

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

**August 30, 2011**

The Board of Directors of the Pueblo West Metropolitan District met in special session at 109 East Industrial Boulevard, Pueblo West, Colorado, on August 30, 2011, at the hour of 5:30 o'clock p.m.

**ROLL CALL:** On roll call Board Members Chair Jerry Martin, Director's John Lisi and Mike French were present. Director McCarthy and Director Green was excused.

Also present were Jack Johnston, District Manager, Tom Mullans, Attorney for the District, Judy Leonard; Administrative Assistant, Tammy Jameson, Finance; Dave Lawrence, Human Resource; and no citizens.

Chair Martin read a letter from Director Green resigning from the board due to health issues. Director Green felt due to his absences and lack of representation to the voters who elected him feels the need to resign. Chair Martin gave a brief synopsis of his illness and mentioned his great impact on the board with his past representation, ideas, opinions, accomplishments and will be deeply missed. Director French sentiments were the same and will miss working with Director Green. Director Lisi said that at times their relationship was contentious but respected him and his opinions and felt he was truly out there for the community. District Manager Johnston had the shortest tenor with him and respected his candor and picked up things of significant from him, wishing him well and best of health. Legal Counsel explained how the board could make an appointment with or without interviews, requirements needed to be a board appointee, and has 60 days to appoint a board member. This can be published in the paper but is not necessary or required. Consensus of the board is to publish the opening for appointments in the PW View, interview, then choose someone to replace Director Green through May 8, 2012 when his term end with interviews done in a public meeting.

District Manager Johnston updated the board on the Ft. Carson Community Covenant ceremony on October 20, 2011. He suggested a few locations, Civic Center Park, Liberty Point, and Fire Station #3 was decided due to possible inclement weather. He also mentioned his attendance at the Military Appreciation Luncheon at the State Fair. A candidate is coming September 7<sup>th</sup> for the Utilities Director position and meetings and times have been set aside for introductions and discussions with him. District Manager Johnston also reminded the board of his absence for the next board meeting September 13<sup>th</sup>, with Dave Cosby being Interim District Manger. He asked the board if they would like Mr. Cosby to attend the meeting or not have a representative and the board would like Mr. Cosby to attend. Director French inquired on dates for September 6<sup>th</sup> luncheon, budget review September 7<sup>th</sup> and September 16<sup>th</sup> SDA luncheon. District Manager Johnston briefed them on the budget review meeting starting at 8:00 a.m. at Fire Station #3 to go over the budget component with their laptops and how the meeting will progress. District Manager Johnston mentioned John Canfield coming from the Governor's energy office as a follow up to Johnson's Control presentation on a performance contract. The finalizing community phase 2 with Matrix to get the community workshop sessions going with Matrix which will be posted in the paper. Parks and Recreation will be under community service as well as Fire Department. Meetings will be on weekends or evenings for community involvement. City Council meeting with district board members went well and water line will be discussed and has a pool with entities for petroleum. There was a joint meeting with emergency services City Fire Department and PW Fire Department going to SDS pipeline construction site area creating catastrophe scenario exercises. Colorado Springs Utilities will allow the fire department to use the houses they have purchased in the path of the pipeline for simulated exercises until they have to be demolished. Due to liability all exercises will have to be done with the emergency units and with community watching for education on the emergency tactics on September 10<sup>th</sup>. Different scenarios were discussed as to what can be done and cautious of safety issues. Director French would like pictures taken at these type of events and what the

employees are doing in the district. Chair Martin asked about getting paid for any emergency issues with SDS. They are within Pueblo West boundaries and would be covered as anyone else. Discussion on equipment and the meetings that took place on the subject of emergencies and if the district was equipped to handle them.

The water looping/pressure project contract is the first business item which was discussed at the last meeting and was reviewed by Legal Counsel.

**Resolution 1934:** A Resolution Awarding A Contract To M. L. Strasia & Sons For The Joe Martinez Utilities Improvements Project

Director Lisi made a motion to accept Resolution 1934, vote unanimous.

This is a budget item.

District Manager Johnston updated the board on filter 11/12 water treatment plant design contract for \$160,000 which is less than what was budgeted for. The total capacity would be 17 gallons of water.

**RESOLUTION 1933:** A Resolution Approving The Agreement With JVA Incorporated For Design Services For Water Treatment Plant Expansion

Director French made a motion to accept Resolution 1933, vote unanimous.

**Biosolids handling unit bond counsel contract:** Biosolids handling unit Bond Counsel contract agreement was explained that this is a Cleanwater Revenue Bond and the district would like to hire Kutak Rock LLP as the bond counsel. The amount of the bond is in the amount of \$5.65 million dollars. This bond would be at 30% lower for interest rates and be paid back within 15 to 20 years. The contract for counsel would be \$8,000 and fee of \$200. District Manager Johnston explained how the bonds work and how the basis and principle incurs. Chair Martin questioned the process as getting this amount, using the money, and not have to be paid until the project is completed. District Manager Johnson said the cost would probably be closer to \$4 million. The rate would not be determined until the shopping of bonds would be finalized at 70% of what the bonds sell for. Legal Counsel thinks because of the discount and rates are low this would be a good way to go. Chair Martin would hate to see the district go into debt which would be for the waste water fund which is lacking in revenues. District Manager Johnston stated there is a lot more discussion needed and this will save the district a lot of money by reducing cost for the biosolid removal costs to the district now. Scott Eilert's presentation was related to as to why this is needed and how it would help save money. No payment would be executed until 2013 or later because of all the preliminary work needed for design and construction costs. Director French inquired on the Wildhorse Project. After further discussion on revenue, pledging revenue for both water and wastewater funds, rates, with low interest rates, other projects, and a analysis to pay the principal and interest, the need to borrow now is a good time if the district so desires. Consensus of the board is to go ahead with paying the \$8,200 to hire a bond counsel to get an analysis of what the bond interest would really be and cost to the district.

Director French made a motion to approve expenditures of \$8,200 to hire Kutak Rock for bond counsel, vote unanimous.

Director French made a motion for an executive session, vote unanimous

**EXECUTIVE SESSION:** Conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions -C.R.S. 24-6-402(4)(b) - Personnel Policy Discussion - Personnel Matters - C.R.S. 24-6-402(4)(f) -Personnel Policy

**ADJOURNMENT:** There being no further business to come before the

Board, on motion by Director French, the meeting was adjourned. The next regular meeting is scheduled for September 13, 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.

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Secretary

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