

PAINT BRUSH HILLS METROPOLITAN DISTRICT
Minutes, Board of Directors Meeting
District Office
Thursday, April 18, 2013

1. **Call to Order** – Meeting called to order by Director Kim Griffin at 6:10 p.m. Directors Doug Burrer, David Dalton, and Calvin Pollard were present, as well as the District’s legal counsel, Pat Hrbacek (Forbush Legal Offices, PC). Director Floyd Roberts and District Administrator Ellen Robley joined the meeting during the second half of the executive session. Operator Steve Knepper, Operator Calvin Lindt, Office Assistant Theresa Jameson and three (3) members of the public were present for the regular session portion of the meeting, including Gene Cozzolino (WHMD Director of Water & Wastewater) and two (2) residents. Also present during only the second half of the executive session were Kevin Collins and Carrie Bartow (CliftonLarsonAllen LLP). Debbie McCoy and Leon Gomes (Special District Management Services, Inc.) were in attendance at the start of the regular session.

2. **Executive Session** – An executive session was scheduled at the beginning of the meeting.

At approximately 6:10 p.m., a motion was made, and seconded, to enter into executive session. Motion approved unanimously. Following Griffin’s citation of the necessary legal preface in accordance with C.S.R. § 24-6-402(4) (b) and (e), the Board convened in Executive Session for the following purpose: Conference with the attorney for the District for the purpose of receiving legal advice on specific legal questions related to independent contractors/employees, plus Tabor issues. In addition to the Board, Hrbacek remained in the meeting room.

At approximately 6:50 p.m., Roberts, Robley, Collins and Bartow joined the meeting. At approximately 7:40 p.m., a motion was made and seconded, to resume the board meeting in regular session. Motion approved unanimously. While in executive session, the Board did not engage in substantial discussion of any matters not enumerated in subsection (4) of C.R.S. § 24-6-402, nor did the Board adopt any proposed policy, position, resolution, rule, regulation, or formal action in the executive session.

At approximately 7:43 p.m., Griffin resumed the meeting in regular session. After introductions and by consensus, the Board agreed to address item 5.7 at this time (see discussion below).

3. **Public Business** – John Bruszenski (resident and former Director) suggested that the Board promote radio read water meters (with inherent leak-detects) to all residents, possibly mandating an upgrade within the next 3-4 years. The April newsletter included information on how/why a customer can upgrade his metering equipment at a cost of \$160. The builder of a new home is required to purchase radio read water metering equipment from the District, which the District sells at cost. Customers with non-functioning meters heads and/or meter access issues (hostile pets) are also required to purchase the upgraded equipment. There was brief discussion on state-of-the-art technology, single-point metering, which would allow meters to be read from the District Office. Robley recommended that the Board consider seeking grant funds to upgrade metering equipment District-wide at some point in the future, including the meter bodies which lose accuracy as they age. Bruszenski stated that he was unable to locate his curb stop. Robley will arrange for assistance by District staff.

4. **MONTHLY REPORTS:**

4.1. **April Financial Report (Payables for March)** – Robley noted the large tax deposit from EPC and explained the partial payment to Dewberry for engineering of the Pumphouse #2 Raw Water Line. Burrer questioned the Wells Fargo credit card payments and asked Robley for documentation that the five (5) cards were required by the Capital lease. Dalton moved, Roberts seconded, to approve the payables as presented for March. Motion approved unanimously.

4.2. **Operations Report** – Robley/Knepper reported that Layne had installed the harmonic filter on the VFD for Well #6, which was now being flushed to improve its water quality prior to bacteriological testing and putting the well online. The 1.0 Mgal water storage tank is now empty and awaiting repairs. Robley noted the corrections made to the Distribution report, to account for the 0.5 Mgal water storage tank being off-line from late-September 2012 through mid-March 2013. Staff reported on a brief power outage earlier in the week, whereby the backup generators at both the lift station and the main booster station ran. Knepper recently reprogrammed the booster pump VFDs to return to service upon restoration of electric power after an outage.

4.3. **Billing Report (Lien Actions)** – The billing report was reviewed and no lien actions were required.

4.4. **Parks & Recreation Report** – Robley acknowledged Burrer's recent concerns about the tattered flags in the entryway, which were frayed with recent high winds and have now been replaced. The District typically purchases about two (2) sets of high quality flags each year, using the 'retired' ones to patch those that can be laundered and repaired. Tire tracks had been noticed on the new turf at North Manchester Park. Staff will look into methods to restrict vehicle access to the playing field (e.g., boulder placement) and also contact the soccer club to ensure that care is exercised with any use of this park.

4.5. **Administrative Update** – Robley reiterated the value of directors attending the upcoming Special District Association (SDA) workshop on 6/21/13 in Fountain. The \$30 fee will be covered by the District. Robley will send out a sign-up reminder closer to the date. The onsite meeting with Falcon School District #49 was postponed.

5. **DISCUSSION and/or ACTION ITEMS:**

5.1. **Minutes of the March Regular Board Meeting (3/21/13)** – Burrer moved, Dalton seconded, to approve the Minutes of the March Regular Board Meeting (3/21/13). Motion approved unanimously.

5.2. **Consultant on Tabor Issues** – This item was addressed in executive session earlier in the meeting.

5.3. **1.0 Mgal Water Storage Tank Bid Award** – Robley summarized the bid process and presented the bid summary for the '2013 Water Storage Tank Maintenance' project. Norvell Construction, LLC, a local company, submitted the lowest bid at \$120,107. Staff has no issues with Norvell's qualifications. Dalton moved, Pollard seconded, to accept the bid from Norvell Construction, LLC, for \$120,107 and authorized Griffin to execute a contract, after Robley administrates the required pre-project paperwork. Motion approved unanimously.

5.4. **1.0 Mgal Water Storage Tank Ultrasonic Testing** – Dewberry recommended ultrasonic testing of the 1.0 Mgal water storage tank prior to recoating to establish a baseline on structural integrity prior to the maintenance contractor performing his work. Lindt has tentatively scheduled the testing contractor for 5/1/13, pending board approval. Testing of the floor/walls will take one (1) day and cost \$1,500. Dalton moved, Pollard seconded, to authorize staff to proceed with ultrasonic testing of the 1.0 Mgal water storage tank. Motion approved unanimously.

5.5. **Dewberry On-Call Services Contract** – Robley presented a draft agreement from Dewberry for on-call engineering services. She explained the need for and benefit of having a single firm fully understand the District's systems and facilities. The District has used Dewberry or its predecessor, Integra Engineering, for about six (6) years. Dewberry has already been serving as the District's consulting engineer, so this agreement formalizes the arrangement and helps with invoice tracking. Dalton moved, Roberts seconded, to approve the agreement, pending Hrbacek's review, and authorized Robley's execution. Motion approved unanimously.

5.6. **WHMD Communication Follow-Up** – Robley re-reported on the phone call she had received from Lisa Peterson (WHMD Director of Administration) shortly after her 3/26/13 letter had been sent. Peterson stated that she was unable to provide the information by the date PBHMD requested. Since the Board determined the 4/30/13 timeline, Robley requested additional time to satisfy PBHMD's request, on behalf of Peterson. Griffin questioned, Cozzolino confirmed that WHMD staff was busy, so he was unsure when this task would be completed. He considered the request to be rather extensive and noted that WHMD had already provided several explanations of its fees. Robley stated that PBHMD had been requesting more detailed information for 1.5 years. Burrer opined that PBHMD drop the issue, but Dalton emphasized the importance of moving forward, since the Board owes its customers this information, particularly after some heartfelt recent requests. Pollard said that everyone needs to understand this information in order to respond to customer inquiries. Roberts explained that WHMD should be held accountable for this information. He suggested that the Board reconsider this issue if an appropriate response is not received by the 4/30/13 timeline. By consensus, the Board agreed.

5.7. **Special District Management Services (SDMS)** – This item was addressed at the start of the regular session. McCoy presented her company's written proposal and entertained questions for nearly an hour. District information was gained through conference calls with board members, meeting with District staff, and various public documents. SDMS proposed the following services to PBHMD: district management, account and financial services, operations and field services, and election services. If retained, SDMS would switch PBHMD's accounting software to the integrated system they utilize. Gomes, who lives near Peyton and currently serves on the Peyton Fire Protection District board, would serve as the district manager and be in the office a few hours per week, managing staff primarily by phone and email. Gomes would be solely responsible for reporting to the PBHMD Board. SDMS representatives do not perform hands-on water/wastewater services and Gomes has no experience in these areas. SDMS charges \$125/hour for office staff and \$65/hour for field staff, who will fill any gaps in district staffing. A flat monthly fee could be established at some point in the future after organizational changes have occurred and new systems established. Board members requested contact information for similarly-sized districts that SDMS serves. They will contact McCoy with any follow-up questions. Once her presentation was complete, Gomes distributed SDMS promotional items to the Board and McCoy/Gomes exited the meeting.

6. INFORMATION ITEMS:

6.1. **Pumphouse #2 Raw Water Line (60% Completion)** – Robley distributed a copy of Dewberry's 'Engineers Estimate of Probable Construction Cost' for this project and noted that the proposed construction plans were available for review. Staff has not yet, but will, provide feedback to Dewberry on these documents.

6. **Other Business** – Hard copies of Dewberry's 'PBH Filing #13a Engineering Review' were distributed. Staff will meet with the Developer's engineer and settle on final plans in the near future.

As a result of Burrer's suggestion that the FY2013 budget be amended, Robley analyzed FY2012 year-end numbers (pre-audit) and prepared a FY2013 budget analysis, which she distributed to the Board. In short, there

is no set time period required for a budget amendment, but Robley/Hrbacek noted it may be a bit premature at this point for the current year.

Burrer requested that the Board schedule a special meeting within two (2) weeks to consider SDMS's proposal. A special meeting was scheduled for Thursday, 5/2/13, at 6 p.m. at the District Office.

7. **Adjournment** – There being no further business, Dalton moved, Roberts seconded, to adjourn the meeting. Motion approved unanimously and the meeting was adjourned at 9:56 p.m.

Respectfully submitted and so approved,

(Signed copy on file at the PBHMD Office.)

Floyd Roberts, Secretary
PBHMD Board of Directors