

PAINT BRUSH HILLS METROPOLITAN DISTRICT
Minutes, Board of Directors Meeting
District Office
Thursday, March 21, 2013

1. **Call to Order** – Meeting called to order by Director Kim Griffin at 7:05 p.m. Directors Doug Burrer, David Dalton, Calvin Pollard, and Floyd Roberts were present, as well as District Administrator Ellen Robley, Operator Steve Knepper, Operator Calvin Lindt, Office Assistant Theresa Jameson, the District’s legal counsel, Pat Hrbacek (Forbush Legal Offices, PC), and Jerry Jacobson (WHMD Wastewater Operator). Also present for a portion of the meeting were Kevin Collins and Carrie Bartow (CliftonLarsonAllen LLP). No other public was in attendance for the meeting.

After introductions and by consensus, the Board agreed to extend professional courtesy to Collins/Bartow and address item 4.2 at this time (see discussion below).

2. **Public Business** – None.

3. **MONTHLY REPORTS:**

3.1. **March Financial Report (Payables for February)** – Robley noted that the large payment to Layne-Western was for the Well #6 downhole equipment. Staff reported that a used Ford Ranger had been purchased as a second vehicle for the District. After some work by the dealer, the truck had been checked by an automotive repair shop and purchase of an extended warranty is not recommended. Dalton moved, Burrer seconded, to approve the payables as presented for February. Motion approved unanimously.

3.2. **Operations Report** – Robley explained that Layne-Western had completed the electrical wiring and VFD programming for Well #6. However, since the VFD was an older model, the addition of a harmonic filter was necessary to protect the downhole equipment. By consensus, the Board approved the \$2,650 purchase. Well #6 will not be operated until the filter is installed. After a thorough purging process, its water will be tested prior to placing Well #6 online, most likely in early April. Amairitek Services confirmed that the interior coating repairs on the 0.5 Mgal water storage tank had cured. Staff subsequently disinfected the tank and, after confirming the absence of bacteriological contamination, the 0.5 Mgal water storage tank is once again online. Robley distributed a picture representing the proposed design of Pumphouse #5. Staff will soon meet with a general contractor to finalize plans, to ensure construction coincides with the completion of Drayton Green.

3.3 **Billing Report (Lien Actions)** – Staff noted the considerable time spent troubleshooting issues with the billing software, which were narrowed down to the new desktop PC and Windows 7’s automated caching. There were no lien actions recommended at this time.

3.4. **Parks & Recreation Report** – Robley noted that safety checks had been carried out on each of the District’s parks, prior to Falcon School District’s (D-49) spring break. Working with Kevin’s Kustom Welding, Lindt has designed the walking path bridges for Drayton Green. Although the initial cost is high, the design will minimize any repairs and also allows for the addition of hand rails, if necessary in the future.

3.5. **Administrative Update** – Robley fielded questions on the two (2) written staff reports. She also reported that several hours of staff time was spent reporting a ‘tagging’ incident at Pumphouse #3 to the El Paso County

Sheriff. Lindt has repainted this facility to cover the vandalism. She has contacted Mountain View Electric Association about the possibility of a street light at this location. Robley reported that, after an initial inquiry, there had been no follow-up contact from the party interested in the possibility of building an assisted living center on the 40-acre commercial parcel in the northwest corner of Stapleton and Meridian Roads. Burrer stated that, as a new appointee to the Capital Development Committee for D-49, he questioned the large expenditures for water. He suggested that D-49 may look into artificial turf at some point in time. Robley noted that, although decreasing 'wet' water demands, this would have a significant impact on the District's revenue stream. It was acknowledged that Knepper had passed his Water B and Lindt had passed his Distribution and Collection 1 operator certification exams.

4. DISCUSSION and/or ACTION ITEMS:

4.1. Minutes of the February Regular Board Meeting (2/21/13) – Dalton moved, Burrer seconded, to approve the Minutes of the February Regular Board Meeting (2/21/13). Motion approved unanimously.

4.2. Consultant on Tabor Issues – Upon referral by the District's auditor, Steve Dazio (Dazio & Plutte), Collins made a brief presentation to the Board on the basics of Tabor and options for funding structures for the services offered by a Colorado special district. He detailed his background and expertise as a consultant on this topic, in addition to noting his personal experience as a board member and unsuccessful/successful Tabor elections. Robley/Hrbacek confirmed that PBHMD does not currently operate via enterprise(s). Collins detailed a process whereby he would review the District's books and prior Tabor-related calculations which consider both new growth and the Denver-Boulder consumer price index (DB-CPI), with Bartow serving as a local contact for his firm. Dalton moved, Roberts seconded, a motion to accept Collins' proposal, at an estimated cost of \$5K, to perform a Tabor-related audit and present his findings at the April board meeting. Motion approved unanimously.

4.3. EPC Request for Review of PBH Filing #13a – A copy of the Review Agency Comment Sheet was received from El Paso County (EPC) Development Services Department for the Paint Brush Hills (PBH) Filing #13a Final Plat and PBH Filing #13 Master Plat Exhibit. There was brief discussion concerning the inaccuracies listed in the Developer's Letter of Intent, including reference to a Replacement Plan for the Denver Aquifer water rights (Denver Aquifer water does not require a Replacement Plan), the District's service commitment limit of 150 SFEs (the District's limit was not necessarily based on current peak 'wet' water demands), and the District's remaining 133 SFE commitment being attached to PBH Filing #13 (the District did not designate its 150 SFE service commitment to PBH Filing #13). Burrer noted that the Developer's description of the Site Location in the Letter of Intent was in error. Since the District has already sent two (2) letters to EPC related to this project, by consensus, the Board agreed that no additional comments by the District were necessary at this time.

4.4. Review & Rank Board Priorities – Burrer presented the Fiscal Year 13 Budget Priorities that he had developed with Pollard. While they had intended to retain all items from the prior working document, they attempted to 'refine' the list on the basis of funding support, manpower, seasonality, and needs versus wants. Burrer opined that the Meridian Ranch interconnect water (85 AF) may become more critical in the future. Pollard stated that bringing more wells online was important, in anticipation of another dry summer. Their discussions with PJ Anderson concerning a possible land donation to the District near the water storage tanks continue. Robley noted that work on several other priorities (and unprioritized items) was already in progress. She added that, while priority #1 (Repair 1.0 Mgal water storage tank) was included in the FY2013 budget, priority #2 (Repair/Restore Operation of Well #7), priority #3 (Repair/Restore Wells #3 and #4), and most of priority #4 (Bid/Construct Raw Waterline for Pumphouse #2) were not. She reminded the Board that Plan/Build/Upgrade Pumphouse #3 had previously been combined with Repair/Restore Wells #3 and #4. With the exception of the District's plans to construct Pumphouse #5 at Drayton Green, Burrer questioned the need for a pumphouse at each well site, since

centralized treatment was inevitable at some point in the future. Dalton/Robley explained that the chief purpose of a pumphouse was to house electrical/operational well controls. Robley asked Burrer for clarification of the items he identified as priority #9 (Favorably Conclude Negotiations for GCC/CU Inclusion) and priority #10 (Favorably Resolve Denver and Dawson Water Appropriations and Augmentation Plan), after which, a brief discussion of water rights/appropriations and inclusion fees took place.

4.5. Staff Contracts – No updates.

4.6. WHMD Communication Follow-Up – Robley presented a draft letter to Lisa Peterson (WHMD Director of Administration) as follow-up to the District's prior requests and in response to continued customer inquiries concerning justification of WHMD's wastewater treatment fee. The attached worksheets, which query FY2012 actual costs and FY2013 anticipated costs (budget), were developed to minimize confusion and simplify WHMD's response. By consensus, the Board authorized Robley to send the letter, with the addition of text related to an end-of-April timeline, as well as an offer for Peterson to meet with Robley/Dalton.

4.7. Grace Community Church Inclusion – No updates.

4.8. Special District Management Services, Inc. (SDMS) – Burrer reported on his recent contact with representatives of SDMS, including a conference call with Griffin, Leon Gomes (SDMS District Manager), and Deb McCoy (SDMS President). He stated that SDMS provides contract management and operational services to Colorado special districts. Burrer said he had learned that only a 'D' certification was required for the PBHMD Operator in Responsible Charge (ORC), whereas Robley held an 'A' certification. Robley noted that PBHMD did not compensate her as ORC on the basis of her professional certifications. She stated that, having met Gomes in the past, her understanding was that SDMS did not provide operational services. Burrer provided SDMS with the same list of questions that was forwarded to Pinnacle Consulting last Fall. He noted that a site visit and tour of PBHMD's facilities for Gomes/McCoy was scheduled for 3/27 or 3/28, with Gomes making a presentation to the Board at its April regular meeting. In spite of Spring break plans, Robley will try and be available for the tour.

4.9. Conservation Trust Funds (CTF) – Robley requested and received approval to report \$10,437.60 in expenditures for the District's CTF monies during FY2012. She explained that this total represented the cost for the new sod and soil amendments at North Manchester Park last year. Robley will submit the required annual report to the Colorado Department of Local Affairs (DOLA) prior to the end of March.

4.10. Landscape Maintenance Contract – Robley presented a proposal from Green Thumb Commercial Grounds Maintenance, Inc. for \$20,825 for the landscape maintenance contract during FY2013. The project documents had been updated to include Drayton Green, the residential property where the District Office is located, and increased duties at North Manchester Park. The proposed contract is approximately \$3K higher than last year's contract. Dalton moved, Pollard seconded, to accept Green Thumb's proposal and authorized Robley to execute the contract. Motion approved unanimously.

5. INFORMATION ITEMS:

5.1. Meridian Ranch Surface Water Case – No updates.

5.2. PBH Filing #13a Engineering Review – Robley distributed copies of Dewberry's engineering review of the PBH Filing #13a construction plans. After the report is proofed by staff, it will be forwarded to Marc Whorton (Classic Consulting Engineers), the civil engineer for the Developer (Six Ninety Nine Properties). Robley

anticipates meeting with Whorton in the near future to discuss the District's requested/recommended changes. She pointed out that Tract B (the 30' drainage immediately to the west of PBH Filing #5) would be included in the final plat for PBH Filing #13a, unlike Tract A (the proposed elementary school site). Classic Consulting Engineers will be surveying the project area later this Spring, after which the District will follow-up with PBH Filing #5 residents whose fences have encroached Tract B.

5.3. Amendment to the Inclusion Agreement – Robley distributed copies of the executed Amendment to the Inclusion Agreement, which has not been recorded with the EPC Clerk & Records Office.

6. Other Business – Pollard described his inability to execute a contract with the security company he intended to use for the office alarm system, due to their requirement for a two-year contract. He sought approval to contract with another company that charges a \$100 setup fee and then \$25/month for the service, with no required length of time for the contract, meaning the District can receive the services on a month-to-month basis. Burrer suggested that recurring payments like this and office rent be automated.

7. Adjournment – There being no further business, Dalton moved, Pollard seconded, to adjourn the meeting. Motion approved unanimously and the meeting was adjourned at 9:35 p.m.

Respectfully submitted and so approved,

(Signed copy on file at the PBHMD Office.)

Floyd Roberts, Secretary
PBHMD Board of Directors