

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
PAINT BRUSH HILLS METROPOLITAN DISTRICT
HELD
JULY 20, 2017**

A Regular Meeting of the Board of Directors of the Paint Brush Hills Metropolitan District (referred to hereafter as the "Board") was held on Thursday, the 20th day of July 2017, at 7:00 p.m. at the Paint Brush Hills Metropolitan District Office, 9985 Towner Avenue, Falcon, Colorado 80831. The meeting was open to the public.

ATTENDANCE

Directors in Attendance Were:

Kim Griffin
Calvin Pollard
John Bruszenski
Chris Olney

A quorum of the Board was present for the Meeting.

Also in Attendance Were:

Casey K. Lekahal, Esq., White Bear Ankele Tanaka & Waldron (via speakerphone)
Ricardo Goncalves, P.E., RG & Associates, Inc.
Leon Gomes, District Manager

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

**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.

**ADMINISTRATIVE
MATTERS**

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

Mr. Gomes requested that the following matters be added to the Agenda:

- Add to Administrative Matters; Discuss and consider request from Grace Community Church to establish Non-Profit Rates and Fees.

Director Bruszenski requested that the following matter be added to the Agenda:

- Add to Maintenance & Operations Matters; Discuss maintenance of native grass areas.

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

Public Comment:

Rebecca Bonilla – Ms. Bonilla commented on the Londonderry Drive sprinklers being set so that water is running into the street. Mr. Gomes responded that, due to the types of sprinkler heads, they are set to go beyond the curb to assure that the entire turf is watered. Ms. Bonilla asked if the District’s attorney is under an annual contract. Director Bruszenski responded that the services of the District’s General Legal Counsel are continuous until terminated by the Board.

Consent Agenda: The Board considered the following actions:

- Acknowledge Manager’s Report.
- Acknowledge Staff Report.
- Acknowledge Operations Report.
- Approve Minutes of the June 22, 2017 Special Meeting.
- Accept Engineer’s Report.
- Accept resignation of Director Douglas Burrer effective July 4, 2017.
- Review and approve the payment of claims for the period ending July 20, 2017 as follows:

Source Fund	Amount
General Fund	\$ 23,650.53
Capital Project Fund	\$ 3,613.90
Conservation Trust Fund	\$ 2,141.25
Enterprise Fund	\$ 26,353.83
Subdistrict A	\$ 1,004.50
Total	\$ 56,764.01

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

Board Vacancy: Mr. Gomes noted that a vacancy exists on the Board of Directors as the result of the resignation of Mr. Douglas A. Burrer. He asked for the Board's direction as to the process the Board wished to follow to fill the vacancy. Mr. Gomes also noted that the previous Board vacancy was filled by appointment by the Board following the circulation of a Notice of Vacancy.

Director Griffin asked if there was anyone in the public gallery that was interested in the Board vacancy. Both George Cerbasi and Russell Lawrence indicated that they were interested in being appointed to fill the vacancy.

The Board discussed proceeding with a Notice of Vacancy. Mr. Gomes stated that if the Board chose to proceed with the Notice of Vacancy, it would be placed on the District's website and Facebook page, linked to the District's electronic newsletter, and included with the August 2017 customer billing.

Following discussion, the Board directed Mr. Gomes to prepare and distribute a Notice of Vacancy – Board of Directors with the deadline for the Letters of Intent to be on Thursday, August 10, 2017 at 4:00 PM. Further, the Board will discuss and consider the Letters of Intent at its August 17, 2017 Regular Meeting.

Election of Board Officers: Mr. Gomes noted that the Board office of Treasurer is vacant as the result of the resignation of Mr. Douglas A. Burrer.

Following discussion, upon motion duly made by Director Bruszenski, seconded by Director Pollard and, upon vote, unanimously carried, the Board elected Director Olney as Board Treasurer/Assistant Secretary.

Landscape Maintenance Easements: Attorney Lekahal reported that District has obtained 34 of the 35 landscape maintenance easements that the District sought for the District-maintained landscape area along Londonderry Drive. He provided the Board with its options for the one outstanding easement including but not limited to discontinue the maintenance of the landscape area associated with the property without the easement, or continue to maintain the landscape associated with the property without the landscape easement and continue to pursue the execution of the landscape maintenance easement with the remaining property owner. Mr. Gomes noted that he had made several unsuccessful attempts to reach the property owner.

The Board directed Mr. Gomes to prepare and send a follow-up letter by certified mail to the property owner and continue to attempt to contact them.

Resolution 2017-07-01 Concerning Director Emeritus: Mr. Gomes reported that Director Pollard had contacted him concerning naming former Director Burrer as an honorary Director. Mr. Gomes suggested that Board consider designating Mr. Burrer as Director Emeritus and presented Resolution 2017-07-01 concerning same to the Board to discuss and consider.

Following discussion, upon motion duly made by Director Bruszenski, seconded by Director Pollard and, upon vote, unanimously carried, the Board adopted Resolution 2017-07-01.

Request from Six Ninety Nine Properties, LLC Concerning Design Control and Covenant Control: Mr. Gomes presented a letter to the Board from Mr. Philip J. Anderson with Six Ninety Nine Properties, LLC (“699”) with a request for the District to become the successor to 699 concerning the design and covenant control for Paint Brush Hills Filings 4 through 13. Mr. Gomes recommended that the District not become the successor to 699 concerning design and covenant control.

Following discussion, upon motion duly made by Director Olney, seconded by Director Bruszenski and, upon vote, unanimously carried, the Board denied the request from Six Ninety Nine Properties, LLC to become its successor concerning design and covenant control.

Request for the Establishment of Reduced Fees and Rates for Nonprofit Organizations: Mr. Gomes presented an undated letter to Board President Griffin from Grace Community Church requesting that the Board consider reducing the Single-Family Equivalent (“SFE”) multiplier that is applied to rates and fees for its nonprofit customers. He noted that the SFE multiplier as provided an equitable and consistent fees and rates structure. He recommended that the District remain with only the water service size determinant for the applicable SFE multiplier.

Following discussion, upon motion duly made by Director Pollard, seconded by Director Bruszenski and, upon vote, unanimously carried, the Board denied the request from Grace Community Church to reduce the SFE multiplier for nonprofit organizations.

FINANCIAL MATTERS

2017 Budget Priorities: Mr. Gomes reviewed the updated 2017 Budget Priorities with the Board.

Following discussion, upon motion duly made by Director Griffin, seconded by Director Pollard and, upon vote, unanimously carried, the Board accepted the updated 2017 Budget Priorities.

2016 Audit Extension: Mr. Gomes presented the Application for Extension of the 2016 Audit to the Board.

Following discussion, upon motion duly made by Director Olney, seconded by Director Griffin and, upon vote, unanimously carried, the Board approved the Application for Extension of the 2016 Audit.

**ENGINEER
MATTERS**

Administration & Maintenance Building Detention Pond: Mr. Goncalves reported that the detention pond that was constructed on the site of the District's Administration and Maintenance Building had not been installed according to the engineer's specifications. He stated that he is working with Copestone General Contractors, Inc. to have them resolve this matter.

South Manchester Park Gazebo: Mr. Goncalves reported that the building permit had been issued for the construction of the South Manchester Park gazebo and that Copestone General Contractors, Inc. had been notified of its issuance.

**MAINTENANCE &
OPERATIONS
MATTERS**

Wells 3 & 4: Mr. Gomes reported that he would be meeting with Jeff Mark with Eagle Development Corporation concerning the financing of the rehabilitation of Wells 3 & 4.

Native Grass Areas Maintenance: Director Bruszenski had been contacted by a District resident concerning the frequency which the native grass area along the resident's property and within the District's Landscape Maintenance Easement was being mowed. The District's Independent Contractor Agreement for Landscape Maintenance ("ICA") requires the contractor to mow designated native areas up to eight times per year on an as-needed basis. Director Bruszenski asked for the Board to confirm that it wanted the mowing of designated native grass areas to be consistent with the current ICA.

Following discussion, the Board affirmed that designated native grass areas will be mowed in accordance with the Independent Contractor Agreement for Landscape Maintenance.

EXECUTIVE

Pursuant to Sections 24-6-402(4)(b), (e) and (f), C.R.S., upon motion

SESSION

duly made by Director Bruszenski, seconded by Director Griffin and, upon affirmative vote of at least two-thirds of the quorum present, the Board convened in Executive Session at 9:05 PM for the purpose of negotiations with third parties, personnel matters and receiving legal advice, as authorized by Sections 24-6-402(4)(b), (e) and (f), C.R.S.

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the remaining portion of this Executive Session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 9:53 P.M. upon motion duly made by Director Bruszenski seconded by Director Pollard and, upon vote, unanimously carried.

EMPLOYMENT MATTERS

Operator In Responsible Charge Position Description: Mr. Gomes presented a proposed position description for the Operator In Responsible Charge ("ORC") for consideration.

Following discussion, upon motion duly made by Director Bruszenski, seconded by Director Pollard and, upon vote, unanimously carried, the Board approved the Operator In Responsible Charge Position Description.

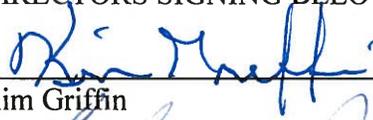
ADJOURNMENT

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

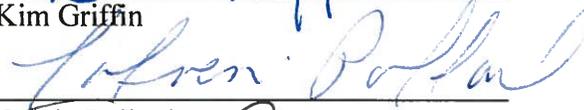
Respectfully submitted,

By 
Leon Gomes, District Manager
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 20, 2017 REGULAR MEETING MINUTES OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Kim Griffin



Calvin Pollard



John Bruszenski

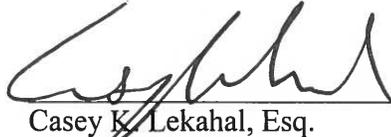


Chris Olney

Attorney Statement

Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Paint Brush Hills Metropolitan District, I attended the executive session on July 20, 2017 for the sole purposes of conferencing with the District's legal counsel for the purposes of receiving legal advice on specific legal questions, for discussing matters subject to negotiation and personnel matters, as authorized by §§24-6-402(b), (e), and (f), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.



Casey K. Lekahal, Esq.

General Counsel

Paint Brush Hills Metropolitan District