

**5-2-1 Drainage Authority
Minutes Of The Board
September 24, 2008**

**5-2-1 Drainage Authority Conference Room
Grand Junction, Colorado**

Board Members present:

Jim Doody, Chairman
Mel Mulder, Vice-Chairman
Richard Bowman, Secretary
Dave Walker, Treasurer

Technical Staff and Managers present:

Trent Prall	City of Grand Junction, Engineering Manager
Julie Constan	Mesa County, Engineer
Eric Mende	5-2-1 Drainage Authority, Manager
John Ballagh	Grand Valley Drainage District, Manager
Janice McDonald	5-2-1 Drainage Authority, Office Administrator

Guests Present:

Bill Wilson	WRC Engineering, Inc., Principal Engineer
Vohnnie Pearson	Mesa County, Citizen
Jeff McIntosh	Schmueser, Gordon, Meyer, Senior Engineer
Jaclyn Michaelsen	Ayres Associates, Presenter (entered at 4:30 p.m.)
Leif Embertson	Ayres Associates, Presenter (entered at 4:30 p.m.)
Andrea Faucett	Ayres Associates, Presenter (entered at 4:30 p.m.)

Director Steve Acquafresca was excused. Chairman Doody called the meeting to order at 3:00 p.m. and declared a quorum was present.

Review and adoption of Agenda:

Chairman Doody asked for a motion to adopt the agenda as presented:
Motion for approval: Director Walker
Seconded: Director Bowman
In favor: All

Chairman Doody welcomed visitors Vohnnie Pearson and Jeff McIntosh.

Review and adoption of August 27, 2008 Board minutes:

No edits or questions requested.
Motion for approval: Director Walker
Seconded: Chairman Doody

Abstention: Director Mulder and Director Bowman due to their respective absences at the August 27, 2008 meeting.

Action Item 1 – Financial Reports

Manager Mende reviewed financials stating all bills are in order and all expenses are under budget for the year with the exception of insurance.

Motion to accept: Director Walker

Seconded: Director Mulder

In favor: All

Reports – Manager's Report

Recruitment: Recruitment for the inspector position continues with receipt of 28 applications, and five interviews scheduled for the first part of October, 2008. Director Walker inquired as when the inspector was to be hired. Manager Mende felt the third week of October, 2008, was realistic at this time. Although the first permits are not going to be issued until January 1, 2009, the draft IGAs requires the 5-2-1 Authority to begin C-SWMP reviews November 1, 2008 for new development applications. The inspector will be involved with reviewing drainage reports, construction policy and procedures, and will need to learn expectations and do some shadowing prior to first physical inspection in January, 2009. It was noted of the five applicants invited for interviews, one was from Aurora, one from Arizona, and three local residents.

Colorado Association of Stormwater and Floodplain Managers (CASFM): Manager Mende attended the CASFM conference in September. Many contacts were made and much information gathered. Of particular interest was a meeting with Steve Gardner, the former Director of Southeast Metro Stormwater Authority (SEMSA), the 5-2-1 Drainage Authority's sister organization. Mr. Gardner shared that the SEMSA organization opened its doors with utility fees in place, unlike the 5-2-1 Drainage Authority. They service the entire City of Centennial, the developed areas of unincorporated Arapahoe County, and a small portion of Douglas County. Centennial uploaded their permit process, but Arapahoe County has chosen to retain this process. Manager Mende shared the SEMSA and the 5-2-1 Drainage Authority are presently the only two drainage authorities in Colorado. There is a developing Authority for Larimer County and the Town of Wellington. Colorado Springs has a utility, but it is part of an enterprise fund.

Kevin Houck of the Colorado Water Conservation Board (CWCB) was also in attendance at the CASFM meeting. He shared with Manager Mende that the CWCB still has monies available for qualified projects, potentially for the remainder of the Orchard Mesa work. Mr. Houck and Manager Mende also discussed the Pre-Disaster Mitigation (PDM) grant process.

Special District Association Conference: Manager Mende attended the SDA conference in September as well. The 5-2-1 Drainage Authority is one of approximately 3,200 SDA

members in Colorado. John Ballagh was re-elected to the Board of the SDA. Contact was established with several contracting companies/individuals who could assist as extended staff when and if those services are needed.

Permit Services IGAs: The IGAs with Mesa County and the City of Grand Junction are about 98% done and have been reviewed by staff and attorneys on both sides. They will be ready for Board approval at the October 22, 2008, meeting. As a reminder, Orchard Mesa Irrigation District, Grand Valley Water Users, and School District 51 have declined to participate. Director Walker inquired what was left to agree upon. Staff shared that Mesa County and the City of Grand Junction are requesting a formal process for Technical Staff to bring discrepancies or disagreements to the Board. Manager Mende stated he felt this could be resolved.

Adobe Creek Channel Capacity Analysis Study: Colorado Water Conservation Board has verbally approved the grant and funds requested. The authorization letter from CWCB is expected within a week. There have been 20 requests for the RFP, and proposals are due by September 30, 2008. The contract for these services should come before the Board at the October 22, 2008, Board meeting.

Discussion Item -- Construction Stormwater Management Plan (C-SWMP) Permit Fee and Implementation Timeline

This discussion is continued from the August 27, 2008, 5-2-1 Drainage Authority Board Meeting. Based on Board comments and additional staff input, the fee structure alternatives have been revised. Based on the number of permits currently being pulled, only one inspector will be hired. Manager Mende reviewed the revised Fee Structure Alternative handout. Alternative 4, a \$75 flat rate, is the consensus of the staff due to its easy administration and it is easily understood by applicants. Based on a 50 permit per year level, this rate would require a subsidy of \$8,660 from contracting agencies. This would allow the 5-2-1 Drainage Authority to develop statistics on actual costs without making monetary gains. Staff will be scheduling informational meetings with developer and engineering organizations to get the word out. If the permit is issued prior to January 1, 2009, the 5-2-1 Drainage Authority would like to request a rate holiday.

Director Walker asked what the basis was for the \$75/acre fee. Manager Mende stated it was a best guess of the staff based on historical data for the labor involved. Staff stated it was consistent with other State agencies as well as a community request to keep the fee structure simple to understand. Director Walker asked why the consensus of staff was \$75/acre and not the \$100/acre fee resulting in far less subsidy. Staff stated it was thought to be better to break even or show a subsidy to the community until cost statistics are developed. Manager Mende thought there might be complaints if revenues exceeded costs. Director Walker indicated it would be very difficult to present to the Town of Palisade that the 5-2-1 Drainage Authority is losing money to support developers. Director Walker asked the opinion of Citizen Pearson who suggested a fix fee plus per acre cost might work, but would cover costs 100%.

Director Walker wanted to know where the breaking point was if permit numbers far exceeded the estimated 50 per year. Staff advised that one inspector could perform up to 60 inspections per year, but at 80 or more inspections per year, another inspector would need to be hired. Manager Mende added that contracted inspectors could also fill these gaps.

Director Bowman asked what the average size of a subdivision was. Manager Mende stated it was a 10 acre average. Staff explained that developers are building developments in phases. For example, if a developer has a 25-acre parcel, they may develop 7 acres and then 10 acres, and finish with 8 acres. Most development phases are less than 10 acres. Director Bowman asked if current reviews included stormwater runoff and best management practices. Staff answered affirmatively that every development greater than an acre within the urbanized area is reviewed for stormwater runoff management and BMPs along with post-construction planning. The time needed for review varies depending on complexity, with features such as porous landscaping and extended detention basins taking more thought and design and thus more time to review.

Staff inquired as to how the other Board members feel about the \$75/acre fee. Chairman Doody indicated Grand Junction was of the same opinion as Palisade, and feels the fee needs to get closer to breaking even. If necessary, it can be explained to the developers that the 5-2-1 Drainage Authority is just trying to break even and will adjust fees once there is enough data to support it. Discussion points include the following.

- The possibility of revenues exceeding costs although 50 permits per year is difficult to predict.
- If only 30 permits are generated at the \$75/acre rate, the deficit/subsidy increases.
- City of Grand Junction and Mesa County will not be lowering their current development permit fees as they were not raised when the implementation of the Phase II permit process came into place.

Director Mulder indicated Fruita would support the \$100/acre rate even though their permit process will remain separate for now, and suggests it would be best to institute the higher rate from the start. Director Walker indicated he was most comfortable with the \$100/acre rate as well. Director Bowman agreed in light of the fact that we don't know how many permits will be issued next year. The Board directed Manager Mende to compose a resolution for rates presented in Alternative #3 of the Fee Structure Alternatives. Director Bowman also asked Manager Mende to present the figures for this plan for 30 permits next year. Manager Mende asked Julie Constan to brief Director Acquafresca and to get his opinion.

Director Walker asked if the 5-2-1 Drainage Authority would be involved in the permit process for drilling in the valley area. Staff explained the Phase II permit process

currently includes the urbanized areas only therefore, no there was no intent to take on drilling. If the Board wanted to include drilling activities within the 5-2-1 Drainage Authority subject to review and permitting by the 5-2-1 Drainage Authority, they could do so. Staff mentioned that Mesa County is the only county in Colorado that is not going county wide with its Phase II permit process. Since the Board is an independent board with independent jurisdiction, this Board has the authority to include all activities within their jurisdiction, which would include all the Grand Valley, but not the entire county. Director Bowman asks if the 5-2-1 Drainage Authority did go ahead and do this, does the State have jurisdiction. Staff explained that yes, that State still has jurisdiction. However, the State doesn't come out and inspect each drilling site. Director Bowman stated he wouldn't want to put the 5-2-1 Drainage Authority in a position where the State could come out and say, "Hey, you missed this...." Director Bowman continued stating he would like to have the 5-2-1 Drainage Authority assume Mesa County, City of Grand Junction, Palisade, Grand Valley Drainage District, and Fruita Phase II permit processes as that is exactly why the 5-2-1 Drainage Authority was created.

Discussion Item – Preliminary 2009 Budget

Manager Mende presented the proposed 2009 Budget for the 5-2-1 Drainage Authority. After reviewing, Director Walker stated he would have a hard time voting for this budget as the carryover of \$9K from 2009 through 2010 is not enough. Manager Walker asked that the budget be reviewed for expense reductions in administrative activities.

Manager Mende stated the 5-2-1 Drainage Authority needs to schedule a public meeting for budget review and fee adoption. In addition, staff will need to begin educating the public of the fee and process changes for the Phase II permit. Board and staff agree the informational meetings should occur prior to rate approval and the fee resolution should be approved prior to approving the budget. Due to Thanksgiving and Christmas falling on the same week as normal Board meeting dates, the Board agreed to moving the November and December, 2008, meetings. The timeline is as follows:

- September through November 18, 2008 hold informational meetings.
- November 19, 2008 – Public hearing for the 2009 Budget and Phase II permit fee and resolution adoption by the 5-2-1 Drainage Authority Board
- December 17, 2008 -- 2009 Budget approval by Board

Report – Presentation of the Orchard Mesa Floodplain Study by Ayres Associates

The Board Meeting was adjourned at 5:25 p.m. The next 5-2-1 Drainage Authority Meeting will be held on Wednesday, October 22, 2008, at 3:00 p.m. at the 5-2-1 Drainage Authority offices.

Jim Doody, Chairman