

PAINT BRUSH HILLS METROPOLITAN DISTRICT

Administrative Offices

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 800-741-3254
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NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Kim Griffin	President	2014/May 2014
Calvin Pollard	Vice President	2016/May 2016
Doug Burrer	Treasurer	2016/May 2016
Floyd Roberts	Assistant Secretary	2014/May 2014
John Bruszenski	Assistant Secretary	2014/May 2014

DATE: September 26, 2013

TIME: 7:00 p.m.

PLACE: Paint Brush Hills Metropolitan District Office
9830 Liberty Grove Drive
Falcon, Colorado 80831

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda.

C. Public Comments.

D. CONSENT AGENDA – These items are considered to be routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board member so requests; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

- Acknowledge Manager’s Report (to be distributed under separate cover).
 - Acknowledge Staff Report (to be distributed).
 - Acknowledge Billing Report (to be distributed).
 - Acknowledge Operations Report (enclosure).
 - Review and approve Minutes of the August 15, 2013 regular meeting and the September 5, 2013 special meeting (enclosures).
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II. LEGAL MATTERS

- A. Discuss status of Meridian Service Metropolitan District Ground Water Commission Case No. 12-GW-10 and results of the Water Commission Hearing held on August 16, 2013.
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1. Discuss status of Meridian Ranch legal issues. **Adjourn to Executive Session, pursuant to §24-6-402(4)(b), C.R.S., if necessary.**
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- B. Discuss status of Preliminary Review of Paint Brush Hills Filing 13A and Paint Brush Hills 13 Master Plan Exhibit, County File No. SF-13-003. **Adjourn to Executive Session, pursuant to §24-6-402(4)(b), C.R.S., if necessary.**
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- C. Discuss possible correspondence to Meridian Service Metropolitan District indicating the District's right to a portion of the 2 cubic feet per second of treated return flow decreed under Case No. 05CW43. **Adjourn to Executive Session, pursuant to §24-6-402(4)(b), C.R.S., if necessary.**
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III. FINANCIAL MATTERS

- A. Discuss status of the 2012 Audit.
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- B. Review and approve the payment of claims for the period ending September 26, 2013, as follows (enclosure):

General Fund:	\$	70,951.90
Debt Service Fund:	\$	-0-
Enterprise Fund:	\$	20,592.11
Total:	\$	<u>72,559.92</u>

- C. Review and accept unaudited financial statements for the period ending August 31, 2013 (enclosure).
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- D. Review and consider approval of Farmers State Bank of Calhan Fleet Cards (enclosure – credit card application).

- E. Review revised draft Fiscal Year 2014 Budget document and review and discuss the 2014 draft Budget (to be distributed).

- F. Discuss status of the Service Connection Fee Policy.

- G. Discuss and consider approval of a Lien Certification Fee.

IV. LEGAL MATTERS – CONTINUED

- A. Discuss status of the Interconnect Agreement between the District and Meridian Service Metropolitan District.

- B. Discuss status of the 2014 Lease for the District’s office and related El Paso County requirements.

- C. Update on the status of the Ground Water Commission Case No. 10CW95.

- D. Discuss possible correspondence to Meridian Service Metropolitan District regarding the source of the 85 acre feet to be provided to the District.

- E. Discuss and ratify authorization for the District’s Water Attorney, Paul G. Anderson, to accept the service of legal processes regarding the Meridian Service Metropolitan District Notice of Appeal and De Novo Review regarding Case No. 2013CV031263.

- F. Discuss/status update on the review of the District’s Personnel Guidelines.

V. OPERATIONS AND MAINTENANCE

- A. Discuss status of Paint Brush Hills Filing No. 13a excavation work.
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- B. Review and consider approval of proposal from JDS-Hydro Consultants, Inc. for a methane mitigation plan for Well No. 6 (to be distributed).
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- C. Water Storage Tank Report/Update:

1. 1.0 Mgal Water Storage Tank.
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- D. Discuss the status of the Drayton Green Park Project.
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1. Discuss and consider approval of proposal from Colorado Tree Farm Nursery for additional shrubs for Drayton Green Park (enclosure).
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VI. OTHER BUSINESS

- A. Ratify approval of the engagement of T. Charles Wilson Insurance Service as the District's insurance agent (enclosure).
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- B. Discuss the status of the Job Descriptions for the District.
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- C. Discuss future Agenda items.
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VII. ADJOURNMENT **THE NEXT MEETING IS SCHEDULED FOR OCTOBER 17, 2013.**

PBHMD 3 Year Sewage Meter Flow Data Summary

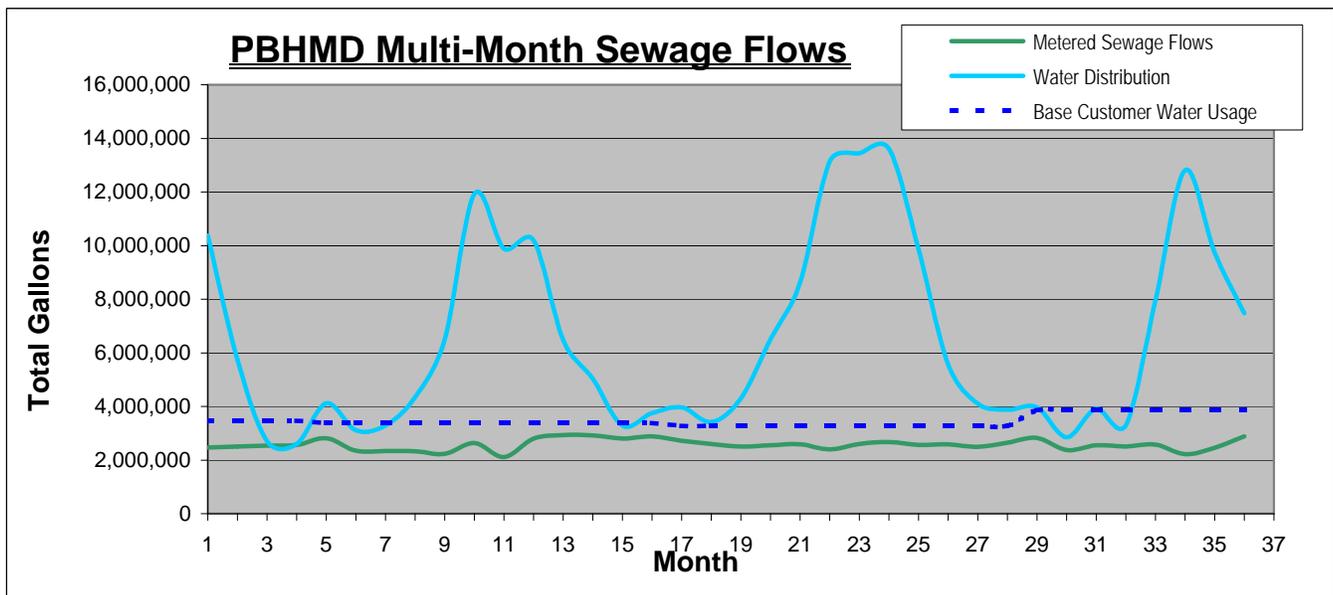
Month/Year	Total Flow (gal)	# days/month	Average	Monthly Water	Base Water
			MGD/Day	Distribution <i>(from monthly pumping reports)</i>	Usage
SEPT '10	2,471,000	30	0.082	10,371,727	3,468,635
OCT '10	2,499,000	31	0.081	5,741,075	3,468,635
NOV '10	2,543,000	30	0.085	2,704,742	3,468,635
DEC '10	2,561,000	31	0.083	2,598,946	3,468,635
JAN '11	2,813,000	31	0.091	4,120,554	3,378,345
FEB '11	2,349,000	28	0.084	3,104,340	3,378,345
MAR '11	2,344,000	31	0.076	3,288,115	3,378,345
APRIL '11	2,321,000	30	0.077	4,341,041	3,378,345
MAY '11	2,228,000	31	0.083	6,507,255	3,378,345
JUNE '11	2,635,157	30	0.088	11,930,894	3,378,345
JULY '11	2,113,044	31	0.068	9,892,038	3,378,345
AUG '11	2,805,000	31	0.090	10,200,310	3,378,345
SEPT '11	2,931,000	30	0.098	6,479,865	3,378,345
OCT '11	2,920,000	31	0.094	5,031,435	3,378,345
NOV '11	2,799,000	30	0.093	3,290,252	3,378,345
DEC '11	2,881,000	31	0.093	3,752,396	3,378,345
JAN '12	2,722,000	31	0.088	3,958,477	3,277,989
FEB '12	2,600,000	29	0.090	3,413,525	3,277,989
MAR '12	2,500,178	31	0.081	4,296,923	3,277,989
APRIL '12	2,552,000	30	0.085	6,503,553	3,277,989
MAY '12	2,588,000	31	0.083	8,628,004	3,277,989
JUNE '12	2,401,000	30	0.080	13,133,858	3,277,989
JULY '12	2,595,000	31	0.084	13,453,776	3,277,989
AUG '12	2,672,000	31	0.086	13,614,907	3,277,989
SEPT '12	2,562,000	30	0.085	9,867,368	3,277,989
OCT '12	2,588,000	31	0.083	5,570,803	3,277,989
NOV '12	2,492,000	30	0.083	4,112,477	3,277,989
DEC '12	2,650,000	30	0.088	3,879,285	3,277,989
JAN '13	2,824,000	31	0.091	3,958,477	3,855,330
FEB '13	2,370,000	28	0.085	2,852,674	3,855,330
MAR '13	2,557,000	31	0.082	3,912,380	3,855,330
APRIL '13	2,506,000	30	0.084	3,298,140	3,855,330
MAY '13	2,575,000	31	0.083	7,964,820	3,855,330
JUNE '13	2,216,000	30	0.074	12,811,130	3,855,330
JULY '13	2,457,000	31	0.079	9,727,500	3,855,330
AUG '13	2,881,000	31	0.093	7,477,300	3,855,330
Avg./Month:	2,722,649 gal/month		30.4	0.090	(includes 2009/10 data)
Avg./Day:	89,507 gal/day				

NOTE: totalizer non-op for 4 days, normalized data for program self shut-down

NOTE: meter operation sporadic -- see 6.11 calculation sheet

NOTE: meter operation sporadic -- see 7.11 calculation sheet

NOTE: totalizer non-op for 14 hrs on 3/5, so additional 46,178 gal added



*NOTE: water levels measured in April '10/Aug '10/July '12
(no appreciable changes to water levels for Wells #8-12 in April 2012)*

PBHMD Well Status Report - June 2013

<u>WELL</u>	<u>APPROX. FLOW</u>	<u>OPERATIONAL</u>	<u>COMMENTS</u>
Well #1 (A-1)	60 gpm	Yes	Well working fine WATER LEVEL OVER PUMP: 282/175/?? feet
Well #2 (A-2)	70 gpm	Yes	Well working fine WATER LEVEL OVER PUMP: 242/175/150 feet
Well #3 (A-3)	55 gpm	No	Not equipped -- needs to be upsized WATER LEVEL OVER PUMP: n/a feet
Well #4 (LFH-1)	30-40 gpm	No	Equipment not set for pumping with low water level -- could fail at any time Probably will suck too much air after a few days Well has not been used since September 2007 -- power turned off at PH #3 WATER LEVEL OVER PUMP: 173/58/?? feet
Well #5 (LFH-2)	45 gpm	No	Well not approved for public water system use at this time Sucks air after several hours of pumping WATER LEVEL OVER PUMP: 416/300/115 feet
Well #6 (A-4)	75 gpm	Not Yet	Samples reveal methane gas in water WATER LEVEL OVER PUMP: 475 when well off @ June '13
Well #7 (LFH-3)	60 gpm	No	Well #7 no longer connected to power or VFD (which is being used for Well #6) Water has some 'fine air' which dissipates within 30 seconds WATER LEVEL OVER PUMP: 384/323/115 feet
Well #8 (A-5)	75 gpm	Yes	Well working fine WATER LEVEL OVER PUMP: 450/??/178 feet (425 when well is off @ July '12)
Well #9 (LFH-4)	125 gpm	Yes	Well working fine WATER LEVEL OVER PUMP: 697/580/216 feet (>500 when well is off @ July '12)
Well #10 (A-6)	55 gpm	Yes	Well working fine WATER LEVEL OVER PUMP: 687/356/224 feet (380 when well is off @ July '12)
Well #11 (LFH-5)	100 gpm	Yes	Well working fine WATER LEVEL OVER PUMP: 757/640/278 feet (540 when well is off @ July '12)
Interconnect	90-200 gpm	Yes	Interconnect pumps are working just fine

MONTHLY METER READ DATA

Paint Brush Hills Metropolitan District -- PWSID #CO0221690

2013	Meter Read	Meter Read	Meter Read	Meter Read	Meter Read	Meter Read	Meter Read	Meter Read	Meter Read	Meter Read	Meter Read	Meter Read	Meter Read
	12/31/2012 (gal)	1/31/2013 (gal)	2/28/2013 (gal)	3/31/2013 (gal)	4/30/2013 (gal)	5/31/2013 (gal)	6/30/2013 (gal)	7/31/2013 (gal)	8/31/2013 (gal)	9/30/2013 (gal)	10/31/2013 (gal)	11/30/2013 (gal)	12/31/13 (gal)
Well #1 (A-1)	85,618,600	86,382,000	87,005,400	88,912,400	89,793,900	91,977,800	93,529,900	94,820,800	95,389,200				
# Days ON	n/a	9	8	22	10	27	24	19	9				
Well #2 (A-2)	147,664,900	150,028,900	150,220,000	151,043,600	151,949,500	153,511,900	156,037,900	158,578,600	159,983,900				
# Days ON	n/a	23	2	10	9	18	28	29	15				
Well #3 (A-3)	99,976,880	99,976,880	99,976,880	99,976,880	99,976,880	99,976,880	99,976,880	99,976,880	99,976,880				
# Days ON	n/a	0	0	0	0	0	0	0	0				
Well #4 (LFH-1)	29,891,300	29,891,300	29,891,300	29,891,300	29,891,300	29,891,300	29,891,300	29,891,300	29,891,300				
# Days ON	n/a	0	0	0	0	0	0	0	0				
Well #5 (LFH-2)	11,663,800	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500				
# Days ON	n/a	0	0	0	0	0	0	0	0				
Well #6 (A-4)	24,026,191	24,026,191	24,026,191	24,026,191	24,026,191	24,026,191	24,026,191	24,026,191	24,026,191				
# Days ON	n/a	0	0	0	0	0	0	0	0				
Well #7 (LFH-3)	1,319,289	1,319,289	1,319,390	1,319,390	1,319,390	1,319,390	1,319,390	1,319,390	1,319,390				
# Days ON	n/a	0	0	0	0	0	0	0	0				
Well #8 (A-5)	304,047	304,947	1,922,542	2,574,500	3,353,000	5,500,500	7,879,500	9,497,400	10,531,100				
# Days ON	n/a	1	10	6	8	22	22	14	12				
Well #9 (LFH-4)	44,975,800	44,977,000	44,977,000	45,698,800	46,258,800	46,921,900	49,533,300	51,688,200	53,321,500				
# Days ON	n/a	0	0	4	3	5	18	12	12				
Well #10 (A-6)	22,034,200	22,039,400	22,039,400	22,040,100	22,199,700	22,601,200	22,605,700	22,732,200	23,749,900				
# Days ON	n/a	1	0	0	2	6		4	14				
Well #11 (LFH-5)	78,450,370	78,838,950	79,046,548	79,046,600	79,049,200	79,813,100	82,269,700	84,276,800	85,872,200				
# Days ON	n/a	1	1	0	0	5	19	15	12				
MR Interconnect	80,571,100	80,733,700	80,886,700	81,143,700	80,172,900	80,465,600	80,858,300	80,952,800	81,191,300				
# Days ON	n/a	1	1	2	1	3	5	2	1				
Storage Tanks (ft)	31.0	21.0	19.0	29.0	31.0	32.0	19.0	26.0	27.0				

NOTE: 0.5 Mgal water storage tank was off-line in January & February 2013.

NOTE: 1.0 Mgal water storage tank was taken off-line in early April 2013.

NOTE: 4/30/13 MR Interconnect Read was adjusted to the correct flowmeter reading.

YTD DISTRIBUTION REPORT

Paint Brush Hills Metropolitan District -- PWSID #CO0221690

2013	JANUARY Pumping (gal)	FEBRUARY Pumping (gal)	MARCH Pumping (gal)	APRIL Pumping (gal)	MAY Pumping (gal)	JUNE Pumping (gal)	JULY Pumping (gal)	AUGUST Pumping (gal)	SEPTEMBER Pumping (gal)	OCTOBER Pumping (gal)	NOVEMBER Pumping (gal)	DECEMBER Pumping (gal)	YTD TOTAL Pumping (gal)
Well #1 (A-1)	763,400	623,400	1,907,000	881,500	2,183,900	1,552,100	1,290,900	568,400					9,770,600
Well #2 (A-2)	2,364,000	191,100	823,600	905,900	1,562,400	2,526,000	2,540,700	1,405,300					12,319,000
Well #3 (A-3)	0	0	0	0	0	0	0	0					0
Well #4 (LFH-1)	0	0	0	0	0	0	0	0					0
Well #5 (LFH-2)	700	0	0	0	0	0	0	0					700
Well #6 (A-4)	0	0	0	0	0	0	0	0					0
Well #7 (LFH-3)	0	101	0	0	0	0	0	0					101
Well #8 (A-5)	900	1,617,595	651,958	778,500	2,147,500	2,379,000	1,617,900	1,033,700					10,227,053
Well #9 (LFH-4)	1,200	0	721,800	560,000	663,100	2,611,400	2,154,900	1,633,300					8,345,700
Well #10 (A-6)	5,200	0	700	159,600	401,500	504,500	626,500	1,517,700					3,215,700
Well #11 (LFH-5)	388,580	207,598	52	2,600	763,900	2,456,600	2,007,100	1,595,400					7,421,830
MR Interconnect	162,600	153,000	257,000	243,500	292,700	392,700	94,500	238,500					1,834,500
Storage Tanks (ft)	299,400	59,880	-449,100	-59,820	-29,910	388,830	-209,370	-29,910					-30,000
Total Distribution:	3,985,980	2,852,674	3,913,010	3,471,780	7,985,090	12,811,130	10,123,130	7,962,390					53,105,184

NOTE: Gray shading indicates that well is off-line.

* Added 500,000gal to well 10 due to non-op flow meter in June

General Information for PBHMD's Wells:											
PBHMD Well #	Well #1	Well #2	Well #3	Well #4	Well #5	Well #6	Well #7	Well #8	Well #9	Well #10	Well #11
Aquifer	Araphoe	Araphoe	Araphoe	Laramie-Fox	Laramie-Fox	Araphoe	Laramie-Fox	Araphoe	Laramie-Fox	Araphoe	Laramie-Fox
PBHMD's ID	A-1	A-2	A-3	LFH-1	LFH-2	A-4	LFH-3	A-5	LFH-4	A-6	LFH-5
Well Permit #	17048-F	30593-F	46553-F	47813-F	50877-F	55193-F	55192-F	60862-F	63429-F	64086-F	64084-F

MONTHLY DISTRIBUTION REPORT

Paint Brush Hills Metropolitan District -- PWSID #CO0221690

August 2013	Meter Read 7/31/2013 (gal)	Meter Read 8/31/2013 (gal)	# Days Well 'ON' in August	August Distribution (gal)	August Distribution (ac-ft)	YTD TOTAL Distribution (gal)	YTD TOTAL Distribution (ac-ft)
Well #1 (A-1)	94,820,800	95,389,200	9	568,400	1.74	9,770,600	29.99
Well #2 (A-2)	158,578,600	159,983,900	15	1,405,300	4.31	12,319,000	37.81
Well #3 (A-3)	99,976,880	99,976,880	0	0	0.00	0	0.00
Well #4 (LFH-1)	29,891,300	29,891,300	0	0	0.00	0	0.00
Well #5 (LFH-2)	11,664,500	11,664,500	0	0	0.00	700	0.00
Well #6 (A-4)	24,026,191	24,026,191	0	0	0.00	0	0.00
Well #7 (LFH-3)	1,319,390	1,319,390	0	0	0.00	101	0.00
Well #8 (A-5)	9,497,400	10,531,100	12	1,033,700	3.17	10,227,053	31.39
Well #9 (LFH-4)	51,688,200	53,321,500	12	1,633,300	5.01	8,345,700	25.61
Well #10 (A-6)	22,732,200	23,749,900	14	1,017,700	3.12	3,215,700	9.87
Well #11 (LFH-5)	84,276,800	85,872,200	12	1,595,400	4.90	7,421,830	22.78
MR Interconnect	80,952,800	81,191,300	1	238,500	0.73	1,834,500	5.63
Storage Tank Levels (ft)	26.0	27.0	n/a	-15,000	-0.05	-30,000	-0.09
TOTAL PUMPING:	<i>(Well & Interconnect Usage)</i>			7,492,300	22.99	53,135,184	163.08
TOTAL DISTRIBUTION:	<i>(Distribution = Pumping +/- Storage)</i>			7,477,300	22.95	53,105,184	162.98

PUMPING TOTALS:	YTD TOTAL USAGE vs. APPROPRIATIONS TALLIES:
August Well Pumping: 7,492,300 gal	Annual Arapahoe (unappropriated): 29.99 ac/ft of 90.6 ac/ft
August Well Pumping: 22.99 ac/ft	Annual Arapahoe (appropriated): 79.07 ac/ft of 182.0 ac/ft
YTD TOTAL Well Pumping: 53,135,184 gal	Annual Laramie-Fox Hills (appropriated): 48.39 ac/ft of 388.0 ac/ft
YTD TOTAL Well Pumping: 163.08 ac/ft	Annual MR Interconnect Water: 5.63 ac/ft of 85.0 ac/ft
	<i>(Guthrie alluvial water via Meridian Ranch Water Service Agreement)</i>
	Total Annual Available Water: 745.6 ac/ft

NOTE: Storage tank levels started the year at 31.0 ft.
Storage capacity approx. 44,910 gal/ft (with both tanks in operation).
large tank approx. 29,910 gal/ft -- small tank approx. 15,000 gal/ft

Monthly Distribution Totals (in gallons) for PBHMD for Yearly Comparison:

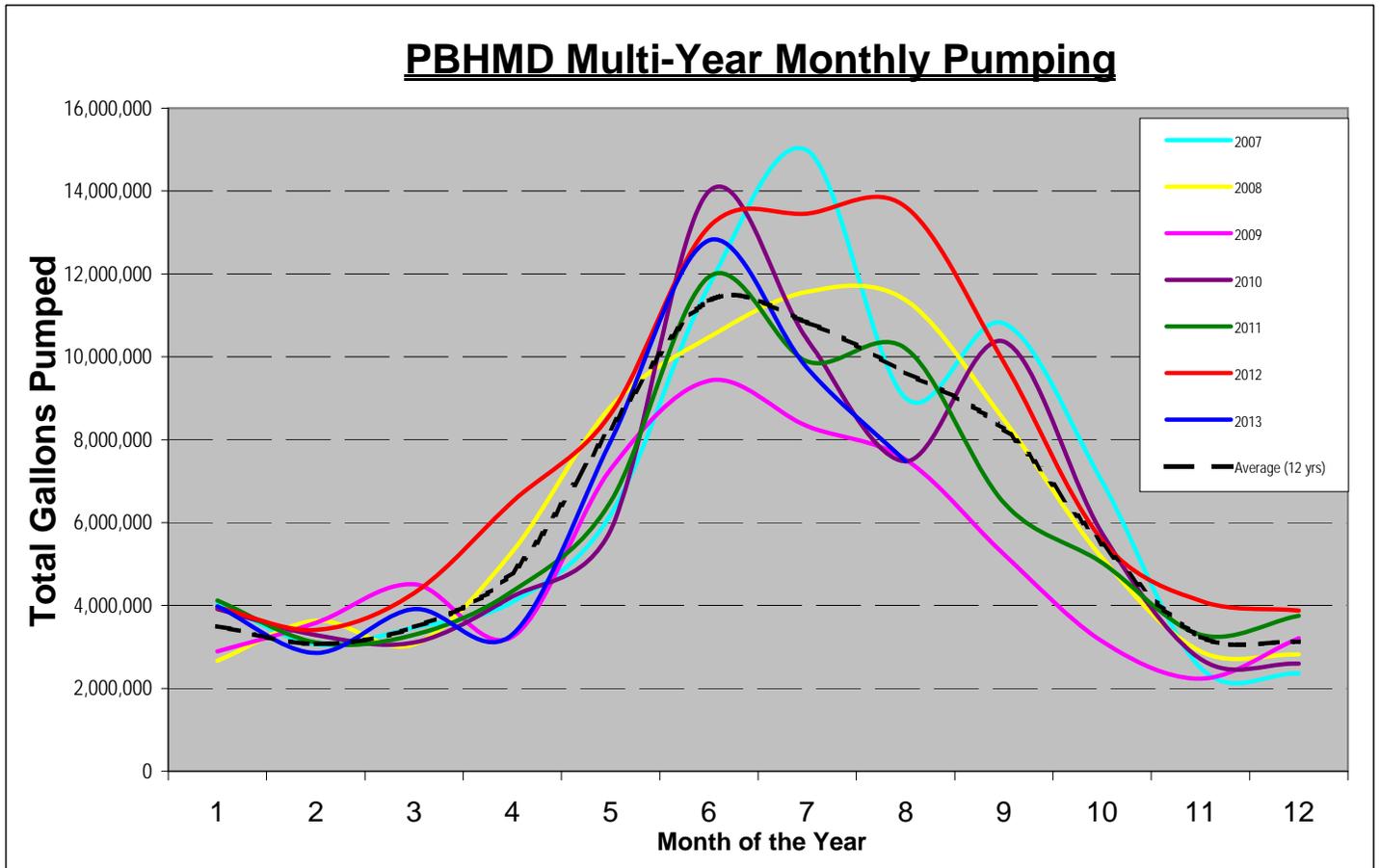
NOTES: Water pumped from the Meridian Ranch Interconnect was included from 2005 forward.

- = record distribution for month
- = highest and lowest historical months (includes record breaking high in July 2007)

YEAR:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Average
MONTH:													
January	3,037,700	4,599,809	2,035,054	2,796,989	3,923,210	4,074,288	2,660,652	2,893,173	3,915,001	4,120,554	3,958,477	3,981,300	3,499,684
February	2,042,515	3,083,636	2,774,015	2,853,215	3,160,490	3,061,381	3,628,804	3,581,570	3,282,820	3,104,340	3,413,525	2,852,674	3,069,915
March	2,515,482	4,264,053	3,374,575	2,980,660	2,892,455	3,470,617	3,066,080	4,512,660	3,107,474	3,288,115	4,296,923	3,912,380	3,473,456
April	5,899,947	4,701,190	3,955,799	3,946,359	8,029,643	4,080,757	5,295,051	3,240,151	4,219,505	4,341,041	6,503,553	3,298,140	4,792,595
May	9,737,644	9,432,900	9,336,104	8,508,738	11,153,278	6,192,122	8,797,450	7,292,827	5,821,752	6,507,255	8,628,004	7,964,820	8,281,075
June	12,575,351	7,446,620	8,985,243	10,632,692	13,167,769	11,714,135	10,474,426	9,426,593	13,993,541	11,930,894	13,133,858	12,811,130	11,357,688
July	10,350,112	13,329,591	6,441,607	12,647,081	8,807,046	14,982,714	11,571,840	8,328,430	10,415,987	9,892,038	13,453,776	9,727,500	10,828,977
August	13,182,494	11,416,711	6,135,250	8,758,863	9,359,848	9,003,776	11,372,075	7,522,766	7,475,977	10,200,310	13,614,907	7,477,300	9,626,690
September	7,423,228	6,615,088	9,590,502	10,777,685	5,162,126	10,807,434	8,485,059	5,236,884	10,371,727	6,479,865	9,867,368		8,256,088
October	4,909,168	7,579,223	5,868,651	6,066,403	4,195,270	6,992,577	5,147,114	3,134,196	5,741,075	5,031,435	5,570,803		5,475,992
November	2,644,106	3,336,219	2,868,332	5,608,728	3,516,186	2,495,577	2,894,937	2,233,917	2,704,742	3,290,252	4,112,477		3,245,952
December	2,815,689	3,123,835	3,301,643	3,422,020	3,048,170	2,357,129	2,816,928	3,208,084	2,598,946	3,752,396	3,879,285		3,120,375
TOTALS:	77,133,436	78,928,875	64,666,775	78,999,433	76,415,491	79,232,507	76,210,416	60,611,251	73,648,547	71,938,495	90,432,956		75,292,562

December (prior year), January, February & March

BASE USE 3,690,797 2,826,870 2,983,127 3,349,544 3,413,614 2,928,166 3,451,083 3,378,345 3,277,989 3,855,330 3,656,410 3,346,479



RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT HELD AUGUST 15, 2013

A regular meeting of the Board of Directors (referred to hereafter as “Board”) of the Paint Brush Hills Metropolitan District (referred to hereafter as “District”) was held on Thursday, the 15th day of August, 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
Calvin Pollard
Doug Burrer
Floyd Roberts

Also In Attendance Were:

Leon Gomes; Special District Management Services, Inc.

John Bruszenski; Board Member Candidate

Merle Newton; Board Member Candidate

See attached sign-in sheet for additional attendees.

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 disclosure statements 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 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.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Mr. Gomes reviewed with the Board a 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 Comments: A resident commented on the District's hydrants.

Resignation of Director: The resignation of Director Putnam was acknowledged.

Appointment of Director: The Board entered into discussion regarding the appointment of a new director to fill the vacancy on the Board of Directors.

The Board considered the nomination of Mr. John Bruszenski to fill the vacancy on the Board of Directors. Upon motion duly made by Director Roberts, seconded by Director Griffin, the motion failed due to the lack of a majority vote.

The Board then considered the nomination of Mr. Merle Newton to fill the vacancy on the Board of Directors. Upon motion duly made by Director Burrer, seconded by Director Pollard, the motion failed due to the lack of a majority vote.

The Board then discussed their desire to vote for the reconsideration of Mr. John Bruszenski to fill the vacancy on the Board of Directors. Upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, carried with Directors Burrer, Griffin and Roberts voting "Yes" and Director Pollard voting "No", Mr. John Bruszenski was appointed to fill the vacancy on the Board of Directors. The Oath of Office will be administered at a later date.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Acknowledge Manager's Report
- Acknowledge Staff Report
- Acknowledge Billing Report
- Acknowledge Operations Report
- Review and approve Minutes of the July 18, 2013 regular meeting
- Approval of Rampart Plumbing and Heating Supply, Inc. Credit Application
- Approval of Wells Fargo Credit Card Re-allocation

RECORD OF PROCEEDINGS

- Adoption of Resolution No. 2013-08-01; Resolution to Remove Former Director Dalton as an Authorized Signer on Farmers State Bank Accounts

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

ADMINISTRATIVE MATTERS CONTINUED

Colorado Special Districts Property and Liability Pool Representatives: Mr. Gomes discussed with the Board the need to designate a representative and alternate representative for the Colorado Special Districts Property and Liability Pool.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried, the Board designated Mr. Gomes as the representative and Director Roberts as the alternate representative to the Colorado Special Districts Property and Liability Pool.

2013 Special District Association (“SDA”) of Colorado’s Annual Business Meeting: Mr. Gomes discussed with the Board the SDA’s Annual Business Meeting and explained that each SDA member is entitled to one vote per district for the nomination and vote for SDA directors. The vote can be made one of two ways – either by having an official representative at the meeting or by filing an official proxy designation.

Following discussion, upon motion duly made by Director Pollard, seconded by Director Burrer and, upon vote, unanimously carried, the Board designated Mr. Gomes, as the official representative for the District, to vote on the District’s behalf at the meeting.

Ellen Robley’s Severance and Terminal Vacation Pay: The Board entered into discussion regarding Ms. Robley’s severance and terminal vacation pay.

Following discussion, upon motion duly made by Director Roberts, seconded by Director Griffin and, upon vote, carried with Directors Roberts, Griffin and Pollard voting “Yes” and Director Burrer voting “No”, the Board approved the payment of severance and ten days of vacation pay to Ms. Robley.

Neighborhood Covenants: The Board entered into discussion regarding the District’s involvement in neighborhood covenant matters. It was affirmed that the District will not engage in matters involving the Conditions, Covenants and Restrictions within the District.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims for the period ending August 15, 2013, totaling \$102,492.23.

Following review and discussion, upon motion duly made by Director Burrer, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending August 15, 2013, as presented.

Financial Statements: Mr. Gomes reviewed with the Board the unaudited financial statements for the period ending July 31, 2013.

Following review and discussion, upon motion duly made by Director Burrer, seconded by Director Roberts and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending July 31, 2013, as presented.

2012 Audit: The Board discussed the status of the 2012 Audit. It was noted that the auditor, Clint Bulkey with Osborne, Parsons and Rosacker, LLP, conducted the field audit at the District Office on August 5, 2013.

Farmers State Bank On-line Billing and Desktop Teller: The Board discussed the proposal from Farmers State Bank for on-line billing and desktop teller services. No action was taken by the Board at this time.

FirstBank Lock Box Services: Mr. Gomes discussed with the Board the FirstBank lock box services.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried, the Board approved the use of FirstBank lock box services and directed Mr. Gomes to set up the services via the pre-existing arrangement between Special District Management Services, Inc. and FirstBank.

LEGAL MATTERS

Preliminary Review of Paint Brush Hills Filing 13 A and Paint Brush Hills 13 Master Plan Exhibit, County File No. SF-13-003: The Board reviewed correspondence from John Himmelreich & Associates regarding his preliminary review of Paint Brush Hills Filing 13 A and Paint Brush Hills 13 Master Plan Exhibit, County File No. SF-13-003. The Board discussed the need to engage the District's Water Counsel, Mr. Paul Anderson, to review this matter.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Burrer, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved the engagement of the District's Water Counsel, Mr. Paul Anderson, to advise the District on this matter.

Interconnect Agreement between the District and Meridian Service Metropolitan District ("MSMD"): The Board entered into discussion regarding the Interconnect Agreement between the District and MSMD.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved the engagement of the District's Water Counsel to advise the District on this matter.

Meridian Service Metropolitan District Ground Water Commission Case No. 12-GW-10: The Board entered into discussion regarding the MSMD Ground Water Commission Case No. 12-GW-10. It was noted that a Water Commission Hearing was scheduled for August 16, 2013.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Roberts and, upon vote, unanimously carried, the Board authorized Mr. Anderson, the District's Water Counsel, to attend and file a brief at the Water Commission Hearing on August 16, 2013.

Agreement for Engineering Services between the District and JDS-Hydro Consultants, Inc. ("JDS"): The Board reviewed the Agreement for Engineering Services between the District and JDS to perform a review of legal and physical water supply.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved the Agreement for Engineering Services between the District and JDS to perform a review of legal and physical water supply for an amount not to exceed \$3,800.

Release of Lien: The Board entered into discussion regarding the possible Release of Lien at 10921 Redington Drive.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Roberts and, upon vote, unanimously carried, the Board authorized the Release of Lien at 10921 Redington Drive and directed Mr. Gomes to have the Release recorded with the El Paso County Clerk and Recorder.

RECORD OF PROCEEDINGS

OPERATIONS AND MAINTENANCE

Paint Brush Hills Filing No. 13a Excavation Work: The Board entered into discussion regarding the status of the Filing No. 13a excavation work. It was noted that Filing 13a has connected to the water main and that the sewer connection work is in progress.

Well Nos. 6 and 7: Mr. Gomes explained to the Board that the Well Nos. 6 and 7 have been offline and the Board discussed the issues with each well. It was noted that methane gas has been detected in Well No. 6. Mr. Gomes reported that he has requested a proposal to lower the pump in Well No. 7, since it had been producing air.

Following discussion, the Board directed Mr. Gomes to obtain a proposal from JDS-Hydro Consulting, Inc. for a methane mitigation plan for Well No. 6.

Water Replacement Plan: The Board entered into discussion regarding the need for a water replacement plan.

Following discussion, the Board authorized Mr. Gomes to obtain a proposal from JDS-Hydro Consulting, Inc. to prepare an augmentation plan for the appropriate wells in the District.

District Vehicle Use: The Board entered into discussion regarding use of District vehicles by on-call employees.

Following discussion, upon motion duly made by Director Roberts, seconded by Director Pollard and, upon vote, unanimously carried, the Board authorized the District Manager to permit the District operators to take a District vehicle home during their scheduled on-call week to reduce response time to emergency calls.

Water Storage Tank Report/Update:

1.0 Mgal Water Storage Tank: Mr. Gomes reported to the Board that the 1.0 Mgal water storage tank was placed online and then taken offline due to a chemical odor. The water operator and staff are working to resolve the issue.

Drayton Green Park Project: The Board entered into discussion regarding the status of the Drayton Green Park Project. It was noted that JTB Landscaping recommended tilling and grading of the sod area prior to sod installation.

Following discussion, upon motion duly made by Director Pollard, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved a proposal from JTB Landscaping to till and grade the sod area prior to sod installation for an amount not to exceed \$1,116.

RECORD OF PROCEEDINGS

OTHER BUSINESS

Follow-Up Items:

Personnel Guidelines: It was noted that the draft Personnel Guidelines were distributed to the Board members prior to the meeting for their review and comments.

Following discussion, the Board authorized Mr. Gomes to obtain proposals for the legal review of the Personnel Guidelines.

Job Descriptions: The Board reviewed and discussed a draft copy of the Job Descriptions document. No action was taken by the Board at this time.

Future Agenda Items: The Board determined to discuss the following items at the next Board meeting:

- Colorado Open Records Act (CORA) Request Policy
- Lien certification fee

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 15, 2013
MINUTES OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT BY
THE BOARD OF DIRECTORS SIGNING BELOW:

Kim Griffin

Calvin Pollard

Doug Burrer

Floyd Roberts

John Bruszenski

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT HELD SEPTEMBER 5, 2013

A special meeting of the Board of Directors (referred to hereafter as “Board”) of the Paint Brush Hills Metropolitan District (referred to hereafter as “District”) was held on Thursday, the 5th day of September, 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
Calvin Pollard
Doug Burrer
Floyd Roberts
John Bruszenski

Also In Attendance Were:

Leon Gomes; Special District Management Services, Inc.

Steve Knepper, Manager of Water and Wastewater Operations

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 disclosure statements 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, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute.

ADMINISTRATIVE MATTERS

Agenda: Mr. Gomes reviewed with the Board a proposed Agenda for the District’s special meeting.

RECORD OF PROCEEDINGS

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

Public Comments: There were no public comments made.

FINANCIAL MATTERS

2014 Budget Priorities: The Board reviewed the draft Fiscal Year 2014 Budget Priorities document which included a list of essential projects for the District. This list will serve as a guide to prepare the 2014 Budget. Director Burrer will revise the document with the board's comments and distribute to the directors and staff via e-mail.

2014 Draft Budget Review at the September 26, 2013 Special Board Meeting: The Board determined to hold a special meeting on September 26, 2013 to review the 2014 draft Budget.

2014 Budget Hearing Schedule: The Board discussed the need to schedule the 2014 Budget Hearing.

Following discussion, upon motion duly made by Director Pollard, seconded by Director Rogers and, upon vote, unanimously carried, the Board determined to hold the 2014 Budget Hearing at the regular meeting on November 21, 2013 at 7:00 p.m. at the regular meeting location.

Service Connection Fee: The Board entered into discussion regarding the need for a policy regarding the Service Connection Fee.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried, the Board directed Mr. Gomes to prepare a policy regarding the Service Connection Fee.

LEGAL MATTERS

Office Lease: The Board reviewed the current Residential Lease for the District's office and corresponding paperwork from El Paso County and considered authorizing Directors Burrer and Pollard to proceed with obtaining the necessary permissions for use in 2014.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Roberts and, upon vote, unanimously carried, the Board authorized Directors Burrer and Pollard to proceed with obtaining the necessary permission for use of the District's office in 2014.

RECORD OF PROCEEDINGS

EXECUTIVE SESSION

Negotiations and Personnel Matters - EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(e) and (f), C.R.S., upon motion duly made by Director Pollard, seconded by Director Burren and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 9:00 p.m. for the purpose of discussing negotiations and personnel matters, all as authorized by Sections 24-6-402(4)(e) and (f) C.R.S.

The Board reconvened in regular session at 9:13 p.m.

OTHER BUSINESS

Future Agenda Items: The Board entered into discussion regarding future agenda items, including:

- The 2012 Audit
 - Engagement of the T. Charles Wilson Insurance Service
-

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 5, 2013 MINUTES OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Kim Griffin

Calvin Pollard

Doug Burrer

Floyd Roberts

John Bruszenski

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
20072						
08/29/2013	Keystone Resort	2013 CONF	Miscellaneous	1-685	492.45	492.45
Total 20072:						492.45
20073						
08/29/2013	Special District Association	CONF 2013	Miscellaneous	1-685	367.00	367.00
Total 20073:						367.00
20074						
09/26/2013	Advanced Mechanical Services, I	180	Collection System Repair	4-755	680.00	680.00
Total 20074:						680.00
20075						
09/26/2013	Affordable Flags & Fireworks	47256	Parks & Prop-Ground Mt	1-722	92.00	92.00
Total 20075:						92.00
20076						
09/26/2013	Alpine Animal Control	495-8188	Parks & Prop Landscapin	1-724	130.00	130.00
Total 20076:						130.00
20077						
09/26/2013	Black Hills Energy	09/2013	Nat Gas-Acct NGM85033	4-789	46.02	46.02
Total 20077:						46.02
20078						
09/26/2013	CEBT	14688	Insurance	1-670	1,324.19	1,324.19
Total 20078:						1,324.19
20079						
09/26/2013	Century Link	9/2013	Telephone	1-695	30.86	30.86
Total 20079:						30.86
20080						
09/26/2013	Crawford, Ralph and Marsha	9/2013	Meter Reading	4-741	148.21	148.21
Total 20080:						148.21
20081						
09/26/2013	Dewberry Engineers, Inc	1020595	Engineer-Other	4-716	845.00	845.00
09/26/2013	Dewberry Engineers, Inc	1020596	Engineer-Other	4-716	1,937.50	1,937.50
Total 20081:						2,782.50
20082						
09/26/2013	Falcon Auto Service Center, LLC	44429	Vehicle Mtce & Repair-Ca	4-792	36.49	36.49
Total 20082:						36.49
20083						
09/26/2013	Forbush Legal Offices, P.C.	9/2013	Legal	4-675	1,586.00	1,586.00

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
Total 20083:						1,586.00
20084						
09/26/2013	Gallatins	8/2013	Ground Mtce-Contract La	4-725	1,843.75	1,843.75
Total 20084:						1,843.75
20085						
09/26/2013	Green Thumb Commercial	18042	Parks Mtce and Repairs	1-723	2,975.00	2,975.00
09/26/2013	Green Thumb Commercial	18044	Parks Mtce and Repairs	1-723	177.01	177.01
Total 20085:						3,152.01
20086						
09/26/2013	J.T.B Landscaping, Inc	12791	Parks & Prop-Ground Mt	1-722	10,472.00	10,472.00
Total 20086:						10,472.00
20087						
09/26/2013	LASERPRO II	30416	Office Supplies	1-693	199.90	199.90
Total 20087:						199.90
20088						
09/26/2013	Make It Wood	1	Parks & Prop-Drayton Gr	1-720	54.00	54.00
Total 20088:						54.00
20089						
09/26/2013	Meridian Service Metro District	8/2013	Bulk Water Purchases	4-750	2,789.90	2,789.90
Total 20089:						2,789.90
20090						
09/26/2013	Mountain States Pipe & Supply	314722-00	Pumphouses	4-855	154.70	154.70
Total 20090:						154.70
20091						
09/26/2013	Munson Ditching, Inc	6422	Roadway and Waterline	4-760	2,989.93	2,989.93
Total 20091:						2,989.93
20092						
09/26/2013	Osborne, Parsons and Rosacker	137638	Audit	1-615	2,500.00	2,500.00
Total 20092:						2,500.00
20093						
09/26/2013	Paul G. Anderson, LLC	19260	Legal	4-675	2,666.50	2,666.50
Total 20093:						2,666.50
20094						
09/26/2013	Smith, Don	9/2013	Miscellaneous	1-685	71.91	71.91
09/26/2013	Smith, Don	9/2013	Miscellaneous	1-685	16.32	16.32
09/26/2013	Smith, Don	9/2013	Miscellaneous	1-685	48.71	48.71

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
Total 20094:						<u>136.94</u>
20095						
09/26/2013	Special Dist Management Srvs	952739	Management	1-680	5,906.50	5,906.50
09/26/2013	Special Dist Management Srvs	952739	Accounting	1-612	2,200.64	2,200.64
09/26/2013	Special Dist Management Srvs	952739	Audit	1-615	125.00	125.00
09/26/2013	Special Dist Management Srvs	952739	Office Supplies	1-693	213.71	213.71
Total 20095:						<u>8,445.85</u>
20096						
09/26/2013	USA Blue Book	120946	Water-Other	4-801	19.09	19.09
09/26/2013	USA Blue Book	120946	Water Infrastructure	4-858	16.99	16.99
09/26/2013	USA Blue Book	120946	Water-Other	4-801	19.09	19.09
09/26/2013	USA Blue Book	120946	Pumps Ungrade-Repair	4-854	54.36	54.36
09/26/2013	USA Blue Book	120946	Miscellaneous	1-685	18.26	18.26
09/26/2013	USA Blue Book	122155	Pumps Ungrade-Repair	4-854	13.59	13.59
Total 20096:						<u>141.38</u>
20097						
09/26/2013	Woodmen Hills Metropolitan Dist	9/2013	Office Utilities	1-691	18.10	18.10
Total 20097:						<u>18.10</u>
Grand Totals:						<u><u>43,280.68</u></u>

PBHMD
September-13

	General	Debt	Enterprise	Totals
Disbursements	\$ 27,433.56	\$ -	\$ 15,847.12	\$ 43,280.68
Payroll -9/13/2013	\$ 2,372.13		\$ 4,744.99	\$ 7,117.12
	\$ -	\$ -		\$ -
Total Disbursements from Checking Acct	\$ 29,805.69	\$ -	\$ 20,592.11	\$ 50,397.80
Other Disbursements				
Wells Fargo -Loan	\$ 22,162.12	\$ -	\$ -	\$ 22,162.12
Mountain Electric - August	\$ 18,984.09	\$ -	\$ -	\$ 18,984.09
Total Disbursements	\$ 70,951.90	\$ -	\$ 20,592.11	\$ 72,559.92

PAINT BRUSH HILLS METROPOLITAN DISTRICT

Schedule of Cash Position

August 31, 2013

	<u>Rate</u>	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Conservation Trust</u>	<u>Total</u>
Checking					
Farmer's State Bank		\$ 48,792.24	\$ -	\$ 2,468.35	\$ 51,260.59
Wells Fargo		7,989.32	-	-	\$ 7,989.32
Investments					
ColoTrust	0.12%	1,156.04	-	-	1,156.04
Farmers State Bank MM	0.30%	235,850.31	-	3,045.03	238,895.34
Farmers State Bank Capital	0.30%		100,226.56		100,226.56
Trustee Funds					
Wells Fargo Debt Reserve			255,943.91		255,943.91
Total Funds		<u>\$ 293,787.91</u>	<u>\$ 356,170.47</u>	<u>\$ 5,513.38</u>	<u>\$ 655,471.76</u>

2013 Mill Levy Information:

Certified General Fund Mill Levy:

22.107

Certified Debt Service Fund Mill Levy:

None

Board of Directors:

- * Kim Griffin
- * Floyd Roberts
- * Doug Burrer
- * Calvin Pollard

*Board member is an authorized signer on the checking account

PAINT BRUSH HILLS METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

August 31, 2013

PAINT BRUSH HILLS METROPOLITAN DISTRICT
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 August 31, 2013

<u>ASSETS AND OTHER DEBITS</u>	<u>GENERAL</u>	<u>ENTERPRISE</u>	<u>CONSERVATION TRUST</u>	<u>TOTAL MEMO ONLY</u>
CURRENT ASSETS				
CASH IN CHECKING-FSB	48,792.24	0.00	2,468.35	51,260.59
FSB MONEY MARKET	235,850.31		3,045.03	238,895.34
FSB CAPITAL RESERVE		100,226.56		100,226.56
COLOTRUST	1,156.04			1,156.04
WELLS FARGO CHECKING	7,989.32			7,989.32
WELLS FARGO-DEBT SERVICE RES		255,943.91		255,943.91
PREPAID EXPENSES				0.00
CASH WITH COUNTY TREASURER	0.00			0.00
PROPERTY TAXES RECEIVABLE	962.78			962.78
ACCOUNTS RECEIVABLE		106,342.50		106,342.50
PREPAID EXPENSES				0.00
INTEREST RECEIVABLE			0.00	0.00
TOTAL CURRENT ASSETS	294,750.69	462,512.97	5,513.38	762,777.04
OTHER DEBITS				
REFINANCING COSTS		29,500.00		29,500.00
ACCUMULATED AMORT REFINANCING		(9,961.00)		(9,961.00)
ACCUMULATED AMORT		(145,964.54)		(145,964.54)
TOTAL OTHER DEBITS		(126,425.54)		(126,425.54)
PROPERTY - AT COST				
LAND		1,569,455.00		1,569,455.00
CONSTRUCTION IN PROGRESS		85,057.39		85,057.39
PLANT		9,348,364.23		9,348,364.23
PARK AND RECREATION		222,232.47		222,232.47
VEHICLES		15,708.75		15,708.75
OFFICE EQUIPMENT		6,380.00		6,380.00
OTHER ASSETS		9,012.50		9,012.50
ACCUMULATED DEPRECIATION		(2,337,124.72)		(2,337,124.72)
WATER RIGHTS		4,467,600.00		4,467,600.00
ACCUMULATED AMORT-WATER RTS		(1,261,562.00)		(1,261,562.00)
TOTAL PROPERTY	0.00	12,125,123.62		12,125,123.62
TOTAL ASSETS	294,750.69	12,461,211.05	5,513.38	12,761,475.12
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	9,147.87	0.00		9,147.87
UNCLEARED BANK ITEMS 2012 7 PRIC	8,794.01			8,794.01
PAYROLL TAXES-FEDERAL	2,473.19	6,596.65		9,069.84
PAYROLL TAXES-STATE	165.00	459.00		624.00
PAYABLE DENVER TREASURER	0.00	0.00		0.00
INTEREST PAYABLE		1,308.45		1,308.45
RETAINAGE		6,005.34		6,005.34
DEFERRED PROPERTY TAXES	962.78	0.00		962.78
TOTAL CURRENT LIABILITIES	21,542.85	14,369.44	0.00	35,912.29
LONG TERM DEBT				
WELLS FARGO REFINANCING		2,646,307.75		2,646,307.75
TOTAL LONG TERM DEBT				2,646,307.75
EQUITY				
INVESTMENT IN FIXED ASSETS				0.00
FUND BALANCE				
TAP FEES		1,878,600.00		1,878,600.00
CONTRIBUTED CAPITAL		3,854,035.00		3,854,035.00
FUND BALANCE/RETAINED EARNINGS	157,638.38	4,256,278.49	0.00	4,413,916.87
CURRENT EARNINGS	115,569.46	(188,379.63)	5,513.38	(67,296.79)
TOTAL FUND BALANCE	273,207.84	9,800,533.86	5,513.38	10,079,255.08
TOTAL LIABILITIES AND FUND EQUITY	294,750.69	12,461,211.05	5,513.38	12,761,475.12

PAINT BRUSH HILLS METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
FOR THE 8 MONTHS ENDING AUGUST 31, 2013

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
1-510 PROPERTY TAX REVENUE	916.88	340,279.98	332,480.00	(7,799.98)	102.4
1-515 SPECIFIC OWNERSHIP TAXES	3,036.03	22,067.85	30,000.00	7,932.15	73.6
1-560 INTEREST INCOME	77.06	767.42	500.00	(267.42)	153.5
1-561 REFUNDS	.00	.00	1,500.00	1,500.00	.0
1-575 MISCELLANEOUS INCOME	337.07	510.77	.00	(510.77)	.0
TOTAL REVENUE	4,367.04	363,626.02	364,480.00	853.98	99.8
<u>EXPENSES</u>					
1-615 AUDIT	.00	.00	5,700.00	5,700.00	.0
1-620 DIRECTOR'S FEES	600.00	4,000.00	8,000.00	4,000.00	50.0
1-625 EMPLOYEE WAGES	6,032.00	12,548.00	.00	(12,548.00)	.0
1-626 PAYROLL TAXES	502.88	991.30	.00	(991.30)	.0
1-635 ELECTION/BOARD MEETINGS	.00	108.16	.00	(108.16)	.0
1-670 INSURANCE	4,345.73	14,337.47	10,000.00	(4,337.47)	143.4
1-675 LEGAL	826.00	33,596.12	60,000.00	26,403.88	56.0
1-680 MANAGEMENT	7,857.15	57,877.42	61,750.00	3,872.58	93.7
1-685 MISCELLANEOUS	1,326.93	2,182.63	.00	(2,182.63)	.0
1-687 BANK CHARGES	13.50	325.89	500.00	174.11	65.2
1-688 DUES/SUBSCRIPTIONS/CONFERENCES	.00	1,159.72	2,100.00	940.28	55.2
1-690 OFFICE RENT AND EXPENSE	1,300.00	12,879.00	50,000.00	37,121.00	25.8
1-691 OFFICE UTILITIES	275.84	3,045.40	.00	(3,045.40)	.0
1-692 OFFICE EQUIPMENT	360.00	360.00	.00	(360.00)	.0
1-693 OFFICE SUPPLIES	518.83	15,670.75	.00	(15,670.75)	.0
1-694 POSTAGE	25.25	1,751.84	.00	(1,751.84)	.0
1-695 TELEPHONE	303.37	3,782.06	.00	(3,782.06)	.0
1-696 BOOKKEEPING GENERAL OFFICE	.00	12,448.38	19,250.00	6,801.62	64.7
1-700 TREASURER'S FEES	14.08	5,104.65	.00	(5,104.65)	.0
1-720 PARKS & PROP-DRAYTON GREEN	1,464.25	3,073.50	.00	(3,073.50)	.0
1-722 PARKS & PROP-GROUND MTCE	6,127.36	21,992.04	42,000.00	20,007.96	52.4
1-723 PARKS MTCE AND REPAIRS	312.35	5,563.39	.00	(5,563.39)	.0
1-724 PARKS & PROP LANDSCAPING	.00	3,343.25	.00	(3,343.25)	.0
1-725 PARK AND REC FAC IMPROVEMENTS	.00	3,618.75	10,000.00	6,381.25	36.2
1-890 TRANSFER TO ENTERPRISE FUND	28,296.84	28,296.84	.00	(28,296.84)	.0
TOTAL EXPENSES	60,502.36	248,056.56	269,300.00	21,243.44	92.1
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(56,135.32)	115,569.46	95,180.00	(20,389.46)	121.4
FUND BALANCE - BEGINNING	.00	157,638.38	.00	(157,638.38)	.0
FUND BALANCE - ENDING	(56,135.32)	273,207.84	95,180.00	(178,027.84)	287.0

PAINT BRUSH HILLS METROPOLITAN DISTRICT
ENTERPRISE FUND
STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
FOR THE 8 MONTHS ENDING AUGUST 31, 2013

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
4-520 BASE FEES	20,040.00	163,330.00	252,000.00	88,670.00	64.8
4-521 BUILDER FEES	.00	375.00	900.00	525.00	41.7
4-525 WASTEWATER-CHURCH	.00	135.40	406.00	270.60	33.4
4-526 WASTEWATER-RESIDENTIAL	11,203.46	94,034.14	144,840.00	50,805.86	64.9
4-527 WASTEWATER-SCHOOL	450.00	3,634.00	5,400.00	1,766.00	67.3
4-532 WATER-CHURCH	.00	48.46	240.00	191.54	20.2
4-533 WATER-COMMERCIAL	.00	.00	500.00	500.00	.0
4-534 WATER-RESIDENTIAL	36,611.10	217,113.10	323,760.00	106,646.90	67.1
4-536 WATER-SCHOOL	8,309.65	31,474.45	64,400.00	32,925.55	48.9
4-540 AVAILABILITY OF SERVICE FEES	.00	600.00	600.00	.00	100.0
4-542 METERS	.00	.00	2,500.00	2,500.00	.0
4-550 INSPECTION FEES	60.00	160.00	900.00	740.00	17.8
4-551 TAP FEES	.00	.00	65,150.00	65,150.00	.0
4-555 RESIDENTIAL REPAIRS	.00	705.00	.00	(705.00)	.0
4-560 INTEREST	29.58	100.13	.00	(100.13)	.0
4-562 TANK RENTAL-ANTENNAS	416.00	2,816.00	4,800.00	1,984.00	58.7
4-575 OTHER OPERATING REVENUE	.00	133.00	.00	(133.00)	.0
4-590 TRANSFER FROM GEN FUND	28,296.84	28,296.84	.00	(28,296.84)	.0
TOTAL REVENUE	105,416.63	542,955.52	866,396.00	323,440.48	62.7

PAINT BRUSH HILLS METROPOLITAN DISTRICT
 ENTERPRISE FUND
 STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
 FOR THE 8 MONTHS ENDING AUGUST 31, 2013

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>EXPENSES</u>					
4-625 EMPLOYEE WAGES	16,365.32	34,671.20	.00	(34,671.20)	.0
4-626 PAYROLL TAXES	1,110.13	2,494.22	.00	(2,494.22)	.0
4-675 LEGAL	1,898.00	2,879.75	.00	(2,879.75)	.0
4-715 HYDROLOGIST	.00	8,772.75	2,000.00	(6,772.75)	438.6
4-716 ENGINEER-OTHER	15,382.50	24,534.84	18,000.00	(6,534.84)	136.3
4-726 GROUNDS MTCE-PARTS	54.02	54.02	.00	(54.02)	.0
4-730 ANALYTICAL TESTING	503.00	3,043.00	.00	(3,043.00)	.0
4-731 CHEMICAL/EQUIPMENT	1,180.28	5,628.86	10,000.00	4,371.14	56.3
4-732 MISC SUPPLIES, TOOLS	87.87	10,784.11	10,000.00	(784.11)	107.8
4-734 OPS CERTIFICAITON AND TRAINING	180.00	1,405.00	3,000.00	1,595.00	46.8
4-740 BILLING EXPENSE	840.00	8,765.25	30,000.00	21,234.75	29.2
4-741 METER READING	.00	1,430.00	.00	(1,430.00)	.0
4-742 RADIO METER READERS	.00	69.59	.00	(69.59)	.0
4-743 METERS-RESIDENTIAL REPAIRS	.00	250.00	.00	(250.00)	.0
4-750 BULK WATER PURCHASES	6,556.28	16,574.26	32,800.00	16,225.74	50.5
4-753 TAP FEES	.00	.00	20,000.00	20,000.00	.0
4-755 COLLECTION SYSTEM REPARS, MTCE	.00	479.45	12,000.00	11,520.55	4.0
4-756 STORAGE & PORT-O-LET FEES	35.00	451.13	.00	(451.13)	.0
4-757 PUMPHOUSE MTCE	67.83	3,203.94	22,000.00	18,796.06	14.6
4-758 WELL REPAIRS-MTCE	.00	3,000.00	.00	(3,000.00)	.0
4-759 STORAGE TANK REPARS-MTCE	25,090.68	124,335.75	150,000.00	25,664.25	82.9
4-760 ROADWAY AND WATERLINE REPAIRS	.00	.00	5,000.00	5,000.00	.0
4-769 UTILITIES	.00	.00	160,000.00	160,000.00	.0
4-770 ELECT-ACCT 202800	30.28	212.51	.00	(212.51)	.0
4-771 ELECT ACCT 403400	4,507.19	16,574.51	.00	(16,574.51)	.0
4-772 ELECT-ACCT 41492801	54.86	459.52	.00	(459.52)	.0
4-773 ELECT-ACCT 65984200	1,059.23	4,700.86	.00	(4,700.86)	.0
4-774 ELECT-ACCT 69584300	2,235.54	10,623.18	.00	(10,623.18)	.0
4-775 ELECT-ACCT 69584500	30.49	213.41	.00	(213.41)	.0
4-776 ELECT-ACCT 69584701	30.49	213.52	.00	(213.52)	.0
4-777 ELECT-ACCT 69586100	450.00	4,782.09	.00	(4,782.09)	.0
4-778 ELECT-ACCT 69586300	111.53	718.97	.00	(718.97)	.0
4-779 ELECT-ACCT 69586400	78.90	452.05	.00	(452.05)	.0
4-780 ELECT-ACCT 69586500	6,928.27	21,414.52	.00	(21,414.52)	.0
4-781 ELECT-ACCT 6958660	29.95	209.75	.00	(209.75)	.0
4-782 ELECT-ACCT 103447900	36.80	611.26	.00	(611.26)	.0
4-783 ELECT-ACCT 103589200	31.04	212.42	.00	(212.42)	.0
4-784 ELECT-ACCT 2835091	3,242.90	17,571.98	.00	(17,571.98)	.0
4-788 NAT GAS-ACCT LGO36372 BS	20.81	147.23	.00	(147.23)	.0
4-789 NAT GAS-ACCT NGM850339	14.35	49.04	.00	(49.04)	.0
4-790 VEHICLE MTC & REPAIR -BRIAN	.00	4,819.49	18,000.00	13,180.51	26.8
4-792 VEHICLE MTCE & REPAIR-CALVIN	112.29	112.29	.00	(112.29)	.0
4-795 ORC-WASTEWATER	.00	2,869.96	.00	(2,869.96)	.0
4-796 WASTEWATER-OTHER	.00	9,414.61	.00	(9,414.61)	.0
4-797 WASTEWATER-MTCE, REPAIR, EQUIP	.00	2,681.40	29,330.00	26,648.60	9.1
4-798 WASTERWATER-COLLECTION EXPENSE	.00	39,363.88	97,631.00	58,267.12	40.3
4-800 WATER OPER-ORC	.00	11,480.60	.00	(11,480.60)	.0
4-801 WATER-OTHER	2.58	2.58	.00	(2.58)	.0
4-850 EASEMENTS AND PROPERTIES	288.68	498.68	5,000.00	4,501.32	10.0
4-852 CAPITAL-HEAVY EQUIP.VECHICLES	.00	8,400.00	15,000.00	6,600.00	56.0
4-853 WATER LINES AND AUGMENTATION	.00	20,587.76	.00	(20,587.76)	.0

PAINT BRUSH HILLS METROPOLITAN DISTRICT
 ENTERPRISE FUND
 STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
 FOR THE 8 MONTHS ENDING AUGUST 31, 2013

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
4-854 PUMPS UNGRADE-REPAIR	.00	121,813.00	.00	(121,813.00)	.0
4-855 PUMPHOUSES	.00	.00	30,000.00	30,000.00	.0
4-857 STORAGE TANKS, SCADA & BOOSTER	.00	.00	10,000.00	10,000.00	.0
4-858 WATER INFRASTRUCTURE	.00	.00	43,850.00	43,850.00	.0
4-862 WELL CONSTRUCTION	.00	.00	75,000.00	75,000.00	.0
4-875 PRINCIPAL WELLS FARGO LEASE	13,365.10	106,892.90	161,408.00	54,515.10	66.2
4-876 INTEREST WELLS FARGO LEASE	8,797.02	70,404.06	104,538.00	34,133.94	67.4
TOTAL EXPENSES	110,809.21	731,335.15	1,064,557.00	333,221.85	68.7
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(5,392.58)	(188,379.63)	(198,161.00)	(9,781.37)	(95.1)
FUND BALANCE - BEGINNING	.00	9,988,913.49	.00	(9,988,913.49)	.0
FUND BALANCE - ENDING	(5,392.58)	9,800,533.86	(198,161.00)	(9,998,694.86)	4945.7

PAINT BRUSH HILLS METROPOLITAN DISTRICT
 CONSERVATION TRUST FUND
 STATEMENT OF REVENUE AND EXPENDITURES COMPARED TO BUDGET
 FOR THE 8 MONTHS ENDING AUGUST 31, 2013

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
5-516 CONSERVATION TRUST REVENUE	.00	5,513.38	10,000.00	4,486.62	55.1
5-517 GOCO GRANT	.00	.00	25,000.00	25,000.00	.0
TOTAL REVENUE	.00	5,513.38	35,000.00	29,486.62	15.8
EXCESS REVENUE OVER (UNDER) EXPENDITURES	.00	5,513.38	35,000.00	29,486.62	15.8
FUND BALANCE - ENDING	.00	5,513.38	35,000.00	29,486.62	15.8

PAINT BRUSH HILLS METROPOLITAN DISTRICT
Property Tax Collection Schedule
2013

Month	1-510 Property Taxes General	1-560 Interest Gen	1-510 Prior Yr General	1-510 Abatements General	1-515 SOT General	Special Assessment	1-700 Treasurer Fees General	9-110 Net Received
El Paso Cty								
January	10,732.07	-	-	-	2,815.66		160.98	13,386.75
February	151,985.29	-	-	-	2,638.88	253.52	2,279.78	152,597.91
March	4,804.61	1.76	-	-	2,692.73		72.10	7,427.00
April	39,017.56	-	-	-	2,774.72		585.26	41,207.02
May	47,202.76	4.40	-	-	2,799.73	253.32	708.11	49,552.10
June	85,619.05	3.70	-	-	2,646.00		1,284.34	86,984.41
July	916.88	22.04	-	-	3,036.03		14.08	3,960.87
August	192.99	5.79	-	-	2,965.84		2.98	3,161.64
September	-	-	-	-	-		-	-
October	-	-	-	-	-		-	-
November	-	-	-	-	-		-	-
December	-	-	-	-	-		-	-
	<u>340,471.21</u>	<u>37.69</u>	<u>0.00</u>	<u>0.00</u>	<u>22,369.59</u>	<u>506.84</u>	<u>5,107.63</u>	<u>358,277.70</u>

*Cash on hand with County Treasurer

Property Taxes	
General	15,435,880
Mill levy	22.107
Tax Revenue	341,241.00
Collections	340,471.21
Uncollected	769.79



Farmers State Bank of Calhan

Visa® Business Credit Card Application

APPLYING FOR: (Please Print)	
<input type="checkbox"/> Visa® Business Card	Total Credit Limit Requested: \$ _____
<input type="checkbox"/> Visa® Fleet Card	Total Credit Limit Requested: \$ _____
<p>If company's total aggregate debt to the Bank (including this request) will exceed \$10,000 please submit with application the following:</p> <p>1. Company's most recent "year end" and "interim" Financial Statements and the last two years tax returns (Include all schedules).</p> <p>2. Personal Financial Statement of Guarantors with 20% or more ownership.</p>	

BUSINESS INFORMATION: ("Applicant", "Borrower", "User", "Company", "Yield" or "Cardholder")			
Legal Name:	Federal Tax ID Number	Business Phone Number: ()	
Business Name as it should appear on the card (Maximum 24 characters):			
Business Street Address:	City:	State:	Zip Code:
Nature of Business:			
Type of Organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> LLC <input type="checkbox"/> Government <input type="checkbox"/> Other: _____			
Time Under Current Ownership	Gross Revenue: \$	# of Signers Needed to Execute Documents	
Name of Person Authorized to Manage Company Accounts:	E-Mail Address:	Phone Number: ()	
Currently Bank With:	Bank Address:	Checking Account Number:	Average Balance:
Choose One of the Following Billing Options: <input type="checkbox"/> Combined (One statement itemizing all cardholder activity) <input type="checkbox"/> Individual (Individual statement sent to each cardholder)			

PERSONAL GUARANTOR (S):				
All individuals with 20% or more ownership must complete. Attach separate sheet on company letterhead for additional Guarantor(s).				
1. <input type="checkbox"/> Sole Owner <input type="checkbox"/> Managing Member <input type="checkbox"/> Partner <input type="checkbox"/> Chairman <input type="checkbox"/> President <input type="checkbox"/> Vice President <input type="checkbox"/> Treasurer				
Name of Guarantor:	Social Security Number	Date of Birth	Home Phone:	
Home Street Address	City:	State:	Zip Code:	
How Long at Current Address:	% Ownership of Company:	Household Income:	Do you want a card issued to you	Credit Limit:
	%	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

2. <input type="checkbox"/> Managing Member <input type="checkbox"/> Partner <input type="checkbox"/> Chairman <input type="checkbox"/> President <input type="checkbox"/> Vice President <input type="checkbox"/> Treasurer				
Name of Guarantor:	Social Security Number	Date of Birth	Home Phone:	
Home Street Address	City:	State:	Zip Code:	
How Long at Current Address:	% Ownership of Company:	Household Income:	Do you want a card issued to you	Credit Limit:
	%	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

PLEASE COMPLETE THE REVERSE SIDE

PERSONAL GUARANTOR (S). All owners with 20% or greater interest in the business must read and sign this section.

By signing below, in my individual capacity (even if I place a title or other designation next to my signature), jointly and severally unconditionally guaranty and promise to pay Bank all indebtedness incurred by Applicant at any time arising under or relating to any credit requested through this Application, as well as any extension, increases, or renewals of that indebtedness. As guarantor, I waive (i) presentment, demand, protest, notice of protest to Bank, and notice of nonpayment; (ii) any defense arising by reason of any defense of the Applicant or other guarantor; and (iii) the right to require Bank to proceed against Applicant or any other guarantor; to require the Bank to pursue any remedy in connection with the guaranteed indebtedness, or to notify guarantor of any additional indebtedness incurred by the Applicant, or of any changes in the Applicant's financial condition. I also authorize Bank, without notice or prior consent, to (I) extend, modify, compromise, accelerate, renew, increase, or otherwise change the terms of the guaranteed indebtedness and (II) proceed against one or more guarantors without proceeding against the Applicant or other guarantor. An electronic facsimile of my signature, in any capacity, may be used as evidence of my agreement to the terms of this guaranty.

Signature of Guarantor and Title	Date / /
Signature of Guarantor and Title	Date / /
Signature of Guarantor and Title	Date / /
Signature of Guarantor and Title	Date / /

AGREEMENT

By signing below, you are asking, on behalf of the company identified on this Application for the Bank to issue Visa Business Credit Card(s) as identified on the front of this Application, to individuals listed on this Application or any attachments. By signing, you represent that you are authorized to sign this Application on behalf of the Company and that all of the information provided is true and correct. You also authorize Bank to verify the information you have given and to lawfully receive and exchange credit information about the Company, and its principle owner(s), both now and in the future. By signing and using the Card(s), you agree that all Cards will be used solely for business purposes and that you agree to all of the terms of the Visa Business Card Agreement. By signing below, you acknowledge and agree that you are granting us a Uniform Commercial Code security interest in and any deposits accounts you maintain with us to secure payments initiated with Card(s) and any current or future indebtedness to us whether under this Agreement or any other indebtedness to us.

Signature of Authorizing Officer:	Print Name:	Title:	Date: / /
Signature of Authorizing Officer:	Print Name:	Title:	Date: / /
Signature of Authorizing Officer:	Print Name:	Title:	Date: / /
Signature of Authorizing Officer:	Print Name:	Title:	Date: / /

Bank Use Only	Date DDA Opened:	12 Month Ave. Balance:	Satisfactory NSF History: Yes/No/NA Satisfactory OD History Yes/No/NA Other Accounts: Yes/No:
	/ /	\$	Loans: Yes/No Satisfactory CheckSystems (New Accounts Only); Yes/No/NA Signatures Verified: Yes/No
	I have reviewed the Application for accuracy and completeness and verified the authority of the signers on reverse side to be authorized to execute, request and receive Visa Business Card(s).		
	Reviewing Supervisor Signature:		Date: / /
<input type="checkbox"/> DECLINED: Attach copy of letter and retain in file;			
<input type="checkbox"/> ACCEPTED: Forward application and any supporting documents to Credit Card Department			



“Exhibit B”

IMPORTANT INFORMATION ABOUT YOUR VISA BUSINESS ACCOUNT

CREDIT DISCLOSURES	
Annual Percentage Rate (APR) for Purchases And Balance Transfers	8.75%* (Prime Rate + 5.5%) variable ⁽¹⁾
APR for Cash Advances and Delinquent Accounts ⁽³⁾	17.99% ⁽²⁾
Grace Period for Repayment of Balances for Purchases	25 Days on average for purchases only
Method of Computing the Balance	Average Daily Balance (including new purchases)
Annual Fees	A \$12.00 annual fee is assessed if fewer than six total purchases are made with the card in any 12 month period.
Minimum Finance Charge	None
Transaction Fee for Cash Advances	3% of the advance amount (\$5.00 min., \$50.00 max.)
Balance Transfer Fee	3% with a \$5 minimum
Late Payment Fee ⁽⁴⁾	\$30.00
Return Payment Fee	\$35.00
Over-the-Credit-Limit Fee ⁽⁵⁾	\$35.00
<p>(1) Your Annual Percentage Rate may vary monthly. The rate is determined by adding a margin of 5.5% to the Prime Rate. The Prime Rate used to determine your APR is the Prime Rate published in the “Money Rates” section of the Midwest Edition of The Wall Street Journal on the first business day of each calendar month.</p>	
<p>(2) Your Annual Percentage Rate (APR) for Cash Advances and Delinquent Accounts is Fixed.</p>	
<p>(3) Delinquent APR will be assessed if any of the following occur in a 12 month period: 2 times delinquent 30 days or 1 time delinquent 60 days.</p>	
<p>(4) Late Charge: If the minimum required payment is not received by the next statement drop date, a late charge of \$30.00 will be imposed.</p>	
<p>(5) Over-the-Credit-Limit Fee: This fee is applied when a balance is \$10 or more over the limit.</p>	
<p>* The Important Information About Your Visa Business Account and the stated Annual Percentage Rate (APR) for Purchases and Balance Transfers is accurate as of November 1, 2008. This information may have changed after that date. To find out what may have changed, write to us at Card Services, Farmers State Bank of Calhan, PO Box 9, Calhan, Colorado 80808. You may also call us to (719) 347-2727 to receive the information.</p>	



**“Exhibit A”
BUSINESS CREDIT CARD
AUTHORIZED CARDHOLDER INFORMATION SHEET**

Date: _____

COMPANY INFORMATION				
Company:				Co. ID
Address:			TIN/SSN:	
City:	State:		Zip:	
Phone:	Email Address:			

Please provide a primary contact for your company. The contact must be an authorized officer of your business and must have the authority to determine the Credit Limits of your designated cardholders.

Primary Contact(s): _____

Please list the name of the individual who will be designated as the Company Account Administrator (Administrator). The Administrator is authorized to act as the agent for the Company to authorized and use the various functions of the Special Account Services, including but not limited to the ability to control the access granted or change the credit limits for each user. You are granting the Administrator full authority to conduct all functions within the Credit Card “Special Account Services” System.

Name: _____

Please list below the authorized cardholder and credit limit as authorized by your company.

Authorized Cardholder	Credit Limit	Online Statement View	Online Account Maintenance
		Yes or No	Yes or No
		Yes or No	Yes or No
		Yes or No	Yes or No
		Yes or No	Yes or No
		Yes or No	Yes or No
		Yes or No	Yes or No
		Yes or No	Yes or No
		Yes or No	Yes or No
		Yes or No	Yes or No
		Yes or No	Yes or No
		Yes or No	Yes or No

			Yes or No	Yes or No
			Yes or No	Yes or No
Authorized Cardholder		Credit Limit	Online Statement View	Online Account Maintenance
			Yes or No	Yes or No
			Yes or No	Yes or No
			Yes or No	Yes or No
			Yes or No	Yes or No
			Yes or No	Yes or No
			Yes or No	Yes or No
Fleet Card		Credit Limit	Online Statement View	Online Account Maintenance
			Yes or No	Yes or No
			Yes or No	Yes or No
			Yes or No	Yes or No
			Yes or No	Yes or No
			Yes or No	Yes or No
			Yes or No	Yes or No
			Yes or No	Yes or No
			Yes or No	Yes or No

Please identify below the Special Account Services your company desires to utilize:

Product	Fee	Yes	No
Online Statements	No Charge		
Online Account Maintenance (The Company must maintain a minimum of 10 cardholders to be eligible for this service)	No charge, if receive statements electronically, otherwise \$150 set up fee		
ACH Payments (complete attached ACH agreement)	No Charge		

Applicant(s) acknowledges(s) that representations made in this Statement will be relied upon by Farmers State Bank of Calhan and that this information is true and correct in every detail.

AUTHORIZATIONS

You represent that each individual who will be issued a credit card in the name of the Company has general authority from your organization to access the corresponding credit limit on behalf of the Company. Company acknowledges and agrees that Farmers State Bank has full authorization from your organization to rely and act upon instructions identified within this agreement.

"SPECIAL ACCOUNT SERVICES" ONLINE ACCESS AND SECURITY (if requested)

The Special Account Services Online Access site has been designed to minimize the possibility of fraud and error by allowing you to designate Login IDs and Passwords and have them under the control of the individual that you have authorized and designated as Administrator. The Special Account Services Online Access site has been designed so that it may be operated only upon entry of valid Login IDs and Passwords. Farmers State Bank will therefore consider any access to the Special Account Services Online Access system through use of valid Login IDs and Passwords to be duly authorized, and Farmers State Bank will carry out any instruction given, regardless of the identity of the individual who is actually operating the system. You authorize Farmers State Bank to treat any instruction made on the Special Account Services Online Access site with valid Login IDs and Passwords as if the instructions had been made in writing and signed by the appropriate authorized individual or individuals. Farmers State Bank records regarding access by Login IDs and Passwords will be conclusive regarding any access to, or action taken through the Special Account Services Online Access site. You accept responsibility for unauthorized access to the Special Account Services Online Access site by your employees, your associates or by third parties. You agree to inform Farmers State Bank promptly of any discrepancies that you discover. You confirm that you have conducted such investigation of the Special Account Services Online Access site as you deem necessary or advisable, and that you have instituted the proper internal controls for access to the Special Account Services Online Access site through your computers and terminals. You acknowledge and confirm that Farmers State Bank's security system and controls are commercially reasonable for our business and appropriate for your accounts.

CANCELLATION OF SPECIAL ACCOUNT SERVICES ONLINE ACCESS

This Agreement will remain in effect until you or Farmers State Bank terminates it. You understand that you may, with two (2) business days' advance written notice to Farmers State Bank, cancel this Agreement. You understand that this cancellation applies only to the Special Account Services Online Access site and will not affect your Farmers State Bank accounts. Farmers State Bank may cancel this Agreement or terminate your participation in the Special Account Services Online Access site, for any reason, at any time.

CHANGE IN TERMS

Farmers State Bank may change the terms of this Agreement at any time. Farmers State Bank may also add, discontinue or modify services, and change procedures and fees at any time. Farmers State Bank will notify you in advance of such changes, by mail or by electronic message.

INDEMNIFICATION

You will defend, indemnify and hold Farmers State Bank harmless from and against any claims, causes of action, liability, loss, damage or expenses (including reasonable attorneys' fees and other legal expenses) resulting from or arising out of or in connection with (a) your breach of this Agreement, (b) unauthorized actions initiated or caused by you, your employees or agents, or any other party using authorized Login IDs and Passwords, (c) our acting in reasonable reliance upon instructions, notices, information and data you provide to us (including without limitation our debiting or crediting of the amount of any ACH Entry to the account of any person), or (d) the act, delay, omission or failure to perform of any third party (including other financial institutions, but excluding any vendor with which we have contracted).

LIMITATIONS ON OUR LIABILITY

IN NO EVENT WILL WE BE LIABLE TO YOU FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, LOSS OF ANY OPPORTUNITY OR GOOD WILL OR THE RESULTING EFFECT OF SUCH LOSS ON YOUR BUSINESS, EVEN IF WE HAVE BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. OUR LIABILITY HEREUNDER, IF ANY, FOR DAMAGES RESULTING FROM OR ARISING OUT OF ANY OF THE FOLLOWING SERVICES WILL BE LIMITED TO THE AMOUNT OF FEES YOU HAVE PAID FOR SUCH SERVICE FOR THE TWELVE MONTH PERIOD PRIOR TO WHEN THE CLAIM AROSE.

Without limiting the generality of the foregoing, we will not be liable to you for any damages, injury or losses caused by or arising by reason of (1) inaccuracy of instructions, notices, information or data that you provide to us, (2) unauthorized actions initiated or caused by you, your employees or agents, or third parties using authorized Login IDs or Passwords, (3) acts, omissions, delay or failure to perform of third persons or vendors, or (4) for any other loss or damage under this Agreement or otherwise, except as solely caused by our gross negligence or willful misconduct. Our liability for error or omissions with respect to the data transmitted by us will be limited to correcting the errors or omissions. Correction will be limited to re-running the job(s) and/or regenerating the files using backup, if available. We will not be liable or deemed to be in default for any delays, failures, or interruptions in performing the Services resulting,

directly or indirectly, from acts of God, war, strikes, labor disputes, riots, civil disorders, fire, mechanical, telecommunication or electrical breakdown, or other causes beyond our reasonable control.

REPRESENTATIONS AND WARRANTIES

OUR OBLIGATIONS AND LIABILITIES AND YOUR RIGHTS AND REMEDIES SET FORTH IN THIS DISCLOSURE ARE EXCLUSIVE, AND YOU WAIVE AND RELEASE ANY OTHER WARRANTY, OBLIGATIONS AND LIABILITIES OF US AND OUR OWNERS, OFFICERS OR EMPLOYEES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY AND ALL SERVICES, DOCUMENTS, INFORMATION, ASSISTANCE, SOFTWARE PRODUCTS OR OTHER MATTERS PROVIDED UNDER THIS DISCLOSURE, INCLUDING BUT NOT LIMITED TO: (1) ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A SPECIFIC PURPOSE OR OTHER IMPLIED CONTRACTUAL WARRANTY; (2) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE; AND (3) ANY OTHER WARRANTY WITH RESPECT TO QUALITY, ACCURACY OR FREEDOM FROM ERROR.

Signature:

By signing below, the Company agrees to the terms of Farmers State Bank's Business Credit Card and Special Account Services Online Access site. The undersigned certifies that the signature(s) appearing below is/are the true signature(s) of a person authorized to execute the form, and further certifies that the undersigned has full authority to execute this Certification. The Bank is entitled to rely upon this Certification until written notice of its revocation is delivered to the Bank.

X _____ Signature	Title	X _____ Signature	Title
X _____ Signature	Title	X _____ Signature	Title

Certification: Note: If the business organization specified above is a corporation, the secretary or assistant secretary must sign this Certification; if it is a partnership, limited liability company or limited liability partnership, one of the general partners or members must sign this Certification.

AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENTS

I (we) hereby authorize Farmers State Bank of Calhan, to initiate debit entries to the Company [CHECK ONE]: CHECKING ACCOUNT [] SAVINGS ACCOUNT [] indicated below at the depository named below, hereinafter called Depository, to debit the same to such account.

DEPOSITORY NAME _____ BRANCH _____
 CITY _____ STATE _____ ZIP _____
 TRANSIT/ABA NO. _____ ACCOUNT _____

The amount of the credit card payment to be deducted monthly is: [CHECK ONE]

- THE MINIMUM PAYMENT
- THE TOTAL AMOUNT DUE
- A FIXED AMOUNT GREATER THAN THE MINIMUM
 If the fixed payment option was checked, the amount to be deducted monthly is: \$ _____
 or _____ dollars. (Write dollar amount)
- A FIXED PERCENTAGE GREATER THAN THE MINIMUM
 If the fixed percentage option was checked, the percentage of the Account's balance as of statement closing date that will be extracted for payment is: _____%

This authority is to remain in full force and effect until the Company provides Farmers State Bank of Calhan and DEPOSITORY with a written authorization requesting that a change be made or that the periodic payments be terminated. The Company must provide this written authorization as to change or termination so that it is received by Farmers State Bank of Calhan and DEPOSITORY at least thirty (30) days prior to any change or termination requested.

The Company understands and agrees that in order for Farmers State Bank of Calhan and DEPOSITORY to make payments requested in this Authorization form, the Company must have the payment amount available in the Company's account.

The Company further understands and agrees that Farmers State Bank of Calhan and Depository shall not be responsible for any act or failure to act on their part, except in the case of gross negligence or willful misconduct. The Company agrees to hold Farmers State Bank of Calhan and DEPOSITORY harmless from any claims, liabilities, attorney's fees and other costs and expenses of any and every kind and nature which may be incurred by them by reason of their performance under this Authorization Form.

(PLEASE PRINT)

Name(s): _____ / _____

ID NUMBER: _____

SIGNED: _____ DATED: _____

SIGNED: _____ DATED: _____

Bank Use Only	Date	Input By:
	Received:	
Login: _____		Password
Given in Person <input type="checkbox"/>		Letter <input type="checkbox"/>
Verified by: _____	Date Verified: _____	Date Letter Sent: _____

Revised 11/01/2008

**FARMERS STATE BANK OF CALHAN
BUSINESS CREDIT CARD ACKNOWLEDGMENT AND AGREEMENT**

AGREEMENT made this _____ day of _____, 20 ____, by and between _____, a _____
("Applicant") and **Farmers State Bank of Calhan**, a Colorado state chartered banking corporation ("Bank").

RECITALS:

1. Applicant has applied for a Business Visa credit card account ("Account") with Bank.
2. Applicant desires that the Account be accessed by authorized affiliated entities and/or individuals ("Authorized User") only and that each Authorized User have a corresponding credit limit. The Business Credit Card Authorized Cardholder Information Sheet ("Information Sheet") presented by the Applicant as a part of its application and attached hereto as Exhibit A, contains the Authorized Users and the corresponding credit limit for each Authorized User as of the date of this Agreement.
3. Bank has provided Applicant with a document entitled "Important Information About Your Visa Business Account," a copy of which is attached as Exhibit B.
4. Applicant and Bank desire that Applicant acknowledge receipt of a copy of Exhibit B and agree to be bound by the terms governing the use of cards outlined in Exhibit B and this Agreement.
5. Applicant desires to utilize specialized Account services ("Special Account Services") offered by Bank as identified herein and appoint an Applicant Account administrator (the "Administrator") as the agent for Applicant to authorize the various functions of the specialized Account services.

NOW, THEREFORE, the parties agree as follows:

1. **Effects of Recitals.** The foregoing recitals are true and correct and by this reference are incorporated into the terms and conditions of this Agreement.
2. **Appointment of Administrator.** Applicant has appointed the individual identified on its application and Exhibit A as the Administrator of the Account and Bank may rely upon the written instruction received from said Administrator. Applicant can remove or replace said Administrator with five (5) business days' advance notice to Bank. Applicant hereby indemnifies and holds Bank harmless from and against all claims, demands, causes of action, judgments, costs, liabilities, losses and damages arising from the actions of the Administrator in the operation of the Account and the Special Account Services relating thereto.
3. **Application.** The information contained on the application submitted by Applicant is true and correct.
4. **Authorized Users.** The Account may be accessed by the Authorized Users subject to the credit limits imposed by the Applicant and communicated to Bank as herein provided.

5. **Special Account Services.** Applicant can elect to utilize the Special Account Services identified on Exhibit A attached hereto. Applicant may add additional Special Account Services during the term of the Account, which shall be governed by this Agreement. Applicant acknowledges that only the Applicant or the Administrator may identify those access rights and codes authorized pursuant to the Special Account Services. Applicant acknowledges any access to any Special Account Services through the use of valid Login IDs and Passwords will be considered duly authorized access by the Applicant. Furthermore, Applicant authorizes Bank to treat any instructions made through the Special Account Services with valid Login IDs and Passwords, regardless of the identity of the individual who is actually operating the system, as valid and authorized as if the instructions had been made in writing and signed by appropriate authorized individual or individuals. Applicant accepts responsibility for unauthorized access to the Special Account Services by Applicant's employees, associates or by third parties.
6. **Account Changes.** Provided the Applicant elects not to utilize the Special Account Services, the Applicant or the Administrator may, with advance written notice to Bank, delete, change, or add Authorized Users of cards issued on its Account, or change credit limits, billing information, or applicable spending restrictions. Upon receipt of the written notice, the Bank will implement the change request within two (2) business days.
7. **Acknowledgement of Receipt.** Applicant acknowledges receipt of a copy of the "Important Information About Your Visa Business Account" attached hereto as Exhibit B.
8. **Agreement Governing Use.** Applicant, for itself and for all Authorized Users of cards issued on the Account agrees to be bound by the terms governing the use of cards outlined in Exhibit B, and all amendments thereto.
9. **Promise to Pay.** Applicant agrees to pay for all Credit Purchases, Loans, Finance Charges, fees and other charges associated with the Account.
10. **Right of Setoff.** Bank reserves a right of setoff in all of Applicant's account(s) with Bank (whether checking, savings, or some other account). This includes all accounts Applicant holds jointly with someone else and all accounts Applicant may open in the future. However, this does not include any IRA or Keogh accounts or any trust accounts, for which setoff would be prohibited by law. Applicant authorizes Bank, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts and, at Bank's option, to administratively freeze all accounts to allow Bank to protect Bank's charge and setoff rights.
11. **Identification.** To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all Financial Institutions to obtain, verify and record information that identifies each person who opens an account. Therefore, when you open an account, the Bank will ask for your name, address and date of birth, social security number and other information that will allow us to identify you. The Bank may also ask to see your Driver's License or other identification documents.

12. **Waiver of Liability Limitation.** If ten (10) or more cards are issued to Applicant for use by its employees, Applicant and Bank agree that notwithstanding the limitations imposed by federal law and regulation, there shall be no limit to Applicant's liability for unauthorized use.
13. **Attorney Fees.** In the event that it becomes necessary for either party to this Agreement to employ counsel to enforce any of the terms, conditions or obligations of the Agreement, each party shall be responsible for their respective attorney's fees and expenses.
14. **Notices.** Any notice to be given hereunder shall be in writing and shall either be served upon a party personally, or served by registered or certified mail, return receipt requested, or by nationally recognized overnight delivery service, directed to the party to be served at the following addresses:

Applicant: _____

Bank: **Electronic Card Services Department**
Farmer State Bank of Calhan
458 Colorado Avenue
PO Box 9
Calhan, CO 80808

A party wishing to change its designated address shall do so by notice in writing to the other party. Notice served by mail shall be deemed complete when deposited in the United States mail, postage prepaid. Notice served by overnight delivery service shall be deemed complete the day after such notice is sent. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice.

15. **Time.** Time shall be of the essence of this Agreement.
16. **Binding Effect.** All of the covenants and agreements herein contained shall extend to and be binding upon the parties hereto, and their respective successors, assignors, trustees and trustees in bankruptcy.
17. **Governing Law.** This Agreement and your Account are governed by the law of the State of Colorado.

By signing below, Applicant acknowledges he/she has read and understands the statements above.

Applicant: _____

Farmers State Bank of Calhan

By: _____

By: _____

Title: _____

Title: _____

Business Credit Card Resolution to Borrow Money

(General Partnership, LLC, LC, LP or Unincorporated Organization)

WHEREAS, _____ (Company),

a _____ in the County of _____
(General Partnership, LLC, LC, LP, or Unincorporated Organization)

State of _____ has applied for a Business Credit Card (Account), with Farmers State Bank of Calhan (Bank).

WHEREAS, the person(s) named below constitute the general partners, members, or managers of the general partnership, limited liability company, or limited liability partnership (as appropriate), unincorporated association, or have been otherwise designated pursuant to the general partnership's agreement, articles of organization, or the operating agreement as general partners, members, or managers (as appropriate), and have the authority to bind the respective organization and execute documents on behalf of the organization.

BE IT RESOLVED, that the undersigned are authorized and directed to certify to Bank the adoption of this Resolution.

FURTHER RESOLVED, the Company desires to authorize and issue credit cards to the individuals identified in "Exhibit A" (Business Credit Card Authorized Cardholder Information Sheet) of the Account Agreement. Each of the persons listed in the "Exhibit A" are current general partners, members, managers, or employees who are authorized in the name of the Company to perform transactions, including, but not limited to, purchases, point of sale transactions and cash advances using a credit card issued in the name of the company.

FURTHER RESOLVED, the undersigned are authorized and directed to certify the persons and credit limits identified in "Exhibit A" with the full faith and credit of the Company.

FURTHER RESOLVED, that any and all actions heretofore taken by a general partner, member, manager, or employee of the organization in connection with relating to the Account be and they are hereby ratified and confirmed as the proper and binding actions of the organization, and the terms of the Account Agreement are approved and authorized and are binding upon the organization.

FURTHER RESOLVED, that this Certificate shall be conclusively deemed to be in addition to and shall not be deemed to revoke, rescind, modify, or otherwise affect, any other resolutions heretofore or hereafter delivered to the Bank on behalf of the organization.

YOU CERTIFY, by signing below, you are asking, on behalf of the company identified on this Resolution for the Bank to issue Visa Business Credit Card(s) to individuals identified on the "Exhibit A" (Business Credit Card Authorized Cardholder Information Sheet) of the Account Agreement or any attachments. By signing, you represent that you are authorized to sign this application on behalf of the Company and that all of the information provided is true and correct. You also authorize Bank to verify

the information you have given and to lawfully receive and exchange credit information about the Company, and its principle owner(s), both now and in the future. You agree that the Company will be liable for all fees and charges incurred on the Business Credit Card(s) described in the "Exhibit A" (Business Credit Card Authorized Cardholder Information Sheet) of the Account Agreement or any attachments, as amended from time to time, and which is incorporated herein and made a part hereof by this reference. By signing and using the Business Credit Card(s), you agree that all Business Credit Cards will be used solely for business purposes and that you agree to all of the terms of the Visa Business Card Agreement. By signing below, you acknowledge and agree that you are granting us a Uniform Commercial Code security interest in any deposits accounts you maintain with us to secure payments initiated with Business Credit Card(s) and any current or future indebtedness to us whether under this Agreement or any other indebtedness to us.

YOU HEREBY FURTHER CERTIFY, that the following named persons presently duly hold the position set opposite their respective names and that the signatures appearing hereon are the genuine, original signatures of each respectively:

(PLEASE SUPPLY GENUINE SIGNATURES HEREUNDER)

_____ Name	_____ Position

I hereby certify that I am an duly authorized partner, member, manager or authorized agent of said Company and that the foregoing is a correct copy of resolutions passed as therein set forth, and that the same are now in full force.

_____ Name	_____ Title	_____ Date
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AGENCY SERVICES AGREEMENT

District Name: Paint Brush Hills Metropolitan District

Address: 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228

T. Charles Wilson Insurance Service (“the Agency”) agrees to act as Insurance Agent, representing its multiple resources, for the above-named District. The agent’s services shall include the following:

1. Review the District’s coverage needs, budgets and future plans with the District’s Project Manager and, if requested, the District’s Board or the Board’s designated representative.
2. Review property coverage including physical inspection of the District’s property locations (if requested), if the District has real and/or personal property it wishes to insure.
3. Make recommendations with respect to basic and optional coverages that should be considered by the District, and present those to the District’s Project Manager and, if requested, the District’s Board or the Board’s designated representative.
4. Prepare submissions to standard market carriers and the Colorado Special Districts Property and Liability Pool at the request of District; or whenever circumstances dictate remarketing of District’s insurance.
5. Present all quotations on a “net of commission” basis (no commissions in the price) if total annual premiums are less than \$6,000. If over \$6,000, quotes will include commission and no fee will be charged.
6. Include with the quotations a written comparison of company financial strength, possible future financial benefits or obligations of the policyholder, coverage limits, premiums, notable exclusions and coverage enhancements, whenever competitive bids are presented.
7. Prepare separate billings – one for quoted net premiums and one for the services of the Agency.
8. Provide claim services including but not limited to: taking initial calls or reports of claims from Districts Representative or claimants; reporting claims to the districts insurance company; providing insurance related counsel and advice during the claim process to the District and its Representatives; fielding calls from claimants; directing insurance company adjustors to District Representatives.
9. Provide ancillary services on an as-needed basis, including, but not limited to contract language review for insurance purposes (only) or aid in negotiating required insurance terms with entities either requiring insurance of the District or required to have insurance by the District.

AGENCY SERVICES AGREEMENT

PAGE 2

FEES

If the total annual premiums of all policies purchased by the district through the Agency is less than \$6,000, then the Agency shall charge the following fees in lieu of commissions:

\$350 per year for liability, public officials liability, automobile liability.

\$200 per year additional if property coverage is required.

These fees apply so long as mutually acceptable.

These fees shall apply at the District's next renewals. If policies have already been quoted and/or renewed prior to the execution of this agreement, then the fees will not be charged until next renewal, but the services enumerated herein shall begin with the execution of this agreement.

Illegal Aliens Provision. The Agency certifies that the Agency shall comply with the provisions of Section 8-17.5-101 *et seq.*, C.R.S. The Agency shall not knowingly employ or contract with an illegal alien to perform work under this Agreement or enter into an agreement with a subcontractor that knowingly employs or contracts with an illegal alien to perform work under this Agreement. The Agency represents, warrants, and agrees that it (i) has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this agreement through participation in either the E-Verify Program or the Department Program described in Section 8-17.5-101, C.R.S. The Agency shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the public contract for services is being performed. If the Agency obtains actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with an illegal alien, the Agency shall: (i) notify the subcontractor and the District within three days that the Agency has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three days of receiving such notice, the subcontractor does not stop employing or contracting with the illegal alien, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien. The Agency shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If the Agency fails to comply with any requirement of Section 8-17.5-102(2), C.R.S., the District may terminate this Agreement for breach and the Agency shall be liable for actual and consequential damages to the District. If the Agency participates in the Department Program, the Agency shall provide the affirmation required under Section 8-17.5-102(5)(e)(III), C.R.S., to the District.

**AGENCY SERVICES AGREEMENT
PAGE 3**

Please acknowledge your agreement with the terms herein by signing below. The obligation for payment of the above fees shall be the responsibility of the District signing below.

Signature

Name of Person Signing – Printed or Typed

Paint Brush Hills Metropolitan District
Name of Organization represented by
above signor – Printed or Typed

Date