

RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE FALCON HIGHLANDS METROPOLITAN DISTRICT

Held May 13, 2019 at Falcon Fire Station No. 3, 7030 Old Meridian Road, Peyton, CO 80831 at 5:30 p.m.

Attendance The regular meeting of the Board of Directors of the Falcon Highlands Metropolitan District was called and held as shown above in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualifications to serve on the Board, were in attendance:

Tonia Joyner, President
Kevin Haas, Treasurer
Tim Dickey, Secretary

Others in attendance:

Josh Miller, Chelsea Gondeck & Carrie Bartow; CliftonLarsonAllen LLP
Barbara Vander Wall; Seter & Vander Wall, P.C.
John McGinn; JDS-Hydro Consultants, Inc.
Sherrie Tix; Rolling Thunder Business Park Property Owner

Call to Order Director Joyner noted that a quorum of the Board was present and called the regular meeting of the Board of Directors of the Falcon Highlands Metropolitan District to order at 5:35 p.m.

Approval of Agenda Upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the agenda, subject to the addition of the following Engineering item: Review and Approval of the Issuance of 3 Tap Option Permit Applications (5 SFEs for Taco Bell, 2 SFEs for Falcon Storage, and 4 SFEs for Goodwill).

Community Comment Sherrie Tix introduced herself to the Board as a property owner in the Rolling Thunder Business Park and noted her interest in water for potential development in the Business Park.

Consent Agenda A. Consider Approval of March 11, 2019 Regular Meeting Minutes
B. Review and Consider Approval of March 31, 2019 Unaudited Financial Statements
C. Review and Consider Approval of Current Claims

Upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the Consent Agenda, as presented.

RECORD OF PROCEEDINGS

Manager Matters A. Manager Report

Mr. Miller noted that the Manager's Report was included in the packet for review.

Financial Matters None.

Legal Matters A. Legal Report

Ms. Vander Wall reviewed the legal report with the Board.

B. Review and Consider Approval of Resolution 2019-05-01 Regarding Collection Policies

Ms. Vander Wall described the landlord / tenant billing and payment processes, and noted that the District is currently implementing the recommended policies. The Board also discussed the policies applicable to access to and reading of faulty meters for water charges. Mr. McGinn discussed industry standard of using the prior year's amounts for a last valid reading and adding 25%, for those meters to which the District is denied access. It was agreed that in lieu of adopting a resolution at this time, the Board will incorporate the District's policies as part of its upcoming rules and regulations.

C. Review and Consider Approval of Resolution Authorizing Sale of Property to El Paso County Regarding Highway 24 Project

Mr. Miller reviewed the offer provided by El Paso County following negotiations.

Upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the resolution authorizing the sale of property to El Paso County regarding the Highway 24 project and authorizing any Board member and the District Manager to execute associated documents.

D. Discussion on Un-Authorized Use of District Property

Mr. Miller reviewed instances of un-authorized use of District property and associated damage that the District has recently experienced.

Following discussion, the Board agreed to take steps to proactively educate the community on location of District-owned property and requirements for authorization, and discussed making this information available on its website. The Board also discussed options for physical

RECORD OF PROCEEDINGS

barriers to restrict vehicular access to District trails, and potential assessment of charges for damages incurred to District property.

E. 2019 Legislative Update

Ms. Vander Wall reviewed the change in posting of meeting notice requirements pursuant to HB 19-1087, for the District's meetings. The new legislation allows the District to use its website for posting within a 24-hour period, in lieu of the physical posting within the boundaries of the District with a 72-hour requirement. Following discussion, the Board directed the consultant team to retain the current practice of physically posting in the District with 72 hours' notice.

F. Review for Approval and Ratification of Operations Intergovernmental Agreement with Woodmen Hills Metro District

The Board deferred this discussion to take place after the executive session.

G. Executive Session

Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board entered executive session, pursuant to Section 24-6-402(4)(b), (e) & (f), Colorado Revised Statutes, for the purposes of considering and receiving legal advice, development of contract matters and negotiating positions and discussion of personnel matters related to operations transition plan. The Board, including legal, management and financial consultants, entered executive session at 6:37 p.m. The executive session ended at 7:07 p.m.; the Board confirmed that no actions were taken during the executive session.

Following discussion regarding the District's, and negotiations with Woodmen Hills, and upon a motion duly made by Director Haas, seconded by Director Joyner and, unanimous vote, the Board approved the Operations Intergovernmental Agreement with Woodmen Hills Metro District.

Upon further discussion regarding the District's operations and transition plan with Woodmen Hills Metropolitan District, and upon a motion duly made by Director Joyner, seconded by Director Haas and unanimous vote, the Board authorized the District Manager to terminate the District's existing employment relationship, effective June 1, 2019, and to offer an agreement with severance compensation pursuant to the discussions held in executive session.

RECORD OF PROCEEDINGS

Engineering
Matters

A. Engineering Report

Mr. McGinn reviewed the Engineering Report with the Board.

B. Review and Approval of the Issuance of 3 Tap Option Permits (5 SFEs for Taco Bell, 2 SFEs for Falcon Storage, and 4 SFEs for Goodwill)

Mr. Miller reviewed two tap option permit applications with the Board: (1) Taco Bell (5 SFEs), and (2) Falcon Storage (2 SFEs), noting that Engineering had reviewed the applications and supporting documentation. He noted that a third application had been received from Good Will (4 SFEs), but that application has been tentatively placed on hold. Mr. McGinn stated that the collective tap option permit applications, including the tap permit issued to Peak Gymnastics (2 SFEs) total 18 SFEs.

Mr. McGinn then reviewed his updated water availability analysis, taking into consideration the District's irrigation and fire flow needs, and advised the Board of his conclusions that the District's system will allow for the issuance of an additional 6 taps, which would increase the total taps available under the District's interim policy to 18 SFEs.

Following discussion, upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the tap option permits, including the Good Will application subject to final engineering review. Based on the recommendations made, the Board further approved an amendment to the District's interim water policy increasing the issuance of tap permits allocated up to 18 SFEs to eligible property owners subject to the water policy.

Director Items

None.

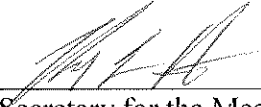
Other Business

A. Set Next Board Meeting – Monday, July 8, 2019 at 5:30 p.m.

A quorum for Monday, July 8, 2019 was confirmed.

Adjournment

Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board adjourned the meeting at 7:12 p.m.


Secretary for the Meeting
