



PUEBLO WEST METROPOLITAN DISTRICT

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**REGULAR BOARD MEETING
109 E. INDUSTRIAL BOULEVARD
TUESDAY, JULY 10, 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 July 10, 2018; at the hour of 6:00 P.M. President Zupan called the Regular Meeting to order.

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

D. ROLL CALL

President Zupan called the roll: Director Doug Proal, Director Mike French, Director Judy Leonard, and President Terry Zupan were present. Director Matt Smith was absent and excused.

Also present was Harley Gifford, Legal Counsel; Laura Savage, Assistant to the District Manager; Eddie Ruiz, Management Analyst Intern; Jay-Michael Baker, Community Engagement Manager; Kim Swearingen, Interim Utilities Director; Tammy Nordyke, Finance Director; Jim Blasing, Streets and Roads Manager; Brad Curtis, Public Works Director; and 12 audience members.

E. APPROVAL OF AGENDA

President Zupan motioned for the approval of the agenda and to add Guests to Item F; it was moved by Director Leonard and seconded by Director French. Motion unanimously passed.

F. INTRODUCTION OF GUESTS AND NEW EMPLOYEES

Clayton McPherson, Barracuda Falls, and Micah Grady introduced themselves with Boy Scout Pack 27, as they are here to achieve a communications badge.

Jim Blasing introduced Tim Davis and Brian Flinn as the two newest equipment operators at the Streets and Roads department. Brad Curtis introduced Randy Vogts as the newest Veterans Local Government Management Fellow, who is assisting at the Public Works department with the CRM module.

G. PUBLIC HEARING

At 6:10 pm, President Zupan recessed the regular meeting and opened the public hearing.

Ms. Swearingen introduced Project Manager Michael Katalinich and stated the reason the public hearing is being re-conducted is due to a publishing and notice error. Mr. Katalinich requested the audience sign in, then introduced the project team. The purpose is to satisfy the requirements of the State Revolving Loan process and addresses environment impacts, and the hearing is the last step to complete the loan application. 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. Katalinich 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 \$7,303,000, 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. Katalinich provided an implementation plan and project schedule to the Board.

Seeing there were no public comments, President Zupan closed the public hearing at 6:28 pm and resumed the regular meeting.

H. CITIZEN'S COMMENTS

There were no comments.

I. COMMITTEE REPORTS

Director Leonard attended a trash committee with Commissioner Ortiz, the City of Pueblo, and residents to find solutions to the dumping issues. It was suggested to install cameras and hire staff to assist with addressing the issue. The recent PACOG meeting was cancelled.

J. DIRECTOR'S COMMENTS

Director Leonard thanked the Board and Staff who assisted with the military breakfast at the Fire Station and the parade.

Director French echoed Director Leonard's sentiments, and noticed 220 homes have been started and approved by the Committee of Architecture.

President Zupan also enjoyed the Independence Day festivities and thanked staff for their hard work to make the events safe and successful.

K. APPROVAL OF CONSENT AGENDA

Director French motioned for the approval of the Consent Agenda, seconded by Director Leonard. Ayes: Leonard, French, Proal, Zupan. Nays: none. Abstained: none. Motion carried 4-0.

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

L. OLD BUSINESS

1. DISCUSSION AND BOARD DECISION ON THE ZONE 251 PRESENTATION OF DESIGN ON JUNE 26, 2018

Seeing that the Board had no questions or concerns, the Board directed Ms. Swearingen to move forward with the design as presented on June 26.

2. RESOLUTION NO. 2018-72 A RESOLUTION APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN PUEBLO WEST METROPOLITAN DISTRICT AND PUEBLO COUNTY FOR PLACEMENT OF AN ELECTRIC VEHICLE SUPPLY EQUIPMENT UNIT

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

3. RESOLUTION NO. 2018-73 A RESOLUTION ADOPTING THE PUEBLO WEST METROPOLITAN DISTRICT MOBILE DEVICE POLICY

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

4. DISTRICT MANAGER CRITICAL INFORMATION REPORT (DMCIR) FINAL REVIEW AND APPROVAL

The Board had no additions, corrections, or deletions. Therefore, the DMCIR will be distributed to each department.

5. DISCUSSION REGARDING A RESOLUTION APPROVING BALLOT LANGUAGE FOR THE NOVEMBER 6, 2018 ELECTION

Mr. Gifford reviewed the proposed ballot language with the Board, recommended a 1% sales tax amount, that revenues be increased by an amount up to \$2.5 Million dollars, and the sales tax would be reviewed by the Board on a five year basis. The Board was in agreement with Mr. Gifford's recommendation. A resolution will be brought to the Board for final approval at a future meeting.

6. DISCUSSION REGARDING A RESOLUTION DEDICATING A MINIMUM FUNDING TO STREETS AND ROADS IN THE EVENT OF A UNIFORM STREET IMPROVEMENT SALES TAX

Citizens have voiced concerns that sales tax revenue would be used in place of funding already allocated to Streets and Roads. A resolution clarifying a minimum percentage of the general fund budget that would be dedicated to the department would show the community that sales tax revenue would be added to funding, not replace it. Ms. Nordyke calculated 10 year actuals of the property tax portion of general fund revenue and departmental revenue, resulting in an average of 18.61% per year that has been given to the Streets and Roads department. The lowest was 13% in 2008 and the highest was over 20% (which included capital equipment purchases). The Board clarified that the sales tax revenue would supplement, and not replace the Streets and Roads budget. Mr. Gifford recommended the Board select a percentage, and Ms. Nordyke clarified the 10 year average is 18.61%. Ms. Nordyke's recommendation of a percentage instead of a set dollar amount will allow the budget to fluctuate as the Residential Assessment Rate continues to change, therefore reducing property tax revenue. Mr. Curtis stated the average does not include HUTF funds, is strictly the utilization of property tax only, and his own assessment indicates a three year average is in the lower 20%. He recommended a percentage between 18% and 22%. Mr. Gifford stated the Board can always approve a higher percentage if the minimum is a lower percentage. After discussion, the Board consensus was to move forward with not less than 20% per year to be dedicated to the Streets and Roads department and include a 10 year look-back and review each year. A resolution will be brought to the Board if the uniform street improvement sales tax is approved in November 2018.

7. DISCUSSION REGARDING A POLICY ON UNIFORM STREET IMPROVEMENT SALES TAX REVENUE PRIORITIES AND ALLOCATION

Mr. Curtis provided a draft policy for a future resolution on recommended priorities and allocations if the uniform street improvement sales tax is approved. The intent of the list is to clarify the intended use and allocation of the revenue. Several included items road repair projects, road maintenance projects of significant proportions and elements, and road improvements of all road types and constructs, as well as drainage improvements, bridge services and structural repairs, and ADA improvements. Related engineering costs would be included. General admission and overhead would not be included, nor would routine road maintenance and day-to-day activities and costs. Staff will use asset management software to assist with project prioritization and fund allocation.

8. DISCUSSION REGARDING THE 2019 PROPOSED BUDGET FOR THE UNIFORM SALES TAX FOR STREET IMPROVEMENTS

Mr. Curtis stated the proposed 2019 budget will be based upon conservative sales tax revenue, therefore it can be changed if the sales tax fails. Basically, two budgets will be presented until the election is final when it will be determined which budget will be used.

9. DISCUSSION REGARDING A PROPOSED RESOLUTION ESTABLISHING A CITIZENS REVIEW COMMITTEE FOR UNIFORM SALES TAX FOR STREET IMPROVEMENTS REVENUE

Mr. Curtis noted the resolution would establish an oversight committee that would assist in providing citizen review of revenues generated from the tax. Regarding grants, it was proposed that 1% of the tax revenue would be reserved for grant match opportunities, to which Mr. Gifford stated it is within the legal requirements to do so. After discussion, it was the consensus of the Board that the committee would meet a minimum of four times a year with a flexible schedule, but not necessarily quarterly, and would consist of five members supported by staff as needed for information and assistance. Three of the initial members shall have initial terms of three years, and the remaining two initial members shall have initial terms of two years. The committee would provide not less than two reports to the Board per year.

M. NEW BUSINESS

1. DISCUSSION ON UPDATING INVESTMENT POLICY

The investment policy is in need of an update, and Ms. Nordyke recommended adding language that would require diversification. Also, the current policy does not allow for additional investment firms as it currently lists those allowed by name. She will review the policy with General Counsel and other investment professionals before it is presented to the Board again.

2. RESOLUTION NO. 2018-74 A RESOLUTION FOR PROFESSIONAL SERVICES FOR HRRR GRANT ROADWAY PROJECTS

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

3. RESOLUTION NO. 2018-75 A RESOLUTION AWARDDING THE 2018 EMULSION MATERIAL CONTRACT TO SUNCOR DENVER POLYMER

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

N. ANNOUNCEMENTS

See Agenda for list.

O. EXECUTIVE SESSION

President Zupan motioned to move into executive session and cited item as indicated below. It was moved by Director French and seconded by Director Proal 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

2. §24-6-402(4)(F), C.R.S., PERSONNEL MATTERS; DISTRICT MANAGER

P. ADJOURN

There being no further business to come before the Board, President Zupan adjourned the meeting at 8:17 pm. The next regular meeting is scheduled for July 24, 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 July 24, 2018