

RECORD OF PROCEEDINGS

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

Held: September 6, 2017 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 Davis, Vice President
Kevin Haas, Treasurer
Timothy Dickey, Secretary

Others in attendance:

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

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 5:47 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.

**Community
Comments** None

**Administrative
Matters –
Consent Agenda** A. Consider Approval of August 14, 2017 Regular Meeting Minutes and August 26, 2017 Town Hall Special Meeting Minutes
B. Ratify Approval of Previous Claims

Upon a motion by Director Haas, seconded by Director Harman and, upon vote, unanimously carried, the Board approved the Consent Agenda. Director Haas requested that the District website include the approved meeting minutes and the District's newsletters for the residents.

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Administrative Matters

A. Consider Appointment of Tonia Joyner

In the absence of Ms. Tonia Joyner, the Board agreed to defer consideration of appointment of a director to the vacancy. Ms. Beyer agreed to follow up with Ms. Joyner to confirm her interest in joining the Board.

B. Election of Officers

The item was tabled at this time.

Operator's Report – Steve Dodd

A. Update on Operations B. Other

Ms. Beyer stated she would provide this update during her report.

Financial Matters

A. Review and Consider Approval of Financial Statements as of August 31, 2017

Ms. Bartow explained the financial statements dated as of July 31, 2017.

Following discussion, and upon a motion by Director Dickey, seconded by Director Haas and, upon vote, unanimously carried, the Board accepted the financial statements, as amended per the Board discussion, to be as of July 31, 2017.

B. Other

Ms. Bartow asked the Board to approve check nos. 1000-1003 in the amount of \$47,636.35.

Upon a motion by Director Haas, seconded by Director Harman and, upon vote, unanimously carried, the Board approved check nos. 1000-1003.

Director Haas updated the Board regarding TurfMaster providing a quote for Rolling Thunder and providing additional landscape materials for the playground. Ms. Beyer will check if Mr. Dodd received the quote on the chemical spraying for TurfMaster.

Legal Matters

A. Legal Status Report

Ms. Vander Wall provided an update regarding the legal matters. Ms. Vander Wall noted that she recently received a Petition for Exclusion for Tract C, which will be placed on the agenda for the next meeting.

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- B. Discuss 2017 November Election
 - a. Review and Discuss Town Hall Presentation
 - b. Review and Discuss Town Hall Invitation
 - c. Update Re: 3rd Party Election Support

Ms. Vander Wall reviewed the proposed ballot question with the Board, and discussed the election process. She presented the proposed resolution which calls for a mail ballot election to take place on November 7, 2017, for the purpose of allowing an increase in the District's debt authorization. The authorization will allow the District to issue debt to install additional water improvements and allow increased development within the District. The District's financial and water needs require an election as was discussed in detail at the District's town hall meeting in August.

Upon a motion by Director Haas, seconded by Director Harman and, upon a vote, unanimously carried, the Board approved the resolution calling November 2017 election as presented, with authorization to make minor modifications required to meet legal requirements.

Ms. Vander Wall confirmed that the next town hall presentation is scheduled for October 21, 2017, from 11 a.m. to 1 p.m.; the Board agreed to provide. After the presentation, the consultants agreed to volunteer their time to canvas the neighborhoods in the District to discuss the ballot question with the residents.

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

Mr. Napolilli explained the revised landscape plan proposed for Park Place, to achieve additional water savings.

- D. 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 County District Court Case no. 2016 CV 032406

There was no executive session needed at this time.

- Engineering Matters
- A. Water Engineer Report

Mr. Napolilli presented his report. The Board asked to have the District Operator and Mr. Napolilli work together to identify the low flow and

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calibrate the meters needing it. Ms. Beyer will confirm with Mr. Napolilli which vacuum will fix the meter disconnection issue that Mr. Dodd is having.

B. Status Report for Facility Plan – Supply & Demand Analysis

Mr. Napolilli provided an update on the facility plan.

C. Telemetry Update

- a. Change Order No. 3, Alpine Controls
- b. Approval of Agreement for Mountain Peak Controls

Mr. Napolilli presented the Change Order No. 3 for Applied Ingenuity, which authorizes a decrease in scope of services to delete the programming work previously authorized, as well as decrease in contract price.

Upon a motion duly made by Director Harman, seconded by Director Haas, and upon vote, unanimously carried, the Board approved the Change Order No. 3 as presented.

Mr. Napolilli then presented the agreement with Mountain Peak Controls for related programming services for the SCADA software at the water treatment plant site, in an amount not to exceed \$4,000.

Upon a motion duly made by Director Harman, seconded by Director Haas, and upon vote, unanimously carried, the Board approved the agreement with Mountain Peak Controls.

D. Update Regarding District Water Rights Meeting with Petrock & Fendel

Mr. Napolilli provided an update with the meeting between Petrock & Fendel.

Chambers Econ & Analytics

Sean Chambers, the previous manager of the Cherokee Metropolitan District, represents the Bent Grass, Meridian Metropolitan District. He has offered to attend a Falcon Highlands MD meeting to discuss his efforts and understanding of the regional water supply opportunities in the area.

The District decided to postpone having Mr. Chambers attend a future meeting until after the bond election.

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Tract C Change in Point of Delivery

Jim Petrock suggested that the District make an application Water Court for a change in point of delivery of the Non-Tributary Laramie Fox Hills #3 Well in Tract C to Tract B. The District has the existing Non-Tributary Laramie Fox Hills #2 Well in Tract B. If the reduction in gpm production (~110 gpm) is not a supply issue; this would allow the District to combine the annual appropriation of acre-feet per year from both wells and avoid the expense of drilling and equipping another well in the Laramie Fox Hills aquifer.

This legal work was estimated at \$3000. The Board decided to postpone this effort until after the bond election.

Tract B Not Non-Tributary Arapahoe Water Rights-Since the Arapahoe water rights in Tract B are Not Non-Tributary water rights, Petrock & Fendel was requested to investigate the availability of Non-Tributary water in the vicinity of the District's boundaries to convert this paper water right into a wet water right. Once a Non-Tributary water source is obtained, the conversion could be accomplished by an augmentation plan.

This effort was estimated at \$2000. The Board decided to postpone this effort until after the bond election.

E. Other

Director Haas suggested an annual inspection of the SCADA system and the logic sensors.

Manager Matters

A. Manager's Report

Ms. Beyer presented the Manager Report.

B. Other

Upon a motion duly made by Director Haas, seconded by Director Davis and upon a vote, unanimously carried, the Board approved the purchasing and installing of two pet stations.

Director Items

A. Playground Update

Director Dickey provided an update regarding the playground improvements. He will obtain a few more quotes for the playground work.

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- B. Review and Consider Approval for GOCO Grant
 - a. Approval of GOCO Grant Resolution of Support
 - b. Status of GOCO Grant Application for Playground Project
 - c. Next Steps for GOCO Grant Application

Director Haas updated the Board on the status of the GOCO grant application. He has obtained support from Mountain View Electric, Eastern Plains Chamber of Commerce and Falcon Broadband. If he receives any financial support, he will provide it to the accountants of the District.

Ms. Vander Wall presented a proposed resolution in support of the grant.

Upon a motion duly made by Director Harman, seconded by Director Haas and upon a vote, unanimously carried, the Board approved the GOCO grant resolution as presented.

C. Other

None.

Other Business

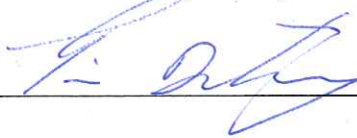
- A. Set Next Board Meeting – Monday, October 9, 2017 at 5:30 p.m.

The Board confirmed the next Board meeting for October 9, 2017.

Adjournment

Following discussion, upon a motion made by Director Harman, seconded by Director Dickey, the Board adjourned at 8:53 p.m.

Respectfully submitted,



Secretary of Meeting