

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

June 28, 2011

The Board of Directors of the Pueblo West Metropolitan District met in regular session at 109 East Industrial Boulevard, Pueblo West, Colorado, on June 28, 2011, at the hour of 5:30 p.m. for a meeting with the Committee of Architecture board and regular board meeting at 6:30 p.m.

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

Also attending were District Manager Jack Johnston, Thomas Mullans, Attorney for the District; Administrative Assistant Judy Leonard; Laurie Cozzetto, COA; COA Board were Bill Vickers, Jim Maggard, JD Stelle, Brenda Blickenstaff, and Kent Selman; Brian Caserta, Fire Chief; Carol Cosby, Parks and Recreation; Dave Cosby, Fleet, Frank Savage, IT; and 16 citizens.

The first hour of the meeting was dedicated for discussion with District board and COA board on concerns when tracts are 90% built out and not having enforcement powers in those tracts. Director McCarthy thought letters would be sent out to property owners for their input. Legal Counsel stated that 51% of the property owners in each tract and recorded, would have to agree for this to happen. Mr. Vickers would like to know how to reinstate the tracts to have enforcement powers over them. Legal Counsel informed the COA board that 51% of the property owners would have to agree to have the tract reinstated under COA enforcement. This would have to be recorded with signatures. Director Green mentioned some choices of opposing a fee or get them to organize and agree to reinstate enforcement, or organize a home owners association to take care of issues. Legal Counsel explained limitation deals with the declarant to in force the covenants and read the wording and meaning. This includes five tracts that are 90% built out and as stated is up to the property owners wanting enforcement by modifying the covenants with majority of signatures from the property owners in that tract, recorded, and before the renewable date. Director French inquired on the renewable dates. Legal Counsel stated the covenants are still in force but should a property owner not have plans approved, pay fees, etc. there is nothing COA can do. After further discussion on County enforcement for zoning, renewable dates, feedback from residents, the COA board request for continued district enforcement vote was three board members for and two against. District McCarthy feels the COA does better than the County and City for enforcement and not comfortable with the idea of having neighbors turn each other in for violations. Chair Martin questioned the cost and amount of litigations which Laurie Cozzetto said are very little after a letter is sent and mentioned calls she receives for enforcement. Each COA board member voiced their concerns and how they felt on the issue of enforcement. Legal Counsel suggested all tracts are looked at for build out and do all tracts all at once to follow under covenant modifications should 51% of the property owners agree and have all recorded. District Manager Johnston thinks enforcement should stay in place and is in the best interest of the District. Information and education will be sent out to those property owners in all tracts and especially with the twenty five year expiration, which will be up in 2014; and in the 90% build out. Legal Counsel talked about the letters, changes, mailing costs recording costs and other expenses incurred. Direction from the board is for the District Manager to come up with a cost and get with COA as to how many tracts, parcels, and everything involved with of what needs to be done. The COA board wanted to know what position the board has on litigations. Legal Counsel said not every violation has costs and thought the COA board made that decision instead of coming to the board for approval thinking his letters seem to be effective. Chair Marti thinks the COA board needs to make the decision for litigations but keep in mind there are budget constraints as to how many should be filed. Legal Counsel reminded the board the district is the plaintive when litigations are filed and some District board members feel all should be brought before the board. COA Resolutions discussion took place as to if they are precedence or guidelines, the committee can make an interpretation and determine what they state. Concerns on what is in the Resolutions for instance; determining signs and how consistency is done if different from County regulations. Laurie Cozzetto said the committee is going to put guidelines together for signs so they are consistent with County when someone fills out an application. Legal Counsel said consistencies are important and guidelines interpretation will change with boards. Mr. Vickers think more training should be done for new COA board members have a follow up meeting with the District board in the near future. Mr. Vickers asked for direction on litigation for property on Enterprise Drive.

Director McCarthy made a motion for the Committee of Architecture to proceed with litigations on 749 Enterprise Drive, vote unanimous.

MINUTES: Director Lisi made a motion to accept the minutes of the regular minutes June 14, 2011 and special meeting June 22, 2011, vote unanimous.

FINANCIAL REPORTS: Members of the Board had been provided with a check register dated June 28, 2011, listing the bills for payment. On motion by Director McCarthy noting the large payments, the outstanding bills of \$694,711.33 are approved for payment, vote unanimous.

DIRECTOR COMMENTS: Director McCarthy directed the District Manager for a total report of all tracts involved in areas with assessment fees for sewer lines, how many lots to be tied into it, total cost of assessment, feeling it is unfair if septic tanks fail property owners would have to tie into the sewer line. District Manager Johnston explained that there is a spreadsheet on all the Resolutions passed with assessment fees and still working on gathering all information as to how requirements for tie in would be done. He also explained that regulations, EPA, and other issues would make a requirement that there would not be any septic tanks allowed.

Mr. Abel Tapia was introduced from the Colorado Lottery. Mr. Tapia talked about the lottery and how it could benefit the district. With the sale of 500 million tickets and approximately 100 million given back to Colorado with 10% going to parks, 40% Conservation Trust Fund dedicated to parks and recreation and GOCO grants and rest in prizes. His mission is to let all municipalities know to apply for grants informing the board the district has received approximately 1.3 million of this money by applying for grants. He explained that if turned down on a grant to reapply because you have a better chance to get the grant and apply for all grants available even if other governmental entities do. Mr. Tapia wants Southern Colorado to get their share of the Conservation Trust Fund and encourage areas to apply for grants. Mr. Tapia said Matt Robins works out of the lottery office and his job is supporting those applying for grants with his expertise by helping with writing grants, cycle of grants, and any information needed. Chair Martin asked what the biggest amount of a grant was given which was one for easements as high as \$500,000 but most are lower than \$100,000. Director French mentioned the payout for per capita with the District getting half and County getting the other half. In order to have this changed it would have to be done by a statute. For the new formula for the census update, Mr. Tapia will get back to Director French as to when that will happen. He was thanked for his service in the Senate, and his letter sent congratulating the district for being a recipient of the GOCO grant was appreciated.

DISTRICT MANAGER REPORT: District Manager Johnston mentioned the meetings going all electronic and available on line in the future. He also updated the board on the water main break, with permanent fix, and with contractor giving the District a credit for \$800 for a future job due to improper installation. He informed the board on the weekly water calls on Hill Ranch with completion at 90% with the Water Attorney, Legal Counsel, and contract engineer saving approximately \$15,000 to \$20,000 on the project. The Aurora contract has been fully executed.

District Manager Johnston updated the board on the Sierra Vista Trail almost completed which does not include the addition of the high school.

The Fire Department CSEP funded brush truck on order is only available in red with delivery in the coming months and old brush truck going to the County.

District Manager Johnston informed the board on the progress on Coral Drive with a finish date early August before school begins. Platteville is also proceeding well with no delays. District Manager Johnston explained why the FEMA rebuttal was necessary putting areas in the flood plain with expense too property owners for flood insurance. An outside consultant will be hired to refute this. Maps, details, and information will be available at the July 12 board meeting.

Committee of Architecture approved 7 new homes, and had 65 accessory structures, in June 2010 there were 9 homes and 49 accessories. In addition, there were 116 inspections, 39 violation letters, 4 hearings and 1 legal correspondent in June.

The Task Force Committee for Economic Development meeting schedule June 29, 2011 is to discuss proposed bylaws developed by the Steering Committee. The Special Board meeting June 22 was for a discussion on the county-wide ½ cent sales tax. Commissioner Chostner attended given input and interest in partnering with the District but no further action is planned. A SCEDD meeting was conducted at Fire Station #3 June 23 for a survey and idea generation as part of the 5-year US Department of Commerce. Director Green thinks there is little enthusiasm on the board for the county-wide ½ cent tax.

District Manager Johnston mentioned general administrative information starting with a work session meeting on June 16 with County Commissioners on supporting TREC relocation, submitting a request

letter for Youthful Offender System work release supervised and district having to provide lunch, submitted SDA Conference & Special Collaboration Award nomination for Ft. Carson relationship, and reduction in fleet vehicles from water department by four, purchasing one, and one still being contemplated. These trucks will be auctioned off. Information requested for any more requirements on any other tracts from the district was completed with Tract 369 being the only tract with parking lot investment requirements like the Eagles. A joint session with District 70 took place June 27, District Manager and Board planning a pancake breakfast for the Ft. Carson soldiers attending in the parade, and City Council Joint Session still to be determined. Utilities Director position has been posted and he updated the board on the prairie dog issues with costs in the range of \$20,000 and on all Metro land would be over \$800,000 if the \$4.00 a hole is used. Legal Counsel mentioned relocation of the prairie dogs by a company called Wrangler Round Up because of possible endangered status. Main McCulloch will be approved at the County Commissioner meeting with a start day of July 17.

CITIZEN COMMENTS: Ron Pottorff was asking for an update on the prairie dog issue which was answered by District Manager Johnston in his report.

ROTARY MATCHING DONATIONS: Chad Heberly presented a power point slide presentation on a new Rotary project at Cattail Crossing for a fitness trail known as an ExerSite. The slides presented showed what the 13 stations would look like, material used, how to use them, information on the companies who design, produce, and build the equipment, and benefits. The Rotary would install and labor for the equipment with direction from the Parks and Recreation department. There would be no moving parts, minimize maintenance, safe to use, fits in small areas, and fits well with community health and fitness. Mr. Heberly explained the construction and costs, base material, and concrete which would be covered by the district. The Rotary and District would become partners splitting the cost. Director McCarthy would like to absorb the expense in the 2011 budget. Director Lisi inquired about liability with construction. Other Rotarians were introduced.

Director Green made a motion to approve a matching grant not to exceed \$10,000 for this project, vote unanimous.

MATRIX DESIGN GROUP: Mr. Ray Perez reported the Phase I of the Comprehensive Assessment is complete. District Manager Johnston suggested a special meeting for the Phase I Comprehensive Assessment. Direction from the board is to have a special meeting. Dates were discussed and will be worked out and tentatively set for July 7. Mr. Perez began with the Soaring Eagle Sports Complex. A design of the complex was presented and was discussed as to what was on the site, location, parking, fields, and placement of the fields. Mr. Perez explained the process as to how this design was completed. Assembly Drive will have to be reconstructed and costs were included in the project along with buildings, equipment, irrigation, lighting, landscaping, and ground material needed for the complex. Director Green mentioned cost to the district and getting sponsorships and grants to help pay for the project. Chair Martin asked about a phasing plan. Mr. Perez gave suggestions on what could be part of a phasing plan and which would generate revenue. Chair Martin would also like to know about total cost and revenue generated from this project. Director French voiced his concerns on building over utility lines and an inside building for use all year round and get the maximize usage from the complex. Mr. Perez considered the water and sewer lines and felt it would not be an issue putting the fields over them. Chair Martin inquired of any other complex to this magnitude in the area to justify costs. The board discussed visiting El Palomar Foundation board and discussing their facility on cost and revenue generated. Other costs were discussed and how they could be trimmed.

Proposal for the Comprehensive Plan for Strategic Planning Phase 2 from the determination of the first phase is a systematic approach. This establishes guiding principles of the district and determining what the next framework would be including community. The proposal was given to the board to give approval which was discussed for \$55,000. Legal Counsel mentioned payment should be approved before continuation of project. This will be discussed at the special meeting. Mr. Perez updated the board that all identifications of road issues will be found for the district to file and how a schedule can be done from the data base, develop a maintenance program, financial costs, and provide information to residents. This proposal will also look at marketing analysis study, sales tax revenue, and information to understand why decisions were made. District Manager Johnston thinks the importance is costs, other communities that have used this data, and with this information what is the liability. Mr. Perez said this has not been used in other communities but talked about all the important information this system would provide. The document is a strategic document with actions items. Legal Counsel stated that if the district knows about a specific issue the district is required to do something about it or be held liable if not. Chair Martin voiced his concern on the level of detail in the proposal. The capital improvement plan was discussed and why it was important to the district. After further discussion from the board, seeing the proposal for the first time would like to read it and suggestions of what the board would like to see in the proposal.

MUTUAL AID AGREEMENT – FT. CARSON: District Manager Johnston explained the need for the mutual aid agreement, which Legal Counsel has seen. Fire Chief Caserta asked for Ft. Carson's help with

a mutual aid agreement feeling it is needed with Ft. Carson for their heavy equipment so the District can render their help. This will also help responding to an emergency with the SDS project should they need assistance. Fire Chief Caserta complimented Ft. Carson's help in the past.

Director French made a motion to accept the Mutual Aid Agreement with Ft. Carson as stated in the agreement, vote unanimous.

Director French asked about the Community Charter with Ft. Carson.

TRI LAZY W RANCH DECREE: Legal Counsel explained Mr. Wilson had purchased water in the Pioneer Ditch which the District also purchased owning the majority and was not aware of the dry up covenants on the property of the Pioneer Ditch which was filed and went to water court. The stipulation presented to the board is in order and the need for the board to approve the stipulation. District Manager Johnston agrees.

Director Lisi made a motion to accept the stipulation with authorizing the water attorney to sign, vote unanimous.

DITCH REALIGNMENT AGREEMENT: Legal Counsel updated the board on the Hill Ranch water issue with Mt. Princeton holding wants to realign the Willowdale Ditch. The District owns water in the Willowdale Ditch and not be impeded with water fully taken care of which the agreement will take care of all the issues in the subdivision layout. Legal Counsel asked for permission for the Chairman to sign.

Director French made a motion for approval the Ditch Realignment Agreement between the Pueblo West Metropolitan District and Mt. Princeton Holding, LLC and authorizing the Chairman to sign agreement, vote unanimous.

POLICY UPDATES: District Manager Johnston informed the board of one new policy for a Remote Access Policy the district has not had and updating the other three for Computer usage, E-Mail, and Internet Use. These were brought to the board for them to review and give feedback for adoption at the next board meeting. Director McCarthy asked who wrote them, which came from the County. Legal Counsel mentioned E-mails between the board that could be issues with the Sunshine Law. Director Green thanked the IT for their help and appreciated their assistance.

ADJOURNMENT: There being no further business to come before the Board, Director Lisi adjourned the meeting. The next regular meeting is scheduled for July 12, 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.