



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
MARCH 5, 2014 AT 9:00 A.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 5, 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
Virgil Sanchez
Elizabeth Niecamp, City Engineer
Steve Martin, Forest Meadows HOA
Shayne Hall, Forest Meadows HOA
Ross Clinger

James Morley, Secretary, was absent and excused.

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:

Director Krohnfeldt called the meeting to order at 9:02 a.m.

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

Director Krohnfeldt 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. Ms. VonFeldt noted that the Directors' disclosures of their potential conflicts of interest were filed pursuant to state law for the meeting, and were made part of the official minutes of the meeting by reference. The Boards determined that participation by the directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

3. Approval of

the Agenda: The agenda was approved.

4. Approval of

the minutes: Director Hente moved to approve the January 8, 2014 minutes seconded by Director Randle Case II. Motion passed.

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

Mr. Schooler indicated that Carl Schueler is still waiting for the final agreement comments and adoption by the City. Despite the delay in finalizing the agreement, the City staff has been able to move forward with developers and Steve Mulliken is maintaining connections with staff in an effort to push the agreement to completion.

Mr. Schooler noted that Challenger has submitted a 13 acre parcel west of the Kit Carson Riding Arena and east of Cumbre Vista, which benefits from the District improvements. The City has indicated that Challenger will need to pay fair and equitable participation fees to the District.

6. Series 2012 "C" Cost Certification Status:

Tabled until the continued meeting March 18, 2014.

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 stated that Keller Homes bought 10 lots from Brian Bahr at The Trails at Forest Meadows.

Mr. Schooler said there is a Kum & Go going in at the Southwest corner of Woodmen and Black Forest.

Director Krohnfeldt indicated that the Church would be rezoning a northern portion of their property to 250 residential lots.

- c. Spring Ranch GID Funding Status –
Mr. Schooler noted that they have finished the design of Ponds 3 and 6 and are trying to get them under contract for construction.
- d. Cedarwood Fees Collected-
Mr. Schooler stated that the fees were collected from Cedarwood and have been disbursed.
- e. Possible Request by Forest Meadows HOA-
Mr. Schooler introduced the representatives from the Forest Meadows HOA, Steve Martin and Shayne Hall, who came to discuss the park expenses. Mr. Martin stated they have been managing the HOA and taking care of the parks that the District would otherwise be taking care of if it had sufficient funding. Mr. Martin stated further that the association is currently tight on funds and would like the District to contribute about \$10K of the expected park expenses in 2014 to help defer costs and he would also like the park water meter and insurance transferred out of Jim Morley's name and put into the District's. Director Krohnfeldt asked for further

clarification of the total park costs and Ms. Hall indicated that they are about \$20K a year. Director Krohnfeldt questioned the need for an agreement with the HOA and Mr. Allen said a cost participation agreement could be drafted with the HOA continuing to manage the park. Director Krohnfeldt moved to approve the transfer of ownership of the park acreage, meter, and insurance from Jim Morley to the District, and to enter into an agreement with the HOA whereby the District funds a limited portion of the 2014 annual park expenses in the amount of \$15,000 while the HOA remains responsible for the ongoing park maintenance seconded by Directory Hente.

- f. General Liability Insurance Coverage Amount Increase-
Mr. Schooler said that he is still in the process of looking into increasing the ability of the Districts to increase their litigation defense limits.
- g. Pond 6 Briefing-
Mr. Sanchez stated regarding Pond 6 that the final plans from the engineer are ready. The City is getting the 404 Wetlands mitigation permit from the US Army Corps of Engineers and then it will be put it out to bid in about a month.

Ms. Niecamp, City Engineer, came before the Board to discuss laws regarding water quality detention and discharge and how such laws will affect Pond 3 by requiring storm water detention to be clean before it is released into a creek. Ms. Niecamp stated that a water quality pool could be constructed on the east side of Pond 3 to clean the storm water before entering Pond 3, but approximately 8 to 10% of developable ground could be lost to facilitate the installation of the new water quality pool. The Board asked about Pond 3 being grandfathered in since the plans were already approved and Ms. Niecamp stated she will discuss the matter with her supervisors to see if grandfathering is permitted under the new law. Mr. Sanchez and Ms. Niecamp indicated that they will continue to work on the issues.

10. Financial Statement and Payables:

- a. Approval of Invoices-
Director Krohnfeldt moved to approve the invoices seconded by Director Hente. Motion passed unanimously.
- b. District Facility Fee/Permit Status/Delinquent Accounts-
Mr. Schooler said permit activity has been slow, but Challenger Homes has paid fees for the Trails.

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

There was no public comment.

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

Executive Session. Pursuant to Section 24-6-402(4)(b) and (e), C.R.S., At 10:10 a.m. 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 adjourned at 10:13.

13. Adjournment: The regular meeting adjourned at 10:13 a.m.. A continued meeting will be held on Wednesday, March 18, 2014 at 9:30 a.m. Director Hente motioned to cancel the April meeting seconded by Director Krohnfeldt. Motion passed.

Respectfully Submitted,

Terry E. Schooler, Manager