



BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3

Regular Board Meeting
Tuesday, October 10, 2023, at 9:00 AM
119 N. Wahsatch Ave.
Colorado Springs, Colorado 80903

and
Via tele/videoconference

<https://video.cloudoffice.avaya.com/join/109995525>

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

Access Code: 109-995-525

Board of Director	Title	Term
Randle W Case II	President	May 2027
Bryan T Long	Vice-President	May 2027
Ray O’Sullivan	Treasurer/ Secretary	May 2025
Robert Case	Assistant Secretary	May 2025
Jim Byers	Assistant Secretary	May 2027 (appointment to May 2025)

AGENDA

1. Call to order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Approval of September 12, 2023, Meeting Minutes (enclosure)
5. District Manager Report
 - a. Service Plan Amendment Status
 - 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. Construction Schedule/Construction Contracts Approval/Ratify/Pre-approval
 - d. Update on Construction Budget and Assurance
 - e. Redemption Hill Church
 - f. Challenger Homes
 - g. Bradley Ridge
8. Financial Matters
 - a. Approve Unaudited Financial Reports through September 30, 2023 (enclosure)
 - b. Review and Approve Payables through October 10, 2023 (enclosure)
 - c. Review Draft 2024 Budget (under separate cover)
9. Legal Matters

10. Other Business
 - a. Next Regular Meeting scheduled: November 14, 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 9:00 AM on Tuesday, the 10th day of October, 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 SEPTEMBER 12, 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, September 12, 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 (Excused)
Robert Case, Assistant Secretary
Ray O’Sullivan, Treasurer/Secretary
Jim Byers, Assistant Secretary (Excused)

Also in attendance were:

K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron
Kevin Walker, WSDM District Managers
Rebecca Harris, WSDM District Managers
Eric Smith, Matrix Design Group
Jeff Odor, Matrix Design Group
Chris Grundy, Project Manager
Rob Fuller, ROI
Nathan Steele, ROI
Ryan Case, Interested Party

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 at 9:00 a.m. by President Case II with Directors Long and Byers excused.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: Ms. Harris 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: Ms. Harris removed item 9.a. from the Agenda. Director O’Sullivan moved to approve the Agenda as amended; seconded by Director Robert Case. Motion passed unanimously.

4. Approval of August 8, 2023 Meeting Minutes: Director Robert Case moved to approve the August 8, 2023 Minutes; seconded by Director O’Sullivan. Motion passed unanimously.
5. District Manager Report
 - a. Service Plan Amendment Status: Mr. Walker reported the Service Plan Amendment is tentatively scheduled for the third week of October with City Council. The Amendment changes District 2 O&M mill levy from 10 mills to 20 mills.
 - b. Right-of-way Acquisition Update: Mr. Walker discussed the right-of-way acquisition and reported that the appraisal is completed, and the next step is to submit an official offer to the property owners.
6. President of the Board Report: President Case II reported he attended the recent OAC meetings and updates will be provided next on the Agenda. He noted that Director O’Sullivan will join the rest of the meeting remotely so that he can attend the City Council meeting.
7. Development Status Review
 - a. Engineering Update: The Board reviewed the monthly engineering and construction report provided by Mr. Grundy.
 - i. Schedule: Mr. Grundy provided an update on the schedule.
 - b. Plan Updates
 - i. Roadway/ Utility/ Storm Water: Mr. Odor provided an update on roadway, utility, and storm plans.
 - ii. Channel Design: Mr. Odor provided an update on the channel design.
 - iii. 24” and 16” Water Line Update: Mr. Grundy provided an update on the water main extension project.
 - c. Construction Schedule/Construction Contracts Approval/Ratify/Pre-approval: Mr. Grundy presented Change Order 22 for repair of Marksheffel Road to be ratified. Director Robert Case moved to ratify Change Order 22; seconded by Director O’Sullivan. Motion passed unanimously. Mr. Grundy discussed the tumbleweeds that need to be mitigated. The proposal for tumbleweed mitigation and spraying totals \$11,000. Director O’Sullivan moved to approve the Change Order for tumbleweed mitigation and spraying up to \$11,000; seconded by Director Robert Case. Motion passed unanimously.
 - d. Update on Construction Budget and Assurance: Mr. Walker reported he is preparing for the meeting with the City in the next 30-60 days.
 - e. Redemption Hill Church: President Case II reported there are tours at the site.
 - f. Challenger Homes: There was no update provided.
 - g. Bradley Ridge: Director O’Sullivan provided an update on Bradley Ridge and noted they continue to move forward on the submittals.
8. Financial Matters
 - a. Approve Unaudited Financial Reports through August 31, 2023: Ms. Harris presented the unaudited financial reports through August 31, 2023. After review, Director O’Sullivan moved to approve the unaudited financial reports through August 31, 2023; seconded by Director Robert Case. Motion passed unanimously.
 - b. Review and Approve Payables through September 12, 2023: Ms. Harris presented the payables through September 12, 2023. She noted District No. 2 Requisition No. 30 that totals \$2,199,154.65. After review, Director O’Sullivan moved to approve the District No. 2 payment request for \$2,199,154.65; seconded by Director Robert Case. Motion passed unanimously.
9. Legal Matters: There were no legal matters.
10. Other Business

a. Next Regular Meeting scheduled for October 10, 2023, at 9:00 a.m.

11. Adjourn: The Board unanimously adjourned the meeting at 10:00 a.m.

Respectfully Submitted,

By: Recording Secretary



Bradley Heights Metropolitan District No. 1

Balance Sheet

10/04/23

As of September 30, 2023

Accrual Basis

	<u>Sep 30, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
ECB - Checking	3,993.56
Total Checking/Savings	3,993.56
Accounts Receivable	
Accounts Receivable	9,400.00
Total Accounts Receivable	9,400.00
Other Current Assets	
Due From District 3	785.19
Due From District 2	4,200.00
Total Other Current Assets	4,985.19
Total Current Assets	18,378.75
TOTAL ASSETS	18,378.75
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	48,608.07
Total Accounts Payable	48,608.07
Total Current Liabilities	48,608.07
Long Term Liabilities	
Developer Advance - Randle Case	41,000.00
Marksheffel-Woodmen Investments	75,850.00
Total Long Term Liabilities	116,850.00
Total Liabilities	165,458.07
Equity	
Retained Earnings	-142,576.11
Net Income	-4,503.21
Total Equity	-147,079.32
TOTAL LIABILITIES & EQUITY	18,378.75

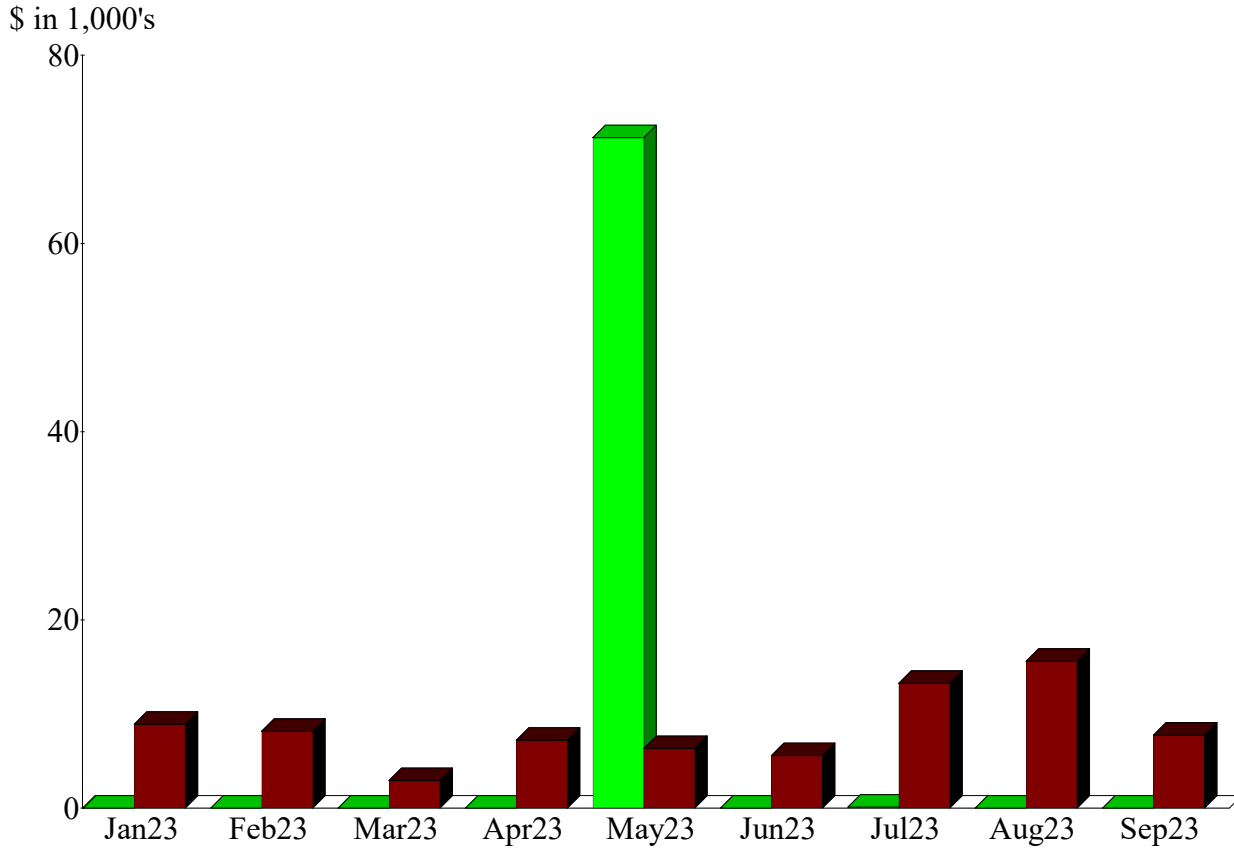
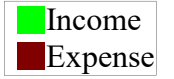
Bradley Heights Metropolitan District No. 1

Profit & Loss Budget vs. Actual

January through September 2023

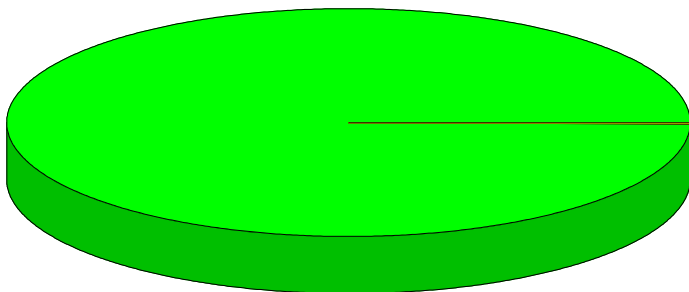
	TOTAL				
	Sep 23	Jan - Sep 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Developer Advance	0.00	71,249.00	70,000.00	1,249.00	101.78%
Transfer From District 2-O&M	0.00	0.00	1,651.29	-1,651.29	0.0%
Transfer From District 3-O&M	0.00	134.97	1,050.78	-915.81	12.85%
Total Income	<u>0.00</u>	<u>71,383.97</u>	<u>72,702.07</u>	<u>-1,318.10</u>	<u>98.19%</u>
Expense					
Audit	0.00	14,825.00	8,500.00	6,325.00	174.41%
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	3,006.19	27,012.37	36,000.00	-8,987.63	75.03%
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	0.00	2,272.94			
Insurance - D1	2,191.00	2,141.00	1,600.00	541.00	133.81%
Insurance - D2	250.00	-1,826.00	3,000.00	-4,826.00	-60.87%
Insurance - D3	2,326.00	5,292.00	1,600.00	3,692.00	330.75%
Legal	0.00	24,342.80	8,000.00	16,342.80	304.29%
Miscellaneous	0.00	46.24			
Total Expense	<u>7,773.19</u>	<u>75,887.19</u>	<u>67,300.00</u>	<u>8,587.19</u>	<u>112.76%</u>
Net Ordinary Income	<u>-7,773.19</u>	<u>-4,503.22</u>	<u>5,402.07</u>	<u>-9,905.29</u>	<u>-83.36%</u>
Other Income/Expense					
Other Income					
Other Income					
Interest Income	0.00	0.01			
Total Other Income	<u>0.00</u>	<u>0.01</u>			
Total Other Income	<u>0.00</u>	<u>0.01</u>			
Net Other Income	<u>0.00</u>	<u>0.01</u>			
Net Income	<u><u>-7,773.19</u></u>	<u><u>-4,503.21</u></u>	<u><u>5,402.07</u></u>	<u><u>-9,905.28</u></u>	<u><u>-83.36%</u></u>

Income and Expense by Month
January through September 2023



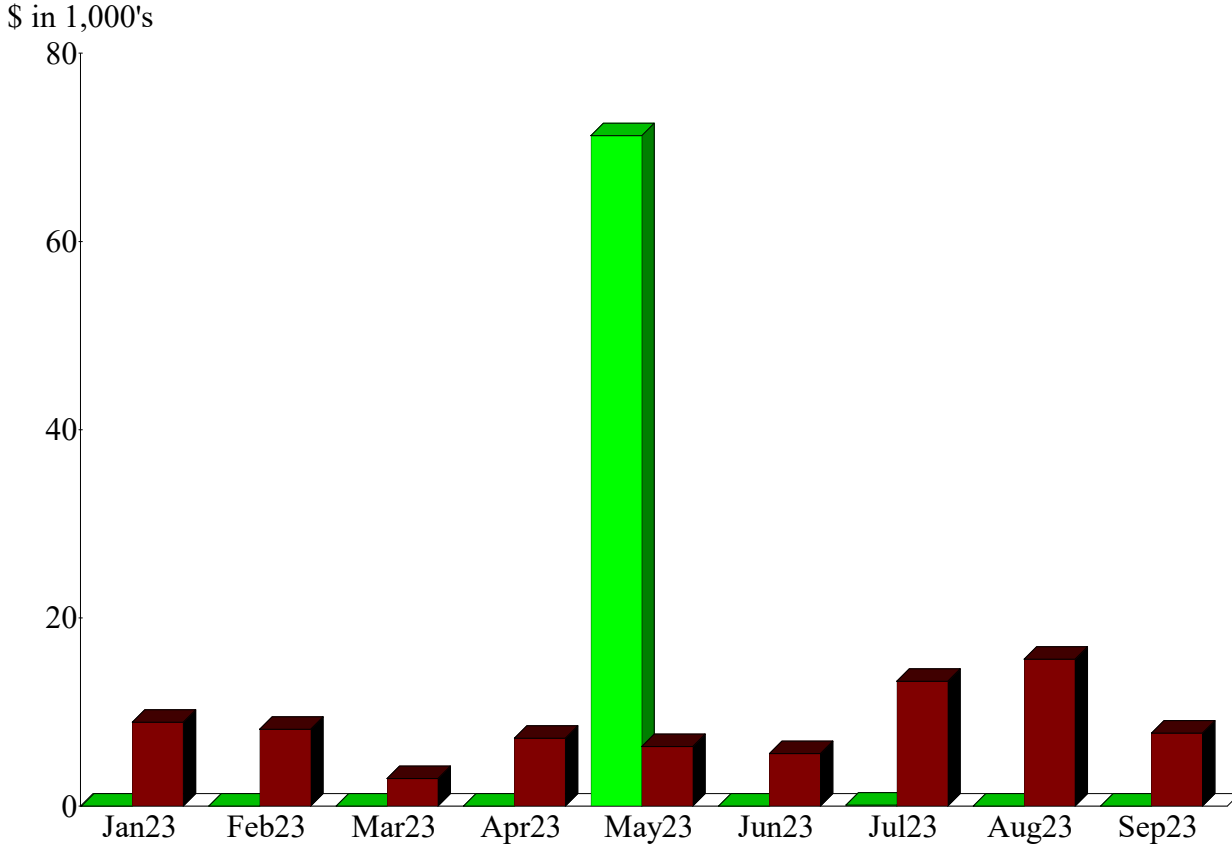
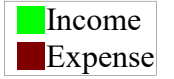
Income Summary
January through September 2023

Developer Advance	99.81%
Transfer From District 3-O&M	0.19
Other Income	0.01
Total	\$71,383.98



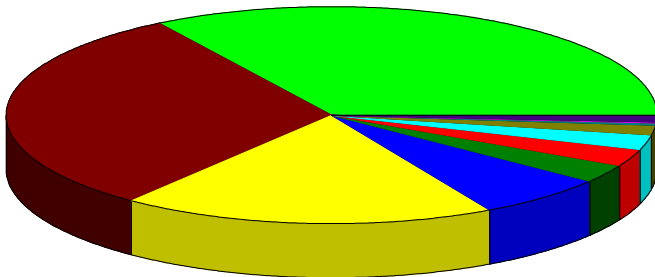
By Account

Income and Expense by Month
January through September 2023



Expense Summary
January through September 2023

District Management	34.76%
Legal	31.32
Audit	19.08
Insurance - D3	6.81
Elections	2.92
Insurance - D1	2.76
Insurance - D2	\$-1,826.00
Dues & Subscriptions (SDA) - D2	1.59
Dues & Subscriptions (SDA) - D1	0.41
Dues & Subscriptions (SDA) - D3	0.29
Other	0.06
Sub-Total	\$75,887.19



By Account

Bradley Heights Metropolitan District No. 2

Balance Sheet

10/04/23

As of September 30, 2023

Accrual Basis

	<u>Sep 30, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	-2,697.16
UMB Bond Account 156470.1	1,395.63
UMB - Project Fund 156470.2	6,880,236.24
Total Checking/Savings	<u>6,878,934.71</u>
Other Current Assets	
Due from District No 3	9.00
Accounts Receivable Other	39.00
Property Tax Receivable	5,955.20
Total Other Current Assets	<u>6,003.20</u>
Total Current Assets	<u>6,884,937.91</u>
Fixed Assets	
Construction in Progress	8,622,891.24
Total Fixed Assets	<u>8,622,891.24</u>
TOTAL ASSETS	<u>15,507,829.15</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	15,352.00
Total Accounts Payable	<u>15,352.00</u>
Other Current Liabilities	
Accounts Payable Other	0.25
Accrued Interest	2,267,035.00
Due to District 1	4,200.00
Deferred Property Tax Revenue	5,955.20
Total Other Current Liabilities	<u>2,277,190.45</u>
Total Current Liabilities	<u>2,292,542.45</u>
Long Term Liabilities	
Series 2021A Bonds	35,000,000.00
Total Long Term Liabilities	<u>35,000,000.00</u>
Total Liabilities	<u>37,292,542.45</u>
Equity	
Retained Earnings	-2,831,697.44
Net Income	-18,953,015.86
Total Equity	<u>-21,784,713.30</u>
TOTAL LIABILITIES & EQUITY	<u>15,507,829.15</u>

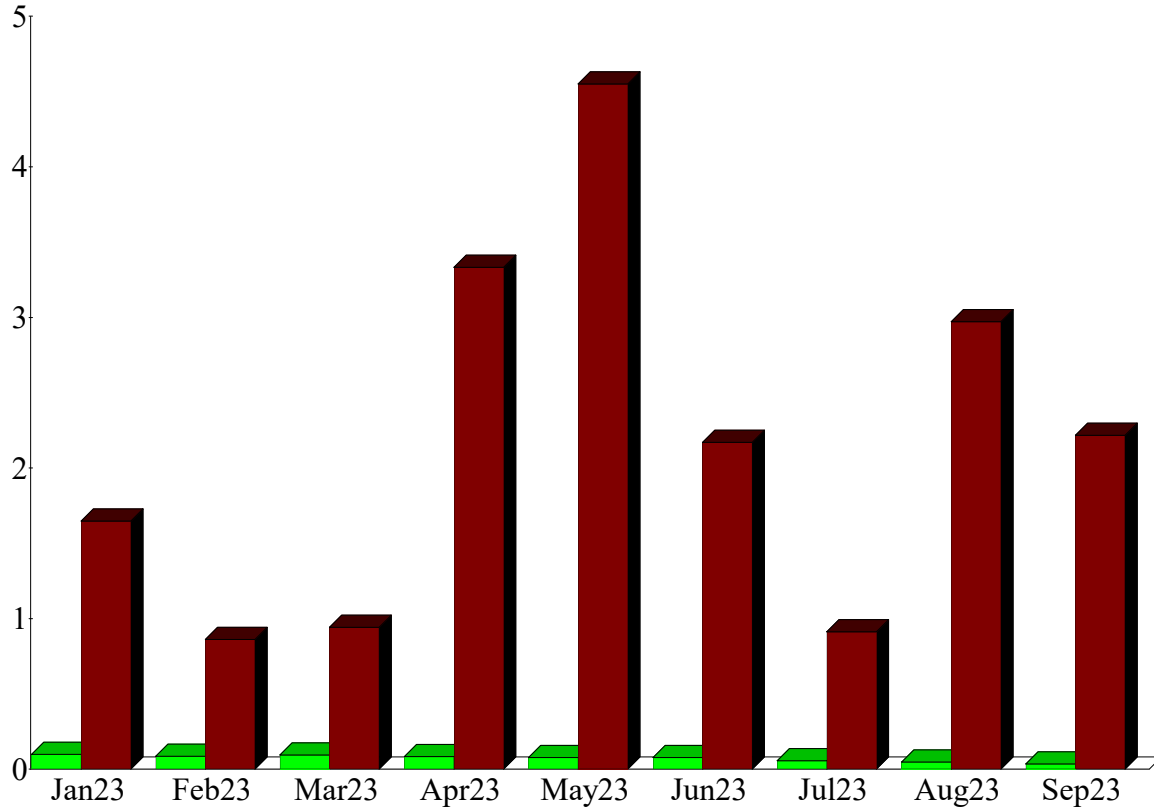
Bradley Heights Metropolitan District No. 2
Profit & Loss Budget vs. Actual
January through September 2023

	TOTAL				
	Sep 23	Jan - Sep 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Transfer From D3 DS Taxes	0.00	773.54	788.09	-14.55	98.15%
CY Property Tax - O&M	0.00	929.80	1,565.20	-635.40	59.41%
PY Tax - O&M	0.00	16.58			
Specific Ownership Tax - O&M	15.29	107.42	109.56	-2.14	98.05%
CY Property Tax - Debt	0.00	2,789.40	4,695.60	-1,906.20	59.41%
PY Tax Debt	0.00	49.72			
Specifice Ownership Tax - Debt	45.86	322.26	328.69	-6.43	98.04%
Impact Fees					
Capital Facility Fees-Platting	0.00	14,995.00			
Total Impact Fees	0.00	14,995.00			
Total Income	61.15	19,983.72	7,487.14	12,496.58	266.91%
Expense					
Bond Expense					
Bank Fees	2,085.36	34,673.28	20,000.00	14,673.28	173.37%
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	2,085.36	34,673.28	25,630.54	9,042.74	135.28%
Capital Outlay					
Legal Expense	0.00	3,159.88			
Construction Coordination	5,575.00	9,865.00			
Capital Construction	2,100,723.80	18,649,240.90	21,000,000.00	-2,350,759.10	88.81%
Engineering/Planning	78,308.75	774,783.96	2,000,000.00	-1,225,216.04	38.74%
Project Management	30,542.25	124,009.38	250,000.00	-125,990.62	49.6%
Total Capital Outlay	2,215,149.80	19,561,059.12	23,250,000.00	-3,688,940.88	84.13%
Transfer to District 1	0.00	0.00	1,651.29	-1,651.29	0.0%
Pledged Facility Fees	0.00	14,995.00			
Treasurer Collection Fee - O&M	0.00	15.74	23.48	-7.74	67.04%
Treasurer Collection Fee - Debt	0.00	40.05	70.43	-30.38	56.87%
Total Expense	2,217,235.16	19,610,783.19	23,277,375.74	-3,666,592.55	84.25%
Net Ordinary Income	-2,217,174.01	-19,590,799.47	-23,269,888.60	3,679,089.13	84.19%
Other Income/Expense					
Other Income					
Interest Income - Debt	34,672.20	637,783.61	100,000.00	537,783.61	637.78%
Total Other Income	34,672.20	637,783.61	100,000.00	537,783.61	637.78%
Net Other Income	34,672.20	637,783.61	100,000.00	537,783.61	637.78%
Net Income	-2,182,501.81	-18,953,015.86	-23,169,888.60	4,216,872.74	81.8%

Income and Expense by Month
January through September 2023

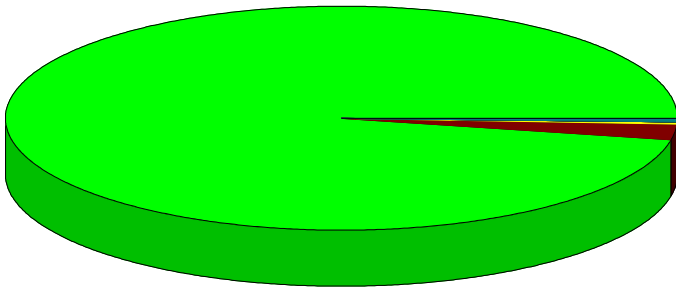


\$ in 1,000,000's



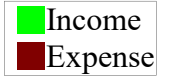
Income Summary
January through September 2023

Interest Income - Debt	96.96%
Impact Fees	2.28
CY Property Tax - Debt	0.42
CY Property Tax - O&M	0.14
Transfer From D3 DS Taxes	0.12
Specific Ownership Tax - Debt	0.05
Specific Ownership Tax - O&M	0.02
PY Tax Debt	0.01
PY Tax - O&M	0.01
Total	\$657,767.33

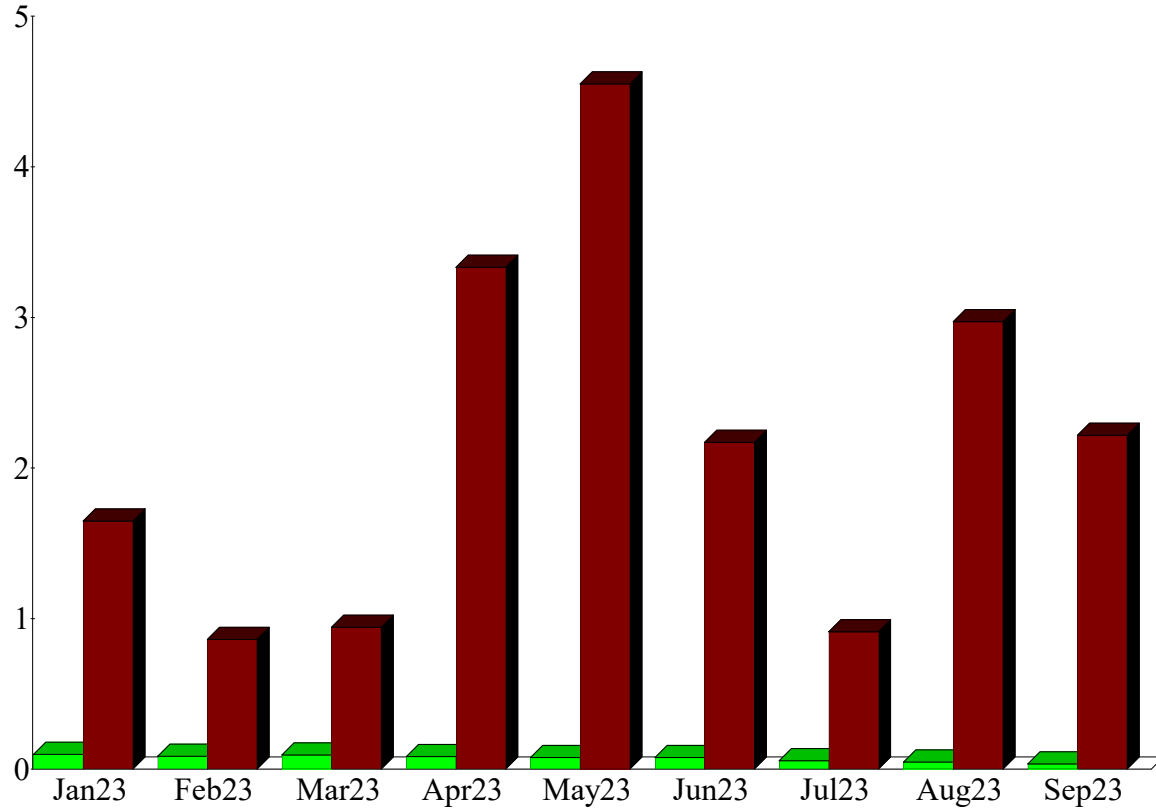


By Account

Income and Expense by Month
January through September 2023

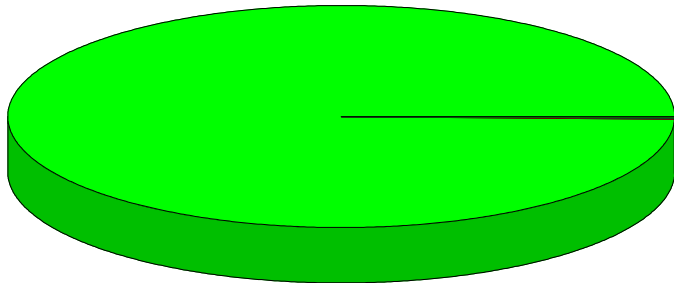


\$ in 1,000,000's



Expense Summary
January through September 2023

Capital Outlay	99.75%
Bond Expense	0.18
Pledged Facility Fees	0.08
Treasurer Collection Fee - Debt	0.01
Treasurer Collection Fee - O&M	0.01
Total	\$19,610,783.19



By Account

Bradley Heights Metropolitan District No. 3

Balance Sheet

10/04/23

As of September 30, 2023

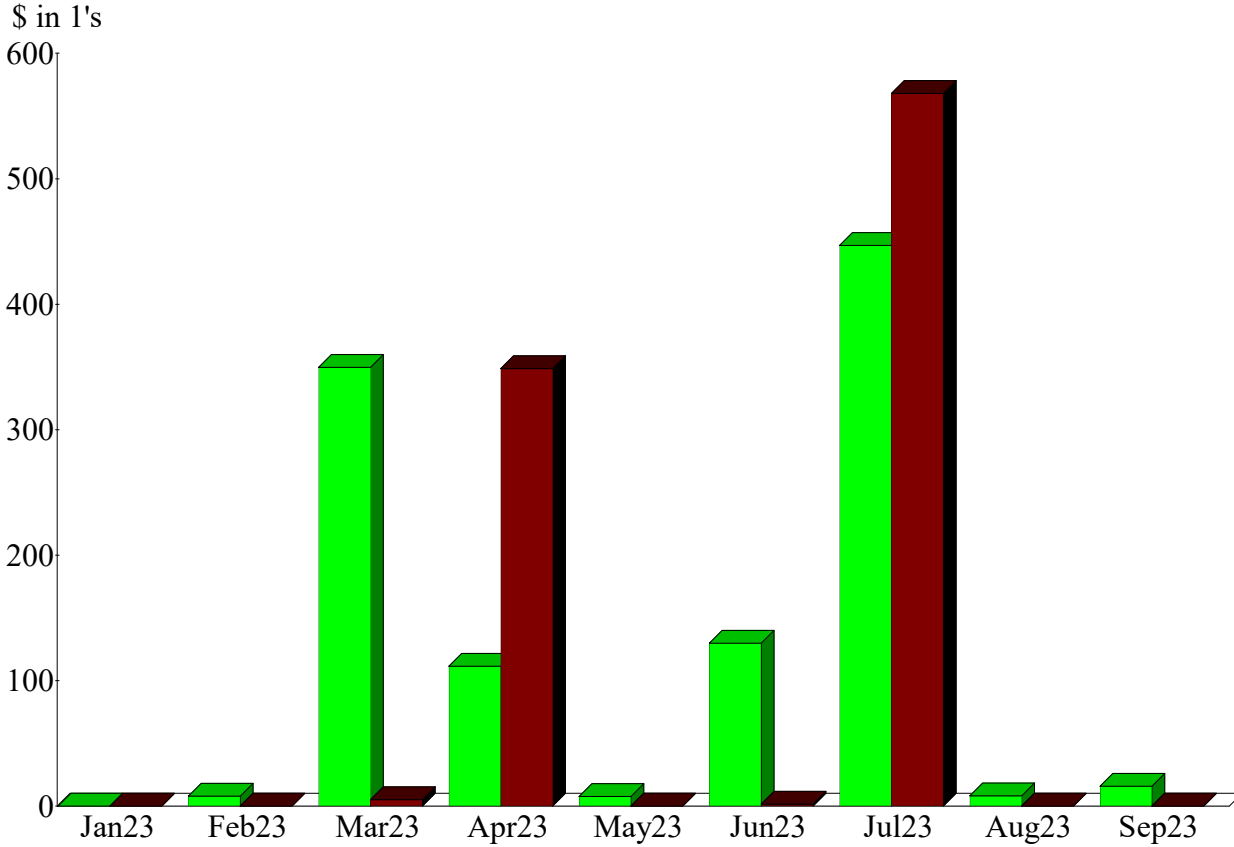
Accrual Basis

	<u>Sep 30, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	359.79
Total Checking/Savings	<u>359.79</u>
Total Current Assets	<u>359.79</u>
TOTAL ASSETS	<u>359.79</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due To District 1	794.19
Total Other Current Liabilities	<u>794.19</u>
Total Current Liabilities	<u>794.19</u>
Total Liabilities	794.19
Equity	
Retained Earnings	-589.30
Net Income	<u>154.90</u>
Total Equity	<u>-434.40</u>
TOTAL LIABILITIES & EQUITY	<u>359.79</u>

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

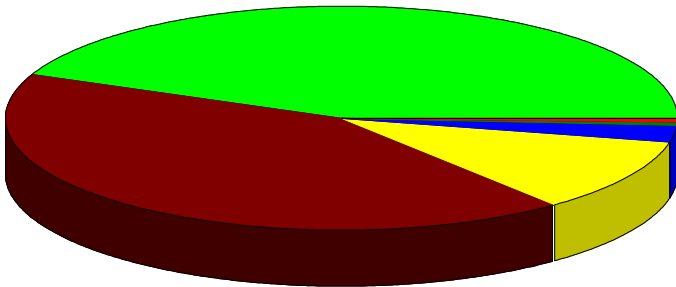
	TOTAL				
	Sep 23	Jan - Sep 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
CY Property Tax - O&M	0.00	115.47	249.00	-133.53	46.37%
PY Tax - O&M	0.00	1.93			
Specific Ownership Tax - O&M	4.00	27.40	17.43	9.97	157.2%
CY Property Tax - Debt	0.00	471.20	747.00	-275.80	63.08%
PY Tax - Debt	0.00	5.81			
Specifice Ownership Tax - Debt	11.98	456.56	52.29	404.27	873.13%
Total Income	<u>15.98</u>	<u>1,078.37</u>	<u>1,065.72</u>	<u>12.65</u>	<u>101.19%</u>
Expense					
Transfer to D2 DS Taxes	0.00	773.54	788.08	-14.54	98.16%
Treasurer Collection Fee - O&M	0.00	3.75	3.74	0.01	100.27%
Treasurer Collection Fee - Debt	0.00	11.21	11.21	0.00	100.0%
Total Expense	<u>0.00</u>	<u>788.50</u>	<u>803.03</u>	<u>-14.53</u>	<u>98.19%</u>
Net Ordinary Income	<u>15.98</u>	<u>289.87</u>	<u>262.69</u>	<u>27.18</u>	<u>110.35%</u>
Other Income/Expense					
Other Expense					
Other Expense					
Transfer to Dist 1 - Gen Fund	0.00	134.97	262.69	-127.72	51.38%
Total Other Expense	<u>0.00</u>	<u>134.97</u>	<u>262.69</u>	<u>-127.72</u>	<u>51.38%</u>
Total Other Expense	<u>0.00</u>	<u>134.97</u>	<u>262.69</u>	<u>-127.72</u>	<u>51.38%</u>
Net Other Income	<u>0.00</u>	<u>-134.97</u>	<u>-262.69</u>	<u>127.72</u>	<u>51.38%</u>
Net Income	<u><u>15.98</u></u>	<u><u>154.90</u></u>	<u><u>0.00</u></u>	<u><u>154.90</u></u>	<u><u>100.0%</u></u>

Income and Expense by Month
January through September 2023



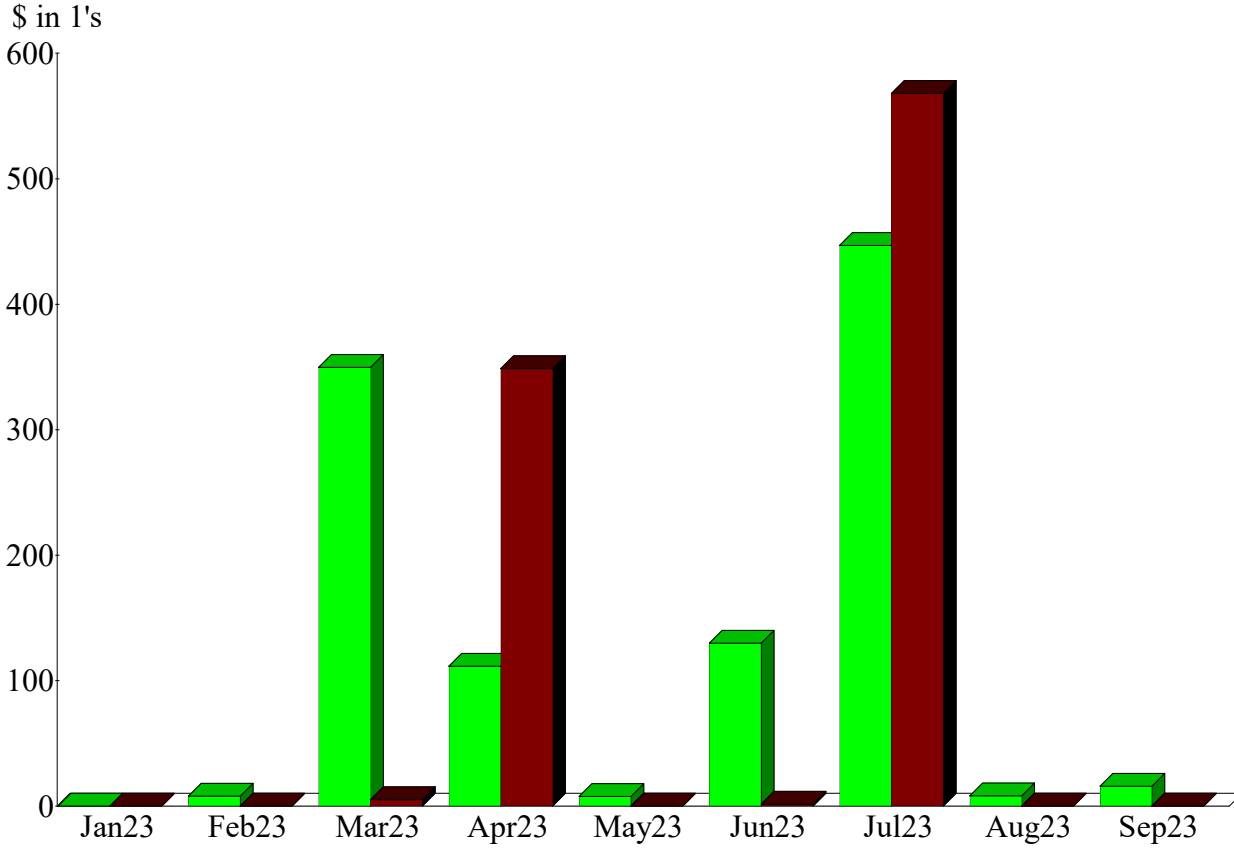
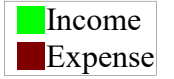
Income Summary
January through September 2023

CY Property Tax - Debt	43.70%
Specifice Ownership Tax - Debt	42.34
CY Property Tax - O&M	10.71
Specific Ownership Tax - O&M	2.54
PY Tax - Debt	0.54
PY Tax - O&M	0.18
Total	\$1,078.37



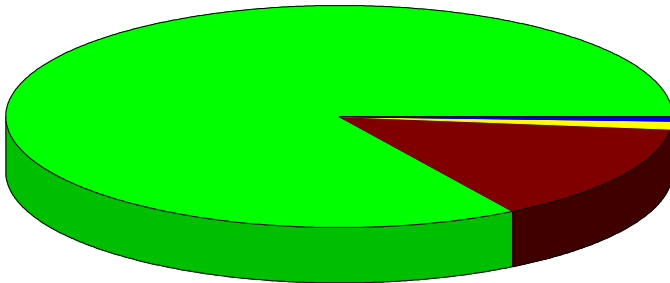
By Account

Income and Expense by Month
January through September 2023



Expense Summary
January through September 2023

Transfer to D2 DS Taxes	83.76%
Other Expense	14.62
Treasurer Collection Fee - Debt	1.21
Treasurer Collection Fee - O&M	0.41
Total	\$923.47



By Account



Bradley Heights Metropolitan District No. 1

PAYMENT REQUEST

10/10/2023

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
CO Special Dist Prop & Liability Pool	24PL-60612-1190	9/5/2023	\$ 1,941.00	D1
RLI Surety	674428	9/1/2023	\$ 250.00	D1
RLI Surety	674431	9/1/2023	\$ 250.00	D2
RLI Surety	674434	9/1/2023	\$ 250.00	D3
WSDM District Managers	7677	9/30/2023	\$ 3,006.19	
TOTAL			\$ 5,697.19	

\$5,697.19

Bradley Heights Metropolitan District

Bradley Heights Metropolitan District #2
PAYMENT REQUEST
 10/10/2023

BOND FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Bradley Hights Metropolitan District #2	82423	8/24/2023	\$ 2,101.80	City of CS - Roads Filing #22
Bradley Hights Metropolitan District #2	9523	9/5/2023	\$ 19,995.15	City of CS - Assurance for Grading Erosion Control
Classic Consulting	29523	4/12/2023	\$ 1,430.00	
Classic Consulting	30193	9/14/2023	\$ 4,815.53	
Entech	1152112	7/31/2023	\$ 7,444.50	
Frazee	93023	9/30/2023	\$ 416,169.11	
Galloway & Company, Inc	125757	9/11/2023	\$ 2,045.00	
Galloway & Company, Inc	125756	9/11/2023	\$ 1,950.00	
Grundy Construction Management & Const	BHM-023	9/30/2023	\$ 19,845.50	
Wildcat Construction Inc.	75187-16	9/30/2023	\$ 959,897.36	
TOTAL			\$ 1,435,693.95	

Bradley Heights Metropolitan District