



**MINUTES OF REGULAR MEETINGS  
OF THE BOARDS OF DIRECTORS OF THE  
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3  
AUGUST 5, 2020 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, August 5, 2020 at 1:00 p.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, Colorado and via video and telephone conference.

In attendance were Directors:

Lindsay J. Case, President\*  
Les Krohnfeldt, Vice President/Treasurer\*  
Randle W. Case II, Asst. Secretary\*  
James Morley

Also in attendance were:

Kevin Walker, WSDM\*  
K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron  
Kyle Thomas, DA Davidson  
Dave Mersman\*  
Chaz Morley\*

\*= Present at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO.

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:

The meeting was called to order at 1:15 p.m. by President Case.

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

President 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. Mr. Allen advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official

action at the meeting. Mr. Walker reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Allen inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

3. Approval of the Agenda: The Board approved the Agenda.
4. Approval of the July 1, 2020 Minutes: Director Krohnfeldt moved to approve the July 1, 2020 Minutes; seconded by Director Case II. Motion passed unanimously.
5. Review of status of refinance of Woodmen Heights bonds – DA Davidson
  - a. Review City Council hearing – Kyle Thomas and Kevin Walker: Mr. Walker explained that he and Mr. Thomas attended the City Council budget hearing on behalf of the District. The meeting went well, and the Budget Committee said the District can go directly to City Council unless we wanted to do new money. If the District wants to do new money, they will require another hearing. Mr. Thomas explained if the District refinances only, the total principal amount is \$49 Million. Based on the development assumptions and future growth, the District could possibly get \$8 Million in new money. President Case stated that this is the first time he has heard of the possibility of the \$8 Million. Mr. Walker explained it was discussed at the previous Board meeting. President Case said he does not want to make a decision until all Board members are present in the same room.
  - b. Discuss new money or refinance only: Director Krohnfeldt moved to continue with the refinance process with \$49 Million and no new money; seconded by Director Morley. Director Morley noted he does not want to delay this until after the election due to what could happen to the bond market, and if they did new money, they would have to go back to City Council for approval. President Case discussed the Tutt bridge and Mr. Walker confirmed the District is not obligated to build the bridge or to contribute. Mr. Walker noted City Council generally wants to lower the mill levy for their constituents. President Case stated that he would like an included statement that reflects there are no more obligations to this District. Mr. Walker explained there are obligations for the developers, not the District. President Case stated the District needs to be affirmative for the benefit of the homeowners in the refinancing. Mr. Mersman said the homeowners in this District pay a high amount of tax, and if they could get relief from that it would be very positive for the community. That would be an almost 20% reduction in mills for this District. Mr. Thomas confirmed the expiration date for the new debt would be 2045 and it would be additional subordinate debt. After further discussion, the motion passed unanimously.
  - c. Consider engagement of team with DA Davidson: Mr. Thomas introduced the DA Davidson refinancing team including Sherman & Howard as both bond counsel and disclosure counsel for the District. DA Davidson engages underwriter counsel, UMB

Bank is the trustee, and Metro Study is completing the market study for the District. He discussed the revenue forecast that is needed as well.

- d. Consider engagement of Municipal Advisor – K. Sean Allen: Mr. Thomas explained a Municipal Advisor is an independent third-party that provides pricing and structure comfort that the transaction the District is moving forward with is reasonable. They are separately engaged, and requests were sent to three different firms. Mr. Allen confirmed the Municipal Advisor acts as a fiduciary for the District to make sure they are getting the best deal possible. Director Krohnfeldt moved to allow the Manager and Counsel to review proposals and consider engagement of a Municipal Advisor; seconded by Director Case II. Motion passed unanimously.

6. District Manager Report:

- a. Fire District exclusions: Mr. Walker reported that Black Forest Fire has heard from residents and is willing to move forward. Falcon has not acknowledged the resident requests yet and claim they do not have the resources.
- b. Marksheffel/Sand Creek crossing progress: Mr. Walker reported he plans to get out there and take photographs of the new construction.

7. Developer Updates: Director Krohnfeldt reported that townhomes are getting ready to start construction and commercial under contract. Development is continuing and the Church is building an addition. Mr. Walker discussed that there is a lot of development going on in the District and provided a map detailing the development to the Board. The Board discussed Master Drive and Mr. Walker explained they are in the service area not in the District. They were part of the annexation agreement, but not in the District. President Case stated that he believes this is not true and they are in the District.

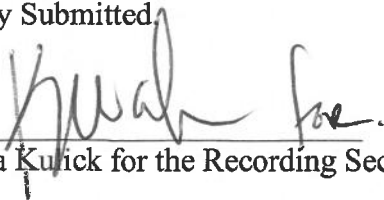
8. Public Comment: There was no public comment.

9. Other Business

- a. Consider Approval of Financial Statements and Payables: Director Case II moved to ratify the Payables and approve unaudited financial statements as presented; seconded by Director Morley. Motion passed unanimously.
- b. 2019 Audit: Mr. Walker reported the Audit was completed and filed.
- c. Next Regular Meeting Date – Scheduled for September 2, 2020 at 1:00 P.M.

10. Adjournment: The Board adjourned the meeting at 2:07 P.M.

Respectfully Submitted,



By: Kristina Kulick for the Recording Secretary