

Town of Bayfield
Regular Town Board Meeting
11 West Mill Street Bayfield, CO 81122
March 4, 2008

Town Board Members Present: Mayor James Harrmann, Rick Smith, Carol Blatnick, Tom Au, Daryl Yost, and Niel Hieb. Russ Jones was absent due to illness.

Staff Present: Justin Clifton, Town Manager, Joe Crain, Town Planner, Jack McGroder, Management Intern, Pat Anselmo, Town Clerk, Dirk Nelson, Town Attorney, Marty Zwisler, Project Manager, Ron Saba, Public Works Director.

Media Present: Carole McWilliams – Pine River Times

The meeting was called to order at 7:03 p.m by Mayor Harrmann.

The Mayor acknowledged the Historic Plaque that has been awarded to 11 W. Mill Street, designating Bayfield Town Hall to be of historical significance by the La Plata County Preservation Review Commission and Board of County Commissioners. Brenda Jones was instrumental in bringing this endeavor to fruition. The Board was asked for their input on where they would like the plaque attached to the building. The Mayor offered to affix the plaque to the building.

Getting the 'historical designation' was a pre-requisite necessary for the acquisition of grants/ funding by the Heritage Society. The Heritage Society plans to purchase the present town hall facility for use as a museum.

Approval of Minutes: The minutes of the Town Board meeting from February 19, 2008 were presented for approval. Carol Blatnick asked that the minutes be amended on page three, under Agenda Item #6, to read '*Daryl*' stated that the Town should budget between five and ten thousand dollars...instead of '*Carol*' stated. Also, the vote needed to be corrected to portray that there were five that voted in favor, with Carol opposing. Motion carried.

Carol asked that the vote on Agenda Item #9, Ordinance # 334, be reflected to show that there were five that voted in favor of adopting the ordinance, with Tom Au voting in opposition. Motion carried.

At this point, Rick pointed out that there was not an agenda item designated for appointing a new Planning Commissioner to replace Bill Miller. He requested adding Agenda Item 8A for the appointment of a Planning Commission member to fill the vacancy.

Public Input: Pamela Smith wanted to acknowledge Carolyn Hull' s letter to the Board expressing her interest in being considered as a new member of the Planning Commission. Pamela said Carolyn would be a wonderful asset to the Planning Commission, and highly recommended her to the Board.

Public Input was then closed.

Action Agenda Item #1: Approval of the Bills:

Daryl questioned the \$1400 bill from LPEA. He asked if it was the bill for the sewer plant. Staff is to research this a/p entry and get back to him at the next meeting. Daryl asked about the bill for environmental services, Justin confirmed that this was for preliminary studies for the new sewer plant. He then added a precaution, *there will be more*. Carol asked about the Point to Point invoices. Justin replied they were for copies of plans for the Senior Center. Justin explained that the Seniors Committee has given the Town \$1300 to pay for stationary, envelopes, postage, etc., relative to their fund raising activities. They had advanced sufficient money for the Town to buy the necessary supplies. Fuel bills were discussed. After a short discussion, Carol moved to approve the payment of bills as submitted. Daryl asked that the La Plata Electric bill be explained at the next Board meeting. Rick seconded. The vote was five in favor, motion carried unanimously.

Action Agenda Item #2: Town Updates:

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Justin asked if the Board had any particular concerns they would like to voice at this time. He mentioned that the Senior Center project was almost ready to go out to bid. The Town is waiting to hear from DOLA regarding the supplemental grant request. As soon as their reply is received, the Town should have all the funds necessary for the building to proceed.

Regarding the Sunrise issues, Justin feels that this process is nearing its completion. He has met with the Sunrise representatives and is hopeful they can finalize their acceptance of the scope of the work before the next Board meeting. The Town will then begin negotiating a settlement for the irrigation system. There are a few areas that need fine-tuning, but Justin feels it is definitely moving toward closure. Daryl wanted to know why the HOA was listed on the agreement. Dirk answered, explaining that the HOA will eventually take ownership and it made sense to include them in the agreement negotiations.

Other items listed in Justin's updates included the following:

LPEA is using the most efficient light bulbs available. The Town rents the lights at a flat rate, LPEA provides the electricity and maintenance.

Source Gas has plans to install flags on all their gas meters that are within a certain proximity to the Town's rights of way.

Road repairs (assortment of potholes) will take place, according to Ron, as soon as the roads are totally dry. He has asphalt mix on order. He has also looked at the intersection of Mountain View, Lakeview, and Oak to make a determination on the placement of stop signs. It is his determination that no changes should be made to the placement of the signs.

In respect to the issues that are plaguing the Sanitation department, Ron told the Board that the Bayfield plant is overloading on the influent, as is normal. He knows that part of the infiltration is due to the snow melt. The Gem Village plant was also out of compliance with the effluent in February. Ron remarked that there is a strange situation, a huge deluge in the influent, which also has oil in it, resulting in really high BODs. Justin and Ron are in the process of obtaining an engineering firm to conduct sampling to find out where the problem is coming from. High loading has been a problem for a long time. The Town needs to find the source of the high loadings and eliminate them. The engineering firm is from the front range. They are already in the area, working in Mancos. They are trying to establish a clientele in this area, and since Bayfield's problem is a high profile case, it would be great publicity for them if they found the solution. They are willing to put their top level senior people to work on Bayfield's behalf. Justin will have a proposal from them in time for the next packet. The studies will run about \$40,000 but it is something that must be done. This will cover time and materials, with some small amount for mileage. The Town would do most of the actual work, the engineering firm would set up the testing procedures and protocol. They will test for volatile organic compounds.

Ron spoke about the grease traps and the pre-treatment tanks. He does inspections each month. If it is determined that the tank needs to be pumped, the owner is notified that they have thirty (30) days to comply. If they do not, Ron intends to levy fines against them.

Action Agenda Item #3: Liquor License Renewal – Mill Street Brews:

Dennis Rahilly, dba Mill Street Brews, LLC has submitted a renewal of his liquor license for his establishment at 25 West Mill Street. The current license expires April 30, 2008. Pat submitted the request to the Board, who acts on and in behalf of the Bayfield Liquor Authority, for their approval of the renewal for this annual liquor license. Rick so moved. Tom Au seconded. The vote was five in favor, motion carried unanimously.

Action Agenda Item # 4: Public Works Budget Amendments:

Justin discussed some of the cost overruns that have occurred as a result of the heavy snow Bayfield has received in the past two months. Daryl had requested that an amended budget be prepared to accommodate these overruns. It has been normal procedure in the past to do an amended budget, if necessary, close to the end of the year, in order to encompass all revenue and expenditure overages. Justin affirmed that the Board may make the determination to change the budget immediately, or they may choose to do an amended budget later on in the year. It is totally to their discretion to do so. Rick is inclined

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to wait until farther on in the year, because it is quite possible there will be other major variances in some of the line items. Dirk confirmed that budget overruns only pertain to funds, not to line items, and that it may be advisable to wait until later on in the year before doing the amendments. If changes are done later in the year, comparisons are much easier to apply.

The Town has spent over \$38,000 for snow removal. Justin said this money could be taken out of a contingency line item, or it could be assigned to the emergency Tabor reserve. He does anticipate that the revenue the Town will realize from severance payments in 2008 will be substantially higher than budgeted. However, he prefers that this cost be taken from the Tabor reserves, as this is what the line item is set aside for. In the end he will modify the actual line items. Another option is to delay some capital projects. However, capital fund monies cannot go to cover operations expenditures. He has taken a conservative approach to both revenues and expenditures in the 2008 budget. The legislature has changed the way in which they will be distributing severance tax, the equation they used in the past has been modified to include other criteria. It heavily favors La Plata County. Justin feels the Town will receive at least an additional \$30,000 from severance revenues. The Board asked Justin what his recommendation was for covering the \$38,000, he recommended using the Emergency Tabor reserve line item. Rick concurs with Dirk, the budget numbers are based on each fund, and these numbers will not be completely discernable until closer to the end of the year. He said at that time, the line items can be adjusted, and if the numbers do not run over the budgeted amounts, there will be no need to go into the reserve line item. Daryl asked about Justin's grant plans for the year 2009. He asked if Justin will do the preliminary work for grants in 2008, Justin replied in the affirmative. Justin did mention that he has met every grant cycle up till now.

Action Agenda Item #5: Discussion Regarding Water Tank Design:

Ron is here tonight to answer any of the Board's questions about the water tank design.

Daryl asked why there are three pipes coming off of the fill line.

Ron replied, so they will be able to by-pass the tank completely. The one extra pipe is going to be a dead stub-out in case they need to use it in the future to go east. Daryl asked, 'can you move the chlorinating system'. Ron said it cannot be moved. The mixers in the new tank keep the chlorine at the appropriate levels. There will be a battery powered chlorine mixer in the new tank as well. Ron said the mixers work very well.

Justin anticipates the costs to come in at \$450,000 to \$460,000. The original estimate was set at \$673,000. Daryl asked if the Town has an annexation agreement signed with Jack Roe. Justin answered, not yet. The Town needs to be sure that this is coordinated. Jack's progress depends upon how fast the weather conditions improve. Justin said that he needs to set down with Jack to make sure that key dates are agreed upon, especially when the Town gets the schedule from the contractor. The annexation agreement is contingent upon this water tank project. It is not secured by a letter of credit. The initial agreement was for the contracting work to be completed within 90 days, start to finish. It has been determined since that 90 days was not long enough, and that it should be extended to 120 days. Once the Town awards a contract, Justin will complete a schedule that will phase the project. The Town will close the bidding in less than two weeks. Everything depends on weather. Daryl asked if, according to the grant, the deadline for completion is November of 2008. Justin said that was the expiration date of the grant.

Jack is providing the labor to install the water line, the Town is supplying all materials.

He is also required to do the work on the road in order for the concrete trucks to be able to access the water tank site. Ron will not be overseeing the construction, Justin said this responsibility was the engineers.

The Town is to hire a general contractor, who will in turn hire their own subs. Niel asked, 'will Marty be involved in this project?' Justin said, no, he will not. The contract with the engineer stipulates that they supply a lot of over-sight of the project. The prime contractor is responsible for the subs. Daryl asked if there is a warranty on the pipe installation. Justin said the Town does not have a bond in place. Jack has not recorded his final plat.

The Town does not have a provision for a warranty for the pipelines. Justin said it hinges upon Jack deciding to file his final plat. He may decide not to file the plat. Dirk will make a note to be sure that this is addressed and followed through.

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Action Agenda Item #6: Good Will Sewer Back Up Policy:

Justin wanted to clear this with the Board. The Town needs to draft an original agreement that will cover the things that will be part of the policy. He added the clause about filing a claim within 48 hours with the Town, to be sure the Town does not get taken advantage of. Niel wanted to be sure that the policy stipulated whose responsibility it was to install the back-up valve. Justin said the Town can prescribe that the homeowner installs it. The service line should be the responsibility of the homeowner, never the Town. Once the valve is installed, the Town's liability should only be for the clean-up in the homes. The Board had agreed that the cost of the valve be included in the \$1,000 per each claim, and that only one claim per household per year would be covered. The Board does feel that, once a valve is installed, the problem should be eliminated.

Justin said that repeated cases could be dealt with on a case by case basis if the Board so chooses. Justin will draft the policy/ agreement and present it back to the Board for final approval.

Action Agenda Item # 7: Discussion Regarding Use of Existing Town Hall:

The Mayor had requested that this item be placed on the agenda. Herm said he has been advocating a youth center for a long time, and that if the Town still has use of the building once the current offices are moved to the new complex, he thinks the Board should seriously consider turning the current town hall building into a temporary recreation center for youth. The Board has, in the past, considered building a youth center. Rick voiced his concern about making a short term decision that would put the ongoing agreement with the Heritage Society in jeopardy. He would not want to allow a use that might deteriorate the interior or exterior of the current building, in essence causing undue damage that would inhibit the transfer of the property to the Heritage Society. Rick suggested taking the Mayor's idea and pursuing it, with the goal of creating a permanent facility, separate and distinct from any existing buildings, for the use and enjoyment of Bayfield's youth. He feels it would not be advisable to use this facility for that purpose. Jim Frahm and Marv Conrad were in the audience to convey the perceptions of The Heritage Society regarding the Mayor's proposal. Their Society anticipates using this building as soon as humanly possible, their current facility is seriously lacking in sufficient maneuverable space. They intend to make this location (11 W. Mill) a Historic Drawing Card which would, hopefully, be the impetus for a symbiotic relationship to espouse new business on Mill Street. Justin mentioned that they are involved in the initial steps for the grant process. The duration of the grant is fairly lengthy. They will need to do a cultural resource survey, he does not know how long this will take. The next step is the building assessment, which will be a crucial part of the grant process. If they (those who provide grants) would dedicate any funds for building acquisition, the building assessment will weigh heavily there. They will need to make a determination how easy it will be to restore the building before they proceed. Rick asked, 'if we make alterations to the existing building, would it have a negative impact on their assessment?' Justin replied, probably not. The Historical Society will probably not be able to use their grant monies at the time the Town moves into its new offices. Carol wondered if the Mayor's proposal had been discussed with Parks and Rec. 'It would pose some logistic challenges, especially because it involves youth, they need to be supervised. Parks and Rec would be called on to do the supervision, would this present a need to increase staff?'

Justin let the Board know that Scott and Ryan are making significant changes, they have been increasing the number and quality of the sports events. So much interest has been received, they have teams coming from as far away as Albuquerque and Shiprock. They have maxed out the programs based on the availability of the facility. They did indoor soccer for the first time, it was a great success. All of the expanded programs are sports oriented. These require a material amount of staff's time. If any additional programs were initiated, they would have to carefully consider the logistics. Does the Town have enough staff to make it happen? They will be spread pretty thin as it is because of the events currently being scheduled for the spring and summer seasons. Justin said, logistically, it would be problematic. They (Parks and Rec staff) would have to cover the gym, the sports parks, the senior center and the offices down the street. The overhead costs would run high. Some discussion followed. Niel thinks Scott should definitely be involved in this decision. The existing building could be used for community meetings, daytime as well as evening.

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Justin commented, lets keep this discussion on-going, gather more input, and look at facilities use more closely.

Action Agenda Item #8: Resolution #217, Regarding Gem Village Fees.

Justin discussed the preliminary engineering report. The lift station is their preferred alternative. Rick concurred, saying it was ludicrous to build two separate sewage treatment facilities and incur huge debt when a lift station would serve just as well and cost much less. The cost of the lift station is the justification of raising the cost of the sewer taps. The price of the sewer taps would be equal to those sold in Bayfield. Carol asked how the Town intends to notify the residents of Gem Village. Justin said this resolution will not affect anyone currently living there. He re-affirmed that the resolution was meant to raise the tap fees only, not the monthly fees. Justin commented that if the Board decides to build the lift station, the increase in tap fees will need to be implemented to cover the costs of financing. Rick asked how the increases had been dealt with in the past. Justin replied, they have always had a public hearing and invited those involved to come to discuss the effects it will have on them. Rick wants to post another public hearing for this specific issue, and schedule time in a future meeting to address any approval of the increases. Niel agrees that there should be another public hearing. He said he was surprised to see this resolution in the packet this week. He definitely feels more public notice needs to be given. Carol agreed.

Daryl does not agree with the concept of building a new sewer treatment facility and having the people of Bayfield foot the cost in order to bring Homestead and Gem Village on board for free.

Niel asked that Justin be very sure that the sewer pipe line would be sufficient for adequate flow. Justin replied they intend to install two separate lines, a 2 inch and a 4 inch. He said that, on a long line, it needs to be a small diameter in order for the sewage to move along. A bigger pipe would make it possible for sewage to move along very slow, and perhaps stop altogether. This causes it to become septic. They definitely do not want this to happen. Justin said the two inch pipe will be adequate for a long time. It should be large enough for the entire build out at Homestead and the growth anticipated in Gem Village for the next twenty to thirty years.

A short discussion followed concerning homes at higher levels and those at lower levels incurring an unequal (perceptually speaking) portion of fees. The lift station serves all equally, although the needs for each home may not necessarily be equal. According to Justin, the fees that Gem Village now pays don't even come close to paying for the services they are receiving. The reality is that this area has been subsidized by other areas of the community for a long time. There will definitely be economies of scale if Gem Village is brought in under the umbrella of a single system. Daryl is still inclined to ask Homestead to help finance the lines and the lift station. Justin, 'we have not asked other subdivisions to do this'. He said that, because of grant money and everything else, it had not been necessary. The Board had made the decision to not continue with the prepay philosophy. Justin will do some aggressive communication concerning this issue to be sure that the public involvement the Board would like to see is actively pursued. Perhaps he will get an article in the newspaper.

Action Agenda Item # 8A: Appointment of Planning Commission Member:

Justin said that the appropriate protocol is for the Mayor to present a nominee and for the Board to ratify the nomination. The Mayor advised the Board that Carolyn Hull has submitted a letter asking to be considered by the Town Board for an appointment to the Planning Commission. The Mayor endorsed Carolyn Hull for the position on the Planning Commission, vacated by Bill Miller. Rick, 'so moved'. Carol seconded. The vote was five in favor, motion carried unanimously.

Action Agenda Item # 9: New/ Unfinished Business:

Russ Jones was unable to be here this evening due to health problems. But, Justin remarked, he had asked Justin to convey to the Board that the elementary school was conducting a 'Read-aThon' to raise money. (Justin couldn't remember what they were raising money for (☺) he will touch base with Russ on this). Russ wanted to be sure that the Town conveys their appreciation for the schools efforts.

Justin reminded the Board that they are having a worksession meeting on March 10 to consider gas and oil regulations. It will be a session to do some brainstorming on ways to help Bayfield. Justin has sent notices

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to some key players that will be involved in this process, involving people from the City of Durango and La Plata County.

They will also be doing a review of the road impact fee, scheduled at 6 p.m. The representative for the Children, Youth, and Family Master Plan has requested thirty minutes of the Boards time. This will occur at 5:30 p.m. The oil and gas discussion is scheduled to start at 7:30. The meeting should be over about 9 p.m. Niel asked Joe if he had been involved with Durango when they were considering road impact fees. Joe answered he was, somewhat, but that Durango had not yet implemented road impact fees. The County has not adopted them. Niel specifically asked that Joe be in attendance at this Monday night session. Joe replied he intends to.

The Board needs to ratify appointments for election judges. According to C. R. S. 31-10-401, at least 15 days prior to the municipal election, the governing Board shall appoint the judges of election. Pat Anselmo had previously asked Barbara Luebchow, Kaye Luebchow, Patti Prior, and Forrest (Butch) Prior to serve as election judges on April 1, 2008 for the Municipal election. Patricia Jo Griffin has been asked to serve as alternate election judge. Rick Smith, 'so moved'. Carol Blatnick seconded. The vote was five in favor, motion carried unanimously. Pat will mail formal notices and request written acceptance from these people. The Board had approved burying the utilities lines at the new town site several months ago, (cable and electric).

The old gas meter will be put behind the parking lot. Rick re-affirmed that the Board had made the determination that they did not want overhanging lines at the new Town Hall, they did this early in the process.

The irrigation ditch on the new site (west of Hwy 160 B) has already been buried.

Herm asked if the sign that he had built at the Hwy 160 B, Mill Street intersection would be in the way of burying lines, or the ditch. Justin confirmed to him that the sign would not be an impediment.

The Town board meeting that was regularly scheduled for March 18 has been changed to March 17. Justin will out of Town on the eighteenth of March to take part in the energy impact grants. The Board also determined to move the April 1 Town Board meeting to April 2, to mitigate the conflict of having the election going on the same night as the Town Board meeting. It would also help with the transition of authority from current board members to the newly elected board members. Justin will plan an orientation of the newly elected board members on April 2. They could then take their seats at the beginning of the meeting on that evening. Rick asked if moving the meeting would require formal action, Dirk replied it would. Rick so moved. Tom seconded. The vote was five in favor, motion carried unanimously.

Tom requested that they be sent special reminders. Justin said 'we will take care of it'.

Action Agenda Item #10: Executive Session: C. R. S. Section 24-6- 402 (4) (a) Property Acquisition:

Rick Smith made a motion to move into Executive Session to discuss property acquisition, citing C.R.S. Section 24 – 6 – 402 (4) (a). He asked that Dirk and Justin be included in the session. Tom seconded. The vote was five in favor, motion carried unanimously.

The Board went into Executive session at 9 p.m.

The regular meeting re-convened. Rick made a motion to move into Executive Session, citing C. R. S. Section 24 – 6 – 402 (4) (e) for the purpose of negotiations. Carol seconded. The vote was five in favor, motion carried unanimously. The Board went into Executive session.

The regular meeting re-convened. Rick Smith made a motion to move into Executive Session, citing C. R. S. Section 24 – 6 – 402 (2) (f) to discuss matters relating to particular employees. Carol seconded. The vote was five in favor, motion carried unanimously.

The regular meeting reconvened.

Motion to adjourn.

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Approved:

James Harrmann
