

MINUTES OF THE MARCH 20, 2014  
REGULAR MEETING  
OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Paul Willumstad, Matt Cordova

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guests: John Kenney, Colorado City Representative  
Sean McCarthy, Pueblo West Representative  
Kim Kock, NorthStar Engineering  
Meg Versteeg, Morgan Stanley

With a quorum present, the regular meeting of the Pueblo Conservancy District was called to order at 10:35 am.

**Minutes:**

The minutes of the February 26, 2014 regular meeting were reviewed. Cordova moved to approve the minutes. Motion passed.

**Treasurer's Report:**

The final December 2013, January 2014, and February 2014 accountant compilation reports were reviewed. Kidd reminded the Board that the finals for December and January were delayed because the accountants made changes to meet audit standards. Cordova moved to receive and file the December, January, and February reports and pay the bills. Motion passed.

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

\$ 525.00	Black Hills Energy, Lake Runyon Electricity
\$ 350.00	MBD&G, Monthly Accountant fees
\$ 500.00	Banner and Bower, Attorney fees
\$ 95.50	Banner and Bower, Additional services, filing and recording fees
\$ 600.00	Kidd Engineering, Administrator/Engineer fees
\$ 14.59	Kidd Engineering, Postage
\$ 184.70	Cordova, Director's Fee
\$ 184.70	Phillips, Director's Fee
\$ 184.70	Willumstad, Director's Fee

**Maintenance Fund Assessment** – Kim Kock reported that out of the \$1.1 to \$1.2 million of the assessments \$123,190 is assessed against property owners in the Pueblo West Metropolitan District.

**Arkansas River Levee Assessment Study, NorthStar** – Kock said that the progress has been good with approximately 90 percent of the survey and condition assessment work completed to date. He provided sample sheets to show survey and assessment work done and how they intend to present it. CTL Thompson plans to be in next week to complete the soils borings down through the Levee embankment. They anticipate approximately two weeks to complete the borings. NorthStar anticipates that the work under their current contract phase will be completed in April. They have taken pictures of all of the murals and those photos will be available to post on the District's website. Kock checked with the County and the District's website can be linked to the County GIS. It will be interactive only, with the County maintaining the GIS data and mapping. Kidd and Kock will meet to develop bi-monthly reports to FEMA and CWCB.

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NorthStar has met with ASI and discussed some of the conditions that they have been finding. Their preliminary estimates are that it will cost about \$320,000 to move on into the design of repairs and improvements. ASI thinks that installing a plinth to hold the upper concrete panels in position while the lower panels are removed and replaced may not work. Pinning may be required instead. NorthStar and ASI want to bring a proposal to the District for doing a test section of about 10 percent, or 0.4 to 0.5 miles, of the Levee to see what conditions are really like and the work required to construct the repairs and improvements. They are looking at a reach across from Dutch Clark Stadium as being a difficult area and a good place for this test section.

**President's Report –**  
None.

**Administrator's Report-**

Kidd made a presentation to the 2020 Commission on March 13<sup>th</sup>. The group appreciated the opportunity to learn about the mission of the Pueblo Conservancy District and the maintenance fund assessment program.

Old Business:

**Investment Account –** Kidd introduced Meg Versteeg from Morgan Stanley. She is Calvin Mason's assistant. Meg said that there is about \$285,000 in the Morgan Stanley sweep account. Kidd said that there is over \$400,000 in the checking account and this is the time of year when the bulk of the annual assessment is just starting to come in. Kidd said that looking at current balances, anticipated expenditures, and the expected assessment fund money still to come in he felt that \$500,000 to \$600,000 could be invested. Meg said that the instruments are generally 30-year maturity, but that the average life right now is about five years. Since the interest rates on these are low, if interest rates go higher than the life will increase and could go to full term. If the money has to be accessed then the instruments can be sold, it is just a question of what the value would be at that time. Cordova moved to authorize investing \$600,000 in government bonds with Morgan Stanley. Motion passed.

**District Construction Capital –** Banner and McCarthy concur that it will be less expensive if the District can secure private investors versus public bonds for construction capital. A line of credit could be set up for right now and then additional capital raised when we get into larger construction projects. McCarthy said that he would try to find an interested investor or investor group and offer a proposal. Meg said that Morgan Stanley may be able to put together a proposal. Banner is also to look at private investment opportunities.

**Website Development –** Banner said that there is nothing new to report at this time.

**HB-1184 –** Kidd said that the bill had just been passed by the Senate and that it will go to the Governor for signature. It does establish a nine member Board with four from the City, four from the County-one of which must be from the Pueblo West Metropolitan District, and one joint appointment. It looks like Donna Phillips will now be considered a County appointee. The carry-over Board members will serve out their terms. Banner reported that Cordova's term is until June 5, 2015, Phillips until March 19, 2016, and Willumstad until April 11, 2017.

McCarthy suggested that the setting Board may want to identify people who are interested in serving and offer those suggestions.

**11<sup>th</sup> Street Bridge –** No update from the City or Kidd.

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New Business:

**Levee Face Spraying** – There has been an agreement for several years that the County and the District would split the costs for herbicide applications on the face of the Levee. The County did solicit proposals for this work and received a bid of \$7500 from Colorado Vegetation Management. Since the District now has the maintenance fund income stream, and since neither the County nor Banner have found the reasons for why this agreement was made, the County asked that the District pay the full amount. After discussion it was agreed that the District would pay for this service. Willumstad wanted the County to understand that this is being done to support our working relationship with the County and that there may be a need for the County to reciprocate for something in the future. Banner is to prepare a letter to send to the County.

**Audit Services** – At a previous meeting was discussed to pursue a services agreement with Garren, Ross and DeNardo. They have offered an engagement letter with an estimated fee of \$4500 to \$5000. Kidd said that in a phone call with Sam DeNardo, Sam said that until the first audit is completed they do not really know how much time it will take them. It has been several years since the District has been required to have an audit. Kidd said DeNardo had said that their fee proposal would be a not-to-exceed amount but that the proposal offered does not include that stipulation. Cordova moved to sign the engagement letter with Garren, Ross and DeNardo at an amount not to exceed \$5000. Motion passed.

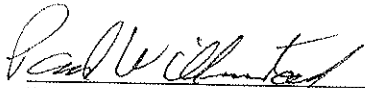
**SDS Tour** – Kidd provided copies of an invitation to tour the Fountain Creek Improvement Project that was being constructed on Clear Spring Ranch. This work is being done as part of the mitigation required for approval and construction of Colorado Spring's Southern Delivery System.


Other Business:

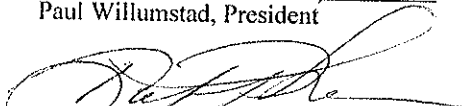
None.

There being no further business to come before the Board, the business meeting was adjourned at 12:02 pm. The next regular meeting date will be April 23, 2014, at 10:30 am.

APPROVED:

  
Paul Willumstad, President

  
Matt Cordova, Treasurer

  
Donna Phillips, Secretary