



**MINUTES OF REGULAR MEETINGS  
OF THE BOARDS OF DIRECTORS OF THE  
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3  
NOVEMBER 1, 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, November 1, 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 (1:34 p.m.)  
Kyle Geditz, Asst. Secretary

Also in attendance were:

K. Sean Allen, Esq., White Bear (by phone)  
Terry Schooler, WSDM  
Kevin Walker, WSDM  
Lori VonFeldt, WSDM  
Dave Mersman  
Ron Waldthausen  
Bryan Long

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 1:08 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 addition of Item 5.f. Marksheffel Expansion.

4. Approval of the minutes:

*Development Consultants*  
(719) 447-1777

*Special District Management*  
[www.wsdistricts.co](http://www.wsdistricts.co)

Director Krohnfeldt moved to approve the September 6, 2017 minutes seconded by Director Geditz. Motion passed.

5. District Manager Report:

a. Fire District Exclusions Update-

Mr. Walker reported that a check for \$6,500, per previous Board approval, has been delivered to the Falcon Fire District's attorney to be applied toward the fire district exclusion costs in hopes that the metro districts intended future request for a mill levy increase is offset by the reduction of fire protection mill levies. Mr. Walker stated that he has requested tax schedules and noted that property owners will have a short time to work through it, but it should be done by the first quarter in 2018. There is a process that allows departments to provide the service if they can show it is equal or better and won't be a problem for them to take a homeowner out of the exclusion. Mr. Walker stated further that the Black Forest Fire District (BFFD) is moving very quickly, including 1,200 houses and square footage parcels. He said the BFFD will draft an agreement with the City to remove all of them by the end of 2019. The agreement will coincide with their final bond payment and their 9.1 Mill Levy removed for Debt Service. Mr. Walker said BFFD also has 9 Mills for operations and maintenance so they are trying to plan ahead to avoid the financial burden of losing \$250,000 a year.

b. Sorpresa Retaining Wall Construction Status-

Mr. Walker said the retaining wall on Sorpresa is complete; inspections are also done and final lien waivers should be completed shortly. Mr. Allen asked which District will receive the bill of sale for the wall and take ownership. Mr. Walker answered the wall is in District 2, but that quit claims might need to be done later to determine which district owns the wall. He explained the majority of deeds by the plat have only been labeled as Woodmen Heights Metro District, without an entity number. Mr. Allen discussed which District should own the wall; stating District 1 is the operating District, while Districts 2 and 3 are for funding. He said District 1 would incur the contract and the IGA, while the other Districts would pass on their operational budgets. Director Lindsay Case said this would allow the wall to stay under the ownership of one district. Mr. Walker said the bonds for the project were issued by District 1 and quit claims directed to the District would be necessary for the parcels of land. Mr. Allen said District 1 will exist until those bonds are paid then Districts 2 and 3 will have the ongoing maintenance; District 1 would eventually dissolve, transfer ownership, and District 2 would pay for operations and maintenance. The Board tabled the decision. Mr. Mersman said it was agreed several months ago to transfer the wall to District 1 on the Bill of Sale and the Board concurred. Mr. Schooler suggested that District 1 stay in control of the maintenance so that it is not compromised by future Board members. Mr. Walker said the bondholder will need assurances because they would not want the Board to cut back on open spaces and parks that could lower the value of homes in the community.

Director Krohnfeldt moved to direct the District Manager and attorney to provide the Board a document that will move the land tracts and parcels to District 1; seconded by Director Geditz. Motion passed unanimously.

c. Wetland Mitigation and Water Quality Detention Arrangement with Woodmen Road Metro District-

Mr. Walker said there are no new developments and he hasn't seen the plans. Mr. Geditz said his plat was approved for a Kum & Go. He said an issue has been resolved with a master drainage facility and it is in review; a temporary drainage facility will be constructed prior. Mr. Randle Case II said Dublin and Marksheffel have a problem with the City on the storm water drainage deal; a pond not accepted by the City has already been built on the site. Mr. Lindsay Case said this is a constant negotiation with the City. Mr. Geditz concurred and discussed some of the issues with the City and drainage. Mr. Walker said he will continue to monitor it.

- d. Cedarwood Cost Recovery Revenues and Releases-Mr. Walker said the escrow discussed at the last meeting has not been cleared; \$300,000 of the \$650,000 has been used to pay down Tier 1. He added that, per agreement, the remaining \$350,000 are obligated to Bond Safeguard for the Black Forest Road Improvements in Tier 2 and finalizing that may occur around December 30, 2017. Director Morley arrived at 1:34 p.m. and said he would address finalizing the Bond Safeguard agreement. Mr. Walker said other parts of the agreement are also delaying its finalization.
- e. Market Status of Ground or Developers- Mr. Walker submitted a report for building permits issued for the year for El Paso County. Mr. Walker noted that year-to-date, there has been a 7.25% slow down for the total building permits issued in the County versus the District.

Director Morley reported that Premier and Century Homes should pull 20-25 lots of the 61 lots in Forest Meadows Filing 9 by the end of the year.

- f. Marksheffel Expansion-  
Mr. Walker said some tracts in the trails must move in to District 1 and Marksheffel Road. He requested comments for the draft regarding the memo he previously sent to the Board. He explained that the City will build a bridge section at Sterling Road, including the signals, while developers will take expansion of the road up to Sand Creek and Cowpoke to connect it. The Board discussed funding for the project. Mr. Randle Case II noted that the bridge is in the Pikes Peak Regional Transit Authority (PPRTA) agreement in which the City and County agree it is a priority. Mr. Walker said there is more than \$500,000 in the park fund that the District has been collecting from the builders and if those parks were removed as an obligation, then the funds would be applied towards other public capital improvements such as a box culvert and more trails. The Board then discussed how the City or PPRTA districts might be able to bring funding to the project in order for work to be done on Marksheffel along with trail crossings for the bridge and drop structures. Director Morley said a meeting with the County was held regarding the portion of the road west from Vollmer to Black Forest. Mr. Randle Case II said there was a joint resolution and that one PPRTA district is almost out of funds, but the City is trying to get funds from a second PPRTA district for projects on the memo. Mr. Randle Case II also said the City has allocated \$2 million to get Marksheffel to Cowpoke fully connected all the way to Vollmer. Director Morley expressed concern about the connection being completed, saying some of it is County and some is City. Mr. Walker said the agreement states Woodmen Road to Vollmer should be completed next year and the following year the connection to Sterling should be complete. He added that the preliminary design is done as well as the design for the Sterling connection. The Board then discussed that, should PPRTA money be used for the project, there will be about \$500,000 available to go toward park related items such as trails. Director Morley said he opposes anything that doesn't get Marksheffel Road to Sterling

Road. Director Lindsay Case suggested that the \$500,000 go to the Vollmer project. Mr. Walker stated that he would draft a letter to the City and send it to the Board for edits and approval.

#### 6. Financial Statement and Payables:

##### a. 2017 Amended and 2018 Budget discussion and Public Hearing

Director Lindsay Case opened the public budget hearing for discussion and public comment. Mr. Walker informed the Board that the budget reflects a Gallagherized mill levy. District 2's O&M mill changed to 11.055 and the debt service mill to 33.165 for a total of 44.220 mills. District 3 wasn't changed because it is commercial. Mr. Walker noted that the budget for landscape maintenance has increased because the Districts have more landscaping responsibility now. Mr. Walker explained that placing \$253,000 in contingency as a line item helps to avoid going over budget because it is easier to determine where it can be spent and appropriated. He also said the District has accumulated \$6.7 million in the Revenue Fund and in 2018 large bond principal payments that have been deferred the last five years will begin, so that balance will go down quickly. Mr. Walker said in 2020 the Board will probably have to discuss refinancing the bonds because he has projected that in 2021 the District may not have enough funds to make its debt service payments. The Board had further discussion regarding the 2018 Budget and future assumptions. Upon no further discussion regarding the budgets Director Lindsay Case closed the hearing.

Director Lindsay Case moved to amend the 2017 Budgets as presented and adopt the 2018 Budgets making adjustments as per the discussion, appropriate the revenues necessary to cover the expenditures, and certify the mill levy, seconded by Director Geditz. Motion passed unanimously.

##### b. Approval of Invoices-

Director Randle Case moved to approve the payment of invoices seconded by Director Geditz. Motion passed unanimously.

##### c. 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):

There was no public comment.

#### 8. Other Business:

##### a. Reimbursement Structure-

The Board had discussion regarding possible future payments from the District for regional improvements by developers. Mr. Walker inferred that all the revenue that is currently coming into the District is already obligated and additional bonding capacity and refinancing won't be an option until possibly 2021. Director Geditz said there are outstanding infrastructure projects from the service plan and questioned whether he must pay an impact fee from others who did improvements to the District as well as his own. Director Lindsay Case stated that the District does not have the capacity make any other reimbursements. There was further discussion about a potential sub-district, but noted the City would probably not support the idea and that sub-

districts may incur a double mill levy. Director Les Krohnfeldt noted there is potential for reimbursement from the City, but it is unlikely. The Board tabled the discussion.

- b. May 2018 Director Election Resolution-  
Director Geditz moved to approve the May 2018 Election Resolution; seconded by Director Krohnfeldt. Motion passed unanimously.
- c. Next Regular Meeting Date - The Board scheduled the next regular meeting for February 7, 2018, if needed.

9. Adjournment: The meeting was adjourned at: 2:55 p.m.

Respectfully Submitted,

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By: Lori VonFeldt for the Recording Secretary