

**GRAND JUNCTION CITY COUNCIL
MINUTES OF THE REGULAR MEETING**

January 7, 2015

The City Council of the City of Grand Junction convened into regular session on the 7th day of January, 2015 at 7:00 p.m. in the City Auditorium. Those present were Councilmembers Bennett Boeschstein, Martin Chazen, Jim Doody, Duncan McArthur, Barbara Traylor Smith, Sam Susuras, and Council President Phyllis Norris. Also present were City Manager Rich Englehart, City Attorney John Shaver, and City Clerk Stephanie Tuin.

Council President Norris called the meeting to order. The audience stood for the Pledge of Allegiance led by Councilmember Traylor Smith followed by a moment of silence.

Presentation

Anna Stout, President of the Foundation for Cultural Exchange, gave a brief history of the Foundation, its work, and her experience with the program in the community of El Espino, El Salvador. The organization was founded by Colorado Mesa University (CMU) students and Ms. Stout said they, along with other local student organizations, are involved with the Foundation and help raise funds for the El Espino School. Ms. Stout also explained the types of projects the Foundation funds, the purpose and functions of their scholarship program, the immersion trips, and the “sister” schools and organizations; one “sister” organization is the Mesa County Library who donates books. Ms. Stout asked the City to be involved with and support the Foundation and invited Councilmembers to be Grand Junction delegates on the summer 2015 immersion trip. She asked for a proclamation declaring the first Saturday in September Sister City Day in the City of Grand Junction. She said there will be a city-wide celebration and asked for the City to be involved. Lastly, she would like to see Grand Junction involved in fundraising for a community center in El Salvador. She presented a book she wrote to Council on the struggles in El Salvador.

Appointments

Councilmember McArthur made a motion to appoint Donald Bramer and Susie Kiger to the Visitor and Convention Bureau Board of Directors for three year terms expiring

December 2017. Councilmember Susuras seconded the motion. Motion carried by roll call vote.

Certificate of Appointment

Councilmember Boeschstein made a motion to reappoint David Bailey and appoint Troy Reynolds to the Historic Preservation Board. Councilmember Doody seconded the motion. Motion carried by roll call vote.

David Bailey was present to receive his certificate of re-appointment to the Historic Preservation Board.

Citizens Comments

Bruce Lohmiller, 445 Chipeta Avenue, #25, addressed the City Council and said he won the CMU Veteran's Art Center sculpture competition. He corrected a wrong address that was given at a previous Council meeting for Night Patrol contributions; the correct address is 629 Ouray Avenue. Mr. Lohmiller then asked if City Council had contemplated allowing camping and/or a warm up tent in Whitman Park. He mentioned Reverend Brown and Pastor Wilkie of First Congregation United Church of Christ signed a letter regarding statute of limitations and due diligence to Judge Bottger.

Council Comments

Councilmember McArthur volunteered on January 3rd and 4th to help with the HomewardBound Overflow Program his church was hosting. The host organization provides dinner, breakfast, and place to sleep. He encouraged others to participate. Councilmember McArthur attended the Associated Members of Growth and Development (AMGD) meeting on the 7th; Commissioners Rose Pugliese and John Justman gave a presentation on the feasibility of public land use and Elizabeth Tice, Management and Legislative Liaison, gave a presentation on the City's pursuit of a Foreign Trade Zone. Ms. Tice also attended the Fundamentals of FTZ's conference in Austin with Councilmember Traylor Smith and provided an update on that session.

Councilmember Boeschstein was invited to attend the Grand Valley Drainage District (GVDD) meeting on December 20th. Their Staff gave a presentation on the GVDD. It was an interesting meeting and it is hoped the drainage issues in the valley will be solved soon. Councilmember Boeschstein referenced Ms. Stout's presentation and said it is important to have good cross cultural exchanges; he looks forward to seeing what connections the City can make with El Espino.

Councilmember Chazen noted the schedule was quiet over the holidays. He attended the AMGD meeting and thanked Ms. Tice and Deputy City Manager Tim Moore for the excellent presentation. Councilmember Chazen also went to the Latino Chamber of Commerce meeting; the City is a member and should be proud to be a part of this organization. He encouraged others to attend those meetings.

Councilmember Doody mentioned he met Ms. Stout ten years ago and it is great to see the progress of the Foundation. He commented El Espino also has stormwater issues. Councilmember Doody was elected to the Western Colorado Contractor's Association Board and is looking forward to serving.

Councilmember Traylor Smith attended the Fundamentals of FTZ's conference; it covered the basics of FTZ's which was good since the City is exploring this opportunity. The seminar provided a lot of detail on FTZ's, options on different ways to set one up, and how companies can be a part of this opportunity. She and Ms. Tice were able to make a lot of great connections in Austin and they were very encouraging. The next step is to work with companies in the area and find out if they are interested by completing a survey available through Grand Junction Chamber of Commerce.

Council President Norris said, although the Council's schedule slowed down over the holidays, she saw every City department collecting food and money to help local organizations. The Police and Fire Departments also collected "Toys For Tots" and the Police Department took kids shopping. Council President Norris said not only do City employees work for the City, but they work to make sure the City is taken care of. She thanked City employees.

CONSENT CALENDAR

Councilmember Doody read Consent Calendar items #1 through #7 and then moved to adopt the Consent Calendar. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote.

1. **Minutes of Previous Meetings**

Action: Approve the Summaries of the November 3, 2014 Workshop, the November 10, 2014 Workshop, the November 17, 2014 Workshop, and the Minutes of the December 15, 2014 and December 17, 2014 Special Meetings, and the December 17, 2014 Regular Meeting

2. **2015 Meeting Schedule and Posting of Notices**

State Law requires an annual designation of the City's official location for the posting of meeting notices. The City's Municipal Code, Sec. 2.04.010, requires the

meeting schedule and the procedure for calling special meetings be determined annually by resolution.

Resolution No. 01-15 — A Resolution of the City of Grand Junction Designating the Location for the Posting of the Notice of Meetings, Establishing the 2015 City Council Meeting Schedule, and Establishing the Procedure for Calling of Special Meetings for the City Council

Action: Adopt Resolution No. 01-15

3. **Contract with Mesa County Clerk and Recorder to Conduct the Regular Municipal Election on April 7, 2015**

The City has adopted the Municipal Election Code which authorizes the election to be by mail ballot. It is recommended that the City again contract with Mesa County Clerk and Recorder to print, mail, and tabulate the ballots as they have the equipment on site to perform these functions. The contract with the Mesa County Clerk and Recorder will not exceed \$46,000.

Resolution No. 02-15 — A Resolution Authorizing a Mail Ballot Election in the City of Grand Junction for the Regular Municipal Election on April 7, 2015, and Authorizing the City Clerk to Sign the Intergovernmental Agreement with Mesa County Clerk and Recorder to Conduct said Election

Action: Adopt Resolution No. 02-15

4. **Building Inspection and Contractor Licensing Agreement**

Requesting approval of a contract for building inspection and contractor licensing services with Mesa County. The agreement has served both the City and County well in the past and the recommended action will provide for the continuation of those services. The contract term is for two years.

Resolution No. 03-15 — A Resolution Authorizing a Contract with Mesa County for Building Inspection and Contractor Licensing Services

Action: Adopt Resolution No. 03-15

5. **Mesa County Animal Services Agreement**

The City has an ongoing, annually renewable agreement with Mesa County for animal control services within the City limits. The City pays the County a percentage of the Mesa County Animal Service's budget based upon the City's percentage of total calls for service.

Action: Approve and Authorize the Mayor to Sign the 2015 Agreement between Mesa County and the City of Grand Junction Pertaining to Animal Services

6. **Purchase of an Agricultural Weed Abatement Tractor with Attachments**

The request to purchase an agricultural tractor to include attachments is in conjunction with a Fleet Services recommended reduction/redeployment of fleet assets plan implemented in January 2014 within the Parks Operations Divisions. The purpose of the plan is the reduction of aging/underutilized fleet equipment which will result in an overall cost savings to the General Fund by reducing equipment rental and repair charges assessed to the Parks Department.

Action: Authorize the City Purchasing Division to Enter into a Contract with U.S. Tractor & Harvest for the Purchase of an Agricultural Weed Abatement Tractor with Attachments in the Amount of \$155,300

7. **Outdoor Dining Lease for Bar One, LLC dba The Local, Located at 336 Main Street**

Bar One, LLC, located at 336 Main Street, is a new tenant occupying the former location of Loree's Seafood & Steak House. As a new business entity, Bar One, LLC, is requesting a first-time Outdoor Dining Lease for an area measuring approximately 275 square feet directly in front of their building. The Outdoor Dining Lease would permit the business to have a revocable license from the City of Grand Junction to expand their licensed premise and allow alcohol sales in this area. The outdoor dining area comprises the same enclosed sidewalk dining area previously occupied by Loree's.

Resolution No. 04-15 — A Resolution Authorizing the Lease of Sidewalk Right-of-Way to Bar One, LLC dba The Local, Located at 336 Main Street

Action: Adopt Resolution No. 04-15

ITEMS NEEDING INDIVIDUAL CONSIDERATION

Public Hearing – Rezoning and Approving an Outline Development Plan for the GJ Housing Authority Senior Living Planned Development, Located at 805 Bookcliff Avenue

The Grand Junction Housing Authority (GJHA) is requesting approval to rezone 3.763 acres from R-16 (Residential - 16 units per acre) to PD (Planned Development) with a default zone of R-24 (Residential - 24 units per acre) and recommendation to City Council of approval of an Outline Development Plan (ODP) for the Grand Junction Housing Authority Senior Living Planned Development, Highlands Apartments.

The public hearing was opened at 7:36 p.m.

Kristen Ashbeck, Senior Planner, introduced this item, described the request, the reason behind the request, and described the property zoning, surrounding zoning, and their uses. She reviewed the concept for the property; it is consistent with the Comprehensive Plan (CP). Ms. Ashbeck said this will serve as a transition from the lower residential uses to the higher intensity uses of the hospital and medical offices. The proposed project has two phases. Phase I is anticipated to start later this year. Phase II is for a second building that will be attached to the first building through the common areas which the buildings will share; this is planned within the next five years. Requested deviations to the Zoning Code are for a higher density, a side setback of zero (even though there will be two lots), and a front setback of ten feet. A neighboring property owner has also requested an open fence instead of a solid fence on the western edge of the property. This property is one of only a few properties zoned for higher density within the City Center. The area is already served by adequate public services and facilities and has adequate circulation and access; there will be appropriate screening and buffering.

Ms. Ashbeck concluded the presentation with the Findings of Fact/Conclusions saying the request is consistent with the CP and the review criteria in the appropriate sections of the Municipal Code either have or will be met. The Planning Commission (PC) recommended approval.

Councilmember McArthur noted this request is to increase density from R-16 to R-30, and then asked how many stories these buildings will have. Ms. Ashbeck said there will likely be four in the residential portions and three in the common areas. Councilmember McArthur asked if there would only be one story in R-16 zones and if the number of stories adds to the impervious surface. Ms. Ashbeck said they do not.

Councilmember Boeschstein asked if this project will look similar to Linden Apartments. Ms. Ashbeck said this project will probably be larger block buildings and have a similar look to Ratekin Tower, but be more energy efficient. Councilmember Boeschstein asked what provisions will be made for drainage. Ms. Ashbeck said the design team is working on underground drainage concepts, but there is no detail at this stage. Councilmember Boeschstein said he is glad to see affordable housing needs being met.

Councilmember Traylor Smith recalled the charette the GJHA gathered for this project; the design of this project will be similar to their concept designs. They put a lot of thought into this important project and worked hard to address the particular needs of a growing senior community.

Councilmember Susuras said he did not see any transportation fees listed in the ODP for this project. Ms. Ashbeck said there will be fees due to the new construction; it will be based on the number of units. Councilmember Susuras said he would like to be able to

read the PC comments; it would be helpful to know in what direction the PC is going. Ms. Ashbeck said the PC minutes have not been completed or approved, but there were no public comments and very little discussion before they came to a unanimous decision. Councilmember Susuras asked if the ODP is a temporary plan. Ms. Ashbeck said it is the first step of a Planned Development process; it creates a concept of the site areas that are to be developed. Then some detail is provided through the zoning ordinance on how it will be developed in terms of uses, bulk standards, and underlying zoning. The detailed site plan will follow and be reviewed administratively. Councilmember Susuras clarified that the ODP is simply a request for rezoning. Ms. Ashbeck answered yes.

City Attorney Shaver said the ODP is a precursor to a Planned Development, which is a process where the developer and Staff work to determine how best to utilize the site. Planned Development is also known as Contract Zoning, which has specific conditions built into the expectations of how the site will be developed. The Zoning Code calls for the ODP to outline a process and ensure compliance with the Comprehensive and Transportation Plans. During the latter stage of the development, these safeguards and protections are built into the Plan to make sure all of the City's standards are reflected in the approved zoning. Councilmember Susuras asked if there will be any additional charges to the City for transportation and drainage costs.

Council President Norris asked City Attorney Shaver if transportation and drainage costs have any bearing on this request. City Attorney Shaver said this request is only asking if the criteria have been met. Those costs would be addressed later.

Council President Norris asked if the applicant was present and if they would like to make a presentation.

Rich Krohn, 744 Horizon Court, of Dufford, Waldeck, Milburn, & Krohn, LLP, and representing GJHA, introduced himself and Jody Kole, GJHA's Chief Executive Officer. He said he and Ms. Kole agreed with the Staff Report in all respects. He went on to explain that this is the first of a three step process. This first step is rezoning the property to increase the density and change the bulk requirements of the zoning; the second step will be the submission of a simple subdivision application to divide the property into two lots for easier financing. The first phase will include 64 residential units and the common areas/amenities core. The conceptual drawings show the amenities core, residential wing, and on site offices and service areas. This is "aging in place" housing for seniors, not assisted living; this site, which is next to St. Mary's Hospital, is ideal for this project since it is close to medical and other services. The background for this project is the charette that was done by competitive application through Housing Colorado. This was one of only three awarded in 2014 in the State. The charette was a three day process; participants included GJHA, architects and architectural students, and three City Staff members. Having Staff available to comment on ideas during the conceptual phase was very helpful. Mr. Krohn noted outdoor areas, unit balconies, and various amenities in the

conceptual drawings. He explained the reasoning behind the design concept and how it will provide outdoor recreation areas, security, parking, and why the zero set back deviation is needed for the project. Mr. Krohn estimated the transportation impact fee would be about \$127,368 and the estimated rent would range from \$350-\$650 per month. This rent range would serve seniors with an annual income between \$10,000 and \$26,000.

Matt Smith, Chairman of the Board for Monterey Park Apartments, which encompasses both the Foundation for Senior Citizen's, Inc., 999 Bookcliff Avenue, and Colorado West Senior Citizen's, Inc., 850 Bookcliff Avenue, said Monterey Park Apartments were set up by the community as pre HUD (Housing and Urban Development) nonprofit facilities; currently 176 seniors live there. The Monterey Park Board supports the GJHA request and feels there will still be a need beyond what this project can provide. Mr. Smith also emphasized how important and desirable close proximity to medical facilities and offices are to this demographic. Monterey Park and the GJHA both serve low income senior needs in the community and he encouraged Council to move forward on this project.

Jim Shanks, 240 Red Rim Drive, a civil engineering consultant representing Grand Valley Drainage District (GVDD), stated the District is not in opposition or support of this project, but rather they would like to clarify information related to the public facilities of this project, specifically regarding drainage issues. It is hoped this information will be helpful in the decision making process for this project and for future infrastructure. In November, Lori Bowers, Senior Planner for this project, asked GVDD to comment on this plan. Mr. Shanks completed his review and submitted his comments in a letter dated December 2, 2014; copies of what were provided to the City Clerk. He asked for this letter to be added to the record. Mr. Shanks said the General Project Report and the City Council Staff Report submitted for this meeting did not include the comments from the GVDD letter. The specific concern not reflected in the reports is the inadequacy of the Buthorn Drain (BD) as a stormwater conveyance. He cited several sections from the City's reports stating the needed public utilities and facilities are adequate, that no unusual utility demands are anticipated, the stormwater drainage is available through the existing storm drainage line, and the effects of the public facilities from the project are comparable to others that use this drainage. Mr. Shank's review of the project and the site drainage do not agree with the City's reports. He described the BD, which is the existing stormwater drainage line for this site; it is a 30 inch line that runs from Patterson Road to the Colorado River and has a capacity of 34 cubic feet per second (cfs). In a 2000 Master Plan report conducted by Williams Engineering, it specifically addresses the BD in chapter seven stating it will only handle minor storm events and cannot function as a storm sewer conveyance and recommended installing a parallel, 60 inch pipe. Mr. Shanks reported the anticipated storm flows for two year storms at 66 cfs and 100 year storms at 247 cfs, which is 7.5 times the volume of the existing 30 inch BD pipe. Mr. Shanks concluded that the drainage for this plan site is not adequate based on the BD's

limited capacity. The City reports also said this Plan complies with the CP and other adopted plans and policies. Mr. Shanks said the ODP does not show a designated detention area which the Grand Valley Storm Water Master Plan and the Stormwater Management Manual (SWMM), adopted by the City, requires for a site that is over detention and/or retention with capacity limitations in downstream facilities. This property was a proposed regional detention basin for the BD because it is ideally located to alleviate flows along the pipe. The City did not acquire the site for this purpose. Mr. Shanks also noted the Staff Report only says “stormwater detention may be constructed” and he feels the “may” is problematic. The GVDD is asking that these issues be considered by Council and that Council direct Staff to follow the provisions in the SWMM so that downstream areas are protected.

Bob Richardson, 220 Walnut Avenue, said he lives in an area served by the BD and this project looks excellent and rosy until you talk about putting 10 gallons in a 5 gallon bucket, which is what is being requested. He said he sees a lot of impermeable surfaces and the BD has chronically flooded for over thirty years which is already too long. This project is only going to add to the flooding and he does not see how a lack of a detention facility will not have an impact on the neighborhoods below it. He enjoyed Ms. Stout’s presentation and was saddened to hear of El Espino’s drainage issues.

Michael Santo, 205 N. 4th Street, supports the project and thinks it is a wonderful use of this piece of land.

Rich Krohn said he is not an engineer, but wanted to point out the application being considered is not a plan approval, it is a rezone. In his legal view the consideration being asked is: is this an appropriate density for this property and is it appropriate to approve a Planned Development in order to deviate from the bulk requirements? The time for approval of the water retention issues are at the time of the site plan approval which is later in the process.

There were no other public comments.

The public hearing was closed at 8:26 p.m.

Councilmember McArthur appreciated the comments and concerns regarding the BD. Council has had a number of discussions about it. He finds it interesting that the storm sewer system is designed for return flows and ground seepage, yet he is not aware of any agricultural land being serviced by this drainage line now. He feels the valley needs a drainage entity that serves today’s uses and those of the future. The BD was historically, grossly undersized and was designed only for agricultural use. These are some of the reasons a drainage entity needs to serve everyone, not just specialized interest groups. Regarding this project, the zoning change will not change anything about the drainage; there will not be an appreciable change in flows due to the increased density. The specifics that will affect drainage won’t be known until the design phase has

begun, and installing bigger pipes may not be the solution; other solutions could be reduced upstream flows and increased detention site areas. Solutions do need to be found for the BD and the area residents, but this request is a zoning issue; the design function will find solutions to the engineering issues. He will approve this project.

Councilmember Boeschstein agreed with Councilmember McArthur; a larger drainage entity is needed in the valley and he hopes this can be moved toward. Councilmember Boeschstein said he is familiar with putting drainage galleries under parking lots, so there are solutions. However, this request is for a zone change; he thanked the GJHA for coming forward with this project.

Councilmember Chazen concurred with the other Councilmembers. These are separate issues; at a later time Staff will deal with the engineering aspects of this great project. He trusts Staff and the Drainage Authority to work out the solutions. He will accept the recommendation of the PC and support the zoning change.

Councilmember Susuras supports the mission and vision of GJHA and the infill process. He understood the request is only looking at the zoning; not the TCP and drainage, although these do need to be kept in mind. The drainage issue will be a serious problem in the future.

Councilmember Traylor Smith appreciated the comments and the work and insight of Councilmembers McArthur and Boeschstein. This is an issue that must be resolved using a vision for the future. This is just one example of the many places that will be affected as the community continues to infill and proceed with projects. As a community, these projects need to be looked at comprehensively, using all the tools available to set this up as an entity that will help the City look forward. She too will support this project.

Councilmember Doody recalled the approval of the City Market project which is also part of the BD service area. He did not recall this conversation being a part of that discussion or anyone testifying. If a study was done in 2000, it is 15 years old and needs to be reviewed for validity. He is in full support of this project.

Council President Norris is also in support of the project and agreed with the other Councilmembers comments. She would like to move forward.

Ordinance No. 4652 — An Ordinance Rezoning Approximately 3.763 Acres from R-16 to PD (Planned Development) and Approving the Outline Development Plan (ODP), Grand Junction Housing Authority Senior Living Planned Development - Highlands Apartments (aka The Epstein Property), Located at 805 Bookcliff Avenue

Councilmember Traylor Smith moved to adopt Ordinance No. 4652 on final passage and ordered it published in pamphlet form. Councilmember McArthur seconded the motion. Motion carried by roll call vote.

Public Hearing – Comprehensive Plan Amendment and Rezone for Baker's Boutique, Located at 726 24 Road

Request approval to change the Comprehensive Plan Future Land Use Map designation for property located at 726 24 Road (0.86 +/- acres) from "Park" to "Village Center" and to rezone from CSR (Community Services and Recreation) to B-1 (Neighborhood Business) zone district in anticipation of future neighborhood business commercial development.

The public hearing was opened at 8:37 p.m.

Scott Peterson, Senior Planner, introduced this item, described the request, and the background behind the request. He noted the applicant is Callie Ash and the PC recommended approval of these two requests at their December 9th meeting. The applicant currently operates a bakery on Patterson Road and would like to relocate the business to this property. This property is surrounded on three sides by Canyon View Park and is privately owned. Mr. Peterson reviewed the history of the property. The City had the first right of refusal to purchase the property in 2013, but declined allowing the applicant to purchase the property. By changing the future land use designation and the zoning, the applicant will be able to use the property as a commercial business to serve the users of the Park and the growing commercial business in the area. He stated the request meets the goals and polices of CP and the review criteria of the Zoning Code have been met.

The Council took a five minute break.

The meeting reconvened at 8:45 p.m.

Councilmember Boeschstein asked if the access off of 24 Road will change. Mr. Peterson said the access is currently being reviewed, but it will remain off of 24 Road. There may be an extension of an ingress/egress easement to the south or east into the Park. This has not been finalized, but if access is permitted, an easement between the parties would be agreed upon.

Councilmember Boeschstein asked if the proposed redesign of 24 Road would change this access. Mr. Peterson said City engineers are still working on the 24 Road redesign, but they will be made aware of this project.

Councilmember Traylor Smith asked if the applicant is planning on using the current structures. Mr. Peterson said the structures will remain, but be gutted and made into a retail store with handicap accessibility, etc. There is no plan for building expansion; it is an interior remodel only. Councilmember Traylor Smith asked if there was room for an expansion. Mr. Peterson said it will be possible to expand, but they would need to meet the parking requirements.

Council President Norris commented that everything in the area except the Park is zoned for commercial use. The City had the option to purchase the property, but declined; it makes sense for it to be a commercial area. She will be supporting it.

There were no public comments.

The public hearing was closed at 8:48 p.m.

Councilmember McArthur said it was mentioned traffic flow would be one way, west to east into the park. He suggested a second access be considered. Councilmember McArthur referred to the map and the completed section of 24 Road; he then asked if the widening would be on the west side of the Park. Mr. Peterson deferred to Deputy City Manager Tim Moore who gestured in the affirmative.

Resolution No. 05-15 — A Resolution Amending the Comprehensive Plan Future Land Use Map of the City of Grand Junction from Park to Village Center for Baker's Boutique, Located at 726 24 Road

Ordinance No. 4653 — An Ordinance Rezoning the Baker's Boutique Property from CSR (Community Services and Recreation) to B-1(Neighborhood Business), Located at 726 24 Road

Councilmember Susuras moved to adopt Resolution No. 05-15 and adopt Ordinance No. 4653 on final passage and ordered it published in pamphlet form. Councilmember Traylor Smith seconded the motion. Motion carried by roll call vote.

Construction Contract for the Persigo Wastewater Treatment Plant Primary Anaerobic Digester Cover Improvement Project

This request is for the construction of the Primary Anaerobic Digester Cover Improvements Project at the Persigo WWTP. This project includes removing the existing 32 year old gas sludge mixing system and replacing it with a new highly efficient mechanical sludge mixing system. In addition to the new mixer, the anaerobic digester cover will have corroded steel sections repaired and a new coat of industrial wastewater epoxy paint applied on the cover to protect the steel cover from the corrosive environment.

Greg Lanning, Public Works and Utilities Director, introduced this construction contract and provided a brief background. He advised this project was discussed in August when the digester mixing equipment was approved. The digesters perform the initial treatment of solid waste and are the beginning of the gas production for the BioCNG (Compressed Natural Gas) project. During routine maintenance of the digester it was discovered work needed to be done on the lid and the mixing equipment. In August, the mixing equipment was approved which provided a long lead time ensuring it would be

completed in time for this project. He explained the need to rebuild the lid, how it will be installed, and that it will be back on line by June if this request is approved. The low bid was negotiated down to \$586,500. The budgeted amount anticipated was \$250,000, so there is a shortfall. They reviewed the process to find out why there was such a large discrepancy in the amount, but only found the addition of slide guides which only accounted for an increase of \$70,000. However, this is a specialty item and has inherent dangers involved with the installation. Mr. Lanning said the difference will be made up by taking funds from the sewer line replacement project. Mr. Lanning emphasized all projects are important and, in order to do both, they are planning to break up the sewer line replacement project into two phases and are hoping those bids come in under budget. Funds may also be available from 2014 savings.

Councilmember Boeschstein asked if any grants are available to help with the cost and if the County is contributing funds to this project. Mr. Lanning said he is not aware of any grants for which this project would qualify. He then explained Persigo is jointly owned by the City and County, but the City is contracted to operate the facility; operating fees are collected from all citizens in the 201 District and put into an enterprise account and then dispersed for purposes like this.

Councilmember Chazen asked what shape is the other digester in and what measures are being taken to make sure the working digester will not fail through the construction process. Mr. Lanning said the digesters typically work in series; the first one, the one off line, is in the worst shape because, when it is in use, it takes the heavier initial load. However, the first digester can be bypassed; it has been off-line for 15 months. When the first digester is repaired, an inspection will be conducted on the second one to make sure it is running properly. Councilmember Chazen expressed concern that the second digester may need expensive maintenance as well; he asked if they anticipate any major repairs for the second digester. Mr. Lanning said the second digester has typically only been used as the backup and the engineers believe it has five to seven more years before it will require major repairs. Councilmember Chazen asked how long the repaired digester is anticipated to last. Mr. Lanning said the estimated range is 20 to 30 years. Councilmember Chazen recalled past maintenance repairs to the water tank, electrical panels, and doors and noted Persigo is an aging facility that is requiring expensive repairs. He asked if the reserves are adequate to take care of the needed repairs. Mr. Lanning said plants generally have a facility plan which would take into account the biological and physical plant. These studies have been done in a piecemeal fashion in the past; but he is currently talking to the managers and engineers about putting a comprehensive one in place for Persigo. Mr. Lanning does not anticipate any other big expenses; they have done a good job keeping it running. Councilmember Chazen asked if the facility plan is being worked on now. Mr. Lanning said no, it is the scope of the plan that is currently being debated; a facility plan could cost as much as \$500,000. The earliest a study could be budgeted is 2016.

Councilmember Susuras commented that fees were increased a couple of years ago to create a \$10 million buffer for the reserve fund; he asked if this is still being built up. Mr. Lanning answered yes, and the reserve fund is very healthy. Councilmember Susuras asked if these funds can be used if other expensive repairs are needed and will the reduction to the sewer line replacement budget cause a problem. Mr. Lanning said it is a matter of priorities, but he does not feel it will cause a problem. The sewer line replacement projects are annually budgeted for \$2 million; if they are not able to make the funds up through the reserves or in another way, they can adjust the budget request for the following year.

Council President Norris asked what the reserve fund balance is. Mr. Lanning said he will find out and looked to Internal Services Manager Jay Valentine to retrieve that information.

Councilmember Traylor Smith noted the City is paying a premium for this work due to the City's location and the demand for this type of work. She asked how far in advance can the City plan for this type of repair and are there companies in other areas of the Country that would offer a better price. Mr. Lanning said the bids were advertised on BidNet to companies within the region because contractors typically only respond to bids in their area since estimates from those outside their region would be higher due to the increased distance. However, this is something they will keep an eye on; with more time to plan, they may get more detailed drawings and better bids.

Councilmember Chazen asked if there are any other critical redundant systems that are operating in a singular mode at the water plant. Mr. Lanning said no and commented that the State doesn't like this situation either, if it goes on too long, they will get involved.

Jay Valentine, Internal Services Manager, gave the 2015 beginning fund balance for the sewer system, \$10.5 million. Regarding the bid process, procurement strives to get the most participation; the more complex and difficult the jobs are, the harder it is to get bidders. Advertisements are placed in the Daily Sentinel, on the City website, on BidNet, with the Western Colorado Contractors Association, and procurement will also reach out to firms that don't subscribe to these sources. There is a difficulty when only a few bids are received and they are high; a decision needs to be made whether to rebid or accept. In this case, procurement felt all the contractors in the area knew of this bid.

Council President Norris said she understood reserves are for planned, long term replacement expenditures which could be up to thirty years out. Mr. Lanning explained the reserves have two categories; Operations, which is for routine maintenance and is at about \$2.5 million, and Plant Capacity, which is for the long term plant upgrades, and is at about \$7.5 million.

Councilmember Susuras said the reserves were approved and started in anticipation of new EPA (Environmental Protection Agency) regulations for the sewer plant.

Councilmember Boeschstein said the elimination of septic systems should also be considered; there is a map of the failing systems and what that will cost. He would like to see the map.

Councilmember Chazen asked, after the repairs are made, will the “through-putting” system be improved. Mr. Lanning answered yes; the system will be more efficient.

Councilmember Susuras moved to authorize the Purchasing Division to execute a construction contract with Velocity Constructors, Inc. for the construction of the primary anaerobic digester cover improvements project at the Persigo WWTP in the negotiated amount of \$586,500. Councilmember Boeschstein seconded the motion. Motion carried by roll call vote.

Non-Scheduled Citizens and Visitors

There were none.

Other Business

There was none.

Adjournment

The meeting was adjourned at 9:18 p.m.

Stephanie Tuin, MMC
City Clerk