

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
FALCON HIGHLANDS METROPOLITAN DISTRICT
HELD
JULY 10, 2023

A regular meeting of the Board of Directors of the Falcon Highlands Metropolitan District (referred to hereafter as the “Board”) was convened on Monday, July 10, 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
Kevin Haas, Treasurer/Assistant Secretary
Erin Ganaway, Director
Leo Schuhmacher, Director

Absent and Excused:

Timothy Dickey, Secretary, was absent and excused.

Also, In Attendance Were:

Josh Miller, Korben Heim and Curtis Bourgoiun; CliftonLarsonAllen, LLP (“CLA”)
Elizabeth Dauer, Esq. and Barbara Vander Wall, Esq.; Seter & Vander Wall, P.C.
Ryan Mangino; RESPEC
Jeff Gilley, Matt Erichsen and Randy Crompton; U-Haul
Donna Greene and Cristina Welch; Members of the public

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Director Joyner called the meeting to order at 5:30 p.m.

The Board reviewed the agenda for the meeting. Following discussion, upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the agenda, as amended to include public comment.

Following review, upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board excused the absence of Director Dickey.

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

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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.

The Board discussed appointment of officers. Following discussion, upon a motion duly made by Director Hass, seconded by Director Joyner and, upon vote, unanimously carried, the Board did not change the current slate of officers.

Public Comment: Cristina Welch, member of the public, inquired about the underdrain system. Ms. Welch questioned the original ownership. It was recommended that Ms. Welch draft a letter listing questions for the District. Ms. Welch will send the letter to Mr. Miller once it is drafted.

CONSENT AGENDA

May 1, 2023 Special Board Meeting Minutes:

Previous Claims and Current Claims:

Following review and discussion, 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.

FINANCIAL MATTERS

May 31, 2023 Unaudited Financial Statements: Mr. Bourgouin reviewed the May 31, 2023 Unaudited Financial Statements with the Board. Director Haas asked whether the District has funds available for the second well refurbishment project, which may exceed \$100,000. Mr. Bourgouin noted that the District has funds available, but may need to amend its budget. Director Hass inquired on the audit status; it is in for review. Additional discussion ensued. Following review and discussion, upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board accepted the May 31, 2023 Unaudited Financial Statements, as presented.

MANAGER MATTERS

Manager Report: This matter was deferred until after legal matters were addressed.

ENGINEERING MATTERS

Engineer Report: Mr. Mangino reviewed the Engineer Report with the Board. Director Haas inquired on Applied Ingenuity getting a quote from LFH1 Rehab while already on-site and working on LFH2. Attorney Vander Wall noted that a change order would not be sufficient and that a bid would be needed if the anticipated cost would be over the statutory amount. If not,

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then a separate proposal and contract would be needed. Discussion ensued. No action taken.

Cost Sharing for Design and Construction of Off-Site Storm Sewer System through U-Haul Property: Mr. Erichsen presented U-Haul's interest in cost-sharing for drainage improvements. The total cost was projected at \$740,826.00. Discussion ensued regarding other funding opportunities and maintenance of an easement along with other concerns.

LEGAL MATTERS

Second Addendum to Wastewater Intergovernmental Agreement with Woodmen Hills Metropolitan District: Attorney Vander Wall reviewed the Second Addendum with the Board regarding Woodmen Hills' provision of wastewater services to undeveloped property in the District, expanded infrastructure and payment requirements. Discussion ensued. 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 Second Addendum to Wastewater Intergovernmental Agreement with Woodmen Hills Metropolitan District.

Escrow Funds/ Update Regarding Proposed Settlement Agreement Between County, Cygnet and District: Attorney Vander Wall reviewed the Letter of Instructions / Release of Escrow Funds with the Board, which authorizes the release of funds held by the title company, in accordance with the provisions of a 2005 agreement. It was noted that the funds will be used as part of a settlement with the County. 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 Letter of Instructions as discussed.

Director Haas addressed mowing and the public confusion as to what areas are maintained and mowed by the District. Mr. Miller reviewed the mowing areas with the Board.

Mr. Miller discussed the mosquito control measures being pursued with the Board. Following review and discussion, upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved mosquito control measures not to exceed \$5,000.00.

Mr. Miller reviewed the underdrain system issue with the Board. Per development documentation publicly available, maintenance obligation is intended and has been with EPCO. Director Haas commented on the possibility of the lack of maintenance on the underdrain being impactful to street issues in the District.

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Mr. Miller provided the Board with an update on the sound wall.

Mr. Miller updated the Board on the description of the surplus or abandoned property at the maintenance yard and the status or their sale. After further discussion, and upon motion, second and unanimous vote, the Board found that the maintenance yard property as described constituted assets that are not needed by the District in the foreseeable future; and further delegated authority to Mr. Miller for their disposition.

Mr. Miller reviewed water partnership and continuing discussion with Woodmen Hills and others.

DIRECTOR MATTERS

Director Haas requested a draft newsletter detailing the District-owned parcels to include a map and layout maintenance, mowing and mosquito control ability limited to District-owned property. Director Haas also requested an update on Rolling Thunder repaving and a blurb about the underdrain maintenance be added to the newsletter as well.

Director Hass informed the Board that the total repaving of Rolling Thunder was on schedule. Mr. Miller noted that the County investment would not happen if there were water line issues affecting the roadwork.

The Board was informed that Walmart is building an on-site gas station. The District was notified through EDARP and reviewing.

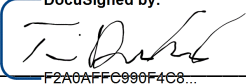
OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time Director Joyner adjourned the meeting at 7:28 p.m.

Respectfully submitted,

DocuSigned by:

By _____
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Secretary