

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FALCON HIGHLANDS METROPOLITAN DISTRICT HELD FEBRUARY 10, 2014

A special meeting of the Board of Directors of Falcon Highlands Metropolitan District was held on Monday, February 10, 2014 at the Water Treatment Plant, 7464 Antelope Meadows Circle, Peyton, CO 80831 at 6:00 p.m. The meeting was open to the public.

**Attendance** Directors in attendance were:

Mark Albright  
Al Smith  
Chris Barnett  
Heather Knuffke

Others in attendance:

David Peak; CliftonLarsonAllen LLP  
Carrie Bartow; CliftonLarsonAllen LLP  
Barbara Vander Wall, Esq.; Seter & Vander Wall, P.C.  
Tom Napolilli; KennedyJenks  
Steve Dodd; Water Plant Operator

### **Call to Order / Verify Quorum**

Director Albright called the meeting to order and confirmed a quorum.

### **Approval of Agenda**

Following review, upon a motion duly made by Director Albright, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved the agenda as presented.

### **Community Comment**

Steve Dodd briefed the Board about the variable frequency valve malfunctioning due to a broken fan. The computer system that controls the valve was not being cooled by the fan and did not allow the valve to operate correctly. Mr. Dodd said the needed parts have been ordered and should be installed within the next week.

### **Administrative Matters**

A. Consider Approval of December 9, 2013 Special Meeting Minutes

Following review and discussion, upon a motion duly made by Director Albright, seconded by Director Barnett and, upon vote, unanimously carried, the Board approved the December 9, 2013 special meeting minutes as presented.

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- B. Review and Consider adoption of 2014 Annual Administrative Matters Resolution

Following review and discussion, upon a motion duly made by Director Albright, seconded by Director Knuffke and, upon vote, unanimously carried, the Board adopted the 2014 Annual Administrative Matters Resolution as amended, changing the statement that the Board of Directors of the District **shall** receive compensation for their services as director, payable one time per year at \$100 per meeting per Director.

- C. Review and Consider Online Portal and Online Payment Acceptance

Following review and discussion, upon a motion duly made by Director Knuffke, seconded by Director Barnett and, upon vote, unanimously carried, the Board approved going with Option 2, which allows for customers to pay their District bills online with a "convenience fee" of 2.5% of the transaction, with a minimum of a \$2 charge, using MasterCard, VISA, American Express or Discover. A flat fee of \$2.50 would be assessed for the ability to accept E-checks.

### **Financial Matters**

- A. Ratify Approval of Claims Totaling \$43,355.36, Represented by Check Numbers 1868 through 1888

Ms. Bartow reviewed the claims list for ratification with the Board. Following review and discussion, upon a motion duly made by Director Albright, seconded by Director Barnett and, upon vote, unanimously carried, the Board ratified approval of claims totaling \$43,355.36, represented by check numbers 1868 through 1888.

- B. Review and Consider Approval of Current Claims Totaling \$48,400.98, Represented by Check Numbers 1889 through 1903

Ms. Bartow reviewed the current claims with the Board. Following review and discussion, upon a motion duly made by Director Albright, seconded by Director Barnett and, upon vote, unanimously carried, the Board approved claims totaling \$48,400.98, represented by check numbers 1889 through 1903.

- C. Review and Consider Approval of Unaudited Financial Statements as of December 31, 2013

Ms. Bartow reviewed the unaudited financial statements as of December 31, 2013 with the Board. Following review and discussion, upon a motion duly made by Director Albright, seconded by Director Barnett and, upon vote, unanimously carried, the Board accepted the financial statements as presented.

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### D. Update on Status of 2012 Audit

Ms. Bartow informed the Board that she has a meeting with the auditor next Wednesday to confirm the documentation for the senior bonds. Staff has been able to find \$9 million in bond receipts, which will allow for the completion of the 2012 audit.

### E. Discuss Initial Bond Restructure

Ms. Vander Wall and Ms. Bartow discussed future opportunities for the District to restructure its outstanding bonds. Ms. Bartow has initiated discussions with developer's counsel PJ Anderson regarding the potential to reduce or eliminate some of the District's subordinate bonds. The District's prior bond counsel has offered assistance in a refinance of the District's senior bonds. According to the terms of the bond covenants, the District's current bonds are not yet eligible for refinance without a premium. A restructure requires completion of the District's audited financial statements. After further discussion of the issues and options the Board agreed to have the accountant and/or legal counsel meet with prior bond counsel to discuss restructure options, and if appropriate, invite bond counsel to a future meeting of the Board.

### F. Review and Consider Approval of Engagement Letter with CliftonLarsonAllen LLP for 2014 Management and Accounting Services

Following review and discussion, upon a motion duly made by Director Albright, seconded by Director Smith and, upon vote, unanimously carried, the Board approved the engagement letter for 2014 management and accounting services.

## Legal Matters

### A. Legal Report

Legal counsel reviewed the legal status report with the Board of Directors. She pointed out that the parties closed on the Fowler Wind Energy Easement resulting in the conveyance of an easement from the District to Fowler. The closing was completed consistent with the terms of agreement previously entered into. Following motion, second and unanimous vote, the Board approved and ratified the easement agreement between the District and Fowler Wind Energy.

### B. Ratify Fowler Wind Energy Transmission Line Easement Agreement

Upon a motion duly made by Director Albright, seconded by Director Smith and, upon vote, unanimously carried, the Board ratified the Fowler Wind Energy Transmission Line Easement Agreement.

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## Engineering Matters

### A. Engineer Report

Mr. Napolilli reviewed his 2008 – 2013 Residential and Commercial Irrigation Meter Readings chart with the Board. Based on those water consumptions and the operating costs, the engineer examined the District water rates. The Board agreed to review the rate structures further at the March meeting.

Mr. Napolilli has had preliminary discussions with Woodmen Hills Metropolitan District regarding the emergency water connections. Hopefully the Woodmen Hills Metropolitan District Board will give final approval at their February meeting.

The County and District have received complaints about ice flow / build up during the winter months from 7084 Antelope Meadows Drive. The District is attempting to obtain assistance from the County to resolve this issue.

## Manager Items

Mr. Peak was asked by the Board to investigate the recent activity at the school site. There are stakes marking the property and the Board would like to know if the school district is making plans to possibly develop the parcel.

## Director Items

### A. Monument Committee Report and Update

Nothing to report at this time.

## Other Business

### A. Set Next Board Meeting – Monday, March 10, 2014 at 6:00 p.m.

The Board confirmed the next meeting date.

Adjournment There being no other business to come before the Board, upon a motion duly made by Director Albright, seconded by Director Barnett and, upon vote, unanimously carried, the Board adjourned the meeting at 9:15 p.m.

Respectfully submitted,

By: David Peak  
Secretary for the Meeting