

MINUTES OF THE OCTOBER 22, 2014
REGULAR MEETING
OF THE PUEBLO CONSERVANCY DISTRICT

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

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guests: Kim Kock, NorthStar Engineering
Chris Woodka, Pueblo Chieftain
Shanna Lewis, Colorado Public Radio
Carl Winder, Channel 13
Karen Waters

With a quorum present, the regular meeting of the Pueblo Conservancy District was called to order at 10:30 am.

Public Forum:
None

Minutes:

The minutes of the September 24, 2014 regular meeting were reviewed. Alt moved to approve the minutes. Motion passed. The minutes for the October 16, 2014 special meeting were reviewed. Bernard moved to approve the minutes. Motion passed.

Treasurer's Report:

The September 2014 accountant's compilation report was presented for review. Kidd reported that the City of Pueblo had not yet made their \$50,000 payment per agreement for prior year assessments. Serna moved to receive and file the accountant's report. Motion passed.

Bills – The following bills were posted for review and approval:

\$ 500.00	Black Hills Energy, Runyon Lake Electricity
\$ 350.00	MBD&G, Monthly Accountant fees
\$ 500.00	Banner and Bower, Attorney fees
\$ 6.00	Banner and Bower, E-Filing Fee
\$ 600.00	Kidd Engineering, Administrator/Engineer fees
\$ 1,343.77	Kidd Engineering, September 16 Special Meeting planning, organization, presentation, and refreshments
\$ 910.00	Press interviews and responses
\$ 140.00	Levee Construction RFP review
\$ 184.70	Alt, Director's Fee
\$ 184.70	Bernard, Director's Fee
\$ 184.70	Cordova, Director's Fee
\$ 184.70	Koehler, Director's Fee
\$ 184.70	Maroney, Director's Fee
\$ 184.70	O'Hara, Director's Fee
\$ 369.40	Phillips, Director's Fee
\$ 184.70	Serna, Director's Fee
\$ 184.70	Willumstad, Director's Fee
\$ 7,302.50	NorthStar Engineering, Arkansas Levee "As-constructed" Survey and Conditional Evaluation Contract

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\$ 30,728.00	NorthStar Engineering, Design, Permitting and Regulatory Approvals Contract
\$ 1,140.00	NorthStar Engineering, Press contacts, research, and miscellaneous consultation
\$ 160.00	Chem-Way Lawn Care, Levee weed spraying
\$ 60.48	Pueblo Chieftain, Construction RFQ Ad
\$ 150.88	Colorado Tribune, Construction RFQ Ad
\$ 459.00	United States Treasury, 3 rd Quarter FICA W/H
\$ 80.64	Dennis Maroney, Fountain Creek Technical Advisory Committee Mileage
	Unspecified Amount Colorado State Treasurer, 3 rd Quarter SUTA

Kidd reported that the check to Phillips included payment for two checks that had not cleared the bank and she had not been able to find them. Kidd also said that the District is now subject to State Unemployment Tax due to the size of the new Board. Alt moved to pay the bills. Motion passed.

Arkansas River Levee Historic Preservation – Karen Waters is a Historic Preservation Specialist and grant writer. Waters checked on the listing of historic designated structures and the Levee is not yet listed. It must be listed to be considered for State Historic Preservation funding. She also said that the State Historical Fund is not very interested in a documentation project because the plan is to tear the Levee down. El Pomar may be a funding source but they need to have an 501(C)3 entity to be the sponsor. There are several Pueblo entities that meet that requirement and may be interested in participation. Waters said that since the Levee, as it is known today, photographic documentation would be a way of preservation. Then historical information could be put with the photography.

High Resolution Photography Proposal -- Banner presented a proposal received from John Wark Photography. The proposal includes photography of the individual murals plus aerial views. The proposed fee for his service is \$1600. Koehler recommended using District funding to pay for Wark to take the pictures. Bernard agreed. Kock volunteered for NorthStar to contract with Wark as a part of their design services contract. Kock's offer was readily accepted by the Board. Kidd was asked to let Cynthia Ramu know and ask if she would like to be involved.

Arkansas River Levee Assessment Study, NorthStar – The Request for Qualifications for the construction of the Phase I (Test Section) of the reconstruction work was advertised. Five proposals were received. There is a recommendation to the Board that will be discussed later on the agenda. NorthStar is in the process of planning for Phase II and Phase III design and construction documents. Experience and lessons learned from the work performed in Phase I will be incorporated into the final designs for future phases.

Arkansas River Levee Engineering Services Contract -- Banner explained to the Board that when the District originally solicited proposals for the Levee design and FEMA certification process it was advertised as having an opportunity to expand engineering services as the projects developed. NorthStar provided a proposal for Task "E" services in the amount of \$186,015.00. Banner has reviewed NorthStar's proposal and it is basically for the final part of Phase I. It is for NorthStar to be an integral part of the construction phase. Kidd pointed out that NorthStar needs to be very involved because this is a testing and learning experience to both bring this section up to certifiable conditions and to determine how the Phase II and Phase III construction packages need to be presented. Koehler moved for the District to enter into the next phase contract with NorthStar. Motion passed. Kock recommended to the Board that they should have Kidd involved in the day to day review of the work and on-site decisions.

Fountain Creek Watershed Technical Advisory Committee – O'Hara attended as the alternate to Maroney. O'Hara reported that the Fountain Creek District had approved for Maroney to have a seat on the Committee as a representative of the Pueblo Conservancy District. O'Hara said that

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They were briefed on work that had been done on stream bank stabilization projects. The TAC reviews any project that is planned for the watershed. They are putting together a six member committee to oversee \$50M of ISDS funding. Maroney said that the taxing for El Paso County flood control will hopefully be approved by the voters in the November elections. O'Hara reported that there is conflict between water rights interests for there to be water detained in flood control structures and yet not damage water rights for the flood flows down Fountain Creek and the Arkansas River.

President's Report –

Willumstad queried about the dates for the 2015 meetings. Consensus was to stay with the fourth Wednesdays with adjustments as necessary to miss holiday weeks.

Administrator's Report-

Kidd reported on a presentation he attended at Rawlings Library. It was titled "Pueblo Flood of 1921 – Context and Tragedy". Kidd spoke with Wade Broadhead and Maria Tucker about working with them to combine some of their presentation in with the PowerPoint presentation Kidd prepared for the District. They are interested in working with Kidd, and providing higher resolution copies of the photographs to him.

Kidd passed out a FEMA map that shows that the Wildhorse Creek Levee needs to be extended up to 18th Street to keep waters from going around the end of the Levee and flooding properties on the east side of the Hyde Park neighborhood, and across the railroad tracks into Pueblo.

Kidd said that since the size of the District Board was increased, and since directors are treated as employees, the District is now subject to State Unemployment Tax. He asked if there is a reason for this versus treating them contract personnel and just reporting their income as 1099 income. Banner said that this practice predates 1972, but that there is no reason for it. He suggested increasing their compensation rate and make the directors responsible for any employment tax withholdings. Koehler moved to change the compensation status effective starting with the 2015 calendar year. Motion passed.

Willumstad requested Kidd to make sure FEMA was aware of the Pueblo West line that will be outletting above 18th Street.

Willumstad asked if the District has any responsibility for control of vegetation in the Wildhorse drainage. Kidd stated that they did not in the past because it was not within the District boundaries. Now that the District has been expanded to County wide this may become a consideration. Maroney said that the City used to do some vegetation control and sediment removal. Alt said that if there are any noxious weeds in the channel then the City or someone has responsibility to control them.

Old Business:

Surplus Properties – Move to discussion at the next meeting.

New Business:

Construction Contract Proposals – Proposals were due to be in to the offices of NorthStar Engineering no later than 1:00 pm on Monday, October 20th. Kock reported that five responses were received in their office. There were weighted factors in the evaluation of the proposals. The factors were Similar Project Experience (15%), Overall Experience of Firm/Project Team (30%), Key Personnel on Project Team (15%), Project Costs (35%), and Firm's Proximity to Pueblo (5%). All five proposers were within a 55 mile radius of Pueblo so they all received full credit for this category. On October 20th, five reviewers independently evaluated the proposals received. All five concluded that ASI Constructors stood out from the rest, even after the ranking due to ASI's higher proposed pricing. Banner and Kock met with top level ASI personnel the afternoon of October 21. They worked out some questions and details concerning concrete quantities, protocol for moving materials, and other considerations. They communicated to ASI that they do not want to enter into a one-sided contract. They worked through 21 points. The ASI cost proposal went from \$4.2M to \$3.6M. Banner recommends a

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resolution to enter into an agreement with ASI. Koehler so moved. Banner offered a resolution as follows:

RESOLVED, that the recommendation of the District Engineer, the District's Attorney, NorthStar Engineering and CTL Thompson representatives and Board Member Bud O'Hara be accepted and the officers of the District are authorized to enter into a contract for Phase 1 of the levee repair with ASI Constructors, Inc. at a price not to exceed \$3,603,470.00 plus sales/use tax.

Bernard asked if contingencies had been considered. Kock said that some were built in due to the various quantities and that not all quantities of all products/processes will be used. This had been discussed because project financing is also a consideration. The District is in control of the contract and how far the funding will go. One idea is to start in the critical area and the south end and move north. ASI expressed that they are willing to work with the District on billings. Motion passed.

Lender Construction Financing Proposals – Banner passed out a loan comparison analysis. Nine confidential proposals were received. Banner narrowed these down to three considered the most responsive. The three offers are listed only as "A", "B", and "C" so that there would not be a conflict of interests as these offers are considered. Banner disclosed that there is one of the offerors with which he could be considered to have a conflict of interest. He offered to disclose if the Board requested. Kohler stated that she may also have a conflict of interests with some of the offerors. Banner discussed the three short list offers. He stated that offer "A" included the least restrictions, had competitive interest rates, and did not have a prepayment penalty. All proposals were for the District to expend approximately \$1M of their funds and the loan be \$2.5M. Banner suggested that the District authorize up to \$1M of expenditures out of its reserves for the early construction costs. O'Hara moved to approve Lender A. Banner then offered a resolution as follows:

RESOLVED, that the District is authorized to borrow from American Bank of Commerce \$2.5M at a tax exempt interest rate of 2.55% for a 5 year term, with no origination fee, no prepayment penalty, payable at the rate of \$500,000 per year principal and interest, payment for which is to be secured by a first lien on the Maintenance Fund Assessment.

RESOLVED, that the officers of the District are authorized to execute any and all required loan documents necessary to secure the loan proposed above.

Motion passed.

NorthStar Engineering Task "E" Services Proposal – This was discussed above.

2015 Budget Discussion – The Directors' folders contained a budget spreadsheet that was for information purposes. Kidd stated that it only shows the 2014 Budget and a few "known" figures for the 2015 Budget. Kidd will put in his estimate of more of the anticipated 2015 numbers and send the spreadsheet out to the Board prior to the November meeting. The annual budgets are normally adopted at the December Board meeting.

Maintenance Fund Assessment Certification to the County Treasurer – Banner explained that each year the Board must offer directions to the Treasurer for the Maintenance Fund Assessment. The only difference between the certification for this year versus the past years is directing the Treasurer to go to Tier 1 (the lowest tier rate) on all State Assessed Properties. The reasoning for using Tier 1 is that the documentation that the County currently has does not allow for an accurate determination of the values of the State Assessed Properties within the various tier envelopes. Koehler moved to accept and execute the proposed certification. Motion passed.

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Other Business:

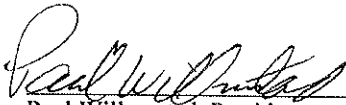
Banner notified the Board that he will not be in attendance at the November and December meetings. He will have his law partner, Joe Bower, attend in his place.

Bud O'Hara notified the Board that he will not be able to attend the November meeting.

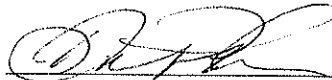
Koehler was authorized to attest the Maintenance Fund Assessment certification if Kidd is not successful in getting Phillips' signature by the required date.

There being no further business to come before the Board, the business meeting was adjourned at 12:21 pm. The next regular meeting date will be October 22, 2014, at 10:30 am. .

APPROVED:



Paul Willumstad, President



Donna Phillips, Secretary