



**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
APRIL 5, 2017 AT 1:00 P.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, April 5, 2017 at 1:00 p.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO 80903.

In attendance were Directors:

Lindsay Case, President
Les Krohnfeldt, Vice President/Treasurer
Randle Case II, Asst. Secretary
Kyle Geditz, Asst. Secretary

Also in attendance were:

K. Sean Allen, Esq., White Bear
Ankele Tanaka & Waldron (by phone)
Terry Schooler, Schooler & Associates
Kevin Walker, Schooler & Associates
Lori VonFeldt, Schooler & Associates
Bryan Long
Dave Mersman, KF-103
Ron Waldthausen

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 Lindsay Case called the meeting to order at 1:07 p.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 additions under Item 6 for discussion on the regional water quality holding pond and Falcon Fire Department status. Director Randle Case II moved to approve the agenda seconded by Director Krohnfeldt. Motion passed.

4. Approval of

the minutes: Director Krohnfeldt moved to approve the February 1, 2017 minutes seconded by Director Randle Case II. Motion passed.

5. District Manager Report:

- a. Board Vacancy/Appointment of Kyle Geditz-
Mr. Walker indicated that all the documents to appoint Kyle Geditz were completed and ready for signatures. Mr. Allen confirmed this. Director Krohnfeldt moved to approve the appointment of Mr. Geditz to the Board seconded by Director Randle Case II. Motion passed.
- b. Update on Marksheffel Extension/Funding Multi-Party Agreement-
Mr. Walker stated that Kathleen Krager is having to amend their proposal design to include more storm water work upstream of the Marksheffel bridge over Sand Creek. Once there is a signed proposal, the final design work can be done and they will be able to get a good bid cost on the bridge. There isn't a time frame when it should be completed yet, but Mr. Walker said he would update the Board as soon as he hears from Ms. Krager. Director Randle Case II gave an additional report of information he had learned from a phone call with Ms. Krager indicating that her timing was out about 60-days from his call in mid-April. The Board briefly discussed possible additional participants for funding Marksheffel Road.
- c. Discussion on Water Line Extension and Shiloh Mesa PILOT-related credits-
Mr. Walker stated that the water line crossing Sand Creek to Marksheffel area has been completed and the costs have been reviewed/certified by Mr. Jerry Novak (Novak Consulting, Inc). The total cost of the project was \$213,775 which is above the original estimated amount that the Board authorized a year ago of \$175,000 via reimbursement credits against platting fees. It was clarified by credits were being provided. Mr. Allen explained that it was a unique circumstance as part of the Center for Strategic Ministries (CSM) Shiloh Mesa Payment In Lieu of Taxes (PILOT) agreement. Mr. Walker shared that the District has granted platting fee credits in Shiloh Mesa Filing 1 and 2 according to this process. At 1:25pm, Director Lindsay Case explained he wasn't feeling well and departed the meeting. Director Krohnfeldt then took over as meeting chair. The Board asked why there was a \$40K increase in costs and Mr. Walker explained that the original estimate came from Director Morley because the intent was that his company would do the construction. There were also other complications including some gas lines issues. Mr. Walker asked the Board to authorize the full amount of \$213,777 in platting fee credits to Aspen View Homes for the certified water line extension cost. It was noted that the Board had approved the water line as a cost reimbursement to keep taxable construction going in the District to generate more revenue. The Board asked the District Manager for an update on the original platting fees and where the acreage stands today against those platting fees, the exceptions that have been made, and any policy addressing it. The Board had a lengthy discussion regarding the platting fees and obligation of said fees. The Board asked for further clarification on fee credits. Mr. Allen explained that the CSM Shiloh Mesa property has had the PILOT agreement in place for years and is not subject to platting fees. It was negotiated as a PILOT amendment approved by the Board at the time which included an exchange for that property agreeing to be subject to real property taxes and associated mill levy of the District going forward and no longer benefitting directly by tax

saving provided in the PILOT agreement. After the discussion, the Board agreed to continue evaluating needed improvements and priorities on a case by case basis. Director Krohnfeldt moved to approve the additional cost overrun for the water line from \$175K to \$213,775 to Aspen View to be taken in platting fee credits seconded by Director Randle Case II. Motion passed.

- d. Black Forest Performance Bond Reduction and Forest Meadows Landscape Status/Ratify Letter Agreement Settlement Between District and Morley Companies Family Investments, LLLP (MCFI)-
Mr. Walker reported that the initial payment to Bond Safe Guard of \$500,000 was paid pursuant to an agreement between MCFI and the District reflecting the agreement between Bond Safeguard and MCFI. MCFI's tier reimbursement for Black Forest has been reduced to the remaining \$350,000 to be paid in August 2017 upon receipt of the final settlement for the Cedarwood Agreement.
- e. Pond Land Fee Credits-
Mr. Walker stated that in 2015 the District assigned \$67,410 of Pond Land Fee Credits (the "credits") to COLA, Inc. (Aspen View) for the Shiloh Mesa Filings 1-5. Payment for the assignment was \$0.50 on the dollar and deferred until the filings were recorded. In July 2015, January 2016, and July 2016, the City reimbursed credit holders from the funds available; the District was compensated at full value for its remaining pond credits (all credits have now been paid) as was COLA for their unused credits that had been transferred to it in 2015. Mr. Walker stated further that \$27,359 that was paid to COLA should have come back to the District. The original transfer was governed by an agreement between Jim Morley and COLA and not the District so the contractual relationship is with Jim Morley. The District has communicated with COLA and requested payment from Morley for the amount due and submitted an invoice for the amount owed. Mr. Allen asked when the District should expect to receive the payment and Mr. Walker indicated that COLA hasn't paid it to Jim Morley yet. Director Geditz said that he would contact Aspen View to see if it's been paid out yet.
- f. 2017 Landscape Maintenance Program-
Mr. Walker reported that he has been working closely with the developer, City and HOA manager at Forest Meadows to complete the turnover of the streetscape landscaping to the District. The Forest Meadows pocket park will remain in the care of the HOA. Cumbre Vista will be maintained in the same manner as previous years with their HOA submitting the expenses to the District for reimbursement. Mr. Mersman agreed that they prefer to keep the agreement with the District as is.
- g. 14-Acre site Conveyance and EPC Holdings, LLC 2-year Maintenance Agreement-
Mr. Walker said that the Board voted last month to defer the decision to take ownership and maintenance of the 14-acre site until a Board member could review with the City other options and that was not a possibility. Mr. Walker inferred that the Developer would be doing the park in phases. The Board informed Mr. Walker that it was District policy to take ownership only after the project has been completed at which time the 2-year warranty would begin. Mr. Walker indicated that he would go back to the developer to clarify their intent and let them know of the District's position.
- h. COLA/Aspen View Site – 2-Year Maintenance Agreement Negotiation Status-
Mr. Walker said that the trail in Shiloh Mesa would be constructed and maintained by the City.

- i. Market Status of Ground or Developers-
Director Geditz indicated that he has 90 acres in the District and he has no hard plans right now for developing it until there is a bridge. Director Randle Case II indicated that the NW Corner of Woodmen and Marksheffel is moving forward with a multi-family product to the north and continues to pursue development of the commercial. He indicated prospective buyers are concerned about Marksheffel Road not yet going through to Vollmer and this seems to be holding up development interest.
- j. Additional Regional Water Quality Pond-
Director Geditz stated that there is a potential area on the south side of Woodmen near Marksheffel for a regional water quality pond that is not in the District, but in the Woodmen Road Metro District (WRMD). Director Geditz and Mr. Walker are planning to present the proposal to the WRMD at their next meeting on May 2, 2017. Director Randle Case II indicated that he had met on site in 2011 with Van Truan of the Army Corps of Engineers' Pueblo office and they had agreed that stormwater needs to be going through the three large pipes under Woodmen Road to the WRMD property, so he will be supporting the effort on May 2 as well.
- k. Falcon Fire Department Status
Mr. Walker said that he met with the attorney representing COLA and the Falcon Fire board regarding the land inside the District that is paying 10 mills in property taxes to Falcon Fire. The Falcon Fire board indicated that to exclude those properties from their district and decrease the mill levy the parties would have to pay \$2,500 to cover their expenses to facilitate excluding the Woodmen Heights. Director Geditz stated that he would be glad to pay it and Mr. Walker indicated that the amount could be split up between the land owners to keep it fair. Director Randle Case II noted that since the District wouldn't have to cover the expense, getting out of the Falcon Fire District would lower the mill levy and benefit the District. Director Randle Case II moved to authorize the District Manager to support the exclusion from the Falcon Fire District, but without incurring any costs to the District, seconded by Director Krohnfeldt. Motion passed.

6. Financial Statement and Payables:

- a. Approval of Invoices-
Director Randle Case II moved to approve the payment of invoices seconded by Director Geditz. Motion passed unanimously.
- b. District Facility Fee/Permit Status/Delinquent Accounts-
Mr. Walker presented a report to the Board of building permits that were pulled at Regional in March. Director Randle Case II noted that building permits fees that have been collected to date in 2017 by the District are at about \$195K for 63 lots.

7. Boundary Adjustments:

- a. Shiloh Mesa #5 Exclusion and Inclusion Petition Hearing-
Mr. Walker stated that the public hearing was continued from the last meeting so that the Board could approve the Shiloh Mesa exclusion and inclusion. Director Krohnfeldt reopened the public hearing. There being no comments Director Krohnfeldt closed the public hearing. Director Geditz moved to approve the exclusion of Shiloh Mesa from

District 3 (commercial) to be included into District 2 (residential) seconded by Director Randle Case II. Motion passed.

b. HOA Land Exclusion District No. 1 /District No. 2 Inclusion

Mr. Allen stated that the exclusion of the HOA land from District 1 and included into District 2 would need to take place at a future meeting once the HOA submits the required petitions and notice of a boundary adjustment hearing is published. Item tabled.

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

There was no public comment.

9. Executive Session - Sorpresa:

The Board opted out of executive session. Mr. Schooler reported that the attorneys and insurance company had reached an agreement to build the wall after the appeal process. KF-103 had obtained a contract for wall construction for approximately \$500K. The District's portion is approximately \$70K with an additional amount of about \$22K from the insurance company. The funds from the various parties involved will go into an escrow fund prior to construction. Once the wall has been completed the District will take ownership of it per an acquisition agreement between the District and KF-103 that Mr. Allen will draft. Mr. Mersman indicated that construction would begin on May 1, 2017 so the agreement would need to be in place as soon as possible. Mr. Allen concurred.

10. Other Business:

- a. The next regular meeting is scheduled for May 3, 2017 at 1:00 p.m.

11. Adjournment: The meeting was adjourned at: 2:42 p.m.

Respectfully Submitted,

By: Lori VonFeldt for the Recording Secretary