



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
April 3, 2013 AT 9:00 A.M.**

Pursuant to posted notice, the regular meetings of the Boards of Directors of the Woodmen Heights Metropolitan District Nos. 1, 2 and 3 were held on Wednesday, April 3, 2013 at 9:00 a.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
Randle Case II, Assistant Secretary

Also in attendance were:

K. Sean Allen, Esq., White, Bear &
Ankele P.C. (by phone)
Terry Schooler, Schooler & Associates
Lori VonFeldt-Wingert
Bryan Long
Virgil Sanchez
Ross Clinger

Scott Hente, Assistant Secretary, and James Morley, Secretary/Treasurer, were absent and excused.

Combined Meetings:

The districts are meeting in a combined board meeting. Unless otherwise noted below, the matters set forth below shall be deemed to be the action of Woodmen Heights Metropolitan District No. 1 (“District”, “District 1” or the “Board”) with concurrence by Woodmen Heights Metropolitan District No. 2 (“District 2”) and Woodmen Heights Metropolitan District No. 3 (“District 3”).

1. Call to Order:

Director Lindsay Case called the meeting to order at 9:14 a.m.

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

Director Lindsay Case indicated that a quorum of the Board was present, and stated that each Director has been qualified as an eligible elector of the District pursuant to Colorado law. The Directors confirmed their qualification. Ms. VonFeldt-Wingert noted that the Directors’ disclosures of their potential conflicts of interest were filed pursuant to state law for the meeting.

3. Approval of

the Agenda: The agenda was approved.

4. Approval of

the minutes: Director Krohnfeldt motioned to approve the February 6, 2013 minutes seconded by Director Randle Case II. Motion passed.

5. Resolution for the \$5,500 Platting Fee:

Mr. Schooler stated that the map is pending and the final component to complete the resolution. Mr. Sanchez said that he is finalizing the acreage on the map, but felt that the original service area acreage number of 745 is still the best number to use for the Platting Fee formula with the total acreage being 1,440 .. Mr. Sanchez indicated that he is in the process of firming up the acreage numbers with the City. The Board suggested coloring the map to show which areas are in the actual service area and those that may potentially join the District. Mr. Sanchez stated that he would get the map to Mr. Allen as soon as possible.

6. Series 2012 "C" Cost Certification Status:

Mr. Schooler indicated that he is still working with Director Morley gathering his invoices for the "C" Bonds. Mr. Schooler noted that the District received a garnishment from the performance bonding company against Morley Family Development, but since the District doesn't have an agreement in place with Director Morley there was nothing to garnish. Mr. Schooler stated that he would be having further conversations with Director Morley to clear up any issues. After some discussion the Board agreed that although the time limit to complete the "C" Bonds has been extended another year they would like to see it finished in 60 days and that it should be put on the June agenda.

7. District Manager Report:

a. Update on City IGA regarding Annexation and Drainage/Bridge Credits-

Mr. Schooler said that excellent progress was being made with the city and the IGA. Mr. Mulliken and Mr. Schueler are working on the final draft. Mr. Schooler indicated that Mr. Sanchez has made significant progress with the City with the map and the outlying properties that will have to pay fair and equitable participation fees to the District.

Director Randle II mentioned that Mr. Schueler is working on Special Improvement Districts (SID) and that the District should consider whether or not the Service Plan should be modified to include it. Mr. Allen commented that the SID probably wouldn't apply to the District, but he would look at the information and report back to the Board at the May meeting as applicable. Director Krohnfeldt motioned to authorize Mr. Allen to research the SID to see if any modifications are needed to the Service Plan seconded by Randle Case II. Motion passed.

b. Market Status of Ground or Developers-

Mr. Schooler stated that Brian Bahr is still moving forward on his projects and that Mr. Sanchez is still working on getting Forest Meadows F6 filed. Mr. Schooler stated further that Cedarwood has changed their development plan to amend the apartment complex by adding a couple of buildings and the estimate is for upwards of \$300,000 in participation fees to the District. It was noted that the Nazarene Church has 230 lots that they are doing in phases. The first phase is 50 lots.

Director Randle Case II said that commercial sales are slow because big users are saying that there are not enough rooftops yet for their commercial developments, but once Dublin is expanded to Marksheffel it will help as there are not a lot of commercial lots available there.

Mr. Schooler reported that the utilities are going under Woodmen Road at Black Forest and the improvements on Black Forest are finally being done by the City.

c. Cumbre Vista Park 5 Year Maintenance Expiration/Ongoing Maintenance Performance and Reimbursement-

Mr. Schooler indicated that he has been in meetings trying to figure out how to reduce the landscape expenses around Cumbre Vista to cut back the water. It's currently about \$70,000 annually to maintain. Mr. Schooler suggested using some of the \$5,500 Platting Fee to pay for the expenses, but Director Randle Case II indicated that the ongoing landscape maintenance is not a Tiered item and should fall under O&M. Mr. Schooler said that, for previous years, the Cumbre Vista maintenance expenses are in the Tiers and he has asked them if they prefer to be paid back for prior expenses or to have the District take over current expenses and he hasn't gotten an answer back from them yet. Director Randle Case II asked who is paying for the expenses now and Mr. Schooler replied that KF-103 is currently covering the costs. The Board suggested that Mr. Schooler meet with Keller Homes and the City to see if the City would consider taking over the park in Cumbre Vista since the City is benefitting from it. Mr. Schooler indicated that he would look into it.

- d. Spring Ranch GID Funding Status –
Mr. Sanchez indicated that the City went out to bid for the engineering on Ponds 3 and 6.
- e. Tier Reimbursement Policy Status-
See Item: 6
- f. Drainage Fees-
There was nothing new to discuss.

8. Financial Statement and Payables:

- a. Approval of Invoices-
Director Krohnfeldt motioned to approve the invoices seconded by Director Randle Case II.
Motion passed.

Mr. Schooler presented proposals from BiggsKofford for the District 2012 audit. After some discussion Director Randle Case II moved to change the District Auditor from Stockman Kast Ryan to BiggsKofford seconded by Director Krohnfeldt. Motion passed.

- b. District Facility Fee/Permit Status/Delinquent Accounts-
A summary report of the District's residential and commercial facility fees (due at building permit) that have been collected was presented to the Board. It was noted that fees have been collected on 60 lots so far this year.

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

Mr. Clinger asked the Board about Cedarwood and platting and other fees. The Board responded that the District hasn't received platting fees and any other fees are City related.

10. Executive Session Section 24-6-402(4)(b) and (e)-

The Board agreed not to reconvene into regular session after the executive session.

Executive Session. At 10:44 a.m., pursuant to Section 24-6-402(4)(b) and (e), C.R.S., Director Krohnfeldt motioned, and being supported by at an affirmative vote of at least two-thirds of the quorum in attendance, that the Boards convene in an executive session for the sole purpose of receiving specific legal advice regarding the Sorpresa lawsuit. Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record or electronic recording will be kept of those portions of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client

communication pursuant to Section 24-6-401(4)(b), C.R.S. The Board did not engage in discussion of any matter not enumerated in Section 24-6-402(4)(b) or (e). The Board did not adopt any proposed policy, position, resolution, rule, regulation, or formal action. The executive session meeting was adjourned at 10:51 a.m.

11. Adjournment: The regular meeting adjourned at 10:51 a.m.

The next regular meeting will be held on Wednesday, May 1, 2013 at 9:00 a.m.

Respectfully Submitted,

Terry E. Schooler, Manager

Attorney Statement

REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Woodmen Heights Metropolitan District Nos. 1, 2 and 3, I attended the executive session meeting referenced in the above minutes, for the sole purpose of discussing specific legal advice regarding settlement negotiations involving the Sorpresa ROW litigation. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Signature _____
Name and Title _____
Date _____