

# RECORD OF PROCEEDINGS

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

Held: May 23, 2016 at the Falcon Fire Station, 7030 Old Meridian Road, Peyton, CO 80831 at 6:00 p.m.

### Attendance

The special 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:

Al Smith, President  
Heather Knuffke, Vice President

Others in attendance:

Grace Harman and Lauren Swenson, Director nominees  
Steve Dodd; Water Operator  
Carrie Bartow and Cynthia Beyer; CliftonLarsonAllen LLP  
Barbara Vander Wall; Seter & Vander Wall, P.C.  
Tom Napolilli; Kennedy Jenks  
Carol Holt; Resident

### Call to Order

Director Smith noted that a quorum of the Board was present and therefore called the special meeting of the Board of Directors of the Falcon Highlands Metropolitan District to order at 6:12 p.m.

### Approval of Agenda

Upon a motion made by Director Smith, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved the agenda as presented with the one change of moving Items Nos. 8.b. and 8.c. to the end of the Agenda.

### Director Matters

#### A. Administer Oaths of Office

Director Smith administered the Oaths of Office to Grace Harman and Lauren Swenson to fill the vacancies created following the May 2016 directors' election.

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## B. Election of Officers

Upon a Motion to Elect the Officer made by Director Knuffke and seconded by Director Smith, and, upon vote, unanimously carried, the officers for the District were elected as follows:

Al Smith, President  
Heather Knuffke, Vice President  
Grace Harman, Secretary/Treasurer  
Lauren Swenson, Asst. Secretary

## Community Comment

Ms. Holt expressed the following concerns:

She inquired about the District's water restrictions and was advised by the Board that she was looking at restrictions imposed by Woodmen Hills Metro District rather than those of Falcon Highlands Metro District.

Ms. Holt noted that the wood chips are too small on the playground and blow around. She would like to see larger wood chips used for the playground. Steve Dodd stated he will look for larger mulch chips to be used on the playground. She also asked about irrigation at the park.

Ms. Holt wanted to know who is responsible for landscaping at Antelope Meadows and Rolling Thunder. Ms. Holt was told it was the owner's responsibility at that location.

## Administrative Matters

### A. March 14, 2016 Regular Meeting Minutes

Following review, upon a motion made by Director Smith, seconded by Director Swanson and, upon vote, unanimously carried, the Board approved the March 14, 2016 regular meeting minutes as presented.

### B. Resolution Approving Purchasing Policy

The Board reviewed and discussed options regarding the adoption of a purchase policy, to allow for delegation of authority to the District's water operator Steve Dodd, to make purchases on behalf of the District. The Board determined to authorize Mr. Dodd the use of a District credit card for District expenses not to exceed \$5,000. Following review of the proposed resolution, and upon a motion by Director Smith,

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seconded by Director Harman and, upon vote, unanimously approved the resolution regarding employee credit card usage as presented and discussed.

## Operator's Report

### Update on Water Operations and Landscape Maintenance

#### A. SCADA Update on RFP

The Board, Mr. Dodd and District consultants discussed the revisions to the RFP. The Board suggested that the RFP should be sent to those companies that Mr. Dodd has spoken to about the SCADA system. The Board discussed publication of the RFP and a mandatory site visit. The Board discussed other issues related to the RFP, including criteria to serve as the basis for the project description, the costs of the project and the budgeted amount, warranties, using a local contractor, and whether to structure the project as a request for a proposal on the project or a request for information from contractors. The Board agreed to proceed with the process as discussed.

[Ms. Carol Holt departed during this discussion.]

#### B. Cross- Connection Letters - Update

Mr. Dodd informed the Board that the second notifications for cross-connection testing had been mailed and he was waiting for the responses.

#### C. Other

Mr. Dodd said the District's equipment is generally in good shape for the season. The weed mower would not start so the District will need to purchase a new one. The tractor will need new tires because the sides are bulging. The tires are only six years old and the tread is not worn. Mr. Dodd will contact the vendor to see what can be done.

Mr. Dodd was directed to provide notice to the District's residents to disregard the blue notice received by them from the Woodmen Hills Metropolitan District. The Board suggested the District send out its own mailer regarding the District's water restriction requirements.

Mr. Dodd also informed the Board that the wells are good but he will need to flush Well No. 3. He will get an estimate to do

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so. The District will need both a permanent and temporary solution for the well flushing.

The temporary fence signs have been put up.

Ms. Beyer reported that the temporary fence along the drainage ditch has been installed, with the District's advisory signs warning against entry.

## Financial Matters

### A. Unaudited Financial Statements as of March 31, 2016

Ms. Bartow presented the District's financial report dated as of March 31, 2016 and stated the overall financial situation for the District is healthy. The staff is working on a trend analysis for the District but it is not completed yet. It should be completed within the next month and Ms. Bartow will send to the Board. Following additional discussion, and upon a motion made by Director Harman, seconded by Director Swenson and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for December 31, 2015 and January 31, 2016 as presented.

Following review and discussion, upon a motion made by Director Smith, seconded by Director Swenson and, upon vote, unanimously carried, the Board ratified approval of the previous claims totaling \$21,821.77.

### B. Ratify Approval of Previous Claims Including Purchase of Safety Equipment

Following review and discussion, upon a motion made by Director Smith, seconded by Director Swenson and, upon vote, unanimously carried, the Board ratified approval of the previous claims totaling \$21,821.77, which included the purchase of safety equipment with funds allocated to the District from the Colorado Special Districts Property and Liability Pool Safety Grant Program.

### C. Review and Approve Current Claims

Ms. Bartow stated that the list of current claims is provided for informational purposes only. The Board will be asked to approve the claims at the next Board meeting.

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## Legal Matters

### A. Legal Report

Ms. Vander Wall told the Board that there were no changes on the water issues. Ms. Beyer informed the Board that there was one recent inquiry regarding water for the District.

## Engineering Matters

### A. Water Engineer Report

Mr. Napolilli presented his report. The rainy spring weather has helped to reduce the irrigation demand on the water system. Nothing unusual to note at this time.

### B. Update on Water Rates Survey from Surrounding Areas District Maps

Mr. Napolilli asked the Board if it had any questions on the proposed rate alternatives included in the Engineering Memo. As requested by the Board at the last meeting, these alternatives were prepared to find a way to discourage the excessive water use by residential and commercial properties. To date, the monthly letters sent to residential and commercial users has not had an impact on reducing excessive water consumption. The Board has the option to impose fines if the water rates are exceeded. Director Knuffke wanted to know why should the District raise the rates and impose fines if the water use is exceeded. Mr. Napolilli stated that the District has a finite ground water supply and after a discussion with Ms. Bartow that current rates only cover the operating costs and do not generate any additional revenue for capital improvement costs. The Board agreed to consider the District's rates and whether to adopt any changes to the structure at a later meeting, with a goal to assure the rates cover the capital costs. The Board directed the District Manager to prepare a capital improvement plan, listing out all of the equipment costs, life years, expected life, depreciation and value for review at the September meeting.

## Manager Matters

### A. Manager Report

Ms. Beyer presented her manager's report to the Board.

### B. Review and Consider Approval of Service Agreement with Colorado Mosquito Control

The Board discussed the proposed services agreement for mosquito control. Ms. Beyer agreed to follow up regarding the

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location and streets where the spraying will take place, and provide additional detail on the times and locations of spraying. Upon further discussion, the Board agreed to proceed with the agreement subject to the follow up via email with the additional details to complete the contract. The Board further requested that Ms. Beyer post a notice of the mosquito spraying on the District's website and notify Director Knuffke of the mosquito spraying so notice could be published on the Gables at Falcon Highlands' Facebook page.

## C. Update on Ditch Erosion/Fence Issues

The signs and fence are up as previously discussed.

## D. Update on Steve Dodd's Contract and Performance Metrics

Ms. Beyer asked whether the Board wanted to have an employment contract with Mr. Dodd. The Board discussed issues related to contract employment, including compliance with FLSA and other regulations. Ms. Beyer agreed to follow up regarding the recording of employee time spent working for the District. The Board requested the District Manager provide a job description and follow up regarding the application of FLSA to the District's employees.

## E. Monument Signs Update

Ms. Vander Wall reviewed with the Board the proposed locations for the District's monument signage, as previously discussed. Ms. Beyer informed the Board that there would not be any change in the pricing for the monument sign location. The Board determined to proceed with the installation of a monument sign at the location marked "B" on the map provided. The Board asked the Manager to review the site for a chain link fence at that location, and whether it poses an issue or if it could be removed. An alternative site was selected at the east side location.

## F. CCR – Report Filed

The District's Consumer Confidence Report regarding water quality will be mailed with the June bill.

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## G. Update on Bond Refinancing

At 8:15 p.m., Director Smith made a motion to go into executive session for the purpose of discussing potential litigation and possible options regarding the District's proposed bond refinancing, authorized pursuant to Section 24-6-4-2(4)(e) & (b), C.R.S., to determine positions relative to matters that may be subject to negotiation, and conferencing with the attorney on such matters, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved going into executive session. The Board reconvened at approximately 9:00 p.m., and affirmed that no actions had been taken in executive session.

The Board agreed to proceed with continued analysis of the cost certification of public improvements being performed by bond counsel related to a proposed refunding. Upon a motion by Director Smith, seconded by Director Knuffke and, upon vote, unanimously carried, the Board approved payment to Sherman and Howard of their bill in the amount of \$14,408.75.

Director Items

A. Other.

None.

Other Business

The Board determined that there would be a quorum for the next Board Meeting on July 11, 2016 at 6:00 p.m.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:06 p.m.

Respectfully submitted,

  
Secretary for the Meeting