

# RECORD OF PROCEEDINGS

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## MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT HELD JANUARY 16, 2014

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 16<sup>th</sup> day of January, 2014, 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.

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### ATTENDANCE

#### Directors In Attendance Were:

Kim Griffin, President  
Calvin Pollard  
Doug Burrer  
Floyd Roberts  
John Bruszenski

#### Also In Attendance Were:

Leon Gomes; Special District Management Services, Inc.

Brent Butzin, Esq.; White Bear & Ankele, P.C. (via speakerphone)

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### 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.

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### ADMINISTRATIVE MATTERS

Agenda: Mr. Gomes reviewed with the Board a proposed Agenda for the District's regular meeting.

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

**Public Comments:** There were no public comments.

**Request for Bill Adjustment:** The Board considered a request from the resident at 9508 Waterbury Drive for an adjustment to her water bill.

Following discussion, the Board determined to defer the matter to the February, 2014 Board meeting and to waive any late fees that may accumulate during that time.

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### **CONSENT AGENDA**

**Consent Agenda:** The Board considered the following actions:

- Acknowledge Manager's Report
- Acknowledge Staff Report
- Acknowledge Billing Report
- Acknowledge Operations Report
- Approve Minutes from the December 12, 2013 special meeting.

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

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### **FINANCIAL MATTERS**

**Claims:** The Board considered approval of the payment of claims for the period ending January 9, 2014, as follows:

General Fund	\$ 36,422.33
Debt Service Fund	\$ -0-
Enterprise Fund	\$ <u>6,556.41</u>
<b>Total Claims:</b>	<b>\$ <u>42,978.74</u></b>

Following review and discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending January 9, 2014, as presented.

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

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

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### LEGAL MATTERS

**Continuation of Management Services from Special District Management Services, Inc. ("SDMS"):** The Board entered into discussion regarding the continuation of management services by an extension of the Management Agreement between the District and SDMS for 2014.

Following discussion, upon motion duly made by Director Griffith, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved an extension of the Management Agreement between the District and SDMS for management services through December 31, 2014 for the amount of \$8,000 per month, excluding elections and project management services which will be billed at an average hourly rate.

**Resolution No. 2014-01-01, Amended and Restated Collections Resolution ("Collections Resolution"):** The Board entered into discussion regarding a Collections Resolution.

Following discussion, upon motion duly made by Director Bruszenski, seconded by Director Burrer and, upon vote, unanimously carried, the Board approved the Collections Resolution, which is attached hereto and incorporated herein by this reference.

**Proposal and Independent Contractor Agreement for Well 6 Disinfection between the District and Layne Christensen Company:** The Board reviewed a proposal from Layne Christensen Company ("Layne") and considered approval of an Independent Contractor Agreement for Well 6 Disinfection between the District and Layne in the amount of \$5,270.

Following discussion, upon motion duly made by Director Burrer, seconded by Director Pollard and, upon vote, unanimously carried, the Board approved the proposal and Independent Contractor Agreement for Well 6 Disinfection between the District and Layne in the amount of \$5,270, subject to final legalization and negotiation of the agreement.

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**ADJOURNMENT**

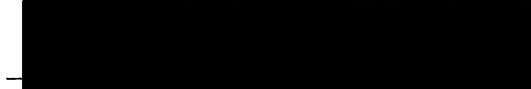
There being no further business to come before the Board at this time, upon motion duly made by Director Bruszenski, seconded by Director Roberts and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,



Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 16, 2014 MINUTES OF THE PAINT BRUSH HILLS METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



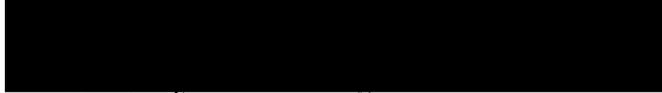
Kim Griffin



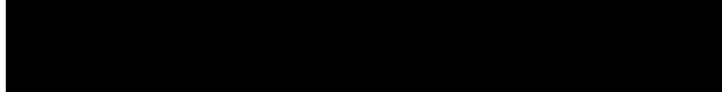
Calvin Pollard



Doug Burren



Floyd Roberts



John Bruszenski

# PAINT BRUSH HILLS METROPOLITAN DISTRICT

## Administrative Offices

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

## MANAGER'S REPORT

January 16, 2014 Regular Meeting

### Agenda Matters Background & Recommendations

## II. ADMINISTRATIVE MATTERS

B. Approve Agenda.

I would like to add the following matter as III.B.:

*Discuss and consider adoption of Collection Resolution*

D. Discuss request from resident regarding her water bill (enclosure).

**Background:** District property owner at 9508 Waterbury had a water break at her vacant home last month. In addition to the extensive damage to the home, there was an extraordinary amount of water use. The property owner has made two requests: 1) to pay the billed amount over time; and 2) a reduction of the billed amount.

The table below provides you with three reduction options for your consideration.

Tiers	Tier Use	Rate per Gallon	Billed at Actual Tiers	Billed at Tiers 1, 2 & 3	Billed at Tiers 1 & 2	Billed at Tier 1
Tier 1	20000	0.0050	\$100.00	\$100.00	\$100.00	\$715.00
Tier 2	10000	0.0075	\$75.00	\$75.00	\$922.50	
Tier 3	10000	0.0125	\$125.00	\$1,412.50		
Tier 4	103000	0.0150	\$1,545.00			
<b>Totals</b>	<b>143000</b>		<b>\$1,845.00</b>	<b>\$1,587.50</b>	<b>\$1,022.50</b>	<b>\$715.00</b>

**Recommended Board Action:** I am making no specific recommendation as to billing tiers. The Board may choose to grant a one-time reduction that denies any future requests for a one-year period. If so, I request that the Board give me the authority to negotiate terms and tier reduction, up to a maximum time and down to the lowest authorized tier approved by the Board. I would like to be able to delay the execution of any terms and rate tiers reduction until property owner's insurance company has determined if it will be covering the water use.

### III. FINANCIAL MATTERS

- A. Review and approve the payment of claims for the period ending January 9, 2014, as follows (enclosure):

General Fund:	\$	36,422.33
Debt Service Fund:	\$	-0-
Enterprise Fund:	\$	6,556.41
<b>Total:</b>	<b>\$</b>	<b><u>42,978.74</u></b>

**Recommended Board Action:** Approve claims as presented.

- B. Review and accept unaudited financial statements for the period ending December 31, 2013 (enclosure).

**Recommended Board Action:** Accept unaudited financial statements as presented.

### IV. LEGAL MATTERS

- A. Discuss and consider continuation of management services from Special District Management Services, Inc. in 2014.

**Background:** The SDMS Service Agreement provides for an annual extension by Board action. We are requesting that the Board continue the SDMS Service Agreement for the calendar year 2014 at a flat fee of \$8,000 per month. Elections and project management related to development and building activities are not included in the flat fee, and will be billed at the SDMS hourly rate.

**Recommended Board Action:** Approve the continuation of the SDMS Service Agreement for the calendar year 2014 with the conditions stated above.

- B. Discuss and consider adoption of Collection Resolution (if added to Agenda).

**Background:** Ms. Tanaka has provided a Collection Resolution that addresses policies, procedures, and authorities to collect fees due to the District. The Resolution puts property owners on notice of the procedures which will be followed whenever a delinquent account is encountered.

**Recommended Board Action:** Adopt Collection Resolution 2014-01-01

Respectfully submitted,



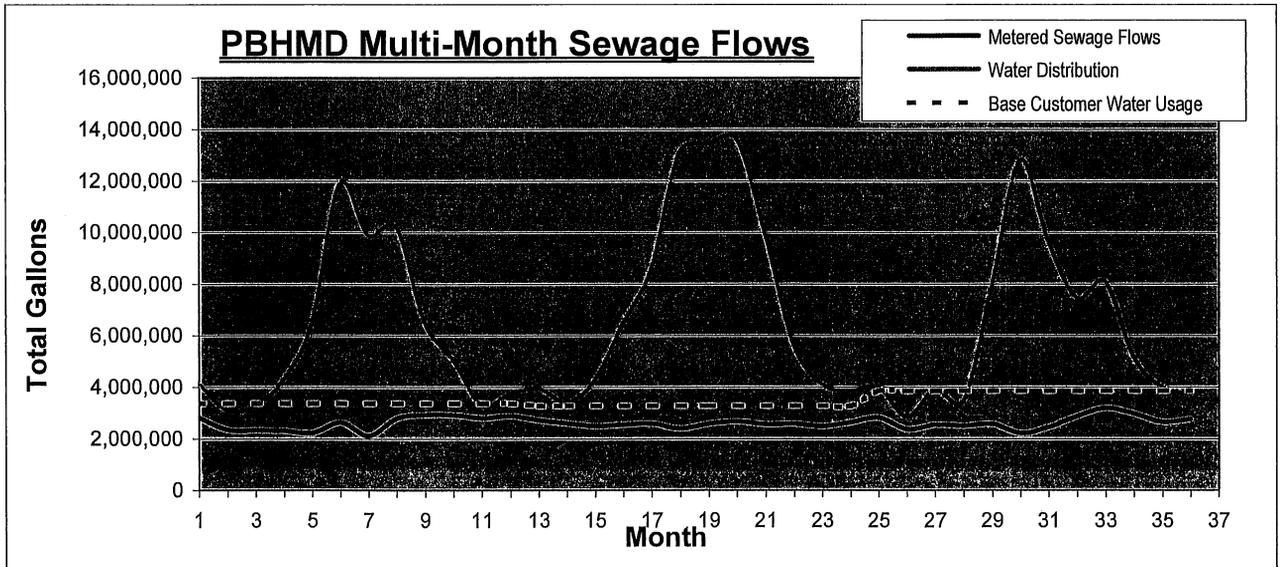
Leon Gomes  
District Manager for the Paint Brush Hills Metropolitan District

## PBHMD Staff Update:

1. Smith completed the updates for the District's curb stop database with information he collected during inspections.
2. Staff continues with the valve exercising program.
3. Knepper, Lindt, and Gomes continued reviewing PBHMD's Rules and Regulations.
4. Knepper, Lindt, and District Manager Gomes had a conference call with John McGinn to discuss the odor remediation of Well # 6.
5. Layne Western is working on a proposal for the Well # 6 odor. Which most likely includes pulling off equipment and physically scrubbing pipe as a potential solution to odor issue.
6. Christmas Day Knepper responded to an emergency call out of a flooded home, however was found out to be a water hose not turned off properly.
7. Knepper and Lindt continue to write Standard Operating Procedures for District facilities.
8. Staff met with Ross Electric about SCADA System and various other potential projects.
9. Knepper performed the Annual Analytical water sampling on all Wells currently in use.
10. The VFD continues to go on Well # 9 continues to fault out causing it to shut off automatically (may need to be replaced in the near future).
11. Both work trucks had been into the shop due to a couple complications.
  - a. Dodge Truck- U-Joints replaced
  - b. Ford Truck- Bad battery cable restored
12. Staff and Munson Ditching responded to a faulty connector on a prior repair on Allendale Drive.
13. Knepper's computer is at its end
  - a. 8 year old computer
  - b. Continually shuts down and is in need of replacing
14. Theresa trained Kelcey Riggs in the evenings a week prior to her leaving. Kelcey now has taken over as Office Assistant.

# PBHMD 3 Year Sewage Meter Flow Data Summary

Month/Year	Total Flow (gal)	# days/month	Average MGD/Day	Monthly Water Distribution	Base Water Usage
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	3,985,980	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	3,913,010	3,855,330
APRIL '13	2,506,000	30	0.084	3,471,780	3,855,330
MAY '13	2,575,000	31	0.083	7,985,090	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	9,623,130	3,855,330
AUG '13	2,881,000	31	0.093	7,462,390	3,855,330
SEPT '13	3,192,000	30	0.106	8,074,420	3,855,330
OCT '13	2,980,000	31	0.096	5,153,400	3,855,330
NOV '13	2,657,000	30	0.089	3,985,600	3,855,330
DEC '13	2,764,000	30	0.092	3,745,750	3,855,330
<b>Avg./Month:</b>	<b>2,741,699 gal/month</b>	<b>30.4</b>	<b>0.090</b>	<b>(includes 2009/10 data)</b>	
<b>Avg./Day:</b>	<b>90,187 gal/day</b>				



**PBHMD Well Status Report - September 2013**

<u>WELL</u>	<u>APPROX. FLOW</u>	<u>OPERATIONAL</u>	<u>COMMENTS</u>	<u>Well Levels</u>										
Well #1 (A-1)	60 gpm	Yes	Well working fine	<table border="1"> <thead> <tr> <th><u>Month/year</u></th> <th><u>feet water over pump</u></th> </tr> </thead> <tbody> <tr> <td>April '10</td> <td>282</td> </tr> <tr> <td>Aug '10</td> <td>175</td> </tr> <tr> <td>July '13</td> <td>140 on 340 off</td> </tr> <tr> <td>July '13</td> <td>150 on 275 off</td> </tr> </tbody> </table>	<u>Month/year</u>	<u>feet water over pump</u>	April '10	282	Aug '10	175	July '13	140 on 340 off	July '13	150 on 275 off
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April '10	282													
Aug '10	175													
July '13	140 on 340 off													
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Well #2 (A-2)	70 gpm	Yes	Well working fine											
Well #3 (A-3)	55 gpm	No	Not equipped -- needs to be upsized											
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											
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											
Well #6 (A-4)	75 gpm	Not Yet	Samples reveal methane gas in water, Engineer requested resampling which occurred 11/6/13											
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											
Well #8 (A-5)	75 gpm	Yes	Well working fine	<table border="1"> <tbody> <tr> <td>April '10</td> <td>450</td> </tr> <tr> <td>July '12</td> <td>178 on 425 off</td> </tr> <tr> <td>July '13</td> <td>185 on 420 off</td> </tr> </tbody> </table>	April '10	450	July '12	178 on 425 off	July '13	185 on 420 off				
April '10	450													
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Well #9 (LFH-4)	125 gpm	Yes	Well has shutoff a couple times this month. Electrician says VFD may be going out.	<table border="1"> <tbody> <tr> <td>April '10</td> <td>450</td> </tr> <tr> <td>April '12</td> <td>580</td> </tr> <tr> <td>July '12</td> <td>178 on 425 off</td> </tr> <tr> <td>July '13</td> <td>185 on 420 off</td> </tr> </tbody> </table>	April '10	450	April '12	580	July '12	178 on 425 off	July '13	185 on 420 off		
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Well #10 (A-6)	55 gpm	Yes	Well working fine	<table border="1"> <tbody> <tr> <td>April '10</td> <td>687</td> </tr> <tr> <td>April '12</td> <td>356</td> </tr> <tr> <td>July '12</td> <td>224 on 380 off</td> </tr> <tr> <td>July '13</td> <td>230 on 325 off</td> </tr> </tbody> </table>	April '10	687	April '12	356	July '12	224 on 380 off	July '13	230 on 325 off		
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Well #11 (LFH-5)	100 gpm	Yes	Well working fine	<table border="1"> <tbody> <tr> <td>April '10</td> <td>757</td> </tr> <tr> <td>April '12</td> <td>640</td> </tr> <tr> <td>July '12</td> <td>278 on 380 off</td> </tr> <tr> <td>July '13</td> <td>335 on 600 off</td> </tr> </tbody> </table>	April '10	757	April '12	640	July '12	278 on 380 off	July '13	335 on 600 off		
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Interconnect	90-200 gpm	Yes	Interconnect pumps are working just fine											

# MONTHLY DISTRIBUTION REPORT

Paint Brush Hills Metropolitan District -- PWSID #CO0221690

December 2013	Meter Read 11/30/2013 (gal)	Meter Read 12/31/2013 (gal)	# Days Well 'ON' December	December Distribution (gal)	December Distribution (ac-ft)	YTD TOTAL Distribution (gal)	YTD TOTAL Distribution (ac-ft)
Well #1 (A-1)	95,482,200	95,643,800	1	161,600	0.50	10,025,200	30.77
Well #2 (A-2)	166,394,100	167,490,800	17	1,096,700	3.37	19,825,900	60.85
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)	12,761,100	13,485,000	3	723,900	2.22	13,180,953	40.45
Well #9 (LFH-4)	55,040,300	55,676,700	3	636,400	1.95	10,700,900	32.84
Well #10 (A-6)	26,743,300	27,160,300	14	417,000	1.28	5,626,100	17.27
Well #11 (LFH-5)	88,477,900	89,336,400	5	858,500	2.63	10,886,030	33.41
MR Interconnect	81,814,700	81,890,900	2	76,200	0.23	2,534,100	7.78
Storage Tank Levels (ft)	15.0	20.0	n/a	-224,550	-0.69	284,370	0.87
<b>TOTAL PUMPING:</b>	(Well & Interconnect Usage)			<b>3,970,300</b>	<b>12.19</b>	<b>72,779,984</b>	<b>223.37</b>
<b>TOTAL DISTRIBUTION:</b>	(Distribution = Pumping +/- Storage)			<b>3,745,750</b>	<b>11.50</b>	<b>73,064,354</b>	<b>224.24</b>

## PUMPING TOTALS:

December Well Pumping:	3,970,300 gal	30.77 ac/ft of 90.6 ac/ft
December Well Pumping:	12.19 ac/ft	118.57 ac/ft of 182.0 ac/ft
YTD TOTAL Well Pumping:	72,779,984 gal	66.25 ac/ft of 388.0 ac/ft
YTD TOTAL Well Pumping:	223.37 ac/ft	7.78 ac/ft of 85.0 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

**Total Annual Available Water: 745.6 ac/ft**

(Guthrie alluvial water via Meridian Ranch Water Service Agreement)

## YTD TOTAL USAGE VS. APPROPRIATIONS TALLIES:

Annual Arapahoe (unappropriated):	30.77 ac/ft of 90.6 ac/ft
Annual Arapahoe (appropriated):	118.57 ac/ft of 182.0 ac/ft
Annual Laramie-Fox Hills (appropriated):	66.25 ac/ft of 388.0 ac/ft
Annual MR Interconnect Water:	7.78 ac/ft of 85.0 ac/ft

# 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	588,400	74,700	0	18,300	161,600	10,025,200
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	2,822,100	1,799,500	1,788,600	1,096,700	19,825,900
Well #3 (A-3)	0	0	0	0	0	0	0	0	0	0	0	0	0
Well #4 (LFH-1)	0	0	0	0	0	0	0	0	0	0	0	0	0
Well #5 (LFH-2)	700	0	0	0	0	0	0	0	0	0	0	0	700
Well #6 (A-4)	0	0	0	0	0	0	0	0	0	0	0	0	0
Well #7 (LFH-3)	0	0	0	0	0	0	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	1,380,900	190,300	658,800	723,900	13,180,953
Well #9 (LFH-4)	1,200	0	721,800	560,000	663,100	2,611,400	2,154,900	1,633,300	374,300	462,800	881,700	636,400	10,700,900
Well #10 (A-6)	5,200	0	700	159,600	401,500	504,500	126,500	1,017,700	1,560,500	1,255,900	177,000	417,000	5,626,100
Well #11 (LFH-5)	388,580	207,598	52	2,600	763,900	2,456,600	2,007,100	1,595,400	1,477,300	823,800	304,600	858,500	10,886,030
MR Interconnect	162,600	153,000	257,000	243,500	292,700	392,700	94,500	238,500	294,800	172,000	156,600	76,200	2,534,100
Storage Tanks (ft)	299,400	59,880	-449,100	-59,820	-29,910	388,830	-209,370	-29,910	89,820	449,100	0	-224,550	284,370
Total Distribution:	3,985,980	2,852,674	3,913,010	3,471,780	7,985,090	12,811,130	9,623,130	7,462,390	8,074,420	5,153,400	3,985,600	3,745,750	78,064,354

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

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

## 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 METER READ DATA

Paint Brush Hills Metropolitan District -- PWSID #CO0221690

2013	Meter Read 12/31/2012 (gal)	Meter Read 1/31/2013 (gal)	Meter Read 2/28/2013 (gal)	Meter Read 3/31/2013 (gal)	Meter Read 4/30/2013 (gal)	Meter Read 5/31/2013 (gal)	Meter Read 6/30/2013 (gal)	Meter Read 7/31/2013 (gal)	Meter Read 8/31/2013 (gal)	Meter Read 9/30/2013 (gal)	Meter Read 10/31/2013 (gal)	Meter Read 11/30/2013 (gal)	Meter Read 12/31/13 (gal)
Well #1 (A-1) # Days ON	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	95,463,900	95,463,900	95,482,200	95,643,800
Well #2 (A-2) # Days ON	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	162,806,000	164,605,500	166,394,100	167,490,800
Well #3 (A-3) # Days ON	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	99,976,880	99,976,880	99,976,880	99,976,880
Well #4 (LFH-1) # Days ON	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	29,891,300	29,891,300	29,891,300	29,891,300
Well #5 (LFH-2) # Days ON	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500	11,664,500
Well #6 (A-4) # Days ON	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	24,026,191	24,026,191	24,026,191	24,026,191
Well #7 (LFH-3) # Days ON	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	1,319,390	1,319,390	1,319,390	1,319,390
Well #8 (A-5) # Days ON	304,947	304,947	1,922,542	2,574,500	3,353,000	5,500,500	7,879,500	9,497,400	10,531,100	11,912,000	12,102,300	12,761,100	13,485,000
Well #9 (LFH-4) # Days ON	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	53,695,800	54,158,600	55,040,300	55,676,700
Well #10 (A-6) # Days ON	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	25,310,400	26,566,300	26,743,300	27,160,300
Well #11 (LFH-5) # Days ON	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	87,349,500	88,173,300	88,477,900	89,336,400
MR Interconnect # Days ON	80,571,100	80,733,700	80,886,700	81,143,700	80,172,800	80,465,600	80,858,300	80,952,800	81,191,300	81,486,100	81,658,100	81,814,700	81,890,900
Storage Tanks (ft)	31.0	21.0	19.0	29.0	31.0	32.0	19.0	26.0	27.0	25.0	15.0	15.0	20.0

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

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

NOTE: 1.0 Mgal water storage on-line as of Sept 2013

NOTE: 43013 MR Interconnect Read was adjusted to the correct flowmeter reading.



**Resolution No. 2014-01-01**

**PAINT BRUSH HILLS METROPOLITAN DISTRICT**

**AMENDED AND RESTATED COLLECTIONS RESOLUTION**

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WHEREAS, pursuant to an order and decree of the District Court of El Paso County, Colorado, the Paint Brush Hills Metropolitan District (the "District") was duly and validly organized as a special district in accordance with all applicable laws of the State of Colorado; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board of Directors (the "Board") of the District is authorized to fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District to properties within the District's boundaries (individually the "Property"); and

WHEREAS, such fees, when unpaid, shall constitute a perpetual lien on and against the Property; and

WHEREAS, by this Resolution (the "Resolution"), the District desires to set forth policies and procedures for the collection of fees imposed by the District related to operations and maintenance (the "Fees and Charges"); and

WHEREAS, this resolution shall not control the collection of fees, rates, tolls, penalties, or charges related to costs for capital improvements.

NOW, THEREFORE, it is hereby resolved by the Board as follows:

**1. Lien Filing Policies and Procedures:**

a. ***Perpetual Lien.*** Pursuant to § 32-1-1001(1)(j)(I), C.R.S., all Fees and Charges, until paid, shall constitute a perpetual lien on and against the Property to be served by the District. All such liens shall to the fullest extent permitted by law, have priority over all other liens of record affecting the Property and shall run with the Property and remain in effect until paid in full. All liens contemplated herein may be foreclosed as authorized by law at such time as the District in its sole discretion may determine. Notwithstanding the foregoing, the lien policies and procedures set forth in this Resolution shall be implemented in order to ensure an orderly and fair execution of the lien filing and collections process.

b. ***District's Manager Procedures.*** The District's Manager (the "Manager") shall be responsible for collecting Fees and Charges imposed by the District against the Property. In the event payment of Fees and Charges is delinquent, the Manager shall perform the procedures listed below. The Fees and Charges are considered delinquent when they have not been paid by their corresponding due date (the "Delinquent Account");

i. *Bills, Due Date and Late Fees:* On the twelfth (12<sup>th</sup>) day of each month, the Manager shall send a bill for Fees and Charges to the last known account holder of a Property according to the Manager's records. Payment for the Fees and Charges shall be due and owing on the fifth (5<sup>th</sup>) calendar day of the following month (the "Due Date"). In the event the Fees and Charges are not paid on or before the Due Date, on the twelfth (12<sup>th</sup>) calendar day of the month in which the Fees and Charges are due, the Manager shall assess Late Fees on the Property in the amounts set forth in Section 2 of this Resolution.

ii. *Fifteenth (15) Day of Month in Which Fees and Charges are Due:* A "Disconnect Notice" shall be sent to the address of the last known account holder of the Property according to the Manager's records. In the event the above mailing is returned as undeliverable, the Manager shall send a second copy of the Disconnect Notice to: (1) the Property; and (2) the address of the last known owner of the Property as found in the real property records of the El Paso County Clerk and Recorder (collectively the "Property Address"). Said Disconnect Notice shall advise the owner of the Property of the District's intent to disconnect water service from the Property in the event the Delinquent Account and a Late Fee in the amounts set forth in Sections 2 and 4 of this Resolution are not paid in full within ten (10) days of the date of the Disconnect Notice.

ii. *Tenth (10<sup>th</sup>) Calendar Day After the Disconnect Notice:* On or after the tenth (10<sup>th</sup>) calendar day after the Disconnect Notice, if the Delinquent Account, including any applicable Late Fee, is not paid in full, the District's Manager shall post on the Property a "Shut Off Notice" advising the owner of the Property that if the Delinquent Account and any applicable Late Fee is not paid within five (5) days of the Shut Off Notice, water service to the Property will be shut off. Upon shut off of the water service, the applicable Turn Off Fee will be assessed to the Property. Should the owner of the Property request that the water service be turned on (after all outstanding Fees and Charges, including applicable Late Fees are paid in full), the Property will be assessed the applicable Turn On Fee.

c. ***General Counsel Procedures.*** In the event the Board elects to impose a lien on a Property, General Counsel shall perform the following:

i. *Upon Referral of the Delinquent Account From the Board:* A "Demand Letter" shall be sent to the Property Address, notifying the Property owner that his/her Property has been referred to General Counsel for further collections enforcement, including the filing of a lien against the Property. Along with the Demand Letter, a copy of the most recent account ledger reflecting the total amount due and owing the District according to the records of the Manager shall also be sent.

ii. *No Earlier Than Thirty (30) Calendar Days from the Date of the Demand Letter:* A Notice of Intent to File Lien Statement, along with a copy of the lien to be filed, shall be sent to the Property Address of the Delinquent Account notifying the Property owner that a lien will be filed within Thirty (30) days of the Notice of Intent to File Lien Statement postmark date.

iii. *No Earlier Than Ten (10) Calendar Days from the Postmark Date of the Notice of Intent to File Lien Statement:* A lien for the total amount owing as of the date of the lien shall be recorded against the Property with the County Clerk and Recorder's Office; all Fees and Charges, Late Fees, Interest, and Costs of Collection (as defined below) will continue to accrue on the Delinquent Account and will run with the Property until the total amount due and owing the District is paid in full.

**2. Late Fees:**

a. "Late Fee(s)" are assessed on the Property for failure to make timely payments of Fees and Charges. The following policies apply consistently and uniformly, regardless of whether the Fees and Charges are assessed on a one-time, monthly, quarterly, semi-annual, annual, or any other basis.

b. The Manager shall assess the Late Fee on the Property seven (7) calendar days from the Due Date. Pursuant to § 29-1-1102, C.R.S., such Late Fee shall be charged by either of the following two methods, whichever is greater:

i. One Late Fee of Fifteen Dollars (\$15.00) will be assessed on the Property per each assessment of Fees and Charges not fully paid prior to or on the Twelfth (12<sup>th</sup>) calendar day of the month in which the payment is due; or

ii. In lieu of Section 2(b)(i) above, a Late Fee of Five Percent (5%) per month, commencing on the Twelfth (12<sup>th</sup>) calendar payment is due, and each month thereafter, will be charged on Fees and Charges until the Late Fee equals Twenty Five percent (25%) of the total outstanding Fees and Charges.

Such charges shall continue each month until such time as the total amount of Late Fees equals 25% of the total unpaid Fees and Charges

*Example:*

January 5 Fee (unpaid) . . . . . - \$100  
5% Late Fee (January 12) . . . . . - \$5  
February 5 Fee (unpaid) . . . . . - \$100  
5% Late Fee (February 12) . . . . . - \$10  
(Net Balance . . . . . - \$215)

c. Partial payment of any outstanding Fees and Charges will not prevent the imposition of Late Fees pursuant to this Section 2.

*Example:*

January 5 Fee . . . . . - \$100  
Partial Payment on January 7 . . . . . \$90  
Late Fee (January 12) . . . . . - \$15  
(Net Balance . . . . . - \$25)

d. Payments received shall be applied to the balance due in the following order of priority: (1) Late Fees; (2) Interest; (3) Costs of Collections; (4) the earliest imposed and unpaid Fees and Charges; (5) any successive unpaid Fees and Charges in chronological order from the earliest unpaid Fees and Charges to the most recently imposed Fees and Charges.

*Example A:*

January 5 Fee (unpaid) . . . . . - \$100  
Jan. Pmt. Late Fee (January 12) . . . - \$15  
February 5 Fee (unpaid) . . . . . - \$100  
Feb. Pmt. Late Fee (February 12) . . - \$15  
March 5 Fee (unpaid) . . . . . - \$100  
Payment on March 10 . . . . . \$280  
(Net Balance . . . . . - \$50)  
- Late Fees Balance = \$0  
- Fees and Charges Balance = - \$50

*Example B:*

January 5 Fee (unpaid) . . . . . - \$100  
Jan. Pmt. Late Fee (January 12) . . . - \$15  
February 2 Fee . . . . . - \$100  
Payment on February 10 . . . . . \$150  
Feb. Pmt. Late Fee (February 12) . . - \$15  
(Net Balance . . . . . - \$80)  
- Late Fees Balance = - \$15  
- Fees and Charges Balance = - \$65

Feb. 10 Pmt is applied in the following order: (1) Feb. 1 Late Fee; (2) Jan. 1 Fee; and (3) to the February Fee

e. No penalty shall be assessed on the Property for a credit balance resulting from the prepayment and/or overpayment of Fees and Charges. Such credit balances shall be carried forward on the account with all subsequent Fees and Charges being deducted until such time as the credit balance is depleted. A Property carrying a credit balance shall be assessed Late Fees as provided herein at such time as the credit balance is insufficient to pay the entire amount of Fees and Charges due and owing the District.

*Example:*

January 5 Fee . . . . . - \$100  
Payment on January 6 . . . . . \$350  
February 5 Fee . . . . . - \$100  
March 5 Fee . . . . . - \$100 (balance = \$50)  
April 5 Fee . . . . . - \$100  
Late Fee (April 12) . . . . . - \$15  
(Net Balance . . . . . - \$65)

### **3. Interest:**

“Interest” charges accrue and shall be charged on all delinquent Fees and Charges, but shall not accrue and be charged on penalties (i.e. Late Fees, Interest, and Costs of Collections), at the maximum statutory rate of Eighteen Percent (18%) per annum.

### **4. Costs of Collections:**

“Costs of Collections” are generated by the Manager and General Counsel’s collection efforts. They consist of the following fixed rates and hourly fees and costs:

i. *Action Fees.* The following fixed rate fees shall be charged to a Delinquent Account once the corresponding action has been taken by either the Manager or General Counsel:

- *Disconnect Notice Fee:* No Charge for the Disconnect Notice. This action is performed by the Manager.

- *Shut Off Notice Fee:* No Charge for the Shut Off Notice. This action is performed by the Manager.

- *Demand Letter Fee:* Sixty Dollars (\$60.00) per Demand Letter sent. This action is performed by General Counsel.

- *Notice of Intent to File Lien Fee:* One Hundred Twenty Dollars (\$120.00) per Notice of Intent to File Lien Statement sent. This action is performed by General Counsel.

- *Lien Recording Fee:* One Hundred Fifty Dollars (\$150.00) per each lien recorded on the Property. This action is performed by General Counsel.

- *Lien Release Fee:* One Hundred Fifty Dollars (\$150.00) per lien that is released. This action is performed by General Counsel.

ii. *Attorney Hourly Fees and Costs.* After a lien has been filed, all hourly fees and costs generated by General Counsel to collect unpaid Fees and Charges shall also be assessed to the Delinquent Account.

iii. *Recovery of Costs of Collections.* In accordance with § 29-1-1102(8), C.R.S., nothing in this Resolution shall be construed to prohibit the District from recovering all the Costs of Collections whether or not outlined above.

### **5. Waiver of Late Fees, Interest, and Costs of Collections:**

a. The Manager and General Counsel shall each have authority and discretion to waive or reduce portions of the Delinquent Account attributable to Late Fees and Interest, up to a maximum of Three (3) months of Late Fees and Interest. Such action shall be permitted if either the Manager or General Counsel, in its discretion, determines that such waiver or reduction will facilitate payment of the Delinquent Account. Should the Property owner seek waiver or reduction of an amount exceeding this limit, the person or entity shall first submit a request, in writing, to the Board, and the Board shall make the determination in its discretion. Prior to the Board's determination, the Manager and/or General Counsel shall make a recommendation as to whether or not such waiver or reduction will facilitate the payment of the Delinquent Account and is in the interest of the District.

b. Neither the Manager nor General Counsel shall have the authority to waive any portion of delinquent Fees and Charges or Costs of Collections. Should a Property owner desire a waiver of such Fees and Charges or Costs of Collections s/he shall submit a written request to the Board and the Board shall make the determination in its sole discretion. Prior to the Board's determination, the Manager and/or General Counsel shall make a recommendation as to whether or not such waiver or reduction will facilitate the payment of the Delinquent Account and is in the interest of the District.

c. Notwithstanding the above, the Manager or General Counsel shall be permitted to correct any account statement and waive any associated Late Fees, Interest or Costs of Collections if it determines that said charges were incurred due to an error or omission for which the District or its agents are responsible. In such a circumstance, the Manager or General Counsel shall promptly bring the matter to the attention of the Board. The Board shall then determine who shall be responsible for any additional costs incurred by the District due to the error or omission.

d. Any waiver or reduction of Late Fees or Interest granted pursuant to Sections 5(a-c) hereof shall not be construed as a waiver or reduction of future Late Fees and Interest, nor as the promise to waive or reduce future Late Fees or Interest. Nor shall any such waiver or reduction be deemed to bind, limit, or direct the future decision making power of the Board, Manager, or General Counsel, whether related to the Property in question or other properties within the District.

## **6. Payment Plans:**

The Manager or General Counsel shall have the authority to enter into or establish payment plans for the repayment of a Delinquent Account. Should the Property owner desire to enter into a payment plan with the District different from that established by the Manager or General Counsel, s/he shall first submit a written request to the Board and the

Board shall make the determination in its sole discretion. Prior to the Board's determination, the Manager and/or General Counsel shall make a recommendation as to whether or not such payment plan will facilitate the payment of the Delinquent Account and is in the interest of the District.

**7. Certification of Account to County Treasurer:**

Pursuant to §32-1-1101(1)(e), C.R.S., the Board may elect to certify any Delinquent Accounts and Late Fees satisfying the criteria established therein to the County Treasurer for collection with the District's *ad valorem* property taxes. The certification process may be in addition to or in lieu of any procedures set forth in this Resolution in the Board's sole discretion. The fees for the certification process shall be in accordance with Colorado law and County policy.

**8. Ratification of Past Actions:**

All waivers and payment plans heretofor undertaken by the Manager or General Counsel that would otherwise have been authorized by this Resolution are hereby affirmed, ratified, and made effective as of the date said actions occurred.

**9. Additional Actions:**

The Board directs its officers, staff and consultants to take such additional actions and execute such additional documents as are necessary to give full effect to the intention of the orders of this Resolution.

**10. Colorado and Federal Fair Debt Collections Acts:**

To the extent required by law, the Manager, General Counsel, and the Board shall comply with both the Colorado Fair Debt Collection Practices Act and the Federal Fair Debt Collection Practices Act.

**11. Supersedes Prior Resolutions:**

This Resolution hereby replaces and supersedes the Original Resolution in its entirety. To the extent that any term or provision in this Resolution conflicts with any term or provision in a previously enacted and valid resolution of the District imposing Fees and Charges, the term or provision in this Resolution shall prevail.

**12. Severability:**

If any term or provision of this Resolution is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the Resolution as a whole but shall be severed herefrom, leaving the remaining terms or provisions in full force and effect.

**13. Savings Provision:**

The failure to comply with the procedures set forth herein shall not affect the status of the Fees and Charges as a perpetual lien subject to foreclosure in accordance with law. Failure by the Manager, General Counsel, or other authorized representative to take any action in accordance with the requirements as specifically provided herein shall not invalidate subsequent efforts to collect the Fees and Charges.

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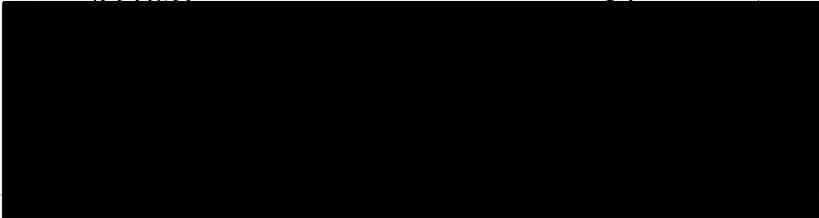
ADOPTED AND APPROVED this 16<sup>th</sup> day of January 2014.

**PAINT BRUSH HILLS METROPOLITAN  
DISTRICT**



Officer of the District / *[Signature]*

ATTEST:



APPROVED AS TO FORM:  
White, Bear & Ankele  
Professional Corporation



General Counsel to the District

