

RECORD OF PROCEEDINGS

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

Held: September 12, 2016 at the Falcon Fire Station, 7030 Old Meridian Road, Peyton, CO 80831 at 6:00 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:

Al Smith, President
Heather Knuffke, Vice President (arrived at 7:39 p.m.)
Grace Harman, Assistant Secretary/Treasurer

Others in attendance:

Cynthia Beyer and Thuy Dam, CliftonLarsonAllen LLP
Barbara Vander Wall and Jeffery Erb, Seter & Vander Wall, P.C.
Tom Napolilli, Kennedy Jenks Consultants

Kevin Haas, Resident; 10804 Hidden Ridge Circle
Julie Branch, Resident; 7039 Honeycomb Drive
Tim Dickey, Resident; 7350 Talimena Terrace
Tony Porter, Resident; 11150 Spotswood Terrace
Steven Davis, Resident; 6868 Hidden Haven Way

Call to Order

Director Smith 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 6:15 p.m.

Approval of Agenda

Upon a motion made by Director Harman, seconded by Director Smith and, upon vote, unanimously carried, the Board approved the agenda as presented.

Community Comment

Julie Branch commented to the Board that she would like to see additional maintenance on the community park. She suggested adding additional features such as a basketball court or improvements to that area and the open areas which are not maintained. Ms. Branch would like to see sidewalks where the children walk to school. Ms. Branch noted that a restaurant sink on District property needs to be removed.

Kevin Haas addressed the Board. He would like to see the District take action on the areas where trash/junk is being dumped. The two areas are

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Rolling Thunder Way and on the Challenger-owned property.

Tony Porter addressed the Board. He told the Board about a commercial business (a chimney sweep) being operated out of a residence at 10001 Spotswood. Ms. Vander Wall suggested Mr. Porter contact the El Paso County Zoning Department. Mr. Porter also alerted the Board to semi-trucks going through the District. Tom Napolilli will speak to El Paso County about placing weight restriction signs.

- Administrative Matters A. Consider Approval of July 11, 2016 Regular Meeting Minutes and August 9, 2016 Special Meeting Minutes

Following review, upon a motion made by Director Knuffke, seconded by Director Smith and, upon vote, unanimously carried, the Board approved the July 11, 2016 Regular Meeting Minutes and August 9, 2016 Special Meeting Minutes.

- B. Review Letter of Interest for Board of Directors Positions:
Kevin Haas, Timothy Dickey and Steven J. Davis

It was noted that there are currently two vacancies existing on the Board. Director Smith announced that he anticipates resigning on September 30, 2016 if the sale of his house closes. The Board reviewed the Letters of Interest from Kevin Haas, Timothy Dickey, and Steven J. Davis. The Board asked questions of the interested parties regarding their qualifications.

- Operator's Report A. SCADA Update with Alpine Controls & Engineering, LLC

Steve Dodd was not able to attend Board meeting but Ms. Beyer provided an update. All information required for the operation of the SCADA system is on Mr. Dodd's phone. He is still awaiting the completion of the screens. It was anticipated that the screens should be completed that week.

- B. Cross- Connection Letters

This item was deferred to the October 11, 2016 Board meeting.

- C. Status of District Landscape for Fall Season

This item was been deferred to the October 11, 2016 Board meeting.

- D. Other

Ms. Beyer informed the Board that the District's website and after-hours

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phone numbers have been updated with the emergency contacts. The bills need to be revised to include the emergency contact. The District needs to decide on a signage mechanism in case of future emergencies. The list of commercial businesses and their contact information needs to be created. Ms. Beyer provided information regarding the El Paso / Teller County 911 Authority; the Board will need to determine if it would like to be a part of the El Paso / Teller County 911 Authority for emergency notifications. To provide additional notifications that are non-emergency, the District would need to consider other options.

Ms. Beyer informed the Board that the District sustained hail damage on the pump houses, water treatment plant roofs and on the vehicles. The insurance adjuster has submitted the actual value for replacement of the roofing as an estimate, and is waiting for approval for the estimate for the roof and the vehicles.

Financial Matters

A. Unaudited Financial Statements as of March 31, 2016

Director Knuffke requested that this item be deferred. Director Knuffke inquired about the District's general fund being over budget for the elections line item. Ms. Beyer and Ms. Dam agreed to investigate this item. Ms. Dam also informed the Board that an additional \$825 would need to be added to the District's payables for water testing as discussed at the last meeting.

B. Ratify Approval of Previous Claims

Upon a motion made by Director Smith, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved the Claims presented. Director Harman expressed concern about the late fees for the utility bills. Ms. Dam indicated she would check on that and suggested the utility bills may be prepaid to avoid the late fees.

C. Other

Ms. Dam informed the Board that the new checking account with 1st Bank is recommended to be opened to replace the account with Wells Fargo. Ms. Dam noted that this will avoid fees charged by Wells Fargo.

Upon a motion made by Director Smith, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved moving the checking account for the District to 1st Bank.

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Legal Matters A. Legal Report

Ms. Vander Wall presented a summary of the legal status report included in the meeting materials.

A. Update on Bond Refinancing

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

Engineering Matters A. Water Engineer Report

Mr. Napolilli presented his report.

B. Update on the Underdrains

This item was deferred to the October 11, 2016 Board meeting.

C. Curb and Gutter Repairs at 10804 Hidden Ridge Circle

This item was deferred to the October 11, 2016 Board meeting.

D. Laramie Fox Hills Well No. 2 – Filter Discharge

This item was deferred to the October 11, 2016 Board meeting.

E. Emergency Response Plan Update

This item was deferred to the October 11, 2016 Board meeting.

Manager Matters A. Manager Report

Ms. Beyer presented her manager's report to the Board.

B. Ratify Approval of Agreement with Ramey Environmental

Following review and discussion, upon a motion made by Director Smith seconded by Director Harman, and upon vote unanimously carried, the Board approved the ratified Approval of Agreement with Ramey Environmental to serve as a back-up and provide on call emergency services as necessary.

C. Monument Signs Update

This item was deferred to the October 11, 2016 Board meeting.

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D. GOCO Mini Grants

This item was deferred to the October 11, 2016 Board meeting.

E. District Notification Update

This item w been deferred to the October 11, 2016 Board meeting.

F. Discuss Public Hearing Date to Consider the 2017 Budget, Review Budget Process for 2017 and Set Priorities

Following review and discussion, upon a motion made by Director Smith seconded by Director Harman, and upon vote unanimously carried, the Board confirmed the public hearing date to consider the 2017 Budget, review budget process for 2017 and set priorities on October 11, 2016 at 6:00 P.M.

Executive Session

A. Executive Session – Discussion of potential litigation, bond refunding and personnel issues

At approximately 8:31 p.m., Director Knuffke moved to have the District board go into executive session pursuant to Section 24-6-402(4)(e) & (b), C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations and instructing negotiators related to (a) Park Place Enterprises, LLC litigation; (b) bond refunding; and (c) personnel issues, and conferencing with the attorney on such matters. Director Harman seconded the motion. The motion was approved.

Mr. Tom Napolilli and Ms. Thuy Dam participated in the portion of the executive session which addressed the bond refunding and personnel issues; they were then excused from the remainder of the executive session. The Board went into executive session until 9:12 p.m. The Board returned from executive session and confirmed that no actions had been taken.

Director Items

A. Other Business

After Board discussion, the Board directed Ms. Beyer to inform the director candidates Kevin Haas and Steven J. Davis that they will be appointed to the Board at the next meeting, and to inform Mr. Dickey that in the event of an additional vacancy, he would be considered for that position.


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The Board determined that there would be a quorum for the next Board Meeting on October 11, 2016 at 6:00 p.m.

There being no further business to come before the Board, the meeting was adjourned at 9:27 p.m.

Adjournment

Respectfully submitted,



Secretary for the Meeting