



PUEBLO WEST METROPOLITAN DISTRICT

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MINUTES OF REGULAR MEETING THE BOARD OF DIRECTORS OF PUEBLO WEST METROPOLITAN DISTRICT

August 24, 2010

The Board of Directors of the Pueblo West Metropolitan District met in regular session at 109 East Industrial Boulevard, Pueblo West, Colorado, on August 24, 2010 at the hour of 6:30 o'clock p.m.

ROLL CALL: On roll call, Chair Mike French, Directors John Lisi, Chuck Green, Jerry Martin, and Christine McCarthy were present.

Also present were Judy Leonard, Administrative Assistant; Tom Mullans, Attorney for the District; and 22 citizens. Interim District Manager Brian Caserta was excused.

MINUTES: On motion by Director Green, the regular minutes of August 10, 2010, and special meetings August 11, 12, 18, 2010 were approved, vote unanimous.

FINANCIAL REPORT: Members of the Board had been provided with a check register dated August 24, 2010, listing the bills for payment. On motion by Director Martin, noting the large payments, the outstanding bills of \$394,115.30 is approved for payment, vote unanimous.

DIRECTOR'S COMMENTS: Director French updated the information on the District Manager report that because of the issues on Coral Drive the project will wait to start after school gets out in 2011 as the road department's number one priority. All board members agreed.

Director Lisi stated the budget meeting on August 18, 2010 was very informative and discussions on master planning were an eye opener for him. He feels that the community needs to be involved for input as to what they would like to see for Pueblo West. Director Lisi mentioned the budget discussions and how much is needed for Utilities Enterprise Fund, storage, staffing and capital project requests from all the departments. Director Lisi voiced his concerns on the property owners easements the Southern Delivery System wants to pay them. He feels Pueblo West needs to help them and rally behind them.

Director McCarthy also mentioned the budget meeting on capital needs with a schedule of September 1, 8, and 15 meeting with department heads on O&M requests. She inquired on posting those meetings which will not be posted as the meetings will only require the budget committee of two board members. Director Martin explained the process for the budget committee and then a future presentation to the board at a public meeting. Director Lisi thinks the directors should attend for communication purposes. Chair French thinks the practice should stay as it has been in the past with the department directors meeting with the budget committee then the budget committee presenting their recommendations for the departments to the board in a public meeting.

Chair French commented on the strategic planning meeting and feels there should be one for Pueblo West to use as a road map. He also felt it was an eye opener and critical that there is public input to set direction for Pueblo West. Chair French mentioned the TIGER Grant discussed at a Road Task meeting being identical to the first one and signed the letter of support for this second one and why.

Carol Cosby updated the board that there was a break in at Cattail Crossing storage shed that held the rescue equipment for the pond. The damage total to date is \$12,427 which has been reported to the insurance company. Items were

found in the pond and others missing. She is looking into a security alarm and cameras. The past weekend someone set a trash can on fire which melted a railing, bench, and caught a tree on fire. She asked should anyone see anything to call the sheriff department and will have them watch the park areas more closely.

Chair French informed the board on Thursday, August 26, Fort Carson is having a community partnership forum at the Antlers Hotel from 3:00 p.m. to 6:00 p.m. He plans on trying to attend.

CITIZEN COMMENTS: Dwain Maxwell voiced his concerns on his unapproved property that SDS says it is and asking for help. He explained SDS is offering \$2,220 or \$.28 a foot for the use as an easement. He feels his land is worth more and what his responsibility is for the land they want to use for the pipeline. Should he not take the money, eminent domain will be an option. Director Lisi stated that as a partner in the agreement the district should do something. Legal Counsel said the district was not contacted on this and there is no legal recourse the district can do. Director Green voiced his understanding of legal rights verses no legal rights. Mr. Maxwell questioned a ruling from Colorado Springs on land in Pueblo West. Mr. Maxwell talked about what he was told and their reasons for taking the land will make the value of his property lower. There are approximately 113 properties the SDS will need for easements. Legal Counsel said that Colorado Springs cannot take any water that does not belong to them or does Pueblo West have statutory rights to support the residents or fight against this. Legal Counsel explained taxes are used for services and with eminent domain the courts decide what the property is worth and pay that amount.

Joe Mahaney had input on issues for trails for biking. He talked of an area in need for crossing and talking with Mary Gunn the Packard Foundation could provide \$25,000 if a letter of intent was written from an organization with a 501C3. Carol Cosby explained that a grant is in progress and the project was redesigned because of the cost of a bridge and will go back to CDOT and almost complete with the design. The area has been staked and School District 70 deeded the easement to the district and should be completed by the end of the year. Mr. Mahaney suggested a four way stop sign at Joe Martinez and McCulloch due to the busy traffic area and trying to cross. He mentioned purple pipe water treatment using the effluent water from the Treatment Plant to water the golf course and why this should be done. Mr. Mahoney would like to see a \$6,000 tap fee for zero landscape and \$20,000 for someone wanting a lawn.

Bill Clemens mentioned his attendance of the Desert Hawk Golf course meeting and the budget finally showing a profit if the debt payment is considered a contribution which is a violation of Tabor. He had a 2008 report and showed a net loss of \$585,000 and not included as revenue. He is disputing the report stating there will be a profit of \$28,000.

Bill Vickers had concerns back in 2009 with SDS and costs for Pueblo West and how a lawsuit and being a partner with SDS gives up our negotiation rights or still not knowing what the costs will be. He felt entering into a contract not knowing the total costs verses paying for a net gain of not spending \$8 million for our own tap hope the board will be more at tentative of the costs.

Phil Weber talked about the IT Department requesting a new truck and nobody had a new truck in his thirty five years in IT, but pays the IT person mileage and not a new truck.

DESERT HAWK GOLF COURSE WATER COST: Whitney Graves asked the Pueblo West Metro Board from a request of the Desert Hawk Enterprise Board to lower the cost of the raw water owed to the district from previous years to \$.92 instead of the \$1.39. This will allow the Desert Hawk Enterprise pay the district back \$101,000 instead of the \$157,000. The water agreement is pay the district back when the golf course makes a profit or the total amount in 2011. Mr. Graves informed the board of prior year costs and how this would benefit both boards if the water charge was lowered and not increase the debt amount the County and District pay. Legal Counsel explained the agreement on the water and memo from Mr. Harrison and costs involved and made a suggestion as to how this could be resolved. Steve Harrison discussed his concerns, electrical, water issues and storage on the golf course and would like to see a solution to the problems as the board members would. After further discussion and concerns, Mr. Graves will provide the board with the budget the Enterprise Board passed for the golf course for their approval of the debt portion the district owes. Consensus is not to do a study and not spend the money. Mr. Harrison explained what would be needed to use the affluent water and this would incur more costs and this has been looked at in the past. Cory Hyatt said in previous years the water was budgeted for \$157,000 and now \$101,000 and questioned where other savings were. Mr. Harrison suggested having the golfers pay \$5.00 more a round to help pay for the water and the raw water would exceed the cost of \$1.39 should a study be done. Director Martin suggested wells and Mr. Harrison explained the poor quality of water and the pumping of water from the wells would cost more. Director Green wants to find a solution with more discussions. Legal Counsel explained the contribution and surplus of funds in the IGA and

does not agree with the accounting terminology used for the budget. Direction from the board is to have all those concerned get together to discuss these issues on the water payment and budget.

INTERGOVERNMENTAL AGREEMENT WITH PUEBLO COUNTY FOR CSEPP EQUIPMENT: Deputy Chief Jerry Brown asked the board to support the IGA and what was in it and used for hazmat calls through mutual aid. Deputy Chief Brown stated the equipment has been here but they are now doing the agreement.

Director Green asked if the costs were distributed equally and was informed the County purchases the equipment and Pueblo West maintains it. Whoever is driving or uses the equipment is responsible for any costs incurred.

Director Martin made a motion to accept the Intergovernmental Agreement with Pueblo County for CSEPP Equipment, vote unanimous.

DISTRICT MANAGER FINALISTS LIST: Chair French gave the names of the four finalists for District Manager and they are; Jack Johnston, James Mullens, Larry Kramer, and Kip Peterson. Chair French provided a brief background of them and informed everyone that on August 31, 2010 at 6:30 p.m. at Fire Station #3 there will be a chance to meet them and talk to them.

GREAT OUTDOORS COLORADO SPECIAL OPPORTUNITY GRANT: This grant and is a four phase grant and this submittal of the grant is the first phase. It is a four sports complex on land dedicated for parks and recreation. Phase two for electrical, phase three additional multi-purpose fields and reconstruct Assembly Drive, and phase four three multi-purpose fields, extra parking, and additional restrooms. Support letters from 15 entities is needed to submit with the grant. After further discussion and questions on projected revenue, staffing, and costs, the Resolution was voted on.

RESOLUTION 1887 - A Resolution Authorizing The Submittal Of A Great Outdoors Colorado Special Opportunity Grant

Director Lisi made a motion to accept Resolution 1887. Chair French, Director Martin, Director Lisi, and Director McCarthy voted aye, Director Green voted nay.

SETTLEMENT AGREEMENT: Legal Counsel Tom Mullans stated this was due to long sessions and negotiations on SDS, the pump back, and other projects to move forward and get credit for water and tap into the pipeline. Legal Counsel gave a brief history on why additional water is needed. He explained how the water is pumped back to get credit and agreement of the 1041 permit and the County imposing condition #9 that the district was not a part of or acceptable, so a formal complaint was filed. Legal Counsel informed them of the concerns of the County and others on the pump back procedure not accepted by them. The settlement memorandum is that Pueblo West agrees to participate in the Flow Management Program to a limited extent, pipe for water flow in Wild Horse Creek, option to trade water with Colorado Springs, save money with the SDS, and avoid all litigation cost.

RESOLUTION 1888: A Resolution Ratifying A Settlement Memorandum Dated July 16, 2010 Between Attorneys For The Pueblo West Metropolitan District, The Board Of County Commissioners Of Pueblo County, The Board Of Water Works Of Pueblo, And The City Of Colorado Springs On Behalf Of Its Utilities

Director Green made a motion to accept Resolution 1888, vote unanimous.

EXECUTIVE SESSION: "Personnel matters" – C.R.S. 24-6-402(4)(f) – District Manager Contract Discussion

Director Martin made a motion for an executive session, vote unanimous.

ADJOURNMENT: There being no further business to come before the Board, Director French adjourned the meeting. The next special meeting is scheduled for August 31, 2010, at the hour of 6:30 p.m., presently set for the meeting room of Fire Station #3, 729 E Gold Drive, Pueblo West.