

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT HELD AUGUST 21, 2014

A regular meeting of the Board of Directors (referred to hereafter as "Board") of the Paint Brush Hills Metropolitan District (referred to hereafter as "District") was held on Thursday, the 21st day of August, 2014, at 7:00 p.m. at the Paint Brush Hills Metropolitan District Office, 9830 Liberty Grove Drive, Falcon, Colorado 80831. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Kim Griffin
Calvin Pollard
Doug Burrer
Floyd Roberts
John Bruszenski

Also In Attendance Were:

Leon Gomes; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq.; White Bear Ankele Tanaka & Waldron, P.C., (via speakerphone)

Steve Knepper; Manager of Water and Wastewater Operations for the District

See attached sign-in sheet for additional attendees.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential or Existing Conflicts of Interest: The Board discussed the requirements pursuant to Colorado law to disclose any potential or existing conflicts of interest to the Board of Directors and to the Secretary of State. Attorney Tanaka reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board and are attached hereto. Mr. Gomes noted that a quorum of the Board was present and inquired into whether members of the Board had any additional disclosures of potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No additional disclosures were noted.

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ADMINISTRATIVE MATTERS

Agenda: Mr. Gomes reviewed the proposed agenda for the District's Regular meeting.

Following discussion, upon motion duly made by Director Roberts, seconded by Director Griffin and, upon vote, unanimously carried, the Agenda was approved, as amended.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Acknowledge Manager's Report.
- Acknowledge Staff Report.
- Acknowledge Operations Report.
- Approve Minutes of the July 17, 2014 Regular Meeting.
- Acknowledge 2014 Budget Priorities.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried the Board approved the consent agenda.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims for the period ending August 21, 2014, as follows:

General Fund	\$	20,438.94
Debt Service Fund	\$	-0-
Enterprise Fund	\$	<u>77,243.47</u>
Total Claims:	\$	<u>97,682.41</u>

Mr. Gomes reviewed the claims with the Board.

Following review and discussion, upon motion duly made by Director Bruszenski, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending August 21, 2014.

Financial Statements: Mr. Gomes reviewed with the Board the unaudited financial statements for the period ending July 31, 2014.

Following review and discussion, upon motion duly made by Director Pollard, seconded by Director Roberts and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending July 31, 2014, as presented.

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Home Depot and Lowes Commercial Accounts Applications: The Board entered into discussion regarding the approval of applications for Home Depot and Lowe's Commercial Accounts.

Following discussion, upon motion duly made by Director Bruszenski, seconded by Director Pollard and, upon vote, unanimously carried, the Board approved the applications for Home Depot and Lowes Commercial Accounts.

LEGAL MATTERS

Rules and Regulations: Attorney Tanaka discussed with the Board the challenges that have been created by the District Engineer missing deadlines and providing document revisions that have, in turn, made it difficult for her to incorporate changes to the Rules & Regulations document. Attorney Tanaka committed to providing a draft document to the Board by September 5, 2014 if all dependent timelines are met by the Engineer. Attorney Tanaka also requested that the Board consider a Second Addendum to the Independent Contractor Agreement with JDS-Hydro Consulting, Inc. for the effort required to replace the Woodmen Hills MD logo with the District logo on the specifications drawings in an amount not to exceed \$2,000.

Second Addendum to JDS-Hydro Consultants, Inc. Agreement for Developing of Specification Drawings for Rules and Regulations: The Board entered into discussion regarding the approval of the Second Addendum to JDS-Hydro Consultants, Inc. Agreement for Development of Specification Drawings for Rules and Regulations.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Bruszenski and, upon vote, unanimously carried, the Board approved the Second Addendum to JDS-Hydro Consultants, Inc. Agreement for Development of Specification Drawings for Rules and Regulations.

Park Hours: Mr. Gomes asked the Board to reach consensus regarding park hours and the Board entered into discussion thereof. Mr. Gomes recommended that the park hours be set as 5:00 AM to 9:00 PM.

Following discussion, the Board determined park hours shall be 5:00 a.m. to 9:00 p.m. and approved the posting of signs designating these hours.

Independent Contractor Agreement Between the District and Pipe Line Specialties, Inc.: The Board entered into discussion regarding the approval of an Independent Contractor Agreement between the District and Pipe Line Specialties, Inc.

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Following discussion, upon motion duly made by Director Burrer, seconded by Director Griffin and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement between the District and Pipe Line Specialties, Inc., subject to review by Attorney Tanaka.

OPERATIONS AND MAINTENANCE

Cranston Drive Water Main Break: Mr. Knepper presented to the Board his Report on the Cranston Drive water main break that was reported at 10:10 a.m. on July 28, 2014. He informed the Board that a two foot crack had formed in the eight inch main and that attempts at water shut off had been hindered by valve issues. Mr. Knepper explained that one valve was later determined to have softball in valve stem and that another had a one inch nut rather than the standard two inch. Mr. Knepper noted that the necessary repairs had been made and that water was restored by 7:30 p.m.

Purchase of Backhoe: Mr. Gomes proposed that the District purchase a backhoe rather than pursuing the purchase of a backhoe attachment for the District skid steer. The Board had previously authorized up to \$12,000 for the purchase of the attachment. The estimated cost of a backhoe is \$35,000. Mr. Gomes discussed with the Board the backhoe purchase, and noted that it would enable District staff to complete the curb stop repairs that would cost an estimated \$108,000 if done by a contractor. In addition, the backhoe can be used by District staff to repair service line leaks at a cost savings of \$3,000 per repair.

The Board deferred the purchase of a backhoe to 2015 Budget Consensus and determined to rent a backhoe until such time as the purchase can be made.

Proposal for Marquis Sign Lettering from Peak Custom Fabrication, Inc.: Mr. Gomes presented a proposal for the manufacture of the "Paint Brush Hills" lettering for the three entryway signs at Meridian Road and Stapleton Road and at Meridian Road and Londonderry Drive. He stated that two fabrication companies, Excalibur Manufacturing, Inc. and Peak Custom Fabrication, Inc., were contacted by District Field Technician, Calvin Lindt. Excalibur Manufacturing declined to provide a proposal. Prior to Board action, Mr. Gomes disclosed to the Board that Peak Custom Fabrication, Inc. is owned by his son and daughter-in-law, that he has no financial interest in the business, and that he delegated the proposal process to Mr. Lindt to avoid any perception of favoritism.

The Board entered into discussion regarding a proposal for the manufacture of Marquis Sign Lettering from Peak Custom Fabrication, Inc. The lettering is to replace the current lettering on the three entryways signs with "Paint Brush Hills".

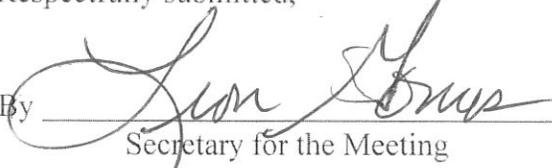
RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Pollard, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved the proposal for Marquis Sign Lettering from Peak Custom Fabrication, Inc. and authorized expenditure in an amount not to exceed \$1,836.92 for the manufacture of aluminum lettering.

ADJOURNMENT

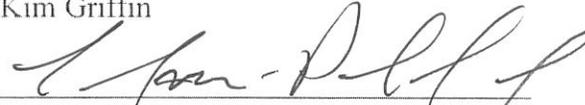
There being no further business to come before the Board at this time, upon motion duly made by Director Roberts, seconded by Director Pollard and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By  Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 21, 2014 MINUTES OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Kim Griffin

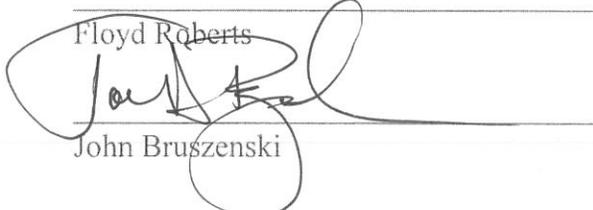


Calvin Pollard



Doug Burrer

Floyd Roberts



John Bruszenski

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO
CERTIFICATE

20145021900

I, Scott Gessler, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

DOUG BURRER
TREASURER
PAINT BRUSH HILLS METROPOLITAN DISTRICT

has disclosed and filed a Conflict of Interest with this office in accordance with section 24-18-110, C.R.S., and Rule 1.1 of the Secretary of State's Rules Concerning Conflicts of Interest.

The Conflict of Interest Disclosure was filed with the following information:

Amount of Financial Interest (if any): n/a

Purpose and Duration of Services Rendered: Additional information was filed as an attachment.

Other Relevant Information: Additional information was filed as an attachment.

This certificate reflects facts established or disclosed by documents electronically filed in this office on 08/18/2014 @ 08:30:55 AM.

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, authenticated, issued, delivered and communicated this official certificate at Denver, Colorado on Monday, August 18, 2014 @ 08:30:58 AM pursuant to and in accordance with applicable law.



A handwritten signature in blue ink, appearing to read "Scott Gessler".

Secretary of State of the State of Colorado

26 NOV 13 *DB*

CONFLICTS DISCLOSURE FORM

TO: THE BOARD OF DIRECTORS OF PAINT BRUSH HILLS METROPOLITAN DISTRICT; AND THE SECRETARY OF STATE

FROM: Doug Burrer

RE: Disclosure of Conflict or Potential Conflict of Interest

I, Doug Burrer, am a member of the Board of Directors (the "Board") of Paint Brush Hills Metropolitan District, (the "District").

In accordance with Section 24-18-109(3)(b), Section 24-18-110, Section 32-1-902, and Section 18-8-308, C.R.S., I hereby give notice to the District and the Secretary of State that to the best of my knowledge, information and belief, and as disclosed herein, I have a conflict or a potential conflict of interest which may impinge on my fiduciary duty and the public trust with respect to the matters set forth herein.

Further, in accordance with applicable law, this disclosure contains information regarding my ownership of any interest in property within the boundaries of the District, and any affiliation I may have with any business(es) or other private entity(ies) and the amount of any financial interest with respect to my qualification as a director and to any other specific transaction under consideration by the Board of the District, which may give rise to my conflict or potential conflict of interest.

The interests in property within the District and business ventures described in this Disclosure Form may create the potential for conflicts of interest in my service as a member of the Board, in that actions under consideration or actions officially taken by the Board may benefit, directly or indirectly, my interests as disclosed herein. Such actions may include, but are not limited to: authorization of construction of public improvements, actions to engage contractors for improvements or services, actions relative to various requirements of state, local and federal laws and other matters to keep the District in good standing as a political subdivision of the State of Colorado, issuance of bonds or incurrence of other financial obligations in furtherance of the District's activities, approval of reimbursement agreements with business ventures in which I have a financial interest or in which I have a personal interest, establishing and collecting fees and taxes, approval of payments and other official actions or decisions of the Board, and negotiations relative to any such matters.

Do you have any real or personal property (i.e. taxable business property) interests within the boundaries of the District or that may be affected by activities of the District? Yes No

If yes, please describe the location and size of the property and the percentage you own or the extent of your personal interest.

<u>Property</u>	<u>Interest</u>
11280 ALLENDALE DRIVE FALCON, CO 80831	50%

Do you have any interest in any business or businesses that may become involved with or are affected by the activities of the District? Yes No

If yes, please list the business or businesses and the extent of your ownership.

<u>Business</u>	<u>Percentage Interest</u>

Are you a director or officer in any business or businesses that may become or are currently involved with or affected by the activities of the District? Yes No

If yes, please list the business or businesses and the office held.

<u>Business</u>	<u>Office</u>

Do you personally have a loan or debtor interest which may be affected by action of the District's board? Yes No

If yes please list the entities that you have loaned money to, or that have loaned money to you and the amount of the loan or debtor interest

<u>Business</u>	<u>Amount</u>

Do you have a creditor interest in any insolvent business or businesses that may become involved with or are affected by the activities of the District? Yes No

If yes, please list the business or businesses, the extent of your interest in the business and the amount of your creditor or debtor interest.

Business

Percentage Interest

Are you currently employed by, or in negotiations for employment with, any business or businesses that may become involved with or are affected by the activities of the District? Yes No

If yes, please list the business or businesses and the amount of compensation (i.e. salary, bonus or compensation based on profitability of the business) and/or other compensation.

Business

Compensation

Do you provide services to any business or businesses that may become involved with or are affected by the activities of the District? Yes No

If yes, please list the business or businesses, the type of services provided, the time period the services were or will be provided and the type and amount of compensation.

Business

Services

Purpose

Time Period

Compensation — NONE

FALCON SCHOOL DISTRICT 49 FEB 13 - PRESENT MEMBER
CAPITAL PLANNING COMMITTEE
PURPOSE IS TO PROVIDE ADVICE ON FUNDING FOR D49 SCHOOLS
AND SPECIFICALLY LAND FOR AN ELEMENTARY SCHOOL IN PBAND

I have the following additional personal or private interests which may create a potential conflict of interest: N/A

Are you a member of an executive board of an owners' association located within the boundaries of the District? (i.e., a HOA, POA or similar) Yes No

If yes, please list the name of the association and the office you hold.

In addition to the foregoing disclosure, which shall be deemed a continuing disclosure, and shall apply to all actions taken at meetings of the Board for which I am a participant, and shall, by the filing hereof with the Board and the Secretary of State, be deemed made at least 72 hours in advance of any such meeting, in accordance with law, I may also have a conflict or potential conflict of interest with respect to the following specific transactions which may come before the Board:

1. Exhibit A which is the agenda for the meeting.

Signature: _____


DOUGLAS A. BURRELL
TREASURER, PBHMD

EXHIBIT A
(Meeting Agenda)

PAINT BRUSH HILLS METROPOLITAN DISTRICT

Administrative Offices

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Kim Griffin	President	2018/May 2018
Calvin Pollard	Vice President	2016/May 2016
Doug Burrer	Treasurer	2016/May 2016
Floyd Roberts	Assistant Secretary	2018/May 2018
John Bruszenski	Assistant Secretary	2016/May 2016

DATE: August 21, 2014
TIME: 7:00 p.m.
PLACE: Paint Brush Hills Metropolitan District Office
9830 Liberty Grove Drive
Falcon, Colorado 80831

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda.

C. Public Comments. (For items not on the agenda, only. Comments limited to 3 minutes per person and are taken in order listed on the sign-in sheet).

D. CONSENT AGENDA – These items are considered to be routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board member so requests; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

- Acknowledge Manager's Report (enclosure).
 - Acknowledge Staff Report (enclosure).
 - Acknowledge Operations Report (enclosure).
 - Approve Minutes of the July 17, 2014 regular meeting (enclosure).
 - Acknowledge 2014 Budget Priorities (enclosure).
-

II. FINANCIAL MATTERS

- A. Review and approve the payment of claims for the period ending August 21, 2014, as follows (enclosure):

General Fund:	\$	16,457.86
Debt Service Fund:	\$	-0-
Enterprise Fund:	\$	44,480.23
Total:	\$	<u><u>60,938.09</u></u>

- B. Review and accept unaudited financial statements for the periods ending July 31, 2014 (enclosure).

- C. Discuss and consider Approval of Home Depot Commercial Account Application.

- D. Discuss and consider Approval of Lowe's Commercial Account Application.

III. LEGAL MATTERS

- A. Discuss Status of Rules and Regulations.

1. Consider Approval of Second Addendum to JDS-Hydro Consultants, Inc. Agreement for Development of Specification Drawings for Rules and Regulations.

- B. Discuss and consider approval of Independent Contractor Agreement between the District and Pipe Line Specialties, Inc.

- C.

IV. OPERATIONS AND MAINTENANCE

- A. Report on Cranston Drive water main break.

B. Discuss and consider purchase of backhoe.

C. Discuss and consider proposal for marquis sign letter from Peak Custom Fabrication, Inc. (enclosure).

D. _____

V. OTHER BUSINESS

A. _____

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
SEPTEMBER 18, 2014.**