



BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3

Special Board Meeting
Tuesday, April 18, 2023, at 8:30 AM
119 N. Wahsatch Ave.
Colorado Springs, Colorado 80903

and
Via tele/videoconference

<https://video.cloudoffice.avaya.com/join/451389423>

United States: [+1 \(213\) 463-4500](tel:+12134634500)

Access Code: 451-389-423

Board of Director	Title	Term
Randle W Case II	President	May 2023
Bryan T Long	Vice-President	May 2023
Ray O’Sullivan	Treasurer/ Secretary	May 2025
Robert Case	Assistant Secretary	May 2025
Jim Byers	Assistant Secretary	May 2023

AGENDA

1. Call to order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Approval of March 14, 2023 Meeting Minutes (enclosure)
5. District Manager Report
 - a. Discuss Service Plan Amendment
 - b. Right of way acquisition update
6. President of the Board Report
7. Development Status Review
 - a. Engineering Update
 - i. Schedule
 - b. Plan Updates
 - i. Roadway/ Utility/ Storm Water
 - ii. Channel design
 - iii. 24” and 16” water line update
 - c. Review and approve Classic Consulting Contract
 - d. Colorado Interstate Gas Company, LLC Amended Encroachment Agreement
 - e. Construction Schedule/Construction Contracts Approval/Ratify/Pre-approval
 - f. Update on Construction Budget and Assurance
 - g. Redemption Hill Church
 - h. Challenger Homes
 - i. Bradley Ridge
8. Financial Matters
 - a. Approve Unaudited Financial Reports through April 18, 2023 (enclosure)
 - b. Review and Approve Payables through April 18, 2023 (enclosure)

9. Legal Matters
 - a. Director Appointment Effective May 3, 2023 – Byers
10. Other Business
 - a. Next Regular Meeting scheduled: May 9, 2023, at 9:00 a.m.
11. Adjourn

NOTICE OF REGULAR MEETINGS

NOTICE IS HEREBY GIVEN That the Board of Directors of **BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3**, County of El Paso, State of Colorado, will hold a regular meeting at 8:30 AM on Tuesday, the 18th day of April, 2023, at 119 North Wahsatch Ave., Colorado Springs, CO 80903, and via tele/videoconferencing at the following: <https://video.cloudoffice.avaya.com/join/451389423> United States: [+1 \(213\) 463-4500](tel:+12134634500) Access Code: 451-389-423 for the purpose of conducting such business as may come before the Board including the business on the attached agenda. The meeting is open to the public.

BY ORDER OF THE BOARD OF DIRECTORS:
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3



**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2, AND 3
HELD MARCH 14, 2023
AT 9:00 AM**

Pursuant to posted notice, the regular meetings of the Board of Directors of the Bradley Heights Metropolitan District Nos. 1, 2 and 3 were held on Tuesday, March 14, 2023, at 9:00 a.m., at 119 N. Wahsatch Avenue, Colorado Springs, CO, and via tele/videoconference: <https://video.cloudoffice.avaya.com/join/451389423>.

Attendance

In attendance were Directors:

Randle Case II, President
Bryan Long, Vice President
Robert Case, Assistant Secretary
Ray O’Sullivan, Treasurer/Secretary
Jim Byers, Assistant Secretary

Also in attendance were:

K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron
Kevin Walker, WSDM District Managers
Rebecca Harris, WSDM District Managers
Jeff Odor, Matrix Design Group
Eric Smith, Matrix Design Group
Chris Grundy, Project Manager
David Neville, Kiemele Family Partnerships
John Radcliffe
Nathan Steele
Charles Cothorn

Combined Meeting: The Board 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 by President Case II at 9:04 AM.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: President Case II 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. Ms. Harris 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 Agenda: Director O’Sullivan moved to approve the Agenda as presented; seconded by Director Robert Case. Motion passed unanimously.

4. Approval of February 14, 2023 Meeting Minutes: After review, Director O’Sullivan moved to approve the February 14, 2023 Meeting Minutes; seconded by Director Byers. Motion passed unanimously.
5. District Manager Report
 - a. Discuss Possible Service Plan Amendment: Mr. Walker discussed the possible service plan amendment. Mr. Walker requested feedback from Carl Schueler on the simplest option of changing the 10 mills to 20 mills with the current service plan.
 - b. Right of Way Acquisition Update: Mr. Walker provided an update on the right of way acquisition. Next step is to get the parcels appraised.
6. President of the Board Report: President Case II reported the Wildcat trailer has been moved from the Bradley side of the project to the internal side of the project so Bradley Landing can be graded and prepped for paving.
7. Development Status Review
 - a. Engineering Update: Mr. Grundy provided a construction update. The Board discussed that Kinder Morgan is requiring all utilities under their gas lines be jack and bored and they were originally going to be installed by the conventional open-cut methods.
 - i. Schedule: Mr. Grundy provided an update on the schedule.
 - b. Plan Updates
 - i. Roadway/ Utility/ Storm Water: Mr. Odor provided an update on utilities, road, and storm plans.
 - ii. Channel Design: The Board discussed channel design.
 - iii. 24” and 16” Water Line Update: Mr. Grundy presented three construction bids for the 24” and 16” water main extension project. The recommended and lowest cost bid is from Frazee. The Board reviewed the project costs, cost recovery, and allocations. After review and discussion, Director Byers moved to select the contractor based on the bids and get the procurement and construction documents completed and authorize the appropriate officers of the Board to proceed with execution of documents, and the total cost of \$6,496,256.00. Mr. Allen confirmed for Director O’Sullivan that this vote is only as a Director for Bradley Heights MD 1-3 alone and does not obligate to another entity. The motion was seconded by Director O’Sullivan. Motion passed unanimously.
 - c. Construction Schedule/Construction Contracts Approval/Ratify/Pre-Approval: Mr. Grundy confirmed he will send the new contract to Frazee for the water main extension project.
 - d. Update on Construction Budget and Assurance: The Board discussed the construction budget and assurance.
 - e. Redemption Hill Church: There was no update.
 - f. Challenger Homes: Director Byers reported that construction and paving will be moving forward in the filing 2 area in the next few weeks.
 - g. Bradley Ridge: Director O’Sullivan noted he is waiting to hear back on the concept plan amendment.
8. Financial Matters
 - a. Approve Unaudited Financial Reports for February 28, 2023: Ms. Harris presented the Unaudited Financial Reports for February 28, 2023.
 - b. Payables through March 14, 2023: Ms. Harris presented the Payables and noted there are District 1 O&M costs, so a developer advance is needed. Director Long moved to approve the Payables for District 1 subject to funding as presented in the packet; seconded by Director O’Sullivan. Motion passed unanimously. Director O’Sullivan moved to adopt Bond Requisition No. 21 for District 2 in the amount of \$861,542.87; seconded by Director Long. Motion passed unanimously.

- c. Review and Consider Approval of Bradley Heights District No. 1 Audit Exemption: After review, Director O’Sullivan moved to approve Bradley Heights District No. 1 Audit Exemption; seconded by Director Long. Motion passed unanimously.
 - d. Review and Adopt Resolution for Exemption for Audit: After review, Director O’Sullivan moved to adopt Resolution for Exemption for Audit; seconded by Director Long. Motion passed unanimously.
9. Legal Matters: There were no legal matters.
10. Other Business
- a. Cancellation of May 2023 Director Election: Mr. Allen confirmed that there were three nominations received for the three open seats, so the May 2023 Election is cancelled. He noted that Director Byers seat will be vacated in May and the Board can consider reappointing him at the May Board meeting. Director Byers confirmed that he intends to be reappointed to the Board.
 - b. Ms. Harris discussed that there are currently no recorded CCR’s for the District and Director Byers requests that one common set of CCR’s be adopted for the entire District. Mr. Walker suggested using a foundational document that each set of Covenants includes. Mr. Walker will work with Mr. Allen and Director Byers on this item.
 - c. President Case II noted easements that may need to be vacated soon.
 - d. Next Regular Meeting scheduled: April 11, 2023, at 9:00 AM: Director O’Sullivan moved to reschedule the next Board meeting to April 18, 2023 at 9:00 AM; seconded by Director Long. Motion passed unanimously.
11. Adjourn: The Board unanimously adjourned the meeting at 10:50 AM.

Respectfully Submitted,

By: Recording Secretary



Bradley Heights Metropolitan District No. 1

04/12/23

Balance Sheet

Accrual Basis

As of March 31, 2023

	<u>Mar 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
ECB - Checking	3,188.76
Total Checking/Savings	<u>3,188.76</u>
Accounts Receivable	
Accounts Receivable	50,000.00
Total Accounts Receivable	<u>50,000.00</u>
Other Current Assets	
Due From District 3	910.00
Due From District 2	1,200.00
Total Other Current Assets	<u>2,110.00</u>
Total Current Assets	<u>55,298.76</u>
TOTAL ASSETS	<u>55,298.76</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	51,076.62
Total Accounts Payable	<u>51,076.62</u>
Total Current Liabilities	51,076.62
Long Term Liabilities	
Developer Advance - Randle Case	41,000.00
Marksheffel-Woodmen Investments	75,850.00
Total Long Term Liabilities	<u>116,850.00</u>
Total Liabilities	167,926.62
Equity	
Retained Earnings	-92,576.11
Net Income	-20,051.75
Total Equity	<u>-112,627.86</u>
TOTAL LIABILITIES & EQUITY	<u>55,298.76</u>

Bradley Heights Metropolitan District No. 1

Profit & Loss Budget vs. Actual

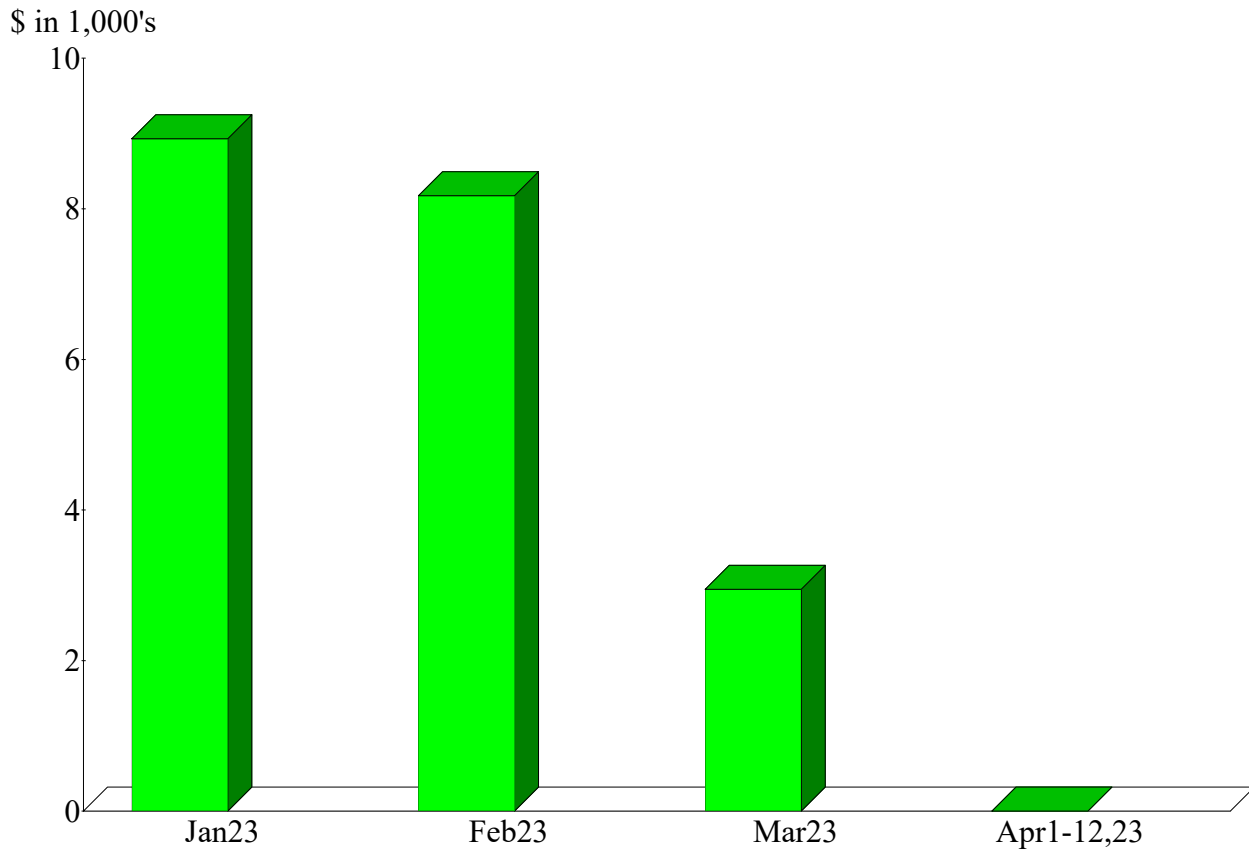
January through March 2023

TOTAL

	<u>Mar 23</u>	<u>Jan - Mar 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense					
Income					
Developer Advance	0.00	0.00	70,000.00	-70,000.00	0.0%
Transfer From District 2-O&M	0.00	0.00	1,651.29	-1,651.29	0.0%
Transfer From District 3-O&M	0.00	0.00	1,050.78	-1,050.78	0.0%
Total Income	0.00	0.00	72,702.07	-72,702.07	0.0%
Expense					
Audit	0.00	0.00	8,500.00	-8,500.00	0.0%
Bank Service Charge	0.00	0.00	100.00	-100.00	0.0%
Contingency	0.00	0.00	5,000.00	-5,000.00	0.0%
Copies & Postage	0.00	2.10	1,000.00	-997.90	0.21%
District Management	3,000.00	9,000.00	36,000.00	-27,000.00	25.0%
Dues & Subscriptions (SDA) - D1	0.00	316.22	1,500.00	-1,183.78	21.08%
Dues & Subscriptions (SDA) - D2	0.00	1,237.50	500.00	737.50	247.5%
Dues & Subscriptions (SDA) - D3	0.00	225.02	500.00	-274.98	45.0%
Elections	362.34	1,927.00			
Insurance - D1	0.00	-50.00	1,600.00	-1,650.00	-3.13%
Insurance - D2	-2,521.00	-2,521.00	3,000.00	-5,521.00	-84.03%
Insurance - D3	0.00	2,521.00	1,600.00	921.00	157.56%
Legal	2,099.73	7,366.21	8,000.00	-633.79	92.08%
Miscellaneous	6.18	27.70			
Total Expense	2,947.25	20,051.75	67,300.00	-47,248.25	29.8%
Net Ordinary Income	-2,947.25	-20,051.75	5,402.07	-25,453.82	-371.19%
Net Income	-2,947.25	-20,051.75	5,402.07	-25,453.82	-371.19%

Income and Expense by Month
January 1 through April 12, 2023

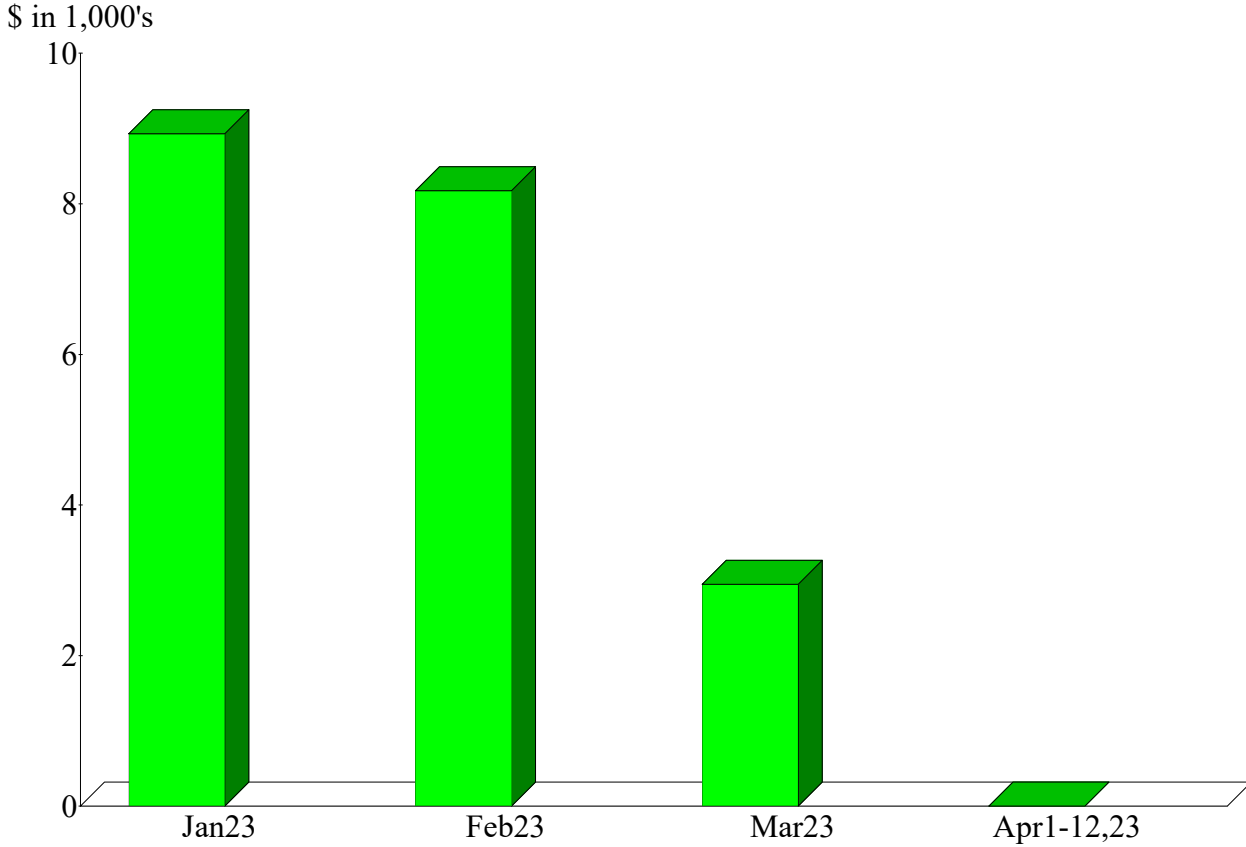
Expense



NO TRANSACTIONS MATCHING GRAPH

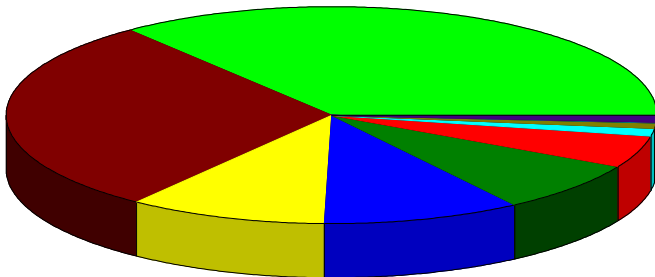
Income and Expense by Month
January 1 through April 12, 2023

Expense



Expense Summary
January 1 through April 12, 2023

District Management	39.78%
Legal	32.56
Insurance - D2	\$-2,521.00
Insurance - D3	11.14
Elections	8.52
Dues & Subscriptions (SDA) - D2	5.47
Dues & Subscriptions (SDA) - D1	1.40
Dues & Subscriptions (SDA) - D3	0.99
Insurance - D1	\$-50.00
Miscellaneous	0.12
Copies & Postage	0.01
Sub-Total	\$20,051.75



By Account

Bradley Heights Metropolitan District No. 2

04/12/23

Balance Sheet

Accrual Basis

As of March 31, 2023

	<u>Mar 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	665.62
UMB Bond Account 156470.1	0.57
UMB - Project Fund 156470.2	22,646,083.22
Total Checking/Savings	<u>22,646,749.41</u>
Accounts Receivable	
Accounts Receivable	506,831.00
Total Accounts Receivable	<u>506,831.00</u>
Other Current Assets	
Accounts Receivable Other	39.00
Property Tax Receivable	6,058.80
Total Other Current Assets	<u>6,097.80</u>
Total Current Assets	<u>23,159,678.21</u>
Fixed Assets	
Construction in Progress	149,480.92
Total Fixed Assets	<u>149,480.92</u>
TOTAL ASSETS	<u><u>23,309,159.13</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	4,250.00
Total Accounts Payable	<u>4,250.00</u>
Other Current Liabilities	
Accrued Interest	577,959.00
Due to District 1	1,200.00
Deferred Property Tax Revenue	6,058.80
Total Other Current Liabilities	<u>585,217.80</u>
Total Current Liabilities	<u>589,467.80</u>
Long Term Liabilities	
Series 2021A Bonds	35,000,000.00
Total Long Term Liabilities	<u>35,000,000.00</u>
Total Liabilities	<u>35,589,467.80</u>
Equity	
Retained Earnings	-9,109,209.76
Net Income	-3,171,098.91
Total Equity	<u>-12,280,308.67</u>
TOTAL LIABILITIES & EQUITY	<u><u>23,309,159.13</u></u>

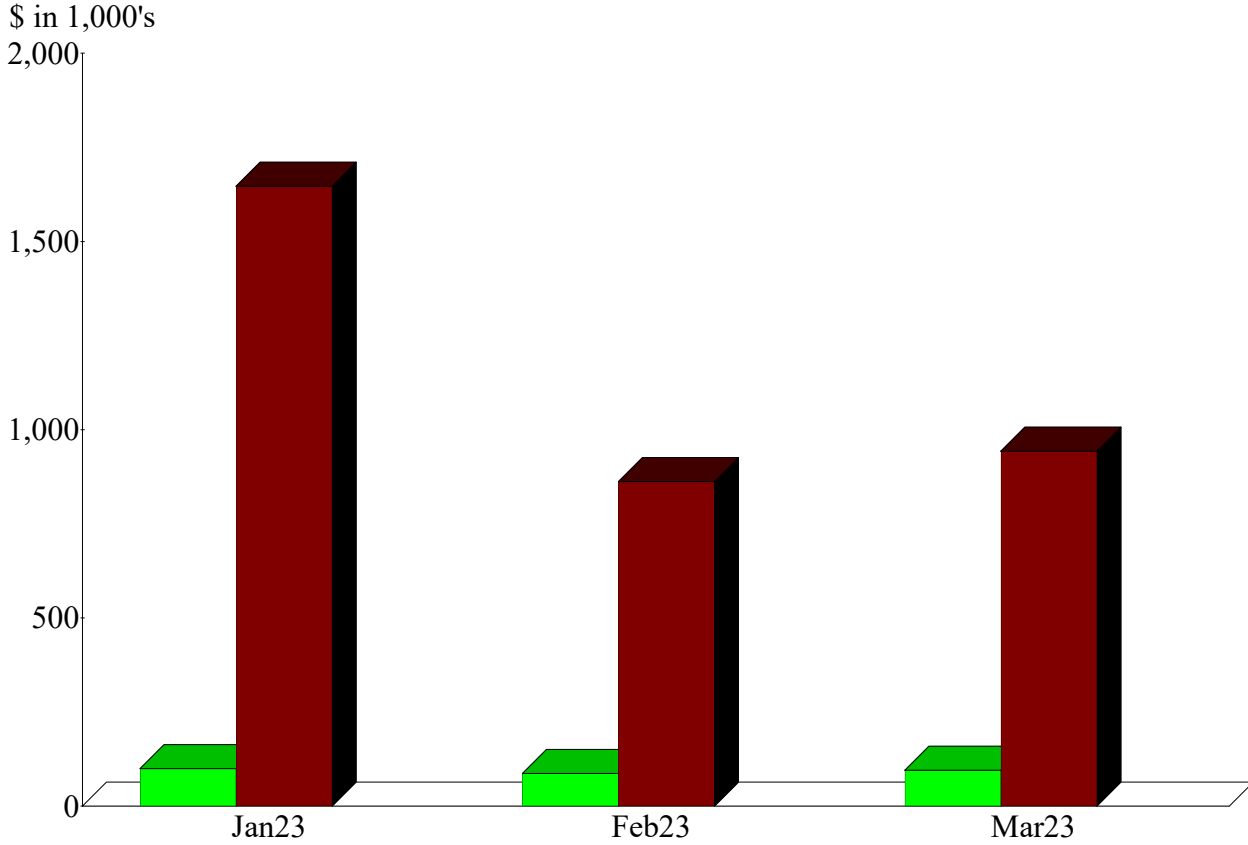
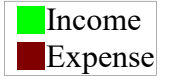
Bradley Heights Metropolitan District No. 2

Profit & Loss Budget vs. Actual

January through March 2023

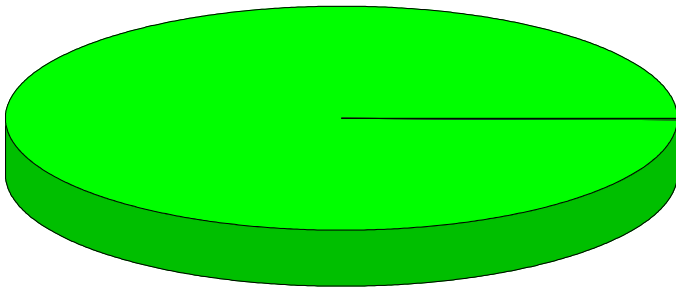
	TOTAL				
	Mar 23	Jan - Mar 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Transfer From D3 DS Taxes	0.00	0.00	788.09	-788.09	0.0%
CY Property Tax - O&M	50.50	50.50	1,565.20	-1,514.70	3.23%
Specific Ownership Tax - O&M	12.86	25.52	109.56	-84.04	23.29%
CY Property Tax - Debt	151.50	151.50	4,695.60	-4,544.10	3.23%
Specifice Ownership Tax - Debt	38.57	76.53	328.69	-252.16	23.28%
Total Income	<u>253.43</u>	<u>304.05</u>	<u>7,487.14</u>	<u>-7,183.09</u>	<u>4.06%</u>
Expense					
Bond Expense					
Bank Fees	4,981.25	14,518.36	20,000.00	-5,481.64	72.59%
Debt Service Interest	0.00	0.00	1,630.54	-1,630.54	0.0%
Paying Agent Fee	0.00	0.00	4,000.00	-4,000.00	0.0%
Total Bond Expense	<u>4,981.25</u>	<u>14,518.36</u>	<u>25,630.54</u>	<u>-11,112.18</u>	<u>56.65%</u>
Capital Outlay					
Legal Expense	0.00	2,158.79			
Capital Construction	821,406.62	3,182,161.44	21,000,000.00	-17,817,838.56	15.15%
Engineering/Planning	97,303.74	223,997.75	2,000,000.00	-1,776,002.25	11.2%
Project Management	19,674.51	29,863.26	250,000.00	-220,136.74	11.95%
Total Capital Outlay	<u>938,384.87</u>	<u>3,438,181.24</u>	<u>23,250,000.00</u>	<u>-19,811,818.76</u>	<u>14.79%</u>
Transfer to District 1	0.00	0.00	1,651.29	-1,651.29	0.0%
Treasurer Collection Fee - O&M	0.77	0.77	23.48	-22.71	3.28%
Treasurer Collection Fee - Debt	2.27	2.27	70.43	-68.16	3.22%
Total Expense	<u>943,369.16</u>	<u>3,452,702.64</u>	<u>23,277,375.74</u>	<u>-19,824,673.10</u>	<u>14.83%</u>
Net Ordinary Income	<u>-943,115.73</u>	<u>-3,452,398.59</u>	<u>-23,269,888.60</u>	<u>19,817,490.01</u>	<u>14.84%</u>
Other Income/Expense					
Other Income					
Interest Income - Debt	94,966.82	281,299.68	100,000.00	181,299.68	281.3%
Total Other Income	<u>94,966.82</u>	<u>281,299.68</u>	<u>100,000.00</u>	<u>181,299.68</u>	<u>281.3%</u>
Net Other Income	<u>94,966.82</u>	<u>281,299.68</u>	<u>100,000.00</u>	<u>181,299.68</u>	<u>281.3%</u>
Net Income	<u><u>-848,148.91</u></u>	<u><u>-3,171,098.91</u></u>	<u><u>-23,169,888.60</u></u>	<u><u>19,998,789.69</u></u>	<u><u>13.69%</u></u>

Income and Expense by Month
January through March 2023



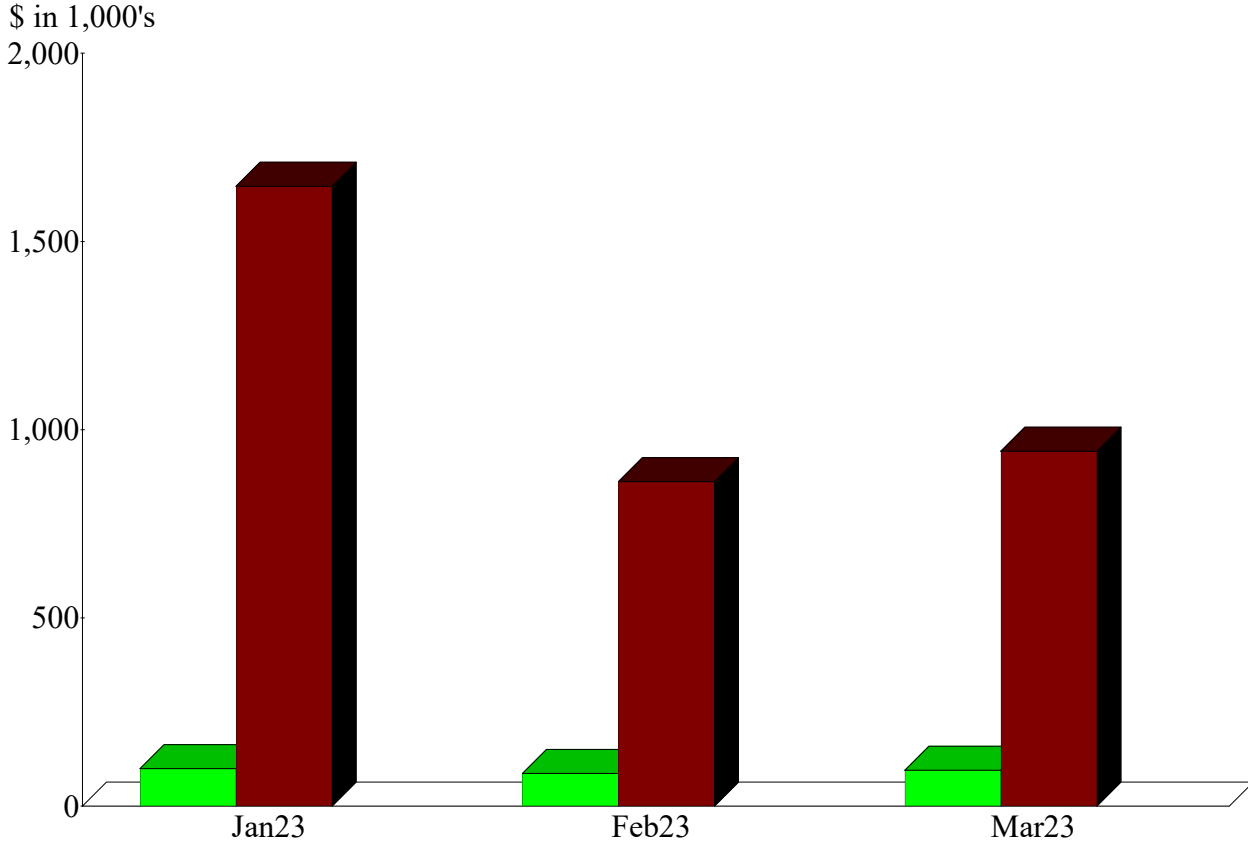
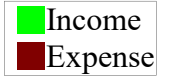
Income Summary
January through March 2023

Interest Income - Debt	99.89%
CY Property Tax - Debt	0.05
Specifice Ownership Tax - Debt	0.03
CY Property Tax - O&M	0.02
Specific Ownership Tax - O&M	0.01
Total	\$281,603.73



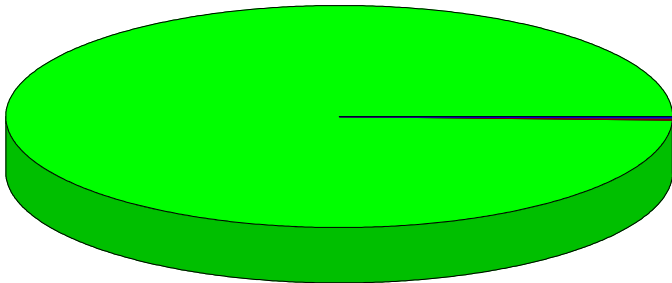
By Account

Income and Expense by Month
January through March 2023



Expense Summary
January through March 2023

Capital Outlay	99.58%
Bond Expense	0.42
Treasurer Collection Fee - Debt	0.01
Treasurer Collection Fee - O&M	0.01
Total	\$3,452,702.64



By Account

Balance Sheet

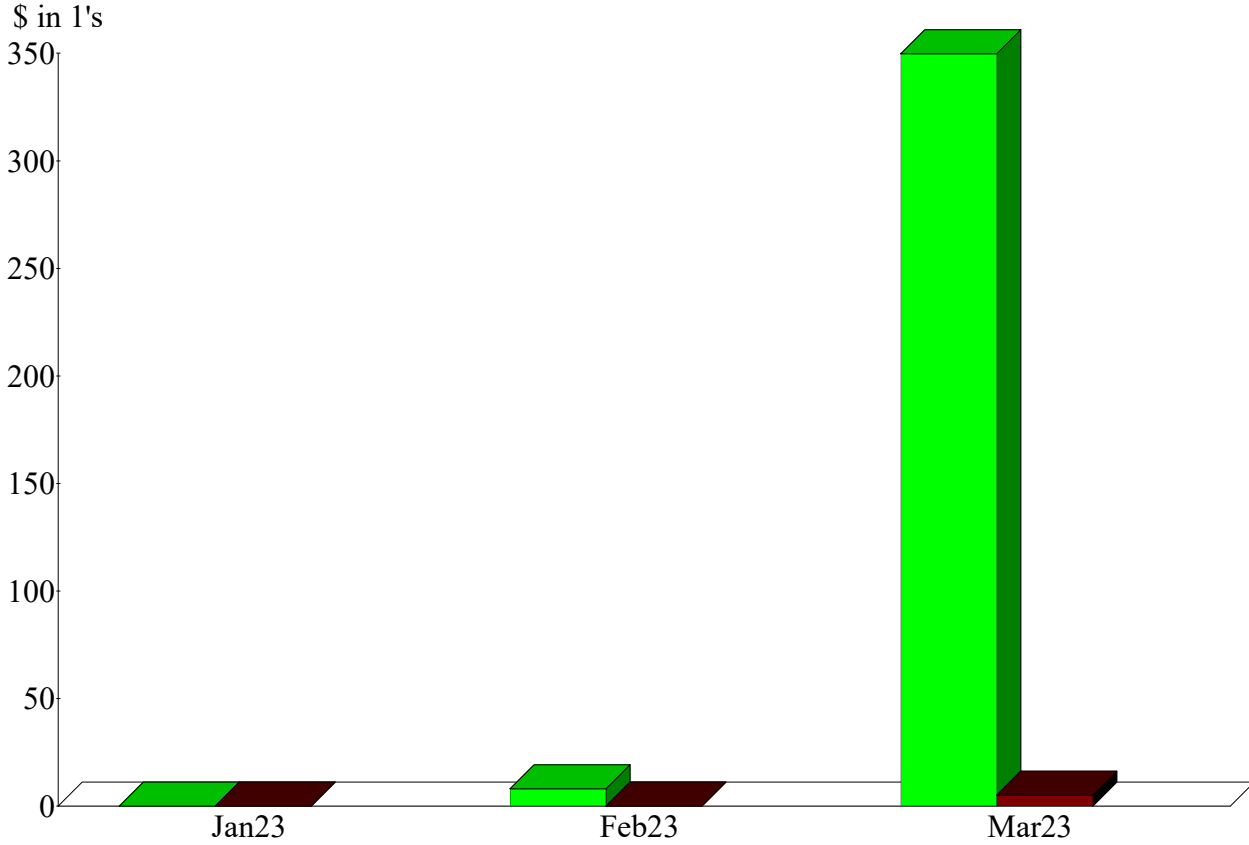
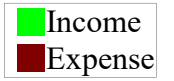
As of March 31, 2023

	<u>Mar 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	682.41
Total Checking/Savings	<u>682.41</u>
Other Current Assets	
Property Tax Receivable	657.20
Total Other Current Assets	<u>657.20</u>
Total Current Assets	<u>1,339.61</u>
TOTAL ASSETS	<u>1,339.61</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due To District 1	910.00
Deferred Property Tax Revenue	657.20
Total Other Current Liabilities	<u>1,567.20</u>
Total Current Liabilities	<u>1,567.20</u>
Total Liabilities	1,567.20
Equity	
Retained Earnings	-580.30
Net Income	352.71
Total Equity	<u>-227.59</u>
TOTAL LIABILITIES & EQUITY	<u>1,339.61</u>

Bradley Heights Metropolitan District No. 3
Profit & Loss Budget vs. Actual
 January through March 2023

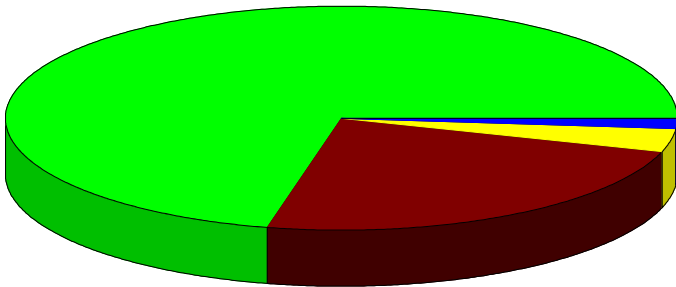
	TOTAL				
	Mar 23	Jan - Mar 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
CY Property Tax - O&M	85.40	85.40	249.00	-163.60	34.3%
Specific Ownership Tax - O&M	2.05	4.06	17.43	-13.37	23.29%
CY Property Tax - Debt	256.20	256.20	747.00	-490.80	34.3%
Specifice Ownership Tax - Debt	6.14	12.18	52.29	-40.11	23.29%
Total Income	<u>349.79</u>	<u>357.84</u>	<u>1,065.72</u>	<u>-707.88</u>	<u>33.58%</u>
Expense					
Transfer to D2 DS Taxes	0.00	0.00	788.08	-788.08	0.0%
Treasurer Collection Fee - O&M	1.29	1.29	3.74	-2.45	34.49%
Treasurer Collection Fee - Debt	3.84	3.84	11.21	-7.37	34.26%
Total Expense	<u>5.13</u>	<u>5.13</u>	<u>803.03</u>	<u>-797.90</u>	<u>0.64%</u>
Net Ordinary Income	<u>344.66</u>	<u>352.71</u>	<u>262.69</u>	<u>90.02</u>	<u>134.27%</u>
Other Income/Expense					
Other Expense					
Other Expense					
Transfer to Dist 1 - Gen Fund	0.00	0.00	262.69	-262.69	0.0%
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>262.69</u>	<u>-262.69</u>	<u>0.0%</u>
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>262.69</u>	<u>-262.69</u>	<u>0.0%</u>
Net Other Income	<u>0.00</u>	<u>0.00</u>	<u>-262.69</u>	<u>262.69</u>	<u>0.0%</u>
Net Income	<u><u>344.66</u></u>	<u><u>352.71</u></u>	<u><u>0.00</u></u>	<u><u>352.71</u></u>	<u><u>100.0%</u></u>

Income and Expense by Month
January through March 2023



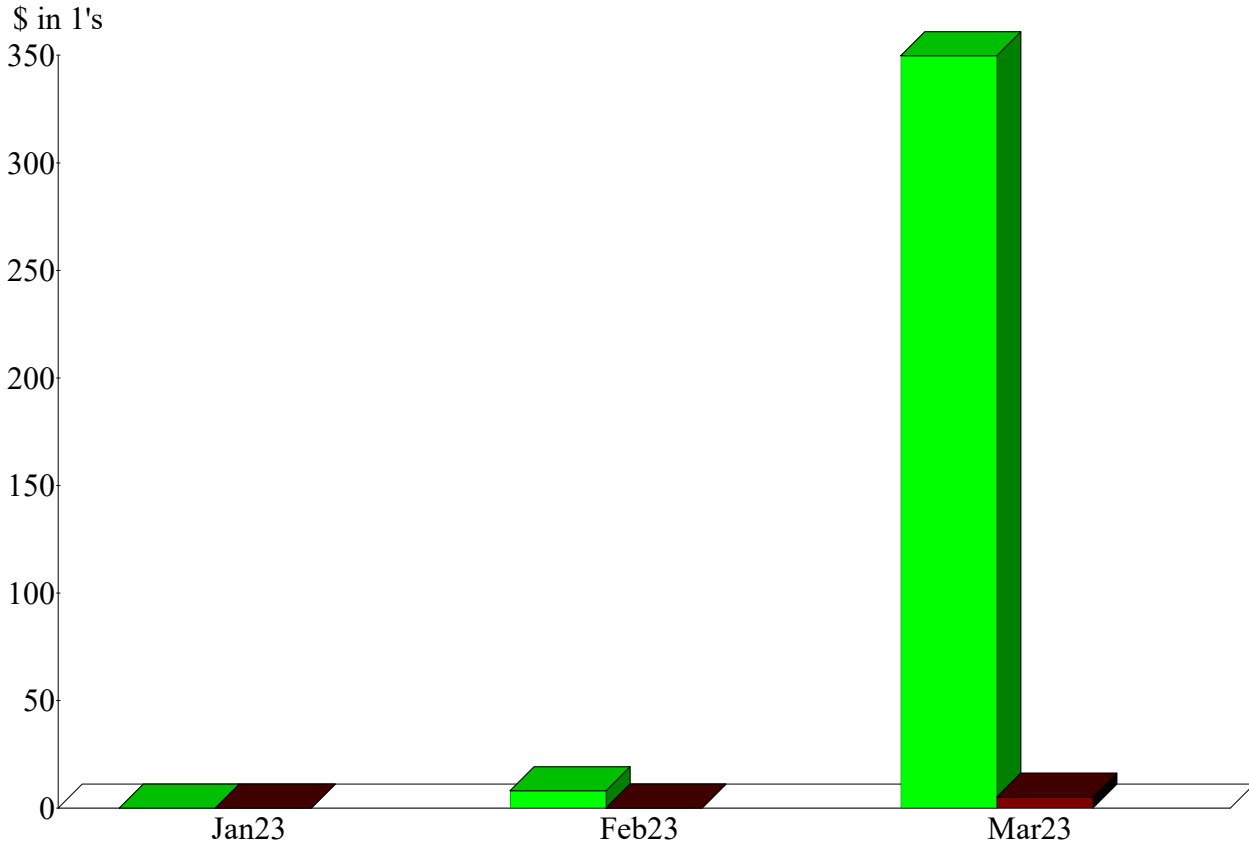
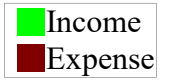
Income Summary
January through March 2023

CY Property Tax - Debt	71.60%
CY Property Tax - O&M	23.87
Specifice Ownership Tax - Debt	3.40
Specific Ownership Tax - O&M	1.13
Total	\$357.84



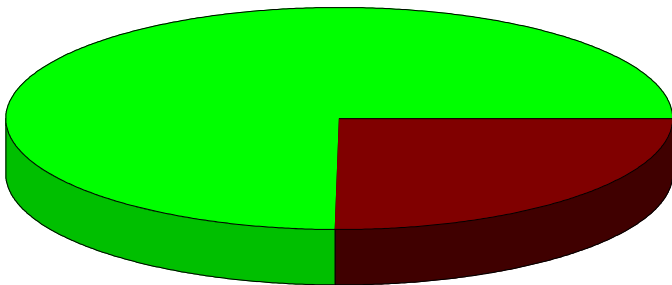
By Account

Income and Expense by Month
January through March 2023



Expense Summary
January through March 2023

Treasurer Collection Fee - Debt	74.85%
Treasurer Collection Fee - O&M	25.15
Total	\$5.13



By Account



Bradley Heights Metropolitan District No. 1
PAYMENT REQUEST

4/18/2023

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
White Bear Anekele	27147	3/31/2023	\$ 2,462.07	
WSDM District Managers	7388	3/31/2023	\$ 3,006.18	
TOTAL			\$ 5,468.25	

\$5,468.25

Bradley Heights Metropolitan District