

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

September 27, 2011

The board of Directors of the Pueblo West Metropolitan District met in regular session at 729 East Gold Drive, Pueblo West, Colorado, on September 27, 2011, at the hour of 6:30 p.m. for a regular board meeting.

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

Also present were Jack Johnston, District Manager; Judy Leonard, Administrative Assistant; and Tom Mullans, Attorney for the District; Fire Chief Caserta; Jim McCaskell, Streets and Roads; Scott Eilert, Utilities; Rick Morgan, Public Works; Mike Healy, Public Works; Laurie Cozzetto, Committee of Architecture; Carol Cosby, Parks and Recreation; Tammy Jameson, Finance; and approximately 50 citizens.

EMPLOYEE OF THE MONTH: Russell Raymond was presented with a certificate and gift card for being employee of the month for August.

Chair Martin updated the residents on the self governance program with Fort Carson and how it was formed. Director French and District Manger Johnston attended meetings with Fort Carson to get a better understanding of what and how the district could help. Director French feels it was a great experience with a positive outcome. The 2nd Brigade was adopted by the district and a community drive will be done for the holidays to collect needs for the 2nd Brigade. The district would like to do the same with the 4th Brigade. District Manager Johnston recognized the staff involved and how he got involved with Keith and Sharon Swerdfeger who took him to Fort Carson introducing him. District Manager Johnston mentioned the soldiers living in Pueblo West and how the district wants to be a good neighbor and supporter. The staff involved in the Governance Practicum was introduced and what part they took. They were, Fire Chief Caserta, Jim McCaskell, Rick Morgan, Mike Healy, Laurie Cozzetto, Carol Cosby, and Tammy Jameson. Major Miles and Sergeant Darling were representing Fort Carson and explained what it is they are trying to do over in Afghanistan and Iraq and with this knowledge can help them build a self sustaining community. Major Miles thanked the district for their help and how much it is appreciated. State Representative Keith Swerdfeger mentioned the standing ovation the soldiers received at the SDA luncheon and how inspiring that was for the support they have. Senator Giron apologized for not being present but was in New York but did send her congratulations. Representative Swedferger read a Letter of Commendation from the Colorado Legislatures recognizing the collaboration between Pueblo West Metropolitan District and Fort Carson. Director French introduced John Henry Buller (Hank) who just completed his basic training and now is a Marine. He is a graduate from Pueblo West High School.

SPECIAL GUEST: Mr. Bill Thiebaut, Pueblo County District Attorney spoke on Community Prosecution and Proposition 103. Mr. Thiebaut mentioned if Proposition 103 passes it could bring an estimated \$3 billion to preschool, K-12 education, colleges and universities over the next five years by increasing the state's income tax and sales tax rates to the levels they were more than a decade ago. The initiative would increase the state's income tax from the current rate of 4.63% to the 5% it was in 1999. This would also raise state's sales tax from 2.9% to 3% where it was before reduced in 2000. The tax increases would end in five years. Mr. Thiebaut feels if children get a better education it helps children against crimes and the importance of supporting this.

MINUTES: On motion by Director Lisi, the minutes of the special meeting September 7th and regular meeting September 13, 2011 were approved, vote unanimous.

FINANCIAL REPORTS: Members of the Board had been provided with a check register dated September 27, 2011, listing the bills for payment. On motion by Director McCarthy noting the large payments, the outstanding bills of \$645,272.743 are approved for payment, vote unanimous.

DIRECTOR'S COMMENTS: Director McCarthy informed the board the budget committee met with department heads to discuss their budgets and is moving along.

Chair Martin mentioned on October 1, there will be a Rotary Octoberfest with board members, Bill Clemens, District Manager and Fire Chief Caserta available to dunk in a water tank. The time of the Octoberfest will be from 2:00 p.m. to 8:00 p.m.

DISTRICT MANAGER REPORT: District Manager Johnston informed the board that six parties plus PESOP meeting is being scheduled to discuss the dam enlargement legislation strategy. The Bureau of Reclamation proposals of August 19th were for the development of hydroelectric power.

Parks & Recreation GOCO grant for the Civic Center master plan is scheduled to be awarded October 11th. The TBI Survivor Fest concert planned October 14th and 15th has been rescheduled for the spring of 2012.

The new Engine 4 fire truck is expected to be in service next week and the training at the SDS homes went extremely well. They were used to simulate fire situations for training purposes.

Coral and Elbow Drive punch list is still being completed with final grading and culvert rail installation. The Main McCulloch project is still ahead of schedule and traffic patterns will be switching next week. A special joint meeting with the District and County is scheduled for 9/29 to discuss equitable road funding formula.

Committee of Architecture approved 2 new homes, 33 accessory structures, 128 inspections, 44 violation letters, and 5 hearings, and 1 legal correspondence, and 25 closed files in September. In September of 2010 there were 3 new homes and 46 accessories and 1 commercial.

There is an economic development task force meeting scheduled for Wednesday September 28th.

District Manager Johnston also mentioned upcoming meetings for Twin Lakes Reservoir & Canal Company tour September 28th, Pueblo West Rotary Club Oktoberfest October 1st, Pueblo West Chamber of Commerce Business Expo October 7th, and Ft. Carson Community covenant at Fire Station #3 October 20th. Future Community Planning Technical Workshops will be held at Pueblo West Fire Station #3 from 5:30 p.m. -8:00 p.m. The workshops are broken down into four categories with Community Services/Parks & Recreation October 18th, Utilities Infrastructure October 19th, Economic Development/Land Use October 20th, and Transportation October 21st. This will also be published in the PW View and invitations will be sent.

CITIZENS' COMMENTS: Mr. Randy Trujillo informed the board and citizens how his house and neighbors house was tagged. He showed pictures to the board and how this has affected his neighborhood and family. Mr. Trujillo asked the audience to be aware of what is going on in their neighborhood so this does not happen to someone else. This tagging amounted to approximately \$20,000 damage. The board voiced their sentiments and concerns of this happening and hope whoever did this will be caught.

Mr. Ron Pottorff handed the board handouts on information on prairie dogs and has been waiting for the district to do something about this. This is being addressed under new business.

Mr. Raiz and Mr. Ohrdorf presented a letter with their concerns on the Main McCulloch project with putting in a median in front of his Rocky Mountain Boat business. They explained the issues this will cause and loss of revenue due to the inconvenience of not being able to turn left on McCulloch taking a longer route to head south to the lake. In his letter the criteria of a median was discussed and does not feel this fits for the McCulloch project. They both discussed the Federal Highway Standards which this does not fit into and each state has its own standards. Rick Morgan, Public Works; was asked for his recommendation and said why a median is used as it reduces accidents by 1/3 and less injuries. Mr. Morgan suggested that it could work in that area with or without a median and why. Mr. Alf Randolph, County Public Works Department; said that the median is in the County and PW Metro road standards, has always been in the design plans for a median, the many meetings on the design for the public and businesses, and if everyone considers no median the road standards would have to be amended to reflect this. After further discussion from citizens in the audience for no median, the board further discussed the option and stated their recommendation to remove the median but final say is with the County Commissioners. Legal Counsel mentioned the possible liability of the district because of the road standards adopted and in place.

Director French made a motion recognizing the final decision will be from the County Commissioners, recommends the median be removed and have a continuous left turn lane on Main McCulloch. Chair Martin, Director Lisi, and Director French voted aye, with Director McCarthy voted nay.

COMCAST: Comcast Franchise Agreement will be postponed until the October 11, 2011 board meeting.

PRAIRIE DOG MITIGATION: A cost analysis for prairie dog mitigation was presented. There were 3 estimates and different uses for elimination. The cost for this would be anywhere from \$700,000 to \$800,000 for district owned land. This would be an ongoing problem as they may disappear for a couple of years but will return. District Manager Johnston recommended the district not to do anything as this is not in the scope of services of the district. Mr. Pottorff asked if he could do something about the prairie dogs on district property at his expense. Legal Counsel suggested he make a proposal to the district as to how he would intend to eliminate them.

RESOLUTION 1937 - A Resolution Awarding A Construction Contract To LaFarge West, Inc. For The 2011 Asphalt Patching Program.

Discussion from the board was who prioritized the list, how it was determined, outsourcing work verses in house and issues the Streets and Roads department faces not having the manpower or equipment. There was one bid response which came from LaFarge. Chair Martin inquired who came up with the priority of the asphalt patching. Jim McCaskell, Director of Streets and Roads went out and looked at the roads and determined by size, area, and deterioration of the road. After further discussion from the board the Resolution was approved.

Director Lisi made a motion to accept Resolution 1937, vote unanimous.

RESOLUTION 1938 - A Resolution Of Pueblo West Metropolitan District, Acting By And Through The Pueblo West Water Enterprise And The Pueblo West Wastewater Enterprise, Approving A Loan From The Colorado Water Resources And Power Development Authority to Finance Wastewater System Capital Improvements; Authorizing Execution Of A Loan Agreement And A bond To Document The Loan; And Providing For Payment Of The Bond.

Mr. Scott Eilert presented the board with a power point presentation explaining the bond, savings costs for the district, and why the money is needed for the bio solids process, how removal is done, high cost to have it removed, stabilization ponds, pond liners, help with odor, and inadequate aerators. Mr. Eilert showed how the clay is used for protection. He said they have not found any leakage into the soil or ground water but may in the future. Construction design cost was discussed, possible more man power, and savings in the removal of bio solids yearly up to 15%. Total for this system the estimated cost is not to exceed \$5,340,000. With the savings made from this system and cost of outside removal the savings will be used to pay on the loan. Legal Counsel thinks this is a good time to get this loan as interests rates are at a low of 2.75% to 2.5% and explained the bond and lien would be against the water and wastewater only. After further discussion on why this bond loan is needed, questions from the board, and a long term solution for future built out, a motion was made. The bond issuance cost has not been determined.

Director Lisi made a motion to accept Resolution 1938, vote unanimous.

RESOLUTION 1939 - A Resolution To Approve The Second Amendment To Intergovernmental Agreement Dated August 1, 2003 Of The Construction Of The Southern Delivery System

Legal Counsel explained the need for this agreement is just a formality and the district is not an owner of the pipeline but is named as a partner.

Director McCarthy made a motion to accept Resolution 1939, vote unanimous.

RESOLUTION 1940 - A Resolution Approving An Amendment To The Pueblo West Metropolitan District Money Purchase Pension Plan An Amendment Or Pension Protection Act, Hart Act, And Worker, Retiree, And Employer Recovery Act

District Manager Johnston explained the reason behind Mr. McNally's determination that the district pension plan is not out of compliance with the IRS but certain shoring up needs to be done with the plan in the future. Legal Counsel updated the board on the changes now being made with the pension plan as requirements by the IRS.

Director McCarthy made a motion to accept Resolution 1940, vote unanimous.

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