

**MINUTES OF REGULAR MEETING
THE BOARD OF DIRECTORS OF
PUEBLO WEST METROPOLITAN DISTRICT
April 14, 2009**

The Board of Directors of the Pueblo West Metropolitan District met in regular session at 298 S Joe Martinez Blvd., Pueblo West, Colorado, on April 14, 2009, at the hour of 6:30 o'clock p.m.

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

Also present were Brian Caserta, Acting District Manager; Judy Leonard, Administrative Assistant; Tom Mullans, Attorney for the District; Steve Harrison, Utilities; Tammy Jameson, Finance Director; Rick Morgan, Public Works; Carol Cosby, Parks & Recreation; Dave Cosby, Fleet; District employees and 100+ citizens.

MINUTES: On motion by Director Hren, the regular meeting minutes of March 10 and March 24, 2009, and special meetings March 19, and March 30, were approved, Chair Hren, Director Abel, Director Vickers voted aye on all minutes and Director Sloan voted aye, for March 10, but not for March 19, 24, 30, 2009 as he was not at any of these meetings. Director Van Auken voted aye for March 24, 30, 2009 and did not vote on March 10, 19, meetings as he was not at any of these meetings.

FINANCIAL REPORT: Members of the Board had been provided with a check register dated April 14, 2009, listing the bills for payment. On motion by Director Vickers, noting the large payments, the outstanding bills of \$408,806.50 are approved for payment, vote unanimous. Director Van Auken questioned the payment to Rocky Mountain Asphalt if it was for the chip seal program, which is.

The investment report consisted of \$4,273,135.57 in Certificate of Deposits; \$3,801,672.32 in CDARS; \$15,771,690.20 in Money Market; \$593,037.38 in Bond Reserve; \$127,323.83 Year-to-Date Interest; \$1,226,676.09 Cash on hand; and Total Investments \$25,666,211.56.

Chair Hren asked about the moving of funds into Legacy Bank of \$1 million dollars for reasons that SCNB was called on the carpet by Federal regulators which included 7 banks in Colorado. He inquired about a second bank closing in Colorado and was told by Director Vickers that was correct. The bank closed in Greeley and was taken over by the FDIC and was not able to be sold. Director Vickers mentioned his concerns all along that people with investments in that bank could lose millions of dollars and the worth of the bank is at \$500 million and SCNB bank has assets of a little over \$50 million. Chair Hren asked if there should be concerns with the District having funds in that institution. Director Vickers said that was why he raised his concerns with that bank as it may be safe but may not and may get the money back if something happens to it. Director Vickers also thinks it would be prudent to continue moving money out of that bank slowly in different increments to a more secure institution. He also mentioned there will be a report on investment strategies.

DIRECTOR'S COMMENTS: Director Abel commented on concerns with the hiring of the District Manager and with the help from Judy Leonard has a copy of the original posting of the job description and ad when Mr. Saling was brought on. He then read the posting of the job ad and requirements. Director Abel mentioned there were citizen concerns that the board was not adhering to the same standards in their search for a District Manager as they had in the past. He wanted to put the citizens mind at ease that the Master's and 8 years experience was a revision after Mr. Saling was brought on and does not diminish the fact that he would adhere to that type of expertise and wanted the community to know that the original announcement did not have those conditions. Director Abel did say he was glad the requirements were updated as well as for the directors to stay within the standards being recognized throughout the state. He also mentioned the past list of finalist's names and the names of the search committee which he will make available for any citizen. The finalist had a span of experiences compared to those that just had a Bachelor of Arts and no time of experience. He said the board will do their best to bring in the best person that will augment the community. Director Abel's desire is to think of a way that would involve the citizens in the finalist's selection and would like to hear suggestions from other board directors. He talked about Parks and Recreation Community Center at this particular time was not in the best interest of the community or financially feasible. He thinks with all the different presentations there may be a way to continue that particular program at least forefront and bring amenities to the community. He mentioned that the board is aware of these continued endeavors and are trying to meet the demands of the Parks and Recreation department and address these needs. He mentioned the presentation Carol Cosby will be presenting at the next board meeting and feels Carol Cosby has worked very hard coming up with innovative ideas and ways that can help facilitate fixing some of the amenities we have now and what a good job she has done on ideas for costs, leases, and fields for a possible dog park and children's park. Director Abel said the endeavors are still forefront of the board to meet the needs of the community for the Parks and Recreation Department. Director Abel commented on an article in the paper on a specific employee and other employees of the district and personally wanted to address this and was his

position only on this. He stated that the employees and citizens should realize it is not the position of this board to do any of the evaluations, firing or hiring of the employees but is the responsibility of the District Manager. He said since it had been brought up that he wanted to give high marks to Judy Leonard for her service to the district and her invaluable amount of knowledge and ability to do her job and the district would not be the district that it is without her. He also feels that we need to focus on the issues at hand regardless of what is going on around us and that there is still business to be done in the district and certainly does not want it to be clouded by certain types of accusations that certainly can't be backed by full fact and his desire and hope is that the citizens as well as the board continue to move forward in this community as is his desire. He talked about going from 15,000 to over 30,000 residents and an \$11 million budget to a \$25 million budget certainly has increased to a point that the board, citizens, and employees to meet the needs, demands and expectations of the community. He wanted to put that out there and let everyone know there are a lot of issues for the board and district which they will hear tonight and make that point.

Director Vickers stated in light of what is happening in the District knowing about the recall and the articles that have come out and petitions he apologized for taking board time to respond to these but felt it important for the public to hear responses. He read a statement that unfortunately in the State of Colorado a recall petition does not have to adhere to any standards and not subject to review that accusations have to be truthful according to the Colorado Revised Statutes 1-12-103. Item number one on the recall list violating open meeting laws Title 24-6-402(2)(b) that at no time had more than 2 board members met at any time and is well aware of the laws of open meetings. He said after the board had decided to dismiss Mr. Saling there was an opportunity for citizens to speak during citizens comments and no one took advantage of that and this accusation is not true. Second, the attempt to transfer Metro District funds without the district board knowledge, said that only 2 people for years under the direction of Mr. Saling did this. He discovered Resolution 1557 and reread Article 6 of the by-laws that mandates the treasurer be involved in investment decisions and the board members select the banks he directed the District Manager and Finance Director to bring all investment decisions to the board so decisions could and would be made in open sessions. The result in having past investment decisions done without the board approval is that the district makes more money from CD's than money markets but have twice as much money in money markets which at the last meeting he directed the Finance Director to come up with a plan to increase investments to CD's. He feels there has been significant amount money lost because of it and this accusation is not true. Third, obtaining bids without board approval. Director Vickers informed everyone there is an RFP out for a board and COA attorney and on December 9th at a regular board meeting direction for January 24 was to get the RFP ready. On February 24 the board by unanimous vote did an RFP for legal services for the COA and Metro Board and this accusation is not true. Amending the District's service plan to make COA a part of the Metro District is true. However, the district agreement with MCO properties in 1993 spells out that the district was suppose to be the declarant. Senate Bill 04-221 was passed in 2004 that mandated the district become the declarant if the district chose to enforce the covenants therefore making it necessary to replace Triark. He commented that previous boards have replaced Triark with themselves at a time when housing starts were at 500 a year. He referenced a memo from Mr. Mullans dated 2003 quoting "It is also unknown rather the creation of Triark separation from the district appointment to COA would have stopped lawsuits from being filed including the district." He said that the district at that time was funding COA and had complete control of COA purse strings. Apparently the threat of lawsuits seems much slimmer due to the smaller amount of applications being submitted to the COA and this accusation is not true. He talked about fiscal responsibility taking away COA funds due because of building collapse in 2008; the Metro Board has funded COA with unbudgeted money so COA could continue to function. For the 2009 budget \$82,500 has been budgeted and not taken away. Every single board member has stated that Pueblo West needs the Committee of Architecture, this accusation is not true. He addressed the settlement of the Wal-Mart lawsuit and stated in 2008 the board listened to a lawyer; Mr. Norton about winning the lawsuit and he said at best the district would have a 50/50 chance of winning with a cost of \$50,000 and up with no guarantees of winning the lawsuit and that was the motivation for settlement. On June 24, 2008, Mr. Van Auken said if the lawsuit wasn't settled there would be no winners and the cost to the district would be a lot of money and is happy with the settlement and wants to move forward for the betterment of the community and made the motion to accept the settlement and the board followed his lead with a unanimous decision. He has never been associated with Pueblo West COG or any organization that enacted with the Wal-Mart issue and has never spoken for or against the issue, this accusation is not true. He addressed conflicts of interest and bias and said what can a writer, teacher, retired pharmacist, and a cabinet maker gain by serving on this board and exactly who can they benefit. He said if you look at the recall committee is almost exclusively realtors, developers whom could directly benefit from decisions made from the District Manager, the Metro Board, or the COA continually violating laws and this charge is unsubstantiated innuendo. He explained that rumor and innuendo are used to deceit the public when there is a lack of factual information, this accusation is not true. He is wondering why this recall really started because none the issues in this petition is true and this recall can cost up to \$100,000 according to the County Clerk. He mentioned in May, 2010 a general election will be held and there will be 3 board vacancies and upwards of another \$100,000 and in his opinion this is a waste of tax payer's money as not any of these accusations are true.

Director Van Auken said he will make his remarks short and as Director Abel said about citizen remarks for District Manager search it is fairly common on the applicants to have a citizen's group go through them and weed out for 6 or 7 finalists and might think about or consider depending on how many applications we receive. He also said he was out of town March 10 on business and at that meeting

read the presented minutes for February 24, 2009 and he could not comment on them and this may be a minor thing but still is important to him. Director Van Auken would like the minutes to reflect on the last page of February 24, 2009

minutes reflect he did not vote aye or nay to direct the district's attorney to proceed with a 45 day notice pursuant to 32-2-207(3)(b)CRS to add covenant enforcement as an additional power to the District and change the service plan. Director Van Auken would like the minutes be changed to reflect he abstained and did not want to go into why. He feels making that statement is sufficient for public record to enter that as his comment. He did ask everyone at the board table to refrain from extensive rhetoric as to what is in the paper, not in the paper, and what is true and not true. He doesn't mind a little comment but to go into any degree disgraces the board's position.

Director Sloan apologized for missing meetings and has missed a lot which is a blessing and a curse when one has to travel to work. He said with all due respect to what John said about refraining from in depth exploration of levels of accusations against us, he said some of the points on the recall efforts he will not cover ground as Bill covered but needs to stake his own claim and issue his own statement on the matter. He said he does not mind that he is a target of a recall effort and knew when he took office would ruffle someone feathers at some point. His position on the board is to serve the residents of the community as best as he could and effectively and efficiently as possible always with the goal of preserving quality of life of Pueblo West. His hope however, was if he was to be displaced from his seat it would be by citizens who have a firm grasp of the facts and issues facing this board. He finds it interesting the grounds for his recall after receiving his recall petition he received over the weekend. He referred to the grounds of the recall are ill stated at worst and substantially manufactured and usefully false and guiding a recall effort does not follow truthfulness on the petition and why he needs to set the record straight. He feels this takes away the efforts from the true issues facing Pueblo West. He said he is not going over what Bill said but does second what he said but added he wanted to make clear to everyone that the questions on decisions made outside this meeting and discussions among board members especially the termination of Don Saling and this board functions part in the public and always one to one communication among board members by phone, in person or by e-mail between the five board members, Bryan, Judy, Tammy, Steve and Rick and many employees of the district and without the one on one communication the board could not function. He mentioned changing ideas, opinions, discuss matters that are coming before the board, agenda items, and that is how this and many boards function. He thinks with out this the board meetings would be messier, longer, and more difficult than they already are and a critical function of this board and does not apologize for that and thinks it is very important. He stated the one thing they do not do on their one on one communications is make decisions, meet in secret of groups of three or more, or make decisions coming before the board, but do have definite opinions if it matters but do not make decisions. He said he was not going to lie to everyone that they didn't discuss the potential motion to terminate the contract of Don Saling which took place with discussions on one on one but did not make any decision or ask each other what their decision would be if a motion was made to terminate Don's contract and wanted to make that very clear. He said he wanted to avoid the recitation of the accusations against the board but concluded with the statement that he is truly very puzzled by accusations leveled against the four board members and reasons for the recall and understand the apparent misstatements and misunderstanding of facts could be used as a basis for the boards recall. He referenced to the petition items as being approved by votes by five board members and questioned why isn't Director Van Auken included on the petition, not wishing him to be involved, but only conclude the four board members are being targeted not really set forth in the petition but because they voted to terminate the contract of Don Saling. He feels the accusations in the recall petition read to him as half informed fishing expedition designed to form doubt about the board would not exist and fully understand Don Saling was well liked and missed but however, the relation of the board in his opinion devolved to a point of dysfunction and when that occurs is incumbent to make change in leadership to see Pueblo West through its next phase in growth. Further in the end this is still a democracy and citizens that have concerns with board actions or decisions are welcomed at all times and can speak up at meetings, phone calls, e-mails and are available and responsive. He thinks what is left now to confront is a recall effort existing between the board and citizens which will be an expensive election fueled by misinformed recklessly accusations. His suggestion to the recall committee and is very serious about this, to develop a real and responsible accusation in which to base your recall effort or save time, trouble, and taxpayer's money and abandon the recall effort entirely and focus your energy instead on filling the 3 board seats that will open in one year and his will probably be available if anyone is interested which was his final comment tonight and will take any questions or comments.

Chair Hren said he would be very brief than retrace what was said about the recall but first and foremost having gone through the Beaudry vs. Eichman Wal-Mart lawsuit and having seeing the devastating effect that it had on this community and how this community is perceived outside the borders of Pueblo West at the County level, State level, where ever we talk it is time for this community to grow up and come of age and this dysfunction action has been manifested in a recall effort that obviously is based entirely on Don Saling's termination. He said you can talk about other reasons but that's where it is at and regard to his termination he has been intimately involved with him in the past year as board president. Prior to

that there is new faces on board and there was always open lines of communications however, being well liked and being well lead is only two aspects of this community and going back to Mr. Saling's performance appraisal one on one individually evaluated Don with thirty different categories of performance and worked on critical

issues and said that we now have an issue with SDS that could impact you for the rest of your life here in Pueblo West. He said Pueblo West has the potential to lose water and if you divide this among households the value is \$4,000 per household. He feels this is a serious issue and Pueblo West may be the smallest player in this whole thing and we are a community of 35,000 people. He stated it is a David and Goliath struggle looking at Colorado Springs, City of Pueblo, and Board of Water Works, Pueblo West and it is easy to step on the little guy and believe me I have a memorandum letter dated December 2008 which is a rebuttal from Colorado Springs Utilities regarding the 1041 permit on SDS and says the fore management program is mentioned right in here last December that Colorado Springs responds to it and this memorandum dated 2008 was never heard about again until the 1041 permit was approved by Pueblo County. He mentioned Pueblo County voting on this and because of the importance of this was not mentioned for five months and this board has had to get up to speed on the subject. He mentioned his meetings with County officials, Board of Water Works, and City officials, Colorado Springs, and Attorneys and should not have been kept out of the loop for this districts future. He mentioned Mr. Saling's termination was not a frivolous thing but based on concerns about Pueblo West future not only on the SDS. He stated there has always been support for community recreation amenities by this board and makes him sick that there wasn't a new swimming pool five years ago or athletic fields for the kids and under Mr. Saling's leadership it became either a \$20 million project or nothing. He talked about the survey for input from the community and worked on the survey and designed it and took nothing but abuse for trying to get opinions from the citizens as to how important that was. In regards to the Committee of Architecture he stated that the service plans importance is by the board to improve how the covenants are controlled. He feels the board thinks it is very important to find a funding mechanism for the Committee of Architecture and how it has been funded in the past and should be in the future thinks the statement in the recall is totally unfounded. He thinks people are going to judge the community by what Pueblo West is and if Pueblo West a major player in Pueblo County and Pueblo West is the second largest in population in Pueblo County. He said will Pueblo West have respect or be divided once again.

LAND SALES REPORT:

Acting District Manager Caserta reported there were no closings for March, 2009 for total sales year to date of \$0.00. Acting Director Manager Caserta mentioned a residential land sale contract offer for \$12,000 that the district has listed for \$20,000 at 948 E Saxony. Administrative Assistant Leonard explained to the board this property was a 2.02 acre of land and a history of land sold in this tract was provided as requested. The land sold in the area was for a little over an acre and the last sales in 2006 the property sold for the asking price of \$20,000 for the 1.02 acre and 1.04 acre and the offer is for \$12,000 for a 2.02 acre of land not the listing price of \$20,000. Director Vickers asked if they contact the district to buy these properties. It was explained the buyer or realtor feels out the contract and brings it to the district and certain zoned property is brought before the board. Director Sloan wanted to know what they planned to build and it is zoned R-5 is multi-family or office. Director Van Auken read the history on the lots sold in this tract and also was curious as to what they planned on building. Acting District Manger Caserta mentioned in that area is multifamily and apartments. Chair Hren feels by looking at the history and even though we are in a dead market and won't always be that way thinks the offer is to low and can't look at that low of an offer and feels it would set a future precedent for land sales and harmful to the district. He said no to the offer and thinks they need to make a better offer. Consensus of the board is not to accept the offer on the contract.

DISTRICT MANAGER REPORT:

Acting District Manager Caserta asked if Mr. McDowell was present as he was asked for him to attend for questions in regard to his reversionary clause. Mr. McDowell asked the board if they would remove all conditions on the four acres on Spaulding due to the poor economy and building stipulations removed and are not sure what he would be building. Director Sloan asked if he needed more time and Mr. McDowell would like all the building stipulations removed. He mentioned the cost of taxes to the district that is benefiting from property taxes of \$3,200. Chair Hren explained the reversionary clause is there for a good reason and understands where the economy is and is empathetic but reluctant to eliminate it as it would set a dangerous precedent in Pueblo West and if the economy turns around then every builder would want the same thing. Mr. McDowell does not know what he might build in the future and was not agreeable to an extension on his reversionary. Director Sloan asked Legal Counsel if it could be extended and was told the board could do so. Mc. McDowell does not want to do that but wants the property free of all stipulations and not controlled

by the board as to what he can or cannot do. He stated what he paid for the property and taxes paid and wants to have the property as a regular property owner and not tied to the district. The consensus of the board is to extend his reversionary clauses but not totally remove all the stipulations. Mr. McDowell said

he understood and with the economic down turn would like to sell his property back and take his loss or give him the opportunity to build what ever when the time is right. Director Abel also concurs that an extension would be fine but not release all stipulations. After further discussion, Mr. McDowell will sell his property back to the district at a 20% loss. Legal Counsel will draw up the necessary papers to accommodate him and a motion would be needed.

Director Sloan made a motion to follow the terms of the contract between the Pueblo West Metro District and Mr. McDowell as placed on the property and buy the property back from Mr. McDowell at 658 E Spaulding, Tract 376-1-1, vote unanimous.

Mr. McDowell did come back and asked if that was also stipulated for all the property owners in that area and was told yes.

Acting District Manager Caserta stated he would like to recognize the response of all the district employees on March 29, 2009 during the blizzard of their responses that went well into the evening. Particular the streets and road department and public works as well as the fire department and water/wastewater department had many issues to deal with and came through very well and would like to pass along his kudos to all of them.

Acting District Manager Caserta asked for direction for John Hurtado, the grant writer's contract expires on April 30, 2009. There is a six month clause in the contract to see how things would go and will need direction from the board if they are going to extend the contract or what they want to do. Director Sloan would like to get a feel for what he is working on and what is in the pipeline to see how that affects his contract. He also said he knows he is working on an amended development on the land behind the high school and how that might factor in. Director Sloan would like more time and Acting District Manager Caserta will make sure he gets a report from Mr. Hurtado. Chair Hren agrees that will give the board enough time. Director Vickers mentioned he was at the meeting if the board wanted to hear from him and Chair Hren thinks there needs to be more time to prepare.

Acting District Manager Caserta also mentioned the RFP's that have been out for legal services and in their notebooks are two proposals. One is from Mullans, Piersel and Reed and Buxman Kwitek & Ohlsen and if the board would review them so a Resolution could be prepared for the April 28, 2009 board meeting. Director Van Auken said that Mr. Mullans has a contract with the district and inquired as when that expires, which is June. Legal Counsel said his attitude is he will stay as long as the board wants his services and gone if they do not. Director Sloan asked for his current rate per hour which is \$125.00.

Acting District Manager also needs direction on a purchase order for the utilities department which is a budgeted item for the amount of \$20,500 and needs permission to go forward. Chair Hren said fine.

Acting District Manager reminded the board and audience that the Library will be the place for the following meetings for April 28, May 12, and May 26, 2009. He mentioned more chairs would be set up and if the board sees something in the future not to wait to long for any changes on the location so it can be posted. Chair Hren announced the Library will be closing before the meeting is adjourned and to use the north entrance.

COMMITTEE OF ARCHITECTURE: Acting District Manager Caserta reported the Committee of Architecture's approvals for April, 2009, were 26 single family homes, 3 mobile home, zero multi-family, and two commercial. In April, 2009 there were 41 single family homes, 3 mobile homes, 1 multi-family, and 2 commercial approved. The names of the new COA board members were announced and they are, Eugene Montoya, Kent Shelman, John Hill, James Maggard, and Stephen Shutt were elected from the interviews.

CITIZEN COMMENTS: Al Carson addressed the board about secret meetings and in his opinion as one board member representing the citizens of Pueblo West was totally excluded from the vote of firing Don Saling. He said from what he has read there was one on one discussions and assuming there were conference calls and could be his imagination but very suspicious on how the meeting went after Don's dismissal. He thinks that part of the communication issues is partly because he witnessed tonight they did not review their books and frustrated Don that he was questioned over information that was in their books which are very valuable for information.

Sharon Hill read a statement that the recall is defined as divisive and wishes she was anywhere than standing right here because of what she read in the paper and felt she needed to respond. She responded to a comment made by Ms. Lowery in the Chieftain. She quoted her as saying that the COA board was placed with past members

who had been removed from it. She said that one new board member fired by Triark for not supporting a sign variance request. She said that one member of Triark happened to be a developer who had a lucrative direct interest to the passage of that sign variance and wanted it approved so that COA delayed its own scheduled appointment to ensure that variance would pass and did pass with out the COA members vote. She stated the COA member had the temerity to suggest that conflict of interest might be adopted by Triark, he was then fired. She feels this is typical behavior of Triark up to and including the most recent Triark board and apparently the recall committee only wants COA residents for pro development at any cost rather than residents with integrity to protect home owners, general public, and making sure all developers are treated equally. She feels putting the COA under the District Manager and Metro Board will bring openness and accountability long missing in COA and Triark Board. She said that the recall committee is made up exclusively of realtors and developers all of whom can directly, financially, benefit from decisions made by the District Manager, Metro Board and COA so who really is guilty of special interests here.

Linda Freeman read her letter she wrote that the newspaper is sometimes a good source of journalism and referred to Espinoza's article on what is a concept more or less which is about Pueblo's undecided form of government and what would work for

it. She talked about the expense of government and of taxpayer's money and how important issues are slid into oblivion. She said at the end of the article that taxpayer's elect officials to do a job and when they are elected roll up their sleeves and do the job rather than delegate to a professional manager and maybe the solution is hire managers rather than politicians. She mentioned the five gentlemen elected on the board are not politicians or looking to further their careers but doing what they were told to do, rolling up their sleeves, asking detailed questions, and getting truthful answers. She said unfortunately these truthful answers were not forthcoming and doing the job they were elected to do they took the only alternate path and the community will be better for the decision they made. She said they already learned from Mr. Harrison that the community was misled by Colorado Springs Utilities about how much the taxpayer's will be impacted by the SDS plan that was being pushed since 2004 by the former district manager and not by these fine five gentlemen rubber stamped but former board members that said what ever you want Mr. District Manger. She thinks this board stood firm and asked unpopular questions and controversy that has not pulverized the community since the open meeting law in 2004. She stated isn't it strange that the SDS and Wal-Mart all started in 2004 and these fine board members where not involved in any one. She mentioned Mr. Hren's statement that they do not want to be micro managers but that is why they were elected and the community wants them to do to protect the taxpayer's money. She thanked all of the board members for their questions, investment of time and energy and are more community minded than political.

Kathy Caple signed the citizen comment sheet but did not speak.

Anne Beers stated that she and her husband have been attending meetings since her moved here because of her concerns with the Sunshine Law being violated by the Metro Board in 2003 and 2004 by meeting with others to discuss what could be done.

she said the group was called PWCOG (Pueblo West Citizens for Open Government) and Mr. Hren, Mr. Vickers, and Mr. Abel were never members, never attended meetings, and were unknown to them. She said Mr. Sloan did attend a couple of meetings but was never a member, and she became one of the 12 litigants in the lawsuit that they did not follow through frivolously. She mentioned the economic discussions and large distribution center that wanted to come here and became very concerned that violations of the Sunshine Law had happened. She said the proper name for the Wal-Mart lawsuit is not the Wal-Mart suit but Beaudry et al verses the Pueblo West Metro District and the language referred to the 12 as PWCOG and none of the board members were ever members. She mentioned because the group was referred to this as the Litigants the group decided to call themselves PWCOGSG (Citizens for Open Government and Smart Growth) and not the best name chosen as it has resulted in a lot of confusion somewhat similar to the Voices of Pueblo West 2 groups. The groups mission is to educate the community on issues of transparency and government and wise sustainable and fiscally responsible community growth. She stated that none of the board members were ever part of the group of PWCOG or PWCOGSG and when they decided to settle the lawsuit none of these directors were furthering the cause of any of these groups and none had anything to gain by their vote. She said Mr. Van Auken had been a director on the 2003 - 2004 board and also believed it was in the best interest of this community to cast his vote to settle the lawsuit making the vote unanimous and none of the litigants gained anything financially. She said the board agreed to pay the settlement amount of \$41,600 mentioned in the recall to the Litigant's lawyer. She does not agree with Mr. Hren it was a terrible thing and

observes how this board reacts feels there is a great deal more openness, transparency, and far less secrecy than she has ever witnessed in the meetings her has been to, up to now. She does not believe any members of the board are guilty of the charges listed in the recall petition and thinks they are the hardest working board she has witnessed and what anyone of them personally gains by the diligence they have exhibited so far.

Jerry Beers talked about the economic issues that they have been handled very well but there is still the issue on the employees wage freeze and sees on the agenda a discussion on a cost of living. He thinks the original amount was 3% and at that time no one seemed to be in favor of that and still not in favor of that. He suggested for them to look at a tiered system with the top paid, middle paid, and bottom paid at 3%, middle 2%, and top 1% if that is as good as it gets. He mentioned the cost of living was at 3.7% and all that will do is keep the employees a little above ground but still going backwards and make the increase retroactive if they give one.

Jack Wolther said he has lived in Pueblo West for about 20 years and feels this board is the most active board he has ever seen. He said he has attended many meetings and feels this board is by far the best. He would like the board to consider to get out of the Southern Delivery System as there are more ramifications known than when Pueblo West started and Pueblo West may be the losers not the winners.

John Mauldin apologized for repetition and continued talking about the Wal-Mart lawsuit where it alleges Mr. Sloan, Vickers, and Abel were part of the group PWCOG and was as said prior was Beaudry et al verses the board then of 2004 with Wal-Mart and PEDCO involvement sharing secrecies on what was being built which broke open meeting laws and resulted in the lawsuit. He also reiterated on the name of PWCOG and PWCOGSG and the board members now were not known to the group before running in 2008 for the board and no board members were litigants in the lawsuit. Director Sloan dropped any participation when he decided to vote to settle as Director Van Auken decided to settle. He talked about the recall effort and unfounded

accusations and issues on the lawsuit were never brought up in public. He feels that Wal-Mart never really thought Pueblo West was the right place for the same reasons half of Pueblo West thought was doing corporate strategic bargaining and look at the site height, traffic, and size would not fit in the rural setting that the recall group they say desire.

Jim Adley had questions on the SDS and if it was in the best interest being in SDS and the ramifications of trying to pull out. He asked if we would be better off to aggressively pursue the Bessemer Ditch water or other sources of water for outlet.

He said it may save the District \$8 million but maybe Mr. Harrison could give a good number and if there is a drought how much water will Pueblo West lose by having our water released out of the dam into the river. He thinks when playing with Colorado Springs and other water districts, Pueblo West is a small fish in a large tank of sharks and be very careful how the agreements are managed to make sure we are not caught up in the sharks.

Jim Maggard gave up his time.

Edward Lumpee mentioned the recall is directed towards the dismissal of Don Saling and wanted to make it very clear he has known Don for a very long time and has had no problems with him nor supported or opposed his dismissal and was not serving on the board so does not have any understanding of the problems with Mr. Saling and the

board. He said he has attended meetings and thinks this board does what they feel is best for the community over all as their predecessors the right to hire or fire management to work with them to achieve successful goals they have established for the community. He said many in this room own and operate businesses and asked if anyone would like their rights and accountability from their employees impaired by your job, absolutely not. He is sure there are many in the room that have hired and

fired employees with much less consideration that was given to Mr. Saling by this board. He went on to say the fact that there is a recall effort of this board protesting attempts for the dismissal of this board concerns him and for many years

the previous boards seemed to have favorite certain local individuals of those not in the select group had very little opportunity to get attention or response to their own. He feels with the last election the community decided they had enough of

this management style and this recall petition is completely out of line and should be opposed by every step. He stated this is America and the democratic process where we choose to run government elections and to the winners go the spoils as the saying goes. Mr. Lumpee said the people of Pueblo West elected this board for period of time and these individuals deserve time and respect to allow them to do their job to the best of their ability for that entire term and anything less is a disrespect for individuals, election, and those that elected them. He asked what makes the recall group issues more important, more correct, or more acceptable than his position or anyone else. He thinks there is a time and place for recall election when that group is conducting illegal, unethical, or immoral business and

does not apply to this situation by any stretch of the imagination. He also thinks that America has difficulty in finding qualified people for positions as most in the room would attest and he and friends have had difficulty with the elections on all levels of government and if it doesn't work then try to change that at the next opportunity. Likewise for those who want to change it in Pueblo West will be able to express their feelings at the regular polls just like those unsatisfied in the previous years and the recall effort are pulling qualified people from our system. He mentioned a recall will take time, is expensive, blows to ego and self esteem, and personal insult, cost, and no one will win. He thinks the recall be dropped and join the community and see what can be done to improve it rather than split it apart.

Elaine Adley was moved after reading the articles in the paper and attending a lot of meetings felt that the board was each their own person and thanked them for listening and open to all things that affect the district. She hopes they can find the stamina to counter react the inaccuracies that keep coming out and thanked them for willing to work for all of us.

Alan Labus stated he is an employee of the district in the road department and why his department is not on 10 hour days if the board is looking to save money, this department would save money. He mentioned they travel vast distances from one end of the district to the other and by working a 10 hour day would save them money.

He also mentioned his department is short handed and needs more help.

Thelma Archuletta appreciates the kudos for the board but disagrees with some of the statements as she was one of the Triark board members fired without any notice or adverse actions on their part and found out from the paper. She takes issue with the fact the board was fired because those on the board had leanings towards realtors and developers. One of the individuals on the board was Whitney Graves and there was some animosity between him and the board and questioned as what happened to the rest of the board. She mentioned her other experiences on boards and work and felt she has never seen any board micro manage as this board does. They made her feel like she was an idiot by making decisions that were not influenced by developers. She talked about the March 29, 2009 meeting when Director Vickers talked about conflict of interest but did not have her name on the list to talk. She said because Whitney Graves received special interest they decided to remove all the board members and assumed the responsibility was by the board. She reiterated on the make up of the Triark board when she served and said the board talks about communication and transparency and where was that when they failed to give the board

an opportunity to defend the allegations and misfeasance of the board's implications made all the board guilty. She is very angry and takes offense of misfeasance of her name, other members of the Triark board, and COA board by naming themselves the Triark board felt that everyone was incompetent and had to micro manage all aspects of the Metro Board. She mentioned being in management for many years and found micro managing is a means of stating that the board is the only one who can do anything right and does feel this is not what the community wants from our elected officials and as the board needs to have better communication to the community for their actions.

Daniel Lowman talked to the board about his unpaved road conditions and dust. He said he called the public works today as to the condition of his road on Siesta Drive He moved to Pueblo West in 1998 and did all the improvements on his home. He said they have placed numerous calls about the dust and that their street was on the list to be paved. He commended Jim McCaskell on his inspection of inquires on the road. He asked if there was any money budgeted for roads and what is the plan for dust control and grading. He mentioned the condition of the road when it rains is like a slippery slope and what does he need to do. Chair Hren said he lives in the same quadrant and emphasizes with him and will get in touch with the road and public works department to see what the priorities are and have them get back with him. There was a suggestion to put traffic control units on the road to get a count as to how many people use the road as based on dust control requires 200 cars using the road.

Larry Howe-Kerr said he has been to meetings over the years and have watched previous boards as well as this board and has been very impressed with the newness and vision this board brings. He said that doesn't mean he has always agreed with everything and once in a while new people in a position may get a little careless with their words they use and thinks Thelma needs a response to which she had to say. He feels overall he has seen conscientiousness, openness, credible amount of time, and attentiveness to building accounting and appreciates that effort and glad to see what is happening which has nothing to do with the integrity of the manager that has left. He wanted to express his appreciation and hopes it is left to election time to deal with.

Rosalyn Knowles did not speak.

Bill Winkler stated he stands before the board on Don Saling's firing and feels embarrassed on the Sunshine Law and maybe all could be educated on it tonight. This board met in secrecy he believes to terminate the position of Don Saling as Pueblo West District Manager with out John Van Auken a board member. The state passed its first legislative law in 1973 and now quotes; "An open meeting of is any regular meeting or all meetings of two or more members of any board, commission, or governing body or any other policy making body." He asked the board why they did not notify John Van Auken to attend which appears to have been an executive board meeting and on how many occasions did the board meet in secrecy relating to the eventual firing of Mr. Don Saling. He asked where in particular did the board meet and if it was in a public building or private residence and if it was a private residence than why was it not in a public building. He inquired as to who attended the secret meetings, who was not a member of this board, and if someone was present, who was that person. He asked if the answer is yes, then why they not invited John Van Auken. His last question was when you finally decided to fire Mr. Don Saling then why did not this board notify John Van Auken of this secret decision and even if Mr. Van Auken was on vacation with today's extensive capabilities why there was no attempt to reach out to him. He stated to Mr. Hren he fired him in his office just minutes before a regular scheduled board meeting and then left to attend that board meeting and left him no opportunity, I believe, to respond to the reason why he was terminated. His second statement he directed at Mr. Hren that since only you went into his office before Mr. Saling was fired, then this is indicative of yet another secret meeting because none of the other board members were at attendance at your private conversation. He thanked the board for the opportunity to stand before them.

Chair Hren feels that the board is compelled to respond to you and you need to get your name and address on the sign up sheet like everyone else did. Chair Hren decided to go over this point by point and does not want to embarrass anyone but state the fact. He started with why the board did not contact Mr. Van Auken because he was out of town and inaccessible on a business trip and he distinguishes between business trips to someone that has to be somewhere for employment which is very important and has only missed one meeting of the three years he has been on the board and has given up maybe a quarter million dollars of discretionary money to serve the citizens of Pueblo West and Mr. Van Auken was on a camping trip with his motor home that he goes often and I don't fault him for it. He said he was not accessible and tried to contact Mr. Van Auken on his lap top and was unsuccessful and contacted him as soon as he could. He commented on the question as to where the board met and stated this board never met any where but there were one on one conversation and communications which is a responsibility of the board and may have had breakfast, a phone call, never met in a residence, or a private place, or choose

to meet anywhere. He said this is just weekly, weekend, month end communication with the board and do this to communicate for the meetings and if they can't communicate they can not represent you. He answered the question about any one present at secret board meetings and stated there were none and takes offense with that and it was board member to board member. He said there was no secret decision to fire Mr. Saling and takes offense to this and addressed the business trip and he did try to reach John. The question as to Mr. Hren being the only one in the office when he fired Mr. Saling stated when he discussed this with Mr. Saling he did not fire him for one thing. He said the board took official action in a public meeting to fire Mr. Saling. He said he informed Mr. Saling that it was likely that his contract would be terminated that evening which were based on one on one conversation he has had over the past year regarding Mr. Saling's performance and he did not have the support of the board. He said he did not know until the time of the vote whether the board members would vote yes or no but it was a very democratic process on a years worth of communication. He said he answered all his questions and if anyone disputes his answers to contact him anytime and his number is on the district web site and would be glad to discuss this with you.

Director Sloan addressed Thelma's concerns. He said just a reminder that he was on the Triark board when they dissolved the board so effectively fired him self. He also wanted to make clear that some members of the board have concerns about potential conflict of interests. He said the main reason the Triark was dissolved was not because of the performance but this board decided to make some fundamental changes as to how COA was organized. He informed her that the basic decision was made to eliminate the layer or body between this board and the COA which was discussed earlier to compel with state law that if we are going to enforce the covenants in Pueblo West that the Metro District has to be the declarant and at the time Triark was the declarant of our covenants and the problem had to be fixed by dissolving Triark and transferring declarant rights to the Pueblo West Metropolitan Board and asked Legal Counsel to correct him if he is wrong. He said this was needed to restructure COA and how it was reorganized and not with any disappointment or anger from the Triark board on any performance and thought it was fairly functional and healthy organization. Director Sloan wanted it make clear that what ever she heard was not the intent to disparage your performance or character or abilities or service you gave to Triark were excellent and appreciated it.

NORTH CREEK ENTERPRISES: Mr. Stutz and Mr. Croley pleaded their case about a home they built in 2008 but did not pay the tap fee which increased in January 2009.

They asked the board if they could pay the 2008 price for the tap fee in a letter they sent to all the board members. He said they received a letter from the district in response to policies on tap fees and feels because they started the house in 2008 it will increase the cost of the house and because of the economy they feel they were within the guidelines. Chair Hren asked for clarification on the situation as he was not familiar with this. Ms. Frazzini explained her letter and what Regional Building said was there was no building permit before January 1, 2009. Director Vickers said he could empathize with him having built houses but explained why the tap fees were raised and thinks he should pay the 2009 tap fee costs and explained why. Director Sloan asked how many builders built houses in 2008 and owes tap fees in 2009. Ms. Jameson told him there were about forty houses that will be subject to the new rates. Director Sloan said he hesitates to criticize someone because they did not read the Chieftain or View about the increase. Director Sloan wanted to know if there was any communication to the builders on the increases. Ms. Jameson told him Mr. Harrison went to the Home Builders meeting and gave a presentation on the increase. Chair Hren mentioned a board meeting that builders spoke about the increase. After further discussion, the consensus of the board was not to set a precedent and change the policy.

EXCEL CONTRACT:

Acting District Manager Caserta reminded the board at the last meeting Excel Energy has a petition before the PUC to move a small section of pipe line over to Colorado Natural Gas which provides natural gas to Fire Station #3. He told the board that the district paid for the line extension to

Station #3 and with this turn over Excel would like to turn that service over to CNG. The board had asked if this was in the best interest for the district so Kathy

Worthington from Excel will give a visual as to what they want to do. She said they

have never had exclusive rights in Pueblo West and mentioned CNG filing a petition for a CPCN with the Colorado Utilities Department to service this part of Pueblo West. She explained the area where Excel line is and that is the only service they provide and the issue is with the Colorado Springs Utility Commission. Larry Cawger, Attorney for Excel Energy; explained the extension agreement and the refund of \$33,000 and how it was determined. Mr. Cawger explained the agreement letter and the safety reasons for pulling out their service. Mr. Cawger explained the letter of understanding that the District received and why. Director Vickers, for understanding, said the \$33,000 will get rebated back when someone taps onto the gas

line, will then pay a portion of the cost. Ms. Worthington explained the gas line and pipe lines on the map and where the rest will be Colorado Natural Gas. Eric Ernest for CNG explained having one territory is the best way to market their product and sell it to potential customers and also for safety reasons. Director Sloan asked why they were refunding the money and if there was a same issue around Cedar Ridge School. The money will be refunded back because they feel it is the right thing to do if they plan to pull out and CNG is paying them more for the line than cost so they feel the refund is warranted. Mr. Ernest explained there is a much broader area to run two different gas lines there. Director Van Auken talked about how CNG runs lines to houses and costs and rates for areas in Pueblo West.

Mr.

Ernest explained the components of CNG costs for natural gas and the costs are less than propane. Mr. Ernest said they are regulated by PUC and they can't change the rates on a whim and it is a long process of doing the financial work and doing a legal filing at which you submit to the PUC and OCC where it is reviewed and make their recommendations. Chair Hren does not have a problem with the refund

and asked if action on it needed to be done. Legal Counsel informed him of the letter that needed to be signed and whose signature it required.

Director Sloan made a motion that the board approve and direct Chief Caserta to sign the memorandum letter of understanding regarding the transfer of natural gas utility

service from Colorado Public Service to Colorado Natural Gas, Inc. for service at 729 East Gold Drive, Pueblo West, Colorado, vote unanimous.

QUARTERLY FINANCIAL REVIEW:

Chair Hren gave a brief synopsis on the salary Freeze. Finance Director Jameson gave the board a list of department and expenses and how the sheet was broken down. She mentioned the Capital Projects were not listed because costs are allocated through the year. She said most of the departments are under budget and why. She talked about the revenues are coming in at what is usually expected and tap fees were down. She mentioned tap fees were set

up to fund the capital projects so by not having the tap revenue does not directly affect the O&M and 20% of water rates have been collected for sales and have not entered into the high watering season yet and feels the metered sales will come in at least as budgeted. The district's property tax was received and over all she said, the revenues are coming in where they were expected and when the budget was set the 3% was based on new revenue only and not on taping into reserves and the revenues not to exceed expenses. Director Sloan asked if she had heard from County on H.U.T.F. which she has not and it normally comes in every month in the amount of approximately \$950,000 which is based on the fuel tax which will vary with consumers. Chair Hren mentioned personnel and that it sticks out like a sore thumb

and some of it has to do with Mr. Saling's departure. Finance Director Jameson explained that his salary was budgeted for the year and not expected to happen all in first quarter which will cause an overrun and explained the reserve for vacation,

sick leave and the adjustment to the general fund when a new manager gets in and depending on what the salary will be. Chair Hren mentioned the reserve for vacation

and sick leave which did not include severance pay or things like that. Director Van Auken asked in the original budget if the increases were across the board for everybody or were there any differences in it and what were those percents. Finance

Director Jameson said it was 3% straight across the board for all employees. Chair Hren said he would like to revisit the tiered idea where the highest paid get the lowest percent and lowest paid get the highest percent makes most sense to him to be equitable. Finance Director Jameson told them that some hourly employees get over time which makes them earn more money than the high end salaries and if they want the tiered percent what is it that they would want in the tier percentage. Chair Hren said that would make it difficult to come to an equitable figure. Director Vickers would like to see a new district manager evaluate the positions of the employees and depending what the salary he is hired at will have an impact on the budget. Director Vickers mentioned Mr. Labus request for more staffing and some positions may be low and have the new district manager look at that. Director Vickers still has an issue with giving raises due to the economy and looking at the taxpayer's and some of them losing their jobs has a hard time evaluating the increase. Director Van Auken mentioned Director Abel's information he has and how in the past the information was found for wage comparisons and when an outside consultant several years ago and have a new district manager involved and have other district employees get factual information for comparison. Finance Director Jameson explained to the board that we had worked on that and have job descriptions from other entities had compared them for a salary study and found that a lot of the district positions are paid less than the other entities. Director Van Auken feels the private sector should be included in the study. Chair Hren offered his time to work with Tammy and gather facts and present them to the board. Finance Director Jameson did say that the city did give a step increase along with a cost of living raise and are strapped with the same economic hard times that we are and the County also gave increases. Director Abel has already talked to the City and County about increases at the beginning of the year and does not like to use the word raises but a cost of living increase. He alluded to the 2004 study and the employees are not up to speed on what other entities make and did not think the study included the private sector. Director Abel said that just because the district manager was terminated and waiting on another district manager should not be a factor for the increase and take the information that is already out there and bring those numbers to the board at the next meeting including the private sector.

Director Sloan feels it is a good idea for a new district manager to evaluate the salary structure but thinks this needs to be addressed. Director Sloan would like to see what a cost of living 3% tiered increase would cost retroactive to January 1, and have Steve get with Tammy to act on at the next meeting and that the board promised to look at the budget every quarter to evaluate if an increase is forthcoming. After further discussion on the different scenarios for increases, a committee along with Director Abel will gather factual information and present exactly what the costs will be for the different increases straight across the board or tiered at the next meeting. Chair Hren does agree it should be retroactive back to January 1. Finance Director Jameson asked about an investment report or will it be postponed until the next meeting. She did give the board a copy of CD rates and explained to them how the rates change within a short time and why that is. She suggested she e-mail the board the rates Tuesday morning before the board meeting as those will be the correct rates for that day.

CDOT ENHANCEMENT GRANT:

Carol Cosby Director of Parks and Recreation informed

the board of a grant due April 30, 2009 and need their blessing and answer any questions they may have because at the next board meeting will be doing another presentation will need a Resolution signed, letter of support, a letter of maintenance by the board, and the proposal due on April 30, 2009. She did pass out a handout of the proposed trail and explained the trails on the map as to what they were, when completed, and what one is going to CDOT. She explained phase 3 which brought to the board 3 years ago and approved and is trying to complete now the 2.9 miles of trail for a cost of \$320,000 and this requires a 20% match. She said the district cost would be \$70,400 at 22% which includes cash and in-kind. She explained the process that they send it in and if TPR approves it they send it to CDOT who will notify the district in October if the grant was awarded. Director Sloan asked where the money will come from which will be Conservation Trust 2010 budget. Director Van Auken asked if the trail is independent of the pump back system or will it go over the top. She did say she is working with Mr. Harrison to align the trail so it will not affect that. Director Sloan asked the size which is 8 ft. asphalt, 4ft. crusher fine for a 12 ft. trail. Mr. Harrison commented that it should not affect his project in answer to Director Van Auken's question. Director Abel questioned the trail going from Joe Martinez as to where that follows along. Director Cosby said it is in a parcel and can mix with the trail right with the trail to the parking lot to Pueblo West Middle School and did some counts because it went into the Safe Route to School Grant where most of the kids walk from

the mobile park area behind the school near Maher. She hopes in future years to connect to the piece that comes out. She explained the awarding process and how

long it could take and if awarded there will be approximately 8.5 miles of trail completed in Pueblo West. Director Abel asked Director Cosby about the pool and she had good news that the baby pool is complete and drains came in and fit perfectly and can be done within the department and will fill the pool the week before Memorial Day. Chair Hren thanked her for all her hard work on the project.

FACILITIES REPLACEMENT TRUCK: Chair Hren explained about a piece of equipment in the district that was a 1995 vehicle and the engine blew and a replacement is not budgeted for this year and Acting District Manager Caserta and Fleet Director Dave Cosby briefly discussed it with him and there is no back ground information so he asked Mr. Cosby to fill the board in on that. Fleet Director Cosby explained options to repair this and the facility department does not have the money so the other alternative was to purchase a new vehicle and break the costs out among the other departments. Fleet Director Cosby said the blue book value on this truck is \$1,400 to \$2,300 for trade in and good condition would be \$5,200 and valued at \$2,000 from the insurance company if in an accident. He gave the costs and labor

for the engine and miscellaneous parts and feels none of these are very good options. He looked for used trucks and gave costs and talking with a salesperson on used vehicles stated he didn't feel it was a good idea because you wouldn't know the maintenance history on the vehicle and feels the only other alternative would be a new truck. Chair Hren asked what the district's general policy is for replacing vehicles within the district's fleet and has issues running around with a 1995 vehicle with that many miles and should have some type of policy for this. The Fleet Department has 73 vehicles and 25 of them are 14 years old or older. He mentioned the 5 year capital project plan and that is to replace 8 of the vehicles and will add 9 more units to that list. He explained the set process to replace equipment is the department makes a request to the District Manager through the budgeting process and then the District Manager gathers that information and sends it to the Fleet department who evaluate everything and a best guess on grading the vehicles and goes back to the budgeting committee and they make the decision on what

should actually be replaced. Chair Hren said in the budget in the coming years use due diligence when looking at the budget the age of the fleet and set up a plan in the next 5 budgets how to update the fleet and what should be done about this vehicle right now. Fleet Director Cosby explained the importance of this issue. Chair Hren asked Director Vickers where they could find money to purchase this vehicle in the budget. Director Vickers explained that outside the \$3 million there is a \$1 million reserve. Director Sloan asked if they could wreck it and get the \$2,000 for it. Legal Counsel said not now that you just said that. Director Sloan said these things happen and have to deal with it then get a new one. Fleet Director Cosby said we usually have a District Manager and purchase policy to spend up to \$25,000.00 before going before the board working with past district managers would replace the vehicles.

Mr. Adley suggested the district go to auctions, bank fore closure vehicles usually have low miles and can pick up for a lower price. David James of Classic Auto said the best idea is to buy a new truck because the district gets government prices and can get a good deal on one. After further discussion, consensus from the board is to purchase a new one.

**WATER SERVICE TRUCKS/
PUMP & EQUIPMENT TRAILER:**

Utilities Director Harrison requested the purchase of a replacement trailer mounted Dri-Prime pump, related required hoses and an equipment trailer. He has requested \$44,360 for this purchase in the 2009 wastewater enterprise budget. This will replace a 1970 Barnes 6" trash pump. The total cost for this Dri-Prime pump with the following needed items; discharge hoses,

suction hoses, and a suction screen. As part of this purchase there is a need for and equipment storage and transport of a 7' enclosed cargo trailer at \$5,900 making the total for all these purchases at \$45,836 with an HGAC bid or \$45,255 from Wagner

Rents. This is a little over budget but can be taken from another line item to adjust the difference. Chair Hren said if it is in the budget to proceed as did other board members. Utilities Director Harrison is requesting the purchase of a

new service truck equipped with a field service body and crane which \$150,000 is in the 2009 water enterprise fund budget. The best price for this unit is from the state bid from McCandless International in Pueblo. The total cost for this unit will be \$112,176. This replacement unit will be a 2010 International class eight cab

and chassis. This item is under budget. He is also asking to purchase a new service truck equipped with a standard utility body. The department requested \$45,000 for this purchase in the 2009 water enterprise fund budget. This replacement will be a 2009 Chevrolet C3500HD two wheel drive truck for a total cost of \$25,766. Questions by the board as what happens to the old equipment is they will be disposed of at the districts annual surplus equipment sale, and all the requests are budgeted items, direction from the board is to proceed with the purchases. There are 5 trucks budgeted within the 5 year plan to purchase additional vehicles that need to be replaced. Director Sloan mentioned the spending

of the 2009 budget and if not spent what happens and also agrees to go forward with the enterprise expenditures.

WATER RATE DETERMINATION:

Steve Harrison Utilities Director gave a report on the current water supply and anticipated water yield would fall short of the two year bench mark that the District Manager determines on or before May 1st. He reported that the district currently has in storage as of 3/31/09, Twin Lakes stored

water is 2,502.27 acre feet with space for 3,966.62 for the district's 5,892.26 shares. As of 4/2/09 Pueblo Reservoir "if and when" storage account has 6,439.91 acre feet with 9,000 acre feet of contracted space with Bureau of Reclamation. He reported the total of wet water to date in storage is 8,942.18 acre feet and snow pack is 11.4% of normal with an additional 6,000 acre feet what the projected use will be between now and June 15 when the runoff slows down. He thinks the district will be able to sell water to other entities and with the two years of storage of 9,062 acre feet the district does not need to declare a conservation state for the 2009 water season.

WEST MCCULLOCH AND

DESERT HAWK ROAD

IMPROVEMENTS:

Chair Hren asked what the cost estimates would be for West McCulloch and drainage. Rick Morgan, Public Works Director said that one option for this project would be \$2,850,000 with all improvements and County standards. He talked about where the money will come from including the %500,000 match through the County. Director Abel asked if that would leave any money for chip seal which it would not. Director Hren mentioned the amount earmarked for chip

seal projects. Mr. Morgan gave a synopsis on other costs and options that were previously presented to the board. Director Vickers inquired about a priority list for roads that were to be chip sealed and mentioned a list of potential roads. Mr. Morgan discussed the cost of \$2.3 million cost to Dos Palos Drive to reconstruct West McCulloch to there. Director Hren is concerned with the threat of water settling in the cracks causing depressions if patching is done instead of reconstructing the road. Director Sloan thinks reconstructing West McCulloch to

Dos Palos Drive should be done and targeting the rest in 2010. The County would like to

see the Joe Martinez project completed and there is 2 years left for Pueblo West to receive the 5A money committed from the County from Tabor time out. Director Abel voiced his concerns on the costs and with the road falling apart to do patching would not solve the problem. Mr. Morgan discussed option 4 from the previous board meeting by putting in a turn lane at Avenida Del Oro to help congestion when turning

left. After discussion on cost the matching money from the County will be discussed

at the Task Force Meeting April 16, 2009 to find out when the district will receive it. The consensus of the board is to support the reconstruction of West McCulloch to

Dos Palos Drive and reserve the rest of the money for chip seal. Director Hren gave

directions to proceed and leave the \$3 million set aside until 2010 and then decide what to use it for. Chair Hren talked about the poor condition to the entrance road

into the golf course and poor drainage. After discussion on costs for the road Chair Hren suggested that the district commit \$38,000 towards the Desert Hawk project and the County match that amount. Director Vickers asked if there could be a trade for water credits. Legal Counsel stated that in 2011 the County will have to start paying for the water. Consensus of the board is to commit the money if the

County matches the amount. Carol Cosby asked if they would consider when they redo the road if they could widen the south side of the road for diagonal parking to

make more parking. Mr. Morgan said the road width would stay the same and any additional width would affect the cost.

SDS UPDATE:

Utilities Director, Steve Harrison gave a power point presentation to update everyone on SDS. Mr. Harrison talked about The Twin Lake shares from Colorado River Basin and Hill Ranch water from Chalk Creek & Browns Creek above Salida, Colorado. He explained how the water is released, Pueblo Reservoir storage, how water is piped with a 120 inch joint use manifold and concerned that this is the only current supply pipe for Pueblo West and that is why participation in Colorado Springs Utilities SDS project is important for the new north outlet and supply. He went over the raw water rights and supply as in his previous power point presentation at the last board meeting and as of March 2009 there is 10,848 water taps and 5,283 sewer taps and at about 53% built out. Mr. Harrison stated that the County's requirement for the Pueblo Flow Management Program, the district was not aware of this change until March 5, 2009 "Proposed Final Conditions." Condition #9 of the PFMP states that all SDS participants shall cooperate and comply with PFMP (including Pueblo West and Security who are not signatories to the PFMP agreements at this time) and its requirements for maintaining target flow through Pueblo below Pueblo Reservoir by cessation of

exchanges. He said at least 649 acre feet on the average would be lost even if Pueblo West's participation in PFMP were limited to protecting 100 cfs at the Upper Gauge, and this does not include the loss of further re-use. Pueblo West has asked Pueblo County to be exempt from the PFMP due to the potential harm to our water

right and ability to exchange needed water for build out. He said the City of Pueblo and Pueblo County is asking for water that Pueblo West owns for their use. In Mr. Harrison's power point he showed how the pump back concept plan would work. Mr. Krassa, Water Attorney, informed the board that there is no basis for County claims and for substantially loss of water with any back up with their demands. Director Sloan asked about Wild Creek non-native water through exchange if it increases water to the Kayak Park. Mr. Krassa explained the ramifications and concerns with the 1041 PFMP and what needs to be done legally for the district to not having to participate. Director Hren mentioned the difference from the projected 92 acre feet of water loss by the County to at least 649 acre feet per year for the district. Legal Counsel informed the board that they will continue to negotiate and file by April 17, 2009 the district's opposition not making Rule 106 any negotiation or agreement. Anne Beers asked if the district pulled out of SDS what would the total loss be for the district. Legal Counsel explained to be a part of SDS the cost to the district would be \$1.1 million for the tie in off their pipe using the north outlet with other costs of 1.3% of the \$1 million and \$8 million to \$9 million to build our own. So there is a significant savings to be part of SDS. He also mentioned how valuable water is and there are not a lot of shares available. After further questions from the board, direction is to proceed with filing of opposition on April 17, 2009.

Chair Hren made a motion for legal staff to proceed with litigations for April 16, 2009 subject to participation in the Pueblo Flow Management Program Rule 106, vote unanimous.

ADMINISTRATIVE STEP PAY: Chair Hren explained that this was to adjust Chief Caserta's pay for agreeing to be the Acting District Manager until another manager is hired. Chief Caserta would fill in for the position when Mr. Saling went on vacations and his wage increase was an additional \$15.00 an hour. The board is in agreement for the increase to make it retroactive back to March 11, 2009.

Director Van Auken made a motion to adjust Chief Caserta's salary another \$15.00 an hour for his position of Acting District Manager retroactive back to March 11, 2009, vote unanimous.

AUDITING SERVICES: This Resolution accepts a proposal from Poysti & Adams, LLC for professional auditing services for the District for the year ending December 31, 2008. A "Request for Proposals" was solicited for the services by advertising in the Pueblo Chieftain, the Pueblo West View, CGFOA website, and District's website. Four responses were received, Poysti & Adams LLC, Bondi & Co., Jaspers + Hall, PC and EideBailly. The proposed cost for the services is \$12,925 plus expense for the 2008 audit. The audit and financial statements preparation for fiscal year ending December 31, 2007 cost was \$20,148.

RESOLUTION NO. 1833: A Resolution Accepting A Proposal From Poysti & Adams, LLC For Professional Auditing Services

Director Sloan made a motion to accept a proposal from Poysti & Adams, LLC for professional auditing services, vote unanimous.

EXECUTIVE SESSION: An executive session is needed for determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators - C.R.S. 24-6-402(4)(e) - Southern Delivery System

On motion by Director Hren and unanimously carried, an executive session will follow the regular meeting.

ADJOURNMENT: There being no further business to come before the Board, on motion by Director Sloan, and unanimously carried, the meeting was adjourned. The next regular meeting is scheduled for April 28, 2009, at the hour of 6:30 p.m., presently set for the meeting room of the Pueblo West Library, 298 S Joe Martinez, Pueblo West.

Secretary
