

## MINUTES OF THE JUNE 28, 2017 REGULAR MEETING

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

Also Present: Administrator Rick Kidd, Attorney Don Banner

Guests: Kim Kock, NorthStar Engineering  
Jason, Keller Williams  
Tom and Jean Latka  
Beritt Odom, City of Pueblo Dept. of Planning and Development  
Scott Hobson, City of Pueblo Dept. of Planning and Development

The regular meeting of the Pueblo Conservancy District was called to order by President Willumstad at 10:34 am. A quorum was present.

Willumstad introduced Jerry Martin as the County representative replacing Bill Alt. Jerry is to serve the remaining term of Alt's appointment.

### **Public Forum:**

Tom and Jean Latka expressed their concern about the ravine lot east of their property. Kidd said that he checked and this area is owned by the City of Pueblo.

Phillips introduced Jason as the realtor that will be working to sell the District's excess properties.

### **Minutes:**

The minutes of the May 24, 2017 regular meeting were reviewed. Cordova moved to approve the minutes and O'Hara seconded. Motion passed.

### **Treasurer's Report:**

Accountant's Compilation Report – Bernard said that she had reviewed the report and noted that the budgeted amount for the maintenance fund assessment had been overspent. This is primarily due to the expenses preparing for the Court hearing. She asked where we advertise and Kidd responded that he uses the Pueblo Chieftain. Willumstad said that the courts recognize both the Colorado Tribune and the Pueblo Chieftain. Bernard moved to receive and file the report and seconded by Maroney. Motion passed.

Bills – Bernard said that she had reviewed the construction invoices. Kidd reported that the invoice from Spaccamonti Excavating was for some cleaning and clearing at Lake Runyon. There is also a check to move funds from the Bank of the San Juans reserve account to the draw account. This is needed for paying the invoices from NorthStar Engineering, Spaccamonti for the levee signage, and the Swerdfeger Construction release of retainage for Phase 2. Bernard moved for payment of the bills and seconded by Phillips. The motion to pay the bills passed.

The following bills were posted for review and approval:

Vectra:

|             |   |
|-------------|---|
| \$ 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 |

CNB Reserve Account:

|              |                                |
|--------------|--------------------------------|
| \$156,937.46 | Funds transfer to Draw Account |
|--------------|--------------------------------|

CNB Draw Account:

|              |  |
|--------------|--|
| \$ 2,140.00  | NorthStar Engineering, Arkansas Tasks F.3, F.4, and F.5 Construction staking, observation, and testing   |
| \$ 4,735.00  | NorthStar Engineering, Arkansas Phase 4, Task G.2 Final design, construction documents, and bidding  |
| \$ 3,702.50  | NorthStar Engineering, Wildhorse Task D Construction support services  |
| \$ 4,816.50  | NorthStar Engineering, Maintenance Fund Assessment Support, Appraisal Phase III Services, Property Acquisitions, Artwork and Recreational Opportunities meetings |
| \$137,543.46 | K.R. Swerdfeger, Arkansas and Whildhorse Levees, Phase 2 release of retainage  |
| \$ 4,000.00  | Spaccamonti Excavating, No trespassing signage along the levees  |

**President's Report –**

Willumstad said that some graffiti was reported at the 11<sup>th</sup> Street Bridge. He checked and only saw what had been there for a few months. He and Banner attended a meeting with HARP. HARP has retained Bob Eck, with Matrix Design, to study the Black Hills Energy Plant 5 & 6 site. They are looking at various options including 3 ball field configurations: one Professional Single A with seating for 3500-5000, one college level, and one Semi-Pro. Citizens have also asked about soccer and other athletic fields. HARP asked them if the Pueblo Conservancy District would be willing to give their real estate holdings in the area to the City of Pueblo, to combine with the BHE properties. Willumstad told them that the District would consider their request when it is formalized. He said that this may come up next year.

Willumstad asked the Board to consider moving the meeting starting time up to 10:00 from 10:30. Serna moved to change the meeting starting time to 10:00 am on the 4<sup>th</sup> Wednesday of the month. Seconded by Maroney the motion passed. The new time starts with the July meeting.

Willumstad asked Koehler's recreation committee to name the proposed levee trail. He said that Chicago did this on one of their trails and it really added to the identity and public interest.

**Administrator's Report –**

Kidd discussed the presentation and remarks received at the presentation of the District's CWCB grant application, to the Arkansas Basin Round Table Needs Assessment Committee meeting. Kidd, Kock, and the City will work on these changes prior to the presentation at the full Arkansas Basin Round Table.

Scott Hobson reported that Pueblo's application to GOCO has made the cut to be on the list of seven to eight other cities' projects for GOCO funding. He said that the feedback they have received is that GOCO is very favorable to our project. Hobson said that trying to break the overall project into tasks where available funding meets the matching fund requirements is challenging. The outside sources are DOLA, CDOT, GOCO, and CWCB each with certain eligibility tasks and matching fund requirements.

**Fountain Creek Committees Reports –**

Maroney said that they met on June 7<sup>th</sup>. The first project has been designed and is out to bid. It has an estimated construction cost of \$3M, and is hoped to begin in July. They selected Matrix Design to design the protection at the Colorado Highway 47 Bridge. It is hoped that this project will be under construction late this fall. CDOT will be funding this project to protect the bridge abutments from being eroded. The revisions to broaden the Colorado Springs Drainage Criteria Manual to one with applicability region wide was finalized and will be presented to the Board on July 28<sup>th</sup>.

**Recreation Committee-**

The committee is meeting again the second week of July. The grant application will be presented to the Arkansas Basin Round Table on July 12<sup>th</sup>.

**Arkansas and Wildhorse Levee Construction –**

The contract with Swerdfeger, for the Phase 2 construction, is currently being advertised for final payment. ASI has a few more punch list items to complete and installation of the handrails at the HARP Diversion. The handrails have been fabricated. This will complete the work for Phase 3. It is anticipated that this contract will be ready to advertise for final payment by the end of July. The Phase 4 design work is progressing, with an anticipated advertisement of the RFQ in August. Phase 4 is the reach from the last drop structure to the railroad bridge.

**Old Business:**

Tier 3 Rate Area – Banner suggested postponing this discussion and moving on to the new business. By the next meeting we should have a better idea what our income needs will be to serve a new loan. O’Hara moved to put this on the agenda for the July meeting. Seconded by Koehler the motion passed. Any changes would be for the year 2017 billed in 2018. The County needs to be notified of the rates in October.

**New Business:**

Revised Budget – Kidd reported that he and Larry Daveline met to discuss necessary revisions to the budget. Daveline felt that the only changes necessary were to adjust the loan proceeds, increase the amount for the Phase 2 construction, and revise the fund balances. Phillips move to approve the revised budget and Koehler seconded. Motion passed.

Loan Proposal – Banner said that he sent an RFP to all of the banks and financial institutions in town. He received notification of interest from five, with three actual responders. The three responders were NBH, TDK, and Bank of the San Juans. In his evaluation metrics, Bank of the San Juans had the best rating. They interest rate would be 3.4 percent, which is less than the current loan with them. They want the District to maintain a 110 percent reserve fund. To maintain the double tax exempt status (state and federal) the amount of the loan cannot exceed \$10M. Therefore, we would be keeping the current loan in place and then secure a second loan. This will only be \$20M but we still are moving forward with the \$22M loan application to the Colorado Water Conservation Board. There is not a prepayment penalty with Bank of the San Juans. Banner requested authorization to continue negotiations with them. Maroney so move and Bernard seconded the motion. Motion passed.

Morgan-Stanley Investments – Willumstad and Bernard are still concerned that they are proposing investments in corporate bonds, and they do not believe this is allowed for governmental entities. Bernard is to contact Morgan-Stanley and obtain more information from them.

Excess Properties – Phillips reported that she and Jason had been feeling out interest by developers and builders. There is some interest among the builders, but only one developer so far. Martin stated that he feels there should be appraisals for establishing market values. Phillips suggested that the District just set a price since there are no real comparables for an appraiser to judge against. Most areas are small parcels with potentially high development costs.

**Other Business:**

Levee Murals – O’Hara said that he feels we need to have guidelines established and get ready to go. Kidd and Kock said that based on Phase 1, it is taking up to two years for cracks to develop and be observable. The cracks are more visible and should be repaired before paint is applied. Willumstad waiting until the entire Levee is complete so that we are not doing having to keep track and police murals at two years here and two years there.

Serna said that he has been trying to get an artist for the 18<sup>th</sup> Street Bridge. He has not yet had any success since Ed Posa decided that he would not be able to do it after all. Serna is going to contact Cynthia Ramu. Willumstad suggested that the Board may be willing to pay for the paint.

There being no other business to come before the Board the meeting was adjourned at 12:02 pm. The next regular meeting date will be July 26, 2017, at 10:00 am.

APPROVED:

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Paul Willumstad, President

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Matt Cordova, Secretary