

MINUTES OF THE MAY 22, 2013  
REGULAR MEETING  
OF THE PUEBLO CONSERVANCY DISTRICT

Directors Present: Paul Willumstad, Matt Cordova, Donna Phillips

Also Present: Administrator Rick Kidd, Counselor Don Banner

Guests: Carla Sikes, Pueblo Assistant City Attorney  
Sean McCarthy, Pueblo West Representative  
Jacque Wachob, Colorado City Representative  
Kim Kock, NorthStar Engineering  
Calvin Mason, Mason & Associates-Morgan Stanley

With a quorum present, the Pueblo Conservancy District regular board meeting was called to order at 11:00 am.

Minutes:

The minutes of the April 24, 2013 regular meeting were reviewed. Cordova moved to approve the minutes. Motion passed.

Investment Program - Calvin Mason, Morgan Stanley:

Calvin was invited to discuss District investments. Kidd stated that the investment money market account has approximately \$100,000 in it and there is approximately \$400,000 in the checking account. Kidd feels that \$400,000 could be invested and that the remaining balance and future collections will be adequate for District expenditures for several months. Mason said that the current yield rate on government bonds is 0.93 to 1.26 percent. The District has to stay in the government bond realm due to government limitations on special district investments. Banner asked what happens if the interest ratio goes up. Mason responded that bond prices will fall unless they are held to maturity. He said short term bonds have minimal risk, and 10-year bonds have increased risk. Mason said that the prepayment speed on bonds is typically less time than the maturity rates. Banner asked that Mason work with the District accountant to verify investment records with his firm. Kidd asked if the District should float a bond to pay for the work we are doing and stockpile the current receipts. Banner said that we need to move on with the work we are currently doing for design and evaluations to get firm estimates of how much money the District will need before we move toward issuing a bond program.

Kidd said that the Wildhorse Creek Levee will need to extend up to 18<sup>th</sup> Street according to the Anderson Consulting mapping. Willumstad asked how the Pueblo West return flow pipe will impact the project. Kim Koch said the discussion about whether it will be on the east side or west side of Wildhorse Creek is continuing. Koch said that the northern end of the line comes from Platteville Boulevard. Koch said that there has been no contact made with owners north of the YMCA.

Treasurer's Report:

The April 2013 accountant's reports were presented for review. Kidd explained that the Andenucio and Hawkins checks were the first two for refund of the maintenance fee overcharges. Kidd said that his invoice included research and preparation time for his presentation to the Downtown Association. He said that he would like to make that presentation to the Board. Phillips moved to receive and file the accountant's reports. 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

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\$ 11.23	Banner and Bower, Conference call charge
\$ 600.00	Kidd Engineering, Administrator/Engineer fees
\$ 1,062.50	Kidd Engineering, Downtown Assoc Meeting & Prep
\$ 125.00	Kidd Engineering, FEMA Meeting/Conference call
\$ 156.25	Kidd Engineering, Pueblo County East Dry Creek analysis
\$ 93.75	Kidd Engineering, CDOT Ilex meeting
\$ 184.70	Cordova, Director's Fee
\$ 184.70	Phillips, Director's Fee
\$ 184.70	Willumstad, Director's Fee
\$ 266.36	Joseph Andenucio, Refund on Maint Fee Assmnt
\$ 232.38	David and Janet Hawkins, Refund on Maint Fee Assmnt

President's Report –  
None

After discussion of schedules it was decided to move the June meeting to June 19<sup>th</sup> at 10:30 so that Kidd could make his PowerPoint presentation.

Administrator's Report-

Pueblo Downtown Association Presentation – Kidd made a powerpoint presentation and was assisted by Kim Koch. Both reported that it went very well and the information and explanations were well received by the members. Louie Carleo told Kidd and Koch that the presentation was the only reason he came and he was glad that he did. Probably the most significant question was concerning how long the maintenance fund assessment would be in place and/or would the rate change. Kidd explained that the appraisal team estimated about \$12,000,000 of work needed to be done and that the assessment program, when fully implemented, should be about \$1,200,000 per year. So he expects the full fund rate to be in place for at least 10-years. After the Wildhorse Levee is reconstructed, the Arkansas Levee FEMA certification work completed, and the maintenance backlog brought up to date then Kidd expects the maintenance fund assessment rate to drop.

FEMA Conference Call – Kidd reported that FEMA hosted a conference call with the County, City, CWCB, and Anderson Consulting involved. The primary discussion was about a "seclusion agreement" program that FEMA is going to institute until things are more settled on requirements for levees similar to those in Pueblo. This is similar to the Provisionally Approved Levee (PAL) program but without the stringent time constraints for ultimate certification.

Kidd said that several years ago a group went on a tour to the various levee sites and it was decided to not upgrade the East Dry Creek berms to levee status. Since this floodplain area ties in to the Arkansas River floodplain and since the District now has the maintenance fund program in place and they have historic responsibilities for protection along the River, Joan Armstrong and Kidd felt that this should be looked at again as a part of the seclusion program. Kidd agreed to make a presentation to the Board of County Commissioners and discuss how the District and the County may be able to work together if this appeared to be a viable project. Kidd performed a benefit cost analysis and estimated that it would cost about \$1,000,000 to protect less than \$300,000 of personal property. Since this project did not have a favorable benefit to cost ratio, Kidd gave his information to Armstrong and attended to another client with a conflicting schedule requirement. Kidd said that there had been some questions raised by those in attendance at the meeting about the District, the maintenance fund assessment program, and the areas receiving benefit versus the broader area being assessed. Pueblo West was among those who had representatives present and expressed concerns. Armstrong asked Kidd if the District would be willing to meet with the BOCC at one of their work sessions in June and make a presentation to them. Phillips suggested waiting until July for better scheduling. Willumstad suggested that they try to address a bigger

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audience than just the BOCC to try to get the word out to more people, with fewer meetings. Kidd is to contact Armstrong about the County hosting a larger group and look at dates in July.

Kidd attended a meeting with CDOT and the City concerning the proposed work in the Ilex interchange area. CDOT is planning for this to be a design-build contract. One of the issues discussed is a question of whether or not the City and the District would allow them to open up the Thomas Phelps Creek channel rather than having the conduit under I-25. The City and Kidd both expressed concerns about public safety and security if this is done.

Old Business:

Farley, Kelly, Sandstrom recognition plaques -- Kidd went to Laser-Graphx for proposals for the plaques. Lynn Clark told him that it was okay to use the HARP graphics and that Steve Lujan had the patterns. The pricing quoted was \$140 each for the engraving and colored waves, as shown on the mock-up, engraved on an 8x10 copper colored sheet and sandwiched between clear acrylic. This includes Lujan's design time. Lujan said that he could do the engraving and colored waves on an 8x10 walnut board with a 6x8 metal engraving plate for \$95 each. It was decided to discuss this again at the June 19 meeting.

Kidd reported that both title companies he had contacted said that they were not interested in a property identification project as big as this one was proposed. American Title was suggested as another potential vendor. It was also suggested that the scope be reduced to only the parcels of immediate concern. McCarthy suggested picking a company who was interested and just get them to do the work that we needed done. It was decided to table this until the June 19 meeting.

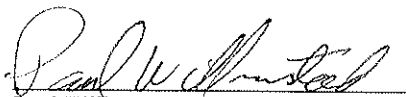
New Business:

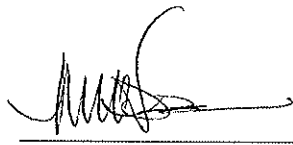
Banner informed the Board that their current terms expire as follows:

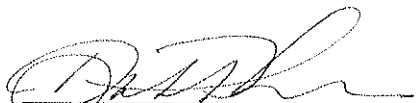
Matt Cordova	June 5, 2015
Donna Phillips	March 19, 2016
Paul Willumstad	April 11, 2017

There being no further business to come before the Board, the business meeting was adjourned at 12:13 pm. The next regular meeting date will be June 19, 2013, at 10:30 am.

APPROVED:

  
Paul Willumstad, President

  
Matt Cordova, Treasurer

  
Donna Phillips, Secretary