

5-2-1 DRAINAGE AUTHORITY
MINUTES OF THE BOARD
February 28, 2007
Mesa County Courthouse Annex, Training Room A
Grand Junction, Colorado

Chairman Karisny called roll of the Board Members

Board Members Present:

Dave Walker	Town of Palisade
Dave Karisny, Chairman	City of Fruita
Richard Bowman	Grand Junction Drainage District
Steve Acquafresca	Mesa County Commissioner
Jim Doody	City of Grand Junction

Also Present:

Clint Kinney (Fruita City Manager), **Jon Peacock** (Mesa County Administrator), **John Ballagh** (Grand Junction Drainage District, Manager), **Vohnnie Pearson** (Town of Palisade, Planner), **Eileen List** (City of Grand Junction), **Eric Mende** (Fruita City Engineer), **Julie Constan** (Mesa County Engineering), **Trent Prall** (Grand Junction City Engineer), **Rick Dorris** (Grand Junction Development Engineer), **Ron Stoneburner** (Stormwater Steering Committee Member), **Bruce Stahl** (Stormwater Steering Committee Member)

Chairman Karisny stated that notice of the meeting had been properly posted and that a quorum was present. He opened the annual meeting at 3:00 P.M. Chairman Karisny recognized the guests from the Stormwater Steering Committee.

Adopt Agenda:

Chairman Karisny suggested that the order of the agenda be changed to have the action items before the discussion items. Dave Karisny moved to accept the modified agenda; Dave Walker seconded the motion. Chairman Karisny polled the Board to accept the modified agenda.

The roll call vote results:	Contracting Party	Vote
	Grand Junction Drainage District	aye
	Mesa County	aye
	Grand Junction	aye
	Fruita	aye
	Palisade	aye

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Minutes:

Chairman Karisny asked for a motion on the Minutes of January 24, 2007. Steve Acquafresca moved to adopt the minutes as prepared. Jim Doody seconded the motion to adopt the minutes. Chairman Karisny polled the Board to accept the minutes without correction.

The roll call vote results:	Contracting Party	Vote
	Mesa County	aye
	Grand Junction	aye
	Fruita	aye
	Palisade	aye
	Grand Junction Drainage District	aye

Financial Report – John Ballagh

John reviewed the January 2007 balance sheet, profit & loss statement, and the check register. All the current invoices are in order and ready for payment. The items were reported to be within budget.

Jim Doody moved to accept the financial report and accounts payable. Dick Bowman seconded the motion. Chairman Karisny polled the Board to accept the financial report as prepared.

The roll call vote results:	Contracting Party	Vote
	Grand Junction	aye
	Fruita	aye
	Palisade	aye
	Grand Junction Drainage District	aye
	Mesa County	aye

Exemption from Audit resolution

John Ballagh presented the Board with information concerning the exemption from audit request. State local government regulations allow local government agencies to request an exemption from audit if the budget and expenditures are less than \$500,000.00 in a calendar (fiscal) year. The 5-2-1 Drainage Authority met the test in 2006. The board did request a written report called a *compilation* in lieu of an audit. Mr. Ballagh reported that a proposal for such a compilation has been submitted and accepted. The cost savings between an audit and the *compilation* is approximately \$2,600.

Dave Karisny moved to adopt the resolution for exemption from audit for 2006 for the 5-2-1 Drainage Authority. Dave Walker seconded the motion. Chairman Karisny polled the Board to adopt the resolution to request exemption from audit for 2006.

The roll call vote to adopt the resolution for exemption of audit for 2006 (resolution follows in the minutes)

Contracting Party	Vote
Fruita	aye
Palisade	aye
Grand Junction Drainage District	aye
Mesa County	aye
Grand Junction	aye

Resolution

RESOLUTION FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 2006 FOR THE 5-2-1 DRAINAGE AUTHORITY, STATE OF COLORADO.

WHEREAS, the Board of Directors of the 5-2-1 Drainage Authority wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S. states that any local government where neither revenues nor expenditures exceed five hundred thousand dollars may, with the approval of the state auditor, be exempt from the provisions of Section 29-1-603, C.R.S.; and

WHEREAS, neither revenues no expenditures for the 5-2-1 Drainage Authority exceed \$500,000 for fiscal year 2006; and

WHEREAS, an application for exemption from audit for the 5-2-1 Drainage Authority has been prepared by Creative Accounting Solutions, Inc., an independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the state auditor.

NOW THEREFORE, be it resolved by the Board of Directors of the 5-2-1 Drainage Authority that the application for exemption from audit for the 5-2-1 Drainage Authority for the fiscal year ended December 31, 2006, has been reviewed and is hereby approved by a majority of the Board of Directors of the 5-2-1 Drainage Authority; that those members of the 5-2-1 Drainage Authority have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of the application for exemption from audit of the 5-2-1 Drainage Authority for the fiscal year ended December 31, 2006.

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ADOPTED THIS 28TH day of FEBRUARY, A.D. 2006

 SS
 Chairman Dave Karisny

ATTEST:
 Clerk _____
 SS _____

<u>Members of Governing Body</u>	<u>Date Term Expires</u>	<u>Signature</u>
Steve Acquafresca	9/2008	_____ SS
Richard Bowman	9/2008	_____ SS
Dave Karisny	9/2008	_____ SS
Jim Doody	9/2006	_____ SS
Dave Walker	9/2006	_____ SS

Election of Officers

- Chairman Karisny invited suggestions for succession in the chairman's seat.
- Jim Doody observed that Mr. Karisny is doing a good job.
- Dave Karisny stated that he has been chairman for over two years. He recalled past Director Doralyn Genova's comments of look to the future, work to maintain continuity, and move the chairman's gavel through the Board.
- Steve Acquafresca asked Jim Doody if he would agree to be chairman.
- Jim agreed to serve even though he commented that he will be very busy in the next couple of months.
- Director Acquafresca then nominated Jim Doody as chairman.
- Dave Walker seconded the motion.
- Chairman Karisny polled the Board.
 - The roll call vote to elect Jim Doody chairman results

Contracting Party	Vote
Palisade	aye
Grand Junction Drainage District	aye
Mesa County	aye
Grand Junction	aye
Fruita	aye
- Clint Kinney then suggested that the Board elect all other officers in one motion.
- Steve Acquafresca moved to nominate
 - Dave Karisny Vice Chairman
 - Dick Bowman Secretary
 - Dave Walker Treasurer
 - Steve Acquafresca Assistant Secretary
- Dave Karisny seconded the motion.
 - The roll call vote results to elect officers of the 5-2-1 Drainage Authority

Contracting Party	Vote
Grand Junction Drainage District	aye
Mesa County	aye

Grand Junction	aye
Fruita	aye
Palisade	aye

Business Plan

Trent Prall presented the business plan in power point format after recapping the activities of the Stormwater Steering Committee and their recommendations, the resultant intergovernmental agreement (IGA) of the Charter Committee, and the incorporation and first official meeting of the 5-2-1 Drainage Authority in September of 2005. Financial support to date has been from the five contributing parties out of their respective general funds.

The multiple step progression of white paper preparation by technical staff then Board discussions in open public meetings then adoption of policies by resolution was reviewed. The business plan is to describe how a stand alone organization may look that can properly handle the tasks considered by the 5-2-1 Drainage Authority Board after review of the white papers and policy adoption in the following four major activity areas.

- NPDES Phase II Stormwater compliance
- Planning and Engineering
- Capital Improvement Projects
- Operation and Maintenance of Facilities

The business plan presented a staffing level somewhat above what technical staff feels the Steering Committee visualized in 2003 and 2004.

Trent described in detail the plan to have the 5-2-1 Drainage Authority accept all of the NPDES Phase II Stormwater compliance requirements with a single agency holding one permit for the urban area(s) served by the 5-2-1 Drainage Authority. The business plan identified this as the basic level of service. The estimated expenditures to meet the NPDES Phase II requirements were described in detail. The predicted revenue, described from work done by the consultant, AMEC, was based upon a service fee per equivalent residential unit.

Subsequently, the development of the Planning and Engineering oversight and Capital Construction management by a project administration branch of the 5-2-1 Drainage Authority was described. Staffing requirements for that section were covered. The necessary increased expenditures for staff and support structure requiring changes in revenue stream were described.

Note: The idea of the contributing parties is that they would hold tight their review of development plans as they effect that specific agency's present and planned improvements, standards, and their individual operation and maintenance schedules.

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The unknown commitment item of Operation & Maintenance is greatly dependent upon the level of service that the Board wants to extend to certain areas within the boundary of the 5-2-1 Drainage Authority. Staff has separated the various reaches of the presently unmaintained drainage channels into three classifications: urban, developing, and rural. Scheduled maintenance would depend upon the classification. The interval between regular scheduled maintenance will depend upon the revenue available. The facts are that there is never enough revenue to do all that is desired. Criteria must be adopted to enable comparison of one task against another task and/or one location against another location.

The business plan described four levels of service that the Board can choose from. The levels of service vary in how many activities are attempted by the 5-2-1 Drainage Authority and in what time period. Certain assumptions were included in the calculations such as a growth rate of 2.2% and an inflation rate based upon historic information which is poor to use for predictions. No grants were included in the options. Bonding was included but without a hard amount or interest rate. Unequal growth in different areas within the 5-2-1 Drainage Authority boundaries was not factored into this plan.

The business plan offers consideration of four levels of service.

Level 1	NPDES Phase II only
Level 2	NPDES, Planning & Engineering, Some O&M, but minimal Capital Construction Projects
Level 3	NPDES, Planning & Engineering, O&M, and Capital Construction Projects in 30 years
Level 4	NPDES, Planning & Engineering, O&M, and Capital Construction Projects in 15 years

There were 13 pages of detailed information for each level. In order to reduce confusion detail plan information for only the level 3 plan, also known as the *Impala* version, was distributed. The level 3 option allows for full funding and operation of all of the pieces of the NPDES Phase II program, all of the basin floodplain and master plan studies in multi-jurisdictional areas, operation and maintenance of those facilities under the 5-2-1 Drainage Authority jurisdiction as per the adopted policy, and construction of the known multi-jurisdictional capital improvement projects in 30 years if the costs remain relative to revenue.

- Steve Acquafresca asked if what is being called level of service could be called level of safety. His point that higher levels of safety are more costly seemed to equate the concept of differing service levels. The Board and staff generally agreed that either term could be used.
- He followed with the inquiry about which or how many present flooding problems would be solved with the plan at what level. The question was answered that many of the known problems would be solved but the decision yet to be made how quickly. Each capital project is large and the revenue must pay for the improvement and the upkeep (O&M) of the facility. The capital

- improvement figure of \$80 million is for known projects and is expected to grow as other basins are studied and growth continues.
- Steve Acquafresca asked if information concerning cost savings by going to one agency handling the NPDES Phase II permit requirements could be provided. He also asked if some of the tasks could be contracted out rather than having staff perform the tasks. The plan envisions 5-2-1 Drainage Authority staff for construction and post construction inspection and monitoring to avoid the potential conflict of interest should a private consultant do inspections for both the developer(ment) and evaluate the completeness of the inspection reports for the NPDES Phase II permit holder.
 - Dave Karisny asked staff if some of the inspections could be charged for and if the business plan figured revenue from such charges. Trent answered that the plan did not have such fees calculated.
 - Clint Kinney commented that staff has put together a rationally developed plan; it is up to the Board to determine what level of service is appropriate. The 5-2-1 Drainage Authority may choose to provide the minimum level of service or reach out and deliver the maximum level of service. He suggested that staff can build a program based upon either direction but staff needs direction.
 - Returning to his level of safety analogy, Steve Acquafresca asked if the levels could be described as levels of risk. He asked what amount of risk does the public want the government to cover and what are they willing to pay for through service fees versus how much risk the rate payer(s) are willing to cover and pay for themselves.
 - Bruce Stahl asked if the Board had evaluated the improved land values for properties and benefit to owners when a flood protection project is completed. He identified that some persons benefit from the expenditure of public funds. Collectively technical staff responded that every citizen benefits with safer roads, increased capacity of drainage systems, improved confidence in access to critical care facilities during all weather events, and no restriction to businesses providing goods and services during storm events.

The consensus of the Board was to delay presentation of the business plan to Boards and Commissions until the 5-2-1 Drainage Authority has one more chance to review, discuss, and make changes to the plan. Staff agreed to bring the business plan back to the March meeting.

Read Ahead

No read ahead materials were provided to the Board at the February meeting.

Next Meeting Date and Starting Time

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The next Board meeting is scheduled for March 28, 2007, 3:00 P.M. to 5:00 P.M. in the Mesa County Courthouse Annex, Personnel Training Room A, 544 Rood Avenue.

Dick Bowman identified that the project ranking criteria and the public input ideas provided by staff are still to be discussed as well as more detailed discussion of the business plan. He suggested adding the ranking criteria and the public input ideas to the March agenda.

Forecast meeting dates are as follows:

March 28 th	September 26 th
April 25 th	October 24 th
May 23 rd	November 28 th
June 27 th	December 26 th
July 25 th	January 23 rd 2008
August 22 nd	February 27 th 2008

There being no further business to come before the Board, Chairman Doody adjourned the meeting at 5:04 p.m.

Jim Doody, Chairman