

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FALCON HIGHLANDS METROPOLITAN DISTRICT

Held October 28, 2019 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 & Seef Le Roux;  
CliftonLarsonAllen LLP  
Barbara Vander Wall & Jeffrey Erb; Seter & Vander Wall, P.C.  
John McGinn\*, JDS-Hydro Consultants, Inc.  
Neil Arney\*, Kutak Rock, LLP  
Jesse & Sherrie Tix\*, Residents  
[\*Arrived / departed where indicated.]

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 5:33 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 with the amended minutes of the August 12, 2019 meeting.

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 Haas and, upon vote, unanimously carried, the Board approved the motion to enter into executive session at 5:35 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,

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including legal, management, and financial consultants entered executive session at 5:33 p.m. The executive session ended at 6:17 p.m.; the Board confirmed that no actions were taken during the executive session.

[\*Mr. Arney departed the meeting at this time.]

[\*Mr. John McGinn, and Residents Jessie and Sherrie Tix arrived to the meeting at this time.]

Community Comment      None.

- Consent Agenda
- A. Consider Approval of August 12, 2019 Special Meeting and August 26, 2019 Special Meeting Minutes
  - B. Review and Consider Approval of September 30, 2019 Unaudited Financial Statements
  - C. Review and Consider Approval of Current Claims

Upon a motion duly made by Director Dickey, seconded by Director Joyner 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, including highlights from the playground audit report. He noted that the District is planning to make certain repairs to the swing and slide as a result of the report.

- B. Operations Report

Mr. Miller reviewed the operations report provided by Woodmen Hills. He reviewed notes provided by the District's Operator Responsible in Charge (ORC). Director Haas inquired on sheltering District-owned tractor/mower from weather or transferring it to Woodmen Hills.

- C. Review and Consider Approval of 2020 Fee Schedule

Upon a motion duly made by Director Joyner, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the 2020 fee schedule, noting that there were no changes proposed from the 2019 schedule.

- D. Discuss 2020 District Insurance, Review Renewal Schedule & Authorize Renewal of District Insurance & SDA Membership

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Following discussion on including interconnect infrastructure in the future, upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the renewal of the District's insurance and SDA membership.

E. Discuss Posting and Transparency Notice for 2020 on SDA Website

Following discussion that the notice be posted to the District's website as well, upon a motion duly made by Director Joyner, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the posting of the transparency notice on the SDA website and District website.

F. Ratify Service Agreement with Barnard Structures for Replacement of Filtration Media

Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board ratified the service agreement with Barnard Structures for replacement of the filtration media.

G. Discussion on Park Maintenance

Mr. Miller presented the Board with the opportunity to have a landscaping contractor on call for park maintenance issues on a time and materials basis and to address issues raised in the playground audit.

H. Review and Consider Approval of Playground Maintenance Agreement with ColoradoScapes.com, Inc.

Upon a motion duly made by Director Joyner, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the playground maintenance agreement with ColoradoScapes.

I. Water Tap Option for Rolling Thunder Business Park Lots 2 & 3

Mr. Miller reviewed the application for the water tap options (5 SFEs) with the Board, to include 4 SFEs to buildings, and 1 SFE for irrigation. Following discussion, upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the water tap option for 5 SFEs for the Rolling Thunder Business Park Lots 2 & 3. If the number of SFEs needs to be increased depending on final use, the applicant may reapply for additional amounts.

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- Financial Matters    A. Conduct Public Hearing to Consider Adoption of 2020 Budget, Appropriate Expenditures and Set Mill Levy; Consider Adoption of Resolution No. 2019-10-01, to Adopt 2020 Budget, Appropriate Expenditures and Set Mill Levy

Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board opened the public hearing at 6:50 p.m. Mr. Le Roux and Ms. Bartow reviewed the budget with the Board. Hearing no public comment, upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board closed the public hearing at 7:07 p.m. Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board approved Resolution 2019-10-01 to adopt the 2020 budget, appropriating expenditures, and set the mill levy.

- B. Review and Consider Approval of Engagement Letter with Dazzio & Associates, P.C. for 2019 Audit

Upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the engagement of Dazzio & Associates, P.C. to perform the 2019 audit.

- C. Conduct Public Hearing regarding 2019 Delinquent Accounts and Resolution regarding Certification of Delinquent Accounts for Collection

Upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board opened the public hearing at 7:09 p.m. Ms. Bartow reviewed the delinquent accounts with the Board. Hearing no public comment, upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board closed the public hearing at 7:11 p.m. Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the resolution regarding certification of 2019 delinquent accounts.

- Legal Matters        A. Legal Report

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

- B. Discussion and Possible Action on Conveyance of District-Owned Property to Fire District

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Mr. Erb reviewed the intended property exchange with the fire district with the Board. Mr. Miller noted the District had received the funds from the fire district. Mr. Erb noted that the District is awaiting a legal description for the property the fire district is receiving in order to prepare documentation for exclusion from the District.

C. Review and Consider Approval of Engagement Letter with Kutak Rock, LLP

Following discussion, upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the engagement letter with Kutak Rock, LLP.

Engineering  
Matters

A. Engineering Report

Mr. McGinn reviewed the engineering report with the Board, including a summary of the filter mediation project, the interconnect project and water capacity analysis.

Mr. McGinn noted that as a result of upgrades to the District's primary water source and treatment system, as well as its water delivery system, the addition of the emergency interconnect / mutual aid agreement with Woodmen Hills Metropolitan District, and the expansion of the District's operations' capability by adding staff through a separate operations agreement with Woodmen Hills, the District is able to increase its water connections. Based on these findings, Mr. McGinn recommended that the District modify its interim water policy to increase the available SFEs from 18 to 36. Following discussion, upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board resolved to modify its interim water policy based on the recommendations, and directed legal counsel to memorialize the modifications in a resolution.

Director Items

A. Other

Director Hass requested information to be provided for the community newsletter.

Other Business

A. Discuss 2020 Meeting Schedule

Following discussion, the Board decided to retain the schedule of meeting every other month in 2020, at 5:30 p.m., at the same fire station location.

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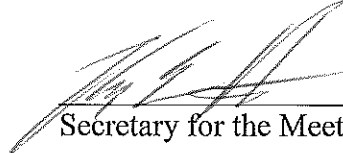
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B. Confirm Quorum or Consider Cancelling Next Regular Board Meeting  
– January 13, 2020 at 5:30 p.m.

The Board confirmed a quorum for the next regular board meeting on January 13, 2020.

Adjournment

Upon a motion duly made by Director Joyner, seconded by Director Dickey and, upon vote, unanimously carried, the Board adjourned the meeting at 7:50 p.m.



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Secretary for the Meeting