

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.

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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 Roberts 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.

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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 Burrer 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
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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 /s/ Leon Gomes
Secretary for the Meeting

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

/s/ Calvin Pollard

/s/ Doug Burrer

/s/ Floyd Roberts

/s/ John Bruszenski