



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
MARCH 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, March 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 (by phone)
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
Autumn Mason, WSDM
Cathia Bell, Quail Brush Creek HOA
Dave Mersman
Virgil Sanchez, M&S Consulting

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 1:06 p.m.

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

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 noted an added Agenda item, 5.e. Sorpresa Lane access takeover from Keller. Director Geditz moved to approve the Agenda; seconded by Director Krohnfeldt. Motion passed unanimously.

4. Approval of the Minutes:

Mr. Walker clarified the amount was \$45,000 and not \$70,000. Director Krohnfeldt moved to approve the February 6, 2019 minutes; seconded by Director Geditz. Motion passed unanimously. Mr. Mersman arrived at 1:08 p.m.

5. District Manager Report:

- a. Marksheffel Rd Extension Status and Sand Creek Improvement Costs: Mr. Walker said he called and spoke to the Project Manager, Ryan Phipps and there is still no cost estimate and they think the funds they have in the PPRTA account is enough to cover the project. Mr. Walker discussed the relocation of a water line that the engineers estimate will cost \$5 Million, and they only have \$4.1 Million available. Mr. Walker noted the District has funds in escrow for the actual bridge and \$40,000 to \$45,000 in escrow to relocate the water line and CSU needs to be reminded that is what the money is there for. The Board discussed how nothing was ever signed or agreed to with Ms. Kathleen Krager, so they are stuck in this situation. Mr. Walker discussed that they also offered funds out of the park escrow, \$500,000 for eastern park projects. There was objection last time, but the District had offered that in the past with Ms. Krager. Ms. Cathia Bell with Quail Brush Creek HOA arrived at 1:12 p.m. Director Randle Case passed out a map that was approved in 2013 that shows the road cross section. Mr. Virgil Sanchez said he came to get information as well and that he is working on development of the Nook at Shiloh Mesa. Mr. Sanchez said he wants to know why we would escrow money when we already had approval. Mr. Sanchez discussed that the City said they would take care of the future widening and signals. Mr. Walker noted that was a meeting between the developers and Ms. Krager, not an official meeting of the District. Director Geditz said he thought the signal at Kenosha Drive was cancelled. Director Krohnfeldt said they discussed the signal and the end result was Ms. Krager caused the requirement to go away, and the traffic count and signal were too far down the road to worry about at that time. He said the issue with Ms. Krager is done, so where do we find signed documentation on any of those agreements. President Case said she would not have consented if it was not modeled and if we can demonstrate that. Director Krohnfeldt said they could override it today. Mr. Sanchez asked if he should meet with

someone as a team to provide financial services for the signal. Mr. Walker suggested speaking with Jeff Hodsdon. Director Krohnfeldt said he will see what he has. Mr. Sanchez said the purpose of the map was to lock down the cross section and they used the document to plat the right-away in the first filing. Mr. Walker said the District could begin engagement by saying this is the money we have and what we can commit to. One issue is that they are not considering going between the bridge and Kenosha Drive, so who is responsible for that section of road. The reason they are giving for not connecting it is that they are over the size of the stormwater limit and they would have to get a new permit. Mr. Walker asked if he should engage and start to push along on it. The Board agreed they would like for Mr. Walker to push forward on this issue. Director Randle Case said he attended a meeting yesterday with four attorneys at the real estate office trying to decide road width. He explained the whole corridor has varying widths. He said the District needs to explain to homeowners that this was a 2004 PPRTA project, and it was voted on for that funding to occur. President Case suggested that our HOA Presidents should get together and comment on this issue. Director Randle Case asked for this to be kept on the Agenda for April to continue this discussion and give updates.

- b. COLA Reimbursement Update: Mr. Walker said he and Director Morley have agreed on an amount and this item can now be removed from the Agenda.
- c. Market Status of Ground or Developers: Mr. Walker said they have the concept and development plan for the liquor store on Woodmen in the District. They are still working on the Circle K at Black Forest and Woodmen. Mr. Sanchez said he is working with them and likely to be under construction in the Summer as well as The Maverick. Director Randle Case asked Director Geditz about lots and lot pricing. Director Geditz said there is not much going on because the City has us held up and there are not many lots out there. The last one was on Dublin North. He said he sold his lot to Aspen View and noted an area on the map owned by Aspen View and said the school site is a problem, so they did a separate one for the residential and Matrix is doing the engineering. Director Geditz said it would total 240 units if we can resolve the school site, if not maybe 160 to 170. Director Geditz explained they want the school site, but the City let people plat without paying school fees. The City is siding with the school and saying we need to just give it to them. Director Geditz explained how things are dedicated in a certain way and they did not follow the code and what the code says. Director Geditz said they have tried to come up with solutions, but School District 49 wants to accumulate property without paying for it and they don't have money to build a school anyways. He noted that Dan Sexton is the Project Manager for the City on this. President Case asked if they offered to do school fees. Director Geditz said yes, both the voluntary and involuntary fees but they just want the land which is higher value. Director Geditz said there is also a problem on a stormwater agreement where they agreed to build Pond No. 3 and they are now saying the developer has to upgrade it but the deal was that the City would do it. President Case asked about the boundary line. Director Geditz said it is 500. Mr. Walker noted what the annexation agreement says. Director Krohnfeldt discussed the ability to get with Mr. Zach Bishop on bonds since the numbers are off the table for the developers. President Case noted that 80% of the District is built out and Director Geditz said there might not be any more development. Mr. Walker said the District may have to go to the City then. President Case said as a District, we cannot go promote his land issues. He said he knew it was a park site, and it will stay as a park site. Mr. Walker said he thinks we need to get an update on the City as far as stormwater, parks, and

schools since we do have an interest there as a District. Mr. Sanchez noted they switched Planners in the middle of the development plan with them and they are having to explain things again and it has taken an extra 2 weeks to get things approved. Director Randle Case asked if the 91 lots are part of The Nook. Director Geditz said it is Aspen View. Director Randle Case asked if that will come online with houses this year. Director Geditz said hopefully. Mr. Sanchez noted channel improvement requirements that may stall development. President Case asked if we could add a new District over it for a new 40 year bond so we could start something different. Mr. Sanchez said it would be 90 development acres, 200 lots.

- d. Quail Brush HOA/Landscaping Management: Mr. Walker told the Board that he has prepared a memo that was distributed yesterday, in reference to the presentation from last month. The Quail Brush HOA has given a formal request to the District. Mr. Walker explained the history and that it was added to the District in 2007. Plats were recorded in 2014 when it was being developed by Challenger. The first plat was to the HOA or Metro District and subsequent plats were to be dedicated to the HOA. Challenger removed themselves from the new Board and that's when the HOA contacted the District. Mr. Walker explained that we have a two test policy; does it have a 2 year warranty with the City and does the District have adequate funds. The HOA has not completed the warranty on only a portion, and the District potential costs is in line with the costs of the other tracks. Mr. Walker said he doesn't think the costs are extraordinary for the District as far as maintenance. The current budget for O&M does not have room for it, but capital construction and contingency funds are available and are not pledged currently. The cost would be a little under \$40,000 to maintain. Mr. Walker said his recommendation would be partial acceptance, and he proposed the District covers maintenance and the HOA buys water for this year and reassess next year with likelihood we would take it over next year. Ms. Bell said she came to hear what the District would say and the HOA Board would very much appreciate if the District would take it over. She said she is a Realtor and knew what was going on across Woodmen. She added they would be happy to deed the property to the District. Mr. Walker noted the exact area on the map. President Case asked how it relates to other areas in the District. Mr. Walker said it is very similar to other HOAs in the District. President Case asked Mr. Mersman if he would support the Board's thought on this. Mr. Mersman said yes. Director Krohnfeldt moved to approve the Manager's recommendation as stated; seconded by Director Geditz. Director Geditz said he just wants to make sure there is enough funds in the mill levy to pay for this. Mr. Walker said yes, and all will be on the tax role for this year. That is why he recommends half now and more in the future. Director Geditz said it sounds fair. Director Randle Case asked Mr. Allen if there is any motion language we need to include. Mr. Allen said no, just to make sure the Board gets confirmation from Mr. Walker by 2020 that tax revenue will be sufficient to cover the full amount of the O&M expenses. Mr. Walker said there are many moving parts to this, such as the value of the homes and if they will be on the tax role. He also noted a reassessment year and Gallagher and how those will go up and we can do an analysis. Director Randle asked for clarification on which year we do this. Mr. Walker said he recommends we take on the physical mowing and maintenance of the tracks, but HOA continues to pay for the water. Director Krohnfeldt said do half this year, do full amount in 2020 and agree to reassess at budget time. Ms. VonFeldt asked about Shiloh Mesa and if they are coming out of their 2 year warranty period. Mr. Walker said we will keep assessing that. Mr. Allen encouraged Ms. Bell to make note that the Board is agreeing to half now, and will revisit later. The Board discussed they will maintain the whole property and the

HOA pays for water. This agreement is only for maintenance, no other developer operations or capital improvements. There will be no new installation, maintenance not capital. Funds will come from the contingency budget line item. President Case asked for clarification and Ms. VonFeldt explained the contingency fund and why it was done that way. Mr. Walker said the maintenance was bid at \$19,500. Mr. Walker went over what Quail Brush brings in for revenue. Ms. VonFeldt noted they do not want to start 2020 with a \$0 budget. Mr. Allen recommended clarification on the memo since the recommendation is different than what was agreed on. Director Krohnfeldt amended his motion to state the District will pay maintenance costs not to exceed \$19,500 and the HOA will pay for water in 2019 and assess the financial status in budget season in 2020; seconded by Director Geditz. Ms. Bell said they would be very happy with that and it is understandable to cover half this year and the HOA will work on deeding the properties over to the District. Mr. Allen asked if invoices will be in the District's name or will the HOA keep them in their name. Mr. Walker said we will add them to our contract with our contractor. Motion passed. Director Morley did not vote. Director Krohnfeldt asked about the capital construction budget. Ms. VonFeldt explained the Auditor recommended putting that number in because we didn't have anything to cover those expenditures from the pilot, so when we did the audit without that number it kept busting the budget.

- e. Sorpresa Lane Takeover from Keller: Mr. Walker told the Board that Mr. Mersman has asked him to consider whether the District would take over the ownership and maintenance at Sorpresa Lane. He explained there is a retaining wall that needs to be done and another condition was Keller needed to maintain access from Ski Lane to Cow Poke. They platted a tract and they are required to maintain that as access. Mr. Walker said he is just introducing the idea, and he will get Mr. Allen's input and come back to the Board next month with a formal request. Mr. Mersman said the Court ordered it be a private driveway for the 4 nearby residents, but they could put curbs and asphalt in and the District would take over for maintenance. Mr. Mersman added he could put barriers up to prevent it from being a city street, but he delayed installing the barriers in case the District wants to do something different. Mr. Walker said he will be back in touch with the Board.
- f. Girl Scout Little Library at Cumbra Vista Park: Mr. Walker said he had an additional item for the Agenda. He explained the Girl Scouts requested the Board's approval to put a little library in Cumbra Vista Park. Mrs. Autumn Mason presented to the Board that the Girl Scouts partnered with GE Johnson Construction to build little libraries and they would like to install one in Cumbre Vista. The Girl Scouts will maintain the library and the boxes are very sturdy and heavy, but will not be an ugly distraction in the park. The Board discussed that the District currently maintains the park and Keller did in the past. Mrs. Mason said she will check with the insurance to make sure it is okay, and the Girl Scouts will write a memo to gift the Library to the District. She said she will also check with Weisman Landscaping to make sure it is good to go. Director Krohnfeldt moved to approve; seconded by Director Geditz. Motion passed unanimously.

6. Financial Statement and Payables:

- a. Financial Statement and Payables: Ms. VonFeldt noted a draw from February that needed approval and explained that all of the invoices have not been received yet. Director Geditz moved to ratify the payables; seconded by Director Krohnfeldt. Motion passed.

- b. District Facility Fee/Permit Fee Status/Delinquent Accounts: There was no discussion.
- c. Tier Reimbursement Status Report: There was no discussion.

7. Public Comment:

There was no public comment.

8. Other Business:

- a. Next Regular Meeting Date: The Board discussed meeting in April if needed.

9. Adjournment:

The meeting was adjourned at 2:24 p.m.

Respectfully Submitted,

By: Lori VonFeldt for the Recording Secretary