

RECORD OF PROCEEDINGS

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

Held January 13, 2020 at Falcon Fire Station No. 3, 7030 Old Meridian Road, Peyton, CO 80831 at 5:30 p.m.

Attendance A special 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.
Neil Arney*, Kutak Rock, LLP
Sherrie Tix, Resident

[* Attended via telephone during executive session.]

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 5:30 p.m.

Approval of Agenda Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the agenda revising items consent agenda item 4. B. to Review and Consider Approval of November 30, 2019 Unaudited Financial Statements and removing legal items 7. E. Review and Approval of Quitclaim Deed with Falcon Fire Protection District and 7. F. Conduct Public Hearing to Consider Petition for Exclusion of Property from Falcon Highlands Metropolitan District; Consider Resolution for Approval of Petition for Exclusion of Property from Falcon Highlands Metropolitan District.

Community Comment None.

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- Consent Agenda
- A. Consider Approval of October 28, 2019 Special Meeting Minutes
 - B. Review and Consider Approval of November 30, 2019 Unaudited Financial Statements
 - C. Review and Consider Approval of Current Claims

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

Manager's
Matters

- A. Manager Report

Mr. Miller reviewed the Manager's Report with the Board.

- B. Operations Report

Mr. Miller reviewed the operations report. Director Haas noted the Falcon Fire Protection District's offer to help with operations. Mr. McGinn commented that the Chief could coordinate with the District's ORC.

Financial Matters None.

- Legal Matters
- A. Legal Report

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

- B. Resolution No. 2020-01-01 Regarding Annual Administrative Matters

Ms. Vander Wall reviewed the resolution with the Board. Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board approved Resolution No. 2020-01-01 Regarding Annual Administrative Matters as amended changing the DEO from Wendi McLaughlin to Catherine Bright.

- C. Resolution No. 2020-01-02 Calling a Regular Election for Directors on May 5, 2020

Ms. Vander Wall noted that Resolution No. 2020-01-01 references the election procedures and that an election resolution would only be drafted and approved if the election is not cancelled.

- D. Review and Approval of Force Main Easement

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Ms. Vander Wall noted that Woodmen Hills Metro District has requested a force main easement from the District, but that the documentation is not yet complete for the District's approval.

Engineering Matters

A. Engineering Report

Mr. McGinn reviewed the engineering report with the Board, including a summary of upcoming expenses to include work on LFH #2, the SCADA system, and long-range maintenance items for a Capital Improvement Plan. Mr. McGinn noted the interconnect project was completed. Mr. Miller noted the payment was made for the interconnect project.

Mr. Miller noted that the consultant team is in discussion on the acceptance and maintenance responsibility of the detention pond in the Rolling Thunder Business Park. Discussion ensued on the replacement of meters and shut off procedures.

Executive Session

A. Executive session pursuant to Section 24-6-402(4)(b), C.R.S. regarding the receipt of legal advice related to litigation in BLH #1, LLC and BLH #3, LLC v. Falcon Highlands Metropolitan District, et al., El Paso County District Court No. 2019 CV 31830

Upon a motion duly made by Director Joyner, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the motion to enter into executive session at 6:21 p.m., pursuant to Section 24-6-402(4)(b), C.R.S. for the purposes of legal advice related to litigation in BLH #1, LLC and BLH #3, LLC v. Falcon Highlands Metropolitan District, et al., El Paso County District Court No. 2019 CV 31830. The Board, including legal, management, and financial consultants entered executive session at 6:21 p.m. The executive session ended at 7:00 p.m.; the Board confirmed that no actions were taken during the executive session.

Director Items

None.

Other Business

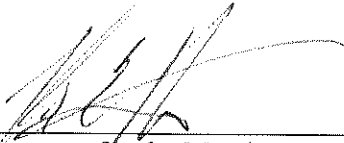
A. Confirm Quorum or Consider Cancelling Next Regular Board Meeting – March 9, 2020 at 5:30 p.m.

The Board confirmed a quorum for the next regular board meeting on March 9, 2020.

Adjournment

Upon a motion duly made by Director Dickey, seconded by Director Joyner and, upon vote, unanimously carried, the Board adjourned the meeting at 7:01 p.m.

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Secretary for the Meeting