

RECORD OF PROCEEDINGS
FORT LUPTON CITY COUNCIL/ENTERPRISE BOARDS
August 1, 2016

The City Council of the City of Fort Lupton met in special session at the City Complex, 130 South McKinley Avenue, the regular meeting place of the City Council, on Monday, August 1, 2016. Mayor Tommy Holton called the meeting to order at 7:00 p.m. and invited everyone to join him in the Pledge of Allegiance.

ROLL CALL

City Clerk Nanette Fornof called the roll. Those present were Mayor Tommy Holton, Councilmembers Chris Ceretto, Shannon Rhoda, David Crespin and Zoe Stieber. Also, present were City Administrator Claud Hanes, City Clerk Nanette Fornof, City Planner Todd Hodges and Finance Director Leann Perino.

PERSON TO ADDRESS COUNCIL

Carol Ruckel, Kristen Acres and Cailey Semroska, Art in Public Places provided information about the committees Selected Traffic Control and Utility Boxes painting project. The proposed project is designed to enhance the appearance of the City and to celebrate the identity, history, pride and spirit of the City. The project will be open to all artistic individuals. The committee and staff will then review the applications and then make recommendation to City Council for their approval. The Committee also indicated they are working with the Public Works Department in regard with the western entry way to the City. The committee will keep Council informed to the process and its results.

APPROVAL OF AGENDA

There were no additions or deletions to the agenda.

It was moved by Zoe Stieber and seconded by Chris Ceretto to approve the agenda as presented. Motion carried unanimously by a voice vote.

REVIEW OF AUGUST 1, 2016 PAYABLES

Council reviewed the August 1, 2016 payables. There were no questions or comments.

CONSENT AGENDA

It was moved by David Crespin and seconded by Zoe Stieber to approve the Consent Agenda as presented with the following item: 07182016, City Council Meeting Minutes.

Motion carried unanimously by a voice vote.

PUBLIC HEARING

AM 2016-102, Approve Resolution 2016Rxxx Approving Kerr-McKee Oil and Gas Onshore LP's Application for Oil and Gas Permits to Drill and Produce Seven (7) New Oil

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and Gas Wells (Referred to as the Villano HZ Wells) Located with Section 17, Township 1, North, Range 66 West, 6th P.M., City of Fort Lupton, County of Weld State of Colorado

Mayor Holton opened the public hearing at 7:06, and ask staff to present this case.

Staff indicated Chapter 9, Article I, Section 9-1(b) states that the provisions of this Chapter shall apply to the surface construction, alterations, repair, erection, maintenance and location of any gas or oil well, accessory equipment, and related structures within the City.

Kerr-McGee is requesting permits to horizontally drill and produce seven (7) new oil and gas wells (collectively referred to as the Villano HZ Wells) from a pad location located in Section 17, Township 1 North, Range 66 West, 6th P.M., City of Fort Lupton, County of Weld, State of Colorado. Pursuant to Chapter 9 of the Municipal Code, the new wells require approval from City Council. The proposed wells are described as: Villano 28C-17HZ; Villano Fed 30C-17HZ, Villano Fed 30N-17HZ; Villano Fed 4N-17HZ; Villano Fed 29C-17HZ; Villano 3N-17HZ; Villano Fed 18N-17HZ.

The application has more details, staff has deemed the application to be complete and finds that Kerr-McGee has complied with the requirements set forth by Chapter 9 of the Municipal Code related to Oil and Gas Exploration and Development. Specific conditions of approval related to this approval are listed under Section XII.

Staff also stated a public hearing is required for this request. Notice of the hearing has been posted on the properties that are being impacted by this development, adjacent neighbors within 500 feet of the proposed development have been notified of the hearing via certified mail, return-receipt requested, and the hearing date was published in the Fort Lupton Press no later than fifteen (15) days prior to the public hearing date. Kerr-McGee has submitted verification that they are bonded and have sufficient insurance per the City's requirements.

The proposed resolution defined the conditions of the permit and they are as follows: The permits to drill and produce the wells listed under Exhibit A of this Resolution will be in effect for one (1) year after issuance, prior to any onsite operations: the applicant shall submit written documentation to the city from the Fort Lupton Fire Protection District that their referral comments have been adequately addressed, access to the site will be reevaluated when the property surrounding the pad develops, the wells referenced in Exhibit A of this Resolution shall be integrated into Anadarko's remote monitoring system and monitored 24/7 from Anadarko's Colorado Integrated Operations Center, permits from the Colorado Oil and Gas Conservation Commission shall be provided prior to operations, access permits from the City's Public Works Department shall be obtained prior to the start of operations, and applicant shall acknowledge the comments from Xcel Energy regarding the existing high pressure gas transmission pipeline within County Road 8.

The applicant was present and was available to answer any questions from Council or staff. There being no questions or comments for the applicant or staff, Mayor Holton closed the public hearing at 7:07 p.m.

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It was moved by Zo Stieber and seconded by Chris Ceretto to approve Resolution 2016R029, A RESOLUTION OF THE CITY COUNCIL OF FORT LUPTON APPROVING KERR-MCGEE OIL & GAS ONSHORE LP'S APPLICATION FOR OIL AND GAS PERMITS TO DRILL AND PRODUCE SEVEN (7) NEW OIL AND GAS WELLS (REFERRED TO AS THE VILLANO HZ WELLS) LOCATED WITHIN SECTION 17, TOWNSHIP 1 NORTH, RANGE 66 WEST, 6TH P.M., CITY OF FORT LUPTON, COUNTY OF WELD, STATE OF COLORADO. Motion carried unanimously.

ACTION AGENDA

AM 2016-103, Approve a Supplemental Budget Resolution to Various Funds for an Amount of \$1,512,748

To facilitate compliance with the State Auditor concerning budget items, the city is proposing a supplemental appropriation. This appropriation will appropriate capital expenditures in the funds listed below:

EXPENDITURES		
<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund	Salary & Benefit Adjustments	\$ 22,943
	Tyler Technology's Encode Software	193,015
	Hardware for Encode Software	15,969
	CIRSA Work Comp Audit Corrections	17,503
	Council Donations	21,839
	Street Projects	1,000,000
		<u>1,271,269</u>
Street Sales Tax Fund	South Denver Avenue Engineering	41,917
	16 th Street Design	36,000
		<u>77,917</u>
Utility Fund	3 Shares Fulton Ditch	72,000
	Salary & Benefit Adjustments	10,527
	Tyler Technology's Encode Software	46,055
		<u>128,582</u>
Golf Course Fund	Pavilion Upgrade	34,980
Total Expenditures		<u>\$1,512,748</u>

It was moved by Zoe Stieber and seconded by David Crespin to approve Resolution 2016R030, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORT LUPTON APPROPRIATING \$1,512,748 IN FUNDS FOR THE 2016 BUDGET. Motion carried unanimously by a roll call vote.

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AM 2016-104, Ratifying the Mayor's Signature for Donation Agreement for Water Line Extension at Weld County Road 12 to the Hillside Cemetery

The City has a water service line across the King property to the east of the cemetery. Kerr McGee plans to make use of the area for oil and gas operations next year. In order to relocate the water service line, City staff and Kerr McGee personnel have agreed to extend the water main from Weld County Road 29, along Weld County Road 12 to the cemetery.

Kerr McGee will share costs of the project equal to the cost of running the water service line from its existing location in Weld County Road 29 to the cemetery eastern property line of the cemetery. The water main extension benefits the city by increasing the main for future connection along Weld County Road 12.

Kerr McGee's shared cost is \$83,420.00 with a remaining project cost for the city of \$29,447.00. The city's share can be reassigned from the Cemetery Fund Capital Projects Drainage Works. The city can evaluate the drainage issue through this year as irrigation will not be used on the uphill property. Drainage improvements may not be needed without the constant irrigation requirements on this parcel. Alternatively, the gateway improvements could be delayed while the city determine preferred entry way design.

It was moved by Chris Ceretto and seconded by Zoe Stieber to ratify the Mayor's signature for the Donation Agreement with Anadarko for the waterline extension at the Weld County Road 12 to Hillside Cemetery. Motion carried unanimously by a roll call vote.

Approve Resolution 2016Rxxx, Approving the Appointment of Mayor Tommy Holton to the High Plains Library District Transition Board of Trustees

In 1985, Weld County along with the City of Fort Lupton and other local governments established the Weld Library District (High Plains Library District). In 2014 the Trustee of the Library District filed an injunction action against the local governments who established the District. On July 26, 2016, representative for the entities mediated the action and generally agreed that new trustees should be appointed to the District Board. The terms will commence on or before September 1, 2016.

The following persons will be appointed to the High Plains Library District Transition Board of Trustees.

Tommy Holton, with a term to expire December 31, 2017;
Ray Patch, with a term to expire December 31, 2018;
Gary "Butch" White, with a term to expire December 31, 2019;
Barbara Kirkmeyer, with a term to expire December 31, 2020.

It was moved by Zoe Stieber and seconded by Chris Ceretto to approve Resolution 2016R031, A RESOLUTION OF THE CITY COUNCIL OF FORT LUPTON APPROVING

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APPOINTMENTS TO HIGH PLAINS LIBRARY DISTRICT TRANSITION BOARD OF TRUSTEES, motion carried unanimously by a roll call vote.

STAFF REPORTS

Claud Hanes City Administrator provided an update regarding the High Plains Library District litigation.

Ken Poncelow, Chief of Police indicated National Night is tomorrow (August 2, 2016); he is anticipating 800 +/- attendees and also the Dunk Tank is back by popular demand. The event is scheduled from 5:30 – 8:30 p.m.

MAYOR/COUNCIL REPORTS

No reports

FUTURE CITY EVENTS

August 2, 2016 National Night Out – Koshio Park – 5:30 – 8:30 p.m.

August 10, 2016 Town Hall Meeting – City Hall, 130 South McKinley Avenue- 6:30-7:30 P.M.

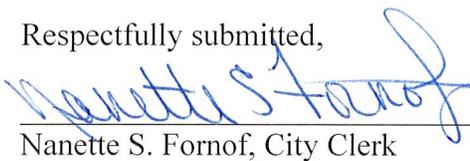
August 24, 2016 Town Hall Meeting – City Hall, 130 South McKinley Avenue- 6:30-7:30 P.M.

ADJOURNMENT

It was moved by Zoe Stieber and seconded by David Crespin to adjourn the August 1, 2016 at 7:15 p.m.

Motion carried on voice vote.

Respectfully submitted,


Nanette S. Fornof, City Clerk



Approved by City Council


Tommy Holton, Mayor