

# RECORD OF PROCEEDINGS

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

Held: April 10, 2017 at Falcon Fire Station No. 3  
7030 Old Meridian Road, Peyton, CO 80831 at 5:30 p.m.

Attendance The regular 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  
Steve Dodd, Water Treatment Operator  
Brian & Kendra Patterson, 7865 Antelope Meadows Cr.  
Jennifer Raue, 10945 Bradbury Way  
Tony Porter, 11150 Spotswood Terrace  
Corey Mosteller, 10818 Spurlock Place  
Chris and Dani Kuhlman, 10610 Maltese Point

Call to Order Director Knuffke noted that a quorum of the Board was present and therefore called the regular meeting of the Board of Directors of the Falcon Highlands Metropolitan District to Order at 5:35 p.m.

Approval of Agenda The Board approved a motion to amend the agenda by adding and approval of Core Contractors Agreement and placing it under Legal Items and added Parks Discussion under Director Items.

Upon a motion by Director Haas, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved the amended agenda.

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Community Comments Brian Patterson addressed the Board. Mr. Patterson requested the Board review and approve installation of sidewalks and a fence in the District. Mr. Patterson presented to the Board the location and the estimates he had of the proposed project. The affected area is in Filing No. 2 behind home where the District had previously installed temporary fencing in 2016.

The Board tabled this item until the May Board meeting to allow an opportunity for the engineer to review the area and for the District Manager to obtain additional fence quotes.

Jennifer Raue addressed the Board. She requested the Board perform covenant enforcement. The Board indicated that covenant enforcement was not the District's responsibility but another entity that was defunct. Ms. Raue also stated that she is installing sod at her home and would need a waiver to provide extra irrigation to it. Ms. Raue was directed to apply for a waiver for the irrigation through the District's website.

Administrative Matters- Consent Agenda Upon a motion by Director Knuffke, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the Consent Agenda as presented, which included approval of the March 13, 2017 special meeting minutes and ratification of previous claims.

Administrative Matters None.

Operator's Report – Steve Dodd A. Update on Operations  
Mr. Dodd provided an update to the Board on the District's operations.

B. Report on Address for Low Pressure Checks

Mr. Dodd reported that the low pressure checks will be completed after system pressure checks are completed.

C. Update on Evening Pump Issues

The SCADA system has been fixed and debugged. After the SCADA system was fixed, it appeared to fix the low pressure and evening pump issues. After the SCADA system was repaired, Mr. Dodd scheduled a fire flow test and those results were shared with the Board.

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Director Haas requested Mr. Dodd ask for the written code of the SCADA system from the programmer so copies can be made for the water treatment plant's IT Refresh program and for the District's records.

Mr. Napolilli indicated the Arapahoe No. 1 well rebuild is scheduled in two weeks. He anticipates the project should be done in about a month and half.

The Board requested the following items be added to the newsletter:

- Reminder to residents regarding water restrictions
- Provide District website address
- Mosquito Control information
- Reminder about the Arapaho Well No. 1 Rehabilitation continuing for next few weeks
- Requests to homeowners of neighborhood clean-up

### Financial Matters

- A. Review and Consider Approval of Cash Position Sheet & Property Tax Schedule & Review and Consider Approval of Financial Statements as of February 28, 2017

Ms. Bartow presented the cash position sheet and the property tax Schedule to the Board. She also suggested that approval of this item and the approval of the financial statements as of February 28, 2017 should be combined for approval.

Upon a motion by Director Knuffke, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the cash position sheet, property tax schedule, and February 28, 2017 financial statements as approved.

- B. Other

None.

### Legal Matters

A. Legal Status Report

Ms. Vander Wall presented the legal report to the Board and requested that some items be further discussed in Executive Session.

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- B. Review and Approve the Agreement with Advanced Pest Management of Colorado LLC d/b/a Colorado Mosquito Control LLC

Upon a motion by Director Knuffke, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the agreement with Advanced Pest Management of Colorado LLC d/b/a Colorado Mosquito Control LLC for mosquito spraying services.

- C. Review and Approve of First Amendment to Agreement for Services with CWD Services, Inc., d/b/a/ CW Divers

Upon a motion by Director Knuffke, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the First Amendment to Agreement for Services with CWD Services, Inc., d/b/a/ CW Divers to add the cathodic protection services to the District's water tank.

- D. Update on Financing

Ms. Vander Wall provided an update on the financing.

- E. Review and Approve Commercial Schedule of Protection One Proposal and Sales Agreement

The Board discussed the draft Protection One agreement for the installation of security equipment and ongoing monitoring services. The agreement is prepared on the contractor's form of contract. Ms. Vander Wall reviewed the additional terms and conditions, and recommended the deletion or modification to the indemnification language. The Board asked whether the agreement covers all three of the District's facilities; Ms. Beyer agreed to confirm the full coverage. Upon motion made by Director Knuffke, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the Protection One Agreement, with the recommended changes and confirmation of full coverage.

- F. Update on Park Place Enterprises vs. Falcon Highlands Metropolitan District

Ms. Vander Wall provided a brief update on the status of the litigation.

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G. Other

None.

## Engineering Matters

A. Water Engineer Report

Mr. Napolilli presented his Engineering Report.

B. Status Report for Facility Plan

Mr. Napolilli presented the update. Director Haas asked if the report would cover regional opportunities for the District; Mr. Napolilli stated that such options would be included.

C. Arapahoe Well No. 1 Rehabilitation Update

Mr. Napolilli presented the Change Order No. 1 from Applied Ingenuity for the Arapahoe Well No. 1 Rehabilitation. Upon a motion by Director Knuffke, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the Change Order No. 1 from Applied Ingenuity for the Arapahoe Well No. 1 Rehabilitation.

D. Other

The Board directed Mr. Napolilli to check with El Paso County as to the status of repairs to certain road improvements. Director Haas agreed to perform an inventory of the issues and provide pictures of the problem road areas in the District for presentation to El Paso County.

The Board added an additional opportunity for community comments to persons who arrived late to the meeting. Mr. Chris Kulhman introduced himself as the owner of the Peak Gymnastics business, which leases a building in the District at 10610 Maltese Point. He requested the Board approve the transfer of a tap from an existing building to a new building. The Board discussed the existing tap restrictions and noted that it was unable to take any action at this time on his request.

## Manager Matters

A. Manager's Report

Ms. Beyer presented the manager's report and update to the Board

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which included cell phone recommendations and update with El Paso County Code Enforcement.

### B. Update on Deposit Status for Monument

Ms. Beyer reported that a check was received from Sign-a-Rama in the amount of \$6,350.97 for the monument deposit return, less expenses toward activities performed.

### C. District Website Update, Proposal Options & Comparison

1. Michael Nearing
2. James McKeon

Ms. Beyer presented the website proposals from the two individuals. The Board determined to table this item until the May Board meeting; the Board also asked that Ms. Beyer find out the number of visits to the current website.

### D. Discuss 2017 SDA Regional Trainings

Ms. Beyer presented the dates for the SDA trainings and asked if any directors would like to attend. Directors Harman and Haas asked to be signed up for the training in Fountain on June 12.

### Director Items A. Review and Approve Consideration of Additional Concrete Work in the District by All Trades Enterprises

Director Haas presented the three proposals for additional concrete work in the District by All Trades Enterprises.

Upon a motion by Director Davis, seconded by Director Haas and, upon vote, unanimously carried, the Board approved Project No. 2 and a portion of Antelope Circle for the price of \$6,300.

### B. Mountain View Electric

The Directors determined to table this item until the next meeting.

### C. Electronic Storage of District Records

The Board directed CLA to provide information regarding client portal for Director access of information.

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### D. Parks (New Item)

Director Dickey requested Tom Napolilli provide the dimensions and locates for the District's park. Further discussion was tabled until the May meeting.

### E. Other

Director Harman requested the District Manager send additional information to Code Enforcement for the property located at 7805 Antelope Circle.

### Executive Session

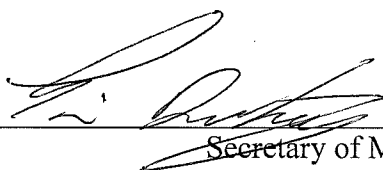
Director Knuffke made a motion to go into executive session pursuant to Section 24-6-402(4)(e) & (b), Colorado Revised Statutes, for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators related to bond refunding; and conferencing with the attorney and receiving legal advice on such matters, seconded by Director Haas at 8:17 pm. Board went into Executive Session. The Board came out of Executive session at 8:59 p.m. No action was taken in Executive Session.

The Board confirmed quorum for the next Board meeting on May 8, 2017 at 5:30 p.m.

Other Business There being no further business to come before the Board.

Adjournment Following discussion, upon a motion made by Director Knuffke, seconded by Director Davis, the Board adjourned at 9:00 p.m.

Respectfully submitted,



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Secretary of Meeting