

# RECORD OF PROCEEDINGS

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

- Held January 16, 2018 at Falcon Fire Station No. 3, 7030 Old Meridian Road, Peyton, CO 80831 at 5:30 p.m.
- Attendance The 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:
- Grace Harman, President  
Steven J. Davis, Vice President  
Kevin Haas, Treasurer  
Tonia Joyner, Assistant Secretary  
Absent: Timothy Dickey
- Others in attendance:
- Carrie Bartow and Josh Miller; CliftonLarsonAllen LLP  
Barbara Vander Wall and Jeffery Erb; Seter & Vander Wall, P.C.  
Mike Barnes and Tom Napolilli; Kennedy/Jenks Consultant
- Chris Kuhlmann; Peak Gymnastics  
Thomas Metzger; Regency Realty Group, Inc.  
Eric Hemingway; Cygnet Land, LLC  
Sean Chambers; Chambers Econ & Analytics  
P.J. Anderson  
Richard Graham  
Roger Hill  
Eric Hemingway  
Marcos Bomfirm
- Call to Order Director Harman noted that a quorum of the Board was present and therefore called the special meeting of the Board of Directors of the Falcon Highlands Metropolitan District to order at 5:45 p.m. The Board excused the absence of Director Dickey.
- Approval of Agenda Upon a motion by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the agenda, as presented.

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Community Comments Mr. Metzger, Mr. Kuhlmann and Mr. Anderson all spoke during this time regarding availability of water service for property within the District.

- Consent Agenda
- A. Consider Approval of December 11, 2017 Regular Meeting Minutes
  - B. Review and Consider Approval of November 30, 2017 Unaudited Financial Statements
  - C. Review and Consider Approval of Current Claims
  - D. Review and Consider Adoption of Resolution No. 2018-01-01; Annual Administrative Matters 2018

Following discussion, upon a motion duly made by Director Joyner, seconded by Director Haas and, upon a vote, unanimously carried, the Board approved the Consent Agenda, as presented.

- Engineering Matters
- A. Water Engineering Report
    - 1. Update on EPC Survey

Mr. Barnes noted that the water needs survey requested by El Paso county has been completed and submitted.

- 2. Update on Water Facilities Master Plan

Mr. Barnes noted that he previously circulated the final draft of the Water Facilities Master Plan for comments.

Director Haas noted that he would like to see some additional information in the Master Plan regarding renewable water sources.

Mr. Barnes will have the Master Plan ready for final approval at the February Board meeting.

Mr. Barnes noted that the flow meter at the plant may be off by as much as 25% compared to the water use reported by customer meters.

A refined scope of work for the water tank lighting has been requested.

- B. Renewable Water Options Presentation
  - 1. Introduction – Tom Napolilli

Mr. Napolilli introduced Mr. Chambers to the Board and provided information regarding Mr. Chambers' background and experience.

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## 2. Presentation – Sean Chambers

Mr. Chambers reviewed the renewable water options information that had been included in the Board packet. Mr. Chambers reviewed the various water projects underway in El Paso County, including renewable water and ground water projects. Mr. chambers noted that a lot of the challenge with bringing additional water to the Falcon Area is delivery of the water through existing or to be constructed water infrastructure. The Board had no further questions for Mr. Chambers.

### C. Other

None.

## Financial Matters

### A. Other

Ms. Bartow noted that there was no atypical financial activity and would answer any questions of the Board, of which there were none.

## Legal Matters

### A. Legal Status Report

Ms. Vander Wall presented her legal report to the Board.

Ms. Vander Wall presented the Board with affidavits to confirm each director's continuing qualification to sit as a Board member. She also provided a letter outlining potential conflicts of interest and forms that each Board member can use to identify any potential conflicts of interest that may exist. Ms. Vander Wall explained what a conflict of interest is and noted that it is each director's responsibility to identify and disclose any conflicts of interest.

Next, the Board reviewed the 2018 Annual Administrative Resolution, which sets forth various annual designations such as the District's regular meeting time, meeting posting locations, Board officers and its designated election official. Upon motion made, seconded, and unanimously carried, the Board approved the 2018 Annual Administrative Resolution as presented.

Next, Ms. Vander Wall noted that there is a director election in May 2018. The seats held by Timothy Dickey, Tonia Joyner and Grace Harman are up for election for four year terms. The seats held Kevin Haas and Steven Dickey are up election for the remaining two years of the four year term due to these directors having been appointed to fill an existing vacancy.

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The election will be cancelled by March 6 if there are not more persons running than seats up for election.

B. Review and Consider Approval of Resolution 2018-01-02; Interim Water Policy

Ms. Vander Wall presented the Interim Water Policy Resolution to the Board and opened the floor for public comment.

Comment was made regarding whether priority would be given to property owners based on longevity in the District, concerns over timing and the ability of one person to buy all the taps.

Following discussion, upon a motion duly made by Director Harman, seconded by Director Haas and, upon a vote unanimously carried, the Board approved the adoption of resolution 2018-01-02, subject to a 25% increase to the costs a water tap for a SFE to \$7,812.50.

C. Review and Consider Approval of Resolution No. 2018-01-03; Amended and Restated District Collections Policy

Ms. Vander Wall reviewed resolution no. 2018-01-03, amended and restated district collections policy with the Board.

Following discussion, upon a motion duly made by Director Harman, seconded by Director Haas and, upon a vote unanimously carried, the Board approved adoption of resolution 2018-01-03, as presented.

D. Review and Consider Approval of Resolution No. 2018-01-04; Amendment to Water Conservation Policy

Ms. Vander Wall reviewed resolution no. 2018-01-04, amendment to water conservation policy, with the Board.

Following discussion, upon a motion duly made by Director Harman, seconded by Director Haas and, upon a vote unanimously carried, the Board approved adoption of resolution no. 2018-01-04, as presented.

E. Review and Consider Approval of Settlement Agreement between Park Place Enterprises, LLC and the District.

Ms. Vander Wall presented the settlement agreement between Park Place Enterprises, LLC and the District to the Board.

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Following discussion, upon a motion duly made by Director Haas, seconded by Director Harman and, upon a vote unanimously carried, the Board approved the settlement agreement between Park Place Enterprises, LLC and the District, as presented.

F. Executive Session Pursuant to Section 24-6-402 (4)(b) & (e), C.R.S. related to the receipt of legal advice on specific legal questions, strategy, and negotiations related to the litigation in *Park Place Enterprises, LLC v. Falcon Highlands Metropolitan District*, El Paso Country District Court case No. 2016 CV 032406

Not needed.

G. Other

None.

## Manager Matters

A. Manager's Report

Mr. Miller presented the Manager's Report to the Board.

B. Update on Operations

None.

C. Update on Water Tank Lights

Mr. Miller reviewed the updated proposal from Spectrum Lighting with the Board. The total cost was proposed at \$6,900.00.

D. Discuss Dog Station Insurance

Mr. Miller presented the options for Dog Station Insurance to the Board.

Following discussion, the Board decided not to add the District's dog stations to the insurance policy.

E. Other

The Board requested that Mr. Miller look into other items that are on the District's insurance policy and remove if not cost effective.

## Director Items

A. Playground Update

The GOCO grant application is still being reviewed.

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## B. Other

Ms. Vander Wall noted that there has been no additional communication from the Tract c owner regarding the requested exclusion.

## Other Business

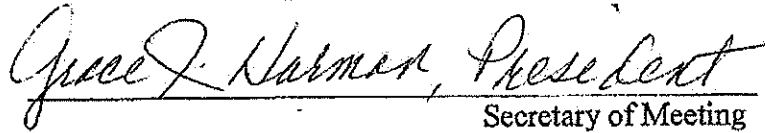
A. Set Next Board Meeting – Monday, February 12, 2018 at 5:30 p.m.

The Board confirmed the next District meeting for February 12<sup>th</sup>, 2018.

## Adjournment

Following discussion, upon a motion made by Director Harman, seconded by Director Haas, the Board adjourned the meeting at 8:24 p.m.

Respectfully submitted,

  
Secretary of Meeting