



PUEBLO WEST METROPOLITAN DISTRICT

109 E. Industrial Blvd • PO Box 7005 • Pueblo West, Colorado 81007
Administrative Offices (719) 547-2000 • Fax (719) 547-2833

WORK SESSION
109 E. INDUSTRIAL BOULEVARD
TUESDAY, FEBRUARY 28, 2017 – 3:30 P.M.

MINUTES

The Board of Directors of The Pueblo West Metropolitan District met at 109 East Industrial Boulevard, Pueblo West, Colorado, on February 28, 2017; at the hour of 3:30 P.M. President Leonard called the Special Meeting to order.

A. CALL TO ORDER

B. ROLL CALL

President Leonard called the roll: Director Barbara Bernard, Director Mark Carmel, Director Mike French, and President Judy Leonard were present. Director Terry Zupan was absent.

Also present was District Manager Darrin Tangeman; Harley Gifford, Legal Counsel; Laura Savage, Administrative Clerk; Scott Eilert, Utilities Director; Kim Swearingen, Deputy Utilities Director; Tammy Nordyke, Finance Director; Jim Quam, Utilities Manager.

Director Carmel excused himself from the meeting at 3:41 pm.

C. RAFTELIS 2017 FINANCIAL PLAN PRESENTATION

Andrew Rheem, consultant with Raftelis, provided an overview for the rate study and financial plan, financial plan objectives and criteria, projection assumptions affecting both water and wastewater, water financial plan and scenarios, wastewater financial plan and scenarios, residential bill comparisons, and the next steps going forward. Financial plan deliverables include Water and Wastewater Master Plans completed by JVA in addition to Raftelis' Water and Wastewater Financial Plan and Rate Study which includes financial plan and requirements through 2027, cost of service, plant investment fees, and rate structure and alternatives for 2017 through 2021. Financial plan objectives include fund operating needs to maintain quality service, fund capital requirements to maintain service levels and meet regulations, provide stable revenues, and maintain lowest possible rates while meeting service expectations and regulatory requirements.

It is important to plan for revenue sufficient to maintain the financial stability of the water and wastewater funds by exceeding annual debt service coverage ratio targets, operating and capital reserve targets with adequate revenues. Debt service and adopted cash reserve policies have affected the plan. A certain amount of working capital is needed because water is treated and used up to 60 days prior to payment received, which is why a minimum of 90 days is recommended for cash reserves. The growth rate projected for water is 1.5% annually and wastewater is 0.8% annually. O&M increases for personnel is 5% annually until 2020, then 2.5%; benefits is 4.2% annually until 2020, then 2.5%; and other expense increases 2.5% annually. Capital costs will increase 2.7% annually. Debt terms will have a 20 year repayment term; 4% interest rate until 2019, then 5% interest rate; 2% issuance costs; and debt service reserve of 1 annual debt service payment.

Statistics regarding the growth rate of water and sewer taps since 2007 were discussed, and the speaker also highlighted the Denver-Boulder-Greeley CPI utilized as the inflation measure (compounded annual average of 2.5%) were discussed and how it affects capital project materials (compounded annual average of 2.7%). Current water and wastewater rate structures were reviewed in addition to historical rates from 2013 to present. Future capital improvement projects were factored into several scenarios. This influencing debt was discussed and how components increase water and wastewater rates in order to accomplish infrastructure and facility improvement projects. After additional research, the proposed 2017 increase for a typical monthly water bill for one single-family residential customer using 11,000 gallons of water and 6,000 gallons of wastewater would be \$1.00 for water (from \$48 to \$49) and \$4.00 for wastewater (from \$39 to \$43). The proposed increases indicates Pueblo West would remain the third highest in the region, behind Monument, CO and Fountain, CO. After a brief Q&A session, Raftelis was directed return with 5-10 years terms, debt service opportunities and grant options.

D. ADJOURN

There being no further business to come before the Board, President Leonard adjourned the meeting at 5:35 P.M. The next regular meeting is scheduled for February 28, 2017, at the hour of 6:00 P.M., presently set for the meeting room of the Board of Directors, 109 East Industrial Boulevard, Pueblo West, Colorado.

Secretary

Approved 3/14/2017



PUEBLO WEST METROPOLITAN DISTRICT

109 E. Industrial Blvd • PO Box 7005 • Pueblo West, Colorado 81007
Administrative Offices (719) 547-2000 • Fax (719) 547-2833

**REGULAR BOARD MEETING
109 E. INDUSTRIAL BOULEVARD
TUESDAY, FEBRUARY 28, 2017 – 6:00 P.M.**

MINUTES

The Board of Directors of The Pueblo West Metropolitan District met at 109 East Industrial Boulevard, Pueblo West, Colorado, on February 28, 2017; at the hour of 6:00 P.M. President Leonard called the Regular Meeting to order.

- A. CALL TO ORDER**
- B. INVOCATION**
- C. PLEDGE OF ALLEGIANCE**

D. ROLL CALL

President Leonard called the roll: Director Barbara Bernard, Director Mike French, Director Terry Zupan, and President Judy Leonard were present. Director Carmel was excused.

Also present was District Manager Darrin Tangeman; Harley Gifford, Legal Counsel; Laura Savage, Administrative Clerk; Jay-Michael Baker, Community Engagement Manager; Tammy Nordyke, Finance Director; Scott Eilert, Utilities Director;

E. APPROVAL OF AGENDA

Director Zupan motioned for the approval of the agenda. Motion unanimously passed.

F. SPECIAL PRESENTATION

Ron Kimsey was recognized as the employee of the 1st quarter. Jim Blazing commended Ron on his work and noted that he is an outstanding employee.

Laura Savage introduced Heather Geyer of Colorado Women Leading Government and Denise Taylor of the Colorado City & County Management Association, who awarded District Manager Darrin Tangeman the 2017 Trailblazer Award for building diversity and inclusiveness in local government, particularly due to his role in the Veterans Local Management Fellowship Program.

G. CITIZEN'S COMMENTS

Emily Price complimented the Public Works department on the fantastic job of completing the crack sealing project on Hahns Peak Avenue. In addition, Ms. Price noted she has toured the jail, which is deplorable. In regards to the marijuana IGA on the agenda, Ms. Price spoke with the County and after some calculations, the taxes collected from Pueblo West facilities which does not make up for staff costs.

H. COMMITTEE REPORTS

Director Bernard notified the Board that Mr. Ault of the Conservancy District recently passed, and therefore a slot is open on the Conservancy board to be appointed by the Pueblo County Commissioners. As the COA liaison, Director Bernard reported on the number of new builds and solar projects, then highlighted the new chicken resolution. Alta Fuel is expanding their facility and will add jobs to the community.

Director Leonard attended a PACOG meeting where subcommittees were discussed for transportation and for water. If lobbyists were hired, costs would be shared by entities involved in the committees. HB 17-153 regarding the Southwest Chief was introduced.

I. DIRECTOR'S COMMENTS

Director French requested an update on the fire department's 48/96 shift change, to which Mr. Tangeman will place on the March 14 agenda.

Director Bernard commended the road crews for their crack sealing efforts along Hahns Peak, and asked to pass along her gratitude.

Director Zupan echoed Director Bernard's sentiments.

Director Leonard addressed information being sent to the Pueblo West View. The newspaper has no policy on how letters and articles are submitted and signed; has no issue with transparency and sharing information with the public. Mr. Tangeman noted he provides facts to be transparent and approves final drafts. Director Leonard requested an advance notice prior to publication. Director Zupan highlighted the many positive comments she has received in response to the publications. Director Bernard echoed the sentiment and added that administration has greatly improved communication efforts. SRDA does not serve the west side of the community due to temperature issues, and she recently met with the entity to utilize Fire Station 2 in the future.

J. APPROVAL OF CONSENT AGENDA

Director Bernard motioned for the approval of the consent agenda as presented. Motion seconded by Director Zupan. Motion passed 4-0.

- 1. FINANCIAL REPORTS AS PRESENTED**
- 2. DISTRICT MANAGER REPORT AS PRESENTED**

K. OLD BUSINESS:

1. WATER LEAK DETECTION UPDATE

Mr. Eilert reported that 10 major leaks have been discovered. Unknowing how long the leak has occurred, the data on gallons lost are calculated from the date of leak discovery to date of fix. To date, 480,685 gallons have been lost. The largest leak of 150,000 gallons was discovered on a dead-end water line in an unimproved area that was unknown on the surface, but was discovered by having water in the sewer collection system. Mr. Eilert commended his leak detection crew members.

2. RESOLUTION NO. 2017-06 A RESOLUTION AMENDING THE PWMD BYLAWS AND RULES AND REGULATIONS REGARDING WATER TAP PURCHASES

Director French motioned for the approval of the above resolution, seconded by Director Zupan. Ayes: Leonard, Bernard, Zupan, French. Nays: None. Abstained: None. Motion carried 4-0.

3. RESOLUTION. 2017-07 A RESOLUTION APPROVING A FARM LEASE AGREEMENT BETWEEN THE PUEBLO WEST METROPOLITAN DISTRICT AND MATTHEW D. HEIMRICH

Director Bernard motioned for the approval of the above resolution, seconded by Director French. Ayes: Leonard, Bernard, Zupan, French. Nays: None. Abstained: None. Motion carried 4-0.

4. RESOLUTION NO. 2017-08 A RESOLUTION TO EXECUTE AND SUBMIT PUEBLO COUNTY'S CONSERVATION TRUST FUND FUNDING ASSISTANCE AGREEMENT FOR APPROVAL

Director Zupan motioned for the approval of the above resolution, seconded by Director French. Ayes: Leonard, Bernard, Zupan, French. Nays: None. Abstained: None. Motion carried 4-0.

5. RESOLUTION NO. 2017-09 A RESOLUTION TO EXECUTE AND SUBMIT PUEBLO COUNTY'S AID TO OTHER ENTITIES FUNDING ASSISTANCE AGREEMENT FOR APPROVAL

Director Zupan motioned for the approval of the above resolution, seconded by Director French. Ayes: Leonard, Bernard, Zupan, French. Nays: None. Abstained: None. Motion carried 4-0.

6. INCORPORATION STUDY UPDATE

District Manager Darrin Tangeman stated that Administrative Assistant Laura Savage, Intern Matthew Hawkins, and Dan Centa are all working on finishing the grant paperwork required for funding for the incorporation study. The application will be submitted within the next week and a funding request letter will be submitted to DOLA.

L. NEW BUSINESS:

1. CDOT UPDATE

Shawn Winters provided an update on the main McCulloch North trail, stating that the figure of \$352,527.16 has been passed to Martin Marietta, and approval from CDOT is awaited.

2. CALLE DE CAMILIA DRIVE AND SPAULDING AVE PARCEL REZONING DISCUSSION

Mr. Winters showed a map of the parcel and indicated the desire to rezone the area from R-5 to B-4, and consists of 15-20 acres in size. Current lot sizes in the subdivision do not meet current B-4 zone standards. Subdivision vacations are not common, therefore the County attorney must review the process and determine the best course of action; the zoning may revert back to the original zoning and plat, or a secondary process may require additional steps.

3. 2016 PUEBLO WEST ANNUAL REPORT

Jay-Michael Baker provided the 2016 Annual Report after a short introduction by Darrin Tangeman. The report itself focused on transparency and accountability, economic development, the welcoming environment of Pueblo West, and the quality of life within. Mr. Baker noted that the report is focused on both audience and overall content and design; the former is aimed towards different entities and those with a stake in economic development within Pueblo West, whereas the latter is focused on Pueblo West as a gateway to recreation.

4. RECOMMENDED PERSONNEL POLICY CHANGES

District Manager Darrin Tangeman presented five proposed personnel policy changes. These changes include an education assistance policy, training for firefighters, certification programs and processes, and changes to paid-time off policies for employees, and Mr. Tangeman also stated that the policy changes express a desire to force part-time employees to adhere to the policies that full-time employees do. After a lengthy discussion, it was determined to strike the hospitalization section from the draft policy, but adopt the education assistance policy, training and certification policy, changes to Special Reserve Leave policy, part-time PTO policy, and to return with a resolution at the next meeting.

5. PUEBLO COUNTY RECREATIONAL MARIJUANA IGA DISCUSSION

Mr. Tangeman provided an update regarding HB 17-1203 which will not be heard in committee and is delayed.

6. ETHICS VIOLATION COMPLAINT

Mr. Gifford reported a charge of an ethics violation was submitted to Director Leonard by Director Bernard against Director Carmel. The process as outlined in the ethics policy will be followed, which includes formation of a committee to validate the complaint. Mr. Gifford recommends staff has zero involvement. Director Leonard and Director Zupan volunteered to comprise the committee along with Mr. Gifford.

M. ANNOUNCEMENTS:

See agenda for list.

N. EXECUTIVE SESSION

Director Zupan motioned to move into executive session and cited items as indicated below. It was unanimously passed to go into executive session.

- 1. §24-6-402(4)(E) C.R.S. "DETERMINING POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS, DEVELOPING STRATEGY FOR NEGOTIATIONS, AND INSTRUCTING NEGOTIATORS"
PUEBLO COUNTY RECREATIONAL MARIJUANA SALES TAX REVENUE IGA
- 2. §24-6-402(4)(A) C.R.S. "CONCERNING THE PURCHASE, ACQUISITION, LEASE, TRANSFER, OR SALE OF ANY REAL, PERSONAL, OR OTHER PROPERTY INTEREST"
SALE OF DISTRICT OWNED PROPERTY

President Leonard adjourned the executive session at 9:01 P.M.

O. ADJOURN

There being no further business to come before the Board, President Leonard adjourned the meeting at 7:48 P.M. The next regular meeting is scheduled for March 14, 2017, at the hour of 6:00 P.M., presently set for the meeting room of the Board of Directors, 109 East Industrial Boulevard, Pueblo West, Colorado.

Secretary

Approved 3/14/2017