



**MINUTES OF SPECIAL MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
JULY 11, 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, July 11, 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
James Morley, Secretary (1:16 p.m.)
Kyle Geditz, Asst. Secretary

Also in attendance were:

K. Sean Allen, Esq., White Bear
Ankele Tanaka & Waldron (by phone)
Terry Schooler, WSDM
Kevin Walker, WSDM
Lori VonFeldt, WSDM
Dave Mersman, KF-103
Ron Waldthausen
Bryan Long
Joe Ferri, Forest Meadows HOA
Dwight Nichols, Forest Meadows HOA

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 1:06 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:

Additional items that were added to the agenda were 5.h – Easement Joinder Agreement and 5.i – Falcon Fire District.

4. Approval of

the minutes: Director Randle Case II moved to approve the May 3, 2017 minutes seconded by Director Geditz. Motion passed.

5. District Manager Report:

a. Tier Funding History and Outlook-

Mr. Walker reported that an extensive review was done last month regarding the Tiered funding. There is currently about \$4.1M left in Tiers 1 and 2 to pay off and does not include the C Bonds. There is approximately \$2.6M in future platting fees expected from properties inside the District to be collected. The review also covered the modifications with Bond Safeguard and Cedarwood cost recoveries. Cedarwood is expected to make their final payment of \$650K by August 9, 2017 of which \$350K will be used to pay off Bond Safeguard and the rest will be applied to the Tier reimbursements. It was noted that an \$80K disbursement was made last month to the Tiered debt. Mr. Walker said that there are still 600 single family units and about 280 multi-family units left in the District as well as commercial property. There was a brief discussion about full absorption in the District and the Board estimated it might take five years to reach buildout if the housing market stays strong.

b. Current Financial Status and update on Bonds-

Mr. Walker stated that he had done an analysis of taxes and revenues that are obligated to the bonds. The District currently has about \$6M in the Bond Revenue Fund, but has only been paying \$300-400K in annual principal and interest. The payments bump up this year considerably to about \$3M and there won't be enough cash flow according to the projections. The funds show they will possibly run out by 2021. Mr. Walker spoke with Zach Bishop and he indicated that they had expected to do a refinancing of the bonds by 2024. Mr. Schooler commented that building up the revenue sources will make for a more favorable refinance. It was noted that the bonds are not callable for 10 years (2022).

c. 2017 Landscape Maintenance Program Update-

Mr. Walker said the he continues to work with Director Morley to get the landscaping in Forest Meadows for filings 1 and 3 into the District. They hope to have it completed this year. The Forest Meadows HOA continues to maintain the pocket parks, but the District is paying for the water. Mr. Schooler noted that the landscaping was part of the settlement with Bond Safeguard for the final payoff.

d. 14-Acre Site Conveyance and EPC Holdings, LLC 2-year Maintenance Agreement-

Mr. Walker stated the developer doing the multi-family project on 38 acres with 14 acres under power lines originally wanted to hand it over to the District in six phases, but has agreed to two phases going from west to east of the property. It will go under a 2-year warranty and does not include responsibility for the detention pond or open trails, just the open space that will be done through their HOA. The Board asked about the maintenance for the site and Mr. Walker indicated that it would require mowing and picking up trash, but no water. Mr. Walker said the City will maintain the trail that will connect from Sand Creek to the Park and Ride. Director Krohnfeldt moved to approve the 2-Year Maintenance Agreement with EPC Holdings, LLC subject to the budget and final understanding of the budget maintenance seconded by Director Randle Case II. Motion passed unanimously.

e. Market Status of Ground or Developers-

Mr. Walker reported that the District is still getting about 9% of the development in El Paso County.

Director Geditz stated that he has a Kum & Go under contract to close by the end of the year at the church commercial site.

Director Morley said he needs to get the plat recorded for Forest Meadows Filing 9 for 61 lots and that is all he has left. The city has been holding him up because of some landscaping issues. He hopes to record filing 9 this week.

Director Krohnfeldt indicated that the church is closing on 110 lots for Shiloh Mesa Filings 3 and 4. Director Geditz said the curb and gutter would for filing 3 would be going in next week and will be done this year. The remaining 40 lots will go into filing 4 for 2018. Director Krohnfeldt noted that there is 22 commercial acres out of the 113 and the church will keep 11 acres.

Mr. Mersman reported that Keller Homes was trying to get their plat approved for 57 lots, but they are having issues moving it through the City. They are having to build a detention pond that will cost about \$600K. A moving sales trailer will be placed on the property next week to start presales.

f. Sorpresa Retaining Wall Construction Status-

Mr. Walker stated that KF-103 hired the contractors and the wall is under construction. Mr. Mersman confirmed saying that it is about three quarters of the way done and should be completed within 30 days.

g. Wetland Mitigation and Water Quality Detention Arrangement with Woodmen Road Metro District (WRMD)-

Mr. Walker indicated that there has been talk about the detention pond, but he hasn't seen any documentation on it yet. Director Krohnfeldt said that it was still being worked on. It was noted that the WRMD would maintain the wetlands, but the pond would be the responsibility of the District.

h. Easement Joinder Agreement-

Director Geditz stated that there is an encumbrance on the internal roads for the commercial piece so the District will need to sign a joinder that the easement exists. Director Krohnfeldt said the lien holder has to agree that the improvements are not devaluing the land. Director Randle Case II moved to approve the Easement Joinder Agreement subject to legal counsel review and authorize the appropriate officers to execute the agreement seconded by Director Geditz. Motion passed unanimously.

i. Falcon Fire District-

Mr. Walker said it would take about \$6,500 for an attorney to get the land owners removed from the fire district and he would need checks from the property owners to get the process started. The Directors concurred.

6. Financial Statement and Payables:

- a. Approval of Invoices-
Director Randle Case II moved to approve the payment of invoices seconded by Director Krohnfeldt. Motion passed unanimously.
- b. District Facility Fee/Permit Status/Delinquent Accounts-
An update on fee collection was submitted to the Board.

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

Mr. Nichols asked the Board for permission to add a few signs to identify the HOA in the Forest Meadows subdivision. He distributed pictures to the Board of what they would look like. The signs would be placed on District right of way between the sidewalk and fences. Mr. Nichols indicated that they would bring the final design to the Board for approval and the HOA would pay for them. The Board told Mr. Nichols that he would have to get a sign permit, but they gave their approval.

Mr. Ferri inquired about the wall that was smashed in an accident that goes into the Forest Meadows subdivision. Mr. Walker indicated they were working with the insurance and getting bids to have it fixed so it may be 30 days or so before it is done.

8. Executive Session - Sorpresa:

There was no executive session.

9. Other Business:

- a. Trails East Homeowners Association, Inc. Exclusion and Inclusion Petition Hearing
Mr. Walker stated that there was a small piece of land that the district owned and modified it. The Trails East HOA has signed off on it. Director Lindsay Case moved to go into a public hearing, there being no comments, the hearing was closed. Director Geditz moved to approve the exclusion and inclusion for the Trails East HOA seconded by Director Randle Case II. Motion passed with Director Krohnfeldt abstaining.
- b. Ratify 3rd Modification PILOT Agreement (December 2016)
Director Geditz moved to approve the 3rd Modification of the PILOT Agreement from December 2016 seconded by Director Randle Case II. Motion passed with Director Krohnfeldt abstaining.
- c. Ratify District No. 2 Quit Claim Deed to ESI For Lot Overlap Areas
Mr. Walker stated that the quit claim deed was for a road in Forest Meadows Filing 8 that is no longer there and is on 14 different lots that needs to go back to Director Morley. Director Geditz moved to ratify the District No. 2 Quit Claim Deed to ESI for lot overlap areas seconded by Director Randle Case II. Motion passed.
- d. The next regular meeting is scheduled for September 6, 2017 at 1:00 p.m.

10. Adjournment: The meeting was adjourned at: 2:26 p.m.

Respectfully Submitted,

By: Lori VonFeldt for the Recording Secretary