

MINUTES
BOARD OF DIRECTORS REGULAR MEETING
NORTH METRO FIRE RESCUE DISTRICT
ADMINISTRATIVE HEADQUARTERS
101 SPADER WAY, BROOMFIELD, CO 80020

Date: March 20, 2018

BOARD MEMBERS PRESENT:

John Abboud, President
Robert Nielsen, Vice President
Tim Long, Treasurer
Jenni Murphy, Secretary
Dennis Day, Asst. Secretary

STAFF PRESENT:

David Ramos, Fire Chief
David Anderson, Deputy Chief, Support Services
Jeff Bybee, Deputy Chief, Operations
Lisa Willis, Chief Financial Officer
Steve Gosselin, Division Chief, Fire Prevention
Sara Farris, PIO

LEGAL COUNSEL:

Richard Shearer, Esq.

A. Call to Order

Vice President Nielsen called the Board of Directors meeting to order at 5:00 p.m. on March 20, 2018.

B. Pledge of Allegiance – Led by Director Day

C. Additions/Deletions to Agenda

None.

D. Public Comment (Agenda Items Only)

None.

E. Presentations

1. Oil and Gas Update

Chief Bybee gave a review of a presentation that he has been delivering to the citizens in Broomfield on the preparations for large scale oil and gas sites in the District. The Livingston pad

is the one that is causing concern among residents of Anthem and Wildgrass neighborhoods. Chief Bybee's goal is to have all training completed and necessary equipment and supplies in place before the first well is drilled in the fourth quarter of 2018. The Livingston pad will commence drilling in the first quarter of 2019.

The District began working with developers in 2016 and reviewing emergency response plans. Chief Bybee noted that the fire department has no say in whether these wells are drilled in the District. The District is dedicated to the safety of its citizens and first responders should they be developed. Chief Bybee has conducted site visits at all phases of production.

In 2018, the District began meeting with the City and County of Broomfield staff regarding the emergency response plans and tactical response plans from Extraction Oil and Gas. Addressing these new risks should be paid for by the developers. Chief Bybee has had discussions with the developers about the District's supply and equipment needs. All firefighters have attended an Oil and Gas Emergency Response for First Responders class. The District also participated in a training exercise with Ward Petroleum in February.

Chief Bybee reviewed second quarter 2018 activities including finalization of site-specific tactical response plans. He has submitted equipment and supply orders to Extraction, which total almost \$225,000 for a foam trailer, air monitoring equipment and ongoing training among others. Initial indication is that Extraction Oil and Gas feels that these are reasonable requests. Additional training will continue in the second quarter.

Third quarter activities will include more training and the receipt of the supplies and equipment. Chief Bybee plans to address the community again at this point before the first well is drilled.

Chief Bybee discussed CodeRED, which will alert citizens of impending or current situations in order to take protective action. It is important for citizens to register cell phones online in order to receive the appropriate notifications.

Director Day asked if CodeRED had been around for a while. Chief Bybee wasn't sure but he is impressed with the functions of CodeRED. He recommended registering again just to be safe as this will be the primary communication method in the event of an incident.

Director Long asked about the equipment costs. He asked if Chief Bybee had calculated the labor cost of his time and energy to attend meetings and prepare plans. Chief Bybee replied that it has been a lot of work but that it fits within the responsibilities of first responders. Director Long asked if the City and County of Broomfield is drawing any oil and gas mineral extraction tax. Chief Bybee replied that the District had received approximately \$100,000 in revenue from oil and gas drilling in the District and that this number would increase substantially once drilling begins in Broomfield. Director Long stated that there is a 5% mineral oil gas extraction tax in the state but that the collection rate is 2%. He thinks it is unfair that oil and gas developers are not paying their fair share. Director Long asked if the State of Colorado has been involved in the discussions. Chief Bybee replied that the City has been inundated and has hired extra people to address these issues. He knows there will be future tax revenue from these wells.

Chief Ramos added that other fees that could normally be charged for new development would be in the form of impact fees, but oil and gas production is exempt from impact fees. One avenue to collect fees up front is agreement to pay for training and equipment. Property tax, including oil and gas severance taxes, also will help pay the costs associated with specialized emergency services related to oil and gas operations in the District. The District is limited by law as to what can be collected up front, but Extraction Oil and Gas has been willing to help out more than is mandatory. Chief Bybee will be looking into DOLA grants.

Director Long would like to see a cost to the District for this process. Chief Bybee noted that this is a new risk by their industry, and he is trying to make the developers pay for as much as he can. As far as his time, he is not sure how to calculate this. Chief Ramos offered to give an estimation by the next board meeting.

Director Murphy asked about the outreach and whether it calms the community. Chief Bybee could not characterize it as calming. He thinks that citizens feel better protected after listening, but many don't want oil and gas operations in their area.

Director Nielsen spoke for the Anthem community and noted that most are worried more about aesthetics than hazard.

Director Long asked about projected production for these oil and gas wells. Chief Bybee replied that he has heard some numbers but is not sure of the validity. The fields could produce for 20-30 years. Mountain View Fire Rescue District, the fire district in Weld County north of North Metro Fire, receives 51% of its total funding from oil and gas revenue.

2. PIO Presentation

PIO Farris followed up on emergency notifications if a large incident occurred. She is working with Broomfield to get more people signed up for CodeRED. She will expand the plan to cover all of the District.

Director Day asked about registering and the mobile phone app. PIO Farris replied that the mobile phone app would need to be downloaded on to the phone in addition to registering for the service. There will be links on the District's website.

There was publicity in local newspapers around the board election. The District participated in the Kops vs. Kids basketball game in Northglenn. The District won the bowling event for A Precious Child. PIO Farris noted that Engineer Mike Anderson received a distinguished citizen medal from the local chapter of the Daughters of the American Revolution.

Upcoming events include a new Stop the Bleed class on March 31, Frank Shorter 5K race, Friends and Family CPR, Station 63 open house, local heroes BBQ and the Rotary golf tournament.

F. Staff Reports

1. February 28, 2018, YTD Financial Statements – General Funds

CFO Willis reviewed the February year-to-date financials. The District had received its first round of property tax revenue on March 10. She is working with the District's financial advisor to invest this money. Broomfield made an error in January in specific ownership tax that was adjusted in February. Director Long asked if Thornton had already paid the annual rental for the Training Center. CFO Willis replied that they have paid.

2. Station 63 Remodel

CFO Willis began by reviewing the change orders so far, totaling \$118,000. The substantial completion date is now December 7. According to the contract, liquidated damages of \$500 per day will begin 15 days after the substantial completion date. The damages total approximately \$43,000 at this point. Director Long asked if this includes retention reserve. CFO Willis replied that the retainage is deducted from each bill. There is \$275,000 to be billed plus the retainage of about \$100,000. The District will post a notice in the newspaper before paying the final bill.

Chief Anderson did not present photos as he wants to wait for the Board to see the station in person. He asked the Board if May 12 at 10:00 a.m. would work for an open house. Director Murphy is concerned about how many city officials could attend due to the food truck carnival that weekend. After discussing the times of both events and alternative dates, the Board determined that May 12 is the best date to celebrate the grand re-opening of Station 63.

Chief Anderson is expecting to receive a certificate of occupancy this week and move the firefighters into the station. There will be logistics of moving the trailer and tent off property, and furniture into the station.

Chief Anderson explained some of the recent Change Orders. He was told that owners usually set aside 10% for contingency. The District set aside 5-6% for this project. The \$118,000 in Change Orders is well within the reduced contingency. He reviewed a Change Order for the elevator recall. The elevator began as a lift for a handicap person to move between floors. The final design of a limited use limited application elevator lift requires recall capability and six additional smoke detectors in the elevator shaft as well as ten relay cards in order to pass the elevator inspection. Director Long asked if the architect has any responsibility for the cost of this change. Chief Ramos replied that the architect has no responsibility for the cost of the change. Changes such as this were expected as part of the design, bid, build process. Chief Ramos noted that Change Orders have been limited with respect to errors and omissions by the architect or design team.

Chief Anderson discussed the relocation of the flag poles and noted that another tree was cut down. Director Nielsen asked if there would be three flag poles. Chief Anderson confirmed that there are three and that they will be set in a triangle.

Director Long noted that soil stabilization cost about \$6,000. Chief Anderson replied that this was difficult at this location and unforeseeable. Director Long noted that the credits of \$9,500 make the Change Order total seem lower than it actually was. He felt that the architect represented in the bid process that this volume of Change Orders would not happen due to his experience building

fire stations. Chief Anderson replied that no contractor could have anticipated the logistics with having a working fire station on the construction site.

Director Nielsen asked for another contractor's estimate of construction days and how close that was to the actual construction time. Chief Anderson replied that end of January was the next closest estimate. Chief Anderson added that the short amount of days to build was attractive during the bid process. Director Long commented that no one expected to need sub grade soil stabilization. Chief Anderson replied that once they began digging, they also found broken pipes where sewage had been leaking into the soil for years. He also mentioned the additional cost of trenching to hide the overhead wires. Chief Ramos noted that the Change Orders total almost \$160,000, and this amount is within the contingency target.

President Abboud added that sometimes one can miss the big picture when examining the details. Overall, the project has turned out fairly well. He is pleased that the District has stayed within the overall budget. He thinks the contractor did a good job.

Chief Anderson is excited to show the Directors the final project.

Director Murphy can't believe the contractor was able to work around the crew and equipment. She noted that the site was very crowded.

Director Nielsen asked what was planned for the May 12 event. Chief Anderson noted that tours and snacks plus speeches are part of the plan. Chief Ramos noted that the community and elected officials would be invited to attend. This is a re-opening of a station so he is still exploring what traditions would be observed. There will be events for children and adults. Chief Anderson offered to take the Board of Directors on a private tour before the ceremony. President Abboud asked to arrange a private tour. Chief Anderson agreed to follow up.

3. Old Hire Pension plan

CFO Willis is working on the actuarial valuation for the Old Hire Pension Plan. She selected GRS Consulting, which also conducts the FPPA valuation. They will present at the next board meeting on April 17. The meeting will start at 4:30 pm.

4. Pierce Engine Purchase

Chief Bybee discussed the process to develop a recommendation to purchase two new engines. The engines were budgeted in the 2018 Capital Improvements Budget. The engines will replace engines 61 and 67, which have been in service for 14 years. The District recommends purchasing two Pierce Velocity engines. This is a significant change as most of the other engines in the fleet are from Smeal. Chief Bybee explained the change from Smeal to Pierce. In 2016, the District participated in a purchasing consortium of multiple fire departments. The consortium researched many different engines and narrowed it down to Smeal and Pierce. This year, the District only considered these two manufacturers. The committee evaluated both manufacturers on many factors, including price, compartmentation, mechanical/service considerations, driving, overall design, long-term manufacturer stability and regional considerations. Chief Bybee reviewed each

one in detail and concurred with the consortium committee's recommendation to purchase Pierce engines.

Director Nielsen asked if Pierce is located in Wisconsin. Chief Bybee replied that they do have a manufacturing facility in Appleton, Wisconsin. Director Long complimented the presentation.

5. May 2018 Board of Directors Election

Chief Ramos updated the Board that the UOCAVA ballots would be mailed this Friday. The District will mail absentee ballots on April 9. The deadline to request absentee ballots is May 1. The Board needs to appoint a director to the Canvass board. Russ Williams has volunteered to be the community member representative. Director Nielsen volunteered to serve. President Abboud also volunteered and was selected.

6. HB 18-1039, Changing Special District Elections to May of Odd Years

Chief Ramos updated the Board regarding legislation changing special district elections to odd-numbered years. The new law has been signed by the governor.

7. Project Updates

Chief Ramos made the Board aware of the signing of an IGA for the CAD-to-CAD project. The District is now applying for matching grant funds and will submit an RFP shortly.

Chief Ramos discussed pending residential assessment rate legislation in the state legislature. Chief Ramos has met with County Commissioners and state Senators who are interested in supporting legislation to freeze the residential assessment rate.

G. Action Items

1. A MOTION TO APPROVE THE CONSENT CALENDAR WAS MADE BY DIRECTOR LONG AND SECONDED BY DIRECTOR MURPHY. THE MOTION PASSED UNANIMOUSLY.
 - a) Approval of accounts payable checks 46145 through 46244 and online Bill Pay 2018-17 through 2018-28 for a net total of \$578,491.60.
2. MOTION AUTHORIZING THE FIRE CHIEF TO SIGN A PURCHASE AGREEMENT WITH PIERCE MANUFACTURING FOR THE PURCHASE OF TWO PIERCE VELOCITY FIRE ENGINES AT A NET UNIT COST OF \$608,867 AND FOR A NOT TO EXCEED AMOUNT OF \$1,217,734 WAS MADE BY DIRECTOR LONG AND SECONDED BY PRESIDENT ABOUD.

Attorney Shearer noted that he is working with Staff on this purchase agreement and that it will not change substantially from what was presented in the Board packet this month. He recommended removing Board ratification in May from the action item.

Director Day stated that he is certain that Pierce is a good product and that he appreciated the work that Chief Bybee and the committee undertook in selecting Pierce. Director Day noted that he had a bad interaction with a representative of Pierce when he was Deputy Chief of the District. He will vote no because of this past history.

THE MOTION PASSED 4 TO 1, WITH DIRECTOR DAY VOTING NO.

H. Attorney's Report

Attorney Shearer advised the Board that he had nothing to add to his written report.

I. Public Comment

None.

J. Directors' Reports

Director Day acknowledged outstanding presentations tonight from Chiefs Bybee and Anderson. He updated the status of his health. He had a PET scan yesterday with good results. There is a small concern about fluid on his lungs. He is still walking an hour on the treadmill each day.

Director Long congratulated the District on finishing the remodel of Station 63.

President Abboud congratulated Chief Bybee on the thorough process of training personnel to respond to the new oil and gas sites. He thinks the District will be pleasantly surprised with the relatively limited expenses and significant revenue related to new oil and gas developments.

Director Murphy thanked the presenters.

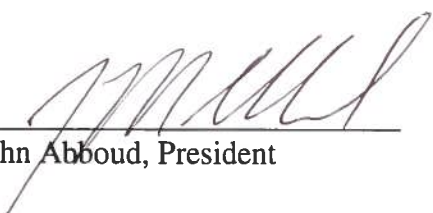
Director Nielsen thanked Chief Anderson and Eric Stewart on the completion of Station 63. He looks forward to May 12.

K. Executive Session

None.

L. Recess/Adjournment

A MOTION TO ADJOURN THE MEETING WAS MADE BY DIRECTOR DAY AND SECONDED BY DIRECTOR LONG. THE MOTION PASSED UNANIMOUSLY. THE MEETING ADJOURNED AT 6:40 P.M.


John Abboud, President


Jenni Murphy, Secretary