

MINUTES OF THE OCTOBER 26, 2016
REGULAR MEETING
and
2017 BUDGET 1ST READING & HEARING
OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Bill Alt, Barb Bernard, Matt Cordova, Corinne Koehler, Dennis Maroney, Bud O'Hara, Donna Phillips, Ron Serna, Paul Willumstad

Also Present: Administrator Rick Kidd, Attorney Joe Bower

Guests: Kim Kock, NorthStar Engineering
Chris Woodka, Southeastern Colorado Water Conservancy District
Shanna Lewis, Colorado Public Radio

The regular meeting of the Pueblo Conservancy District was called to order by President Willumstad at 10:30 am. A quorum was present.

Minutes:

The minutes of the September 28, 2016 regular meeting, and October 4 and 11 special meetings were reviewed. Koehler moved to approve the minutes and Alt seconded. Motion passed.

Public Forum:

None

2017 BUDGET HEARING

Kidd presented a draft of the budget for 2017. He said that the projections for 2016 are based on actual receipts and expenditures through September and his knowledge of total contract values and upcoming expenses. Kock said that NorthStar's current projection for the 2016 Maintenance Fund Assessment is \$1,184,000. He said that they are continuing to hone in on appropriate tier levels for the State Assessed properties, but there are some problematic areas. An example is that the railroads are assessed based on track miles, but there is not an accounting for the offices and other infrastructure at the Pueblo yard. Willumstad asked if the District should hire an appraiser to try to determine these values. Kock suggested that Kidd, Banner, and he should meet with Frank Beltran first.

The budget hearing adjourned at 10:42 am and the regular meeting resumed.

Treasurer's Report:

Kidd said that he did not notice anything unusual in the accountants report. He noted that there is over \$42,000 in the money market account at Stifle Nicolaus and asked if \$40,000 should be reinvested in securities. After discussion it was agreed to have Kidd contact Mark Kennedy and reinvest the funds. Cordova moved to receive and file the accountant's compilation report. Seconded by Phillips. Motion passed.

Bills – Bernard said that she had reviewed the invoices from Kidd, NorthStar, Swerdfeger, and Lytle. She said that they were within the contract provisions, but she had a concern about the additional invoices from MBD&G. Kidd said that they work under an annual engagement letter and that the additional charges are for time and expenses MBD&G incurred that they believe are

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above the annual agreement provisions. Bower suggested that future engagement letters contain a not-to-exceed fee provision. Kidd is to request Larry Daveline to come to the November meeting. Bernard moved to pay the bills and Cordova seconded. Motion passed.

The following bills were posted for review and approval:

Vectra:

\$ 400.00	MBD&G, Monthly Accountant fees
\$ 6,500.00	MBD&G, Preparation of financial statements as of and for the year ended 12-31-15 together with assistance provided to auditors
\$ 3,120.00	MD&G, Other professional service provided between 10-1-15 thru 9-30-16 including, but not limited to, assistance with budget and year end closing, prepare MD&A, review updated chart of accounts
\$ 500.00	Banner and Bower, Attorney fees
\$ 1,700.00	Kidd Engineering, Administrator/Engineer fees
\$ 200.00	Alt, Director's Fee
\$ 200.00	Bernard, Director's Fee
\$ 200.00	Cordova, Director's Fee
\$ 200.00	Koehler, Director's Fee
\$ 200.00	Maroney, Director's Fee
\$ 200.00	O'Hara, Director's Fee
\$ 200.00	Phillips, Director's Fee
\$ 200.00	Serna, Director's Fee
\$ 200.00	Willumstad, Director's Fee
\$ 172.60	Chem-Way Lawn Care, Levee weed spraying

CNB Draw Account:

\$ 560.00	Kidd Engineering, Levee Phases 2&3 CA/CO, Planning meetings
\$ 2,745.00	NorthStar Engineering, Arkansas Task F.2 – Phase 3 Final Design, Construction Documents, Bidding
\$ 3,665.00	NorthStar Engineering, Arkansas Tasks F.3, F.4, and F.5 Construction staking, observation, and testing
\$ 191.50	NorthStar Engineering, Arkansas reimburseables
\$ 1,120.00	NorthStar Engineering, Second supplemental for the BHE diversion preliminary design
\$ 7,292.50	NorthStar Engineering, Wildhorse Task D – Construction support services
\$ 42.00	NorthStar Engineering, Wildhorse reimburseables
\$ 2,360.00	NorthStar Engineering, Maintenance Fund Assessment Support, Appraisal Phase III Services, Property Acquisitions, Artwork and Recreational Opportunities meetings
\$ 29.00	NorthStar Engineering, MFA & etc. reimburseables
\$152,025.65	KR Swerdfeger Construction, Arkansas and Wildhorse Levees Phase 2
\$ 219.00	Altman, Keilbach, Lytle et.al., Wildhorse Creek Area Eminent Domain and Land Acquisitions 9-30-16 invoice
\$ 3,100.00	Don Banner, 3 rd Quarter, Wildhorse property acquisitions and condemnation

Property Acquisitions:

Willumstad said that Banner and Lytle have sent a lot of emails back and forth concerning the acquisitions. This is taking a lot longer than anticipated but is moving forward. The District does have possession of all of the properties and the houses have been demolished. Concerning the Wodiuk property, Lytle has asked for the District to pass a resolution to settle for the amount deposited with the Court. Attorney Shannon Reid and some credit card companies have secondary liens against the property. Ocwen has not objected to these secondary liens being satisfied. Willumstad requested Board approval of a resolution stipulating payment of \$29,000 less what has already been paid to another creditor. O'Hara so moved and Phillips seconded.

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Motion passed. Willumstad said that Wodiuk has filed numerous pleadings and writings with Lytle. Lytle filed for a judgement on the pleadings. The motion he filed included suggestions from Banner and Willumstad.

President's Report –

Willumstad said that the 18th Street Wall is not yet quite done. He contacted Jean Latka about artwork to put on it and she asked for the District to provide a budget rather than for her to give an estimate. Kock said that ASI is to give him pricing for applying an anti-graffiti coating on the levee. Kock is also talking to the City about some art that they are commissioning.

Administrator's Report –

Kidd reported that Morgan-Stanley has consolidated a governmental entities division and that the District account will be managed from Denver rather than Pueblo. The new representative has offered to come meet with the Board. The HARP Authority sent out a new budget MOU to the various IGA entities. Their budget has maintained the District's contribution at \$50,000 for the IGA and \$10,000 for maintenance of the historic River channel and trash cleaning.

Fountain Creek Committees Reports –

Maroney reported that the Technical Advisory Committee is working with Matrix on the adaptations for the Colorado Springs Drainage Criteria Manual. The purpose is to have a manual that could be applied by everyone within the Fountain Creek district, so all of El Paso and Pueblo County. He said that this is a good stand-alone manual. Maroney knows that Pueblo County is planning to adopt it, but he does not know about the City of Pueblo. At the Monetary Advisory Committee they heard reports about the erosion and sedimentation control needs and cost estimates to address them. The original estimate of \$50M is not going to be enough. They are hoping to be able to implement two projects per mile along Fountain Creek. They are also doing an analysis of constructing a dam and side detentions. There is significant erosion occurring at the northeast corner at Highway 47. Maroney said that CDOT is working on that area to protect the bridge.

Arkansas and Wildhorse Levee Construction –

Kock reported that Swerdfeger is nearing completion. They are finishing the 18th Street wall and working on the wall from 15th to 16th streets. They should be done in about two weeks. Kock presented Change Order #4. It is for additional asbestos removal and cleanup of the yard and waste that Aguirre left behind. The required asbestos abatement increased 500 square feet from the initial assessment. O'Hara moved to approve Change Order #4 and Koehler seconded. Motion passed.

Kock reported that ASI has submitted all required documentation for them to start on Phase 3. At the October 11 Special Meeting a notice of award was approved. Kock presented four copies of the contract for final execution and the notice to proceed. Alt moved to sign the contracts and issue the notice to proceed. Bernard seconded and the motion passed. Kock said that the pre-construction conference is scheduled for October 27th at 10:00 am. ASI has sheet piling in transit and they have been doing some early site preparation work. They expect to get started next week. Asked about the disparity between the engineer's estimate and the actual bids, Kock responded that the major difference was in the costs for dewatering. He had assumed that the contractors would work out a system to leap-frog the project with a limited amount of sheet piling material. ASI plans to sheet pile the entire reach of the Phase 3 construction.

Old Business:

Recreation Sub-Committee – Koehler said that a lot has been going on. The City did receive a grant from CDOT. The formal letter from them should be coming next week. The Runyon area has a lot of homeless living around it. The Health Department reported that the ecoli bacteria in the water is up. The City is working on trimming out brush to reduce concealment.

Mural Sub-Committee – Koehler asked if someone else would take over this work. She has too many other demands to take care of this the way it should be.

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New Business:

Phase 3 Contract – The contract and notice to proceed were approved earlier in the meeting.
Emergency Change Orders - Koch reminded the Board that at the meeting when the contract was awarded there was a discussion about having authority to approve emergency change orders without calling a meeting of the Board. After discussion it was decided to have a change order committee. O'Hara will be the Chair and then Serna, Bernard, and Cordova will also serve. Kidd will have authority to act on change orders of \$5000 or less, change orders valued between \$5000 and \$10,000 will be addressed via email between the four sub-committee members, and change orders over \$10,000 will require bringing the Board together for a meeting. Alt suggested that there be a Board policy letter. Bower is to ask Banner to prepare a letter.
18th Street Bridge Mural – Willumstad reported earlier that Jean Latka requested a budget amount and then she would see what could be done. Willumstad suggested talking to Cynthia Ramu to see what she or her student group could do if the District provided materials. Koehler said that she would send an email to Ramu.

Other Business:

Cordova said that he has been serving as the District's representative to the HARP Authority Board. Due to the increased workload of his company he needs to step out of that role. The HARP Authority meets on the 2nd Wednesday of the month at 3:30 pm.

Willumstad asked that members of the Board consider and volunteer for the Mural Sub-Committee and to be the HARP Authority representative.

There being no other business to come before the Board the meeting was adjourned at 11:47 am.
The next regular meeting date will be October 26, 2016, at 10:30 am.

APPROVED:



Paul Willumstad, President



Matt Cordova, Secretary