



**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
BENT GRASS METROPOLITAN DISTRICT
HELD SEPTEMBER 4, 2018 AT 10:30 AM**

Pursuant to posted notice, the meeting of the Board of Directors of the Bent Grass Metropolitan District was held on Tuesday, September 4, 2018 at 10:30 AM, at 102 E. Pikes Peak Avenue, Suite 200, Colorado Springs, CO.

Attendance

In attendance were Directors:

Randle Case II, President
Bryan Long, Vice President/Secretary
Lena Gail Case, Director
Brian Bahr, Treasurer
Brad Lam, Director

Also in attendance were:

Peter Susemihl, Susemihl, McDermott & Cowan, P.C.
Kevin Walker, WSDM
Lori VonFeldt, WSDM
Kristina Kulick, WSDM
Ron Waldthausen, Land First Inc.
Steven K. Mulliken (10:33 AM)

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

The meeting was called to order at 10:30 a.m. The agenda was approved.

2. Approval of June 25, 2018 and August 7, 2018 Minutes:

Director Lam moved to approve the June 25, 2018 and August 7, 2018 minutes; seconded by Director Case. Motion passed unanimously.

3. Public Comment (for items not on the agenda):

President Case asked for public comment. Director Lam requested to discuss an item that was not on the Agenda. He said he received a phone call from Ron Pace, and that he was ranting and raving about this District being sued by Woodmen Hills MD. Director Lam said that Ron Pace has a Temporary Restraining Order (TRO) against him personally to stop his interference at the Woodmen Hills MD. Director Lam wanted to alert the Board that Mr. Pace called him and discussed things he was upset about. Director Bahr said this is in relation to the inclusion agreement, but there has not been anything formal done. Director Long noted that Woodmen Hills MD has a restraining order against Mr. Pace.

4. Review of the Financials and Approval of Payables:

President Case noted there was a supplemental invoice from Mountain View Electric for the traffic signal and that it would be coming out of the traffic signal line item.

Ms. VonFeldt told the Board that she spoke to the Trustee regarding the debt service and the District can pay early only on interest that is overdue. She said she issued the check for \$81,000, but cannot make other payments until December 15th. She said she should be able to issue another payment of \$10,000 on December 15th. Director Bahr said he is happy that the District is making progress on paying debt service to reduce interest cost to the District.

Mr. Walker noted that the preliminary Assessed Valuations have gone up. Director Bahr confirmed that the District is Gallagherized and Mr. Susemihl stated that is correct. President Case thought they only did it every 2 years. Mr. Susemihl stated that they only do it when they change the ratio. He said there is a debate going on if you have commercial in your District whether you have to do it annually.

Ms. VonFeldt presented a draft 2019 Budget to the Board and noted that it basically mirrors what was done last year but did come down on a couple of the expenses. She noted the traffic signal costs and funds that were used. Director Long asked if there will be revenue on commercial for Mr. Waldthausen. Mr. Waldthausen said they are still held up on the traffic signal but would like to be platting by the end of the year. Ms. VonFeldt noted the general property taxes and that they have gone up \$20,000 for 2019. Mr. Walker added that the recent houses already built are coming up on the taxes now. Director Bahr said we are making good progress and the key is getting the water supply issue resolved so we can get the other homes in. President Case indicated the Budget Hearing will be held on November 6th during the regular meeting. Director Bahr moved to approve the payables; seconded by Director Lam. Motion passed unanimously.

5. Board President Report:

President Case said there are not a lot of updates since the August meeting and most of the topics were discussed in the minutes from prior meetings. He added that there is an update in regards to Woodmen Hills that will be discussed in Executive Session. President Case discussed the project formerly known as Santa Fe Springs and Stage Coach Ranch of the Rockies. President Case and Director Long have been out to see these projects and actually drove around while the owner was putting in the fences. He said they could be done with development and sales in as short as 12 months as they already have 3 lots sold in that Stage Coach. President Case showed a marketing video to the Board. President Case discussed market news, and that the State has acquired additional land near Schriever Air Force Base, maybe as a buffer for the Base. President Case told the Board that 2.5 acre lots are scarce in Falcon, and that type of market is also limited in For Sale houses. Pikes Peak Association of Realtors (PPAR) reports the lowest inventory in decades for For Sale housing and the market continues to be strong.

6. Manager's Report:

Mr. Walker updated the Board on the County's Traffic Impact Fee and said that he attended the Committee meeting two weeks ago. He explained that the County has proposed an \$280 fee on the plat of each new house that would go towards construction of traffic signals. This might be a match for the \$1,000 per house fee to build the Meridian and Bent Grass Meadows Drive traffic signal. He discussed this at the meeting and they said it could be one of the upcoming agenda items, but the Housing & Building Association (HBA) has not taken a position on the overall traffic signal fee proposal yet. Mr. Walker said that instead of it being negotiated each time for a development, basically pay the signal fee could be paid and be done with that. Director Bahr asked

if there is a fee on commercial as well. Mr. Walker said yes, and it would be equivalent to a single-family fee.

Mr. Walker discussed the status of the \$100,000 and what was spent and what they are going to do on the escrow, but there is still work to be done on what to do with the escrows. He said you could build the signal and get credits or get it refunded. The question is that there is still no money available to build the signal, but he thinks this County approach is good news. President Case asked if Mr. Mulliken had any comments since he serves on that Traffic Impact Fee Committee. Mr. Mulliken said the Committee was founded to help build a better Countywide road system and they did not address traffic signals with the original program. Now you pay a onetime fee or join a County road district that cuts down on the tension. He said the Committee brought up the topic of including traffic signals about 6 months ago and they are wanting to prevent the last guy in having to pick up the majority of a signal. Mr. Mulliken said the biggest challenge has been people wanting credits for roads that were already built, and that there are a certain number of credits from preexisting improvements. He said they set the program up for paying a fee, if we had this in place we could accelerate this money to pay bonds, but the County Commissioners decided they did not want to help fund this with a bond approach. He feels like the program is working and there is good discussion on the traffic signal. Mr. Walker said that the traffic signal and bonding approaches are being recommended by the Committee and they hope to be implemented next year.

President Case asked since the Bent Grass Metro District is exempt from the County fee by being in the Woodmen Road Metro District that could present complications. Mr. Walker said yes possibly, but it has not been addressed yet. Mr. Walker explained the District is paying Woodmen Road fees instead and that is why they are exempt, but he had not thought about the \$280 on top of the Woodmen Road fee. Mr. Walker said for things that access directly into a commercial property, it is not included in this fee. Mr. Mulliken asked if the District will put in the signal. Mr. Walker said the District is short on money, but if the District collects the money, it will not have all of it until the last person pays unless the District borrows it.

President Case asked if the Traffic Committee discussed the PPRTA funds and Mr. Walker said there is no specific program for the County except some specific signals that were in the program from last year. They are trying to figure out how that fits in, but the County is paying that and still working on the specifics.

Mr. Walker told the Board that they are underway on replacement of the trees along Bent Grass Meadow Drive. It is now a warranty issue, but should be proceeding now. Director Lam brought up weeds around the fire hydrants. Mr. Walker confirmed it is the homeowner's responsibility and suggested sending a letter. President Case asked if the District is maintaining the areas around the post office boxes. Mr. Walker said yes, but not the fire hydrants by the homes. Mr. Walker noted that they do not have an HOA in the Residential Phase One.

7. Development Updates:

Mr. Waldthausen told the Board he will be subdividing a piece of the commercial this year, but the access and intersection issues are part of the delay. Director Long said Big O Tires broke ground and Hammers is doing that project at Highway 24 and Old Meridian/McLaughlin. Mr. Walker asked what is going on with Falcon Marketplace. President Case said the sign had not changed, but the County approved their access point for right in off Woodmen, but he did not know anything else. President Case looked it up online (www.falconmarketplace.com) for the latest news, and the website indicates that the County had approved the access point on their website. Mr. Walker said he has not seen anything on development plans or construction. President Case said there is an industry change in liquor that allows liquor to be sold inside grocery stores

effective January 1st, but there is a distance requirement from other stores. He is interested to see how that effects Bent Grass and other locations.

8. Review and Action on:

- a) Woodmen Road/Bent Grass Meadows Drive Access Update:
President Case stated there is no new action on this except what happened in May with the County Commissioners approving and right in and right out directly to Woodmen from Bent Grass. He still thinks the left-in for eastbound Woodmen traffic is a strong idea the District should consider pursuing but the biggest issue is cost and the District cannot afford to do it on its own. The District will need partnership with another district or the County.
- b) Easement for Utilities Bent Grass East Detention Pond:
The Board discussed that this was already done. Mr. Waldthausen said they determined the pond was categorized as a utility. This item can be removed from the Agenda for next month.
- c) Special Water Counsel Engagement: Burns, Figa & Will:
President Case told the Board that the firm Burns, Figa & Will is available to assist the District on a limited service agreement on a hourly basis for water issues. Attorney Steve Leonhardt represents a number of districts including the Upper Arkansas area. Director Case would like authority to refer questions and matters to Mr. Leonhardt if the District gets into water rights issues since he is a strong expert on this issue and the District doesn't presently have water legal counsel. Woodmen Hills has a water attorney and he would like to have water attorneys talking to each other in hopes that will move the water supply issue along. President Case added that there is no particular budget for this and would be part of the legal budget. The Board asked if it is necessary to still have Gary Barber and Mr. Mulliken if we bring him on. President Case said Mr. Barber has not been doing much for the District but there have been some limited conversations between Mr. Mulliken and Mr. Barber. President Case said he thinks the District needs a water specialty counsel to be available if needed, but he does not want to use Mr. Leonhardt in place of Mr. Mulliken, who has been handling more of the water supply negotiation support. Director Bahr noted that the District has been working with Mr. Barber for several years and have made very little progress and have spent a lot of money. Director Bahr would like to see more action on this and see more progress. President Case said he thinks the Board should continue to discuss the specifics on this topic going forward and Mr. Leonhardt would be another option for assisting the District. Director Long said if the District needs him, then he would support it, but with what Mr. Mulliken has done we are making progress. Director Bahr moved to approve the engagement of Mr. Leonhardt and the firm, as needed; seconded by Director Long. Motion passed unanimously.

9. Executive Session to receive reports from consultants on water resources issues and receive legal advice:

Director Case moved to go into Executive Session at 11:15 AM to receive reports from consultants on water resources issues and receive legal advice; seconded by Director Lam. Motion passed unanimously. Director Bahr moved to come out of Executive Session at 11:48 AM; seconded by Director Lam. Motion passed unanimously.

10. Review and Action on Woodmen Hills Metro District Proposal Intergovernmental Agreement:

There was no discussion.

11. Other Old Business:

There was no discussion.

12. New Business:

There was no discussion.

13. Confirm and Set Next Meeting:

Director Long moved to continue the meeting on October 10, 2018 at 1p.m.; seconded by Director Bahr. Motion passed unanimously.

14. Adjournment:

The meeting was adjourned at 11:52 a.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Lori VonFeldt for the Recording Secretary