

**MINUTES OF A REGUAR MEETING OF
THE BOARD OF DIRECTORS OF THE
PAINT BRUSH HILLS METROPOLITAN DISTRICT
HELD
AUGUST 17, 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 17th day of August 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

Also in Attendance Were:

Casey K. Lekahal, Esq., White Bear Ankele Tanaka & Waldron
Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron
(for a portion of the meeting)
Rick Goncalves, P.E., RG & Associates, Inc. (via speakerphone for a
portion of the meeting)
Linda Eberhard, District Assistant
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.

**ADMINSTRATIVE
MATTERS**

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

Mr. Gomes requested that the following matter be added under Administrative Matters:

- 1.8 Discuss and consider appointment of District Representative to the Colorado Special Districts Property &

Liability Pool 2017 Annual Meeting.

Director Bruszenski requested that the following matter be added under Administrative Matters:

1.9 Discuss timing of meter reading and billing.

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

Public Comment:

George Cerbasi – Mr. Cerbasi asked if an American flag could be purchased for the Board Meeting Room.

Rebecca Bonilla – Challenged the Board’s authority to appoint a Director to fill the vacancy resulting from the resignation of Douglas A. Burrer from the Board, as well as Mr. Burrer’s authority to serve on the Board at the June Special meeting. She based her challenge on the timing of the appointment asserting that the District was required to make such appointment within 60 days of the vacancy. Attorney Lekahal recited the relevant Title 32 provision concerning director vacancies noting that the El Paso County Board of County Commissioners (“BOCC”) has the ability to appoint an eligible elector to fill a Board vacancy t after 60 days, but that the Board retains its ability to make such appointment until the BOCC actually makes such an appointment. He further noted that Director Burrer was duly qualified as an eligible elector of the District at the June Special meeting in accordance with his affidavit of qualification.

Consent Agenda: The Board considered the following actions:

- Acknowledge Manager’s Report.
- Acknowledge Staff Report.
- Acknowledge Operations Report.
- Approve Minutes of the August 17, 2017 Regular Meeting.
- Accept Engineer’s Report.
- Ratify First Addendum to Independent Contractor Agreement for Pest control Services between Mug-A-Bug, Inc. and the District.
- Ratify the payment of claims for the period ending August 10, 2017 as follows:

Source Fund	Amount
General Fund	\$ 3,945.00
Capital Project Fund	\$ 2,350.00
Conservation Trust Fund	\$ -
Enterprise Fund	\$ -
Subdistrict A	\$ -
Total	\$ 6,295.00

- Review and approve the payment of claims for the period ending August 17, 2017 as follows:

Source Fund	Amount
General Fund	\$ 18,589.88
Capital Project Fund	\$ 14,855.18
Conservation Trust Fund	\$ 1,537.96
Enterprise Fund	\$ 19,949.21
Subdistrict A	\$ 16,597.85
Total	\$ 71,530.08

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

Board Vacancy: Mr. Gomes reported that he had distributed a Notice of Vacancy concerning the Board of Directors as follows:

District's Website	Posted July 27, 2017 10:03 AM
District's Facebook Page	Posted July 27, 2017 11:15 PM
District's Electronic Newsletter	Sent July 31, 2017 9:19 AM
Billing Statements Insert	Mailed August 5, 2017

The District received Letters of Interest from George Cerbasi and Russell Lawrence. It has been determined that both interested parties are eligible electors of the District via the Colorado Secretary of State Voter Database.

Mr. Gomes noted that Mr. Lawrence could not attend the Board meeting and he provided Mr. Lawrence's cell phone number to the Board in case they had any questions concerning his background.

Appointment to Board Vacancy and Oath of Office: The Board considered the Letters of Interest concerning the vacancy on the Board of Directors.

Following discussion, upon motion duly made by Director Pollard, seconded by Director Griffin and, upon vote, unanimously carried, the Board appointed George Cerbasi to the Board of Directors. Mr. Cerbasi proceeded to take his Oath of Office.

Request to Serve 88 Additional Residential Lots in Filing 13:

Mr. Gomes reported that Eagle Development company requested that the District consider serving an additional eighty-eight lots to be platted in Filing 13. RG and Associates, the District's engineer, determined that the District has the ability to serve the 88 additional lots. Based on the incremental well construction requirement for this development, the third well required to be constructed under the Infrastructure Agreement with Eagle Development is sufficient to serve the additional 88 lots. The total number of SFEs under the Eagle Development Infrastructure Agreement, with eighty-eight additional lots, would be 624.

Following discussion, upon motion duly made by Director Griffin, seconded by Director Bruszenski and, upon vote, unanimously carried, the Board approved the District serving eight-eight (88) additional platted lots in Filing 13.

Appointment of District Representative to the Colorado Special Districts Property & Liability Pool (CSD) 2017 Annual Meeting:

Mr. Gomes reported to the Board that it needed to appoint a District Representative for the CSD 2017 Annual Meeting to be held during the 2017 Annual Special District Association (SDA) Annual Conference. He noted that Director Olney and he would be attending the SDA Annual Conference.

Following discussion, upon motion duly made by Director Olney, seconded by Director Griffin and, upon vote, unanimously carried, the Board appointed Leon Gomes, District Manager, as its representative to the Colorado Special Districts Property & Liability Pool 2017 Annual Meeting.

Timing of Meter Reading and Billing: Director Bruszenski expressed his concerns with the consistent timing of meter reading and the dates which the billings are sent to customers. He also noted that there were several comments on social media concerning increased water usage. Mr. Gomes responded that water meters are generally read at the same dates of each month to avoid a longer than 31-day billing cycles. He noted that the utility bills are mailed to customers on the third day of each month unless this day falls on a holiday or weekend. Mr. Gomes displayed a graph comparing the April 2016 and July 2016, and April 2017 and July 2017 average water

consumption. The comparison showed consistent increased water usage in July compared the water usage in April.

FINANCIAL MATTERS

2017 Budget Priorities: Mr. Gomes presented the updated 2017 Budget Priorities to the Board.

Following discussion, upon motion duly made by Director Olney, seconded by Director Pollard and, upon vote, unanimously carried, the Board accepted the 2017 Budget Priorities with its revisions.

LEGAL MATTERS

November 7, 2017 Election: Attorney Lekahal discussed with the Board whether it wished to include a ballot measure in the November 7, 2017 Election.

By consensus, the Board chose to not have a ballot measure included in the November 7, 2017 Election.

ENGINEER MATTERS

Administration & Maintenance Building: Mr. Goncalves reported that the outstanding items to be completed on the District Administration & Maintenance Building included the corrections required for the water quality pond control box, the erosion control requirements, and the corrections to the sidewalk along Londonderry Drive.

South Manchester Park Gazebo: The construction of the South Manchester Park gazebo will begin on the week of August 28, 2017.

Well #1 Issues: No updates.

OPERATIONS & MAINTENANCE MATTERS

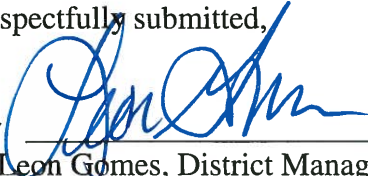
Phased Meter Replacement Project: Mr. Gomes reported that he and Steve Knepper met with representative from Mountain Sates Pipe & Supply (MSPS) on Friday, July 21, 2017 concerning the delivery of new meters for the District's phased meter replacement project. Mr. Gomes reported that there was an issue with Itron's provider of the ERTs agreement. They failed to respond to multiple requests to amend the agreement. It left the District without a means of doing radio reads of the new meters. MSPS proposed to install an AMI/AMR readable Kamstrup meter. The AMR function would allow us to read meters using any Android tablet or phone with the Kamstrup app installed. The AMI function will allow the District to network the meters and gather the meter reads from a desktop computer. The cost of each meter is \$230; a \$40 increase from the previous version that required the ERT. This will increase our Phase 1 costs by \$6,400 and the overall project cost by \$17,600.

Upon motion duly made by Director Griffin, seconded by Director Olney, and upon vote unanimously carried, the Board approved the additional cost of \$40.00 per meter.


ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Bruszenski seconded by Director Griffin 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 AUGUST 17, 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



George Cerbasi

Paint Brush Hills Metropolitan District

Board Meeting Guest Sign-In

Date AUGUST 17, 2017

Name	Address	Email Address	Check if you would like to make comments.
GEORGE CENSAZI	1115 ASBEE ST	LTGEOR@AOL.COM	<input checked="" type="checkbox"/>
Rebecca Benille	9560 Worcester Ct	Becky9560@MSU.COM	<input checked="" type="checkbox"/>
Don Filku	9562 Wadbury Dr.		<input type="checkbox"/>
Merle & Betty Newton	9840 Liberty Grove Ln.	betty-newton03@gmail.com	<input type="checkbox"/>
Cole Peters	9770 Carrington Dr.	Cop.peters@aol.com	<input type="checkbox"/>
WILLIARD	LIBERTY GROVE	—	<input type="checkbox"/>
Judi Tobias	Ranchland Neffs		<input type="checkbox"/>
John Hill	Ranchland Neffs	Jack.hill@bigskytelco.com	<input type="checkbox"/>