



**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
HIGH PLAINS RANCH METROPOLITAN DISTRICT
HELD MAY 11, 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, May 11, 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 (by phone)

Also in attendance were:

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

1. Call to Order; Declaration of Quorum; Conflict of Interest Disclosure: Director Randle Case II called the meeting to order at 10:32 a.m. and confirmed a quorum was present with President Lindsay Case on the way.

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.

2. Approval of the Agenda: Director Robert Case moved to approve the Agenda as presented; seconded by Director Long. Motion passed unanimously with President Lindsay Case excused.

3. Approval of the April 13, 2021 Minutes: Director Robert Case moved to approve the April 13, 2021 Minutes as presented; seconded by Director Long. Motion passed unanimously with President Lindsay Case excused.

4. District Manager Report: Mr. Walker reported he has been working on the bond issue. He noted the bank accounts are opened and once funds are received, he will be able to provide financials.

5. President of the Board Report: Director Randle Case II noted that most updates will come later in the Agenda.

6. Development Status Review:

- a. Land development and development approvals (Sketch Plan, Other): Mr. Smith reported the County has allowed the District to resubmit and make a request from the previous concept plan that was approved and hopefully within the next 60 days the Board of County Commissioners will reauthorize the plan to come back in compliance. President Lindsay Case arrived at 10:36 a.m.
- b. Presentation of water system engineering review: Director Randle Case II reported the water engineering review is still being done and a water report was provided that outlines the history of the water system.
- c. Rate study consultant - District's Water Services Rates/Fee/Charges: Mr. Walker explained the rate study consultant will help determine a rate structure. He has used firms such as HR Green, and Gilbert Meyers & Sams. Director Hagedorn III confirmed he has not conducted an independent rate study with a third-party consultant and noted the rates were determined by the contract's ties to inflation or the cost of water outside City limits by the City in the past. Mr. Sullivan commented that although they are not utilizing the revenues generated from water system in the transaction, it would be helpful in the bond issuance to show projected rates, fees, operations expenses, etc., to give bond holders a sense of the water system.
- d. Water system – assumption of responsibilities by the District, timing, charges to Sage Association: Director Randle Case II noted the charges to Sage Association are contractual and in place. Director Hagedorn III noted he did not make any updates since the Colorado Springs rates did not change this year. The Board discussed reserves and funding options for items such as a new well and repairs as they come up. Director Hagedorn III explained the per lot base fee was set in the contract back in 1985 by his father and mirrored the Colorado Springs fees. Mr. Harris noted a provision in the Sage Water Users Association contract that indicates if there is a change in water treatment processes, water quality testing, or other actions or procedures which may be mandated by government agencies at any level, and which shall increase significantly the costs incurred by the company, then that shall be grounds for reopening a revision of the agreement to permit the company to recover in full any additional expense which may be the consequence of such governmental action.

7. Financial Matters:

- a. Bond issuance – General review – Piper Sandler & Co.: Mr. Sullivan reported they have made good progress on the market study report. He noted they are also waiting on the disclosure questionnaire from the developer. Mr. Sullivan discussed the market and noted it is stronger than it has been in the last 20 years and rates have never been so low in the high-yield market. The demand to buy bonds is very strong.

- b. Issuance schedule update: Mr. Sullivan noted that due to the delay on the market study, disclosure questionnaire, and rate study bond closing is still 60 to 90 days out. He estimated the end of July or early August.
 - i. Needed documentation to continue process: There was no additional discussion.
- c. Market Study status: There was no additional discussion.
- d. Recommendation for Municipal Advisor: Mr. Walker recommends North Slope for Municipal Advisor. President Lindsay Case moved to retain North Slope for Municipal Advisor when needed; seconded by Director Robert Case. Motion passed unanimously.
- e. Fee Resolutions: Capital Facility Fee/Lot; Water Tap Fee and Water Resource Fee; Additional Water Fee: Mr. Allen requested additional details on the Additional Water Use Fee. The Board agreed that the fee is due upon time of request and approval.
- f. Discuss 2021 Budget Amendment for Series 2021 Bonds: Mr. Allen explained the 2021 Budget does not contemplate the bond issuance so the Board will need to amend it. President Lindsay Case moved to approve the 2021 Budget Amendment for Series 2021 Bonds; seconded by Director Hagedorn III. Motion passed unanimously.

8. Other Business:

- a. Review and approve Financial Statements and payables: Mr. Walker noted there were no financial statements or payables to approve.
- b. Other administrative matters: There was no discussion.
- c. Davis Ranch inclusion: The Board tabled this item.
- d. Next Regular Meeting Date: The next regularly scheduled meeting is June 8, 2021 at 10:30 a.m.

9. Adjournment: The Board adjourned the meeting at 11:30 a.m.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary