



**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
HIGH PLAINS RANCH METROPOLITAN DISTRICT
HELD FEBRUARY 9, 2021 AT 10:30 A.M.**

Pursuant to posted notice, the regular meeting of the Board of Directors of the High Plains Ranch Metropolitan District was held on Tuesday, February 9, 2021 at 10:30 AM, at 119 N. Wahsatch Ave., Colorado Springs, CO 80903, and via electronic means and telephone conference call.

Attendance

In attendance were Directors:

Lindsay J. Case, President – Term Expires May 2022
Bryan T. Long, Vice President – Term Expires May 2023
Randle W. Case II, Secretary/Treasurer – Term Expires May 2022
Robert Case, Asst. Secretary – Term Expires May 2023
Alfred Hagedorn III, Asst. Secretary – Term Expires May 2022

Also in attendance were:

Kevin Walker, Walker Schooler District Managers
K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron
Zach Bishop, Piper Sandler & Co
Eric Smith, Matrix Engineering (by phone)

1. Call to Order; Declaration of Quorum; Conflict of Interest Disclosure:

President Case called the meeting to order at 10:30 a.m. and confirmed a quorum was present. Mr. Allen advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Walker reported that disclosures for those directors that provided notice of 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. Walker inquired into whether members of the Board 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 participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

3. Approval of the Agenda:

Director Long moved to approve the Agenda as presented; seconded by Director Robert Case. Motion passed unanimously.

3. Approval of the December 8, 2020 Minutes:

Tabled until March 9, 2021 meeting.

4. District Manager Report:

Mr. Walker had no update on the report.

5. President of the Board Report:

President Case **had no report.**

6. Development Status Review:

- a. Land development and development approvals (Sketch Plan, Other): Director Case II discussed historical documentation that was found including a final drainage report from 2005 that will be reviewed by Mr. Cartwright. Director Case II noted that he and Director Long took a tour to neighboring projects including Sage Creek Filing No. 1, Sage Creek North, Blue Sage, and Sage Crest.
- b. Water provider; licensed operator: Director Case II stated that Mr. Hagedorn is the current water provider and licensed operator. The official title as Operator in Responsible Charge (ORC).
- c. Water provider contractual relationship: (Mid-Colorado Investment Co., Inc.; HPR Water Resources, LLC; Sage Water Users Association [Sage Creek North/South/Blue Sage]; District); District to give notice and summary to County if District becomes water supplier to project (in-district and Sage water users): Mr. Hagedorn III indicated that he intends to continue as ORC for at least the next 6 months. The Board discussed that the District intends to become the bulk water owner and provider of bulk water to the Sage Water Users Association and the planned development within the District.
- d. District's Water Services Rates/Fee/Charges (30-day notice): Mr. Allen explained that in order to make changes to service fees, rates, and changes for the existing users there is a 30-day notice required before approving new rates. Director Hagedorn III explained that in the past they have tried to notify customers of rate changes in January or February and with rate changes taking effect in July. President Case asked Mr. Bishop if the rate changes and increases have been applied to the model of financing. Mr. Bishop explained that rate changes do not have a huge impact on the model. Mr. Bishop noted that that it was still a question as to how or whether to monetize the water user fees, and there is a clear path to monetizing the tap fees and water resource fees. He added that more research will need to be done on the water operations. Mr. Walker asked Director Hagedorn III if there is data on comparable charges for water in the area. Director Hagedorn III said no, and they will need to investigate. Director Case II cited www.sagewater.org, and noted they show a \$20 per lot base fee along with water charges.

7. Financial Matters:

- a. Bond issuance – General review – Piper Sandler & Co.: Mr. Bishop presented a general review of the bond issuance. He noted it includes not only the transaction for 2021 but also includes a refinancing of that transaction in the future and what proceeds may be available at that time. He explained property taxes and fees will be pledged for debt repayment.. According to the current bond model, there will be \$12.1 Million of net proceeds which would be available at closing to pay for public infrastructure. There is a possibility to split this into 2 separate issuances: a water revenue bond and a property tax bond.
- b. Review and approval of bond issue team

- a. Underwriter engagement approval – Piper Sandler & Co.: Director Long moved to engage Piper Sandler & Co. as Underwriter; seconded by Director Case II. Motion passed unanimously.
- b. District Engineer – Matrix Engineering: Director Long moved to engage Matrix Engineering as District Engineer; seconded by Director Robert Case. Motion passed unanimously.
- c. Bond Counsel – Sherman & Howard, Tiffany Leichman: Director Long moved to engage Sherman & Howard as Bond Counsel; seconded by Director Robert Case. Motion passed unanimously.
- d. Disclosure Counsel – Director Robert Case moved to engage Sherman & Howard as Disclosure Counsel; seconded by Director Long. Motion passed unanimously.
- e. Market Study – MetroStudy: Mr. Bishop recommended approving it subject to review by counsel of the engagement agreement. Director Hagedorn III moved to engage MetroStudy for the Market Study subject to review by counsel of the engagement agreement; seconded by Director Long. Motion passed unanimously.
- f. Municipal Advisor: Mr. Allen recommended to the Board to consider engaging Municipal Advisor services. Mr. Bishop indicated he would provide Mr. Walker with names of municipal advisors from which Mr. Walker will request proposals.
- c. Preliminary bond process schedule: Mr. Bishop discussed the preliminary bond process schedule. He noted they are in the beginning of the due diligence process which requires investigating the water requirements, zoning, and other items. Mr. Eric Smith commented that they are working on the time frame for the various pieces of development and will come up with a schedule of entitlements so they can work with the Board on phasing and timing.
- d. Discuss Capital Facility Fee/Lot: Mr. Walker noted this is an ongoing effort.
- e. Review and approve Financial Statements: Tabled.
- f. Review and approve Current/Interim Payables: Tabled.
- g. Administrative Matters
 - District Manager proposal: Mr. Walker informed the Board that he will present his proposal for District Manager services for consideration at a future meeting.

8. Developer Advance Agreements:

- a. Developer Advance and Reimbursement Agreement (Admin/Operations)
- b. Developer Advance, Acquisition and Reimbursement Agreement (Capital)

The Board discussed the Developer Advance Agreements and Mr. Allen noted that he will begin drafting the agreements for consideration at a future meeting.

Mr. Smith discussed that he spoke with HR Green and they will prepare a proposal to do the assessment of the facilities as well as looking at a possible expansion. Director Case II moved to approve HR Green subject to the final agreement being provided as with the other consultants up to \$10,000; seconded by Director Long. Motion passed unanimously.

9. Other Business:

- a. Davis Ranch inclusion: Director Case II noted they are not ready for the Davis Ranch inclusion at this time.
- b. Director Case II moved to open a bank account for the District appropriate for the Colorado Springs location; seconded by Director Long. Motion passed unanimously.

- c. Next Regular Meeting Date: The Board agreed to meet monthly and the next meeting date will be March 9, 2021 at 10:30 a.m. to be held at 119 N. Wahsatch Ave, Colorado Springs, CO 80903.

10. Adjournment:

Director Case II moved to adjourn; seconded by Director Long. Motion passed unanimously at 11:15 a.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary