

BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3

Regular Board Meeting
Tuesday, September 13, 2022, at 9:00 AM
119 N. Wahsatch Ave.

Colorado Springs, Colorado 80903

and

Via tele/videoconference

<https://meet.goto.com/547622885>

United States: [+1 \(646\) 749-3122](tel:+16467493122)

Access Code: 547-622-885

| 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 |

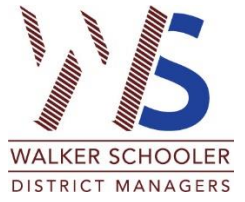
AGENDA

1. Call to order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Approval of August 9, 2022, Meeting Minutes (see attached)
5. District Manager Report
6. President of the Board Report
7. Development Status Review
 - a. Engineering Update
 - Schedule
 - b. Plan Updates
 - Roadway/ Utility/ Storm Water
 - Channel design
 - 24" water line, IGA Individual Plan
 - 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 for August 31, 2022(see attached)
 - b. Payables through September 13, 2022 (see attached)
 - c. Consider approval of Resolution for District Imposition/Collection of Drainage Fee(see attached)
9. Other Business
 - a. Next Regular Meeting scheduled: October 11, 2022, at 9:00 a.m.
10. 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 continued meetings at 9:00 AM on Tuesday, the 13th day of September at 119 North Wahsatch Ave., Colorado Springs, CO 80903, and via tele/videoconferencing at the following: <https://meet.goto.com/547622885> United States: <tel:+16467493122>, [547622885](tel:+16467493122) Access Code: 547-622-885 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 AUGUST 9, 2022
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, August 9, 2022, at 9:00 a.m., at 119 N. Wahsatch Avenue, Colorado Springs, CO, and at the tele/videoconference platform of GoToMeeting link: <https://meet.goto.com/547622885>.

Attendance

In attendance were Directors:

Randle Case II, President
Bryan Long, Vice President
Robert Case, Assistant Secretary
Ray O’Sullivan, Assistant Secretary
Jim Byers, Director (Excused)

Also in attendance were:

K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron
Kevin Walker, WSDM
Rebecca Hardekopf, WSDM
Jak Pattamasaevi, WSDM
Eric Smith, Matrix Design Group, District Engineer
Jeff Odor, Matrix Design Group
Chris Grundy, Project Manager
David Neville, Kiemele Family Partnerships

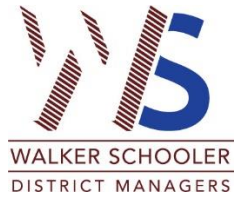
Combined Meeting: The Board of Directors of the Districts have determined to hold a joint meeting of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action 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 9:00 a.m.
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. Mr. Walker 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 Robert Case moved to approve the Agenda as presented; seconded by Director O’Sullivan. Motion passed unanimously.

4. Approval of July 19, 2022 Meeting Minutes: After review, Director O’Sullivan moved to approve the July 19, 2022 Meeting Minutes; seconded by Director Long. Motion passed unanimously.
5. District Manager Report: Mr. Walker reported the Audit was completed and filed. He has been working on closing out the interim user agreement with the City and Colorado Center which has been accomplished. He has also been working on the assurance for the church so they can move forward on their plat and building permit. The plan is to put up the assurance with a certificate of deposit process. Mr. Walker noted he has also been working with Mr. Grundy and Mr. Smith on the project budget and visited the site.
6. President of the Board Report: President Case II reported that he has been attending the weekly stakeholder’s meeting and engineering meetings.
7. Development Status Review
 - a. Engineering Update: Mr. Odor provided an engineering update. Mr. Grundy discussed the grading and stockpile and noted they will not put the topsoil back on the completed fill.
 - Schedule: Mr. Grundy presented the schedule status for the project.
 - b. Plan Updates
 - Roadway/ Utility/ Storm Water: Mr. Odor reported the phase 1 water plans should be in today and the roadway and stormwater plans are at the City for review.
 - Channel Design: Mr. Odor reported on channel improvements and noted there will be a report on the alternatives analysis and water resources at the Thursday stakeholder meeting.
 - 24” Water Line, IGA Individual Plan: Mr. Walker noted the District’s \$800,000 contribution was paid, but Norwood is pulling back from their contribution. The City is holding Challenger up on a meter until the 24” water line is guaranteed. Mr. Walker noted there is about 9 months to figure this issue out before the meter is needed.
 - c. Construction Schedule/Construction Contracts Approval/Ratify/Pre-Approval: Mr. Grundy provided an update on the construction schedule. He noted once the phase 1 approvals are received, they will update the master schedule.
 - d. Update on Budget and Assurance: Mr. Smith provided an update on the budget. Overall, the project budget is coming in lower than estimated currently.
 - e. Redemption Hill Church: Mr. Walker reported Redemption Hill Church is working on getting their plat recorded and then will be pulling a permit in the next 30 days.
 - f. Challenger Homes: Mr. Walker reported Challenger Homes is proceeding with their water plan approvals but slightly delayed due to CSU.
 - g. Bradley Ridge: Director O’Sullivan reported everything is moving forward in filing 1 and applications are being prepared for filings 2 and 3.
8. Financial Matters
 - a. Approve Unaudited Financial Reports for July 31, 2022: Mr. Walker presented the Unaudited Financial Reports for July 31, 2022.
 - b. Payables for August 9, 2022: Mr. Walker presented the Payables for August 9, 2022. Director O’Sullivan moved to accept the Unaudited Financial Reports and approve the Payables; seconded by Director Robert Case. Motion passed unanimously.
 - c. Consider Approval of Resolution for District Imposition/Collection of Drainage Fee: Mr. Walker explained there is a draft of the Resolution, but it is not ready for Board consideration yet.
9. Other Business
 - a. Next Regular Meeting Scheduled: September 13, 2022, at 9:00 a.m.
10. Adjourn: The Board adjourned the meeting at 10:09 a.m.

Respectfully Submitted,

By: Recording Secretary



Balance Sheet

As of August 31, 2022

| | Aug 31, 22 |
|---------------------------------------|------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| ECB - Checking | 17,451.63 |
| Total Checking/Savings | 17,451.63 |
| Accounts Receivable | |
| Accounts Receivable | 56,500.00 |
| Total Accounts Receivable | 56,500.00 |
| Other Current Assets | |
| Due From District 3 | 910.00 |
| Due From District 2 | 1,200.00 |
| Total Other Current Assets | 2,110.00 |
| Total Current Assets | 76,061.63 |
| TOTAL ASSETS | 76,061.63 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable | 21,734.50 |
| Total Accounts Payable | 21,734.50 |
| Total Current Liabilities | 21,734.50 |
| 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 | 138,584.50 |
| Equity | |
| Retained Earnings | -118,544.63 |
| Net Income | 56,021.76 |
| Total Equity | -62,522.87 |
| TOTAL LIABILITIES & EQUITY | 76,061.63 |

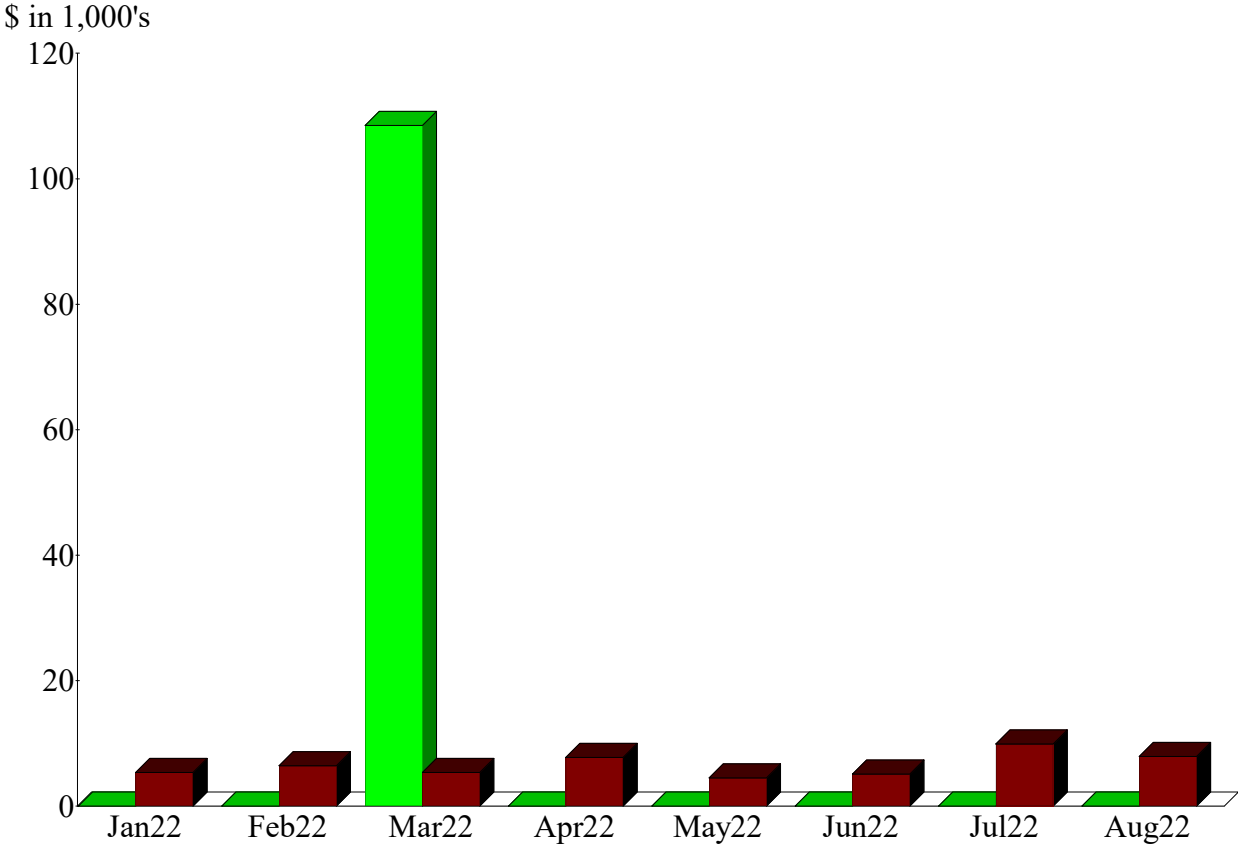
Bradley Heights Metropolitan District No. 1

Profit & Loss Budget vs. Actual

January through August 2022

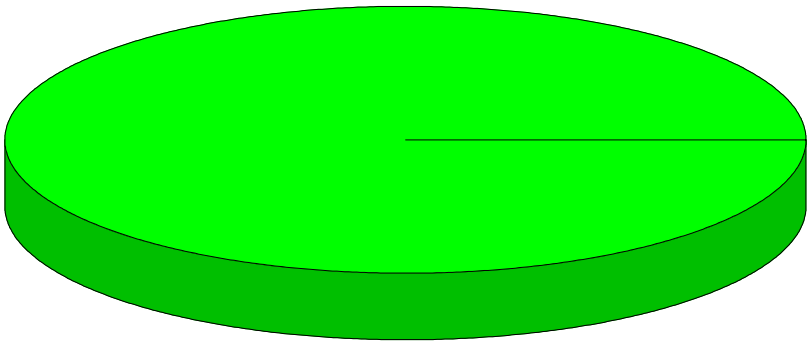
| | TOTAL | | | | |
|---------------------------------|-----------|--------------|-----------|----------------|-------------|
| | Aug 22 | Jan - Aug 22 | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| Developer Advance | 0.00 | 108,500.00 | 70,000.00 | 38,500.00 | 155.0% |
| Transfer From District 2-O&M | 0.00 | 0.00 | 209.10 | -209.10 | 0.0% |
| Transfer From District 3-O&M | 0.00 | 0.00 | 319.03 | -319.03 | 0.0% |
| Total Income | 0.00 | 108,500.00 | 70,528.13 | 37,971.87 | 153.84% |
| Expense | | | | | |
| Audit | 0.00 | 13,825.00 | 8,500.00 | 5,325.00 | 162.65% |
| 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 | 407.78 | 1,000.00 | -592.22 | 40.78% |
| District Management | 3,000.00 | 24,000.00 | 36,000.00 | -12,000.00 | 66.67% |
| Dues & Subscriptions (SDA) - D1 | 0.00 | 1,237.50 | 500.00 | 737.50 | 247.5% |
| Dues & Subscriptions (SDA) - D2 | 0.00 | 225.71 | 500.00 | -274.29 | 45.14% |
| Dues & Subscriptions (SDA) - D3 | 0.00 | 225.01 | 500.00 | -274.99 | 45.0% |
| Elections | 0.00 | 1,994.65 | | | |
| Insurance - D1 | 0.00 | 0.00 | 1,600.00 | -1,600.00 | 0.0% |
| Insurance - D2 | 0.00 | 0.00 | 3,000.00 | -3,000.00 | 0.0% |
| Insurance - D3 | 0.00 | 0.00 | 1,600.00 | -1,600.00 | 0.0% |
| Legal | 4,909.50 | 10,562.59 | 10,000.00 | 562.59 | 105.63% |
| Total Expense | 7,909.50 | 52,478.24 | 68,300.00 | -15,821.76 | 76.84% |
| Net Ordinary Income | -7,909.50 | 56,021.76 | 2,228.13 | 53,793.63 | 2,514.3% |
| Net Income | -7,909.50 | 56,021.76 | 2,228.13 | 53,793.63 | 2,514.3% |

Income and Expense by Month
January through August 2022



Income Summary
January through August 2022

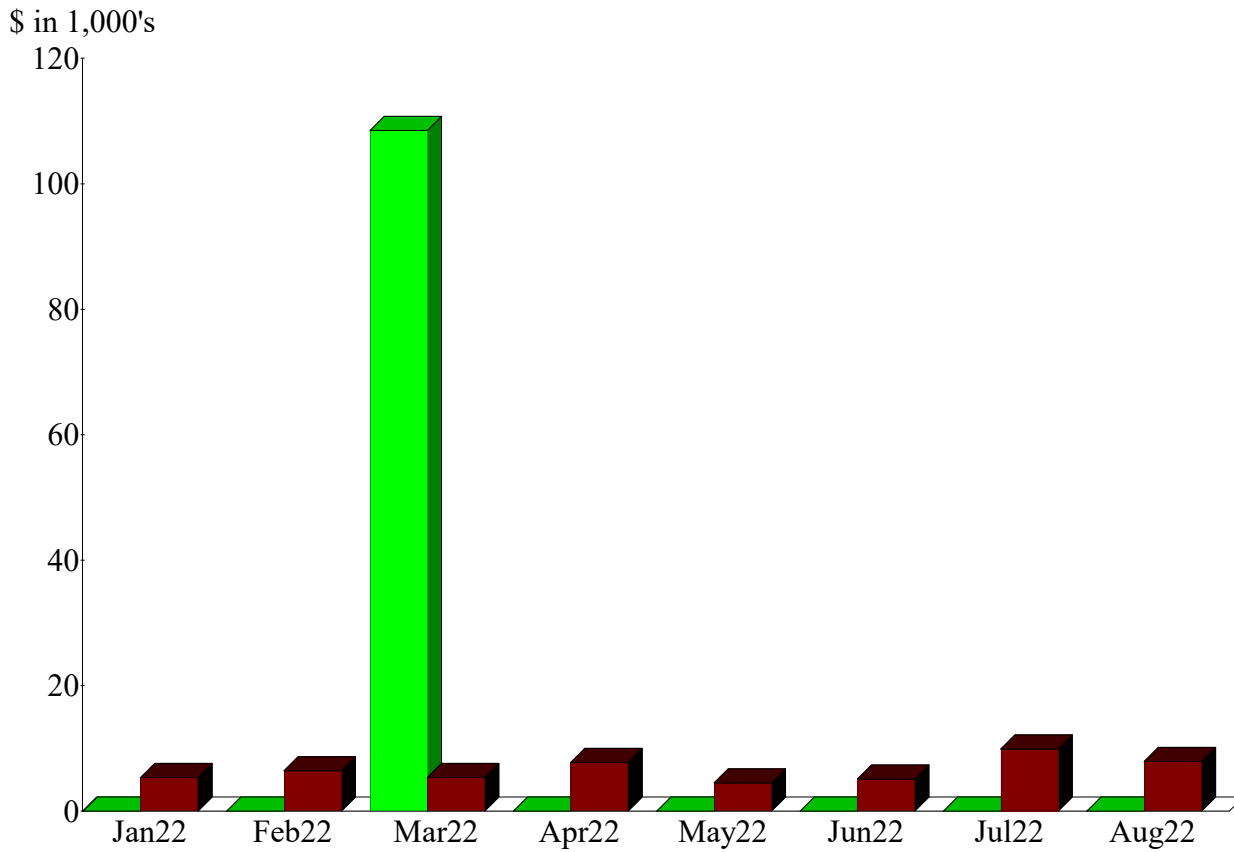
| | |
|-------------------|--------------|
| Developer Advance | 100.00% |
| Total | \$108,500.00 |



By Account

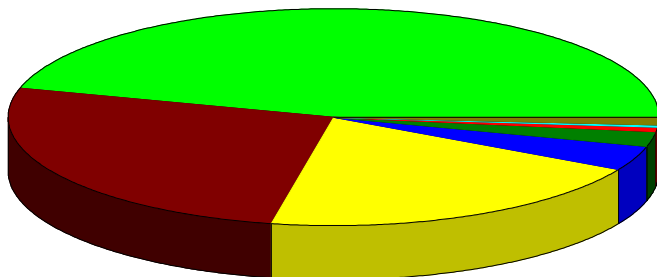
Income and Expense by Month January through August 2022

Income
Expense



Expense Summary January through August 2022

| | |
|---------------------------------|-------------|
| District Management | 45.73% |
| Audit | 26.34 |
| Legal | 20.13 |
| Elections | 3.80 |
| Dues & Subscriptions (SDA) - D1 | 2.36 |
| Copies & Postage | 0.78 |
| Dues & Subscriptions (SDA) - D2 | 0.43 |
| Dues & Subscriptions (SDA) - D3 | 0.43 |
| Total | \$52,478.24 |



By Account

Bradley Heights Metropolitan District No. 2

09/08/22

Balance Sheet

Accrual Basis

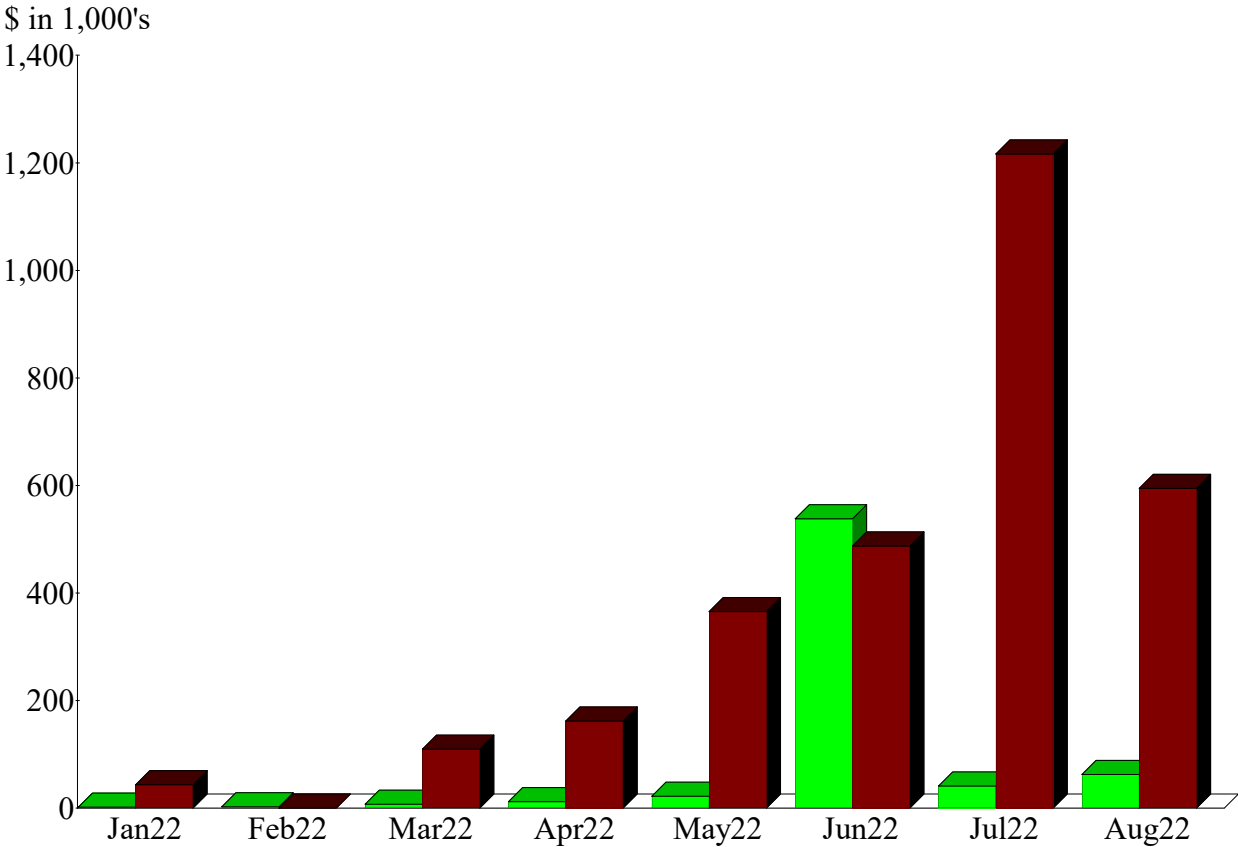
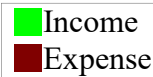
As of August 31, 2022

| | Aug 31, 22 |
|---------------------------------------|----------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| ECB Checking | 919.88 |
| UMB - Project Fund 156470.2 | 31,014,038.67 |
| Total Checking/Savings | 31,014,958.55 |
| Accounts Receivable | |
| Accounts Receivable | 506,831.00 |
| Total Accounts Receivable | 506,831.00 |
| Other Current Assets | |
| Accounts Receivable Other | 39.00 |
| Total Other Current Assets | 39.00 |
| Total Current Assets | 31,521,828.55 |
| Fixed Assets | |
| Construction in Progress | 149,480.92 |
| Total Fixed Assets | 149,480.92 |
| TOTAL ASSETS | 31,671,309.47 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| Accrued Interest | 577,959.00 |
| Due to District 1 | 1,200.00 |
| Total Other Current Liabilities | 579,159.00 |
| Total Current Liabilities | 579,159.00 |
| Long Term Liabilities | |
| Series 2021A Bonds | 35,000,000.00 |
| Total Long Term Liabilities | 35,000,000.00 |
| Total Liabilities | 35,579,159.00 |
| Equity | |
| Retained Earnings | -1,616,406.49 |
| Net Income | -2,291,443.04 |
| Total Equity | -3,907,849.53 |
| TOTAL LIABILITIES & EQUITY | 31,671,309.47 |

Bradley Heights Metropolitan District No. 2
Profit & Loss Budget vs. Actual
January through August 2022

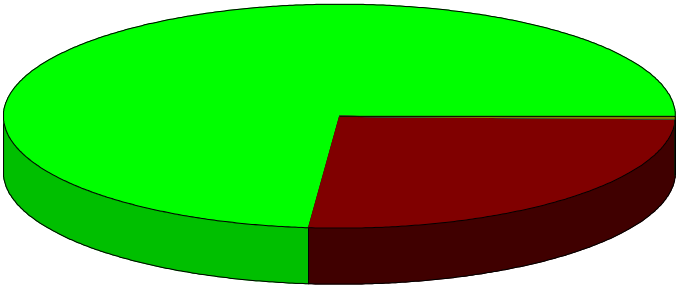
| | TOTAL | | | | |
|---------------------------------|--------------------|----------------------|---------------|----------------------|---------------------|
| | Aug 22 | Jan - Aug 22 | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| Delinquent Interest - Debt | 0.30 | 1.40 | | | |
| Delinquent Interest | 0.10 | 0.47 | | | |
| CY Property Tax - O&M | 3.30 | 198.30 | 198.20 | 0.10 | 100.05% |
| Specific Ownership Tax - O&M | 1.64 | 11.60 | 13.87 | -2.27 | 83.63% |
| CY Property Tax - Debt | 9.90 | 594.89 | 594.60 | 0.29 | 100.05% |
| Specifice Ownership Tax - Debt | 4.91 | 34.78 | 41.62 | -6.84 | 83.57% |
| Impact Fees | | | | | |
| Capital Facility Fees-Platting | 0.00 | 506,831.00 | | | |
| Total Impact Fees | 0.00 | 506,831.00 | | | |
| Total Income | 20.15 | 507,672.44 | 848.29 | 506,824.15 | 59,846.57% |
| Expense | | | | | |
| Bond Expense | | | | | |
| Bank Fees | 2,659.09 | 5,982.84 | | | |
| Total Bond Expense | 2,659.09 | 5,982.84 | | | |
| Capital Outlay | | | | | |
| Legal Expense | 0.00 | 10,264.42 | | | |
| Construction Coordination | 0.00 | 2,826.55 | | | |
| Capital Construction | 581,662.96 | 1,693,806.34 | | | |
| Engineering/Planning | 10,217.50 | 1,208,230.67 | | | |
| Project Management | 77.50 | 58,490.54 | | | |
| Capital Outlay - Other | 0.00 | 275.63 | | | |
| Total Capital Outlay | 591,957.96 | 2,973,894.15 | | | |
| Treasurer Collection Fee - O&M | 0.05 | 3.00 | 2.97 | 0.03 | 101.01% |
| Treasurer Collection Fee - Debt | 0.15 | 8.94 | 8.92 | 0.02 | 100.22% |
| Total Expense | 594,617.25 | 2,979,888.93 | 11.89 | 2,979,877.04 | 25,062,144.07% |
| Net Ordinary Income | -594,597.10 | -2,472,216.49 | 836.40 | -2,473,052.89 | -295,578.25% |
| Other Income/Expense | | | | | |
| Other Income | | | | | |
| Interest Income - Debt | 62,786.18 | 180,773.45 | | | |
| Total Other Income | 62,786.18 | 180,773.45 | | | |
| Other Expense | | | | | |
| Other Expense | | | | | |
| Transfer to Dist 1 - Gen Fund | 0.00 | 0.00 | 209.10 | -209.10 | 0.0% |
| Total Other Expense | 0.00 | 0.00 | 209.10 | -209.10 | 0.0% |
| Total Other Expense | 0.00 | 0.00 | 209.10 | -209.10 | 0.0% |
| Net Other Income | 62,786.18 | 180,773.45 | -209.10 | 180,982.55 | -86,453.11% |
| Net Income | <u>-531,810.92</u> | <u>-2,291,443.04</u> | <u>627.30</u> | <u>-2,292,070.34</u> | <u>-365,286.63%</u> |

Income and Expense by Month January through August 2022



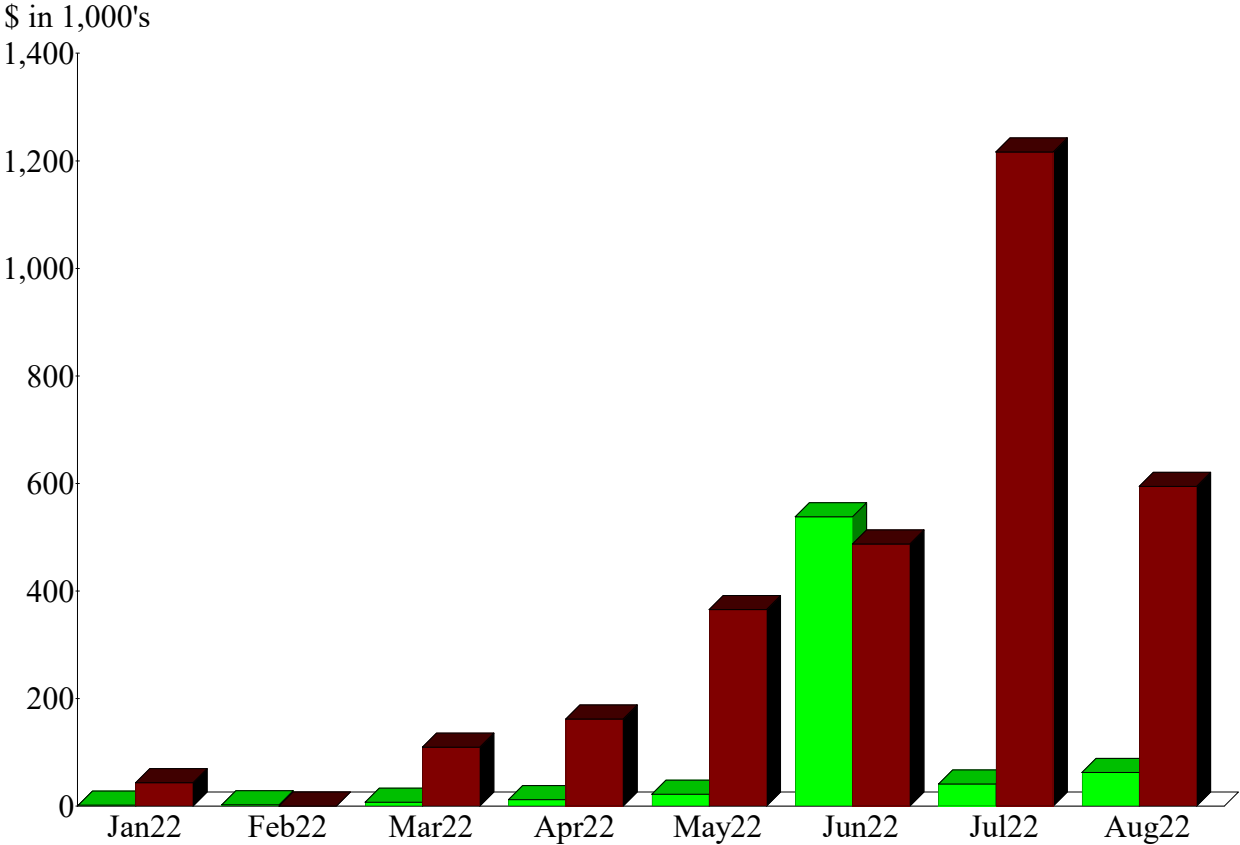
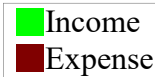
Income Summary January through August 2022

| | |
|--------------------------------|--------------|
| Impact Fees | 73.62% |
| Interest Income - Debt | 26.26 |
| CY Property Tax - Debt | 0.09 |
| CY Property Tax - O&M | 0.03 |
| Specifice Ownership Tax - Debt | 0.01 |
| Specific Ownership Tax - O&M | 0.01 |
| Delinquent Interest - Debt | 0.01 |
| Delinquent Interest | 0.01 |
| Total | \$688,445.89 |



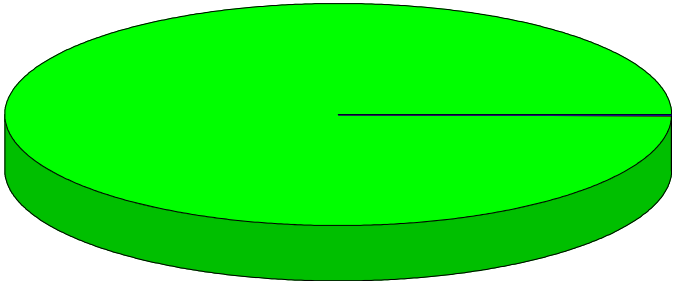
By Account

Income and Expense by Month
January through August 2022



Expense Summary
January through August 2022

| | |
|---------------------------------|----------------|
| Capital Outlay | 99.80% |
| Bond Expense | 0.20 |
| Treasurer Collection Fee - Debt | 0.01 |
| Treasurer Collection Fee - O&M | 0.01 |
| Total | \$2,979,888.93 |



By Account

12:17 PM

Bradley Heights Metropolitan District No. 3

09/08/22

Balance Sheet

Accrual Basis

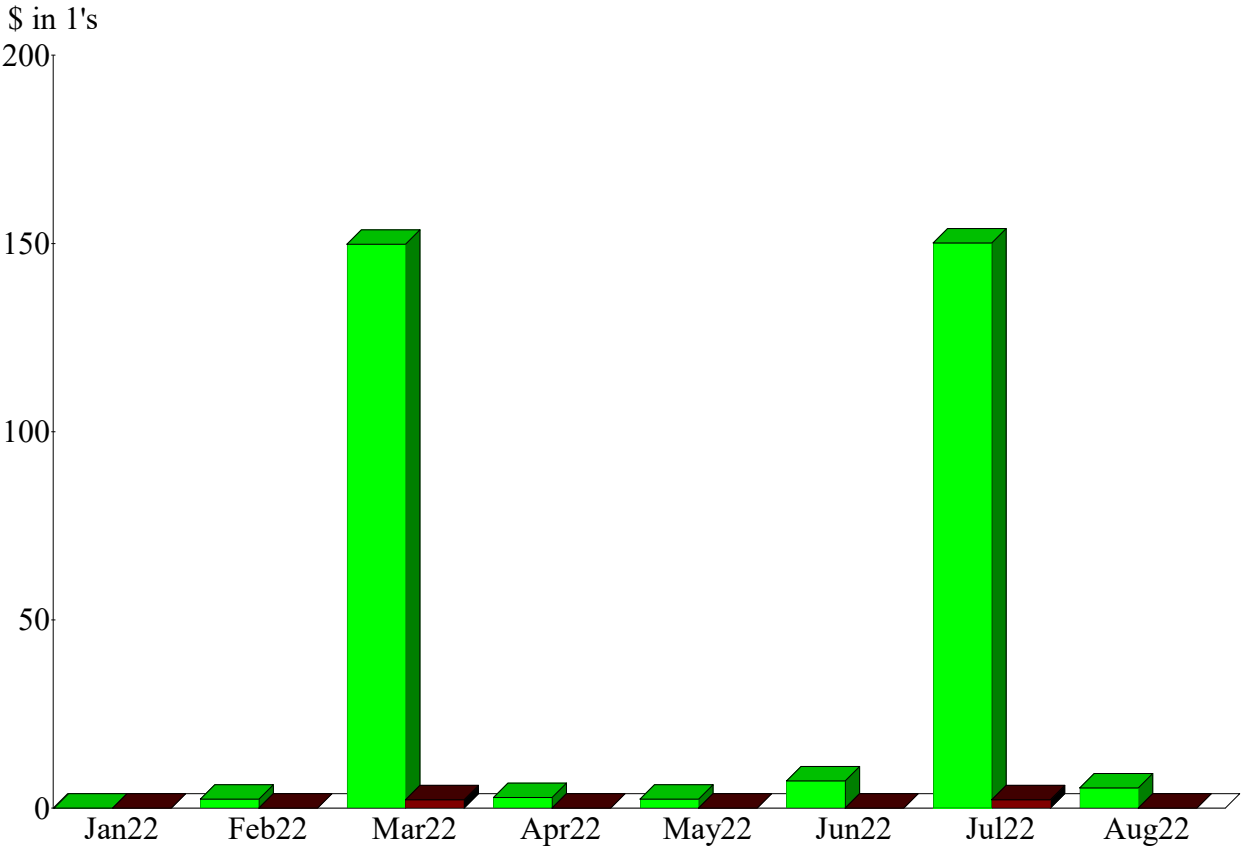
As of August 31, 2022

| | Aug 31, 22 |
|---------------------------------------|---------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| ECB Checking | 388.16 |
| Total Checking/Savings | 388.16 |
| Other Current Assets | |
| Property Tax Receivable | 2.80 |
| Total Other Current Assets | 2.80 |
| Total Current Assets | 390.96 |
| TOTAL ASSETS | 390.96 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| Due To District 1 | 910.00 |
| Deferred Property Tax Revenue | 2.80 |
| Total Other Current Liabilities | 912.80 |
| Total Current Liabilities | 912.80 |
| Total Liabilities | 912.80 |
| Equity | |
| Retained Earnings | -837.47 |
| Net Income | 315.63 |
| Total Equity | -521.84 |
| TOTAL LIABILITIES & EQUITY | 390.96 |

Bradley Heights Metropolitan District No. 3
Profit & Loss Budget vs. Actual
January through August 2022

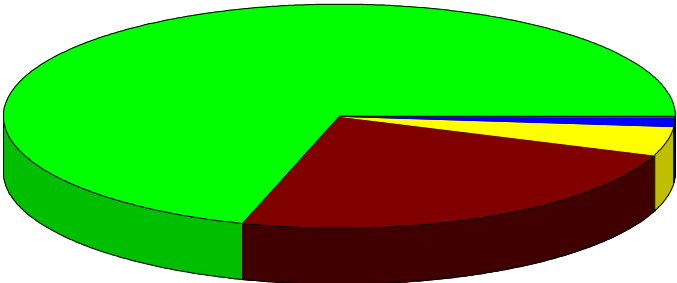
| | TOTAL | | | | |
|---------------------------------|-------------|---------------|----------------|----------------|---------------|
| | Aug 22 | Jan - Aug 22 | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| Delinquent Interest | 0.08 | 0.08 | | | |
| CY Property Tax - O&M | 2.10 | 77.00 | 75.60 | 1.40 | 101.85% |
| Specific Ownership Tax - O&M | 0.62 | 4.43 | 5.29 | -0.86 | 83.74% |
| CY Property Tax - Debt | 0.70 | 225.40 | 226.80 | -1.40 | 99.38% |
| Specifice Ownership Tax - Debt | 1.87 | 13.25 | 15.88 | -2.63 | 83.44% |
| Total Income | 5.37 | 320.16 | 323.57 | -3.41 | 98.95% |
| Expense | | | | | |
| Treasurer Collection Fee - O&M | 0.01 | 1.13 | 1.13 | 0.00 | 100.0% |
| Treasurer Collection Fee - Debt | 0.03 | 3.40 | 3.40 | 0.00 | 100.0% |
| Total Expense | 0.04 | 4.53 | 4.53 | 0.00 | 100.0% |
| Net Ordinary Income | 5.33 | 315.63 | 319.04 | -3.41 | 98.93% |
| Other Income/Expense | | | | | |
| Other Expense | | | | | |
| Other Expense | | | | | |
| Transfer to Dist 1 - Gen Fund | 0.00 | 0.00 | 319.04 | -319.04 | 0.0% |
| Total Other Expense | 0.00 | 0.00 | 319.04 | -319.04 | 0.0% |
| Total Other Expense | 0.00 | 0.00 | 319.04 | -319.04 | 0.0% |
| Net Other Income | 0.00 | 0.00 | -319.04 | 319.04 | 0.0% |
| Net Income | 5.33 | 315.63 | 0.00 | 315.63 | 100.0% |

Income and Expense by Month January through August 2022



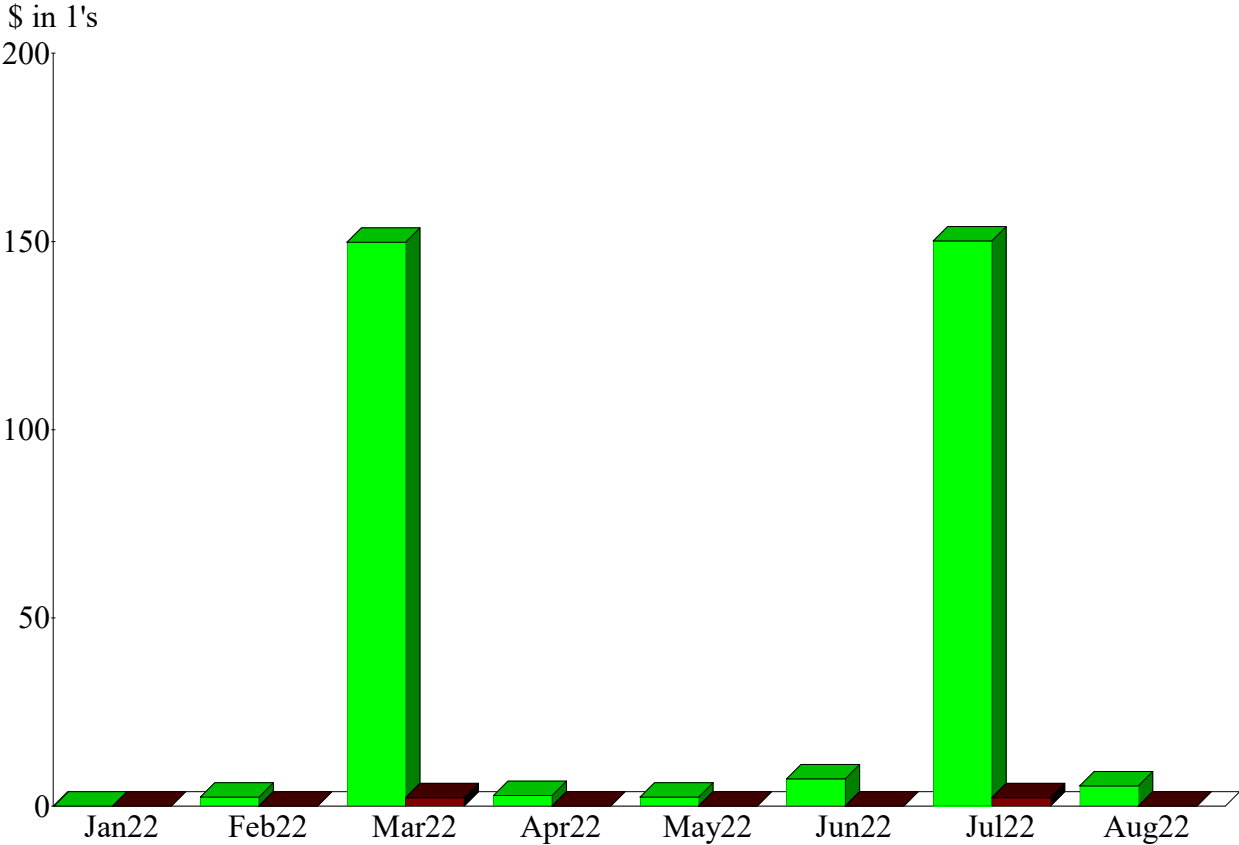
Income Summary January through August 2022

| | |
|--------------------------------|----------|
| CY Property Tax - Debt | 70.40% |
| CY Property Tax - O&M | 24.05 |
| Specifice Ownership Tax - Debt | 4.14 |
| Specific Ownership Tax - O&M | 1.38 |
| Delinquent Interest | 0.02 |
| Total | \$320.16 |



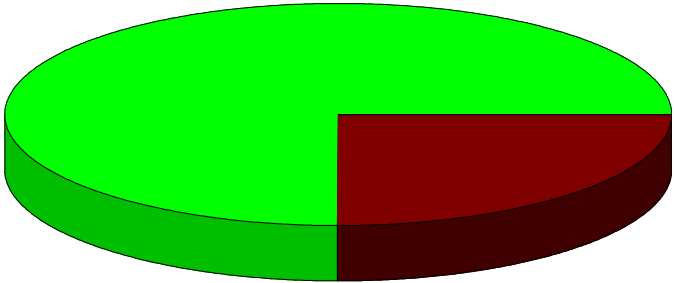
By Account

Income and Expense by Month
January through August 2022

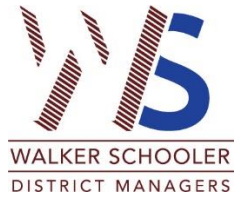


Expense Summary
January through August 2022

| | |
|---------------------------------|--------|
| Treasurer Collection Fee - Debt | 75.06% |
| Treasurer Collection Fee - O&M | 24.94 |
| Total | \$4.53 |



By Account



Bradley Heights Metropolitan District
PAYMENT REQUEST
9/13/2022

BOND FUND ACCOUNT

| Company | Invoice | Date | Amount | Comments |
|---|-----------|-----------|------------------------|----------|
| Entech Engineering, Inc | 5/21/5043 | 7/31/2022 | \$ 7,450.00 | |
| Grundy Construction Management & Consulting | BHM-010 | 8/31/2022 | \$ 10,246.25 | |
| Matrix Design Group | 37318 | 8/19/2022 | \$ 10,198.75 | |
| UMB | 928515 | 8/17/2022 | \$ 4,000.00 | |
| Wildcat Construction Inc. | 75187-3 | 8/31/2022 | \$ 1,012,882.26 | |
| TOTAL | | | \$ 1,044,777.26 | |

Bradley Heights Metropolitan District

Bradley Heights Metropolitan District No. 1
PAYMENT REQUEST
9/13/2022

GENERAL FUND ACCOUNT

| Company | Invoice | Date | Amount | Comments |
|-----------------------------------|---------|-----------|---------------------|----------|
| Biggs Kofford | 107972 | 7/27/2022 | \$ 8,825.00 | D2 Audit |
| Biggs Kofford | 107973 | 7/27/2022 | \$ 5,000.00 | D3 Audit |
| Walker Schooler District Managers | 7156 | 8/31/2022 | \$ 3,000.00 | |
| White Bear Anekele | 23637 | 8/31/2022 | \$ 4,909.50 | |
| TOTAL | | | \$ 21,734.50 | |

\$21,734.50

Bradley Heights Metropolitan District