

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FALCON HIGHLAND METROPOLITAN DISTRICT

Held: July 12, 2014 at the Water Treatment Plant,
7464 Antelope Meadows Circle, Payton, CO 80831
at 8:00 a.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:

Mark Albright
Al Smith
Lauren Swenson

Absent: Directors Barnett and Knuffke were absent and excused.

Others in attendance:

David Peak; CliftonLarsonAllen LLP
Carrie Bartow; CliftonLarsonAllen LLP
Jeffrey Erb; Seter & Vander Wall, P.C.

Call to Order

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 Swenson, upon vote, unanimously carried, the Board approved the agenda as amended and excused Directors Barnett and Knuffke.

Resolution re Adoption of a Public/Community Comment Policy

Mr. Erb reviewed the Resolution re Adoption Public/Community Comment Policy with the Board. The Board discussed the resolution, including the reasons for the policy and when the public policy periods would occur. Ultimately, the Board determined to make two public comment periods available: one at the beginning of the meeting and one at the end. Following review, upon a motion duly made by Director

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Smith, seconded by Director Albright, upon vote, unanimously carried, the Board approved the resolution as amended.

Community Comment

None

Administrative Matters

A. Consider Approval of June 9, 2014 Special Meeting Minutes

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 June 9, 2014 special meeting minutes as presented.

B. Other

The Board raised a question regarding the accuracy of the District's contact information on the District's webpage. Mr. Peak reported that he confirmed that all of the contact information, on every page, is accurate. It is likely that persons are using the contact information from the service plan which only shows the contact information at the time the service plan was approved, and not the current contact information.

Financial Matters

A. Review and Ratify Approval of Claims Totaling \$30,035.20 Represented by Check Numbers 1973 through 1994

Mr. Peak reviewed the claims list for ratification with 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 ratified approval of claims totaling \$30,035.20 represented by check numbers 1973 through 1994.

B. Review and Consider Approval of Current Claims Totaling \$45,434.06, Represented by Check Numbers 1995 through 2017

Mr. Peak reviewed the current claims with 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 approved claims totaling \$45,434.06, represented by check numbers 1995 through 2014.

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

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

D. Review Draft 2013 Audit

Ms. Bartow reviewed the 2013 draft audit with 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 approved the 2013 audit subject to final review by auditors and counsel.

A. Legal Report

Legal Matters

Mr. Erb reported that the conveyance of water rights under Tract C, the 183 acre parcel, has not occurred and that Cygnet may still hold title to this water. Petrock & Fendel P.C. has provided an opinion regarding ownership of the water and potential next steps. This is an ongoing issue and Cygnet has agreed to investigate obtaining this quick claim deed.

Mr. Erb indicated the negotiations with Woodmen Hills Metropolitan District are ongoing and revisions to the agreement have reverted back to the original form of contract. The Board for Woodmen Hills is expected to consider the revised agreement at its July meeting.

Mr. Erb noted that El Paso County has now received the bond funds related to the roads in Falcon Highlands, but no immediate plans for repairs are scheduled.

B. Update Regarding NextEra Engery Easement

Mr. Erb reported that NextEra had requested a "Statement of Authority" and an "Estoppel Certificate" related to the easement. Counsel for the District requested that NextEra provide payment for the District's costs to prepare the requested documents. No other correspondence has occurred with NextEra.

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C. Review and Approve Resolution Requesting
Conservation Trust Funds

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 resolution regarding Conservation Trust Funds.

D. Other

None.

A. Engineer Report

Engineering Matters

Due to time constraints, Mr. Peak gave a brief highlight on the engineer's report. Regarding the Antelope Meadows Circle residence with ground water issues, staff recommends having a contractor excavate and locate the under drain stub behind the curb and gutter for a cost of \$5,000. Cygnet has agreed to reimburse the District for the under drain work up to \$3,000.

Water demands for the residential customers increased by 70% between May and June. Commercial domestic demand increased by 14% and irrigation increased 126% between May and June. District wide water usage for June increased by 9% or 420,000 gallons.

Manager Matters

A. Manager Report

Mr. Peak reported that the second of five scheduled mosquito sprayings has occurred.

Three lights in the park are not working properly. One light required a replacement bulb, and two other lights require new ballasts. The repairs will occur in the next few weeks..

Director Items

A. Monument Committee Report and Update

Director Smith provided the Board with an update.

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B. Other

None.

Other Business

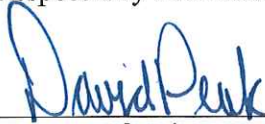
A. Confirm a Quorum for Next Meeting – Saturday, September 27, 2014 at 9:00 a.m. at the Falcon Fire Station No. 3

A quorum was confirmed.

Adjournment

There being no further business to come before the Board, and upon motion duly made by Director Albright, seconded by Director Smith and, upon a vote, unanimously carried, the meeting was adjourned at 10:00 a.m.

Respectfully submitted,



Secretary for the Meeting