

MINUTES OF THE MAY 10, 2017 SPECIAL MEETING

Directors Present: Barb Bernard, Bud O'Hara, Corinne Koehler, Dennis Maroney, Ron Serna, Paul Willumstad

Also Present: Administrator Rick Kidd, Attorney Don Banner

Guests: Mike Cuppy, NorthStar Engineering
Kim Kock, NorthStar Engineering – by phone
Beritt Odem, City of Pueblo
Steven Meier, City of Pueblo
Anna Mauss, Colorado Water Conservation Board
Alan Hamel, Colorado Water Conservation Board
Jay Winner, Lower Arkansas Valley Water Conservancy District

The special meeting of the Pueblo Conservancy District was called to order by President Willumstad at 8:30 am. A quorum was present.

Jay Winner opened the meeting with a description of the **CWCB Grant Program** and its deadlines for filing. He encouraged the PCD to apply for a \$350,000 grant to address flood control, environmental and recreational issues. There are two accounts that Grants can be funded by, the State Account and the Basin Account. There is more funding available from the State Account. Jay suggested that we apply before the June 2017 meeting of the Arkansas Basin Roundtable Meeting. The application will be discussed, then, at the June meeting of the Needs Assessment Committee. The exact date in June has not been determined as of yet. Steven Meier indicated that he and his staff would work with Corinne Koehler, Rick Kidd and Kim Kock's office to put a grant together as soon as possible. From the June Needs Assessment Committee meeting the Grant Request is forwarded to the July Arkansas Basin Roundtable meeting. From there it is sent to the September meeting of the CWCB Board that will meet in Walden, Colorado September 19 and 20th. Jay suggested that representatives of PCD attend each meeting. PCD Director Bud O'Hara and Engineer Rick Kidd regularly attend the Roundtable meetings. Jay suggested that we apply for a Grant and apply for a loan simultaneously this year for the September CWCB meeting and do it again for the March 2018 meeting and the September 2018 meeting. This could generate over \$1M in funding for the levee project.

Anna Mauss gave a presentation on the **CWCB Loan Program**. The CWCB is a 15 member Board appointed by the Governor. She indicated that loans above \$10M had to be approved by the legislature. While most loans fund Projects from their beginning and do not fund refinancing, it may be possible to make an exception in PCD's case since: a) PCD has spent \$10M already on the maintenance of the levee and b) PCD was not aware of the availability of this funding. Alan Hamel indicated that he would support a \$22M loan that would fund

both the repayment of the existing loan and monies for the Project completion. Don Banner explained that for Phase 1 the District took out a \$2.5M loan and used \$1.5M of funds that they had on hand. Leading up to Phase 2, the District took out a \$10M loan and used \$2.5M to pay off the original loan, leaving \$7.5M for Phases 2 and 3. Construction of Phase 4 will required \$3.5M-\$4.0M. Anna said that the CWCB loans are typically the lowest interest loans in the state. They don't have to be paid back until the Project is complete. There is a 1% loan origination fee for such loans. Derrick Johnson would be the CWCB employee who would work with the PCD if the loan is granted. The loan application is simple but has to be supported with a feasibility study. If a loan was granted that would refinance the initial \$10M of spending, PCD would need to provide documentation that the money was in fact spent on the levee Project. One printed copy and one electronic copy of this material would be required. Don Banner will work on the loan application and process. Steven Meier said that the City would be most involved in the whitewater park area, wildlife habitat, fishing access, trails, and access for boating.

Anna reiterated that no payments would be necessary until the end, except for the interest that is accrued. The amount of the payments will be determined after the construction is completed. The CWCB does the disbursements of the funds and they would have a representative come do a site inspection before payments are approved. When asked, she said that the District would do all of the contracting per a competitive bid process. The interest rate is currently 2.55 percent, but the loan rates are set when the loan is approved.

Other Business:

Board Member Dennis Maroney raised an issue after most Board members had left the meeting. Should PCD put Tier 3 properties that were not protected by the levee into Tiers 2 or 1, depending on where they were located? Mike Cuppy will analyze the cost to the District in doing so and report to the Board at its next meeting.

There being no other business to come before the Board the meeting was adjourned at 9:45 am. The next regular meeting date will be May 24, 2017, at 10:30 am.

APPROVED:

Paul Willumstad, President

Matt Cordova, Secretary