

MINUTES
TOWN OF HUDSON - BOARD OF TRUSTEES
REGULAR MEETING
July 20, 2011 - 7:00 P.M.

CALL TO ORDER AND ROLL CALL

Mayor Pontius called the meeting to order at 7:29 p.m.

ROLL CALL

Mayor, Neal Pontius - Present
Mayor Pro-Tem, John Honnold - Present
Trustee, Barb Baker - Present
Trustee, Isidro Guardado - Present
Trustee, Matt Cole - Present
Trustee, Tammy McCain - Absent
Trustee, Raymond Patch - Absent

Town Clerk, Linnette Barker took roll call, and a quorum of the Mayor and (4) Trustees were present.

Town Staff Present:

Town Administrator – Joe Racine
Town Attorney – Corey Hoffmann
Town Clerk – Linnette Barker
Deputy Clerk / Treasurer – Judy McGill

ADDITIONS TO AGENDA

CITIZEN'S COMMENTS

1) CONSENT AGENDA

(Consent Agenda Items are considered routine and will be enacted by one motion and vote. There will be no separate discussion of Consent Agenda Items unless a Board member or Citizen so requests, in which case the item may be removed from the Consent Agenda and considered at the end of the Regular Agenda.)

- a. Board of Trustees Minutes – July 6, 2011
- b. Payment of Bills

Trustee Honnold made a motion, seconded by Trustee Cole to approve the Consent Agenda.

The vote was as follows:

Aye: Trustees Honnold, Cole, Guardado, Baker, and Mayor Pontius

Nay - None

Mayor Pontius declared the motion carried.

2) PUBLIC HEARING

- a. Case No. 11-05 USR, A public hearing concerning an application by Noble Energy, Inc., for a Use by Special Review permit to allow construction of eight oil and gas wells, an access road

and associated facilities on property generally located northeast of the intersection of Oak Street and 30th Avenue, Hudson, Colorado.

Mayor Pontius reopened the Public Hearing at 7:31 pm. The Hearing was continued from July 6, 2011.

Joe Racine, Town Administrator, reported the Planning Commission recommended the Board approve the USR permit with a set of conditions.

1. Should the site plan change from one which is approved, a new application for the USR would be submitted to the Town.
2. Prior to the Town issuing a Notice to Proceed the town would need copies of the COGCC permits and an executed permit for the use of overweight construction vehicles on town streets.
3. All provisions of Article 11, the Town Land Development Code, Oil and Gas section, are adhered to, including all payment of taxes and building permit fees.
4. Notice to Proceed is issued only upon receipt of copies of COGCC permits and a copy of an executed Surface Use Agreement, both of which are consistent with the site plan and Use by Special Review approved by the Town.
5. Any oversized or overweight vehicles used during construction and operation of the facility receive permits as required by CDOT and by the Town at the time the traffic takes place.
6. All reasonable efforts be made to protect aquifers, including the Laramie-Fox Hills aquifer, from any contamination during production and construction.
7. The applicant investigate and report to the Town the possibility of purchasing water from the Town for construction and the operational needs of the facility.
8. Prior to the issuing the Notice to Proceed, the applicant produce a traffic control plan or traffic study that will identify any extraordinary problems that might arise from the operation of this facility. The applicant negotiate with the Town regarding reasonable pro-rated share of the cost of the frontage road relocation costs that might be associated with their operation.

Since the Planning Commission meeting, the applicant has conducted water quality testing on the Town's water and found it suitable for its needs. The applicant is considering routing their vehicles differently to avoid the exiting I-76 and Highway 52 interchange. Staff has negotiated modifications to the recommended Planning Commission conditions. Modified conditions were distributed prior to the meeting.

Vince Harris, with Baseline Engineering Corporation, gave a brief overview of the of the USR Application, describing the location of the property, the well locations, the well site plan, the production facility and wellhead and the proposed equipment. The proposed equipment will include a typical drilling rig, typical burner and meter shed, typical separator and eight low profile tanks.

Justin Gale, with Noble Energy, gave a brief overview of the depth of the wells compared to the Larime-Fox Hills aquifer. Mr. Gale explained that the water would be hauled by an approved contracted Noble vendor.

Mayor Pontius closed the public hearings at 8:15 pm.

3) GENERAL BUSINESS

- a. Case No. 11-05 USR, An Application by Noble Energy, Inc., for a Use by Special Review permit to allow construction of eight oil and gas wells, an access road and associated facilities on property generally located northeast of the intersection of Oak Street and 30th Avenue, Hudson, Colorado.

Mayor Pontius made a motion, seconded by Trustee Honnold to approve Case No. 11-05 USR, An Application by Noble Energy, Inc., for a Use by Special Review permit to allow construction of eight oil and gas wells, an access road and associated facilities on property generally located northeast of the intersection of Oak Street and 30th Avenue, Hudson, Colorado with the set of requirements presented by Town Staff:

1. Should the site plan change from one which is approved, an amended application for the USR would be submitted to the Town.
2. Noble shall comply with all applicable provisions of Chapter 16 of the Hudson Municipal Code, including Article 11 applicable to Oil and Gas Operations, and Noble shall pay applicable taxes and permit fees.
3. Notice to proceed is issued only upon receipt of copies of COGCC permits.
4. Prior to commencing heavy equipment operations, Noble will comply with financial assurance obligations of COGCC Rule 703 to protect surface owner or enter into Surface Use Agreement with surface owner.
5. Any oversized or overweight vehicles used during construction and operation of the facility receive permits as required by CDOT and by the Town at the time the traffic takes place.
6. Noble shall comply with laws and regulations, including in particular the COGCC 300 series, designed to protect aquifers, including the Laramie-Fox Hills aquifer, from any contamination during production and construction.
7. Prior to the issuing the Notice to Proceed, the applicant shall produce a traffic control plan or traffic study that will identify any traffic issues that might arise from the construction and operation of this facility.
8. Prior to issuance of a Notice to Proceed, Noble and the Town will negotiate an amount that Noble will pay towards the costs of improvements to Frontage Road pursuant to Sec. 16-63(b)(5) which amount will be based on the estimated costs of the improvements and Noble's pro rata usage of the road (which usage in terms of number of trips may be influenced by the possible purchase of Town water by Noble).

The vote was as follows:

Aye: Trustees Honnold, Cole, Baker, Guardado, and Mayor Pontius

Nay - None

Mayor Pontius declared the motion carried.

- b. Bid award, 2011 Capital Improvements Program, Street resurfacing project.

Joe Racine, Town Administrator, reported that we received two bids for the Street Resurfacing Project. CDOT has agreed to contribute toward the overlay on Dahlia/Main.

The Board consensus was to continue this item until the next regular meeting, pending the contribution amount from CDOT.

c. Discussion, Highway 52 Enhancement grant project, Sunrise to Cherry sidewalk.

Joe Racine, Town Administrator, reported that the Board of Trustees approved the contract for the grant project in October 2010. The project requires additional engineering expenses that could increase the town cash contributions from \$27,000 to approximately \$35,000.

Mayor Pontius made a motion, seconded by Trustee Honnold to allow a Town an expense increase of up to \$10,000.00. Any increase above that would be brought back to the Board.

The vote was as follows:

Aye: Trustees Honnold, Cole, Guardado, Baker, and Mayor Pontius

Nay – None

Mayor Pontius declared the motion carried.

d. Referral of Annexation Petition for the Ritchie-Roy Annexation

Joe Racine, Town Administrator, explained that we have received a petition for annexation from the owners of a 10.85-acre parcel of land located on north Hudson Drive, south of the Neres Canal. The petition was referred to the Board.

e. Utility Operator Agreement

Joe Racine, Town Administrator, reported that the Town is required to have a utility operator with Colorado Class C Water license and a Class B Wastewater license. Tim Hopwood, former Public Works Director has agreed to continue working part-time and to continue as the Operator in Responsible Charge for the water and wastewater systems until we have secured the services of another operator. Alberts Water and Wastewater Services submitted a proposal. The proposal is for an agreement for a basic operator in responsible charge service for a flat monthly rate plus hourly rates as needed for additional services.

Trustee Baker made a motion, seconded by Trustee Honnold to approve the agreement with Alberts Water and Wastewater Services subject to the approval of the agreement by the Town Attorney.

The vote was as follows:

Aye: Trustees Baker, Honnold, Guardado, Cole and Mayor Pontius

Nay – None

Mayor Pontius declared the motion carried.

4) STAFF REPORTS

Joe Racine, Town Administrator, reported that is time to appoint someone to the CML Policy Committee. The Board consensus is to have Joe Racine, Town Administrator appointed to the CML Policy Committee.

Joe Racine, Town Administrator, reported that we have a Public Works Director top candidate that he will start to negotiate hiring.

Joe Racine, Town Administrator, reported that July 16, 2011 the train blocked the Hwy 52 intersection for an hour. He asked anyone that witnesses the train blocking the intersection to document times, engine numbers etc.

Tim Holbrook, P.E., IFE Project Manager, reported on the progress for phase 2 of the wastewater treatment project. The floor for the Lift Station will be poured week after next. Reynolds is working on the construction of the sewer main by the Industrial Park working on Chem-Tech Blvd.

Tim Holbrook, P.E., IFE Project Manager, reported that he has been working with Town staff to test the grease from the Prison. Mr. Holbrook will review the results with Town Attorney, Corey Hoffmann.

Linnette Barker, Town Clerk, reported that the Town will be able to accept credit card payments starting Monday, July 25, 2011.

Linnette Barker, Town Clerk, reported and Thanked Trustee Matt Cole for delivering the marble that was donated for the Memorial Park.

5) ADJOURNMENT

The meeting adjourned at approximately 9:10 p.m.

TOWN OF HUDSON, COLORADO

Mayor

ATTEST

Town Clerk