

**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
May 1, 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, May 1, 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
Scott Hente, Assistant Secretary
James Morley, Secretary/Treasurer

Also in attendance were:

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

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 9:05 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 Hente motioned to approve the April 3, 2013 minutes seconded by Director Randle Case II. Motion passed.

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

Mr. Schooler stated that the map has been resolved with the City and a copy has been sent to Mr. Allen for review. Mr. Allen asked if the City has approved the map and Mr. Sanchez confirmed it had. Mr. Sanchez reviewed a color coded map with the Board that outlines which properties are in the Districts and those that are currently outside the boundaries but located in the potential future inclusion and benefited service area. Mr. Schooler noted that the District and City are working to finalize an intergovernmental agreement that, among other matters, requires the properties that benefit from the District's provision of public improvements to pay a fair participation fee or include into the Districts. Mr. Schooler also said that he is working with the City for participation fees on a Park and Ride site going in at the corner of Black Forest and Woodmen.

6. Series 2012 "C" Cost Certification Status:

Mr. Schooler said that he met with Director Morley to review his invoices and feels that they have come to an agreement for his "C" Bond items. Director Morley concurred. Mr. Schooler will have an update for the June meeting.

7. District Manager Report:

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

Mr. Schooler stated that there continues to be two unresolved issues with the IGA. One is the ongoing maintenance of the park sites that are on the service area peripheral that the District will not have the financial means to provide. Director Lindsay Case said that due to the District's inability to finance these costs, that City assistance needed. After a lengthy discussion the Board decided to address the parks at a later date so it doesn't stall completing the IGA.

Mr. Schooler stated further that the second issue on the IGA concerns the drainage fees. The plan is for the IGA to indicate that the process will revert to the standard City drainage policy and procedures and the District will not act as the collector of such fees. Mr. Sanchez indicated that the drainage basin could be closed, but Director Hente didn't think the City would be in favor of doing so at this time.

b. Market Status of Ground or Developers-

Director Morley indicated that Forest Meadows is doing well because of the sales to Journey, Saint Aubyn, and Aspen View.

Mr. Schooler said that he has talked with the Cedarwood representatives and they will be starting their apartment complex by the end of the year and will owe the District just over \$300,000 in cost recoveries. They have asked if the District will allow progress payments so Mr. Schooler suggested that they make the required cost recovery payments in installments. They are only platting 14 acres in their first phase.

Mr. Sanchez noted that Brian Bahr will be submitting his apartment plan for approval by August. Mr. Bahr has also received some City comments for his 50 single family lots.

Director Randle Case II reported that Dublin is being extended to Marksheffel where people may be looking to put in commercial projects, which may have traffic impacts for the Districts. There will be a traffic signal at that intersection and noted that as traffic on Marksheffel increases there is likely to be more stoplights and Marksheffel will no longer have characteristics of an expressway .

Director Randle Case II said that they are converting 16 of their 18 acres from commercial to residential of 64 lots.

Mr. Mersman stated that they continue to have challenges because of the Sorpresa lawsuit. They have 30 lots still in Cumbre Vista, but have 187 lots that are being held up.

Director Randle Case II noted that the temporary road that was put in for 7-11 has helped sales.

- c. Cumbre Vista Park 5 Year Maintenance Expiration/Ongoing Maintenance Performance and Reimbursement-
Mr. Schooler indicated that he continues to have ongoing discussions with Mr. Mersman on behalf of KF-103 regarding the landscape and maintenance in Cumbre Vista. The District was, after five years, to take on the maintenance, but the slowdown in the housing market has resulted in assessed valuation growth lagging significantly behind where it was projected to be at the five year mark. As a result the Districts do not have sufficient funds to take on the associated maintenance costs. The costs are estimated at \$40,000 for water expenses and \$30,000 for maintenance per year. Mr. Mersman stated that because of the drought the costs have gone up and now there are watering limitations. Director Morley said that the Forest Meadows HOA picked up the cost for their landscaping/maintenance and suggested it may be an option for Cumbre Vista as well. After a lengthy discussion regarding funding sources and possible revised allocation of the \$5,500 Platting Fee as well as reprioritizing the Tiered list a work session was suggested so that the Board could be presented with additional information at its June 2013 meeting.
- d. Spring Ranch GID Funding Status –
Mr. Schooler said the City is using the funds to improve ponds 3 and 6.
- e. Tier Reimbursement Policy Status-
There was no discussion.
- 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 as well as an additional \$5,000 towards Mulliken's invoices regarding the IGA seconded by Director Randle Case II. 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 about the property owners who will have to participate in the benefited Service Area cost participation requirement and how such owners will be able to discuss the matter. Mr. Schooler indicated that the City would be sending out notices to them.

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

There was no executive session.

11. Adjournment: The regular meeting adjourned at 11:13 a.m.

The next regular meeting will be held on Wednesday, June 5, 2013 at 9:00 a.m.

Respectfully Submitted,

Terry E. Schooler, Manager