction to the Board. Director Krohnfeldt requested a map of what areas the Districts are responsible for now. Mr. Walker said most of the developments came to the District in the early years regarding landscape maintenance and negotiated which resulted in certain landscape parcels being dedicated to the District up front, the difference is Challenger did not approach the District, did not negotiate with the District at the onset relative to Quail Brush resulting in the landscape obligations and responsibilities going to the HOA. Director Case asked what the current HOA landscape maintenance budget Mr. Watson said the HOA board was just recently turned over to the residents but estimated the water would be \$21,000 for a year and \$18,000 for groundskeeping. They just increased HOA dues to \$60 a month from \$40 a month. Mr. Watson said the Quail Brush HOA's purpose was to start the discussion with the District and see what they need to do to possibly have the maintenance obligations taken over by the District. The Board would like to get more details on the subdivision, maintenance costs etc., in order to evaluate if the District would or would not consider taking on additional landscape maintenance. Director Krohnfeldt said they should be treated fairly in comparison to the rest of the HOAs in the District. Mr. Allen said the Board has provided sufficient direction to Mr. Walker to move forward with the evaluation. He will need to get analysis done and then the Board can evaluate it. Mr. Walker said we have had many different arrangements with HOAs such as reimbursement or paying for water every year, so there is a variety of ways to do this once we get the real data. Mr. Walker said we will continue to work on this and will report back when appropriate.

Mr. Mike Trimboli said he is with Shiloh Mesa and Aspen View and he is here to see where District tax money is going to report back to residents. Mr. Walker said he can send him the budget and would be happy to go over it with him. Mr. Trimboli said he would like any information about an HOA transition from Aspen View. Mr. Walker explained the difference between Quail Brush and Shiloh Mesa is that Shiloh Mesa was set up the way it should have been, and the land was dedicated to the District ahead of time, so it will be taken care of.

6. Financial Statement and Payables:

a. Financial Statement and Payables:

Ms. VonFeldt explained she did not do a draw for today because they are still waiting on half of the invoices. She will call next week for signatures and the Board can ratify at the next meeting.

b. District Facility Fee/Permit Fee Status/Delinquent Accounts:

There was no discussion.

- c. Tier Reimbursement Status Report
There was no discussion.

8. Public Comment:

Mr. Mersman asked Mr. Walker if he has stayed in touch with anyone from the fire districts. Mr. Walker said yes, both Districts are prepared to do their exclusions, but the City of Colorado Springs Fire Department is not cooperating. Mr. Walker said he has a call in to the Chief and they are prepared to get them done, they just need the City to acknowledge if they can provide adequate services.

8. Other Business:

- a. 2019 Annual Administrative Compliance Resolution:
Mr. Allen explained that the Annual Administrative Resolution delegates various tasks the District must perform, and which consultant will perform those tasks. Director Case moved to approve; seconded by Director Krohnfeldt. Motion passed unanimously.
- b. Next Regular Meeting Date:
The next regular scheduled meeting is on March 6, 2019 at 1:00 p.m.

10. Adjournment:

The meeting was adjourned at 1:58 p.m.

Respectfully Submitted,

By: Kristina Kulick for the Recording Secretary