

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FALCON HIGHLANDS METROPOLITAN DISTRICT HELD MAY 6, 2013

A special meeting of the Board of Directors of Falcon Highlands Metropolitan District was held on Monday, May 6, 2013 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:

Al Smith  
Timothy Ladd  
Heather Knuffke

Absent and excused was Director Albright.

Others in attendance:

David Peak; CliftonLarsonAllen LLP  
Kevin Collins; CliftonLarsonAllen LLP  
Jeffrey Erb, Esq.; Seter & Vander Wall, P.C.  
Steve Dodd; Water Plant Operator  
Chris Barnett; Resident

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

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

### **Approval of Agenda**

Following review, upon a motion duly made by Director Smith, seconded by Director Ladd and, upon vote, unanimously carried, the Board approved the agenda as amended, and excused the absence of Director Albright.

### **Community Comment**

None.

### **Administrative Matters**

A. Consider Approval of April 6, 2013 Special Board Meeting Minutes

Following review and discussion, upon a motion duly made by Director Knuffke, seconded by Director Ladd, upon vote, unanimously carried, the Board approved the April 6, 2013 special board meeting minutes as presented.

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### B. Presentation of Map for Weed Mowing / Steve Dodd

Mr. Dodd presented the map for weed mowing to the Board. The Board asked about the bank owned lots. Mr. Peak noted that they were now owned by Challenger Homes and that Challengers Homes would be responsible for mowing.

### Manager Items

#### A. Engineer's Report / Tom Napolilli

Mr. Peak distributed and reviewed the engineer's report to the Board.

#### B. Water Plant Operations

Mr. Peak reported on the water plant operations to the Board. The Laramie Fox-Hills No. 1 well is running following replacement of the motor and pump.

The new mower is expected in the next couple weeks and will be used to maintain District owned property.

Mr. Dodd is preparing to integrate the third well into the water operations once the State releases the use permit to the District.

Mr. Dodd is monitoring the water restriction program, which went into effect April 15<sup>th</sup>.

### Legal Matters

#### A. Legal Report

Mr. Erb reviewed the legal report with the Board. He presented an engagement letter with the water law firm of Petrock & Fendell, P.C. for legal services related to certain water matters. Upon motion made, seconded, and unanimously carried, the engagement of Petrock & Fendell, P.C. was approved.

Mr. Smith inquired into the question he raised regarding the leasing of the District's mower or other equipment to residents to help raise money for monuments. Mr. Erb stated that due to potential liability issues the District should not make its equipment available to residents for lease.

#### B. 2013 Legislative Update

Mr. Erb reviewed the 2013 legislative update with the Board, highlighting certain new laws that affect the District, including the new notice requirement beginning August 7, 2013 that the District provide a minimum of a 30 day notice before meeting to consider increasing or adopting a fee, rate, toll, penalty, or charge for water or sewer services. Mr. Erb also discussed a new law that requires the District to record a disclosure document against all real property in the District.

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The disclosure must contain certain enumerated information, but is generally designed to give notice that the property is within the District.

### C. Monument Sign / Possible Locations

The Board requested that the location of a monument sign be added to the next agenda.

### **Financial Matters**

### A. Ratify Approval of Claims Totaling \$27,594.44, Represented by Check Numbers 1673 through 1688

Following review and discussion, upon a motion duly made by Director Ladd, seconded by Director Smith and, upon vote, unanimously carried, the Board ratified approval of claims totaling \$27,594.44, represented by check numbers 1673 through 1688.

The Board asked about the timing of payments to the electric company and whether the District is paying late fees. Mr. Collins reviewed the statements and reported that there were occasional late fees paid. He stated that he will bring a check for twice the average payment to the next meeting so that the District can build a "credit" with the electric company to avoid late payments in the future.

### B. Review and Consider Approval of Current Claims

Mr. Collins presented the current claims to the Board. Following review and discussion, upon a motion duly made by Director Smith, seconded by Director Ladd and, upon vote, unanimously carried, the Board approved the claims totaling \$20,685.83, represented by check numbers 1689 through 1700.

### C. Review and Consider Approval of Unaudited Financial Statements as of March 31, 2013

Mr. Collins reviewed the unaudited financial statements as of March 31, 2013 with the Board. The Board accepted as presented.

### D. Other

The Board inquired into the status of the qualified audit filed last year. Mr. Collins noted the following needs to be resolved in order to receive a clean opinion: infrastructure assets accepted by the County; contingencies associated with County acceptance of the infrastructure assets defined and resolved; documentation of the use of Bond proceeds provided or determined and liabilities represented as due to developer entities which are unsupported, removed from the District, this will require a process and/or acknowledgement from the entities the debt was issued to have forgiven the debt. The State can potentially require El

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Paso County to withhold the District's tax revenue in the future if an unqualified audit cannot be obtained.

### Director Items

A. Monument Signs

This item was discussed earlier in the meeting.

B. New Appointment to the Board of Directors / Chris Barnett

Chris Barnett introduced himself to the Board. Following discussion, upon a motion duly made by Director Smith, seconded by Director Ladd and, upon vote unanimously carried, the Board appointed Chris Barnett to the Board of Directors.

Director Smith administered the Oath of Office to Mr. Barnett. Mr. Erb is in possession of the signed documents and will follow up with Mr. Barnett to complete the appropriate paperwork.

### Other Business

A. New Website is Operational – falconhighlandsmetro.org

Mr. Peak briefed the Board on the new website. He indicated that all of the water restriction information will be posted for the residents.

B. Set Next Board Meeting – Saturday, June 8, 2013 at 10:00 a.m.

Director Smith informed the Board that he would not be in attendance at the June 8<sup>th</sup> board meeting.

**Adjournment** There being no other business to come before the Board, upon a motion duly made by Director Ladd, seconded by Director Smith and, upon vote, unanimously carried, the Board adjourned the meeting at 8:32 p.m.

Respectfully submitted,

By: David Peak  
Secretary for the Meeting