

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL JOINT MEETING OF THE BOARDS OF DIRECTORS OF FOREST LAKES METROPOLITAN DISTRICT, PINON PINES METROPOLITAN DISTRICT #2 AND PINON PINES METROPOLITAN DISTRICT #3

Held: Monday, December 9, 2019, at 4:00 P.M., at 6385 Corporate Drive, Suite 200,  
Colorado Springs, Colorado.

#### Attendance

The Joint Meeting of the Boards of Directors of the Forest Lakes Metropolitan District, Pinon Pines Metropolitan District #2 and Pinon Pines Metropolitan District #3, El Paso County, Colorado was called to order at 4:22 P.M. and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following Directors present and acting:

George Lenz  
Doug Stimple  
Joe Loidolt  
Jim Boulton

#### Also present:

Russel W. Dykstra, District Counsel  
Natalie Barszcz, Our Community News  
Mike Hitchcock, Director, PPMD #1  
Mike Slavick, Director, PPMD #1  
Tom Blunk – by phone  
Ann Nichols, District Manager

#### Excused Absence:

None

Agenda and Meeting Location

The Board reviewed the Agenda for the Districts' Special Board Meeting. Following discussion, upon motion duly made by Director Stimple, seconded by Director Loidolt, and unanimously carried, the Agenda was approved.

The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S. concerning the location of the Districts' Board meetings. Following discussion, upon motion duly made, seconded and unanimously carried, the Board determined that because there is not a suitable or convenient location within the District's boundaries to conduct public meetings they determined to conduct the meetings at the above stated location. The Board further noted that notice of this location was duly posted and that they have not received any objections to said location or requests that the meeting place be changed by any resident or taxpaying elector within its boundaries.

Public Comment

None

Disclosure of Potential Conflicts of Interest

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting in accordance with statute.

Approve Minutes for November 4, 2019 Joint Board Meeting

Following discussion, upon motion duly made by Director Stimple, seconded by Director Boulton, the Board unanimously approved the November 4, 2019 Minutes.

Public Hearing for Proposed Rate Increases for Water, Wastewater and Landscaping Services for Forest Lakes Metropolitan District

Ms. Nichols explained that she had done cost of service analyses for four service areas: water, wastewater, landscaping and administrative services. The analyses for all but the administrative services indicate that current rate levels will not produce sufficient revenues to cover budgeted costs. The proposal is to institute 12% rates increases for both water and wastewater services and a 20% rate increase for landscaping services, all effective January 1, 2020. Ms. Nichols noted that even with these increases, all three of these services will still show small deficits for 2020 – which will be covered with existing funds and development fee revenues. Ms. Nichols also noted that even with the proposed rate increases for water and wastewater services, FLMD rates for those services will remain below comparable rates in other northern El Paso County Districts. Following discussion, upon motion duly made by Director Simple, seconded by Director Boulton and unanimously passed, the proposed rate increases were approved effective January 1, 2020.

Public Hearings on 2020 Budgets for Forest Lakes Metropolitan District and Pinon Pines Metropolitan Districts 2 and 3

Director Lenz opened the Public Hearings and asked for public comment. There was none. Ms. Nichols described the key features of each proposed Budget and noted that the proposed rate increases are included in the revenues for Forest Lakes Metro. She noted that the proposed 2020 capital expenditures for FLMD do include funds to complete the Arapahoe Well – A1. Pinon Pines #2 covers the property in the Phase 2 development and funds have budgeted for expected facilities development fee payments. Director Stimple noted that only 33 lots are included in the initial Filing #5 so the budgeted revenue is slightly overstated. Ms. Nichols noted that PPMD #3 continues to collect PIF revenues from the retail sales operations in the Pilot complex. Director Lenz closed the Public Hearings.

Consider Approval of Resolutions Adopting the

Following discussion, on motion duly made by Director Stimple, seconded by Director Loidolt and

2020 Budget and  
Appropriating Funds for 2020  
for Forest Lakes Metropolitan  
District and Pinon Pines  
Metropolitan Districts 2 and 3

unanimously passed, the 2020 Budget Resolutions were approved.

Consider Approval of  
Resolutions to Set Mill Levies  
for 2020 for Forest Lakes  
Metropolitan District and  
Pinon Pines Metropolitan  
District 2 and 3

Ms. Nichols noted that the mill levies must be certified to the County Assessor by December 13<sup>th</sup>. Following discussion, upon motion duly made by Director Stimple, seconded by Director Boulton and unanimously passed, the Mill Levy Resolutions were approved.

Consider Approval of  
Resolution Adopting New  
Public Meeting Posting  
Requirements; CORA  
Resolution; Workers  
Compensation Resolution and  
2020 Election Resolution

Mr. Dykstra briefly explained the Posting Resolution and the Resolutions on CORA, Workers Compensation and the 2020 Election. The Posting Resolution provides for posting on the District website in lieu of posting on-site. The CORA Resolution was first approved in 2014 and this Resolution updates the hourly charges for research and retrieval of documents under a CORA request. The Workers Compensation Resolution must be adopted annually and it provides for exclusion of Directors from workers compensation coverage. The 2020 Election Resolution identifies the process to be followed for the May 5, 2020 election. Following discussion, upon motion duly made by Director Boulton, seconded by Director Loidolt and unanimously passed, all four Resolutions were approved.

Consider Approval of  
Engagement Letters with  
Hoelting & Company for the  
2019 Audit for Forest Lakes  
Metropolitan District and the  
Audit Exemption Request for  
Pinon Pines Metropolitan  
District #3

Ms. Nichols explained that a full audit is required for FLMD and an audit exemption request by a CPA is required for PPMD #3. Following discussion, upon motion duly made by Director Loidolt, seconded by Director Boulton and unanimously passed, the engagement letters were approved.

Approve Seventeenth Amendment to Professional Services Agreement between FLMD and Ann Nichols

Ms. Nichols explained that her hourly rate has not changed and this amendment merely extends the Agreement one year. Following discussion, upon motion duly made by Director Loidolt, seconded by Director Boulton and unanimously passed, the Seventeenth Amendment was approved.

Approve 2020 Annual Administrative Resolution

Mr. Dykstra explained the items covered in the Annual Administrative Resolution. Following discussion, upon motion duly made by Director Boulton, seconded by Director Loidolt and unanimously passed, the 2020 Administrative Resolution was approved.

Approve 2020 Transparency Notices

Mr. Dykstra explained that these Notices will be posted to the DOLA website for special districts. This item is only informational.

Discuss the Northern Monument Creek Interceptor Project Status

Ms. Nichols explained that the northern entities are still waiting for responses from Colorado Springs Utilities on the issues raised at the last meeting with regard to the NEPA process. Once those issues are resolved, a NEPA Cooperation Agreement will have to be considered by the FLMD Board.

New Business


None

Adjournment

Upon motion by Director Boulton, seconded by Director Loidolt and unanimously approved, the meeting was adjourned at 4:50 P.M.

The foregoing Minutes were approved by the Board of Directors on the 6<sup>TH</sup> day of February, 2020.

The foregoing constitutes a true and correct copy of the Minutes of the above-referenced meeting.

  
Secretary for the Meeting