

**RECORD OF PROCEEDINGS  
FORT LUPTON CITY COUNCIL/ENTERPRISE BOARDS  
JUNE 23, 2010**

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 Wednesday June 23, 2010. Mayor Holton called the meeting to order at 7:00 p.m.

**ROLL CALL**

Shannon Crespin	Present	Bob McWilliams	Absent
Chris Cross	Absent	S. David Norcross	Present
Tommy Holton	Present	Debora Yates	Present
Zo Hubbard	Present		

Others present were:

- City Administrator – Mike Konefal
- City Attorney – Bill Wallace
- City Clerk – Barbara Rodgers
- Interim Planning Director – Todd Hodges
- Chief of Police – Ron Grannis

**APPROVAL OF AGENDA**

It was moved by Zo Hubbard and seconded by David Norcross approving the agenda as presented.

Motion carried on voice vote.

**PROCLAMATIONS**

**JUNE 25, 20110 THE DAY TO HONOR SALUD FAMILY HEALTH CENTERS FOR THEIR NUMEROUS CONTRIBUTIONS**

The record is to reflect that Barbara Rodgers, City Clerk, read the proclamation.

**SPECIAL REPORTS**

**CLEAR WATER SOLUTIONS – CORT NICKEL  
REQUEST FOR ADDITIONAL SERVICES – PHASE II WATER TREATMENT  
PLANT IMPROVEMENTS**

Cort Nickel presented Council two options for the Phase Two Improvements – Value Engineering Analysis for the City of Fort Lupton/Town of Hudson Water Treatment Plant as shown below:

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Cost Reduction Options		
	Option 1	Option 2
	Maintain Design – Do not move adsorption clarifier	Move adsorption clarifier to main filter gallery
Work Elements	Eliminate floor coating system and repainting of wall in chemical feed rooms, exchange backwash pumps	Eliminate floor coating system and move AC to main filter gallery (eliminates cost of smaller compressors and associated components)
Cost	\$996,140	\$991,115, not including redesign
Pros	Replaces large 100 hp Compressors with 25 hp compressors  Ideal location for adsorption clarifier	Allows City to pursue energy savings grant for smaller 25 hp compressors  Addresses repairs to chemical feed rooms
Cons	Delays repairs to chemical feed rooms  Lose potential advantages of energy savings grant	Proposed location will interfere with operations and maintenance  Costs to re-design/risks of not redesigning adsorption clarifier

Mr. Nickel stated that his preference was Option #1.

Mike Konefal, City Administrator, suggested and also preferred Option #1 and reported that Option #1 was not available three weeks ago.

Council consensus was to accept Option #1.

Mr. Nickel addressed that the cost of performing the requested value engineering is \$5,188.75. Mr. Konefal responded that this amount exceeded the “not to exceed amount” of the Action Memoranda.

Council discussion resulted in the consensus to address the issue during the executive session scheduled later this evening.

**APPROVAL OF PAYABLES**

The record is to reflect that Council reviewed the payables to June 23, 2010.

**CONSENT AGENDA**

It was moved by Shannon Crespin and seconded by David Norcross to approve the following consent agenda items:

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- Approval of the minutes of the June 9, 2010 City Council/Enterprise Boards Meeting
  
- AM 2010-040                      Second reading, by title only, Ordinance No. 2010-915 an emergency ordinance continuing the moratorium on the acceptance of applications or the approval or permitting of medical marijuana outlets by care givers, aka medical marijuana dispensaries, and beginning a moratorium of the establishment of grow operations within the City of Fort Lupton until December 31, 2010  
(Passed on first reading May 26, 2010)
  
- AM 2010-048                      Approve Resolution 2010-027 approving the reappointment of Lynne Derby to the Planning Commission for a three (3) year term expiring June 1, 2013
  
- AM 2010-045                      Approve Resolution 2010-024 agreeing to support the Highway 85 Coalition in the application of a HUD Sustainable Communities Planning Grant

It was moved by Shannon Crespin and seconded by David Norcross removing 11-E AM 2010-049 approve Resolution 2010-028 calling a special election for November 2, 2010 and notifying the Weld County Clerk, acting as the election official, that the City of Fort Lupton will participate in the November coordinated general election for submission of ballot question relative to medical marijuana issues and explaining that it was the consensus of Council that the matter would be addressed through the adoption of an ordinance process and not take it to the vote of the electors.

Shannon Crespin	Yes	S. David Norcross	Yes
Tommy Holton	Yes	Debora Yates	Yes
Zo Hubbard	Yes		

The friendly motion to approve the consent agenda as amended carried on roll call vote.

**INFORMATION MEMORANDUMS**

**UIM 2010-001 A&W WATER REQUEST TO TAP INTO AN EXISTING CENTRAL WELD COUNTY WATER DISTRICT LINE**

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Don Wright, representative of A&W Water, has been working with the Central Weld County Water District to obtain a water tap to replace an existing well for potable water service to their office. A&W Water is located at the southeast corner of North Denver Avenue and County Road 16.

An existing utility extension agreement between Central Weld County Water District and the City of Fort Lupton was signed in 1999. The agreement does not allow Central to provide water service to others without consent from the City of Fort Lupton. Central's tap current tap fee is \$20,500. Fort Lupton's tap fee and water share is approximately \$16,733 based on current price of a water share. Mr. Wright has indicated in his information that they have spent \$9800 on the chlorination system and pay \$350 per month for operations.

Based on initial discussions with Public Works and the City's consulting engineers there is an existing City water line located in 14<sup>th</sup> Street. Staff is looking at the ability to extend services for evaluation. The property is zoned commercial in Weld County and the operation exists under an existing Site Plan Review to allow for their commercial operation.

Council consensus included that there was a need for additional information on the topic before moving forward.

**ACTION MEMORANDUMS**

**PUBLIC HEARING CONCERNING OIL AND GAS WELL RECOMPLETION PERMIT BY KERR-MCGEE OIL AND GAS WELL ONSHORE LP LOCATED IN THE CITY OF FORT LUPTON – BILL WETHINGTON GU #1**

Mayor Holton opened the public hearing at 7:43 p.m.

Bill Wallace, City Attorney, reviewed the procedures of the Public Hearing.

Todd Hodges, Interim Planning Director, verified that publication and posting requirements had been met per Municipal Code requirements. Mr. Hodges stated this is a request from Kerr-McGee to recomplete an existing well located in the southwest portion of the City.

Terry Enwright, representative of Anadarko Oil & Gas Onshore LP, stated that this well was completed sometime in the 70s and since that time they have been approached several times by the surface owner to recomplete the well to create more royalties. Primary activities should take approximately 30 days and 60 to 90 days for intermittent activities depending how the well performs. Mr. Enwright stated that they are prepared to put up 30 foot hay bales and limit activities to daylight hours.

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There were no questions of staff from the audience.

There were neither proponents nor opponents.

No correspondence was received in favor of or against the oil and gas well recompletion permits.

Mayor Holton closed the public hearing at 7:53 p.m.

**AM 2010-046 APPROVE RESOLUTION 2010-025 REGARDING KERR MCGEE ONSHORE LP'S REQUEST TO RECOMPLETE AN EXISTING OIL AND GAS WELL LOCATED WITHIN THE CITY OF FORT LUPTON**

Kerr McGee Onshore LP, owners and operators of several oil and gas wells located in the City of Fort Lupton, are seeking approval from the City to recomplete a well in order to enter into new mineral formations. Kerr McGee is required to obtain proper permits from the City according to Chapter 9 in the Fort Lupton Municipal Code.

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 has several oil and gas operations in the City of Fort Lupton. The oil and gas well that is part of this request currently exists. However, Kerr McGee is recompleting the well in order to tap into new formations and this requires approval from the City.

The well is the William Wethington GU #1 (located west of South Fulton Avenue and south and adjacent to Lone Pine Street). Per the application materials the existing well was originally drilled in 1975. The residential area directly south of the well site was built up after the well and facilities were in place.

The land use applications are complete and Kerr McGee has complied with the conditions set forth under Code Sections 9-3, 9-4, 9-5, 9-6, 9-7, 9-8 and 9-9. Specific conditions of approval are listed in the staff recommendation under Section XII.

It was moved by Shannon Crespin and seconded by Zo Hubbard approving AM 2010-046 approving Resolution 2010-02 regarding Kerr McGee Onshore LP's request to recomplete an existing oil and gas well located within the City of Fort Lupton and amend Resolution 2010-025 to read as the following:

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1. The applicant shall submit a **site mitigation plan and a** buffer/landscape plan to be reviewed and approved by ~~Planning staff~~ **City Council**. **The landscape plan is for** any new facilities, structures and/or equipment that are not temporary for the recompletion of the well.
  
3. **There will be a City designated haul route that will not be deviated from.**

Council had concerns with managing dust. Mr. Enwrite responded that they have a number of options to control the dust.

Shannon Crespin	Yes	S. David Norcross	Yes
Tommy Holton	Yes	Debora Yates	Yes
Zo Hubbard	Yes		

Motion carried on roll call vote.

**PUBLIC HEARING CONCERNING THIRTEEN NEW OIL AND GAS WELL PERMITS AND ONE RECOMPLETION PERMIT BY KERR-MCGEE ON PROPERTIES**

Mayor Holton opened the public hearing at 8:13 p.m.

Bill Wallace, City Attorney, reviewed the procedures of the Public Hearing.

Todd Hodges, Interim Planning Director, verified that publication and posting requirements had been met per Municipal Code requirements.

Terry Enwright, representative of Anadarko Oil & Gas Onshore LP, stated that they were requesting drilling 13 wells. Each well should take approximately two weeks per well.

There were no questions of staff from the audience.

There were neither proponents nor opponents.

No correspondence was received in favor of or against the oil and gas well recompletion permits.

Mayor Holton closed the public hearing at 8:21 p.m.

**AM 2010-047 APPROVE RESOLUTION 2010-026 REGARDING KERR MCGEE ONSHORE LP'S REQUEST TO RECOMPLETE AN EXISTING OIL AND GAS WELL AND DRILL THIRTEEN NEW WELLS LOCATED WITHIN THE CITY OF FORT LUPTON**

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Kerr McGee Onshore LP, owners and operators of several oil and gas wells located in the City of Fort Lupton, are seeking approval from the City to recomplete an existing well in order to enter into new mineral formations. Kerr McGee is also seeking to drill thirteen new wells. Kerr McGee is required to obtain proper permits from the City according to Chapter 9 in the Fort Lupton Municipal Code.

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 has several oil and gas operations in the City of Fort Lupton. Kerr McGee is requesting permits to recomplete an existing well in order to tap into new formations and drill thirteen new wells that will be co-located in three locations on the property. The recomplete and the new wells require approval from the City. The application materials indicate that it will take approximately 120-180 days from building location to reclamation. An extension for the time frame is included within Resolution 2010-026.

Recompletion well:

The existing well proposed for re-completion is the Lupton North 10-33A (located west of CR 31 and north of 9<sup>th</sup> Street) Access to this well exists from 9<sup>th</sup> Street. The well is located in the SE ¼, Section 33, T2N, R66W of the 6<sup>th</sup> P.M., Weld County, Colorado. These wells are all located within the south ½ Section 33, T2N, R66W of the 6<sup>th</sup> P.M., Weld County, Colorado.

Proposed thirteen wells:

The proposed wells are described as the Cottonwood 9-33, 11-22, 12-33, 13-33, 14-33, 15-33, 23-33, 24-33, 32-33, 33-33, 34-33, 36-33, and 39-33. Access to these proposed wells exists from 9<sup>th</sup> Street and County Road 29.

For details see the land use applications prepared by Kerr McGee. The land use applications are complete and Kerr McGee has complied with the conditions set forth under Code Sections 9-3, 9-4, 9-5, 9-6, 9-7, 9-8 and 9-9. Specific conditions of approval are listed in the staff recommendation under Section XII.

It was moved by Zo Hubbard and seconded by Shannon Crespin approving AM 2010-047 approving Resolution 2010-026 regarding Kerr McGee Onshore LP's request to recomplete an existing oil and gas well and drill thirteen new wells located within the City of Fort Lupton and amend Resolution 2010-025 to read as the following:

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3. The applicant shall submit an off-site improvements agreement concerning 9<sup>th</sup> Street and a site mitigation plan for review and approval by City staff Council.

4. There will be a City designated haul route that will not be deviated from.

Shannon Crespin	Yes	S. David Norcross	Yes
Tommy Holton	Yes	Debora Yates	Yes
Zo Hubbard	Yes		

Motion carried on roll call vote.

## REPORTS

### CITY CLERK

Barbara Rodgers, City Clerk, announced that the adoption of Ordinance 2010-914, changing the City Council meetings from Wednesdays to Mondays would be effective July 23, 2010. The first Monday Workshop meeting is July 19, 2010 and the first Monday Regular meeting would be July 26, 2010.

### COUNCIL

Council reports included that there would not be Cemetery Committee meeting July or August but would resume again in September.

### EXECUTIVE SESSION PERSONNEL/CONTRACTS/LEGAL MATTERS

It was moved by Shannon Crespin and seconded by Debora Yates to enter into an executive session for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators per § 24-6-402(4)(e) for discussion on development matters.

Shannon Crespin	Yes	Bob McWilliams	Yes
Tommy Holton	Yes	S. David Norcross	Yes
Zo Hubbard	Yes	Debora Yates	Yes

Motion carried on roll call vote.

The Mayor, Council members, Mike Konefal, Bill Wallace, Claud Hanes, Todd Hodges, and Cort Nickel entered into an executive session at 8:48 p.m.

The meeting was reconvened at 9:51 p.m.

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**ADJOURNMENT**

It was moved by David Norcross and seconded by Zo Hubbard to adjourn the June 23, 2010 City Council/Enterprise Boards meeting.

Motion carried on voice vote.

The meeting was adjourned 9:52 p.m.

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Tommy Holton, Mayor

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Barbara Rodgers, City Clerk

Prepared by Cheryl Scott