

**MINUTES OF A SPECIAL MEETING OF  
THE BOARD OF DIRECTORS OF THE  
PAINT BRUSH HILLS METROPOLITAN DISTRICT  
HELD  
OCTOBER 18, 2016**

A Special Meeting of the Board of Directors of the Paint Brush Hills Metropolitan District (referred to hereafter as the "Board") was held on Tuesday, the 18<sup>th</sup> day of October, 2016, 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.

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**ATTENDANCE**

**Directors in Attendance Were:**

Kim Griffin  
Calvin Pollard  
John Bruszenski  
Doug Burrer  
Chris Olney

It was noted that a quorum of the Board was present.

**Also in Attendance Were:**

Casey K. Lekahal, Esq., White Bear Ankele Tanaka & Waldron (via speakerphone)  
David Boles, P.E., RG & Associates, Inc. (via speakerphone for a portion of the meeting)  
Paul Anderson, Esq., Paul G. Anderson, LLC (via speakerphone for a portion of the meeting)  
Leon Gomes, District Manager

The names of the members of the public who were in attendance appear on the attached Board Meeting Attendance form.

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**DISCLOSURE OF  
POTENTIAL  
CONFLICTS OF  
INTEREST**

**Disclosure of Potential Conflicts of Interest:** The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Mr. Gomes noted that conflicts were filed for applicable Directors at least 72 hours prior to the meeting. Mr. Gomes also noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No further conflicts were noted.

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**ADMINISTRATIVE  
MATTERS**

**Agenda:** Mr. Gomes reviewed the proposed agenda for the District's Regular Meeting. Mr. Gomes requested that the following matter be added to the Agenda under Other Business:

- Discuss and consider Employee Recognition recommendation.

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

**Public Comment:**

Sam Weber: Ms. Weber presented her issues with the recent water rates increase. She also expressed her concerns with the Mountain View Electric Association rate increases and their impact on the District’s rates. Ms. Weber questioned the need for a new billing system and the construction of the District Office and Shop noting that the District should be able to continue to operate in its present location. She asked who was “over” the Board and who could she contact at the state level to complain about the District’s water rate increases. Attorney Lekahal responded that the Board governs the affairs of the District, and is an independent form of local government. She also requested a copy of the Proposed 2017 Budget.

Ms. Weber said that she would email her written comment and questions to the Board and Mr. Gomes. The Board directed Mr. Gomes to provide Ms. Weber with the District written response to her comments and questions. Mr. Gomes told Ms. Weber that he was also willing to meet with her concerning this matter.

**Consent Agenda:** The Board considered the following actions:

- Acknowledge Manager’s Report.
- Acknowledge Staff Report.
- Acknowledge Operations Report.
- Approve Minutes of the September 15, 2016 Regular Meeting.
- Accept Engineer’s Report.
- Ratify Third Addendum to Independent Contractor Agreement between Land Development Consultants, Inc. and the District to conduct survey of Filing 7 Tract C for an amount not to exceed \$2,000.
- Review and approve the payment of claims for the period ending October 18, 2016 as follows:

<b>Source Fund</b>	<b>Amount</b>
General Fund	\$ 18,347.09
Capital Project Fund	\$ 914.50
Enterprise Fund	\$ 24,286.02
<b>Total</b>	<b>\$ 43,547.61</b>

Upon motion duly made by Director Griffin, seconded by Director Griffin and, upon vote, unanimously carried, the Board approved the Consent Agenda.

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**FINANCIAL  
MATTERS**

**2016 Budget Priorities:** Mr. Gomes reviewed the 2016 Budget Priorities as updated.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Griffin and, upon vote, unanimously carried, the Board acknowledged the updated and revised 2016 Budget Priorities.

**Proposed 2107 Budget:** Mr. Gomes reported that the proposed 2017 Budgets had been distributed to the Board on October 14, 2016 and that copies of the Budgets were available in the District Office for public review.

**District Office/Shop Lease-Purchase Agreement (LPA):** Attorney Lekahal reported that he had inquired with Paul Wisor, Esq. with Kline Alvarado Veio concerning either the issuance of an additional LPA or amending the existing LPA that would result in an additional \$209,000 in proceeds for the construction of the District Office and Shop facility. He noted that the resulting costs from Farmers State Bank would be the same for either the issuance of an additional LPA or amending the existing LPA. The District's estimated legal costs would be between \$8,000 and \$10,000.

By consensus, the Board directed that a separate LPA be pursued that will result in an additional \$209,000 in proceeds for the construction of the District Office and Shop facility.

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**LEGAL  
MATTERS**

**Update on November 8, 2016 Coordinated Election:** Attorney Lekahal updated the Board on the current status of the November 8, 2016 coordinated election. He asked if there had been any consideration to hold an open house to present information concerning Measure 5B to the public prior to Election Day.

By consensus, the Board directed Mr. Gomes to organize an open house to present information concerning Measure 5B to the public on Wednesday, October 26, 2016 6:30 PM. Mr. Gomes noted that he would attempt to secure the use of the Falcon Middle School as the location for the open house.

**Ratification of Private Detention Basin / Stormwater Quality Best Management Practice Maintenance Agreement and Easement:**

Attorney Lekahal presented the Private Detention Basin / Stormwater Quality Best Management Practice Maintenance Agreement and Easement between El Paso County and the District to the Board. He noted that revisions he made to the Agreement were subject to review and approval by the El Paso County Attorney's Office.

Following discussion, upon motion duly made by Director Griffin, seconded by Director Olney and, upon vote, unanimously carried, the Board ratified the Private Detention Basin / Stormwater Quality Best Management Practice Maintenance Agreement and Easement between El Paso County and the District subject to finalization.

**ENGINEER MATTERS**

**Update on Progress of District Office & Shop Project:** Mr. Boles reported that the permits are in good order to begin the site improvements. He noted that Copestone General Contractors (Copestone) is in the process of obtaining the building permit. Mr. Gomes requested authorization from the Board to sign the Agreement with Copestone due to the tight timeline. He noted that a preconstruction meeting was being held with and at El Paso County Development Services Department (DSD) on October 24, 2016 where the Contract is to be signed. The contract and other previously reviewed documents will need to be signed including the permit from DSD.

By consensus, the Board authorized Mr. Gomes to sign the Agreement with Copestone and other documents required by DSD.

Further, Mr. Gomes inquired about holding a Groundbreaking Ceremony at the construction site. Following discussion, the preferred day of the week for the Groundbreaking Ceremony is on a Saturday.

**OTHER MATTERS**

**Support of House Bill 16-1337 and successor to Senate Bill 15-224:** Attorney Anderson reviewed House Bill 16-1337 and Senate Bill 15-224 with the Board. He noted that the Legal Counsel for the Woodmen Hills Metropolitan District (WHMD) was organizing support from other Districts for the contracting of a lobbyist that would make presentations to the Colorado Legislature on behalf of the interests of the Districts in the proposed consortium. He estimated that the cost to each District will be between \$5,000 and \$7,000. Although the Board was agreeable to providing financial support for this effort, Attorney Anderson said that he would determine where the WHMD Legal Counsel is with the process of organizing the consortium prior to having the District's expenditure of funds toward the cost of a lobbyist.

**Employee Recognition:** Mr. Gomes requested that the Board consider providing a District employee with a financial recognition for work that he had identified and completed on behalf of the District at a significant cost savings to the District.

Following discussion, by consensus, the Board directed Mr. Gomes to obtain a gift card in the amount of \$1,500 in recognition of the extraordinary service provided to the District by said employee.

**Appointment of Assistant Treasurer:** Director Burrer requested that the Board consider appointing Director Olney to the Office of Assistant Treasurer. He noted that the basis of his request is that this will provide a reasonable time for the transition of the duties of Treasurer to another Director.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried, the Board appointed Director Olney to the Office of Assistant Treasurer.

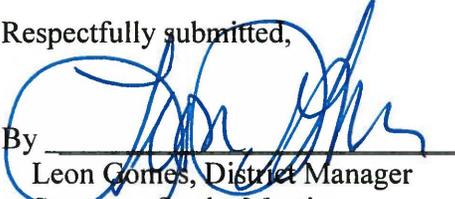
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**ADJOURNMENT**

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

Respectfully submitted,

By \_\_\_\_\_

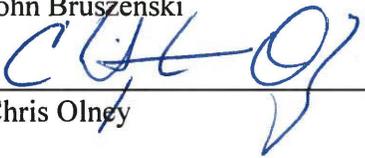
  
Leon Gomes, District Manager  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL OCTOBER 18, 2016 SPECIAL MEETING MINUTES OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
\_\_\_\_\_  
Kim Griffin

  
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Calvin Pollard

\_\_\_\_\_  
Doug Burrer

John Bruszenski  
  
\_\_\_\_\_  
Chris Olney

***Signature Page for the October 18, 2016 Special Meeting Minutes***

# Paint Brush Hills Metropolitan District

## Board Meeting Guest Sign-In

Date 10/18/16

Name	Address	Email Address	Check if you would like to make comments.
Jim & Sam Weber	9662 Keating Dr	Starsamsky@ gmail.com	<input checked="" type="checkbox"/>
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