

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
FALCON HIGHLANDS METROPOLITAN DISTRICT
HELD
FEBRUARY 20, 2023

A special meeting of the Board of Directors of the Falcon Highlands Metropolitan District (referred to hereafter as the "Board") was convened on Monday, February 20, 2023, at 5:30 p.m. The District Board meeting was held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

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

Also, In Attendance Were:

Josh Miller, Korben Heim and Carrie Bartow; CliftonLarsonAllen, LLP
Barbara Vander Wall, Esq. and Beth Dauer, Esq.; Seter & Vander Wall, P.C.
Ryan Mangino; JDS-Hydro Consultants, LLC

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Upon a motion duly made by Director Haas, seconded by Director Dickey and, upon vote, unanimously carried, the Board called the meeting to order at 5:32 p.m.

The Board reviewed the agenda for the meeting. Following discussion, and upon a motion duly made by Director Dickey, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the agenda, as presented.

Quorum, Director Qualifications, Disclosure Items: It was noted that a quorum of the Board was present. The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted by Ms. Vander Wall that disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors; no additional conflicts were disclosed.

Other: None.

CONSENT AGENDA

November 14, 2022 Regular Board Meeting Minutes:

Previous Claims and Current Claims:

RECORD OF PROCEEDINGS

Following review and discussion, 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, and determined to review the financials at the next meeting.

FINANCIAL MATTERS

December 31, 2022 Unaudited Financial Statements: Ms. Bartow reviewed the December 31, 2022 Unaudited Financial Statements with the Board. No action was taken.

Other: None.

MANAGER MATTERS

Manager Report: Mr. Miller provided an update on the marquee signage, landscaping, and the sale of District assets around the water tank. No action was taken.

Other: None.

ENGINEERING MATTERS

Engineer Report: This item was deferred.

Contract for LFH#2 Well Rehab Project and Agreement: Mr. Mangino reviewed the Contract for the LFH#2 Well Rehab Project and the Agreement, stating that four bids were received. The Board discussed the cost, longevity of well rehab, and previous well repairs.

Following review and discussion, upon a motion duly made by Director Dickey, seconded by Director Joyner and, upon vote, unanimously carried, the Board awarded the Contract for the LFH#2 Well Rehab Project and approved the Agreement with Applied Ingenuity. Director Haas suggested providing communications with the community regarding the construction project.

Other: Director Haas posed a question regarding the U-Haul tap option. Mr. Miller provided an update. The Board discussed the First Bank site becoming a Sherwin-Williams, as well as noting the Rolling Thunder building tenant is under County review for a possible veterinarian or dental office.

Director Haas also provided an update on the fiber optic project and discussed a possible assessment of damage in the spring as irrigation starts up.

DIRECTOR MATTERS

Other: Director Joyner provided an update on contacting the Woodmen Hills Metropolitan District President, Troy Stinson. No action was taken.

RECORD OF PROCEEDINGS

EXECUTIVE SESSION

Executive session pursuant to Section 24-6-402(4)(a), (b) and (e), C.R.S. regarding the receipt of legal advice related and matters subject to negotiation in (1) IGA with Woodmen Hills Metro District; and (2) the purchase, acquisition, transfer or sale of real property and/or water rights, and the development of negotiating positions: This item was deferred.

Other: None.

LEGAL MATTERS

District Revenue Bonds: Ms. Vander Wall reviewed the District Revenue Bonds with the Board, noting there is no movement in the market. She advised that there is an ongoing discussion with Challenger for continued development of the District. Further extension of the settlement agreement may be pursued based on market conditions and development.

Amendment to IGA with WHMD to Extend ORC Services: Ms. Vander Wall reviewed with the Board the Amendment to the Intergovernmental Agreement with the Woodmen Hills Metropolitan District to extend the water operations services from December 31, 2022 through March 31, 2023. The extension serves to continue the water operations pending a replacement IGA, and removes landscaping services from the scope. Following review and discussion, upon a motion duly made by Director Haas, seconded by Director Dickey and, upon vote, unanimously carried, the Board ratified and approved the Amendment to the Intergovernmental Agreement with the Woodmen Hills Metropolitan District, as presented.

IGA with WHMD: Ms. Vander Wall and Mr. Miller provided an update regarding the proposed replacement Intergovernmental Agreement with Woodmen Hills Metropolitan District for water operations with the Board. Based on communications with Woodmen Hills, a draft IGA is expected to be presented to the District very soon. The Board discussed possibly holding a meeting with Woodmen Hills Metropolitan District to discuss current and future relationships.

Settlement Agreement between County, Cygnet, and the District: Ms. Vander Wall provided an update on the Settlement Agreement between the County, Cygnet, and the District. The County has prepared a draft settlement agreement regarding outstanding land use items, however there remain substantial discrepancies. Additional discussions with Cygnet and the County are expected to take place. No action taken.

May 2023 Director Election: Ms. Vander Wall provided an update on the May 2023 Director Election with the Board. Director Haas submitted a self-nomination form. Challenger requested self-nomination forms to fill director positions which are currently vacant. The Board discussed Director

RECORD OF PROCEEDINGS

qualifications and disclosures.

2023 Legislative Items: Ms. Vander Wall provided an update on the 2023 Legislative Items. No action taken.

Other: None.

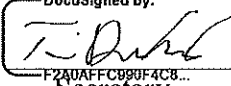
OTHER BUSINESS

Other: None.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Joyner, seconded by Director Dickey and, upon vote, unanimously carried, the Board adjourned the meeting at 6:46 p.m.

Respectfully submitted,

By  _____
Secretary