

RECORD OF PROCEEDINGS

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

Held: December 5, 2016 at the Falcon Fire Station, 7030 Old Meridian Road, Peyton, CO 80831 at 6:00 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:

Heather Knuffke, President
Grace Harman, Vice President
Timothy Dickey, Secretary
Kevin Haas, Treasurer
Steven J. Davis, Assistant Secretary

Others in attendance:

Cynthia Beyer and Carrie Bartow, CliftonLarsonAllen LLP
Barbara Vander Wall, Seter & Vander Wall, P.C.
Tom Napolilli, Kennedy Jenks Consultants

Call to Order – Director Knuffke 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 6:42 p.m.

Approval of Agenda – Upon a motion by Director Harman, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the Agenda as submitted.

Community Comment – No community comment was made at this time.

Administrative Matters

A. Consider Approval of October 18, 2016 Regular Meeting Minutes

Upon a motion by Director Haas, seconded by Director Harman and, upon vote, unanimously carried, the Board approved the October 18, 2016 Regular Meeting Minutes.

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Operator's Report

A. Other

Mr. Dodd presented his report.

The DCU unit is replaced and working. The phone system has been upgraded for the District.

Action Items:

1. The Board directed Mr. Dodd to check with the Fire Department on the Water Pressure for fire flows.
2. Mr. Napolilli will send a list of addresses to Mr. Dodd to check for low water usage. Mr. Dodd will follow up and check status of low water usage.
3. The Board directed the District Manager to obtain an identification badge for Steve Dodd and magnetic truck signs for the District's trucks.

Financial Matters

A. Ratify Approval of Previous Claims

Following review and discussion, upon a motion made by Director Harman, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved the claims totaling \$74,379.77.

B. Review and Consider Approval of Unaudited Financial Statements as of October 31, 2016

Following review and discussion, upon a motion made by Director Knuffke, seconded by Director Harman and, upon vote, unanimously carried, the Board approved the Unaudited Financial Statements as of October 31, 2016.

C. Conduct Public Hearing to Consider Amending the 2016 Budget; Consider Adoption of Resolution No. 2016-12-01, to Amend 2016 Budget

Ms. Bartow advised the Board that Amending the 2016 budget was not necessary.

D. Conduct Public Hearing to Consider Adoption of 2017 Budget, Appropriate Expenditures and Set Mill Levy; Consider Adoption of Resolution No. 2016-12-02, to Adopt 2017 Budget, Appropriate Expenditures and Set Mill Levy

Upon a motion by Director Knuffke, seconded by Director Hass and, upon vote, unanimously carried, the Board opened the public hearing at 7:30 p.m.

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As there were no public present, upon a motion by Director Knuffke, seconded by Director Harman and, upon vote, unanimously carried, the Board the public hearing was closed at 7:31 p.m.

Ms. Bartow presented the 2017 Budget to the Board.

Following review and discussion, upon a motion made by Director Davis, seconded by Director Harman and, upon vote, unanimously carried, the Board approved the 2017 Budget as discussed.

- E. Review and Consider Approval of Engagement Letter with Dazzio & Plutt LLP for 2016 Audit

Following review and discussion, upon a motion made by Director Knuffke, seconded by Director Harman and, upon vote, unanimously carried, the Board approved the Engagement Letter with Dazzio & Plutt LLP for 2016 Audit.

- F. Review and Approve Cash Access Addendum

This item was tabled to the January meeting.

- Legal Matters A. Legal Report

Ms. Vander Wall presented a summary of the legal status report which was handed out at the meeting.

- B. Update on Bond Refinancing

Ms. Vander Wall presented an update on the bond refinancing.

- C. Other

None.

- Engineering Matters A. Water Engineer Report – WSA

Mr. Napolilli presented his report to the Board.

- B. Discuss El Paso County Water Master Plan

Mr. Napolilli discussed with the Board regarding the meeting on December 5, 2016.

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C. Update on Underdrains

Mr. Napolilli reported that El Paso County will send letters to the three homeowners causing problems.

Manager
Matters

A. Manager Report

- a. Status of notification from the District to homeowners at 10919 Cascading Springs Circle & 6885 Hidden Haven Way

Ms. Beyer presented her manager's report to the Board. She informed the Board that notices has been previous sent to the homeowners residing at 10919 Cascading Springs Circle and 6885 Hidden Haven Way. Ms. Vander Wall recommended sending another letter notifying the homeowners that the items will be removed and they will be billed.

The Board also discussed completing the sidewalks for the Hidden Ridge Circle and Cascading Springs Circle. A proposal from All Trades Enterprise for the amount of \$3,300 was presented; it was noted that the contractor will be required to execute the District's form of contract and provide insurance.

Following review and discussion, upon a motion made by Director Haas, seconded by Director Harman and, upon vote, unanimously carried, the Board approved the proposal to complete the sidewalks for the Hidden Ridge Circle and Cascading Springs Circle, subject to execution of the District's form of contract for the services.

Director
Matters

A. Discuss 2017 Insurance Renewal Policy

Ms. Beyer discussed the 2017 Insurance Renewal Policy with the Board. Ms. Beyer recommended to the Board the playground is added to the insurance policy for the District.

B. Review and Approve Estimate from Heartland Metering Services, Inc. for DCU

Following review and discussion, upon a motion made by Director Harman, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the payment of the estimate from Heartland Metering Services, Inc. for the DCU unit.

C. Other

Following review and discussion, upon a motion made by Director Harman, seconded by Director Dickey and, upon vote, unanimously carried, the Board

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approved payment of the invoice to Bishop Brodgen Engineers in the amount of \$190.75.

Other Business A. Lighting and Message Board Proposal - Director Haas

Director Haas discussed the options for lighting and the message board at the District's mailboxes. The Board agreed to defer any determinations regarding the project until the next meeting.

Adjournment

Respectfully submitted,



Secretary for the Meeting