

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
PUEBLO WEST METROPOLITAN DISTRICT**

January 27, 2009

The Board of Directors of the Pueblo West Metropolitan District met in regular session at 109 East Industrial Boulevard, Pueblo West, Colorado, on January 27, 2009, at the hour of 6:30 o'clock p.m.

ROLL CALL: On roll call Board Members Chair Stan Hren, Director Sloan, Director Vickers, Director Abel and Director Van Auken were present.

Also present were Don Saling, District Manager; Judy Leonard, Administrative Assistant; Tom Mullans, Attorney for the District; Steve Harrison, Utilities; Tammy Jameson, Finance; Brian Caserta, Fire Chief; Lonnie Legan, Fire Captain; Emily Moore, Firefighter; and 32 citizens.

FINANCIAL REPORT: Members of the Board had been provided with a check register dated Jan. 27, 2009, listing the bills for payment. On motion by Director Vickers, and unanimously carried, noting the large payments, the outstanding bills in the amount of \$191,952.50 will be paid.

DIRECTOR COMMENT'S: Director Sloan asked Legal Counsel why a citizen coming into the office for a copy of the minutes would have to fill out a form when they are available at meetings and on the District's web site. Legal Counsel explained the Open Record Law and they are public documents of the District and the public can be charged for copies and this keeps record of the revenue charged for these records. District Manager Saling clarified, stating that when someone comes in and asks for a particular document, a form is filled out to keep on file. Mr. Saling suggested that if the Board wanted to change this policy that it could. Chair Hren asked Legal Counsel to review the policy.

Director Abel inquired if the District could terminate the partnership with SDS if they wanted. District Manager Saling said termination could only be done if there is no record of decision by the end of June 2009 or if Colorado Springs Utilities does not go through Pueblo West. Director Abel has concerns on the Fountain Creek impact and Lower Arkansas Valley as mentioned in the newspaper. He is also concerned with long-term financial obligations of the District.

Director Sloan interjected and said he also has questions and asked Steve Harrison to talk with the Board and answer any questions they may have.

Director Hren recognized Den #10 Cub Scouts and Pack leaders Fred Garner and Sara Madrill attending the meeting and introductions were made.

DISTRICT MANAGER'S REPORT: District Manager Saling updated the Board that he had not heard back from Larry Daveline on the Board's request for the audit cost and does not think there will be enough time to split it up. He will get back to the Board when he receives the information.

District Manager Saling informed the Board that the Fire Chief discussion on the Med Unit purchase was scheduled for Feb. 24, 2009 will be rescheduled for March 10, 2009. Carol Cosby and John Hurtado will, on Feb. 24, make a presentation on potential grants, phasing, and strategies for a community center.

District Manager Saling reminded the Board of the County Commissioners quarterly meeting on Feb. 3, 2009 at 7:00 p.m. in the Board room and is posted as a special meeting in anticipation of three or more Metro Board members attending. There will be an opportunity for public input. He also reminded the Board of the joint meeting with the County Commissioner's on Feb. 24, 2009 in the Board room at 4:00 p.m. He has not heard back from the Board as to agenda items. The Commissioners have requested that roads be on the agenda, with West McCulloch in particular to be discussed. Chair Hren inquired about the Joe Martinez extension and has received e-mails from Commissioner Chostner on this and thinks a meeting with the City, County, and District should be an agenda item.

District Manager Saling informed the Board of the meeting he attended Jan. 21, 2009 on the Southern Delivery System and mentioned issues that need to be resolved and the impact on roads in Pueblo West and requirements the County will make SDS comply with. District Manager Saling is concerned with the requirements the County is making for improvements and if it will be a future requirement of curb and gutters on other roads not affected. Chair also voiced his concern for future improvements and requirements of urban standards and if that will set a precedent. District Manager Saling said that is a concern but the IGA with the County states rural standards should be used and that may be an issue the Board will have to discuss with the County. District Manager Saling has e-mailed Mr. Serverance for clarification on these road standards and a policy will have to be made as to urban or rural standards after the document is done. District Manager Saling mentioned some of the other issues discussed, including controlling the water level in Pueblo Reservoir and the need to apply for a new 1041 permit if any SDS partner wants to pass additional water through the pipe. There is a possibility that SDS may go through Fremont County if these issues are not resolved with the County. The next meeting with Pueblo County is scheduled for Feb. 11, 2009 at the Art

Center.

District Manager Saling updated the Board of 9,089.69 acre-feet the District has in storage. Also snow pack in the Colorado River Roaring Fork Basin area is 144% of average, thus it looks like it will be a good water year. There is approximately 2100 acre-feet of water stored in Twin Lakes and the District plans to leave the new water there and only move 1,000 acre-feet down. Chair Hren inquired about accessing the Hill Ranch water. District Manager Saling explained the District is waiting for the engineers and issues to be resolved. He hopes to obtain the water for use by late 2009 or early 2010.

District Manager Saling also mentioned the advertisement for COA Board members due Feb. 13, 2009 for the Board to review. As to date, the District has not received any back.

District Manager Saling talked to the Board about updating the server, computer systems, and purchasing 15-17 new computers for \$68,000.00. After further questions and discussion the Board gave direction to purchase these items. This has been budgeted in the 2009 budget.

District Manager Saling mentioned the saving of \$500,000.00 returned to the General Fund, Water Fund of \$371,000.00 and Wastewater Fund of \$230,000.00 and that the expenditures are being watched. The savings are from personnel and operations maintenance. He also reminded the Board of his absence at the next Board meeting.

Steve Harrison gave a brief history of where Pueblo West gets water from and discussed use of the joint use manifold (JUM). PWMD has a contract to pass up to 12.2 million gallons per day through the JUM. Peak water through the JUM, in summer 2008, was 11 million gallons in one day. In 2005, the District obtained an excess capacity conveyance contract through the manifold for 5 years, which allowed an additional 10 million gallons per day up to 1,000 acre feet during peak season. He feels right now we are fine, but if anyone else would want that space in the JUM, it would no longer be available to Pueblo West. He explained that SDS originally was going to tap into the JUM, but decided to explore construction of a new North Outlet Works so as to avoid uncertainty of JUM contracts and physical integrity. He explained the north gate process SDS plans to do and how Pueblo West could hook into it. Because of the change to the north gate, Mr. Harrison says Pueblo West cost as a partner will increase, but he doesn't yet know by how much. He estimates it could be \$1.5 million, vs. \$1.1 million with the JUM option. Steve Harrison went through the capacity of the pipeline, costs involved in the \$1.1 million, and maintenance costs (approximately \$15,000.00 a year). He stated that hooking onto the SDS north gate project would give the District 30 million gallons of water per day, which would be enough for build-out in Pueblo West.

Chair Hren questioned the slowdown of growth and if 30 million gallons would be necessary. Director Abel asked if SDS does not go through what would Pueblo West do, the financial obligations, and if it would be cost effective than venture on our own. Steve Harrison stated that if Pueblo West needed to go through the north gate process we would have to obtain a 1041 permit and other issues that would cost more than if the District tied into SDS. He stated that all the costs that would be the District's financial responsibility would be .13% of the project. Director Vickers questioned the amount of water needed for Pueblo West. Steve Harrison noted that even if SDS went in, there would be a concern about growth of zebra mussels in the JUM and in the north gate. Because of this, he would like to go forward with an enhanced river pump intake system to provide redundant water supply should zebra mussels cause JUM or the north gate to shut down. Steve Harrison talked about having one pipe and if something happens to it Pueblo West would not get water. Director Vickers questioned what the reason for the river pump intake station is if the District was a partner in the SDS project. Steve Harrison said that water directly from the reservoir is of higher quality and costs less; water from the river tends to be dirtier, requires more filtering, and demands more energy for pumping. Director Sloan asked for an explanation of the chain of events of applying for the 1041 permit for the expansion of an intake station, which was 5 years ago. Director Sloan also asked if the river intake pump station would be necessary if there was not a threat of zebra mussels. Steve Harrison said he did not think an enhanced river intake system would be necessary without zebra mussels. District Manager Saling discussed the original pipelines of 48 inches in the reservoir and where they go and what happens from there and how they join into the 120-inch pipe (the JUM) and who is connected and how much water they receive. He gave a synopsis of how Pueblo West got involved by getting the excess capacity when the District tied into the 30-inch pipeline in the reservoir. The amount that would be taken from a river pump intake station would be 6 million gallons a day and would be a back-up system for a cost of \$5.5 million dollars. Steve Harrison is concerned with the County requiring another 1041 permit and feels partnering with SDS is a benefit. District Manager Saling feels if SDS goes through Fremont County instead of Pueblo, there would be a need for a larger river intake pump station. Legal Counsel stated that the 12 million gallons a day is all Pueblo West has on a permanent basis and the excess capacity is temporary and that eventually the District will need 30 million gallons a day and another water source. The agreement with SDS and the District will end in 2011 if nothing happens. Chair Hren wanted to know what the savings to consumers is and how it will help the residents and was told there will be no change in the quality of water. Steve Harrison talked about the zebra mussel issue in detail and what can be done to resolve this. After further questions and discussion on the SDS project the Board will be able to answer some of the concerns from the citizens.

CITIZENS COMMENTS:

Gary Gutierrez, a Cub Scout from Den #10, asked if a

speed limit and bus sign could be placed on South Golfview Drive due to the traffic speeding in the area. Mr. Hill had been asked but as of today none have been placed. District Manager Saling will look into this and take care of the request. District Manager Saling also mentioned the flashing lights on Hahns Peak and McCulloch near Swallows would be in next week according to Mr. Hill.

AMENDING THE 2008 FISCAL PLAN: The sewer line extension for tracts 234 & 235 was not completed in 2007 as originally budgeted. The project carried forward to 2008. This resolution moves \$1,736,506.00 from fund balance of the Waste Water Enterprise Fund to complete this project.

RESOLUTION NO. 1823: A Resolution Amending Resolutions No. 1757 and 1758 Establishing Budget And Appropriations By Fund For Pueblo West Metropolitan District Pueblo County, Colorado, For The Calendar Year 2008 And Authorizing Fund Amendments

(Director Sloan made a motion to accept Resolution 1823, vote unanimous.)

APPOINTING DIRECTORS OF TRIARK INC.:

The Pueblo West Metropolitan District is the sole member of Triark, Inc., a non-profit corporation for the purpose of appointing Directors of Triark Inc. which is responsible for appointing the Board of Directors of Triark which in turn appoints members to the Committee of Architecture. This Resolution appoints the currently seated members of the District as Directors of Triark Corporation.

RESOLUTION NO. 1824: A Resolution Of Pueblo West Metropolitan District By Its Board Of Directors Sitting As The Sole Member Of Triark, Inc. A Non-Profit Corporation For The Purpose Of Appointing Directors To Triark, Inc.

(Director Sloan made a motion to accept Resolution 1824, vote unanimous.)

LAND LEASE:

The Pueblo West Metropolitan District entered into a lease with the Friedrich's on May 27, 1997 for 147.38 acres at the east end of the District for the purpose of grazing cattle. On November 17, 1998 the District approved an Addendum to the lease for an additional 90.26 acres in the vicinity of the original lease. Mr. Friedrich is not interested in leasing the 90.26 acres but would like to lease the 147.38 acres for the first six months of 2008. Should moisture come so that the prairie grasses grow for grazing, they would like the option to extend the lease for another six months. The land is undeveloped and at this time the District has no plans for the property. Within the lease is a thirty (30) day termination clause. Instead of preparing an Addendum to the lease, staff has prepared a new lease because of substantive changes.

RESOLUTION NO. 1826: A Resolution Authorizing The Execution Of A Memorandum Of Extension Of Lease Between The Pueblo West Metropolitan District (Lessor) And Robert E. Friedrich And Coralie A. Friedrich (Lessee) For Certain Real Property

EXECUTIVE SESSION: None

ADJOURNMENT: There being no further business to come before the Board, on motion by Director Sloan, the meeting was adjourned. The next regular meeting is scheduled for February 10, 2009, at the hour of 6:30 p.m., presently set for the meeting room of the Board of Directors, 109 East Industrial Boulevard, Pueblo West, Colorado.

Secretary

