



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

February 25, 2011

The Board of Directors of the Pueblo West Metropolitan District met in special retreat session at 729 E Gold Drive, Pueblo West, Colorado, on February 25, 2011, at the hour of 8:30 o'clock a.m.

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

Also present were Jack Johnston, District Manager, Judy Leonard, Administrative Assistant; Tom Mullans, Attorney for the District; Steve Harrison, Utilities; Dave Cosby, Fleet; Laurie Cozzetto, COA; and 7 citizens.

This special retreat meeting was for the five board members and District Manager to discuss issues of importance and action plans. The first item discussed was on departmental strategies with the first department being Streets and Roads. District Manager Johnston mentioned the kick off with Matrix Design giving Matrix information on the roads, maps, and listing of names of the roads. Director Martin inquired if any of the departments would be represented at this meeting and why some were there and others were not. Department Directors were not required to attend. District Manager Johnston gave a synopsis of discussion with Matrix and Streets and Roads and information that took place. Director Martin asked why the department was involved with a project that was bid out and no need to be there when other work was lacking within the District. Director French agreed with the particular projects doing the prep work causes maintenance lacking throughout the District. Legal Counsel voiced his opinion and concerns and thinks all projects should be bid out completely. Consensus of everyone is Streets and Roads is to do maintenance on the roads and not be tied up with projects that should be completely bid out. Director Martin would like to look at the Intergovernmental Agreement, unused equipment, employees, private sector for road work, and only focus on maintaining them which should be part of the Matrix comprehensive report. District Manager Johnston mentioned what the roads department feels they are proficient in and what they are not. Discussion was on giving the roads back to the County, how much money the District receives for road maintenance, what is dedicated and not dedicated as County roads and not required to do maintenance. Legal Counsel gave a brief history on the roads, Service Plan of the District, and how the IGA was established. The board would like to get more money for the roads and discussed how that could happen with the County committing more H.U.T.F. money or funding sources. Director McCarthy would support discussion of the IGA with the County as the other board members agree. Legal Counsel reiterated that the H.U.T.F. is not County money and why. Director French wants a rating system on the roads which Matrix will prepare in their comprehensive plan. District Manager Johnston asked for clarification on storm drainage and Legal Counsel gave a synopsis on what was started with previous storm drainage studies and requirements. Director French inquired what type of training is required of streets and roads employees. Summation of the discussion is for the Streets and Roads Department to focus on road maintenance and board open discussions with the County on the IGA.

The Utilities Department issues were discussed on the Sewer Treatment Plant and Utilities Director Harrison explained that the system is not leaking and explained the aeration and how leakage would be known by an alarm. Director Harrison drew a diagram for the board to understand. He has a letter stating it is not leaking into the ground water yet from inspections. Director Harrison showed what will be done with the new design using less water. Concerns of build out were discussed with another clarifier needed and more infiltration to keep leakage from going into the ground water. Director Harrison talked about the issues with the aerators and showed where the flow goes and pumped. Discussion with the pumping will have issues for 38% more increase on the system at build out. He showed where the lift pump stations were and concerns. Legal Counsel informed the board why there are issues with other entities with the filtered water discharging back to the reservoir and why the district is doing the Wild Horse Pipeline. Legal Counsel talked about Wild Horse Pipeline which should not be part of a 1041 permit. Director Martin inquired about the wells in Pueblo West and how they could be utilized. Director Harrison explained why they can't be used for human consumption and what they can be used for. Director McCarthy would like to see what the impact of the water increase is after the third quarter. Director Martin asked if the O&M cost for the water department expenses is close to \$5 million and with increases will take in \$6 million. Concerns are wastewater, treated water acquisitions, SDS pipeline, Parkdale Reservoir, storage rights and SE Arkansas Valley Conservancy District. Legal Counsel mentioned the Bureau of Reclamation is putting out the language for the conservancy contracts. The clarification letter has been signed by all 1041 participants except the city. Mr. Maggard asked about the water in Wild Horse pipeline.

Director McCarthy asked about the fire service contracts to the houses on Swallow Road out of the District. This is still being looked at. Director Martin questioned the mass of people and equipment for fire calls. District Manager Johnston explained why this happens and how calls work in the city and this is being looked at. Parkview is dictating where the transporting takes place and having everyone sent to Parkview in town and issues it causes in Pueblo West with the ambulances gone. Another thing that is being looked at is the call out of volunteers. Director Green also mentioned the amount of people he saw on a call and how all were needed.

Parks and Recreation pool is being realigned and new parks being built on the north side. The directors would like to see them built this year. The Conservation Trust Fund was discussed and now with the 2010 consensus there is more residents in Pueblo West which the share per capita coming from the Commissioners should be more and marked for special projects. Director Martin asked if there was a specific project the Parks and Recreation is doing for the CTF money. Director Lisi thinks park plans should be more specific. Director French would like to see a playground on the west side, consider parks by wells for water, and coordinate with School District 70 and become partners.

The second agenda item was covenant enforcement for concerns for tracts at 90% build out, the Committee of Architecture would not have any enforcement power and change the covenants so the District will have the enforcement power in those tracts. Legal Counsel explained what happens and property owners will have to do their own enforcement using other methods. A Homeowners Association was discussed and how it is formed. The board could modify the covenants by tracts and remove the 90% for build out with consent by the owners. Director French asked about what would happen if the district was incorporated. Legal Counsel explained the process with a document sent to the property owners for consent. The modification would be simple but time consuming for letters and cost. Violation letters were discussed that are sent out from COA and what the cost was. With the COA violation letters Laurie Cozzetto said that 90% are taken care of without litigation. Legal Counsel talked about zoning authority and amendment on medical marijuana and what could be done. He also gave a brief history on how covenant enforcement was established. Legal Counsel said the process will be most of the cost and how the process should be done. District Manager Johnston mentioned COA staff and salary plan will also be looked at.

Policy/Bylaws updates are needed and things that are needed to incorporate in the policies are an internal financial control, comprehensive salary study, drug use and alcohol policy, weapon policy, and other policies or ideas from the board. Discussion of drug in the work place was discussed and the importance of having one. Weapon's on premises were discussed and how a policy can be stated. Director McCarthy would like to see the dates changed on the benefits from the end of the year to June or July and why. Legal Counsel stated that may cause Tabor issues and date of contracts and explained why. District Manager Johnston explained what the insurance company does to try to get the lowest rate in the fourth quarter so it is done at the end of the year. Director French thinks a general review of the policies should be done. District Manager Johnston told the board if any of the board is interested in the policies when discussed with Matrix for the departments to let him know if they want to be there. Director Green asked about dates when Matrix will be at the departments and to give the board at least a week or two notice. Legal Counsel sent new bylaws to the former management and did not get a response. The board asked him to highlight the changes for the board to review. Desert Hawk was discussed as to its revenue and expenditures with the expenses going through the County financials, board should decide what the District will pay, better financial statement for cash flow, and Corynne Hyatt working with the finance director. The management for the pro shop and restaurant are bid out separate and not included in the finance statement. Chair French feels the golf course should get a percentage from the pro shop and restaurant. The board would like a better way of tracking all expenses and suggestions were for the Desert Hawk board to become more involved in the financials with monthly meetings.

District Manager Johnston recapped the items discussed and will put in an action plan with accomplished timeline. Chair French would like to come up with a system for District Manager goals and what should be used. The board will need to list what goals they want and timelines for any specific projects. Chair French will put them in a draft and present it to District Manager Johnston. District Manager Johnston explained the COA board appointment process and there are no terms but done year by year and suggested a staggered term limit. Mr. Maggard asked why you did not have to be a resident and issues with a one year term and why. Legal Counsel explained the nonresident requirement and why. The board can change the requirements.

ADJOURNMENT: There being no further business to come before the board, on motion by Director Green, the meeting was adjourned. The next regular meeting is scheduled for March 8, 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.