



PUEBLO WEST METROPOLITAN DISTRICT

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**REGULAR BOARD MEETING
109 E. INDUSTRIAL BOULEVARD
TUESDAY, MAY 8, 2018 – 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 May 8, 2018; 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 Terry Zupan, and President Judy Leonard were present. Director French was absent and excused. Director Carmel was absent and unexcused at roll call, but arrived at 6:07 pm.

Also present was District Manager Darrin Tangeman; Harley Gifford, Legal Counsel; Laura Savage, Assistant to the District Manager; Brian Caserta, Fire Chief; Jay-Michael Baker, Community Engagement Manager; Carol Cosby, Parks and Recreation Director; Brad Curtis, Public Works Director; Shawn Winters, Engineer; Kim Swearingen, Deputy Utilities Director; Scott Eilert, Utilities Director; Eddie Ruiz, Management Analyst; and 23 audience members.

E. APPROVAL OF AGENDA

President Leonard motioned for the approval of the agenda with removal of item L-2; it was moved by Director Zupan and seconded by Director Bernard. Motion unanimously passed.

F. SPECIAL RECOGNITION AND INTRODUCTIONS

1. RESOLUTION NO. 2018-50 A RESOLUTION PROCLAIMING MAY 6 THROUGH MAY 12, 2018 TO BE PUBLIC SERVICE RECOGNITION WEEK

Director Bernard motioned for the approval of the resolution as presented, seconded by Director Zupan. Ayes: Leonard, Bernard, Zupan. Nays: None. Abstained: None. Motion carried 3-0.

2. RESOLUTION NO. 2018-51 A RESOLUTION RECOGNIZING THE PUEBLO CITY-COUNTY LIBRARY DISTRICT AS AMERICA'S BEST PUBLIC LIBRARY

Director Zupan motioned for the approval of the resolution as presented, seconded by Director Bernard. Ayes: Leonard, Bernard, Zupan. Nays: None. Abstained: None. Motion carried 3-0.

In addition, Mr. Tangeman and Ms. Savage presented a sign made by the Public Works department and two trophies, provided by the Engaging Local Government Leaders organization, to Jon Walker, PCCLD Executive Director, and Midori Clark in recognition of their achievement.

3. VETERANS LOCAL GOVERNMENT MANAGEMENT FELLOWSHIP, ARIC WARD, HUMAN RESOURCES

Mr. Tangeman introduced Aric Ward, who described his fellowship in the HR department with the District and expressed gratitude for the opportunity to work with the organization and with staff. Also the Board congratulated Mr. Ward as he recently accepted the position of Human Resources Manager on May 1, replacing Mary Bullock.

4. VETERANS LOCAL GOVERNMENT MANAGEMENT FELLOWSHIP, BRADLEY STEVENS, FIRE DEPARTMENT

Mr. Stevens was unable to attend. However, Chief Caserta noted Mr. Stevens is a registered paramedic and has a degree in emergency management services who has been with the fire department for two weeks. Mr. Stevens has pitched in and has gone on calls with staff, but is working on transferring paperwork so he can become hands-on.

Additionally, Mr. Tangeman recognized Eddie Ruiz, who was the program's first fellow at Pueblo West and is currently an intern with the administration department.

5. CITIZENS ACADEMY GRADUATION

Mr. Baker provided highlights of the second iteration of the Citizens Academy, where 23 residents participated in the cohort. Each participant's names were read aloud and were given a certificate of completion. The Board thanked staff for conducting the academy and residents for participating.

G. PUBLIC HEARING FOR THE APPLICATION OF A STATE REVOLVING FUND LOAN FOR STATES AVE AND TRACT 220 PROJECTS

At 6:35 pm, President Leonard recessed the regular meeting and opened the public hearing.

Josh McGibbon and Chris Poepping of JVA, Inc. stated the purpose of the hearing is to satisfy the requirements of the State Revolving Fund (SRF) loan process. The process includes the description of the project and environmental assessment findings; provide, encourage, and assist the participation of the public; and consult and respond to interested or affected public members. The purpose of the States Avenue Lift Station (LS3) is to eliminate the currently used septic tank, comply with the Colorado Department of Public Health and Environment (CDPHE), and improve overall watershed quality. The purpose of the Tract 220 collection system is to extend sewer to serve District-owned property (Tract 220), an elementary school, and the District's Public Works facility. The projects are included in the recent Wastewater Master Plan and Rate Study, and is a high priority in the Capital Improvement Plan. Mr. McGibbon provided a PowerPoint presentation that thoroughly described the LS3 project, which will be located on Platteville Blvd adjacent to North States Avenue and will serve the industrial park and surrounding residential properties. The District has applied through the CDPHE for a State Revolving Fund loan that is projected to cost approximately \$7,303M, however preliminary bids have come in under estimated costs. The Rate Study anticipated a loan to fund the project and incorporated debt service. The loan is a 30 year term at a discounted bond rate anticipated at 1.8%. Regarding the environmental assessment, the CDPHE SRF Loan process requires an evaluation of possible environmental impacts of the proposed project, including project area water quality, wildlife habitats, wetlands and floodplains, air quality, water resources, and cultural resources. Relevant agencies have been consulted, and the environmental assessment findings indicate that regarding water quality, there will be no direct discharge to surface water, water will be treated through the wastewater treatment plant, and the septic tank will be eliminated. Regarding wildlife habitat, there are no endangered species habitats present, a potential temporary impact to wildlife habitats in the project area, and a nest survey to comply with the Migratory Bird Act will be conducted in relevant areas. Regarding air quality, temporary dust emissions from construction activities may occur. Regarding wetlands/floodplains, an official permit will be issued for any wetland crossings, and a Pueblo County floodplain development permit will be pulled by the contractor. There are no impacts on cultural and archaeological resources, water resources, or environmental justice. Best Management Practices will be used for erosion and dust control. Revegetation will be completed with native seed mix. Construction will occur during work hours. A State's Finding of No Significant Impact (FONSI) is pending. Mr. McGibbons provided an implementation plan and project schedule to the Board.

Mr. McGibbon clarified the Tract 220 and States Avenue Lift Station projects were combined for the loan, bid as two separate projects as the scope are different in nature, and the rate study included the projects with a 10 year Capital Improvement Plan. Additionally, JVA submitted for and received an Energy and Mineral Impact Grant from the Department of Local Affairs and was awarded \$800k. An extensive discussion was held during the rate study presentation in 2017 on the topic of applying for a loan to finance both projects where the Board was provided a repayment schedule and debt reserve information. Mr. McGibbon reiterated the purpose of the public hearing is to gain public comment, an integral step of the loan application process, and that a loan will not officially be approved until the Board approves the loan once it has been approved by the State. Mr. McGibbon reiterated the \$7M total is a combination of the Tract 220 and States Avenue Lift Station projects, each with a separate budget and separate line item and listed in the Capital Improvement Plan and added to the rate study. States Avenue Lift Station has been in the budget for multiple years. The Tract 220 project was added as the Board approved the project. Ms. Swearingen stated the budget expenditures, approved by the Board, were \$4M for States Avenue Lift Station and \$3M for Tract 220 and both projects are included in the 10 year CIP, which the Board has also approved. Mr. McGibbon reiterated the Board approved rate study included the CIP, with all projects, and indicated if funds were borrowed, paid by cash, or other methods of payment, that the rates would need to be raised to the recommended amounts. Therefore, the loan was explained and expected. Loan documents will be provided to the Board once the application process is complete.

Emily Price inquired if the Board discussion could be limited to the topic on hand and not items that have been previously discussed at great detail, which would improve meetings if board members attended all meetings.

Upon interruptions by Director Carmel, President Leonard recited, "A member who fails or refuses to speak in an orderly and courteous manner may be denied the right to the floor, and if necessary, may be ejected from the meeting by order of the presiding officer or a vote of the assembly."

Staphanie Catalano-Cordova inquired how the project will benefit the community, to which Mr. Tangeman replied it was a Board economic development decision needed to develop properties across from Walmart, the airport property, and expand the States Avenue industrial area which has limitations on a septic tank. This will allow for the addition of economic opportunities.

Joe Mahaney inquired if Big R would hook up to the sewer system, to which Mr. Tangeman responded that the answer was yes, if the sewer is brought within 400 feet of the facility. However, Mr. Eilert stated at this time the project scope does not bring the sewer line within the 400 foot radius. Yet, when development increases around the Big R property, infrastructure will be developed, then they would be required to hook in and decommission their current septic tank. Director Carmel objected to the Board's previous decision and stated the sewer line should have been extended within 400 feet of Big R.

Director Carmel read aloud the agenda item name for the public hearing, and inquired if the loan documents are in front of the Board and was included in their packets, to which Mr. McGibbon responded no, because it is a public

hearing for the purpose of gaining public comment.

At 7:05 pm, Director Zupan made a motion that “Director Carmel be removed from this meeting as it has become contentious.” President Leonard asked for a second.

Director Carmel made a motion that “Director Zupan resign from the Board as a banker with a conflict of interest on our Board” and called for her immediate resignation. Then at 7:07 pm Director Carmel removed himself from the public hearing and public meeting.

Seeing how there were no further comments, President Leonard closed the public hearing at 7:07 pm and resumed the regular meeting.

H. CITIZEN’S COMMENTS

There were no comments.

I. COMMITTEE REPORTS

Director Bernard reported the Pueblo Conservancy District is awaiting final approval for a construction loan that will be the permanent financing for the levy construction project. In addition, she will attend the May 10 Committee of Architecture meeting.

President Leonard attended the recent Committee of Architecture meeting where signs placed in easements were discussed, including political signs. Signs have recently been removed to facilitate easement mowing. Also, the Planning Commission recently tabled the Station 2 tower until June to allow Verizon time to work with the community, and the clock tower design was not liked.

J. DIRECTOR’S COMMENTS

Director Zupan attended that last two Citizens Academy sessions, found them informative, commended staff for the time and effort in their presentations, and thanked the individuals for participating. She highly recommends community members apply for future cohorts.

Director Bernard participated in the Citizens Academy and echoed Director Zupan’s sentiments, adding staff’s positive attitudes were genuine and well received as a participant. Specifically, the water and wastewater sessions were informative and garnered a lot of employee participation.

President Leonard also echoed the positivity of the Citizens Academy. Also, she recently participated in the CSEPP training and commended the Pueblo West Fire Department for their professionalism and outstanding job. She is working with Pueblo County Commissioner Garrison Ortiz to find a solution to improve illegal dumping and trash within Pueblo West.

K. APPROVAL OF CONSENT AGENDA

Director Bernard motioned for the approval of the Consent Agenda, seconded by Director Zupan. Ayes: Leonard, Bernard, Zupan. Nays: none. Abstained: none. Motion carried 3-0.

- 1. FINANCIAL REPORTS**
- 2. DISTRICT MANAGER REPORT**
- 3. MINUTES OF FEBRUARY 13, 2018**

L. OLD BUSINESS

1. SIEMENS REVIEW AND UPDATE

Mr. Tangeman introduced Oscar Rangel, then provided a brief history on the current energy performance contracting project that is seeking ways to reduce energy use and costs for the District. Mr. Rangel stated there are currently 15 facility improvement measures in the project, which is at 60% of completion. Several had been removed as analysis concluded there was no cost benefit. Of the remaining projects, one includes a solar array at the wastewater treatment plant and includes discussions with San Isabel Electric Association. Other contractors are conducting final walkthroughs and analysis of facilities to conclude their energy savings estimates. The cost of the project is paid for by the savings of energy based upon rates currently paid to utilities. Mr. Rangel will provide an update at 90% of project completion and provide hard numbers at that time, then request approval to move forward with any construction. Director Bernard acknowledged staff asked additional questions which slightly pushed out the project, then expressed support in moving forward with the solar array and inquired about adding the new lift station energy costs into the overall savings effort. Mr. Rangel explained that Black Hills Energy does not have a rate structure that supports solar arrays. However, a second phase could approach finding solutions for facilities connected to Black Hills Energy.

2. 4TH QUARTER UPDATE ON THE 48/96 SCHEDULE

This item was removed from the agenda.

3. RESOLUTION NO. 2018-52 A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN SCHOOL DISTRICT 70 AND THE PUEBLO WEST METROPOLITAN DISTRICT

Director Zupan motioned for the approval of the resolution as presented, seconded by Director Bernard. Ayes: Leonard, Bernard, Zupan. Nays: None. Abstained: None. Motion carried 3-0.

4. DISCUSSION ON SELECTION OF ENGINEERING CONSULTING SERVICES FOR TAP PROJECT

Mr. Winters stated the Board has approved the selection of Short, Elliot, Hendrickson (SEH) to provide trail services since 2016. The Board recently approved TAP Trail 3, and engineering is awaiting approval from CDOT to start design services. Mr. Winters asked the Board to extend the SEH contract through 2019, as they have provided consistent services and excellent results, or move forward with another formal selection process for consulting services. SEH has been selected based upon qualifications. Directors Zupan, Leonard, and Bernard were in agreement to move forward with a contract extension for SEH for the CDOT TAP projects.

M. NEW BUSINESS

1. RESOLUTION NO. 2018-53 A RESOLUTION AMENDING PUEBLO WEST METROPOLITAN DISTRICT RESOLUTION 797 AND ESTABLISHING MAXIMUM SPEED LIMITS WITHIN THE PUEBLO WEST METROPOLITAN DISTRICT

Director Zupan motioned for the approval of the resolution as presented, seconded by Director Bernard. Ayes: Leonard, Bernard, Zupan. Nays: None. Abstained: None. Motion carried 3-0.

2. RESOLUTION NO. 2018-54 A RESOLUTION OF THE PUEBLO WEST METROPOLITAN DISTRICT, ACTING BY AND THROUGH ITS WASTEWATER ENTERPRISE, DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH PROCEEDS OF A FUTURE BORROWING FOR CAPITAL EXPENDITURES TO BE UNDERTAKEN BY THE DISTRICT; IDENTIFYING THE CAPITAL EXPENDITURES AND THE FUNDS TO BE USED FOR SUCH PAYMENT; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH

Director Zupan motioned for the approval of the resolution as presented, seconded by Director Bernard. Ayes: Leonard, Bernard, Zupan. Nays: None. Abstained: None. Motion carried 3-0.

N. ANNOUNCEMENTS

See Agenda for list.

O. EXECUTIVE SESSION

President Leonard motioned to move into executive session and cited item as indicated below. It was moved by Director Zupan to enter into the executive session; motion unanimously passed.

1. §24-6-402(4)(e), C.R.S., DEVELOPING STRATEGY FOR NEGOTIATIONS, INSTRUCTING NEGOTIATORS, AND DETERMINING POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS; SALE OF DISTRICT OWNED PROPERTY

P. ADJOURN

There being no further business to come before the Board, President Leonard adjourned the meeting. The next regular meeting is scheduled for May 22, 2018 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 6/12/2018