

MINUTES OF THE MARCH 22, 2017 REGULAR MEETING

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

Also Present: Administrator Rick Kidd, Attorney Don Banner

Guests: Kim Kock, NorthStar Engineering
Jon Pompei, Pueblo Chieftain
Kathy Garcia, Senator Gardner's Office
Jamie Burt, Sunflower Bank

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 February 22, 2017 regular meeting were reviewed. Cordova moved to approve the minutes and Serna seconded. Motion passed.

Public Forum:

None

Treasurer's Report:

Bernard said she had reviewed the accountant's report for February and did not see anything out of the ordinary. Kidd concurred. Bernard moved to approve the accountant's report and Koehler seconded. Motion passed.

Bills – Kidd pointed out that ASI is nearly finished and the current payment due is \$1.1M, the County taxes are for the year to date taxes due on three properties that the District acquired. The acquisition agreement for the Elmer Aguirre property stipulation that the District was to pay for having a memorial plaque placed at Veterans' Bridge. Kidd said that he and NorthStar had current invoicing for their costs associated with the 11th Street Bridge project. He is to submit these invoices to the City and anticipates reimbursement. Bernard said that she had reviewed the bills for Kidd, NorthStar, ASI, and Lytle. Koehler moved to pay the bills and Maroney seconded. The motion to pay the bills passed.

The following bills were posted for review and approval:

Vectra:

\$ 550.00	Black Hills Energy, Runyon Lake Electricity
\$ 425.00	MBD&G, Monthly Accountant fees

\$ 500.00	Banner and Bower, Attorney fees
\$ 1,700.00	Kidd Engineering, Administrator/Engineer fees
\$ 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
\$ 139.60	Willumstad, Colorado Senate meeting mileage and parking
\$ 1,050.00	Pueblo Heritage Center, 2017 MOU Dues
\$ 463.73	Special Districts Association of Colorado, 2017 SDA membership dues
\$15,000.00	Pueblo Municipal Corporation, CDOT/DOLA Planning grant match money

CNB Reserve Account:

\$ 0.00

CNB Draw Account:

\$ 1,275.00	Kidd Engineering, Levee Phases 2&3 CA/CO, Construction and Planning meetings
\$ 637.50	Kidd Engineering, City of Pueblo 11 th Street Bridge Project
\$48,412.50	NorthStar Engineering, Arkansas Tasks F.3, F.4, and F.5 Construction staking, observation, and testing
\$ 121.50	NorthStar Engineering, Arkansas reimburseables
\$ 3,250.00	NorthStar Engineering, 2 nd Supplemental BHE Diversion Preliminary Design
\$ 427.50	NorthStar Engineering, Wildhorse Task D – Construction support services
\$ 460.00	NorthStar Engineering, Maintenance Fund Assessment Support, Appraisal Phase III Services, Property Acquisitions, Artwork and Recreational Opportunities meetings
\$ 3,527.50	NorthStar Engineering, City of Pueblo 11 th Street Bridge Project
\$1,171,799.39	ASI Construction, Inc., Arkansas Levee Phase 3
\$ 608.73	Altman, Keilbach, Lytle et.al., Wildhorse Creek Area Eminent Domain and Land Acquisitions 2-28-17 invoice
\$ 151.56	Banner & Bower, Reimbursement for county taxes due on acquired properties
\$ 150.00	HARP Foundation, Aguirre memorial plaque, per acquisition agreement

President's Report –

Willumstad said that John Bowen, with ASI, had requested a meeting to discuss Phases 4, 5 and maybe 6. Willumstad asked if what they are talking about is a design-build scenario. Kock responded that it kind of is, except that NorthStar is doing the design and has much of it done. He said that ASI would like to explore, since they were the Phase 3 low bidder by over \$1M, to just go ahead and agree to using the bid unit pricing for moving ahead with the rest of the construction. There may need to be some adjustment made for changes in materials prices and fuel. Banner said that the RFP for Phase 3 was written so that it could be expanded. Only two bids were received in response to the Phase 3 RFP. O'Hara said that the Board of Water Works has done this before and he suggested talking to Matt Trujillo about their process and community response.

Willumstad reported that he, Banner, Kock, and Koehler met with the Chieftain Editorial Board. The Chieftain posted an article in the March 21 paper. The District is trying to ensure full and fair disclosure for the need to increase the maintenance fund assessment rates. Banner has drafted a document for the Court. Jane Rawlings was not able to attend the meeting. The Editorial Board would not make a commitment of support for the increase without her input. Willumstad said that the Board was open and receptive to the presentation and has an understanding of the situation.

Administrator's Report –

Kidd reported that the City's 11th Street Bridge project is proceeding and that job site relations have improved since the joint meeting with Earl Wilkinson.

Property Acquisitions-

Banner submitted two recorded deeds to Kidd for the District records. They are for the Aguirre properties. He is currently holding a refund from the Court in his firm's trust account. This is from monies that were deposited with the Court and were not required after settlement was made.

Fountain Creek Committees Reports –

Maroney said that on February 1 Matrix Design Group presented their study on Monument Creek. Monument Creek runs through Colorado Springs and converges with Fountain Creek on the south side of the City. He believes it was a well done study for improvements in the watershed. Sediment removal at the Highway 47 bridge is a temporary fix for the changed channel course. The purpose is to slow the advance of the channel toward the eastern abutment. It has still not been determined how trail repairs will be funded.

Recreation Committee-

Koehler reported that the City is working on various grants. The planning grants that have been approved are on hold for CDOT authorization to proceed. This will not happen until sometime after the July 1 start of the next fiscal year. This delay may result in having to delay design and construction through the kayak course area for an extra year. They are

putting together an application for a large GOCO grant. This grant will be for connectivity of the various communities and accessibility. Emails and input from the kayak group have been received. This group is presenting to the City Council and the Downtown Association. Koehler reported a trash build up between the auto repair garage and the adjacent business, on the south side of the River between Main and Union. The City sent a crew to clean this up. Kidd said that there is a utility easement between the two businesses and that the area may have been an old alley.

Arkansas and Wildhorse Levee Construction –

Kock reported that ASI had beat the rising water and completed the concrete work last week. The good construction weather allowed them to rapidly proceed with this completion. The walls and control gates at the BHE/HARP intake structure were completed sufficient to put water back in the HARP channel in time for the Saint Patrick's day festivities. ASI is demobilizing now. They have requested that we provide them with a notice of substantial completion. Next week there will be a punch list walk through of Phase 3 and a two-year warranty inspection for Phase 1.

Cleaning of the pipes from the HARP intake structure to Upper Lake Elizabeth could not be done because there is a belly in the pipes, under the railroad tracks, and sediment build up in the Lake does not allow for any flushing out of the pipes. Kock and Kidd agree that the concrete pipe for as much of the length as could be videoed looked like it was in very good condition.

Kidd is to explore the costs to have "No Trespassing" signs placed along the tops of the levees.

Old Business:

Lake Runyon Lighting – Kidd said that Colorado DPW is willing to pay for the initial installation but cannot encumber the monthly Black Hills charges. Kidd is to find out about solar powered lights, or at least energy savings lighting.

Investment Policy – Bernard presented a draft policy statement. After discussion it was decided to not require two signatures on checks, and to change the wording of "term period" to "term limits". Koehler moved to approve the investment policy statement with incorporation of the discussed changes. Maroney seconded and the motion passed.

Morgan-Stanley – They sent signature forms along with recommended investments. They will need to change their documents to go along with our new investment policy. It was decided to table their proposals until later.

Maintenance Fund Assessment – Banner said that we have spent the money that was borrowed. We will need additional funding of approximately \$12M to complete the levee certification work. A \$22M bond would pay off the current \$10M bond and provide this

additional \$12M. Banner requested authorization to file a motion with the Court to allow an increase of up to 35 percent of the current maintenance fund assessment rates. Koehler moved to grant the authorization and the motion was seconded by Bernard. Koehler asked about the time frame. Banner suggested asking the Court to set a hearing date 45 to 60 days out. We will need a Court decision by October so that the new rates can be set and submitted to the County in November. Bernard asked about Colorado Water Conservation Board funding. O'Hara said that this is a lengthy process even if this type of project may be considered eligible for their programs. Willumstad asked if lenders would be more interested in a 30-year rate with a 10-year balloon. Banner believes that it could be advisable to publish an RFP for a bonding financial consultant. This would probably be required for a national bond but may not be if a local lender is interested in providing the financing. Willumstad requested a decision on the motion to authorize Banner to file a motion to increase the maintenance fund assessment rate with the Court. Motion passed.

New Business:

ASI Demobilization – Kock said that ASI is currently pulling their equipment off of the site. They asked Kidd and him if they could leave the mobile batch plant that they had set up for Phase 3 concrete production. ASI said that if they did not get the construction contract for the next phase, then they would be open to providing concrete to the successful bidder. They feel that the District could realize a benefit in excess of \$100,000 if the mobile plant was left in place. Kock has talked to the Corp of Engineers and they are willing to allow this, with submittal of an acceptable plan. O'Hara moved to allow ASI to leave the plant on site if they signed appropriate hold harmless agreements for vandalism, safety, and environmental hazard. Maroney seconded and the motion passed.

Other Business:

Willumstad said that we have not yet heard about a County appointment to replace Bill Alt on the Board.

There were some problems this last month when the Board of Water Works found that ASI had a game camera mounted which could catch part of the Water Works facility in its view. There is a federal regulation which prohibits this.

There being no other business to come before the Board the meeting was adjourned at 12:25 pm. The next regular meeting date will be April 26, 2017, at 10:30 am.

APPROVED:

Paul Willumstad, President

Matt Cordova, Secretary