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**MINUTES OF SPECIAL MEETING PRIVATE
OF THE BOARD OF DIRECTORS OF
PUEBLO WEST METROPOLITAN DISTRICT**

January 5, 2011

The Board of Directors of the Pueblo West Metropolitan District met in special session at 109 East Industrial Boulevard, Pueblo West, Colorado, on January 5, 2011 at 9:00 a.m.

ROLL CALL: On roll call Board Members Chair Mike French, Director's Chuck Green, Jerry Martin, John Lisi and Christine McCarthy.

Also present were Jack Johnston, District Manager; Tom Mullans, Legal Counsel; Judy Leonard, Administrative Assistant.

EXECUTIVE SESSION: This special meeting was called to have an executive session for determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators – C.R.S. 24-6-402(4)(e) – Southern Delivery Easement Contracts.

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

PUBLIC MEETING: Discussion took place on accepting a contract for certain purchases of District's easements, parcels, and land from Colorado Springs Utilities where the Southern Delivery pipeline will go through. District Manager Johnston made a recommendation to accept the schedule presented on permanent easements, land and drainage areas as listed. Director Martin inquired if the appraised values percentages are appropriate as did Chair French on the lots. District Manger Johnston stated they are fair equitable prices and the research done for his conclusion. The information given will be part of the minutes as to what Colorado Springs Utilities is offering (see attached).

Pueblo West Metro District Parcels Affected by SDS												
S1 Parcels												
	APN	Tract	Parcel	Legal ID#	PE AC	TCE AC	CATEGORY	PE Size	\$/AC	% of Fee	Value	Date Offered
	025001001				1.186	0.000	Lot	1.180	1,460	75%	\$1,300.00	12/21/2010
	025002001				2.022	3.581	Lot	2.922	1,460	75%	\$9,900.00	12/21/2010
	025001001							TE Size	\$/AC	% of Fee	Value	
	025002001							0.900	1,460	10%	\$200.00	
								2.551	1,460	10%	\$550.00	
										TOTAL	\$5,250.00	
S2 Parcels South of Highway 50												
	APN	Tract	Parcel	Legal ID#	PE SF	TCE SF	CATEGORY	Size	\$/SF	% of Fee	Value	
1	017000007				2,473		South end strip of P. West	2,478 SF	\$0.30	50%	\$400	10/13/2010
2	017000000	385	C	1	1,501		Drainage	1,501 SF	\$0.30	50%	\$250	10/13/2010
		300	C	2	1,501		Drainage	1,501 SF	\$0.30	50%	\$250	
		368	C	3	10,007		Drainage	10,007 SF	\$0.30	50%	\$1,510	
3	019000000	368	D		10,904		Drainage	16,984 SF	\$0.30	50%	\$2,550	10/13/2010
S2 Parcels North of Highway 50												
	APN	Tract	Parcel	Legal ID#	PE SF	TCE SF	CATEGORY	Size	\$/AC	% of Fee	Value	
4	000099204	254	D	1	3,271		Drainage	1.18 AC	\$17,500	50%	\$7,375	Appr. 10/13/10
		254	D	2	1,576		Drainage					
		254	F	3	1,062		Drainage					
		254	F	4	1,062		Drainage					
		254	G	5	1,682		Drainage					
		254	H	6	37,257		Drainage					
		204	H	7	1,570		Drainage					
5	008011000	254			0,025	10,076	Lot		\$0.30	90%-10%	\$2,750	2/19/2010
6	008011000	254			7,254	0,000	Lot		\$0.30	90%-10%	\$2,250	2/19/2010
7	008011000	239			9,500	0,714	Lot		\$0.30	90%-10%	\$1,800	3/1/2010
8	062000020	239	H	1	0,876		Drainage	2.31 AC	\$17,500	50%	\$14,438	Appr. 10/13/10
		239	H	2	31,690		Drainage					
9	052000020	237	G	1	2,206		Drainage	2,206 SF	\$0.30	50%	\$350	10/13/2010
		237	G	2	1,575		Drainage	1,575 SF	\$0.30	50%	\$250	
		237	G	3	1,575		Drainage	1,575 SF	\$0.30	50%	\$250	
		237	G	4	1,575		Drainage	1,575 SF	\$0.30	50%	\$250	
10	062100000	400	W	1	1,576		Drainage	3.42 AC	\$12,500	50%	\$21,375	Appr. 10/13/10
		400	W	2	1,874		Drainage					
		400	W	3	1,832		Drainage					
		400	W	4	89,510		Drainage					
		400	W	5	2,881		Drainage					
		400	X	6	10,328		Drainage					
		400	Y	7	2,690		Drainage					
		400	Y	8	1,576		Drainage					
		400	Z	9	1,678		Drainage					
		400	Z	10	1,576		Drainage					
		400	Z	11	1,578		Drainage					
		400	A	12	11,433		Drainage					
		400	A	13	26,339		Drainage					
11	060800002				2,528		North end strip of P. West	2,626 SF	\$0.30	50%	\$400	10/13/2010
					Total Estimated SF	548,297	127,481			Total Rounded	\$61,738	

Director Martin made a motion to approve the \$61,738 offered by Southern Delivery System subject to easement language acceptable to Legal Counsel, vote unanimous.

District Manager Johnston updated the board on the insurance with a side by side comparison done and given to the board on how they both compared. HUB Insurance total was \$25,000 less than Centennial with both providing equal coverage. Director McCarthy would like to move the dates for renewal on the insurance from a calendar year to mid year. After further discussion, this will be discussed with the insurance company. Director McCarthy discussed the procurement policy and possible changes and reviews. District Manager Johnston talked about the RFP proposals and taking the lowest bid. Legal Counsel explained RFP's are proposals to be

discussed and does not necessarily have to take the lowest bid but to treat everyone alike for comparison. Workmen Comp was discussed which is through Pinnacol and the insurance company only serves as a broker so it does not matter which one. District Manager Johnston stated because of our high claims the district will have to stay with the Latino Chamber but once the loss ratios lower, it would be conducive to switch over to Colorado Rural Water for better dividends.

District Manager Johnston informed the board on his meeting with San Isabel Association Board and what took place for the purchase of their building. The interest is there but more due diligence is needed on the building, costs, property, and other issues on the purchase price, tax abatements, and interest. Director Green inquired on an assessment on the building which will be done. Legal Counsel made suggestions as to what should be checked and if appropriate for the district using an engineer or architect for any issues on the building. Legal Counsel also mentioned restrictions for governmental entities and other building locations discussed in the past. Director Martin voiced his concern on purchasing the San Isabel building being contingent on San Isabel moving from the area if the District does not purchase the building. Other issues and suggestions on what can be done with the building and property were discussed.

District Manager Johnston mentioned the article written in the PW View and the district having a place for a 700 word month article to capitalize on. He will capture 2011 in the next article and if a board member wants to take a month and write an article is also an option.

Director Lisi asked about using District vehicles for personal use. District Manager Johnston informed the board that all non district employees would be covered in the vehicle. Director Lisi's concern is other children than the employees being in the vehicles. Chair French said a review is needed for all employees that take vehicles home and has an issue with other children than the employees being in District vehicles.

Chair French explained the issues with the Commissioners not having quarterly meetings but having Desert Hawk and Road Task Force meetings being public meetings. Other board members discussed their concerns. District Manager Johnston suggested combining all meetings and discuss everything every quarter. Direction from the board is for the District Manager to discuss this with the County Commissioners.

Director Martin inquired as to how the IGA came about. Legal Counsel explained it had to do with the Highway Users Tax Fund monies and how it could be collected for maintaining the roads in Pueblo West and requirements for the County to maintain them. Legal Counsel suggested that the Service Plan of the District not be changed and why.

ADJOURNMENT: There being no further business to come before the Board, on motion by Director Martin, the meeting was adjourned. The next regular meeting is scheduled for January 11, 2011 at the hour of 6:30 p.m., presently set for the meeting room of the Board of Directors, 109 East Industrial Boulevard, Pueblo West, Colorado.