



**MINUTES OF CONTINUED MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
APRIL 12, 2016 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 Tuesday, April 12, 2016 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
James Morley, Secretary
Randle Case II, Asst. Secretary (by phone)

Also in attendance were:

K. Sean Allen, Esq., White, Bear &
Ankele P.C. (by phone)
Kevin Walker, Schooler & Associates
Lori VonFeldt, Schooler & Associates
Bryan Long
Virgil Sanchez
Mike DeGrant, Aspen View Homes

Scott Hente, Asst. 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 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 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 with the addition of item 6.c. Prior Property Taxes Due for land that was conveyed to the District.

4. Approval of

the minutes: Director Randle Case II moved to approve the February 10, 2016 minutes seconded by Director Krohnfeldt. Motion passed.

5. District Manager Report:

a. Market Status of Ground or Developers-

Mr. Walker said fee collections are about 30% over the projected budget numbers so far for the year. The fees have been paid in full for the first phase of the Mini Storage and they would be starting on the second phase of construction this year. Challenger Homes has broken ground off of Cowpoke Road for the Ridge at Cumbre Vista. Mr. DeGrant stated that Aspen View Homes will have 75 lots ready this year selling about 8 homes a month. Director Morley noted that Saint Aubyn did 100 houses in March and Classic Homes built 80.

b. Challenger – Park Funds

Mr. Walker stated that Challenger Homes has completed their first phase of the park at Trails at Forest Meadows and submitted invoices for the construction. Mr. Walker stated further that the invoices have been reviewed and the District will accept the maintenance after the two year warranty is complete pursuant to the previously adopted Board Resolution. Mr. Walker is currently drafting an agreement with Challenger for the conveyance of the park and maintenance. The District, as part of the \$5,500 facility platting fee, has been collecting a \$500/acre platting fee for the 5-acre park construction located at the northwest intersection of Vollmer and Cowpoke, and has collected approximately \$83K so far which could be used to reimburse Challenger for the 5-acre park construction. It was noted that there is a \$370K cap for the park reimbursement pursuant to the limitations noted in the \$5,500 facility platting fee resolution.

c. Update on Marksheffel Extension-

Mr. Walker indicated that the verbiage for the development agreement is still being worked on. Director Randle Case II said that there is a meeting tomorrow to discuss it and they haven't been asked to present it to the PPRTA yet, but should probably do so soon because Andre Bracken, County Engineer, would be retiring soon. Mr. Walker noted that City of Colorado Springs Public Works Department has authorized the design of the box culvert with a horse trail.

d. Discussion on Water Line Extension Payments-

Mr. Sanchez stated that the water line design/construction plans were approved by the City and the required easements (construction and right of way) are in place and will be signed by the appropriate land owners. Mr. Sanchez noted that there is a need for someone to step forward to build the extension and complete the bill of sale process conveying the extension to Colorado Springs Utilities after completion and acceptance of the water line by the City. Mr. Walker indicated that Aspen View has agreed to fund the purchase of materials if the District is able to provide a credit against a portion of its \$5,000/acre platting fee to pay for the materials. Mr. DeGrant concurred and Mr. Morley said that he could build the extension and defer District reimbursement for the cost from the Tier Reimbursement program. Mr. Walker said he would work out the details of the extension construction and reimbursement and then work with Mr. Allen to get a resolution or agreements drafted. Mr. Walker indicated that the cost to build the extension was estimated at about \$175K and the credits against the platting fees would be around \$80K that would cover the materials so the remainder would need to be added to the Tier 2 reimbursement list for the actual construction. Director Krohnfeldt stated that the source of revenues would need to be clarified. Mr. DeGrant asked how soon the construction could

start if the plans are approved today and Director Morley indicated that they could start immediately. Director Krohnfeldt moved to acknowledge that Morley Companies has offered to be the owner/contractor for the construction of the water line extension subject to a resolution or agreement whereby Morley Companies agree to construct the line and the District agrees to place the agreed upon reimbursement amount into the Tier 2 reimbursement program. Director Randle Case II seconded the motion. Motion passed with Director Morley abstaining.

e. Cedarwood Proposal

Mr. Walker reported that he has had numerous discussions with Cedarwood for payment of a fair and equitable contribution amount as required by the City for the benefit of the District causing the construction of Tutt and the water line extension. Cedarwood wants to plat, but it doesn't want to do the full acreage at this time so it has offered to pay its fair and equitable contribution on a per acre basis at about \$0.75/foot. Mr. Walker said that per the Cedarwood annexation agreement they are paying 10% simple interest and he is attempting to work out a payment plan for them. Their first plat will be 5 acres that will bring about \$150K in fair and equitable contribution payment to the District. The total that is due the District is about \$1.4M. Director Lindsay Case noted that the revenues from Cedarwood are pledged to the Tiers.

f. Updates on Black Forest Settlement and Funding for Forest Meadows Landscaping

Mr. Walker and Director Morley are drafting an agreement regarding the Black Forest settlement and landscaping so the District can take over the maintenance of the landscape areas.

g. Tier Revenue Current and Alternative Pledged Report and Discussion

Tabled until the next meeting.

6. Financial Statement and Payables:

a. Approval of Invoices-

Director Krohnfeldt moved to approve the invoices seconded by Director Morley. Motion passed unanimously.

b. District Facility Fee/Permit Status/Delinquent Accounts-

Mr. Walker noted that the fee collections are current.

c. Prior Property Tax Due on Acquired Property-

Director Morley said that he had conveyed to the District small tracts of land (about 30 parcels) which had outstanding property tax liens on them from tax years 2010-2014 in the amount of approximately \$4,600, but that the conveyance of the land was done without an additional acquisition price. Director Lindsay Case stated that since the District was able to acquire the land without paying a purchase price, and that as owner of the property it has the prorated property tax obligation from when the property was taxable, paying off the tax liens is a reasonable acquisition component. Director Randle Case II asked about the maintenance for the properties and Director Morley indicated that there wasn't any ongoing maintenance because the property consists of all sidewalk and landscaping rock. The Board agreed to pay the property tax bill.

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

There was no public comment.

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

There was no executive session.

9. Other Business:

a. Delinquent Fee Collection Policy

Mr. Walker stated that the District should update and incorporate a policy in place for the collection of delinquent fees. Mr. Allen said that the policy is a guideline to process timely communication for the delinquent fees and instructions for the District Manager for those accounts. Director Randle Case II moved to adopt the Delinquent Fee Collection Policy seconded by Director Morley. Motion passed.

b. 2016 Annual Administrative Compliance Resolution

Mr. Allen stated that the resolution is for the administrative functions throughout the year for District Management and Legal counsel. Director Morley moved to approve the 2016 Annual Administrative Compliance Resolution seconded by Director Krohnfeldt. Motion passed.

c. \$2,200 Fee Resolution

Mr. Walker explained that the District has been collecting a \$2,200/acre platting fee based on the probability of an IGA with the City that never happened so resolutions have been drafted for the collection of \$1,700/acre for 2 parks and \$500/acre for the bridge. After some discussion Director Morley moved to approve the resolution for the collection of the \$500/acre for the bridge seconded by Director Krohnfeldt. Director Krohnfeldt moved to approve the resolution for the collection of the \$1,700/acre for the parks subject to payment approval when the time comes and amend the resolution as needed. The motion was seconded by Director Morley. Motion passed.

d. 2nd Modification of 2005 PILOT Payment Agreement

Director Krohnfeldt stated that the PILOT Agreement was a bit confusing when they went to sell the land for profit. The first issue was figuring out the transfer fee to cover the two year gap when the church would stop payments and the taxes kick in and the second issue was to make adjustments to the PILOT amendment for payment and each time acreage is sold. Mr. Walker indicated that he has reviewed the numbers and is in agreement with them. Director Krohnfeldt inferred that there is extensive documentation to back up the modifications as well as an independent CPA review. Director Morley moved to approve the second modification of the 2005 PILOT Payment Agreement seconded by Director Randle Case II. Motion passed with Director Krohnfeldt abstaining.

e. Landscape Ownership and Maintenance Policy (2007 Update Discussion)

Mr. Walker reminded the Board that in 2007 a warranty ownership policy was put into place for two years because the District is now in a position to take on The Trails Park. Mr. Allen stated that when property is transferred to the District the property owner has a two year obligation to maintain that property and all expenses associated with it and at the end of the two years the Districts hope to have the full ability to take over the maintenance/expenses and in the past the District has had to extend that time frame so two years may not be sufficient. Mr. Walker said that the funds aren't there this year for it, but would know more once the budgeting process is started this fall.

f. The next regular meeting is scheduled for May 4, 2016 at 1:00 p.m., if needed.

10. Adjournment: The meeting was adjourned at: 10:15 a.m.

Respectfully Submitted,

By: Lori VonFeldt for the Recording Secretary