



**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
BENT GRASS METROPOLITAN DISTRICT
HELD NOVEMBER 10, 2020 AT 10:00 A.M.**

Pursuant to posted notice, the special meeting of the Board of Directors of the Bent Grass Metropolitan District was held on Tuesday, November 10, 2020 at 10:00 AM, via electronic means and telephone conference call.

Attendance

In attendance were Directors:

Randle Case II, President
Lena Gail Case, Director
Bryan Long, Director
Randy DeYoung, Director (by phone)

Also in attendance were:

Kevin Walker, WSDM
Peter Susemihl, Susemihl, McDermott, and Downie, P.C.
Ron Waldthausen

1. Call to Order & Introductions: President Case II called the meeting to order at 10:00 a.m.
2. Approval of the Minutes from Board meeting of August 4, 2020: Mr. Walker noted a correction to the minutes; Director DeYoung was not in attendance. Director Case moved to approve the August 4, 2020 Minutes as amended; seconded by Director Long. Motion passed unanimously.
3. Public Comment: There was no public comment.
4. Review of DeYoung request for reimbursement: Mr. Walker explained the history of the reimbursement request and distributed a memo that outlines the process. The reimbursement started in 2019 when the Board made a motion to accept \$924,000 and to make a subordinate debt so long as we could document costs. He noted there are still some questions surrounding how to document those costs. Director DeYoung commented that he was in communication with Mr. Byers at Challenger and had offered to complete the road, but Challenger declined his offer and took full responsibility for the completion of the road and any costs associated. Mr. Walker outlined the decisions the Board needs to make if they are prepared to make them regarding this issue. The Board discussed the costs of construction and Mr. Walker recommended approving the \$605,000 based on documentation. Mr. Walker discussed when to start the reimbursement agreement and start paying interest. Based on documentation, Mr. Walker's recommendation is to start paying interest as of 2019. Director DeYoung commented that he was unhappy with Mr.

Setter not communicating in a timely manner on this issue, so he has replaced him with a new attorney. He discussed the history with the County and noted that the District has been collecting hundreds of thousands in revenues over the years and he has not received anything for his investment. President Case II commented on the obligations of the District and that this was not reflected as a pending obligation, so going beyond the date of the bonds is problematic. The Board discussed the warranty and that it would be an agreement between Challenger and Mr. DeYoung, and not with the District. The Board discussed when to start the reimbursement and to begin paying interest at the point of County acceptance. Director DeYoung asked why the bond holders were not aware of the Board decision in 2019 when the bonds were redone. Mr. Susemihl responded that the agreement was never completed, and it never became a debt or contractual obligation. Mr. Walker noted they did review the Board Meeting Minutes and chose not to disclose it. Director DeYoung commented that he feels they are going backwards, and he is now being cheated out on another 2 years of interest payments. Mr. Walker said he sees it as going forward since the improvement is not public, and the District does not have an obligation to do anything until the construction is accepted by the County. Director DeYoung stated he has nothing further to say and the Board can make their decision. President Case II requested to table this item for another month due to the supporting memo not being included, and to allow the parties to further discuss a specific Resolution. Director Long moved to postpone this item to the next available meeting; seconded by Director Case. Motion passed. Director DeYoung abstained and Director Bahr was excused.

Mr. Susemihl said he will redraft an agreement for the next meeting. He explained it will be a reimbursement agreement that will be treated as debt so it will be an obligation of the District.

5. Review and Approval of Resolution Adopting 2021 Budget and 2020 Budget Amendment: Mr. Walker and Mr. Susemihl confirmed the proper notice has been given for the Budget Hearing. Mr. Walker presented the Resolution Adopting the 2021 Budget and 2020 Budget Amendment. He noted the District is saving a lot in interest costs due to the refinance. President Case II opened the Public Hearing. After no public comment, President Case II closed the Public Hearing. The Board discussed the mill levy and noticed an error on the Resolution. Mr. Walker recommended the Board continue the meeting and table the approval so the corrections can be made. Director Long moved to continue the Budget Hearing to the next meeting on December 1, 2020; seconded by Director Case. Motion passed unanimously. Director Bahr was excused.

6. Review and Approval of Payables

a. Financial statements are being updated with bonds and audit recommendations for next month: Mr. Walker presented the Financials and Payables to the Board. President Case II noted a change to the capital fund. Director Case moved to approve the Financials and Payables as presented and amended; seconded by Director Long. Motion passed unanimously. Director Bahr was excused.

7. Board President Report: President Case II reported that he attended the Woodmen Road MD meeting earlier this month. He explained to their Board the continued concern and need for a connection at Woodmen and Bent Grass Meadows Drive. They noted his concern and have set aside funds to possibly participate in a project like that. President Case II explained that in 2018 the County approved a right-in, right-out at the south border. He noted there is potential for commercial development in that area if they can get that done as well as a left-in off eastbound Woodmen. President Case II discussed annexations into Colorado Springs and noted he has attended Woodmen Hills MD board meetings and they have been discussing annexations and amendments to their indebtedness.

8. Manager's Report:

- a. Metro District covenant enforcement: Mr. Walker reported they will hold a Covenant Enforcement meeting next week with the residents of Filing 1. He noted they received a request for maintenance at one of the commercial ponds, so he will get that taken care of. Mr. Walker reported winter landscaping was completed in the last month.
- Meeting scheduled for November 19

9. Development Updates:

- a. Woodmen Road MD fee changes: Mr. Walker reported that the County will be taking over payments for the Woodmen Road MD IGA after January 1st. He noted landowners who are in the District will continue to pay just the Woodmen Road MD fees and will not be charged the County's fees. Mr. Waldthausen reported he is finalizing the submittal for Bent Grass Commercial East Filing 3. Mr. Walker noted an advantage of being in the Woodmen Road MD is that the bonds will be paid off in 2024, and the mill levy will not be charged, and the district will most likely be dissolved.

10. Review and Action on:

- a. Woodmen Road/Bent Grass Meadows Drive Access Update: There were no additional updates.
- b. Bent Grass Meridian Traffic Signal Update: Mr. Walker reported the plans have been approved and construction is due to be completed by first quarter of next year. President Case II noted the entire section of Bent Grass Meadows Drive is now paved from the old Falcon Storage location to where it ends in Phase 1 residential.

11. Other Old Business: There was no discussion.

12. New Business: There was no discussion.

13. Confirm and Set Next Meeting

- a. Scheduled for December 1, 2020: The Board confirmed the next meeting date.

14. Adjournment: The Board adjourned the meeting at 11:28 a.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Kristina Kulick for the Recording Secretary