

RECORD OF PROCEEDINGS

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

- Held July 13, 2020 at 7336 McLaughlin Rd, 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
- Absent: Tim Dickey (absence excused)
- Others in attendance:
- Josh Miller & Seef Le Roux*; CliftonLarsonAllen LLP
Barbara Vander Wall; Seter & Vander Wall, P.C.
Ryan Mangino*; JDS-Hydro Consultants, Inc.
- [*Participating via telephone.]
- Call to Order Director Joyner noted that a quorum of the Board was present and called the special 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 for Falcon Highlands Metropolitan District.
- Public Comment None.
- Consent Agenda A. Consider Approval of March 9, 2020 Special Meeting Minutes
B. Review and Consider Approval of May 31, 2020 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.

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Manager's Matters

A. Manager Report

Mr. Miller reviewed the Manager's Report with the Board. Mr. Miller discussed issues related to weeds in the District. He noted that in light of COVID, the District has not been performing any water shutoffs as part of its collection efforts. He reported that the LFH2 well is now up and running, and that the District's SCADA system is no online.

B. Operations Report

Mr. Miller reviewed the operations report with the Board.

C. Discussion Regarding District Website

Mr. Miller presented the options to the Board for updating the District's website, noting that the current website provides good communication but is not very user friendly. He presented options for consideration, including having the website be managed in-house by CLA, with certain costs being outsourced. Mr. Haas shared support for switching to an in-house managed website, and using the Wix platform. Upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the initiation of the process and approved costs not to exceed \$3,500 for transfer of the website.

Financial Matters

A. Consider Review and Possible Acceptance of the 2019 Audit Report

Mr. Le Roux reviewed the 2019 Audit with the Board. Upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board accepted the 2019 audit, subject to legal review.

B. Other

None.

Legal Matters

A. Legal Report

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

B. Conduct a Public Hearing Regarding Petition for Exclusion of Property received from the Falcon Fire Protection District

The Board opened a public hearing on the Petition for Exclusion of Property submitted by the Falcon Fire Protection District. After no public comment was offered, the hearing was closed.

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C. Review and Consider Approval of Resolution to Approve Exclusion of Property

The Board reviewed the Resolution to Approve Exclusion of Property. Upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board adopted the Resolution to Approve Exclusion of Property.

D. Review and Consider Approval of the Service Agreement with Ramey Environmental Compliance Inc. for Booster Station Rebuild

The Board reviewed the Service Agreement with Ramey Environmental Compliance Inc. for Booster Station rebuild services. Upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved Service Agreement with Ramey Environmental Compliance Inc. as presented.

E. Other

None.

Directors Items

A. Other

None

Engineering Matters

A. Engineering Report

Mr. Mangino reviewed the engineering report with the Board. He reported on the SCADA system, noting that the alarms are installed and the security cameras are up and running. There are now new level sensors to provide level monitoring of the District's wells, which will avoid the drying upon of a well or tank. The LFH shed needs upgrades to allow for venting, which is estimated to cost approximately \$2,000. The Board directed Mr. Mangino to proceed with the venting project as discussed.

Rafael is preparing for the District's sanitary survey performed by the State Health Department at the treatment plant; this survey is done every three years.

Mr. Mangino also reported that he is submitting the paperwork to put the District on the CDPHE loan / grant program. This should make the District potentially eligible for future stimulus funds that may become available from the federal or state government.

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Mr. Mangino reported on the detention pond located at Maltese Point. He noted that the County inspector has signed off on the pond, despite the sedimentation in the pond and intake. He is following up to get this item cleaned up prior to a recommendation for District acceptance.

B. Other

None.

Executive
Session

A. Executive session pursuant to Section 24-6-402(4)(a), (b) and (e), C.R.S. regarding (1) 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; and (2) the purchase, acquisition, transfer or sale of real property and/or water rights, and the development of negotiating positions

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 6:51 p.m., pursuant to Section 24-6-402(4)(a), (b) and (e), 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; and (2) the purchase, acquisition, transfer or sale of real property and/or water rights, and the development of negotiating positions. The Board, including legal, management, and financial consultants entered executive session at 6:51 p.m. The executive session ended at 7:23 p.m.; the Board determined no action was taken at this time.

Director Items

None.

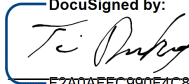
Other Business

A. Next Regular Board Meeting – September 14, 2020 at 5:30 p.m.

The Board confirmed a quorum for the next regular Board meeting on September 14, 2020.

Adjournment

Upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board adjourned the meeting at 7:24 p.m.

DocuSigned by:

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Secretary for the Meeting

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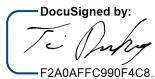
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