

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT HELD JULY 18, 2013

A regular meeting of the Board of Directors of the Paint Brush Hills Metropolitan District (referred to hereafter as "Board") was held on Thursday, the 18<sup>th</sup> day of July, 2013, 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  
Doug Burrer  
Calvin Pollard

Following discussion, upon motion duly made by Director Pollard, seconded by Director Burrer and, upon vote, unanimously carried, the absence of Floyd Roberts was excused.

#### Also In Attendance Were:

Leon Gomes; Special District Management Services, Inc.

Wendell Putnam; Board Member Candidate

Patty Woodward; Farmer State Bank

PJ Anderson; Developer

Other members of the public as referenced on the attached sign in sheet.

#### 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. Mr. Gomes declared a potential conflict of interest for

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the agenda item regarding the Drayton Green Park Project and reported that he had filed a Conflict of Interest Statement with the Secretary of State at least 72 hours prior to this meeting.

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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 Burrer, seconded by Director Pollard and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Public Comment:** There was no public comment.

**Appointment of Director:** The Board considered the appointment of Wendell Putnam to fill the vacancy on the Board of Directors.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried, Wendell Putnam was appointed to fill the vacancy on the Board of Directors. The Oath of Office was administered by Board President Kim Griffin. Mr. Putnam was seated on the Board following his oath.

**Appointment of Officers:** Following discussion, upon motion duly made by Director Burrer, seconded by Director Putnam and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Kim Griffin
Vice President	Calvin Pollard
Treasurer	Doug Burrer
Secretary	Leon Gomes
Assistant Secretary	Wendell Putnam
Assistant Secretary	Floyd Roberts

**Consent Agenda:** The Board considered approval of the following items:

- Manager's Report
- Staff Report
- Billing Report
- June 20, 2013 Regular Board Meeting Minutes

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

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### FINANCIAL MATTERS

**Claims:** The Board considered the approval of the payment of claims for the period ending July 18, 2013 in the amount of \$121,152.78.

Following review and discussion, upon motion duly made by Director Pollard, seconded by Director Burrer and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending July 18, 2013, as presented.

**Statement of Cash Position:** The Board reviewed the statement of cash position for the period ending June 30, 2013. Mr. Gomes reported that SDMS is continuing to work on the District financials and they were unable to provide a financial statement due to not being able to balance with the QuickBooks financial data.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried, the Board accepted the unaudited Statement of Financial Position for the period ending June 30, 2013, as presented

**2012 Audit:** The Board discussed the status of the 2012 Audit.

Following discussion, upon motion duly made by Director Putnam, seconded by Director Pollard and, upon vote, unanimously carried, the Board authorized the execution and filing of a sixty (60) day audit extension.

**Resolution No. 2013-07-01; Resolution Regarding Revoking Ms. Ellen Robley as Authorized Transactor on District Financial Accounts (“Resolution No. 2013-07-01”):** The Board discussed Resolution No. 2013-07-01.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried the Board approved Resolution No. 2013-07-01. A copy of the adopted Resolution is attached hereto, and is incorporated herein, by this reference.

**Presentation by Farmer State Bank:** Ms. Woodward presented to the Board the option for online billing and desktop teller. There was no action taken at this time.

**FirstBank Lock Box Services:** Mr. Gomes presented to the Board the option for the District to acquire lock box services from First Bank. There was no action taken at this time.

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### LEGAL MATTERS

**Eligible Governmental Entity Agreement with Statewide Internet Portal Authority (“SIPA”)**: The Board reviewed and discussed the Eligible Governmental Entity Agreement with SIPA.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Putnam and, upon vote, unanimously carried, the Board approved the Eligible Governmental Entity Agreement with SIPA.

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### OPERATIONS AND MAINTENANCE

**Paint Brush Hills Filing No. 13a Excavation Work**: Mr. Anderson discussed with the Board the status of the Filing No. 13a Excavation Work.

#### **Water Storage Tank Report/Update:**

**0.5 Mgal Water Storage Tank**: This item was discussed in the Staff Report.

**1.0 Mgal Water Storage Tank**: Mr. Gomes reported to the Board that the recoating and refilling of the 1.0 Mgal water storage tank is complete.

**Drayton Green Park Project Proposals**: The Board reviewed the Drayton Green Park Project Bid Analysis.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried, the Board approved the Drayton Green Park proposals, optional items and authorized the Board President to execute the acceptance of the proposals.

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### OTHER BUSINESS

#### **Follow-Up Items:**

**Communication with Woodmen Hills Metropolitan District (“WHMD”)**: The Board discussed the analysis of WHMD’s wastewater operations costs provided by Gene Cozzolino, Director of WHMD Water/Wastewater Operations.

**Communication with Doug Woods with Meridian Ranch Services District (“MRSD”)**: Mr. Gomes reported that he and Ms. McCoy from SDMS met with Doug Woods and Tim Hunker from MRSD to discuss matters regarding the interconnect and the confusion that exists regarding the Guthrie Well water rights.

**Future Agenda Items**: The Board determined to discuss the following items at the August 2013 Board Meeting:

- Personal Guidelines Manual
- Well No. 7

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- Director Checks
- Water Replacement Plan

It was noted that Director Putnam left the meeting at this point.

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### **EXECUTIVE SESSION**

**EXECUTIVE SESSION:** Pursuant to Sections 24-6-402(4) (b) (e) and (f), C.R.S., upon motion duly made by Director Burrer, seconded by Director Pollard and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 10:00 p.m. for the purpose of discussions relating to negotiations with third parties, for receiving legal advice and for discussing personnel matters, all as authorized by Sections 24-6-402(4)(b), (e) and (f) C.R.S.

The Board reconvened in regular session at 10:58 p.m.

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### ADJOURNMENT

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By /s/ Leon Gomes  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 18, 2013  
MINUTES OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT BY  
THE BOARD OF DIRECTORS SIGNING BELOW:

/s/ Kim Griffin

/s/ Calvin Pollard

/s/ Doug Burrer

/s/ Floyd Roberts