

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

**April 28, 2009**

The Board of Directors of the Pueblo West Metropolitan District met in regular session at 298 S Joe Martinez, Pueblo West, Colorado, April 28, 2009 at the hour of 6:30 o'clock p.m.

**Roll Call:** On roll call, Chair Stan Hren, Director's Jeff Sloan, Bill Vickers, Steven Abel, John Van Auken was present.

Also present were Brian Caserta, Acting District Manager; Tom Mullans, Attorney for the District; Steve Harrison, Utilities; Tammy Jameson, Finance Director; Rick Morgan, Public Works; Carol Cosby, Parks & Recreation; Jim McCaskell, Streets & Roads; District employees; and 100+ citizens.

**FINANCIAL REPORT:** Members of the Board had been provided with a check register dated April 28, 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 \$221,050.61 will be paid.

**DIRECTOR COMMENTS:** Director Van Auken said the one thing that troubles him is in the district manager search they have a tentative schedule to interview finalists in 2 ½ weeks and would like to ask the board again to reconsider that schedule. His first proposal would be to delay this until the recall election for the reason the district manager works for the five board members and does not think it is fair the manager or board or community hire a district manager by one board and report to another board. If the recall is not successful than you have your mandate of which you are doing. He said if that is not agreeable than he certainly would like to spread it out a little bit with 62 applicants to evaluate, interview, check backgrounds, past work ethics, and do a little one on one. He feels you can't take 62 and shake it down to the very best single person and would like the board to consider that. He will reserve other comments till later.

Director Sloan said they do have a tentative schedule to hire a district manager by May 15, 2009, is the soonest it could be done assuming the finalists are announced May 1. He agrees it is an aggressive schedule and not a realistic one and again it is only a tentative schedule. He suspects it will have an amount of change with 62 applicants to go through. He feels regarding waiting until after the recall, he disagrees as the business of the district needs to go on if there is a recall or not. He mentioned although, Brian is doing a great job, he would like to get him back to doing his fire protection duties full time and their fundamental responsibility is to get somebody hired. He fully understands there could be a change in the composition of the board if the recall is successful and the new board would have to work with the new district manager and thinks that is the way it goes given the circumstances they are in. He said that is his basic position and to move forward and happy to hear what everyone else has to say.

Director Abel would have to agree knowing the board has a tentative outline due to the number of applicants they have received. However, he only agrees that in the fact that some of the scrutiny has come about is the concern of some people that we are currently with out a district manager only solidifies the fact to hire one as soon as possible and easing the mind of some people who are not quite comfortable that the board has the fire chief acting as the current manager. He also said one is needed to address these complicated issues that we have before the board right now. He thinks if we have someone with a little more steam at the helm as well as the board to address at the representative level. He is willing to make concessions that he needs to and has already gone over 50 of the applications. He referred to Director Sloan when he mentioned committees to help move the process along and move decisively, expediently, and expedite this immediately so the district can move on. He said regardless whether this board is replaced, a district manager could be replaced at any time before any board steps up or steps down that is one of the learning curves that will happen between district manager and board which are his thoughts on the matter.

Director Vickers commented on an article in the paper on reversionary issues this board has taken on and asked Legal Counsel to explain what had happened and thought it was the same action they took with Mr. Campbell. Legal Counsel asked which actions and Director Vickers asked for clarification on why Mr. Campbell's was rejected than Mr. Schrader's. Legal Counsel explained that both of the right of revertor in both contract of the real estate transaction was essentially the same. Legal Counsel said requirements were for time limitations for initiating a certain type of building which was for Mr. Schrader's. The name was corrected by Legal Counsel to Mr. McDowell. Legal Counsel explained Mr. Schrader had a track record of building things in the district and had purchased lots before and built other structures and had a history but there was little difference in the contract. Director Vickers stated that Mr. Schrader wanted an extension on when he could build the buildings he did not want to build anything but wanted to fulfill his contract by building the buildings. Legal Counsel said that was correct but the action of the board was to remove the reverter restrictions based on his commitment, he will build what he committed to build when the economic time is right. Director Vickers said however, the board offered to extend the time to Mr. McDowell that he could work within and he declined that by saying he didn't know when he could build but also wanted to be completely free from any restrictions including the type of building he was going to build and wanted complete control over the land and not have any time frame when he was going to build his project. Legal Counsel said yes that is what he said. Director Vickers then said the difference being was Mr. Schrader is still going to build the building he committed to build on his land from the district and Mr. McDowell wanted out of the agreement all together to have free control over the land and do away with any type of reversionary clause which is the difference. The board felt that it would be unfair

to grant that and that is why the decision was made to buy back the property correct. Legal Counsel asked if Director Vickers wanted him to tell the folks what the board's intent was and that was up to the board to decide and yes, those are the differences of what happened.

Chair Hren commented on the issue of the hiring of the district manager the board felt because there is so much going on in the district as witnessed by the meetings that when they had that special meeting immediately following Mr. Saling's termination set the time line for the process for hiring a new district manager and thinks it is very important to proceed in an orderly fashion which the board established. He also mentioned because of the number of applications the board might have to make minor adjustments in the time frame and thinks Colorado Statutes allows the board to do that and verified it with Legal Counsel. Chair Hren scarified his entire weekend reviewing the applications and feels it is one of the most important things this board is going to do. Secondly, Chair Hren commented on the board meetings with the importance business at hand as witnessed at the past board meeting of sixteen agenda items which most were very critical to the importance of the future of Pueblo West and has talked to Director Sloan and the sentiment of this board will not waste anymore time discussing the recall and applaud the citizens of Pueblo West to do the same. If citizens want to talk about their opinion on the recall, don't take up important district time as there is more important business to discuss. He stated as long as he is here representing Pueblo West is where his time is going to go and not looking over his shoulder about any recall if the citizens so choose then that is their decision. He said the here and now is there is a lot of important business to do and Fire Chief Caserta has done a magnificent job keeping the business of the district more informed and appreciates that and intends to do the same and push forward.

**DISTRICT MANAGER'S REPORT:** Acting District Manager Caserta asked for direction on a letter of engagement with McPherson, Breyfogle, Daveline & Goodrich, PC which is part of the auditing group and split the auditing financial review separately. He inquired as to who would sign the letter. Chair Hren said it was approved by a motion and will be glad to sign it.

Acting District Manager mentioned the property at 948 E Saxony Drive that Prestige Realty had a buyer for and offered \$12,000 and that was denied and is now offering the full price asked for this property of \$20,000. He asked for clarification if a Resolution was needed for this R5 zoned property or direction from the board as how to proceed or if the signed contract was good enough. Chair Hren stated it was his understanding it would need board approval and asked Legal Counsel for advice if it could be done by motion or Resolution. Legal Counsel tried to recollect that the board wanted to review the contract as to what they planned to build. Director Van Auken agreed because of concerns on what would be build to have the neighborhood more orderly and handled by motion. Chair Hren asked if they needed to review the land contention of this party prior to approval, which was a policy of the previous board. Chair Hren gave Acting District Manager Caserta direction to have the buyer come to the next meeting and answer questions regarding their intention of use so the board can pass a motion which will be May 12, 2009.

Acting District Manager Caserta mentioned a purchase order in the amount of \$380,000 for services to remove sludge by Parker Ag Service, LLC for the sewage treatment ponds. This is a five year contract and this is part of maintenance. Director Vickers said it was approved and it was part of the contract. Acting District Manager Caserta said due to the amount he wanted to bring it to the board and get the invoices paid.

Acting District Manager Caserta informed the board that Chair Hren has been serving on the Desert Hawk golf board and his term expires June 11, 2009. He mentioned he did not know if he planned to stay on the board but action will be needed to replace him or not. He also mentioned it could be any one on the board or a citizen elected to be part of this board which will have to be advertised. He asked for direction from the board as what would need to be done. Chair Hren commented he served 3 years on the board, was chairman of the board, and did everything he could to support and improve the golf course by improving capital equipment, cart pass, roads, marketing by attempting to garner more business from the front range and in the media says he is not for the golf course and will step aside and let someone else do it. Chair Hren feels with just another year on the board thinks that because it is a 3 year term does not feel right about being on the Desert Hawk Board if he is not a board member. He mentioned he knew some citizens that would be very good at serving on this board. Acting District Manager Caserta asked if anyone on the board would like to step in. Director Van Auken would be interested but like Stan has only one year to go and does not feel it would be appropriate. Director Abel has an interest but also agrees a citizen would be a viable option. Director Abel suggested this could be postponed until direction could take place from a citizen or director. Director Vickers would also like to think about it a week or so. It will be put back into District Managers report for May 12, 2009 meeting.

Acting District Manager Caserta updated the situation with Mr. Lowman who came to the previous meeting about his road and resides at 1636 W Siesta Drive and asked if it could be chip sealed. Rick Morgan, Public Works set up a traffic counter April 23, 2009 and supply the data needed to Mr. Lowman once it has been reviewed and present that information to the board.

**CITIZENS COMMENTS:** David Anderson commented that the realtors and homebuilders have promoted with their own money and time to Pueblo West for a place to live more than board members Hren, Sloan, Abel and Vickers have. He said they are concerned about their actions that hurt our community and why are they saying that we are the bad guys and stop you from destroying what has been built. He said the realtors and homebuilders have invested much in Pueblo West, a great place to live, you say us realtors, builders, and developers are a special interest group, you are right, we are. We are out to protect our community that we have helped build. For your information the first developer was Robert Macara who had the vision and money to start Pueblo West and for your information Mr. Vickers is a licensed builder so you may want to be careful about your comments. He said realtors have for a hundred years protected the property and property rights and we don't take lightly what four board members are doing to our community.

Director Abel made a comment to clarify for the record that you can check the minutes and any type of periodicals and have never made any kind of accusations that the homebuilders or realtors are a special interest group and actually challenge Mr. Anderson to find that. He said he has never said that once from this microphone or newspaper.

JD Stalle said he would like to see the district move forward with Joe Martinez Drive. After visiting with the County Commissioners last week said we can do this if we do it together and their willing to work with us and help us is a great asset to Pueblo West if this can be done and move forward with it. He thinks that the district has the opportunity and cooperation to get this done.

Anne Beers wanted to know what the topic was for the executive session. Chair Hren informed her it was for SDS. She said that question would not have been entertained by prior boards until the infamous lawsuit that was filed for the open meetings lawsuit that got settled finally. She explained the court decided that from now on executive session would be noted and not only stating the statute under the Open Meeting Colorado Law. In addition give us a topic so the citizens in attendance would know a little bit more about what was happening. She said it was unfortunate that it was left out but gave her an opportunity to give some back ground of that. She addressed a comment to Mr. Amos who is the reporter recently assigned by the Chieftain to cover Pueblo West board meetings. She asked Mr. Amos to what secret meeting was he referring to in his article this morning and if he meant the executive session the only one legally sanctioned in the Open Meetings Law. She said the one meeting this board is conducting as much of Pueblo West business as possible openly with transparency and not only does note the section of the statute and discloses topics discussed and so now does name the topic will be under discussion. Mr. Amos do you call the executive sessions held by the City of Pueblo or by those held by the County Commissioner's secret meetings and unfortunate term especially now with the recall effort and is a term she believes has been unfairly alleged against this board. People in this community is honestly trying to understand the issues, especially now with the recall efforts underway don't need their attempts to understand the facts muddled by what to her looks like bias reporting. She would really like to see him apologize to this board and to those of us who have worked really hard who have the kind of openness that she feels does have now.

Rachelle Turner read a statement that the COA was put in place to protect the covenants put in place by McCulloch when Pueblo West was started in 1969. She said the covenants can control what can be built here to protect the property values. She made reference to the four board members that there were many complaints about the COA and asked as you as the board ever looked to see what the complaints are or any of the current board attends any of the meetings. She said just because you have complaints does not mean things are bad and people are trying to change what we have now and when the public finds out what you are trying to change the opinions of the complaints will change as well. She thinks the rules are to be followed that keeps property values consistent and what is built also consistent that makes for a better community and not all complaints are bad.

Jerry Beers just once again said the board should make an adjustment for the employee's wages.

Chris Bryant updated everyone on Firefighter Danny Gowin who was fired and appreciates his consideration in that. He handed out pictures to the board to go over and be brief due to time. The pictures he described were pictures of the property line and where the fence was placed on his property not Mr. Gowin. He said Mr. Gowin put up the fence on Saturday and thinks to make it more difficult for him to put his fence up on his property. Mr. Bryant did say he had to remove two posts that were at least a foot on his property where Mr. Gowin placed and had to reset the dry line. He mentioned he has had a lot of problems from him the last couple of years and had a copy he had given to COA. Mr. Bryant said he had talked to Laurie for over year to get Mr. Gowin to comply with the covenants and got to no place and Don Saling hoping to resolve this situation he had. He stated for two years struggled to sell that property and could not because of Mr. Gowin actions against him. He said he talked to Don Saling behind closed doors on two occasions to talk to this guy and can't sell my house when he is out there hanging on to my clients and telling them not to buy my house because I am flooding his house when every time it rains his basement floods and out there intimidating my clients. He feels that is why he needed a fence to keep him out of his property and stop him from intimidating his clients as they drove into his driveway. He implied the two times he met with Don Saling he never got any where. He did say that Mr. Shelman, Ms. Blickenstaff, and Mr. Montoya from the COA board went out there and wished Mr. Mock would have and things may have been different and was told that day to have dinner with Mr. Gowin and everything would be okay and shouldn't expect anybody else in the neighborhood to keep their houses as nice as he did. Mr. Bryant stated that Mr. Gowin got drunk that Saturday, 3 times the legal limit, went into his house and pulled a gun out and showed it to me, came out into the backyard, loaded it, and shot it in his backyard with his real estate agent he was having an open house trying to sell his house. After that situation he tried to get his real estate agent in the car and he came out the front and popped another round. He then called the cops and Mr. Gowin was arrested for menacing. He reiterated what happened in court and said he appreciated all the board has done and their efforts in trying to resolve the issues. Mr. Bryant was concerned that Mr. Gowin would get his job back and if there were any chance he was. Chair Hren commented that this incident was handled as a personnel matter with Mr. Saling and Fire Chief Caserta and this board was really not privy to much information on this incident and what was put in front of us was new information to him. He would like to take time to review this and have Mr. Caserta convey some information back to him. Mr. Bryant is concerned having Mr. Gowin gets his job back and having to call 911 and have him show up. Mr. Bryant also said we have a representative government and voted for all the board has done nothing illegal and Mr. Van Auken and is probably very nice guy outside of work and disagree a lot on politics and never called for their recall because he doesn't honor a sign for a known dope dealer that sits in front of his house and did not recall former board members because you were voted by the people to do your job and he respected that. He feels the board was elected to represent the community and allowed to serve their full term and this recall is ridiculous and absurd to our government.

Bob Hyatt asked if he could make a suggestion and be so bold as to get a podium in the

room so he doesn't have to hold the microphone and paper too. He talked about an article he read the other day by a board member April 9, 2009. He said this article was by our board member Mr. Van Auken talking about state statutes regarding director's duties. He also found the state statute 32-1-1001 under section 1-D-2, however; this part of the statute was left out of his part of the letter and couldn't find this paragraph comparing the two. He read a part of the statute for the record " No contract for work or material including a contract for services regardless of the amount is entered into any special district or member of the board." He said the board may also be interested in reading in part H and I that a previous decision made by the four of you. He addressed the board by gentlemen having read that statement to you and given you a copy is there presently a board member that has a contract with the district in violation with that statute per say. He asked if anyone would like to respond to a rumor of a contract between a board member and the district perhaps in the future.

Mark Carmel spoke on a topic that does not relate to the recall but does happen to know a lot and had a first hand with politics in Pueblo County. He said he would like to commend the board members for the position they have taken on water relative to SDS and the latest water grab. He also commended professional staff, Utilities Director and Attorney's. He knows there has been an extensive water war going between Pueblo, County and Colorado Spring over SDS. He mentioned the Chieftain had advocated for years over the intake east of the confluence and all of that was discounted and know the water war in Pueblo County and Colorado Springs water wars have reached Pueblo West. He wanted the board and property owners of Pueblo West to know this. Pueblo County recognized Colorado Springs as a negotiator for Pueblo West and excluded Pueblo West from the negotiations and in fact did not consult or inform the Metro District or your professional officials that they intended to take away all of this water that they know have taken away because through the SDS permit. He mentioned because of the recall election and politics of the County Commissioners and everything political in this county you better believe and bet your bottom dollar the County Commissioners will try to get four board members on this board to reverse the decisions you have made to protect the water that is rightfully Pueblo West that you as professionals have worked decades to acquire. The results by professional engineers hired by Colorado Springs Utilities the Board of County Commissioners is taking away 1/3 of the water supply without compensation. The professional of Pueblo West have estimated the top end value of this water at \$45 million. He said the Pueblo County Politicians and Commissioners and lawyers are getting ready estimated the water at roughly zero. Mr. Carmel stated he was the County Engineer and in Public Works Department and knows the difference between professionals and politicians and said he believes in the professionals of Pueblo West along with Mr. Harrison and Attorney. He discounts and does not believe the credibility of the County Commissioners and lawyers who have shown their bias in Colorado Springs favor with respect to this water grab and shown disregard for their promises they have made to the citizens of Pueblo West. He gave an additional consideration as to whom creditability stands the highest is on the Tabor time out vote was to tax themselves if they would rebuild roads in Pueblo West and feels by the time it runs out it will not have been done. He mentioned the County Commissioners will impose a \$45 million tax hike on the citizens of Pueblo West, property owners and taxpayer's and compensating the real estate values and rendering all the lots in Pueblo West worthless. He said of all the issues in Pueblo West that this is the most important issue to all citizens and this emerged after the recall. His comments are supported by his strong belief in leadership and feels Pueblo West has and for the citizen's of Pueblo West to know this.

Gerry Hoyer said they answered one of her questions and was in the community 18 months before Don Saling was hired and had done well and what is the rush for hiring a manager and will there be a community meeting for the residents to meet them before you hire one. Chair Hren said they plan to have a community meeting for the residents to meet the selected finalists when ever that happens.

Linda Lowry comes to them as a realtor and saddens her when her industry is on the line and are in fact the largest trade in the United States. She said part of being a realtor is to protect properties and property values and all they foster is growth and nothing is further from the truth. A community that is healthy for the realtors is healthy for the realtors and like to see people come into the community and buy their first home, grow into a second home and third or downsize and stay in the community. They like a community that has enough business and industry that citizen's can live, work, play, and pray and spend their time in the community. Pueblo West has made some great efforts since she has moved here 14 years ago but still a lot of growth for future citizens to come and live here. She thinks one of the things that this board had was a corporation committee and found the community is not finically ready for this and what you need is industries to foster and commercialism and the worst thing is having empty building in an industrial area. She is also saddened that the values she has a realtor was spoken of with degrading terms which did not set well with her at all. Ms. Lowry mentioned when Mr. Saling was dismissed that this community needed to go into a different direction and as of yet has seen what this vision is, what this goal is and how you plan on getting there and would like answers to that.

Whitney Graves said Mr. Hren was quoted in the paper April 16, 2009 as a move to Amend the District's Service Plan to make the COA part of the district was made because of continued complaints of the COA and decisions and the Triark board was made up of real estate agents and home builders and that was a conflict of interest. He said didn't the make up of Triark make up consist of one home builder and no real estate agents and isn't it true at the time prior to the Metro Board extended the power to the Metro Board as Triark acting as the sole membership of Triark appointed the Triark board and making fellow board members a member of Triark to monitor and report to the board any issues. He asked was or is there any qualifications and criteria set for individuals to serve on both Triark and COA board also known as addendum A and B of the Quality Insurance Plan. Mr. Graves asked if this was a validity check on the claims or just another excuse of the current board to take control of issues that is outside their approved service plan. He directed his comment to Mr. Vickers that he has a contract license and asked is that was not a conflict of interest for him to serve on the Triark board.

Julie Udovich said the values of property has stayed consistent over the past 12 years is because the covenants have been followed. If the COA rules are lessened to the

County has which are less strict than construction in Pueblo West would look like in the County with huge differences of houses being built next to each other. She said she wants to keep the property values consistent and that can be done only by strict covenants of the District.

Leon Keun has lived in Pueblo West for a 1 1/2 years and sees various things going on and attended several meetings of the board and the four board members on recall certainly have his support and the recall is an insult to their honesty and integrity of not only you but the entire community who voted to put you in your positions. He thinks the board has the right to make a judgment on administrative issues and the leadership was not being done properly than certainly the district manager works at the pleasure of the board. He told the board there are many important issues to be dealt with especially SDS and if that is not resolved than we can forget about future growth in this community and what impact that will have. His personal feelings is all the issues being brought up is nit picking and if you want to concentrate on something senators, congressmen, and the corruption going on there.

Dick Balfour commented that he believes we are only one election away from disaster with the changes made in the country, Pueblo West, and things happen and hear excuses and not seeing a lot of progress. He called on the citizens of this community and r and get involved with the issues as a community.

Chuck Green wanted a clarification of the deadlines of the finalists for a district manager. Chair Hren said they hope to announce the names of the 10 finalist May 1, 2009. He asked if the next announcement would be in two weeks. Chair Hren said by statute the board has to wait fourteen days after the announcement of the finalists and can wait longer if necessary. Mr. Green is concerned with the time schedule because of the work involved. He said he has hired many people in his life and fired a few but when it comes to an important position does not know of any corporate executive running the size of this district they could make a decision that soon. He said many business owners and business minded people are in the audience and asked if they could know and narrow 10 applicants down to the top without making the very best decision in 10 days. He asked if anyone could do that raise your hand and five people raised their hands. He referenced to his line of work in newspaper to hire editor from the Boston Globe two weeks after the paper is put on the auction block and they don't know who they are going to work with, or for, which the owner of the company is, and that process by itself weeds out the most competent people. He said who is going to accept a job, move their family, unless you already have someone in the community already in mind, buy a home and relocate to this community to or three months before they know the ownership of the company might change and they may out of a job. He thinks that is no way to attract the best and the brightest and encouraged the board to put this decision off until after the recall. He mentioned he was very discouraged when the suggestion was brought up earlier that Stan step down from the golf course committee. He saw an astounding lack of enthusiasm for the golf course and didn't see any passion from anyone sitting up there and one said yes I would like to serve and protect that asset and have oversight on the decisions that are made in that regard and none of the board showed any passion or any interest or concern over the future of the golf course by volunteering to sit in over capable capacity and reassess their decisions to an important asset to the community.

Chair Hren thanked all the citizens for their comments and said their input motivates the board to make the right decisions.

**COST OF LIVING REVIEW:** Director Abel discussed the current consumer index and explained the budget process in regards to this to evaluate a cost of living increase for the employees and consider this on a quarterly basis. He said he has talked to many entities and County Commissioners, looked at the State budget, all of which showed they did what they could within their budget in order to accommodate the cost of living increase for their employees. He made a clarification stating he does not look at this increase as a raise is above and beyond of what you make but as a cost of living increase is an adjustment fiscally that helps an employee cope with an increase in the cost of living expenses for that particular year. This is the way he looks at it and pursued it. He talked about an issue with the employees wages compared with other entities that do the same job within the state and the comparison studies done showed that the employees of the Metro District made less. He said the comparisons were done so increases for the employees could be warranted and closer in comparison to other entities and had discussed this with Mr. Saling extensive. He mentioned his recommendation to put the cost of living in the 2009 budget and Finance Director saying that the district is definitely looking positive in all district areas of staying within the budget. He does agree with what Director Van Auken that the district has the most resilient budget than other entities and the budget stays steady. He mentioned that if Special Districts do their jobs, which he feels has, in order to keep good employees, which we have within this district, they have made the necessary adjustments for the cost of living increase. He updated everyone on the consumer price index is at 3.7% and a new one will not be available until May. The board was presented with a tiered option and a straight across the board percent. He explained the theory behind both scenarios and the increase in costs for benefits. His recommendation is to give everyone the same 3 percent and evaluate this again in July. He explained why he felt this way and this will close some of the gap between other entities employees. Director Van Auken asked what percent he is asking, which he feels a 3%. Director Sloan suggested he go over the tiered chart for everyone so that they can get a grasp of how much money there is involved. Director Abel mentioned the fact that with a tier approach some of the employees would only get a .82 increase and would not cover the cost of living increase. Chair Hren inquired if that was for the ones who made \$50,000 or above in gross income and Acting District Manager Caserta affirmed that was correct. Director Abel explained what the employee makes based on the tiered percentage does not help the employees in the higher page range but still pays the same amount for cost of living increases as the lower paid and these employees live within their means as to how much they make. Director Abel would like the employees to get 2% now and in July if all is good get the other 1% and retro activate that back to January also as well as the 2%. Finance Director Jameson explained the 1% would cost the district \$31,492.98, 2% is \$62,985.97, and 3% is \$94,478.95 and explained the tiered as 1% for employees making more than \$50,000, 2% for employees making \$49,499, and 3% for those under \$30,000 which would cost the district for the 3tier 60,542.16 , 2 tier \$81,469.36 and in the budget there is \$103,225.67 built in for cost of living adjustments. The figures do not include a

district manager salary. Director Sloan asked if these were gross wages only how the benefits change. Finance Director Jameson explained the social security increase 7.6% along with 7.5% pension. Director Abel told the board information from going to the assessor's website and the county plans to do a reassessment of land which will take property values from 2007 to 2008 and would increase the budget for property taxes in 2010. Finance Director Jameson explained that in the cost of living amount Social Security and Medicare plus pension was built into the budget. Director Vickers asked about the studies compared to like budgets with other entities because the City and County have much larger budgets and the district has about a \$4.5 million general fund budget and if any like comparisons were made, not just government. Director Abel told Director Vickers who the comparisons were made with similar cities such as Canon City, Cherry Creek, Fountain, and more based in size and revenues for comparisons. Director Vickers thinks the board is failing to consider the taxpayer into consideration. Director Vickers said he has talked to many businesses, service industries and individuals, and found that bank employees have not had raises in three years and most have not been afforded a cost of living. He also mentioned the disparities in the pay scales and thinks a new District Manager needs to look at and obviously if someone is at the bottom of the pay scale compared to a job in the market deserves to be looked at. In his opinion to simply grant someone a raise because we have the money without considering the people that we extract the money from to fund this district he personally can't say they suffer the brunt of what is going on right now that our employees need a raise. Director Vickers would like to see more information on comparisons without seeing figures in his opinion is making a decision based on a motion. Director Abel had the figures for the end of 2008 and the fact that Director Vickers keeps bringing up the sales tax, basically Pueblo West is more capable of providing this cost of living increase. Director Abel had done his own homework and mentioned them and can't negate one against the other and in economic down times but all is not bad and look to many people see the value of their employees within a sustainable budget and give the employees the cost of living increase to help the employees cope with increases. He also thinks the district has that ability and directors have done a good job working inside their budgets in order to afford that. Director Abel alluded to the fact with taking to the directors they are concerned that they have such hard working employees and are appreciated, the district has the capability to give the increase and not push it aside emotionally. Director Van Auken explained the budget process and had the cost of living in it and the promise made to the employees if doing okay financially would full fill the boards part of the bargain. Director Van Auken talked about when the district would do in the past they would do a flat rate across the board and he would support a 2% across the board. He thinks there would be too many discrepancies if they went to the 2 and 3 tiered and explained why he thinks that. He feels the promise was made and should give the employees the cost of living increase and budget will start again in July and stand by their commitment. Director Sloan got his second cut in pay and thought no way the district employees will get an increase, which was his emotional spur of the moment reaction but then thought why I am thinking that the district employees should suffer because I am. He is glad to have a job and not say that every body needs to suffer and made a commitment they would evaluate the budget quarterly and looking okay and grant an increase. He is not looking forward to 2010 but is in favor of a 2% across the board increase retro active back to January 1, 2009 and cannot find it in his heart that other employees have fallen into bad times not to give it to them. Chair Hren said even with hard economic times, Director Van Auken did make a point that they promised it to the employees and he hasn't had a raise in three years as a part-time pharmacist. He also thinks the employees should not be punished and sentiment for a compromise is for a 2%. Director Abel asked Chair Hren if he would be in favor of a 3% and he said it was mentioned but the sentiment of the board is for 2% and retroactive to January 1. Director Vickers does not think considering the taxpayers money is punishing the employees but was elected to look out for the taxpayer's money.

Director Abel made a motion to give a cost of living of 2% to the Pueblo West Metropolitan employees retroactive to January 1, 2009. Chair Hren aye, Director Abel aye, Director Sloan aye, Director Van Auken, aye, Director Vickers nay.

Anne Beers mentioned at past board meetings there has never been a discussion did you see decent among the board members but aye, aye, aye and why this board demands great respect.

#### UTILITY PERSONNEL REALIGNMENTS:

Director of Utilities Steve Harrison discussed realignment for his department and what started this was years ago when it was aligned. He mentioned his plant operator and makes a wastewater plant operator and takes someone from his existing crew to replace his position for a cost of approximately \$6,884 for the 2010 budget. He would like to make Dan Higgins a Special Project Supervisor and like to hire a junior operator and this would be \$12,000 more in the 2010 budget. He would like to balance Rusty Ethredge equivalent to the treatment supervisors. He also asked for an increase of \$12,698 to his salary to bring him up to wages comparable with other entities in his position. The total impact of \$32,396 of the \$52,400 he has saved leaving \$20,004 savings. Director Vickers asked the money is all budgeted and still have \$20,004 savings. Chair Hren inquired what happens when the economy picks up would more employees be needed. Director Harrison said the positions are still there and if need to still has money in the budget for those positions if taps reach the 700 mark. He said he is fine known but this realignment would help him with job tasks and why he is requesting it. Director Van Auken most likely will have a district manager soon and he should be the one to decide as that is part of his job and what you presented looks fine but have the new District Manager have a chance for his input. Director Sloan is fine with it but feels a district manager should handle it and asked if there was any urgency on it. Director Harrison said Dan Higgins is doing a lot of the projects and sense of urgency is to hire a junior plant operator because he is not using Mr. Higgins for that position. Director Harrison said he is not trying to take advantage of this because we do not have a district manager and have talked to the former district manager about this. He explained his position and reasons why this is necessary for staffing. The board was provided with a memo stating what the realignment was about, costs for increases, and cost to the district. District Sloan is okay with 1,2,3 but not with 4 and leave this to a new district manager but preferred to have the district manager approval. Director Abel asked if Director Harrison had the authority to hire new employees and he said they were brought to the district manager for discussion and approval. He explained he is asking the board to create positions and not hire any one except for one junior

operator to replace Mr. Higgins. Director Abel interjected to have Director Harrison to present this and the importance of water to him. He talked about the infrastructure and his positions on the realignment, how much time he spent touring the water plants, and employee's positions. He feels that the district has placed a lot of responsibility on him as to now the SDS, adhere to all citizens of Pueblo West for quality water, and feels this is justifiable as many of his operators are doing double duty. Director Abel gave the salary of a position of the waste water director at the Board of Water Works of \$104,000 and Mr. Harrison does both for a lot less money. Director Abel discussed utilities employees as high quality despite them could go else where for more money. He feels this realignment is basically to help Mr. Harrison address the many issues facing the district and is not asking for any more money but is within his budget to go ahead and present it. He feels even though there is not a district manager this board had chosen to conduct itself and use Chief Caserta and could make a sound judgment on this decision. Chair Hren tends to agree with Director Van Auken and Director Sloan it is the position of the district manager to discuss positions of the district but feels during this interim period the board should be very aggressive with the importance of the district and does not want to set Mr. Harrison back and is in favor of his realignment. Director Vickers said since Mr. Saling has not been around has gotten to know Mr. Harrison better and thinks he is doing a great job protecting our water rights as Mr. Ethredge and Mr. Higgins. He also thinks the realignment is a good idea and the only reservation he has is like Director Sloan, no offense, is the increase in his salary and thinks he is worth it but does not think it should be the board's decision. He talked about the realignment and what a great job the water department is doing.

Chair Hren made a motion to approve the utility alignment presented by Mr. Harrison for items #1, #2 & #3 leaving item #4 until a new district manager is in place, and if he concurs make the salary retroactive back to April 28, 2009, vote unanimous.

GRANT WRITER: Acting District Manager Caserta explained the contract for the Grant Writer and expiration date and would like some direction on how to proceed with this and hopes that the board has reviewed the information. He told the board that Mr. Hurtado is present should they have any questions. Chair Hren had a question on grants for dust mitigation. Mr. Hurtado explained how to obtain road improvement grants by a different approach as a health issue and this will give you a better chance acquiring funds. Chair Hren also asked about CDPHE on storm water and explained the districts requirements so he wanted to know how this would fit in. Mr. Hurtado mentioned what DOLA CDBG covers water issues period and named them, a portion can be used and mitigated for storm water. Chair Hren inquired about parks and recreation grants which was one of the reasons he came aboard to obtain and would be substantial amounts for a community center and looking over the sheet does not see any grants pursuing that. Mr. Hurtado opinion was when the project was presented at \$20 million he felt the district was to much for the district to take on at that time and explained at the time this was presented he stated grants for \$20 million would take 6 to 8 years and the way it was broken down would cost \$12 million for implementation. Hearing the board saying that was to aggressive and backed down from that project. He said Carol will be presenting 2 other plans they have come up with since then for a smaller project. Mr. Hurtado backed off of the overall funding of the big project because he felt it was not the direction that the board wanted to go into. There will be a presentation of a much smaller scale and those grants will be pursued. Director Abel said he could see where he was heading to and plans showed with other entities helping but because of economic times the board, although was supportive of a community center felt the district could not afford this expense. Director Abel mentioned his presented sheet is for \$18 million grants and feels there is a lot of potential grants and thinks his position is to give him another 6 month window and why. Director Vickers one concern is the \$1,800 paid to the district and \$18 million now why he did not see this before now. He felt he did not get adequate direction in fulfilling the districts need and feels he has failed his duties providing the district with there need because of that direction and the district has missed for that lack of direction. When he was hired was for a community center and used everything the district paid for to come up with a proposal to the board and has not received any direction as to what to do with it. He said a report of what is available has never been asked for and do by weekly reports that show the things he is pursuing and the board receives them and the board can make a conscious decision on those. His reports went to the District Manager which and what the requirement was from there. Director Van Auken supports the contract for another 6 months for pursuing grants and more reports to see more things happening. Director Sloan supports another 6 month contract and did see reports but never felt it was his responsibility to give him direction and to work with Brian and directors to come up with what is needed. Chair Hren agrees with the other directors to agree to another 6 month contract and appreciate your efforts to date in spite of lack of direction and pursue that as what was transpiring and support another 6 months to see what grants are available.

Director Van Auken made a motion for a contract as stated for another six months for Mr. John Hurtado, vote unanimous.

Mr. Hurtado asked who the contact person would be for him and any support for Brian to help with that also.

WATER & SEWER PROJECTS: Director Harrison would like spend budget money of \$416,800 for these projects and contract out Hahn's Peak and John Powell and use in house to install on Purcell. The total for these projects are \$693,100 with the \$412,795 is budgeted but will need an additional \$276,300 which will we have to amend the budget for this amount. He talked about Hook sewer bypass and what is happening in that area and flooding is being caused and this was in the budget last year but was not carried forward because he did not look at the budget and take this amount of \$412,795 to do this project and will need North Star to do this. Mr. Higgins will be doing the pipe lines and have a hydraulic engineer look at these to see which ones are the most important. Director Abel asked for clarification as did Director Sloan if he was not asking for the money but to put out to bid. Mr. Harrison said both and come back to the board for awarding the bid. His urgency is the low water pressure in the area where our Chairman lives and Mr. Caserta would have trouble saving the foundation. Director Sloan asked if a 1041 permit was needed on this. Counsel said they are all separate projects and less than the requirement of a 1041 permit and would not apply from the information from Steve. He said the criteria for a 1041

permit is for a 12 inch pipe and 50 or more homes. Director Harrison feels this is very important because there are so many missing pipes in Pueblo West to service the areas. Director Abel mentioned the increases were done for this reason for future projects. After further questions from the board, the consensus of the board agrees with moving forward with these projects. Finance Director Jameson explained what will be necessary to amend the budget. Director Van Auken is in favor of it as long as there are no requirements for a 1041 permit, which there is not. Legal Counsel asked questions and said the board needs to improve the bids.

Director Sloan made a motion to approve solicitation of bids for water for John Powell and Hook sewer bypass and approve expenditures of funds up to \$80,000 for the in house Purcell in house water materials and bore project, vote unanimous.

CDOT ENHANCEMENT GRANT: This phase actually was approved by the Board three years ago. Because it took CDOT that long to get us a contract we narrowed the scope in which this portion of the trail was eliminated. The trail we are applying for is a 2.9 mile trail that will start at Purcell and run west tying in with the McCulloch Main trail. It will go by two schools in Pueblo West and complete half of the east/west trail across the south side of Pueblo West.

RESOLUTION NO. 1834: A Resolution Supporting A Transportation Enhancement Grant Application With The Colorado Department Of Transportation

(Director Sloan made a motion to accept Resolution 1834 with support letter the Metro District will maintain the trail, vote unanimous.)

Director Carol Cosby reminded the board of the importance of signatures need on the letter of support.

Acting District Manager asked direction for CD rates from the Finance Director and should have been an agenda item. The direction from the last meeting was to e-mail the board the morning of the meeting for them to look at and decide what to do and restructure the investments 30/70 and explained not moving \$6 million. She explained the sheet and what the stars were. Legacy would be the best option as to questions from Director Sloan and explained rates and length of CD's. Her recommendation is for Legacy and US bank in different majority dates for a total of \$1 to \$2 million. SCNB has one star and the banks not quoting. The board is supportive of moving the money and directed her to proceed. Acting District Manager Caserta suggested it be put under financial reports.

EXECUTIVE SESSION: There is a need for an executive session for determining positions relative to matters that may be subject to negotiations; developing strategy for negotiation; and instructing negotiators - C.R.S. 24-6-402(4)(e)- SDS and other water issues.

Chair Hren made motion for an executive session, vote unanimous.

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 May 12, 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, Colorado.

Work session will follow for Community Recreation Projects Update - Carol Cosby

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Secretary

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