

STATE OF COLORADO
COUNTY OF HUERFANO
CITY OF WALSENBURG
Regular Session Meeting
October 6, 2009 6:00 p.m.

Mayor Sheldon called the meeting to order at 6:10 p.m. The Pledge of Allegiance was recited. Council members present were: Larry Patrick, Susan Blake, James England, and James Moore. Others present were City Administrator Alan Hein, Assistant Administrator Beth Neece and Deputy City Clerk/Treasurer Lori Sheldon and City Attorney Dan Hyatt.

APPROVAL OF MINUTES

Mayor Sheldon asked for a motion to accept the minutes from the September 15th Regular City Council meeting. Councilman Moore asked that parentheses be removed from the word (lessees) in the paragraph regarding Bachman and Associates. Deputy Clerk Sheldon explained that it was not stated correctly in the meeting and the parentheses show that she made a correction in the minutes to reflect what was actually meant. He also asked that the parentheses be removed from the name (Harriman) in the paragraph regarding Mr. Doyle's speech. Ms. Sheldon explained that this was done because Mr. Doyle did not specify which David he was talking about so, in order to clarify, his name was added with parentheses. A motion was made by James England, seconded by Larry Patrick, that the minutes from the September 15th Regular City Council meeting be accepted with the suggested changes. Motion carried on a Roll Call vote of 5-0.

At this point, Judge Lusero was asked by Mayor Sheldon to swear in the members of the newly-formed Grievance Committee: Sally Hix, Sylvie Tafoya, Orress Dehererra. Mayor Sheldon then thanked them all for their willingness to serve.

Committee Reports

Finance Committee Chairman Larry Patrick reported that the committee met on Monday Night with Mayor Sheldon, Councilman Moore, City Administrator Alan Hein, Assistant Administrator Beth Neece, Signature reporter David Rinehart, and himself present. Mr. Hein and Ms. Neece gave a report on the CDBG and USDA grants for the Northlands sewer project. Mr. Hein will discuss that later. A discussion was held on the Huajatolla Valley Estates potential water lease. That will also be discussed later. A supplemental budget to reflect a donation from Petroglyph will be handled later in this meeting. A discussion on the budget for 2010 was held briefly. The City Council must receive a budget draft by October 15th. That draft is in possession of the council members to go over with the administration.

Parks and Recreation Committee Chairman Bruce Quintana was not in attendance so no report was given.

Safety Committee Chairman Erin Jerant was not in attendance so no report was given.

Public Resources Committee Chairman Edie Flanagan was not in attendance so no report was given.

REPORTS

Administrator Alan Hein reported on the following:

Safeway Store Parking Lot Renovation: This is going very well. It's about 60% complete. Half of the approaches have been replaced and the third one is scheduled for the next couple of days.

Martin Lake Valve Replacement: We are advertising for bids for the next two weeks. The bids will close at 1:00 on October 29th and will be opened at 2:00 on October 29th. Augmentation started Monday (October 5th) and the drawdown is scheduled to start on October 15th. Councilman England asked for clarification on whether the release of water has been started. Mr. Hein replied that the required augmentation has started and that the drawdown will begin at a very slow rate on the 15th.

Wastewater Treatment Plant Status: That advertisement is this week also. The bid opening is tentatively scheduled for the end of the month but the actual date has not yet been set.

Northlands USDA Loan and Grant Status: We have some challenges with the USDA loan as far as some financial challenges that we're investigating at this time. There are some engineering discrepancies that we're looking into. Part of that grant is a CDBG grant that is separate but is actually part of the Northlands project. We got word recently that the funding for that looks good at this time. Prior to that we had gotten word that, because of the State cutting funds for their grant programs, it put that under a competition scenario. When that happened we took it back and revised it and tightened it up. By doing that it looks like we have a very good opportunity to secure that funding.

Raw Water Status: Mr. Hein and the Mayor attended a meeting in Denver two weeks ago. They met with the drinking water revolving fund people. There were representatives of the USDA and the CDPHE at the meeting. It looks very promising for securing some loan money from the Drinking Water Revolving Fund. We are currently working on an application to turn in in the near future. We have a very good chance of securing a loan to start that project. They only lend up to 2.2 million (dollars). Councilman Moore asked for clarification on who administers that fund. Mr. Hein and Mayor Sheldon replied that it is CDPHE. The engineering study is under way. Contracts have been signed with Tetra Tech. Councilman England asked if we are still looking at outside sources for funding some of that as we progress. Mr. Hein replied in the affirmative.

Brian Orr from the Huerfano Journal asked for elaboration about the engineering discrepancies on the Northlands (sewer line) project. Mr. Hein replied that it's a time lapse from the first engineering study versus the second one. There is a discrepancy in amounts as to the engineer's estimate of the project. Mayor Sheldon also stated that part of the problem is the possibility of a different route for taking the sewer line into the city. Mr. Hein said also that the project was phased and a phase was added.

Chief of Police Chief Baldonado was not in attendance so no report was given. Brian Orr asked when a report might be given. Mayor Sheldon replied that written reports are furnished on a monthly basis but that the Chief will be available to give a verbal report at the October 20th meeting.

Unfinished Business

Alicia Bryant appeared to request a letter of recommendation from City Council in order to begin fund raising and to pursue donations from other companies and organizations to build a skate park. She said that they're looking into a kit designed to be a community project to install. Councilman Patrick asked if this had been brought before the Parks and Recreation committee.

Ms. Bryant replied that it had. Mayor Sheldon stated that she believed that they are very much in favor of it but that they haven't had an opportunity to discuss the intended location (where the tennis courts currently are at City Park). She doesn't think there would be a problem with that location as those courts are badly deteriorated and the skate park would make better use of that area. The courts at Pinon and Hendren have been (recently) resurfaced and that's where most people go to play tennis. Councilman England made a motion, seconded by Susan Blake, that a letter of recommendation be submitted in order to pursue funding. After further discussion regarding the logistics of putting the skate park over the existing concrete and the advantages of the location in City Park, the motion passed on a roll call vote of 5-0. Councilman England commended Ms. and Mr. Bryant for their efforts in all the things they do for the city. The next item on the agenda is the final ordinance for annexation of land for the wastewater treatment plant. A motion was made by James England, seconded by James Moore that council approve

ORDINANCE NO. 989

AN ORDINANCE AMENDING ORDINANCE NUMBER 672 IN ITS ENTIRETY ANNEXING TO THE CITY OF WALSENBURG, COLORADO, PARCELS OF LAND DESCRIBED IN THE ATTACHED EXHIBIT "A".

WHEREAS, a petition has been filed with the City Clerk of the City of Walsenburg, Colorado, for the annexation to the City of Walsenburg, Colorado, the real estate described in this Ordinance; and

WHEREAS, said territory is eligible for annexation under the provisions of Colorado Revised Statutes 2008, Chapter 13, Article 12, and said petition and documents and maps thereto attached comply with the requirements of Colorado Revised Statutes 2008, 31-12-104, and 31-12-105, and 31-12-107; and

WHEREAS, one hundred percent of the owners of the property have petitioned for annexation, and that therefore no annexation election is required.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WALSENBURG, COLORADO:

Section 1. All proceedings for the annexation to the City of Walsenburg, Colorado, of the lands hereinafter described are approved.

Section 2. One hundred percent of the property owners have petitioned for annexation of the property.

Section 3. There is hereby annexed to the City of Walsenburg, Colorado, real estate located in Huerfano County, Colorado, described as follows, to-wit:

SEE ATTACHED EXHIBIT "A"

Section 4. The City Clerk of the City of Walsenburg, is hereby directed, upon final passage and approval of this Ordinance to keep on file in her office a map or plat of said territory and to file two certified copies of the Ordinance; one copy to be retained by the Clerk and Recorder of Huerfano County, Colorado, and the other copy to be filed with the Division of Local Government of the Department of Local Affairs.

Section 5. The property annexed shall be zoned H-1, Heavy Industrial.

The City Council of the City of Walsenburg hereby finds and declares that an emergency exists, that the public health, welfare and safety requires that Ordinance shall become effective immediately after its final adoption and publication.

INTRODUCED, READ IN FULL, PASSED, ADOPTED AND ORDERED
PUBLISHED THIS 6th DAY OF OCTOBER, 2009.

Mayor

ATTEST:

City Clerk

EXHIBIT "A"

ANNEXATION DESCRIPTION

WALSENBURG TREATMENT PLANT ANNEXATION

ALL THAT PARCEL OF LAND SITUATED IN THE SOUTHWEST ONE-QUARTER (SW1/4) OF THE SOUTHWEST ONE-QUARTER (SW1/4) OF SECTION 2 AND THE NORTHEAST ONE-QUARTER (NE1/4) OF THE NORTHWEST ONE-QUARTER (NW1/4) OF SECTION 11, TOWNSHIP 28 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN; AND LOCATED IN THE COUNTY OF HUERFANO, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST ONE-QUARTER (NE1/4) OF THE NORTHWEST ONE-QUARTER (NW1/4) OF SECTION 11, BEING ON THE LINE OF THE WALSENBURG CITY LIMITS;

THENCE ALONG SAID WALSENBURG CITY LIMITS S00°13'10"E 1312.05 FEET;

THENCE S88°45'39"E 850.00 FEET;

THENCE N15°24'40"W 2003.41 FEET;

THENCE N88°20'50"W 302.00 FEET TO SAID WALSENBURG CITY LIMITS;

THENCE ALONG SAID WALSENBURG CITY LIMITS S01°55'55"W 610.01 FEET TO THE POINT OF BEGINNING.

CONTAINING 1,120,897 SQUARE FEET OR 25.732 ACRES.

and that it be published in full. Councilman Moore asked that the two references to Otero County be revised to Huerfano County. Deputy Clerk Sheldon also pointed out that the word "entirety" was misspelled in the first paragraph. The motion was amended to include the stated corrections. Motion passed on a roll call vote of 5-0.

Next are the agreements with the Holita and Cucharas Reservoirs for storage of the water being let out of Martin Reservoir. Larry Patrick made the motion, seconded by Susan Blake that

we approve the agreements with Holita and Cucharas Reservoir Companies for storage of the water from Martin Reservoir. Motion passed on a roll call vote of 5-0. Butch Corsentino asked what kind of a deal was worked out with Holita because they have to use our ditch (the number 5) to move that water. He's irrigating now and wants to know when "they're going to start running that." Mayor Sheldon replied that the release is scheduled for the 15th of October and the first release is for Augmentation that we owe. She believes Holita will be taking the water via the number 5 ditch. Mayor Sheldon also stated that the agreements were drawn up by Beorn (Courtney) and Tim (Beaton) (of Headwaters Corporation) and asked how long he will be irrigating. He replied "as long as we can, until it freezes or until we can't." David Rinehart from the Signature asked how much is being stored in the Cucharas. He then stated that it wasn't in the agreement.

New Business

First is the request from Huajatolla Valley Estates to lease up to 20 acre feet of Water. Jessica Newton, president of HVE, introduced Lonnie Brown, the vice president of HVE to present their proposal. Mr. Brown started by stating that HVE is in the second year of leasing water from the City. He was under the impression from a conversation with (water commissioner) Doug Brgoch that the water being released from Martin Reservoir was going to be lost but, considering the prior agenda item, maybe it is moot. However, if any of the water is going to be lost, HVE is in hopes of purchasing water in order to pay a water debt for augmentation from previous years. Mayor Sheldon replied that there will not be any water lost under the agreements with the reservoir companies. After a question from Councilman Patrick regarding extra water Mayor Sheldon replied that we could entertain the idea of letting them buy more water from us. She asked about the amount of water needed. Mr. Brown replied that the debt is for 28 acre feet. Their plan was to repay that slowly since that is all they can purchase every year. They saw this opportunity to get some water at a lower rate, with the condition that they would repay it over the next year, since it's easier to repay a money debt than a water debt. They are not in a position to pay the same rate as they pay for the annual water so are hoping that, if there is water to be lost, they could get it at a discounted rate. Mayor Sheldon asked if they are prepared to negotiate. Mr. Brown replied in the affirmative. Mayor Sheldon suggested that a work session be set. Mr. Hein replied that there is a time constraint issue since the drawdown is set to begin on the 15th. Doug Brgoch would like an answer by tomorrow (October 7th) so it would need to be soon. Councilman England requested clarification on the availability of the water and the amount needed. Mr. Brown replied that Mr. Brgoch had informed him that they would only be allowed to purchase up to 14 acre feet of the 28 that they owe. Mr. England asked about the amount of time HVE has to repay the water debt. Mr. Brown replied that, under one plan, the deadline is December, 2010. Mr. England then asked, if we provided 14 acre feet now and 14 acre feet next year then we might be able to work something out. Councilman Patrick replied that we have the 14 acre feet of water and that perhaps we could negotiate it now. Councilman England then suggested that we lease them 14 acre feet at \$1,250.00/acre foot, giving them some discount while also helping the City's coffers. Mayor Sheldon inquired about what HVE can afford. Mr. England asked about fines that would be assessed if they don't pay it back in a timely manner. Ms. Newton replied that she does not believe there is any danger of that at this point. Their original thought was that the water was going to be lost and so they would be able to solve their problem while also helping the city. Now that the water will be stored the City does not "need" them. Councilman England asked what it would be worth to them to avoid a headache down the line. Mr. Brown replied that the \$350.00/acre foot was set as

a starting point. After further discussion James England made a motion, seconded by James Moore, to authorize the Mayor, City Administrator and Assistant Administrator the option to negotiate with Huajatolla Valley Estates for up to 14 acre feet of water for a lease price to be determined between \$600.00 and \$1,225.00. Motion passed on a roll call vote of 5-0. The date for the meeting was set for Thursday (October 8th) at 1:00 p.m.

Next, Bill Downey appeared to request that the City sponsor the annual Parade of Lights. In the past there has been no additional cost with the insurance company if the City sponsors this. The catch is that the City has to be the sole sponsor. The parade is November 27th at 6:00 p.m. The theme this year is "Let it snow, let it snow." Larry Patrick made a motion, seconded by James England and Susan Blake, that we approve the sponsorship of the Parade of Lights under the CIRSA insurance. Motion passed on a roll call vote of 5-0.

Mayor Sheldon asked if everyone has had a chance to review the Regional Building Authority (RBA) Building Contractor Licensing Procedures document. Alan Hein noted that the biggest change is that Contractors will now be licensed through the RBA and registered with the City instead of being licensed through the City. In order to do that, we'll have to amend the current ordinance. James England made a motion, seconded by Larry Patrick, to accept the proposed draft of the Building Contractor Licensing Procedures document. After further discussion the Motion passed on a roll call vote of 5-0.

Next on the agenda was the liquor license for the Safeway Store. James England made the motion, seconded by Susan Blake that the liquor license renewal application for 3.2 beer off premises for the Safeway store be approved. Motion passed on a roll call vote of 5-0.

The liquor license renewal for Kay's liquor was next. Larry Patrick made a motion, seconded by James England, to approve the liquor license renewal application for malt, vinous, and spirituous liquors. Motion passed on a roll call vote of 5-0.

Next was the supplemental budget approval for the donation of \$75,000.00 from Petroglyph. A motion was made by Larry Patrick, seconded by James England and James Moore, that

CITY OF WALSENBURG Resolution Number 2009 R-13

A RESOLUTION APPROPRIATING ADDITIONAL SUMS OF MONEY TO DEFRAY EXPENSES IN EXCESS OF AMOUNTS BUDGETED BY THE CITY OF WALSENBURG, COLORADO FOR BUDGET YEAR 2009

WHEREAS, the Water Fund is in receipt of unanticipated revenue not assured at the time of the adoption of the 2009 budget; and

WHEREAS, funds for the Water Fund will come from Petroglyph Energy, Inc.;

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WALSENBURG, COLORADO THAT

1. The 2009 appropriation for the Water Fund is hereby increased from \$8,123,450 to \$8,198,450 to pay for the Preliminary Engineering Report for the Raw Water Line Project.

This resolution shall be effective immediately upon approval by the Walsenburg City Council.

ADOPTED AND APPROVED this ____ day of _____ 2009.

Edith T. Sheldon, Mayor

ATTEST:

Loretta Sheldon, Deputy City Clerk

be approved. Motion passed on a roll call vote of 5-0.

Last on the agenda is the proposed budget to acknowledge and accept. Alan Hein reiterated that it is part of the requirements of the state to have this submitted to Council by October 15th and that this is a rough draft. A motion was made by James England, that the draft of the proposed budget be acknowledged and accepted for the year 2010. Dan Hyatt advised that Council only has to acknowledge receipt of the draft but do not need to accept it at this time. The motion was withdrawn in lieu of this advice.

Dan Hyatt advised the Mayor that he would like to go into executive session. Larry Patrick made the motion, seconded by James England, to go into executive session for a conference with the City Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b).

At the conclusion of the executive session, Mayor Sheldon made the following statement: The time is now 7:40, and the executive session has been concluded. The participants in the executive session were: City Administrator Alan Hein, Assistant City Administrator Beth Neece, City Attorney Dan Hyatt, Councilman James Moore, Councilman James England, Councilman Larry Patrick and Mayor Edi Sheldon. For the record, if any person who participated in the executive session believes that any substantial discussion of any matters not included in the motion to go into the executive session occurred during the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings Law, I would ask that you state your concerns for the record.

Adjournment

Seeing none, and with no further items on the agenda, the City Council meeting adjourned at 7:40 p.m.

CITY OF WALSENBURG

ATTEST:

Edith T. Sheldon,
Mayor

Lori Sheldon
Deputy City Clerk

The preceding minutes were prepared according to §47 of Robert's Rules of Order, i.e. they contain a record of what was *done* at the meeting, not what was *said* by the members. Tape recordings of the meeting are available for 6 months thereafter only for listening in the City Clerk's Office as well as copies of Ordinances and Resolutions.