

BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3

Regular Board Meeting
Tuesday, October 8, 2024, 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 10,2024 Regular Meeting Minutes and September 18, 2024 Continued Meeting Minutes (enclosed)
5. Financial Matters
 - a. Approve Unaudited Financial Reports through September 30, 2024 (enclosed)
 - b. Ratify and Approve Payables through October 8, 2024 (enclosed)
 - c. Discuss status of Contractor work and Developer Advances
6. District Manager Report
 - a. Assurance Update
 - b. Discuss Drainage Channel Financing
7. President of the Board Report
8. Detailed Discussion of Development Status Review
 - a. Engineering Update
 - i. Schedule
 - ii. Cash Flow
 - b. Plan Updates
 - i. Roadway/ Utility/ Storm Water
 - ii. Channel design
 - iii. 24" and 16" water line update
 - iv. Sanitary Sewer outfall update
 - c. Construction Schedule/Construction Contracts Approval/Ratify/Pre-approval
 - d. Update on Construction Budget
 - e. Redemption Hill Church

- f. Challenger Homes
- g. Bradley Ridge

9. Legal Matters

10. Other Business

- a. Next Regular Meeting scheduled: November 12, 2024, at 9:00 a.m. – Budget Hearing and Annual Town Hall

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 8th day of October, 2024, at 119 North Wahsatch Ave., Colorado Springs, CO 80903, and via tele/videoconferencing at the following: <https://video.cloudoffice.avaya.com/join/109995525> United States: [+1 \(213\) 463-4500](tel:+12134634500) Access Code: 109-995-525 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 10, 2024
AT 9:00 AM**

Pursuant to posted notice, the special meetings of the Board of Directors of the Bradley Heights Metropolitan District Nos. 1, 2 and 3 were held on Tuesday, September 10, 2024, 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:

Rebecca Harris, WSDM District Managers
Chris Grundy, Project Manager
Jeff Odor, Matrix Design Group
Nathan Steele, ROI
Tom Patton, Evergreen Surety
Kevin Walker

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.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: President Case II indicated that a quorum of the Boards was present. He 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 Byers moved to approve the Agenda; seconded by Director Long. Motion passed unanimously.
4. Approval of August 20, 2024, Continued Meeting Minutes: Director Long moved to approve the minutes as amended; seconded by Director Case. Motion passed unanimously.
5. Financial Matters
 - a. Approve Unaudited Financial Reports through August 31, 2024: Ms. Harris reviewed the unaudited financials, highlighting the Developer Advance receivable. Director Long motioned to approve the unaudited financials; seconded by Director Byers. Motion passed unanimously.
 - b. Ratify and Approve Payables through September 10, 2024: Ms. Harris presented the payables and highlighted the Developer Advances needed to catch up on O&M Expenses. After discussion, Director Long motioned to approve the payables as presented, seconded by Director Byers. Motion passed unanimously.
 - c. Review the status of Developer Advance: Ms. Harris discussed Developer Advance invoices were sent out and confirmed with all the Developers they were received.
6. District Manager Report
 - a. Assurance Update: Mr. Patton discussed with the board the items needed to have the district replace the district surety bond with the City of Colorado Springs with Developer funds.
 - b. Drainage Channel Financing concepts: Mr. Odor updated the board on the current discussion and status on engaging with Mr. DeGrant and figuring out the funding for the Channel improvements needed.
7. President of the Board Report: At this time all updates will be covered in Agenda Item 8.
8. Detailed Discussion of Development Status Review
 - a. Engineering Update
 - i. Schedule: Mr. Grundy presented the monthly report and provided an update on the schedule.
 - ii. Cash Flow: Mr. Odor informed the board most of the cash flow update was previously covered in Agenda 6.a and 6.b.
 - b. Plan Updates
 - i. Roadway/ Utility/ Storm Water: Mr. Odor informed the board that Mr. Smith was able to get confirmation from Ms. Katie Carleo that the District does not need to go through the annexation process for the Right-of-way.
 - ii. Channel design: Update was provided in 6.b.
 - iii. 24" and 16" water line update: Mr. Grundy updated the board on the status for connection status in Bradley Heights, we are looking at a couple weeks for switching from Colorado Center Metropolitan District to Colorado Springs Utilities.
 - iv. Sanitary Sewer outfall update: Mr. Grundy determined that once water is running in the 24", we would be able to feed into the Colorado Spring Utilities waste water.
 - c. Construction Schedule/Construction Contracts Approval/Ratify/Pre-approval: Update was provided.
 - d. Update on Construction Budget: There were no updates.
 - e. Redemption Hill Church: There were no updates.

- f. Challenger Homes
- g. Bradley Ridge

Mr. Walker joined the meeting, and President Case II inquired how the Metropolitan District board proceeded with addressing issues with the Chanel Improvement and how we can continue to deal with these issues. Mr. Walker addressed the Metropolitan District Board's need to continue those discussions with the City and Drainage Board. After Discussion, the Board agreed to continue this discussion in a continued meeting as a work session with Mr. Walker.

- 9. Various Reimbursement request for RJMJ, LLC
 - a. Review and Discuss Pond 1 & Pond 5 platting fees
 - b. Review and consider approval to reimburse RJMJ, LLC Drainage Pipe Reimbursement in Filing 5
 - c. Review and consider approval for payment towards On-site Stormwater Drainage facility in filing 4
 - d. Review and consider approval to assist in obtaining Widefield School District No. 3 school fee for reimbursement to RJMJ, LLC

Board agreed to table discussion on Agenda item 9 to be discussed at the continued meeting with Mr. Walker.

- 10. Legal Matters: Ms. Harris informed the board that legal counsel has no update at this time.
- 11. Other Business
 - a. Next Regular Meeting scheduled: October 8, 2024, at 9:00 a.m. – The Board confirmed the scheduling of the Annual Town Hall meeting and Budget Hearing for Nov. 12, 2024 at 9:00 am.
- 12. Adjourn: Director Byers moved to adjourn the meeting at 10:40 am; seconded by Director Long. Motion passed unanimously

Respectfully submitted,

By: Recording Secretary

**MINUTES OF THE CONTNUED BOARD MEETING OF THE BOARD OF DIRECTORS OF
THE
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2, AND 3
HELD SEPTEMBER 18, 2024
AT 2:30 PM**

Pursuant to posted notice, the special meetings of the Board of Directors of the Bradley Heights Metropolitan District Nos. 1, 2 and 3 were held on Tuesday, September 18, 2024, at 2:30 p.m., at 2435 Research Pkwy STE 300, Colorado Springs, CO 80920, 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 absence)
Robert Case, Assistant Secretary (excused absence)
Ray O’Sullivan, Treasurer/Secretary
Jim Byers, Assistant Secretary

Also in attendance were:

Rebecca Harris, WSDM District Managers
Chris Grundy, Project Manager
Eric Smith, Matrix Design Group
Jeff Odor, Matrix Design Group
Mike DeGrant, DeGrant Development Strategies LLC
Nathan Steele, ROI
John Ratcliffe
Chris Jorgensen, HR Green
Brady Shyrock

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.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: President Case II indicated that a quorum of the Boards was present with Director Long Director Case excused. He 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; seconded by Director Byers. Motion passed unanimously.
4. Discussion on various reimbursement requests for RJMJ, LLC
 - a. Discuss Pond 1 & Pond 5 platting fees
 - b. Reimbursement for RJMJ, LLC Drainage Pipe Reimbursement in Filing 5
 - c. Discuss payment towards On-site Stormwater Drainage facility in filing 4
 - d. Discuss Widefield School District No. 3 school fee for reimbursement to RJMJ, LLC

Board, Developers, and Contractors had a work session to discuss agenda item 4. Director Sullivan moved to have Management and Engineers discuss funding and possible funding concepts with the City of Colorado Springs and the Drainage Basin board; seconded by Director Byers. Motion passed unanimously.

Director Byers motioned to approve documenting additional costs to the several drainage basins and either credit or collect additional fees for reimbursement to RJMJ, LLC. President Case II seconded. Motion passed unanimously.

Director Byers made a motion to BID the Channel work; seconded by Director O’Sullivan. Motion passed unanimously.

5. Other Business
 - a. Next Regular Meeting scheduled: October 8, 2024, at 9:00 a.m.
6. Adjourn: Meeting adjourned at 4:00 pm.



Balance Sheet

As of September 30, 2024

	<u>Sep 30, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
ECB - Checking	5,988.54
Total Checking/Savings	<u>5,988.54</u>
Accounts Receivable	
Accounts Receivable	148,880.41
Total Accounts Receivable	<u>148,880.41</u>
Other Current Assets	
Due From District 3	785.19
Total Other Current Assets	<u>785.19</u>
Total Current Assets	<u>155,654.14</u>
TOTAL ASSETS	<u>155,654.14</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	90,013.81
Total Accounts Payable	<u>90,013.81</u>
Total Current Liabilities	90,013.81
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	206,863.81
Equity	
Retained Earnings	-77,107.71
Net Income	25,898.04
Total Equity	<u>-51,209.67</u>
TOTAL LIABILITIES & EQUITY	<u>155,654.14</u>

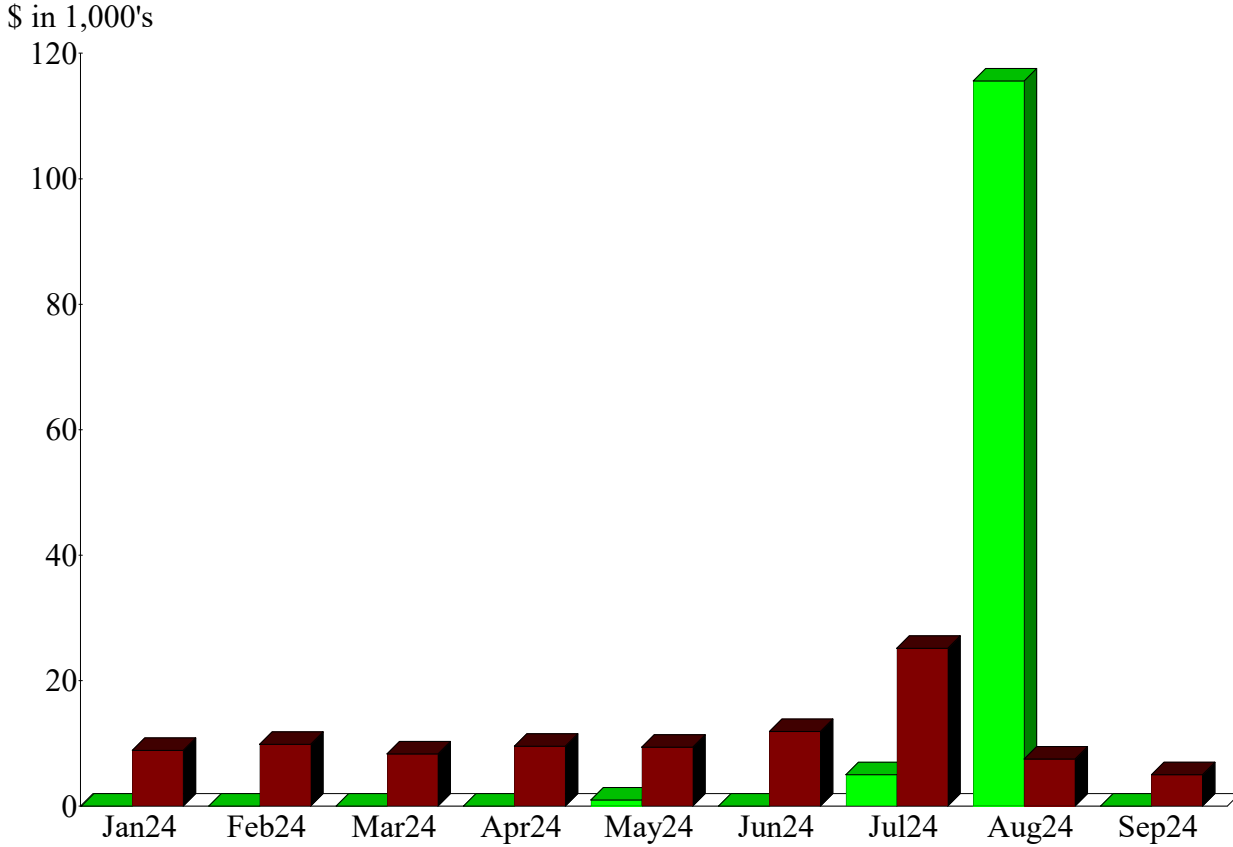
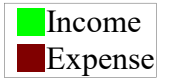
Bradley Heights Metropolitan District No. 1

Profit & Loss Budget vs. Actual

January through September 2024

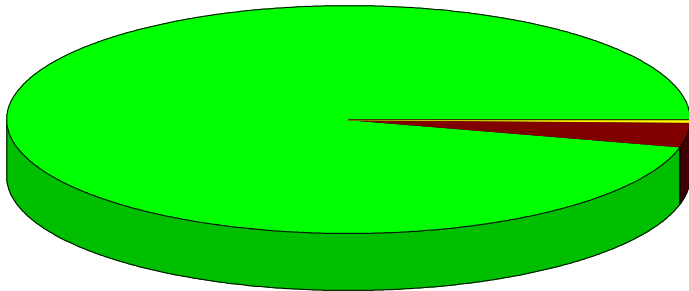
	TOTAL				
	Sep 24	Jan - Sep 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Developer Advance	0.00	116,993.61	85,000.00	31,993.61	137.64%
Transfer From District 2-O&M	0.00	4,389.94	2,413.00	1,976.94	181.93%
Transfer From District 3-O&M	0.00	172.50			
Total Income	<u>0.00</u>	<u>121,556.05</u>	<u>87,413.00</u>	<u>34,143.05</u>	<u>139.06%</u>
Expense					
Audit	0.00	15,375.00	15,375.00	0.00	100.0%
Bank Service Charge	0.00	0.00	100.00	-100.00	0.0%
Contingency	0.00	0.00	10,000.00	-10,000.00	0.0%
Copies & Postage	10.59	575.45	500.00	75.45	115.09%
District Management	5,000.00	45,000.00	60,000.00	-15,000.00	75.0%
Dues & Subscriptions (SDA) - D1	0.00	367.01	500.00	-132.99	73.4%
Dues & Subscriptions (SDA) - D2	0.00	1,237.50	1,500.00	-262.50	82.5%
Dues & Subscriptions (SDA) - D3	0.00	225.01	500.00	-274.99	45.0%
Insurance - D1	0.00	595.00	2,000.00	-1,405.00	29.75%
Insurance - D2	0.00	445.00	3,000.00	-2,555.00	14.83%
Insurance - D3	0.00	445.00	3,000.00	-2,555.00	14.83%
Legal	0.00	31,089.82	25,000.00	6,089.82	124.36%
Miscellaneous	0.00	303.22	0.00	303.22	100.0%
Total Expense	<u>5,010.59</u>	<u>95,658.01</u>	<u>121,475.00</u>	<u>-25,816.99</u>	<u>78.75%</u>
Net Ordinary Income	<u>-5,010.59</u>	<u>25,898.04</u>	<u>-34,062.00</u>	<u>59,960.04</u>	<u>-76.03%</u>
Net Income	<u><u>-5,010.59</u></u>	<u><u>25,898.04</u></u>	<u><u>-34,062.00</u></u>	<u><u>59,960.04</u></u>	<u><u>-76.03%</u></u>

Income and Expense by Month
January through September 2024



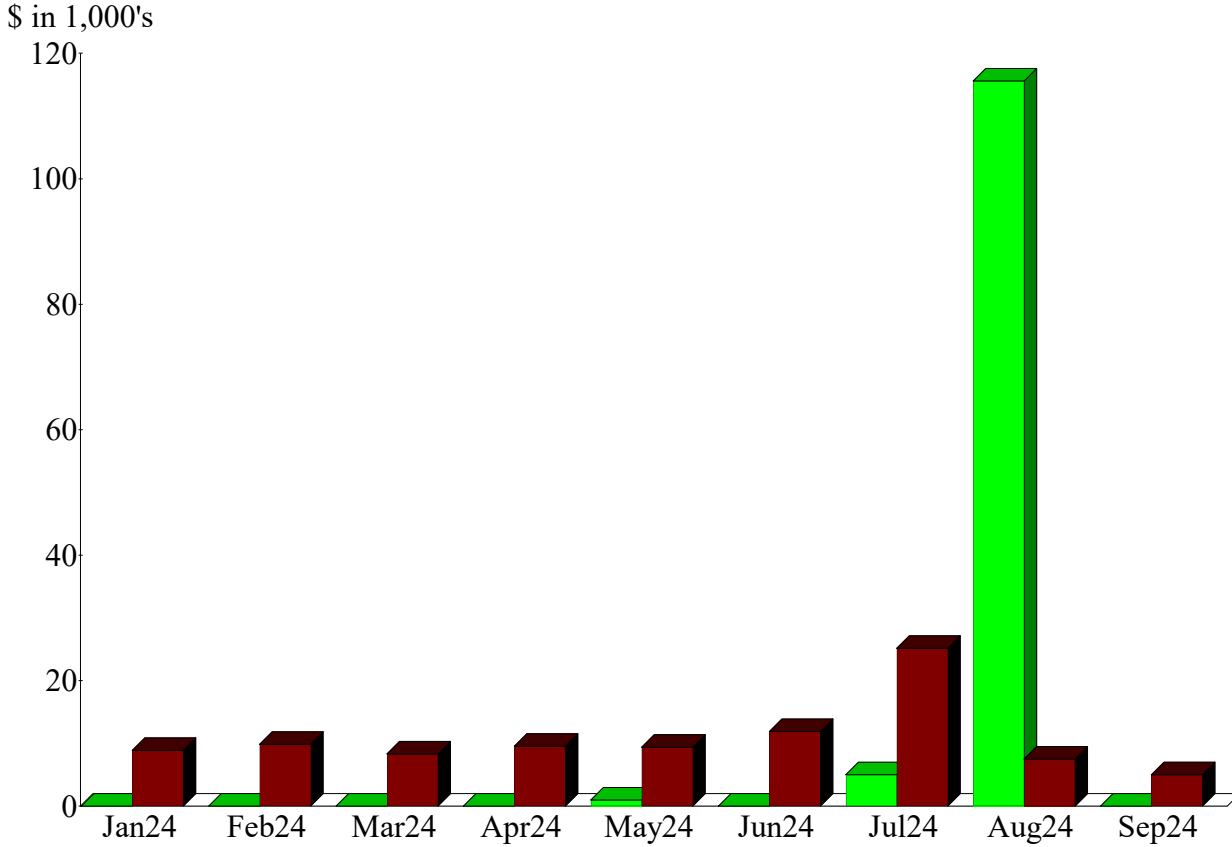
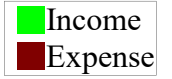
Income Summary
January through September 2024

Developer Advance	96.25%
Transfer From District 2-O&M	3.61
Transfer From District 3-O&M	0.14
Total	\$121,556.05



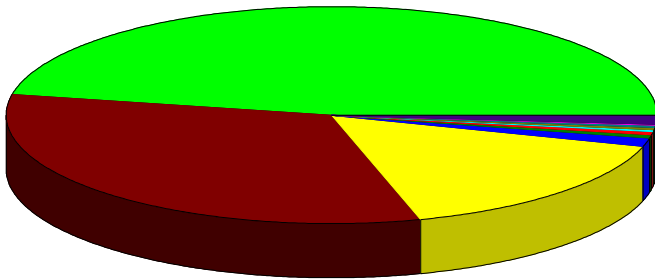
By Account

Income and Expense by Month
January through September 2024



Expense Summary
January through September 2024

District Management	47.04%
Legal	32.50
Audit	16.07
Dues & Subscriptions (SDA) - D2	1.29
Insurance - D1	0.62
Copies & Postage	0.60
Insurance - D2	0.47
Insurance - D3	0.47
Dues & Subscriptions (SDA) - D1	0.38
Miscellaneous	0.32
Dues & Subscriptions (SDA) - D3	0.24
Total	\$95,658.01



By Account

Bradley Heights Metropolitan District No. 2

Balance Sheet

10/03/24

As of September 30, 2024

Accrual Basis

	Sep 30, 24
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	132,593.52
UMB Bond Account 156470.1	241,567.22
UMB - Project Fund 156470.2	1,374,297.25
Total Checking/Savings	1,748,457.99
Accounts Receivable	
Accounts Receivable	17,994.00
Total Accounts Receivable	17,994.00
Other Current Assets	
Due from District No 3	9.00
Accounts Receivable Other	39.00
Total Other Current Assets	48.00
Total Current Assets	1,766,499.99
Fixed Assets	
Construction in Progress	33,970,464.58
Total Fixed Assets	33,970,464.58
TOTAL ASSETS	35,736,964.57
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	108,707.40
Total Accounts Payable	108,707.40
Other Current Liabilities	
Retainage Payable	1,351,005.00
Accrued Interest	4,000,957.00
Total Other Current Liabilities	5,351,962.00
Total Current Liabilities	5,460,669.40
Long Term Liabilities	
Series 2021A Bonds	35,000,000.00
Total Long Term Liabilities	35,000,000.00
Total Liabilities	40,460,669.40
Equity	
Retained Earnings	-3,853,191.17
Net Income	-870,513.66
Total Equity	-4,723,704.83
TOTAL LIABILITIES & EQUITY	35,736,964.57

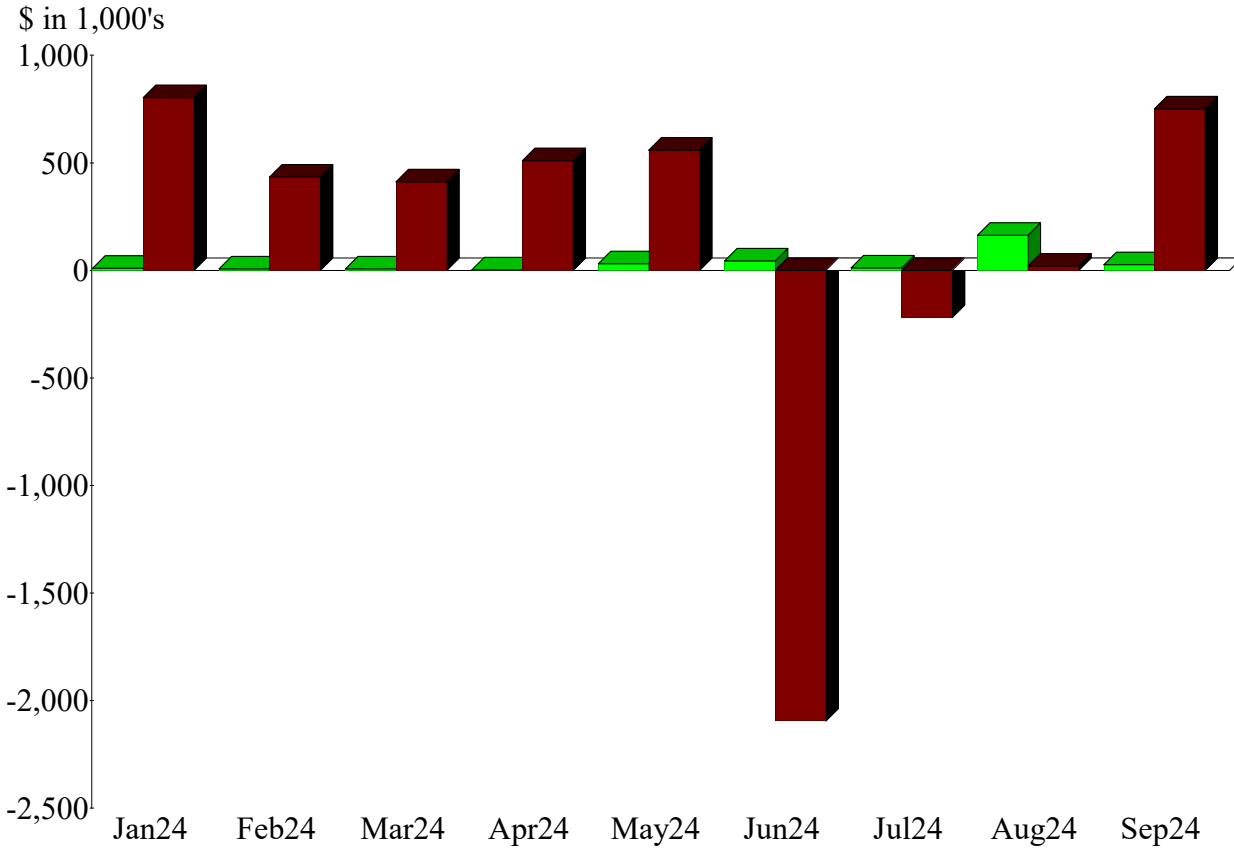
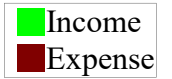
Bradley Heights Metropolitan District No. 2

Profit & Loss Budget vs. Actual

January through September 2024

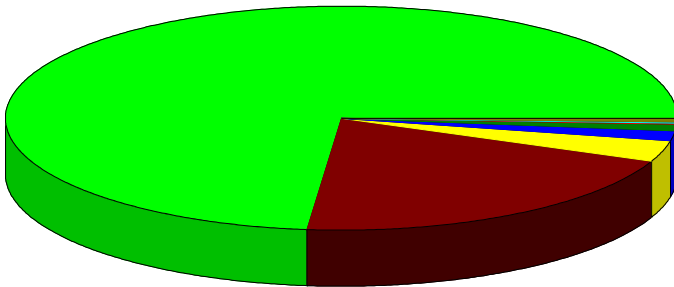
	TOTAL				
	Sep 24	Jan - Sep 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Trash Service	800.00	4,641.00			
Transfer From D3 DS Taxes	0.00	517.19	523.00	-5.81	98.89%
CY Property Tax - O&M	0.00	3,291.84	4,712.00	-1,420.16	69.86%
Specific Ownership Tax - O&M	27.57	201.55	330.00	-128.45	61.08%
CY Property Tax - Debt	0.00	9,875.53	8,397.00	1,478.53	117.61%
Specifice Ownership Tax - Debt	82.71	604.64	588.00	16.64	102.83%
Impact Fees					
Capital Facility Fees-Platting	17,994.00	229,923.00	119,960.00	109,963.00	191.67%
Total Impact Fees	17,994.00	229,923.00	119,960.00	109,963.00	191.67%
Total Income	18,904.28	249,054.75	134,510.00	114,544.75	185.16%
Expense					
Bond Expense					
Bank Fees	448.71	3,404.54			
Debt Service Interest	0.00	0.00	119,960.00	-119,960.00	0.0%
Paying Agent Fee	0.00	0.00	4,000.00	-4,000.00	0.0%
Total Bond Expense	448.71	3,404.54	123,960.00	-120,555.46	2.75%
Capital Outlay					
Legal Expense	0.00	120.31			
Construction Coordination	0.00	427,380.10			
Capital Construction	723,727.34	225,754.58	2,076,963.00	-1,851,208.42	10.87%
Engineering/Planning	12,210.46	407,832.13			
Project Management	15,578.30	113,171.55			
Total Capital Outlay	751,516.10	1,174,258.67	2,076,963.00	-902,704.33	56.54%
Transfer to District 1	0.00	3,416.81			
Trash Expense	439.78	1,060.45			
Treasurer Collection Fee - O&M	0.00	49.01	71.00	-21.99	69.03%
Treasurer Collection Fee - Debt	0.00	147.02	126.00	21.02	116.68%
Total Expense	752,404.59	1,182,336.50	2,201,120.00	-1,018,783.50	53.72%
Net Ordinary Income	-733,500.31	-933,281.75	-2,066,610.00	1,133,328.25	45.16%
Other Income/Expense					
Other Income					
Interest Income - Debt	9,311.56	63,741.22	100,000.00	-36,258.78	63.74%
Total Other Income	9,311.56	63,741.22	100,000.00	-36,258.78	63.74%
Other Expense					
Other Expense					
Transfer to Dist 1 - Gen Fund	0.00	973.13	2,413.00	-1,439.87	40.33%
Total Other Expense	0.00	973.13	2,413.00	-1,439.87	40.33%
Total Other Expense	0.00	973.13	2,413.00	-1,439.87	40.33%
Net Other Income	9,311.56	62,768.09	97,587.00	-34,818.91	64.32%
Net Income	-724,188.75	-870,513.66	-1,969,023.00	1,098,509.34	44.21%

Income and Expense by Month
January through September 2024



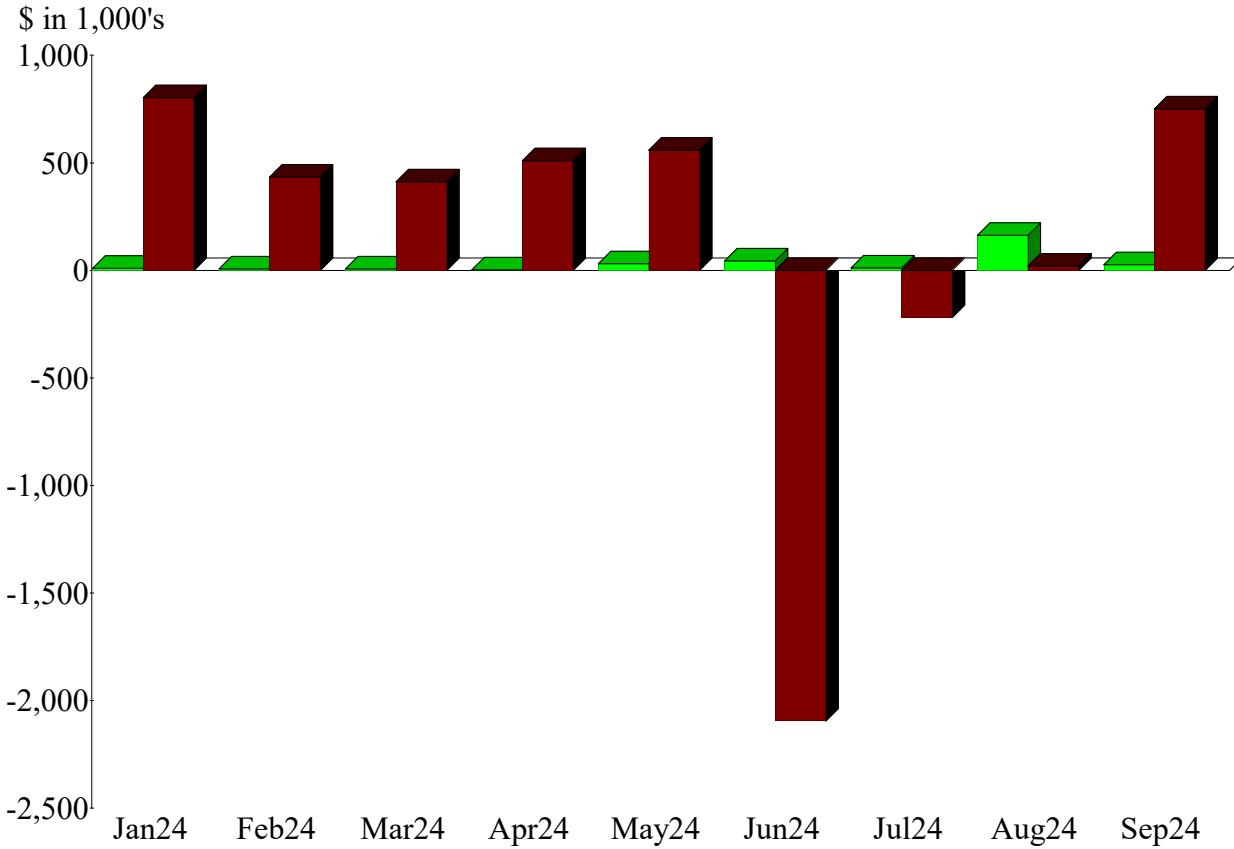
Income Summary
January through September 2024

Impact Fees	73.51%
Interest Income - Debt	20.38
CY Property Tax - Debt	3.16
Trash Service	1.48
CY Property Tax - O&M	1.05
Specifice Ownership Tax - Debt	0.19
Transfer From D3 DS Taxes	0.17
Specific Ownership Tax - O&M	0.06
Total	\$312,795.97



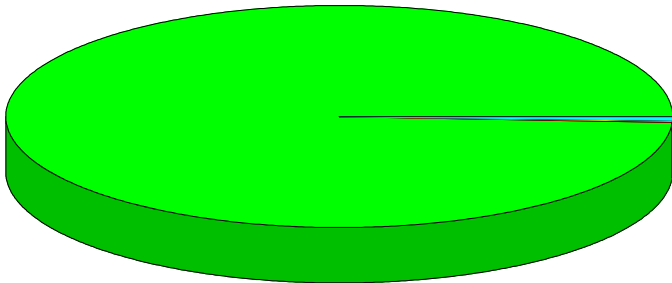
By Account

Income and Expense by Month
January through September 2024



Expense Summary
January through September 2024

Capital Outlay	99.24%
Transfer to District 1	0.29
Bond Expense	0.29
Trash Expense	0.09
Other Expense	0.08
Treasurer Collection Fee - Debt	0.01
Treasurer Collection Fee - O&M	0.01
Total	\$1,183,309.63



By Account



Bradley Heights Metropolitan District No. 1

PAYMENT REQUEST

10/8/2024

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
White Bear Anekele	36459	8/31/2024	\$ 1,569.28	
WSDM District Managers	434	9/30/2024	\$ 5,010.59	
TOTAL			\$ 6,579.87	

\$6,579.87

Bradley Heights Metropolitan District

Balance Per Bank 8/15/24	5,988.54
Current Payables	(6,579.87)
Prior Months Payables	(83,433.94)
Outstanding Dev Advance	121,886.80
Funds Needed	37,861.53

Bradley Heights Metropolitan District #2

PAYMENT REQUEST

10/8/2024

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	
HBS	FR4544923	8/31/2024	\$ 303.62	
HBS	FR4648850	9/30/2024	\$ 439.78	
UMB	12	8/30/2024	\$ 107,964.00	Challenger Homes
TOTAL			\$ 108,707.40	

Bradley Heights

Bradley Heights Metropolitan District #2
PAYMENT REQUEST
10/8/2024

BOND FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Entech	24017-02	5/20/2024	\$ 1,541.00	
Entech	24017-03	6/3/2024	\$ 850.00	
Entech	24017-5	8/12/2024	\$ 927.00	
Frazee	16	9/30/2024	\$ 85,999.65	
Grundy Construction Management & Cons	BHM-0335	9/30/2024	\$ 12,349.15	
Matrix Design Group	44467	9/25/2024	\$ 8,135.00	
Wildcat Construction Inc.	75187-27	9/30/2024	\$ 114,452.55	
TOTAL			\$ 224,254.35	