

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FALCON HIGHLANDS METROPOLITAN DISTRICT HELD May 12, 2014

A special meeting of the Board of Directors of Falcon Highlands Metropolitan District was held on Monday, May 12, 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:

Al Smith
Chris Barnett
Heather Knuffke

Director Albright was absent and excused.

Others in attendance:

David Peak; CliftonLarsonAllen LLP
Carrie Bartow; CliftonLarsonAllen LLP
Barbara Vander Wall, Esq.; Seter & Vander Wall, P.C.
Julie Branch; 7039 Honeycomb
Lauren Swenson; 11071 Spotswood Terrance
David Gill; Next Era Energy Resources

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 Knuffke, seconded by Director Smith and, upon vote, unanimously carried, the Board excused Director Albright and approved the agenda as presented.

Motion to

Appoint

Lauren

Swenson

The Board discussed the letter of interest submitted by Ms. Lauren Swenson and inquired further of Ms. Swenson regarding her interest in the community and serving on the Board. Following review, upon a motion duly made by Director Smith, seconded by Director Knuffke and, upon vote, unanimously carried, the Board appointed Lauren Swenson to fill the vacant seat. Ms. Vander Wall noted that following the appointment to the vacancy, Ms. Swenson will be required to run for the seat at the next regular election.

RECORD OF PROCEEDINGS

Administer Oaths of Office

Director Smith, Knuffke and Barnett took the Oath of Office. Legal counsel will arrange for filing of the oaths as required by statute.

Community Comment

Ms. Branch, a member of the community, addressed the Board regarding her concerns about posting of the meeting notices. The Board responded that the meeting notices, including the date and time, are posted in the community as required by statute, that the meeting dates and times are also available on the District's webpage, and that the meeting date, time and location was also referenced at the April 19, 2014 board meeting (held at the Fire Station.) The Board discussed ways to provide additional notice to increase communications with the community.

Mr. David Gil from NextEra Energy spoke to the board about NextEra's purchase of the Golden-West Wind Power Project from Fowler Wind Energy at the end of 2013. NextEra is a large, public company that, as part of its business, develops energy projects throughout the United States. Mr. Gil made a presentation to the Board about NextEra and the project, and explained that he would like to explore the possibility of modifying the easement the Board provided to Fowler Wind Energy for a buried transmission line to allow the installation of the transmission line above ground.

Administrative Matters

A. Consider Approval of April 19, 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 April 19, 2014 special meeting minutes as presented.

B. Other

None.

Financial Matters

A. Review and Ratify Approval of Claims Totaling \$87,371.27 Represented by Check Numbers 1925 through 1955

Mr. Peak reviewed the claims list for ratification 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 ratified approval of claims totaling \$87,371.27 represented by check numbers 1925 through 1955.

RECORD OF PROCEEDINGS

- B. Review and Consider Approval of Current Claims Totaling \$25,088.09, Represented by Check Numbers 1956 through 1972

Mr. Peak reviewed the current claims 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 approved claims totaling \$25,088.09, represented by check numbers 1956 through 1972.

- C. Review and Consider Acceptance of Unaudited Financial Statements as of March 31, 2014

Ms. Bartow presented the unaudited financial statements as of March 31, 2014 to the Board. Following review and discussion, upon a motion duly made by Director Barnett, seconded by Director Knuffke and, upon vote, unanimously carried, the Board accepted the financial statements as presented.

- D. Other

Ms. Bartow reported on the status of the filing of the District's 2012 audit.

Legal Matters

- A. Legal Report

Ms. Vander Wall presented the legal report to the Board. She updated the Board regarding the status of the emergency interconnect agreement with Woodmen Hills Metropolitan District. The Woodmen Hills Metro District Board has requested that the interconnect be mutual, so Woodmen Hills may receive water from Falcon Highlands in the same circumstances in which Falcon Highlands may receive water from Woodmen Hills. Woodmen Hills has been advised that Falcon Highlands does not have a surplus of water that it could use and that its contribution in the event of an emergency could be severely limited depending on the demand within its own system. A mutual sharing agreement would also require a sharing of the costs associated with designing and constructing the interconnection. Kennedy/Jenks is reviewing the potential increased costs associated with designing and constructing the expanded interconnection. Legal counsel was directed to respond to Woodmen Hills Metro District with a revised agreement to reflect the mutual arrangement, based on the discussions involving additional facilities required, sharing of costs and the unlikely probability of available water from Falcon Highlands.

- B. Other

The Board further discussed the transmission line easement and NexEra Energy's request to modify the below ground easement to allow the lines to be above ground. The Board acknowledged a strong desire to maintain the lines below ground to preserve the aesthetics of the community. The Board discussed the possibility of allowing the transmission lines to be installed above ground and

RECORD OF PROCEEDINGS

directed Mr. Peak to communicate with Mr. Gil regarding the proposed conditions for the modification.

Engineering Matters

A. Engineer Report

Mr. Peak reviewed the engineer's report with the Board. The District's engineer is working with Woodmen Hills Metro District's manager, Gene Cozzolino, on the emergency interconnect details for the construction and operations.

B. Discussion Regarding Antelope Meadows Circle Drainage Issue

Mr. Peak briefed the Board regarding the Antelope Meadows Circle drainage issue. There is a problem with the homeowner pumping water collected by a sump pump on to the street. The District's engineer is trying to work with El Paso County and Woodmen Hills Metro District to resolve the issue.

Manager Items

Mr. Peak briefed the Board regarding:

1. Mud jacking that has been scheduled for later in the month to help level the concrete path around the park on Nancy Comb Drive.
2. Website improvements that have been made which now has contact information for street light repairs. There also is the ability for residents to contact the manager with questions and comments.

Director Items

A. Monument Committee Report and Update

The Board had a brief discussion regarding the monument committee looking into other options for monument design and construction. Director Smith is working through the issues with the committee. He will also solicit additional proposals from other potential contractors.

B. Other

None.

Other Business

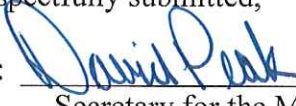
- A. Set Next Board Meeting – Monday, June 9, 2014 at 6:00 p.m. at the Falcon Fire Station No. 3

The Board confirmed a quorum for the June 9, 2014 meeting.

RECORD OF PROCEEDINGS

Adjournment There being no other business to come before the Board, upon a motion duly made by Director Barnett, seconded by Director Smith and, upon vote, unanimously carried, the Board adjourned the meeting at 8:30 p.m.

Respectfully submitted,

By: 
Secretary for the Meeting