



**MINUTES OF REGULAR MEETINGS  
OF THE BOARDS OF DIRECTORS OF THE  
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3  
NOVEMBER 7, 2018 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, November 7, 2018 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 (1:04 p.m.)  
James Morley, Secretary (1:16 p.m.)  
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

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 Case called the meeting to order at 1:01 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:

Director Geditz moved to approve the agenda; seconded by Director Case. Motion passed unanimously.

### 4. Approval of the Minutes:

Director Geditz moved to approve the August 1, 2018 minutes; seconded by Director Case. Motion passed unanimously.

### 5. 2018 Amended and 2019 Budget Hearing:

President Case opened the public budget hearing for discussion and public comment. There being no public comments the public hearing was closed. There was discussion regarding future platting fees. Director Geditz indicated that he will plat 25 acres in 2019. The Board decided to change the budget to reflect 55 acres instead of 60 acres for estimated platting fee revenues. Ms. VonFeldt noted that the line item for landscaping was increased because the District has taken most of it over. Mr. Walker passed out a Landscape Expenditure spreadsheet to the Board to explain where the projected \$260,000 for the maintenance will be spent. Mr. Walker said there are capital items such as tree replacement that was budgeted at \$43,000. Mr. Walker told the Board that there was an audit done of the playgrounds and certain playground equipment will need to be replaced. There are also irrigation updates, rain sensors and upgrades that need to be done that will help with water usage. Director Krohnfeldt asked about the nature of playground replacement items, and Mr. Walker said it is mostly maintenance and adding additional mulch. Director Krohnfeldt asked if the District can replace trees with rocks or xeriscape and replace playground mulch with rubber instead. Mr. Walker he would get the details on rubber versus mulch and report back to the Board in 2019. As far as replacing trees with rocks or xeriscaping, the City approves landscape development which includes maintaining the trees. President Case said he would like to maximize every dollar to maintain landscape and doesn't want to get rid of the greenery but would like a more efficient irrigation system. Mr. Walker indicated that the capital improvements are in the budget for those improvements. Director Case asked about the HOA helping with the maintenance. Mr. Walker explained the agreements with the HOA and their only obligation is to the areas that are still under the two-year warranty.

Director Krohnfeldt moved to amend the 2018 Budgets as presented and adopt the 2019 Budgets making adjustments as per the discussion, appropriate the revenues necessary to cover the expenditures, and certify the mill levy; seconded by Director Case seconded. Motion passed unanimously.

### 6. District Manager Report:

a. Vollmer Sand Pit:

Mr. Walker told the Board about a Notice of Reclamation of the Vollmer Sand Pit that was received. The Notice requests that the District sign a release that says we understand they are finishing the reclamation of the sand pit and that we have some structures that may be damaged and the District will need to let them know if they are damaged. Director Morley explained that they took dirt out of the pit to build the berm that protects the houses nearby. They are going to take the berm down and push it back into the pit. Director Morley said DRS required them to send out 60 notices and all of them must be returned or they would have to do an engineer report, so they are going to just have the engineer report done. Director Morley said it is a regular grating job where they are just pushing dirt back into the hole. Mr. Walker said the District only has a detention pond in that area. Director Geditz moved to authorize Mr. Walker to respond as needed; seconded by Director Krohnfeldt. Motion passed unanimously.

Director Case asked Mr. Allen if the District can include property that is in unincorporated El Paso County. Mr. Allen said yes, there is a process but the City would have to consent and the County would have to not object. Director Morley said they will probably take it into Sterling Ranch since the City does not want to annex them and they are not interested even with the water and sewer lines right there.

Director Morley discussed his issues with the City and his sewer lines. Director Geditz asked if it is related to the City and Cherokee. Mr. Walker said from the City's standpoint, they have wastewater capacity to serve more than needed and Cherokee has their problem with the plant that needs to be upgraded, so the City and Cherokee are working together on that plant. Director Morley explained the return flow his water and the pipeline he will be building. He said he offered to buy 38% from Cherokee a few years ago and they declined it. Director Morley said he will have enough water to serve Bent Grass, Alcorn and a few others. President Case thanked Director Morley for the better understanding of the 100 acres up north. Director Case asked Director Morley if he is going to do anything with the Hollywood Hills area. Director Morley said there is no water and sewer so they have come to him to buy the lots, but he doesn't need to buy them right now.

b. Marksheffel Rd Extension Status:

Mr. Walker said he has heard the road will be under construction up to Cowpoke done next year, but he has not heard from Ms. Krager directly. He is still waiting to hear back on what she is really wanting to do.

c. COLA Reimbursement Update:

Mr. Walker said he has no updates on the COLA reimbursement. Director Morley told Mr. Walker he would like to meet soon to discuss. President Case asked if they want to offset the Tiers. Director Case asked Mr. Allen if they can do that. Mr. Allen recommended letting Mr. Walker and Director Morley have their discussion first before exploring any Tier reimbursement offset.

d. Market Status of Ground or Developers:

Mr. Waldthausen said the sewer line is going in right now that serves the land that was sold to Aspen View. Mr. Walker said there are development plans on the southeast corner of

Marksheffel and Woodmen that will be a large liquor store. He said there is also a Circle K going in at Black Forest and Woodmen that is in the District as well. Director Case asked about the townhome project. Mr. Walker said they have not platted anything yet. Director Morley added they are doing well and are getting ready to move on to the next phase in Forest Meadows. Director Morley asked about the school site. Director Krohnfeldt said he saw that the City was going to keep it. Director Geditz said the school district submitted a letter saying they think they need a school in this area and they oppose the master plan, but the issue is that Aspen View owns the land and not the school. Director Geditz said they are trying to re-master plan it to single family residences, but the school says they may want it in the future. Mr. Walker said they could dedicate it and not pay school fees. Director Geditz said it has become very convoluted because their story keeps changing.

#### 7. Financial Statement and Payables:

a. Financial Statement and Payables:

Ms. VonFeldt noted the payables are mostly for landscaping. Director Geditz moved to approve the payables; seconded by Director Morley. Motion passed unanimously.

b. Discuss Bond Refinance:

President Case asked about Zack Bishop looking into the bond refinance. Mr. Walker indicated that he had talked to Mr. Bishop but the bond holder, Rene Vecka, remembered there is a 10-year call period, so they stopped. Director Morley asked when the District will be eligible to refinance. Mr. Walker said the bonds can be called in 2022 and then the District can refinance and see about the C bonds. Director Case asked if the extra 2 mills were removed for the Sorpresa judgement. Mr. Walker said it was removed last year.

c. 5th Modification PILOT Agreement; Discuss Current Annual PILOT Payment Amount, Payment by Credits, Transfer Fees:

Mr. Walker said the accountants and his office are working on this.

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

Ms. VonFeldt confirmed there is nothing delinquent.

#### 8. Public Comment (on items not already on the agenda):

There was no public comment.

#### 9. Other Business:

a. Updated White Bear Ankele Tanaka & Waldron Engagement Letters D1-3:

Mr. Allen reviewed the Engagement Letter with White Bear Ankele Tanaka & Waldron with the Boards. Mr. Allen noted specifically that the arbitration provision had been revised to make it clear that arbitration applies to this engagement letter as well as any prior engagement with the District. Mr. Allen also noted and discussed the addition of the representative client list section. Mr. Allen noted that he is not independent as to the engagement so the Boards may have separate legal counsel review the engagement letter. After discussion, upon a motion duly made by Director Morley, seconded by Director Krohnfeldt, and upon a vote, unanimously carried, the Boards approved the engagement letter with White Bear Ankele Tanaka & Waldron.

- b. Next Regular Meeting Date:  
To be determined.

10. Adjournment:

Director Case moved to adjourn, seconded by Director Krohnfeldt. Motion passed unanimously. The meeting was adjourned at 2:21 p.m.

Respectfully Submitted,

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By: Lori VonFeldt for the Recording Secretary