

**MINUTES OF THE OCTOBER 28, 2015
REGULAR MEETING
OF THE PUEBLO CONSERVANCY DISTRICT**

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

Also Present: Administrator Rick Kidd, Attorney Don Banner

Guests: Kim Kock, NorthStar Engineering
Chris Woodka, Pueblo Chieftain
Shanna Lewis, Colorado Public Radio
David Lytle, LP&W Attorneys
Cheryl Hindsley, Prudential Platinum Realtors
Earl Wilkinson, City of Pueblo Director of Public Works
Dillon Thurston, KR Swerdfeger
Larry Fancher, Candidate for City Council

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

Public Forum:

Larry Fancher said that he had read a white paper to the County Commissioners and there was no mention of any ground water issues or monitoring wells. He feels that the public should be aware of diversions taken into HARP at the BHE diversion. There needs to be a consideration of what water rights are still available since the decommissioning of the power plant. He suggested getting El Paso County, Ft. Carson and Pueblo West involved in the amount of water coming down Wildhorse Creek. He wondered if the kayak course is going to be changed as a result of the Arkansas River Levee work. Fancher believes that the diversions and the kayak course are increasing ground water levels and this is causing structural damage to the buildings in Town. He said that documentation of the condition and the damages caused by groundwater should be recorded.

Minutes:

The minutes of the September 23, 2015 regular meeting were reviewed. Cordova moved to approve the minutes and Phillips seconded. Motion passed.

Treasurer's Report:

The September 2015 accountant's compilation report was reviewed. Alt moved to receive and file the compilation report. Seconded by Maroney. Motion passed

Kidd stated that the bills this month include charges from both McPherson Breyfogle Daveline and Goodrich, and Garren Ross and DeNardo for audit preparation costs. MBD&G does the monthly accounting and then prepares certain records and formatting for the auditor. GR&D does the actual audit. Koehler moved to approve paying the bills. Seconded by O'Hara. Motion passed.

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

\$ 375.00	MBD&G, Monthly Accountant fees
\$ 6,000.00	MBD&G, Audit Assistance
\$ 2,025.00	MBD&G, Consultations, Meetings, Supplemental Documents related to the loan
\$ 500.00	Banner and Bower, Attorney fees
\$ 1,200.00	Kidd Engineering, Administrator/Engineer fees

\$ 1,330.00	Kidd Engineering, Recreation Committee, Planning and Swerdfeger Meetings
\$ 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
\$14,398.50	NorthStar Engineering, Task C Arkansas Levee Geotechnical Investigations
\$ 1,410.00	NorthStar Engineering, Task E Arkansas Levee Construction Support Services, Geotechnical Testing, Staking, As-Builts
\$ 830.00	NorthStar Engineering, Arkansas supplemental on Black Hills Diversion
\$20,045.00	NorthStar Engineering, Task C Wildhorse Levee Design, Permitting, and Regulatory Approvals
\$ 98.00	NorthStar Engineering, Wildhorse Reimbursable copies, fees, etc.
\$ 5,436.88	Garren, Ross & DeNardo, 2015 Audit Report

President's Report –
None

Administrator's Report –
Kidd passed out copies of the 2015 Audit report to each of the Board members. Banner said that Sam DeNardo had filed the report with the State of Colorado. Kidd said that he had attended several meetings regarding the future Wildhorse Levee work. He will defer to Kock and Phillips discussions late on the agenda.

Fountain Creek Committees Reports –
Maroney reported that the Wright Water Engineers study on the Fountain Creek Watershed, for the Fountain Creek Greenway and Drainage District will be presented locally tomorrow from 6:00 to 8:00 pm. The meeting will be held at the Pueblo County Emergency Services Conference Room, at 101 West 10th Street. He and Alt encourage all who are available to attend the presentation.

Arkansas River / Wildhorse Creek Levee Construction Contract –
Kock reported that the construction drawings for lowering the top 12-feet of the Arkansas River Levee should be completed next week. This project is for removal only – not the continuation of the Levee rehabilitation work. NorthStar has attended several meetings and discussion with Black Hills Energy and the Pueblo Board of Water Works regarding the BHE diversion structure and headgates.

NorthStar has done preliminary modeling of the hydraulics for the Wildhorse Creek. They have learned that there are a couple more properties that need to be acquired to allow additional room for constructing the Levee. There are a couple of small parcels on the north side of 18th Street that are owned by the County and are need for construction headwalls on to keep 100-year flood waters from overtopping 18th Street. He and Kidd have been in discussions with the County and City and feel confident that the County will transfer the properties to the City and then the City will grant easements to the District the area that is needed for construction of the headwalls.

The Draft RFQ for Phase 2 was sent out to the five contractors who submitted proposals on Phase 1, the Operators' Union, Pueblo County Commissioners, and City of Pueblo. The only written comments received back to date were from Bud O'Hara and KR Swerdfeger. NorthStar

has done some tweaking of the documents with consideration of the comments received and as agreed to at the meeting with Swerdfeger. Advertisement and sending out of the RFQ is tentatively scheduled for November 4, with bid opening on December 10th. There are some issues with respect to land acquisition so it may be advisable to delay the release until after the November 18 Board meeting. Banner asked if a delay would impact the available construction period. Kock said that the task of lowering of the Arkansas Levee should not be impacted. He said the Wildhorse Creek could have occasional flood flows in the spring and summer. Kock said that the construction documents require the contractor to provide a plan for how they are going to keep materials out of the Arkansas River, and they are also to provide an emergency plan. Kidd said that the City is now indicating that they may have construction operations on the 11th Street Bridge project starting in March.

Banner said that he would send out a copy of the RFQ documents to the Board. There are four primary categories with 20 points available within each category. The qualifications statement documents are to be provided separate from the contractor's pricing proposal. Contractors who receive a point rating above 60 will be considered "qualified", but a minimum of two pricing bids will be opened. The top two rated contractors will be considered as "qualified". The pricing proposals from contractors who are not considered qualified will not be opened. Chris Woodka suggested that the Southeastern Colorado Water Conservancy District and the State Engineer's office both be kept in the loop for project notices.

Old Business:

Construction Financing –

Banner said the documents have been reviewed and the only additional change that needs to be made is that Matt Cordova is the Secretary. David Lytle said that the financing is with double tax exempt bonds. It is for \$10M, an annual principal and interest payment of \$700K, with a balloon payment at the end of seven years. The interest rate is 3.57 percent and the bonds mature on November 29, 2022. There is no penalty for prepayment. \$5M must be drawn within six months and \$7.5M within 12 months. \$2.5M of this will be to pay off the loan at ABC Bank. It will cost approximately \$25K to issue the bonds. The money cannot be used for reinvestment. Expend means contracted to spend. The full \$10M is to be expended within two years. Glacier National Bank is buying Canon National Bank, so he has been working with them too. They are based out of Durango.

Bernard moved to approve the resolution for the bond financing program (Resolution attached hereto) and authorize Paul Willumstad to sign it. Seconded by Alt. Motion passed.

Phillips moved to approve paying the principal balance on the loan at ABC Bank from the proceeds of the \$10M bond. Seconded by O'Hara. Motion passed.

Levee Mural Sub-Committee – Koehler said that there is nothing new.

Recreation Sub-Committee – Koehler reported that Scott Hobson is working on two applications for planning grants.

Board of Water Works Access Road Agreement – Banner said he has worked with Water Works to accommodate all of their changes. O'Hara moved to approve the Agreement. Seconded by Koehler. Motion passed.

Land Acquisition – Cheryl Hindsley said that there are five properties held by four owners. It appears that only two are owner occupied. It is a rough area and it is tough to make face to face contact with the occupants due to dogs and general concern about the area. She has attempted to make contacts but have not yet received any responses. An arrangement has been made for a private investigator to go out with them to make contracts. Banner suggested getting in touch with Joe Woodiuk to make way for contact with Heide Woodiuk. Kock said that these private

properties are needed to have the space necessary to extend the Levee from 15th Street to 18th Street. The District, City and Water Works own the needed properties from 11th Street to 15th Street. People need to be aware that these properties are in the flood way and will be flooded in the event of a storm approaching the 100-year recurrence interval. Banner will prepare a resolution for condemnation proceedings should be necessary. He will have it available for consideration at the November 18 meeting. Banner said that the Pueblo Urban Renewal Authority would still like to be a party to the Lower West Side, but they do not currently have a Director nor enough money to fund the project.

New Business:

11th Street Bridge Easements – Kidd reported that he had received proposed easements from TRS for the City's 11th Street Bridge. He requested NorthStar to review them to ensure that the District would not be adversely affected in the Wildhorse Levee construction or the maintenance of the levee system. It does not appear that this will be a problem, except maybe between the new and old bridges. It was decided to put concrete surfacing on this short section so that slope maintenance will not be much of a problem. Kidd told TRS that the descriptions for at least the permanent easements had to be tied back in to established monumentation so that property boundaries and easements we accurately defined and easier to be located in the future. There is also some drawing cleanup required so that clean exhibits could be recorded. TRS is working on the required modifications.

Levee Phase 2 Project – Further discussion will be delayed until the December Board meeting.

Nominating Committee – The nominating committee is Bill Alt, Bud O'Hara, and Donna Phillips. All offices are up for election. If anyone has a specific interest they are to let the committee know.

Certification of 2015 Assessment – Banner needs to certify the assessment amounts to the County Treasurer by November 1st. Kock said that the County and NorthStar are feel confident in the Tier 1 and Tier 2 assignments for the State Assessed properties. They are still trying to work out a justifiable method to ascertain the areas that could be included within Tier 3. For right now, they are thinking about using rail-miles for the railroads and looking at Black Hills Energy parcel by parcel. However, all properties are included within either Tier 1 or Tier 2 for the 2015 Maintenance Fund Assessment. Koehler moved to have NorthStar's listing of property assessment rates certified and submitted to the County Treasurer. Seconded by Cordova. Motion passed.

Preliminary Budget – A preliminary worksheet is included in the director packets. Kidd said that he will receive recommendations and insert them for further consideration at the November meeting. The formal budget hearing will be held at the December meeting.

The meeting was adjourned at 11:55 am.

The next regular meeting date will be November 18, 2015, at 10:30 am.

APPROVED:

Paul Willumstad, President

Matt Cordova, Secretary