

## RECORD OF PROCEEDINGS

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

Held: January 9, 2017 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:

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

Others in attendance:

Cynthia Beyer and Thuy Dam, CliftonLarsonAllen LLP  
Barbara Vander Wall, Seter & Vander Wall, P.C.  
Tom Napolilli, Kennedy Jenks Consultants  
Steve Dodd, Water Treatment Operator

**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 6:17 p.m.

**Approval of Agenda** Upon a motion by Director Dickey, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved the Agenda as amended, by amending Item No. 11 A. to remove the reference of calling the executive session to receive legal advice related to Park Place Enterprises, LLC v. Falcon Highlands Metropolitan District, El Paso County Court No. 2016 CV 03246 and replace with Bond Discussion Refinance.

**Community Comment** No public was present.

**Administrative Matters** A. Consider Approval of November 29, 2016 and December 5, 2016 Special Meeting Minutes

Upon a motion by Director Knuffke, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the November 29, 2016 minutes and amended the December 5, 2016 Special Meeting Minutes to reflect it was a Work Session to provide information to the Board.

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- B. Consider Approval of Annual Administrative Resolution No. 2017-01-03

After discussion, upon a motion by Director Knuffke, seconded by Director Haas and, upon vote, unanimously carried, the Board approved to amend the Annual Administrative Resolution No. 2017-01-03, as follows: the Assistant Manager was changed to Shannon Torgerson; Number 29, Board of Directors appoints the firm of Kennedy Jenks, to provide engineering services to the District; and No. 4 amended to hold regular board meetings on the second Monday of every month at 5:30 p.m.

Director Knuffke encouraged all Board members to attend the SDA conference training in Keystone in September and to also attend the SDA new board member training.

Operator's  
Report – Steve  
Dodd

- A. Update on Operations

Mr. Dodd provided an update to the Board regarding the water treatment operations. He stated the backflow reports are complete.

Director Haas provided an update regarding the IT work he has been doing with the Water Treatment Plant. Director Haas is working to prepare a document system, back up system, procedures and check lists. They are also performing troubleshooting functions for the system. A new computer was purchased. A new router will be donated by Director Dickey. Director Haas will send the IT information to the District Manager to include in the Emergency Response Plan and the mitigation planning.

- B. Sanitary Survey – Set for February 2, 2017

Mr. Dodd informed the Board the District is set for its Sanitary Survey inspection on February 2, 2017 by the Colorado Department of Health and Public Environment. The last Sanitary Survey inspection was in 2012. Inspections are every 5 years.

- C. Tank Cleaning Proposal

Mr. Dodd presented the proposal from CW Divers to perform a tank inspection to the Board. CW Divers performs a remote operating vehicle inspection in the tank first to determine if the tank needs to be cleaned. If it does, CW Divers waives the charges for the remote operating vehicle.

After discussion, upon a motion by Director Haas, seconded by Director Harman and, upon vote, unanimously carried, the Board approved the CW Divers proposal with Seter & Vander Wall, P.C. to prepare the standard District agreement for these services.

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### Financial Matters

#### A. Ratify Approval of Previous Claims

Ms. Dam presented the previous claim information to the Board in the amount of \$80,271.10.

Director Harman will review claims for one more month then Director Haas will do a review of the claims beginning in February. Ms. Dam was directed to include the receipts for the debit card usage by Mr. Dodd in the claims information.

Director Dickey directed the District Manager to get additional information regarding the Protection One Monitoring bill and review what is covered for the system and whether any upgrades are available. The District Manager is to provide an update to Director Dickey and Director Haas.

Following review and discussion, upon a motion made by Director Knuffke, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved to ratify the previous claims in the amount of \$80,271.10.

#### B. Review and Consider Approval of Unaudited Financial Statements as of November 30, 2016

Ms. Dam reviewed the Unaudited Financial Statements as of November 30, 2016 for the Board.

Following review and discussion, upon a motion made by Director Haas seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved the Unaudited Financial Statements as of November 30, 2016.

#### C. Review and Approve Cash Access Addendum

Ms. Dam reviewed the Cash Access Addendum for the Board. Ms. Vander Wall confirmed she had reviewed the document.

Following review and discussion, upon a motion made by Director Knuffke, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the Cash Access Addendum.

### Legal Matters

#### A. Legal Report

Ms. Vander Wall presented a summary of the legal status report which was handed out at the meeting. Ms. Vander Wall discussed the contents of the report. Ms. Vander Wall discussed the letter received from Fairfield and Woods who represents Regency Partners.

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### B. Update on Bond Refinancing

Upon a motion made by Director Knuffke, the Board entered into Executive Session at 7:43 p.m., pursuant to Section 24-6-402(4)(e) & (b), Colorado Revised Statutes, for the purposes 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.

Upon a motion made by Director Knuffke, the Board adjourned out of Executive Session at 8:12 p.m. and affirmed that no actions had been taken.

Following review and discussion, upon a motion made by Director Knuffke, seconded by Director Haas and, upon vote, unanimously carried, the Board approved to defer any action of the refunding of the 2006 Election Certification for a later time.

### C. Consider Approval of Developer Charges Deposit Agreement with Park Place Enterprises, LLC Related to Review of Water and Sewer Plans for Lots 2, 3, 4, and 5 of Meridian Crossing Filing No. 1

Ms. Vander Wall presented the Developer Charges Deposit Agreement between Park Place Enterprises and the District. Park Place Enterprises has signed the Agreement. Following review and discussion, upon a motion by Director Knuffke, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the Developer Charges Deposit Agreement with Park Place Enterprises, LLC and the District.

### D. Other

Ms. Beyer and Mr. Napolilli explained the damaged vehicle claim received by the District. Ms. Beyer received the claim notification from Ms. Lane. Mr. Napolilli received a phone call from John Clack at El Paso County. The Board directed Ms. Beyer to send a letter to Ms. Lane informing her that the manhole was not the responsibility of the District but the sanitary sewer and manhole is owned by Woodmen Hills Metropolitan District. El Paso County, Colorado has responsibility for the roads. Ms. Vander Wall will review the letter to Ms. Lane.

The Board directed the District's legal counsel to provide a policy for delinquent accounts and letters to be sent to the homeowners.

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### Engineering Matters

#### A. Water Engineer Report

Mr. Napolilli presented his report to the Board. Director Dickey will provide the contact information for the new Walmart Manager to Mr. Napolilli.

#### B. Arapahoe Well No. 1 Rehabilitation Proposals

Mr. Napolilli presented the proposals from Applied Ingenuity, LLC and Bishop-Brogden regarding the Arapahoe Well No. 1 Rehabilitation Proposals. Kennedy Jenks needed to prepare its estimate of what needs to be done to supervise the Arapahoe Well No. 1 rehabilitation.

Following review and discussion, upon a motion made by Director Knuffke, seconded by Director Harman and, upon vote, unanimously carried, the Board approved the Arapahoe Well No. 1 Rehabilitation Proposals not to exceed \$60,000 from Applied Ingenuity, LLC, Bishop-Brogden and Kennedy Jenks using the District's form of contract. Any salvage value received from the well parts will go to the District. The Board directed the Mr. Napolilli to seek a seven year warranty on the well rehabilitation.

#### C. Telemetry ACE Update and Approval of Pump Station Programming

Mr. Napolilli presented the Telemetry ACE Update and the Pump Station Programming to the Board. The Board deferred a decision to the February Board meeting. Mr. Napolilli was directed to bring a breakdown of the electrical use to the Board for the lights and water treatment plant. Mr. Napolilli was directed to work with Steve Dodd to run the District's pumps on a rotating schedule during the less expensive usage periods.

### Manager Matters

#### A. Insurance Update

Ms. Beyer presented an update on insurance, regarding adding the additional equipment in the park to the insurance policy. Ms. Beyer was directed to confirm these are added to the policy by the February Board meeting.

#### B. Manager's Report

Ms. Beyer discussed the Manager's Report. Ms. Beyer will locate the executed contract for the additional concrete work.

Ms. Beyer asked for Board's direction in proceeding with the flooring bid. Following review and discussion, upon a motion made by Director Haas, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved the flooring bid not to exceed the amount of \$2,848 subject to Seter & Vander Wall, P.C. preparing the District's form of contract for signature for this work.

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### C. Update on Fire Flow Testing

Ms. Beyer presented an update on the fire flow testing. Ms. Beyer received the name of a company recommended by the Falcon Fire Department. The Fire Department also requested to have a map of the fire hydrants and valves in the District and to see if they could obtain a tap for water. Ms. Beyer will get a proposal for the fire flow testing. Mr. Napolilli will provide a map of the fire hydrants and valves to the Fire Chief for the Falcon Fire Department.

The Board directed Ms. Beyer to work with Mr. McKeon in updating and converting the District's website to WordPress rather than HTML and update accordingly.

### Director Items A. Lighting and Message Board Proposal - Director Haas

Director Haas updated the board on the lighting and message board proposals.

Following review and discussion, upon a motion made by Director Knuffke, seconded by Director Haas and, upon vote, unanimously carried, the Board approved proceeding with two large message boards.

Following review and discussion, upon a motion made by Director Knuffke, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved and the mailbox lighting proposal not to exceed the amount of \$1,500 with a District approved contract, Directors Dickey and Davis to work on this project.

### B. Playground Equipment Update

Director Dickey provided his update. He asked the Board for guidance as to age range for playground equipment. The Board directed Director Dickey to look for playground equipment suitable for ages 1 through 4.

### C. Board Review Items Only

1. Review October 2016 Kennedy Jenks Field Memo
2. Mountain View Electric Analysis Update and Discussion

Mr. Napolilli reviewed the Mountain View Electric Analysis for the Board.

The Board directed the District Manager to send a letter subject to legal review to the homeowner who has a sink on District property by the February Board meeting.

The Board also directed the District Manager to prepare a resolution for approval for the work the water operator did during last year's boil advisory issues and to provide a bonus of \$500 for Steve Dodd.

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Other Business    A.    Set Next Regular Board Meeting- Monday, February 13, 2017 at 5:30 p.m.

The Board directed consultants to work on reducing the length of the District meetings, including the incorporation of a consent agenda for approval, and estimated time durations for each agenda item. The meeting should be limited to 2.5 hours in length. The Board agreed to hold monthly meetings until the majority of the pending issues for the District are resolved.

Adjournment    There being no further business to come before the Board. Following discussion, upon a motion made by Director Dickey, seconded by Director Knuffke, the Board adjourned at 10:08 p.m.

Respectfully submitted,

  
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Secretary for the Meeting