

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BENT GRASS METROPOLITAN DISTRICT
HELD MAY 3, 2016 AT 10:30 A.M.**

Pursuant to posted notice, the regular meeting of the Board of Directors of the Bent Grass Metropolitan District was held on Tuesday, May 3, 2016 at 10:30 a.m., at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO.

<u>Attendance</u>	<u>In attendance were Directors:</u> Randle Case II, President Bryan Long, Vice President/Secretary Lena Gail Case, Director	<u>Also in attendance were:</u> Pete Susemihl, Susemihl, McDermott & Cowan, P.C. Terry Schooler, Schooler & Assoc. Lori VonFeldt, Schooler & Assoc. Kevin Walker, Schooler & Assoc. Randy DeYoung Ron Waldthausen
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Brian Bahr, Treasurer, absent and excused.

1. Call to Order & Certification of Quorum & the Agenda:-

Director Randle Case II called the meeting to order at 10:30 a.m. Quorum confirmed as 2 of 3 Board positions actually filled due to recent death of Randle Case.

Director Randle Case II reported that Randle Case had passed on 4/15/16. It was recommended to the Board that Lena Gail Case be appointed to take his seat indicating that she owns a good portion of land in the District. Director Long moved to appoint Lena Gail Case to succeed Randle Case seconded by Director Randle Case II. Motion passed.

Director Randle Case II noted there is still one other seat to be filled and the Board has been considering eligible property owners. The owners of the Vet Clinic and 7-11 have both expressed interest in becoming a board member. Mr. Susemihl stated that there was a recent court ruling involving metropolitan district board members using a contract of purchase for eligibility. The court deemed they were not real contracts and it has shut down the entire bond market in Colorado, but a bill has been introduced this week that should be signed by the governor to resolve the issue. Mr. Susemihl stated further that the Bent Grass board members were property owners so the District should be okay under the statutes.

2. Approval of Minutes:

Director Long moved to approve the minutes from the December 1, 2015 seconded by Director Lena Gail Case. Motion passed.

3. Review of the Financials and Invoices:

Director Randle Case II stated that the traffic signal fee is being collected and Director Bahr has suggested reducing the general fund, but the Board had previously decided to keep the funds available for future years since it was unknown when more revenues would come into the District for operations and maintenance. Director Randle Case II stated further that there was some property tax abatement with the County that may result in the reduction of mill levy revenue. Mr. Schooler suggested paying the taxes instead of advancing funds to the District for O&M. Director Randle Case II said that the taxes on their 5-acre property has increased significantly because it is no longer considered agricultural land due to pond construction so they have been in negotiations with the County. It was noted that funds have been used from the general fund to pay capital expenses that would need to be reimbursed. Director Randle Case II asked if certifications had been done on the \$200K of capital improvements and Mr. Schooler confirmed that Mr. Jerry Novak had completed them. Director Randle Case II indicated that Director Bahr may be doing more construction in the next few months and would need to fund more bonds. The Board agreed to continue to pay capital expenses from the general fund to keep moving forward with the water issues. Director Long moved to approve the payables using funds from the general fund for capital expenses as well to be reimbursed when the bonds are funded seconded by Director Lena Gail Case. Motion passed.

4. Board President Report:

Director Randle Case II stated that there were no additional items to be discussed that are not already on the Agenda.

5. District Manager Report:

Mr. Schooler said that he and Mr. DeYoung would be meeting with the County regarding Bent Grass Meadow Drive west and the Woodmen Road frontage to get some issues resolved. Director Randle Case II suggested putting the meeting on hold until the water issue is resolved and that he is keeping the Woodmen Road Metro District advised for possible funding from them for the Woodmen Road improvements in the future.

6. District Development Priorities:

A. Resolution to Request El Paso County Modifications to Bent Grass Meadows Drive Western Construction Timing-

Director Randle Case II indicated that the District got involved in a resolution with the County Commissioners in 2015 with Bahr Holdings to get residential homes built and the owners signed a joint agreement to effectively construct the western connection of Bent Grass Meadows Drive after the 104th lot was completed. There are multiple roadways in the subdivision that need funding in order to do another phase of residential. There may be some matching funds from the PPRTA to support the improvements according to Outgoing County Engineer, Andre Bracken and he has stated to Mr. Case II that he would support a priority funding revision to do the traffic signal improvements ahead of the western BG Meadows Drive roadway connection. Director Randle Case II requested approval from the Board to enter into negotiations with the County and owners to modify the March 2015 agreement. Director Long moved to approve authorize negotiations with the County to modify the agreement as stated; seconded by Director Lena Gail Case. Motion passed.

B. Development & Market Update-

Mr. DeYoung said there is some interest from potential developers in his 18 acres that is zoned for industrial use east of Falcon Storage.

Director Randle Case II reported that Challenger Homes has 15 homes under contract and has acquired the former school lot (10 acres), a parcel that has been part of the storm water issue last summer. They are pursuing ideas on how to make it residential. He stated further that the Cases/Reilly group is also continuing to work with Ron Waldthausen & Land First Inc. for with a large single building user for some of the ground near 7-11.

Mr. Waldthausen indicated that the Dentist office will break ground in the next couple of weeks and the Veterinarian office may acquire additional ground to the west.

C. Roadway Connection at Woodmen Road-

Discussed earlier under item 5 and is on hold waiting for the water issue to be resolved.

D. Bent Grass District Supplemental Water Supply Resolution Updates-

Director Randle Case II said that there have been some conversations with the Woodmen Hills Metro District (WHMD) that recently closed its re-financing. WHMD is planning to use extra funds to purchase a water tank site and associated piping that will be able to supply/serve by gravity areas such as Bent Grass. It also may be possible that the District could drill wells on part of the Bent Grass owners' land, but won't know until there is closure with the legislative session on May 10 regarding bonds. Cherokee Metro District approved a resolution in 2013 to move forward with a water supply transaction with Bent Grass Metro, but their method to convey water is by lease and the District is still trying to figure out how to negotiate that with Cherokee and El Paso County. Director Randle Case II indicated that attorney Steve Mulliken and consultant Gary Barber are involved in the negotiations and continue to work out the issues per prior Board approval.

7. Other Old Business:

There was no old business discussed.

8. New Business:

There was no new business discussed.

9. Other Business:

The next regular meeting to be determined.

10. Adjournment:

The meeting was adjourned at 11:17 a.m.

Respectfully Submitted,
Schooler & Associates, Inc.

By: Lori VonFeldt for the Recording Secretary