



**MINUTES OF SPECIAL MEETINGS  
OF THE BOARDS OF DIRECTORS OF THE  
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3  
JANUARY 8, 2014 AT 9:00 A.M.**

Pursuant to posted notice, the special meetings of the Boards of Directors of the Woodmen Heights Metropolitan District Nos. 1, 2 and 3 were held on Wednesday, January 8, 2014 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/Treasurer  
Randle Case II, Assistant Secretary  
Scott Hente, Assistant Secretary

Also in attendance were:

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

James Morley, Secretary, was 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 9:00 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 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:

A motion and a second were made by the Board to approve the November 6, 2013 minutes. Motion passed.

5. City/District Intergovernmental Agreement (benefited service area and fair and equitable participation):

Mr. Schooler stated that there was nothing new to report because Mr. Mulliken is still waiting to hear back from the City with any comments on the last draft submitted.

6. Series 2012 "C" Cost Certification Status:

Mr. Schooler indicated that all previously constructed Series C allocated public improvement costs had been submitted to the District except for the items from Director Morley. The Board discussed different scenarios as to how to move forward in the absence of Director Morley's documents relative to actual issuance of the Series C Bonds for costs that have been submitted. The Board suggested a letter be sent to Director Morley inquiring about the timing, status and ability of Director Morley to submit his Series C public improvement costs to the District.

9. District Manager Report:

- a. Update on City IGA regarding Annexation and Drainage/Bridge Credits-  
Mr. Schooler stated that there was nothing new to report.
- b. Market Status of Ground or Developers-  
Mr. Mersman indicated that KF-103 continues to work on their plat for their next phase in Cumbre Vista.
- c. Spring Ranch GID Funding Status –  
Mr. Schooler stated that Mr. Sanchez is still working on Ponds 3 and 6.
- d. KF-103 Park Maintenance Agreement Extension/Addendum-  
Mr. Allen asked for some clarification regarding funding commitment amounts and length of funding extensions. After discussion, and upon motion and second, the Board unanimously approved the addendum as discussed and directed Mr. Allen to finalize the document for signature.
- e. Service Charges-  
It was noted that there was no need to set service charge fees for new subdivision review at this time.
- f. Pond Credit Discount Sale Policy-  
Mr. Schooler inferred that since there is no further construction within the pond basin it was highly unlikely the District would ever see the full value of the credits due the District so it would benefit the District to sell its credits. The Board discussed and authorized setting the policy at about \$0.60/dollar per the market rate to sell District credits as a reasonable determination of being present value for credits.
- g. General Liability Insurance Coverage Amount Increase-  
The Board discussed an increase to the insurance coverage in light of coverage concerns brought to light as a result of Sorpresa lawsuit defense costs. Mr. Schooler will contact the insurance provider to discuss coverage increases.

10. Financial Statement and Payables:

- a. Approval of Invoices-  
A motion and a second were made to approve the invoices. Motion passed unanimously.

- b. District Facility Fee/Permit Status/Delinquent Accounts-  
Ms. VonFeldt reported that Grant Langdon, in response to the multiple District communications, has paid the outstanding and delinquent fees.

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

Mr. Clinger had general questions regarding drainage fees and credits. The Board encouraged Mr. Clinger to meet with Mr. Schooler for more detail.

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

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

**Executive Session.** 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 ROW litigation. 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.

13. Adjournment: The regular meeting adjourned. The next meeting will be held on Wednesday, March 5, 2014 at 9:00 a.m.

Respectfully Submitted,

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Terry E. Schooler, Manager