

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FALCON HIGHLANDS METROPOLITAN DISTRICT HELD APRIL 19, 2014

A special meeting of the Board of Directors of Falcon Highlands Metropolitan District was held on Saturday, April 19, 2014 at the Falcon Fire Protection District, Station No. 3, 7030 Old Meridian Road, Peyton, CO 80831 at 10:00 a.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
Julie Branch; 7039 Honeycomb
Wayne Meisinger; 7604 Antelope Meadows Circle
Lauren Swenson; 11071 Spotswood Terrance
Russell Caperton; 7427 Antelope Meadows Circle
Terence and Karen Douglas; 7369 Bridal Vail
Kim Lehman; 7705 Antelope Meadows Circle
Roland and Grace Harma; 10931 Hidden Ridge

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

Ms. Branch addressed the Board with her concerns. She indicated she had walked the entire community and talked with many residents. Ms Branch expressed several concerns, including the lack of covenant enforcement; lights being out in the park; no irrigation to the trees, and the uneven pathway around the park. District President Albright advised that the developments' covenants are recorded with their individual title work for each home. The enforcement of those

RECORD OF PROCEEDINGS

covenants is not the Falcon Highlands Metropolitan District responsibility but belongs to the Approval Authority Committee, which is no longer active due to a lack of a reliable funding source. President Albright indicated that the Board has asked Mr. Peak to look into having the park lights, sidewalk and landscape repaired and maintained in acceptable condition.

There was additional discussion regarding the poor condition of some of the streets that the homebuilders are driving heavy equipment on the existing curbs and their lack of clean up. The Board asked that the District manager to write a letter to the homebuilders demanding that their crews clean up after themselves.

Administrative Matters

- A. Consider Approval of February 10, 2014 Special Meeting Minutes

Following review and discussion, upon a motion duly made by Director Knuffke, seconded by Director Barnett and, upon vote, unanimously carried, the Board approved the February 10, 2014 special meeting minutes as presented.

- B. Review and Ratify approval of 2013 Annual Report

Following review and discussion, upon a motion duly made by Director Barnett, seconded by Director Smith and, upon vote, unanimously carried, the Board approved the 2013 Annual Report.

- C. Review and Consider Approval of 2013 Audit Engagement Letter with Dazzio & Plutt, LLC

Following review and discussion, upon a motion duly made by Director Albright, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved the 2013 Audit Engagement Letter with Dazzio & Plutt, LLC, for compensation in an amount not to exceed \$8,500.

- D. Review the Water Rates / Fees Proposed for 2014

Mr. Napolilli reviewed the 9 proposed alternatives for consideration by the Board. There was a detailed discussion pertaining to the positive and negative values of each proposed fee schedule.

- E. Consider Adopting the 2014 Water Rates for Implementation of April 15, 2014

Following review and discussion, upon a motion duly made by Director Albright, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved alternative 3C for the water rates for implementation in 2014..

- F. Other

RECORD OF PROCEEDINGS

None.

Financial Matters

- A. Review and Ratify Approval of Claims Totaling \$48,740.39, Represented by Check Numbers 1904 through 1924

Ms. Bartow reviewed the claims list for ratification with the Board. Following review and discussion, upon a motion duly made by Director Knuffke, seconded by Director Smith and, upon vote, unanimously carried, the Board ratified approval of claims totaling \$48,740.39, represented by check numbers 1904 through 1924.

- B. Review and Consider Approval of Current Claims Totaling \$87,071.27, Represented by Check Numbers 1925 through 1954

Ms. Bartow reviewed the current claims with the Board. Following review and discussion, upon a motion duly made by Director Smith, seconded by Director Barnett and, upon vote, unanimously carried, the Board approved claims totaling \$87,071.27, represented by check numbers 1925 through 1954.

- C. Review and Consider Approval of Unaudited Financial Statements as of February 28, 2014

Ms. Bartow presented the unaudited financial statements as of February 28, 2014 to the Board. Following review and discussion, upon a motion duly made by Director Albright, seconded by Director Smith and, upon vote, unanimously carried, the Board accepted the financial statements as presented.

- D. Review and Consider Approval of 2012 Draft Audit

Following review and discussion, upon a motion duly made by Director Albright, seconded by Director Knuffke and, upon vote, unanimously carried, the Board accepted the 2012 Draft Audit subject to final review and revisions by legal counsel and the auditor.

- E. Other

None.

Legal Matters

- A. Legal Report

Report was tabled due to time constraints.

RECORD OF PROCEEDINGS

B. Review and Consider Adoption of the Water Conservation Policy

Ms. Vander Wall reviewed the proposed water conservation policy with the Board. After discussion, upon a motion duly made by Director Albright, seconded by Director Barnett and, upon vote, unanimously carried, the Board approved Adoption of the Water Conservation Policy.

C. Review and Consider Adoption of Draft Emergency Interconnection Intergovernmental Agreements with Woodmen Hills Metropolitan District

Ms. Vander Wall reviewed the draft Emergency Interconnection Intergovernmental Agreements with the Board. Ms. Vander Wall stated that the Agreement will provide for a backup source of water to the District in the event of a water emergency. The Agreement has not been considered by the Woodmen Hills Metropolitan District Board, and that Woodmen Hills legal review has suggested revisions to include (1) that the agreement be made mutual, and (2) that Falcon be subject to out-of-district rates. After discussion, upon a motion duly made by Director Albright, seconded by Director Barnett and, upon vote, unanimously carried, the Board approved the Adoption of Draft Emergency Interconnection Intergovernmental Agreements with Woodmen Hills Metropolitan District, subject to in-district rates. The Board also directed legal counsel to explore the difference in costs if the Woodmen Hills Board requests the arrangement be made mutual.

D. Other

None.

Engineering Matters

A. Engineer Report

Report was tabled due to time constraints.

Manager Items

A. Review Resume from Lauren Swenson for Vacant Seat on Board

Mr. Peak advised that the District has received a letter of interest from Ms. Lauren Swenson, a resident of the District, to be appointed to the vacancy on the Board. Following review of Ms. Swenson's resume and recommendation letter, the Board indicated it will proceed with the appointment of Ms. Swenson at the Board's next meeting.

RECORD OF PROCEEDINGS

B. Updated Website

Mr. Peak informed the Board that the website had been updated to include a contact District management form and contact information for Mountain View Electric to call for repairs/outages of street lights.

Director Items

A. Monument Committee Report and Update

Director Smith reported that the local contractor who is a resident is requiring a 50% deposit down to start any work on the monument signs. The Board indicated that a 50% deposit exceeds the amount that the District is prepared to fund up-front.

B. List of Items

No further discussion, as most of the items on the list had been addressed during the business meeting.

C. Other

None.

Other Business

A. Set Next Board Meeting – Monday, May 12, 2014 at 6:00 p.m. at the Water Treatment Plant

The Board confirmed a quorum for the May 12, 2014 meeting. Director Albright will attend meeting via Skype, if possible.

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 1:33 p.m.

Respectfully submitted,

By: David Peak
Secretary for the Meeting