

**RIFLE CITY COUNCIL MEETING**

Wednesday, April 4, 2012

REGULAR MEETING

7:00 p.m. \* Council Chambers

A regular meeting of the Rifle City Council was called to order at 7:00 p.m. by Mayor Jay Miller.

**PRESENT ON ROLL CALL:** Councilors Rich Carter, Alan Lambert, Keith Lambert, Jonathan Rice, Jen Sanborn, Randy Winkler, and Mayor Jay Miller.

**OTHERS PRESENT:** John Hier, City Manager; Matt Sturgeon, Assistant City Manager/Director of Planning; Lisa Cain, City Clerk; Jim Neu, City Attorney; Jim Bell, Channel 10 Manager; Michael Churchill, Channel 10 Assistant Manager; Nathan Lindquist, City Planner; Dick Deussen, Utilities Director; Rick Barth, City Engineer; Daryl Meisner, Police Chief; Jeremy Muxlow, Police Officer; Mike Braaten, Government Affairs Coordinator; Robert Burns, Water Supervisor; Charles Kelty, Finance Director; Dick Rhoades; John Savage; Sally Brands; Mike Tanguay; Craig Rathbun; Jerri Ann Renner; Richard Klingler; Dennis Webb; Mike Bassi; Craig Wilcox; Rea Coulter; Petrike Peters; Pat Krelovich; Matthew Renner; and Craig Barnes.

**CONSENT AGENDA - APPROVE THE FOLLOWING ITEMS:**

- A. Minutes from the March 21, 2012 Regular Meeting
- B. January 2012 Financial Report
- C. Accounts Payable
- D. Appoint John Collins as Substitute Hearing Officer
- E. Approval of Rifle Senior Center Advisory Board Members

Councilor A. Lambert moved to approve Consent Agenda Items A, B, C, D, and E; seconded by Councilor Winkler.

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice (abstaining as to Item A), Sanborn (abstaining as to Item A), Winkler, Miller

**CITIZEN COMMENTS AND LIVE CALL-IN**

Dick Rhoades requested that City water bills include more details about how the City calculates the amount it charges. He suggested that if the City adopts a tiered rate system, each bill should include a breakdown of the total bill by amounts charged in each tier.

There were no other citizen comments or live call-ins.

***PROCLAMATION – ARBOR DAY – APRIL 27***

Mayor Miller read aloud the proclamation supporting Arbor Day. Arbor Day activities will take place on April 27. Councilor Sanborn moved to approve the proclamation; seconded by Councilor A. Lambert.

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

***PUBLIC HEARING - CONSIDER REQUEST TO EXTEND THE FARM PRELIMINARY PLAN - RESOLUTION NO. 11, SERIES OF 2012***

Mayor Miller opened the public hearing and swore in John Savage, Manager, Graham Mesa Development, LLC, Sally Brands, and Dick Rhoades. Mr. Savage and Assistant City Manager/Director of Planning Matt Sturgeon explained that The Farm Preliminary Plan was approved by the Planning & Zoning Commission on February 26, 2008, and by Rifle City Council on April 2, 2008. The applicant, by code, had one year to act or the Preliminary Plan would be null and void. Staff authorized a one-year extension through April 2, 2010. The applicant, in March 2010, requested the City Council extend the time the applicant had to submit a Final Plat application. The Council extended the validity of the plan through April 2, 2012. The City Council has the authority to extend the expiration date of the subject Preliminary Plan for any duration.

Staff supports the request for the following reasons: 1) Economic conditions continue to prohibit the applicant from moving forward; and 2) The Farm subdivision layout complies with the recommendations of the Rifle Comprehensive Plan and there is no risk or uncertainty for the City if this extension is granted. Adjacent property owner Dick Rhoades expressed his support for the request.

Councilor K. Lambert moved to approve Resolution No. 11, Series of 2012, granting a five year extension for The Farm at Rifle PUD Preliminary Plan and Preliminary PUD Development Plan; seconded by Councilor Rice.

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

***PUBLIC HEARING – SUNSET TOWNHOMES ANNEXATION - ORDINANCE NOS. 8 AND 9, SERIES OF 2012 (FIRST READING) AND RESOLUTION NOS. 9 AND 10, SERIES OF 2012***

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO ANNEXING TO THE CITY OF RIFLE, COLORADO CERTAIN REAL PROPERTY KNOWN AS THE SUNSET TOWNHOMES ANNEXATION

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO ZONING CERTAIN REAL PROPERTY KNOWN AS THE SUNSET TOWNHOMES ANNEXATION AND REZONING LOT 1, MANUPELLA ADDITION TO THE CITY OF RIFLE DEVELOPING RESOURCE ZONE DISTRICT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, CONCERNING THE SUNSET TOWNHOMES ANNEXATION TO THE CITY OF RIFLE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, APPROVING AN ANNEXATION PLAN FOR THE SUNSET TOWNHOMES ANNEXATION AS REQUIRED UNDER THE MUNICIPAL ANNEXATION ACT OF 1965, AS AMENDED

Mayor Miller opened the public hearing and swore in Sunset Townhomes, LLC representatives Mike Tanguay and Craig Rathbun.

City Planner Nathan Lindquist and City Attorney Jim Neu explained that Sunset Townhomes, LLC is the owner of approximately five acres located just outside of the City in the vicinity of Taughenbaugh Boulevard and Last Chance Drive (the “Annexation Parcel”). Although the project does not currently propose townhome construction, it is known as the Sunset Townhomes Annexation. The owners also own the adjacent Lot 1, Manupella Addition to the City of Rifle, described as the “Existing Parcel” in proposed Ordinance No. 9, Series of 2012 and the Annexation Agreement. Together the Annexation Parcel and the Existing Parcel constitute the Property that is the subject of the Council’s review. In January 2012, Sunset Townhomes filed a petition requesting that the City annex the Annexation Parcel and zone the Property Developing Resource (“DR”) Zone District. The Rifle

Planning Commission on February 28, 2012 recommended DR zoning for the Property subject to the conditions of the Planning Department's staff report.

Pursuant to Section 16-3-50 of the Rifle Municipal Code, the intent of the DR Zone District is to provide for the annexation of those areas that are presently used for agricultural or other nonurban uses that are adjacent to City limits and potentially suitable for urban development but not in the immediate future because of lack of utilities, services, or other needs. Permitted uses in the DR Zone District are limited to uses existing at the time of annexation, one single-family dwelling per lot or parcel, and agricultural uses limited to the raising of crops or orchards. Developing Resource zoning is appropriate for the property because the owner does not have a defined development proposal at this time, but wants to market the property to be developed in the City. Annexation of the Annexation Parcel to the City will open up opportunities for development of the property and provide for the extension of Taughenbaugh Boulevard and Last Chance Drive, as addressed in the proposed Annexation Agreement. The owner intends to finalize development plans for the property as a Planned Unit Development (PUD) and submit a PUD Preliminary Development Plan to the City. Because the actual development proposal for the property is undetermined, the DR Zone District and the Annexation Agreement defers calculating annexation and development impacts and the imposition of mitigation measures for such impacts until a rezoning application is submitted. The proposed Annexation Agreement provides that mitigation will be resolved in an amendment to that Agreement or in a Subdivision Improvements Agreement for the property.

The Annexation Agreement also addresses the future extension of Taughenbaugh Boulevard through the property and the owner's obligation to dedicate right-of-way for and construct that roadway and the Last Chance Drive extension. As a condition of annexation of the Annexation Parcel, the owner will dedicate on a Lot Line Adjustment Plat a sixty foot (60') wide right-of-way to construct an extension of Taughenbaugh Boulevard through the property according to City standards. Design and construction of the Taughenbaugh Boulevard and Last Chance Drive extensions and related public improvements are requirements of the rezoning and development of the property. The Annexation Agreement permits the owner to propose an equitable alternative to fund the construction of the roadways, but approval of any cost sharing or recovery mechanisms will be at the City's discretion. Unless an alternative is approved by the City, as part of the PUD Preliminary Development Plan or any other development application for the property, the owner will submit to the City: (i) final design plans for the Taughenbaugh Boulevard and Last Chance Drive extensions; and (ii) an Annexation Plat showing all right-of-way property necessary to complete the Last Chance Drive extension. The owner will be responsible for all costs associated with the processing and approval of the Last Chance Drive Annexation Plat.

There was extended discussion about requiring the owner to construct Taughenbaugh Boulevard. Mr. Rathbun and Mr. Tanguay do not believe it is a fair obligation to place on the development of the property. Staff does not completely disagree, but without a concrete development proposal to consider or other mechanism to fund Taughenbaugh Boulevard, staff is not in a position to offer any solution. The City does not have any funds budgeted for Taughenbaugh, nor does it see this extension as a priority for the City. The extension would benefit the subject property, County residents and provide alternative routes for the Hospital and Fire District. Staff believes when there is a viable development proposal for the property, the developer will be able to find partners to share the burden of extending Taughenbaugh at that time; but the City cannot relieve the property from this obligation until an alternative is identified.

Mayor Miller swore in Jerri Ann Renner and Richard Klingler. Ms. Renner stated that Garfield County Commissioner John Martin is interested in discussing the County's sharing in the cost to extend Taughenbaugh Boulevard. Mr. Klingler testified as to issues associated with marketing commercial property, such as this annexation parcel.

Staff's position is that if the owner cannot accept the current proposal to defer the issue until rezoning and development, then maybe it is not time to annex the property now.

Councilor K. Lambert moved to continue the public hearing and consideration of Ordinance Nos. 8 and 9, Series of 2012, to Council's meeting of June 18, 2012; seconded by Councilor A. Lambert.

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

***CONSIDER POSITION ON BUREAU OF LAND MANAGEMENT (BLM) OIL SHALE PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT (PEIS)***

Councilor A. Lambert moved to table consideration of this issue to a special meeting on April 25, 2012 at 6:00 p.m.; seconded by Councilor Sanborn.

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

***CONSIDER DIRECTING CITY ATTORNEY TO DRAFT ORDINANCE ON COURT SURCHARGE TO FUND VICTIM RIGHTS SERVICES***

In accordance with Police Chief Daryl Meisner's recommendation, Council directed Mr. Neu to proceed with drafting an ordinance to provide for a municipal court surcharge to fund victim rights services.

***CONSIDER WATER SERVICE CHARGE AMENDMENTS – ORDINANCE NO. 10, SERIES OF 2012 (FIRST READING)***

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO, AMENDING APPENDIX A TO THE RIFLE MUNICIPAL CODE REGARDING WATER SERVICE FEES AND AMENDING SECTION 13-4-60 OF THE CODE TO CLARIFY THE CITY'S POLICY ON REVIEWING EQR VALUES FOR EXISTING ESTABLISHMENTS

City Manager John Hier noted the following with respect to the City's plans to construct a new water treatment plant. The plant will cost approximately \$25 million dollars. The Colorado Water Resources and Power Development Authority has approved a loan to the City in this amount. The loan will be effective by about the end of April. Operations and maintenance costs for the new plant will be approximately \$2.6 million annually. Debt service costs will be about \$1.6 million annually. Therefore, the total revenue requirement will be \$4.2 million annually. Presently the City service charges generate about \$2.1 million annually.

The City will need to adopt a new rate structure capable of supporting the operations/maintenance costs and the loan debt service. The new rate ordinance should be adopted and in place by April 24 to make the loan effective. Implementation of a new rate structure can occur later in the year. That will give voters an opportunity to vote on a ½ cent sales tax, should the Council determine that it is appropriate to include a sales tax in the finance plan for the new plant.

The present rates are as follows:

Base Fee	\$18.29 which includes 4,000 gallons
Usage Fee up to 30,000 gallons	\$3.54 / 1,000 gallons
Usage Fee > 30,000 gallons	\$3.81 / 1,000 gallons

Staff has developed a four tier system of rates which range from \$5 / 1,000 gallons of water used to \$8.00 / 1,000 gallons of water used. In each scenario, the first 4,000 gallons of usage is included with the base fee of \$45.00.

The proposed fee schedule is as follows:

Base Fee	\$45.00
0 - 4,000 gallons	\$ 0.00 Included in the base fee
4,000—8,000 gallons	\$5.00 / 1,000 gallons
8,000 — 20,000 gallons	\$7.00 / 1,000 gallons
>20,000 gallons	\$8.00 / 1,000 gallons

Staff proposes that the City enact these rates in two phases. Phase I would be as follows:

Base Fee	\$36.00
0 - 4,000 gallons	\$ 0.00 Included in the base fee
4,000—8,000 gallons	\$4.00 / 1,000 gallons
8,000— 20,000 gallons	\$5.60 / 1,000 gallons
>20,000 gallons	\$6.40 / 1,000 gallons

Phase I rates would be sufficient to provide adequate revenue when combined with a ½ cent sales tax. If the ½ cent sales tax does not receive voter approval, the second phase of rate increase could be implemented. By including a ½ cent sales tax in the finance plan, the proposed rate increase can be reduced by about 40 percent. Additionally, senior citizens could still be eligible for a 20 percent rate reduction. Thus, their effective water rate could be only marginally higher than they presently pay.

Council directed staff to modify before second reading of this ordinance the Base Fee and the number of gallons included in the Base Fee.

Councilor A. Lambert moved to approve Ordinance No. 10, Series of 2012, on first reading as presented and to order it to be published by title as required by Charter; seconded by Councilor Rice.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

***CONSIDER APPROVAL OF \$25,500,000 WATER AND POWER LOAN AGREEMENT FOR NEW WATER TREATMENT PLANT - ORDINANCE NO. 11, SERIES OF 2012 (FIRST READING); AND WATER AND POWER LOAN REIMBURSEMENT - RESOLUTION NO. 12, SERIES OF 2012***

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND GOVERNMENTAL AGENCY BOND BY THE CITY OF RIFLE, COLORADO, ACTING BY AND THROUGH THE CITY OF RIFLE, COLORADO, WATER ENTERPRISE, TO THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY, SUCH GOVERNMENTAL AGENCY BOND TO BE IN A PRINCIPAL AMOUNT NOT EXCEEDING \$25,500,000, FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE WATER TREATMENT SYSTEM OPERATED BY SUCH ENTERPRISE, INCLUDING CONSTRUCTION OF A NEW WATER TREATMENT FACILITY; PROVIDING FOR APPLICATION OF THE NET REVENUES OF SUCH SYSTEM TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH GOVERNMENTAL AGENCY BOND AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH

A RESOLUTION OF THE COUNCIL OF THE CITY OF RIFLE, COLORADO, DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE PROCEEDS OF A FUTURE BORROWING FOR CAPITAL EXPENDITURES UNDERTAKEN OR TO BE UNDERTAKEN BY THE CITY, ACTING BY AND THROUGH THE CITY OF RIFLE, COLORADO, WATER ENTERPRISE; IDENTIFYING SAID CAPITAL EXPENDITURES AND THE FUNDS TO BE USED FOR SUCH PAYMENT; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH

Mr. Neu informed Council that the City has received two loan agreements from the Colorado Water Resources and Power Development Authority. These agreements need to be approved by Council to formalize the loan for the new water treatment plant. One agreement is for \$2 million at 0% interest and the second agreement will have an interest rate based upon the State's sale of bonds. The City's plant design had enough "green" components to qualify for the state loan program which offers zero percent interest rates for a portion of the loan. Proposed Ordinance No. 11, Series of 2012, would approve the agreements.

Proposed Resolution No. 12, Series of 2012, would authorize reimbursement for monies being committed for the new water plant before the loan closing.

Councilor Rice moved to approve Ordinance No. 11, Series of 2012, on first reading as presented and to order it to be published by title as required by Charter, and to approve Resolution No. 12, Series of 2012; seconded by Councilor Carter.

Roll Call: Yes - Carter, A. Lambert, K. Lambert, Rice, Winkler, Miller. No – Sanborn.

### **ADMINISTRATIVE REPORTS**

City Manager John Hier reported to Council on the following issues: Beaver Creek raw water users; water newsletter; water plant public hearing; strategic planning retreat; and hiring of Sales Tax Clerk Robin Steffen.

Mr. Sturgeon reminded Council of Spring Cleanup starting later this month.

### **COMMENTS FROM MAYOR AND COUNCIL**

Councilor Sanborn received positive comments about Rifle and the friendliness of its citizens from a customer from out of town.

Councilor A. Lambert thanked staff for the extra hours it is putting in to work on water plant financing issues.

Councilor Rice observed that Rifle is in a difficult phase of transition, and he thanked staff for their efforts in dealing with this transition.

***EXECUTIVE SESSION TO DISCUSS PERSONNEL MATTERS UNDER CRS 24-6-402(2)(F) AND NOT INVOLVING: (1) ANY SPECIFIC EMPLOYEES WHO HAVE REQUESTED DISCUSSION OF THE MATTER IN OPEN SESSION; (2) ANY MEMBER OF THIS BODY OR ANY ELECTED OFFICIAL; (3) THE APPOINTMENT OF ANY PERSON TO FILL AN OFFICE OF THIS BODY OR OF AN ELECTED OFFICIAL; OR (4) PERSONNEL POLICIES THAT DO NOT REQUIRE THE DISCUSSION OF MATTERS PERSONAL TO PARTICULAR EMPLOYEES***

Councilor K. Lambert moved to adjourn to executive session to discuss personnel matters; seconded by Councilor A. Lambert (9:36 p.m.).

Roll Call: Yes – Carter, A. Lambert, K. Lambert, Rice, Sanborn, Winkler, Miller

Upon return to open session following conclusion of the executive session, meeting adjourned at 10:17 p.m.

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Lisa H. Cain  
City Clerk

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Jay D. Miller  
Mayor