STATE OF COLORADO
COUNTY OF HUERFANO
CITY OF WALSENBURG
City Council Regular Session Meeting
July 11, 2017 6:00 p.m.

Mayor Pro Tem Craig Lessar called the meeting to order at 6:09 p.m. The Pledge of Allegiance was recited. Council members present were: Dennis Hoyt, Charles Montoya, Manuel Lujan, Greg Daniels, Clint Boehler, and Mayor Pro Tem Craig Lessar. Others present included City Attorney Daniel Hyatt, Interim City Administrator Steve Rabe, Finance Director Mark Ellis and City Clerk Wanda Britt. Mayor James Eccher and City Treasurer James Moore were absent.

Citizen Appearing before Council- Markus Prom stated he was on the agenda tonight for consideration of annexation. Rabe stated they will be discussing tonight the first part of the process of State Statute, once that is completed Prom will move to the Planning Commission for their consideration/recommendation, then they will go through the criteria and there is a statutory requirement between the effective date of the resolution and when he can be heard by City Council. Rabe stated the timeline. Prom asked if this was considered the first meeting tonight. Rabe stated tonight there is no public hearing scheduled, they will determine the compliance of the petition and establish a hearing date.

Correspondence Received: Nothing was received.

Mayor/Council Report: Lessar thanked all the past employees that have served the City.

Staff Reports: David Harriman, Project Manager, gave report on the calls the city departments went on. Harriman stated they have bids for the Crack Sealing that has been approved, those bids will be at the next meeting. The new Whacker is in for repairs for door hinges it is at TOPAR in Trinidad. The John Deer Tract needs seal repairs, the motor grader needs circle repairs, and the Cat Backhoe and Volvo Loader are for annual service. Harriman stated M & M towing will be hauling our equipment back and forth from Trinidad. They are waiting for a bid to repair "Smokey", they had to dismantle it to give us a good assessment on it, the cost estimate is fifteen to twenty thousand dollars, and they should have the solid bid to us by the next meeting. Lessar asked what vehicle this was. Harriman stated the old dump truck. Daniels stated he did not think they were going to try to repair this truck. Harriman stated we are receiving an estimate on it. Daniels asked if they were charging us for it. Harriman stated "yes". Daniels did not want to invest too much money into it, if it was not repairable. Harriman stated the City has no tow vehicle now, and has to contract out to have anything towed. Montoya asked why wasn't the truck just put to a local bid. Harriman agreed. Harriman went over the cost for the work being done. Council discussed the truck. Harriman stated to get it street legal it will probably cost fifteen thousand dollars. Montoya stated his concerns. Lessar asked about an intergovernmental agreement (IGA) with the County to tow the City vehicles. Harriman stated they have asked them before and they haven't worked with them. Harriman stated they contacted Gary Vezzani and other towing companies in town and it would cost them two to four hundred dollars to Trinidad. Lessar asked what M & M charged the City. Harriman stated one

hundred dollars. Montoya asked if Daddy's Pride towed it down. Harriman stated the first tow was two hundred dollars from Frankie Gilbert, but M & M will be charging the City one hundred for the tows. Council discussed the tows.

Harriman went over the Parks and Recreation work schedule. Harriman stated the City employees have to close the park restrooms nightly. They have done the IGA with the Library for the cutting of the grass, with a few issues from neighboring residents. The City Hall grounds sprinkling system, fertilizer and moving have been done.

Harriman stated the swimming pool trash, the park and recreation department has been working seven days a week, they are going to pay them overtime for closing the restrooms at 10:00 p.m., because they gave the keys to the Sheriff's Department and they both laughed in his face stating they do not have time to do that. So the parks department is doing it.

Harriman stated Code Enforcement sent out twenty-nine letters with twenty-two follow ups. They had the vehicle air conditioning fixes and it was six hundred dollars.

Harriman went over the water department calls. Harriman stated they had a water leak on Welton Avenue that leaked into Bob Daher's basement, they can't find the source, so they have hired a leak detection company to find the leak, and an insurance claim has been filed. They are monitoring three hydrant meters. They did potholing for the new Justice Center. The water treatment plant general operations is fine, they had to change out some fittings and the consumption is up for the month of June. Harriman went over the testing schedule for the employees. Harriman stated the sewer department has four new insurance claims. Their annual maintenance will be starting as soon as they are to full staff. Harriman stated the Waste Water Treatment plant has hired GMS Engineering for the consulting in accordance to the compliance letter from CDPHE. AreoMod has a contract for training for the correct operations of the treatment facility that will need Council's approval. General testing has been an ongoing problem with the ammonia. The Northlands has had problems with the lift station, they have all been resolved. The Bio Solids will be taken to the Walsenburg Ranch property on July 21st, 2017 by contracted company through the Northlands Project final, they need to cut more acreage so they can spread the bio-solids. Harriman gave report on the testing of employees and dates.

Harriman gave an overview of the Wild Waters Parks and reported they had their first teen night and felt it was successful and the need to purchase new umbrellas for the lifeguard stations.

Harriman gave an overview of the Public Works Department. Harriman stated they are working with RJH for the Walsenburg Water Supply. They have a pending land agreement with Sam Faris, they might have to purchase property for a new spillway location and keeping City Lake at the one inch restriction is difficult to maintain, they are having problems with the raw water line.

Harriman reported the Walsenburg Ranch bailed 920 bails, processed in the cutting of the west fields. They put in a twenty inch culvert for irrigation across property for owners. Whacob & Whacob paperwork for the survey of the ranch. Harriman reported the equipment repairs.

Harriman stated the Vehicle inventory has been given to Administration, for review. They will have to what vehicles will work best for the City to retain, if any. He gave estimates for the cost of the repairs needed for the vehicles.

Harriman stated the Raw Water Line inspections for June 2017 have been done, there were fifteen inspections over the next three months to be in total compliance.

Harriman reported they have formed a Safety Committee and stated the employees involved. They will investigate for injuries and accidents and review safety equipment per

department.

Harriman stated they have the Gomez Ditch running and are receiving full decree. There have been compliant throughout the month from other ditch owners in reference to the ditch overflow.

Harriman stated interviews as set for July 14th, 2017 for a full time employee for the Water/Sewer Technician I. They will have a full time position open for Street/Alleys Department.

The bid and contract for the new water station with Aqua Flow is in the packet and for Council's approval.

Harriman stated the Lake report is as follows:

Whahayoya Lake-full, Diagre Lake-full, Walsenburg Water Supply-1" restriction, Horseshoe Lake-full, Martin Lake-full, and we are taking full decree.

Daniels asked where they were with bids on Indiana. Harriman stated GMS is finalizing the one-way and moving of the gas line. Daniels asked if they were still in engineering. Harriman stated it should be close to finalizing.

Hoyt asked about work being done at Hendren Park over the weekend, with overtime. Harriman stated there was no overtime accrued, it was straight time, and they were doing concrete work at the park.

Lessar requested confirmation on the bid process for tires with JM Tires. Harriman stated the contracts is with JM Tires and M & M in Trinidad.

Lessar asked if all the fire hydrants were operable. Harriman stated "yes".

Lessar discussed an alley compliant that was reported to him. Harriman stated they would talk to the resident.

Hoyt asked if the City was out of one-way signage. Harriman stated they are and have ordered the signage.

Rabe stated he submitted a written report to Council and would go over a few items. Rabe stated the search process that is included in your packet contains a selection survey, which Rabe would like returned by August 1st.

Lessar stated they had a conversation earlier in reference to Burn Permits, if there is a compliant logged about burning other than the allowed items, who would take that compliant and how would that be enforced. Hyatt stated he would need to review the ordinances. Britt stated in the ordinance there is a penalty clause, and previously they would report it to the Police Department. Britt stated that all the ordinances have been sent over to the Sheriff's Office (SO) for municipal code violations. Rabe stated the SO did respond to the call and the immediate concern was taken care of. Lessar discussed the process. Hyatt stated in general if the City receives a complaint they need to determine if it is a complaint that has a criminal penalty to it, if so it would be referred to the SO.

Daniels understood that the engineering for Indiana was complete. Harriman stated the engineering has been done, but they saw some problem with the culverts on the one-way street. Harriman discussed the issues and the changes that would need to be made for flood control. Daniels asked who made the decision the traffic would flow East to West. Harriman stated the engineer told him the City. Daniels asked who from the City made that decision. Lessar stated there would be two streets in the same direction, and that would save the City some money. Daniels discussed his concerns with the direction of traffic flow. Harriman stated there were only two residents on the street that have driveways. Daniels stated they decided to go one-way to save the city money. Lessar asked going from west to east would save on the engineering.

Harriman stated it would not change the engineering of the street. Harriman gave an overview of the engineering of the street. Lessar asked if it would be more cost effect not to have to move those driveways. Harriman stated it would be a difference because they would have to be taken out for the construction process. Daniels would like to go back to the two residents and see which way they would like the one-way street to go. Harriman discussed the two driveways. Harriman discussed the engineers and that we have about twelve engineers working on different projects. Daniels wanted to know a timeline for this project. Rabe stated they will try to get a firm answer from the engineers. Daniels stated Council had thought this project would be completed this year.

Montoya requested an update on the ranch. Harriman stated as of today they have cut two of the fields, and starting tomorrow on the other one for the application to the land. Harriman stated City personnel will cut and bail the hay. Montoya asked if we had buyers for the hay. Harriman stated not at this point.

Hoyt asked if anyone on staff was responsible for looking at traffic flow. Hoyt discussed parking issues on Hendren and the cross street. Harriman stated they have contacted the residents and they have been reported. Harriman stated the violations have been reported to the SO and there is a violation within the model traffic code. Harriman stated the signs have been placed. Montoya asked about the crack and seal program. Harriman stated it will be going out to bid on the 18th. Harriman stated it will be 9.6 miles. Harriman will call GMS in the morning and find out who all the engineers are and what project they are on. Daniels stated his concerns on the Indiana project and the time frame.

Consent Agenda: Regular City Council Meeting Minutes 06/06/17; Regular City Council Meeting Minutes 06/20/17; Liquor License Renewal Phyllis Cordova d/b/a Alpine Rose Café; Montoya moved to approve the consent agenda, seconded by Lujan. Passed on a roll call vote of 6-0.

Agenda Changes: Hoyt moved to approve the agenda as presented, seconded by Boehler. Passed on a roll call vote of 6-0.

Martra Operating Partnership, LP: Hyatt stated he prepared a new Deed of Trust and an amendment to the Water/Sewer Service Agreement. Hyatt stated his concern, just to get direction from Council on a policy issue, had to do with the request that they be allowed to sell up twenty-five acres without getting permission from the City. They have offered to pay the city four thousand dollars an acre at the time they sell it. Hyatt stated his concerns about having water/sewer and gas connections on the parcels prior to the selling of the parcels. Hyatt stated he put that in the language he modified. The other concern was it not cause for an access issue. Hyatt stated those are policies issues and wanted Councils approval, prior to presenting the final documents at the next Council meeting. Rabe asked if they break off parcels for sale would they be required to go through a sub-division process and to provide plats and such. Hyatt stated that property is not plotted and didn't know how they were going to do it and they needed to make arrangements to have water/sewer and gas line connection. Hoyt discussed the parcel sell and stated his concern for them selling off prime land and walking away. Hyatt stated the restrictions on the original deed of trust. They are asking to sell up twenty-five acres without the Council consent, so that is a policy issue for Council to decide. Hyatt is asking for direction from Council if they would like to include those modifications. The other two modifications he does

not see any issues with, but this is a policy issue and wanted direction from Council. Lessar stated his concerns and was not in favor of the idea. Montoya stated the twenty-five acres they were interested in selling had to be connected to water and sewer. Hyatt stated they have to conform to the existing policy. Daniels discussed his concerns with the putting septic tanks out in that area.

Brian Trani stated their project is a year late and they need the infrastructure out there. Trani discussed the sale of the property and how the investors wanted some security. Trani reviewed the reasons why they should approve this policy, as the money would then come in and benefit the City by putting in the water and sewer lines they have been asking for. Trani stated six months ago when he started those mortgage payment that he would get a little more leeway. Lessar stated Council never said they would give him any leeway, that they would continue discussion with Trani. Trani stated his concerns for not getting a small round of concessions from the City. Trani said it will be very tedious for them to move the infrastructure part of the project forward. Trani discussed the flux of the market and its effects on the business. Trani stated the first part they are asking for has already been sub-divided with two different addresses. Trani discussed the sale of some of the parcels to private parties that have two different addresses and they are not asking for any subdivision of the property. Trani discussed the payments that the City would receive. Trani discussed the security for the tenants. Hyatt asked Trani if he already knew what parcels they were going to sell. Trani stated "yes". Trani stated one for sure and the other is on the block. Hyatt asked if they could include those specifics in the contract so Council knows what twenty-five acres they are wanting to sell. Trani stated that would be completely acceptable. Daniels asked if one of the parcels for sell, was the one they just approved the marijuana license on and the other is on the other side of the hill. Trani stated that was correct. Daniels stated the entire property was supposed to be developed as one entity. Trani state the plan has changed. Trani stated the market has dictated the terms. Trani gave an overview of the concept. Daniels asked if this was an inappropriate topic to discuss in an open meeting and if it should be discussed in executive session. Hyatt stated Council can take it up in executive session, but Martra representatives could not be in the session. Montoya asked if there was different regulations for subdivisions. Hyatt stated that it was represented that the property had already been subdivided. Trani stated there were two addresses out there, and explained the marijuana license. Hyatt stated if they have one large parcel, they would need to go through the subdivision process with the City. Hyatt went over the process of subdivision. Daniels would like to take this up in executive session. Hoyt asked if the sale price they would get, would it be applied to the principal of the loan with the City or used for operating cost. Trani stated they would pay the City on the principal of the loan and still make the monthly payments. Daniels stated the marijuana grow they approved, do they have a relationship with them, other than a landlord. Britt stated it is public knowledge that Martra is the landlord for the cultivation license, and other relationship is not relevant. Trani gave an overview of the lease agreement between Martra and the new grow facility. Britt stated the items on the agenda tonight are these changes and Council would vote tonight on whether or not Hyatt can move forward on these amendments on the agenda. Hyatt stated Council can direct him to prepare the documents one way or another. Daniels stated he has some legal questions. Hyatt stated he needed an executive session at the end of the meeting and they can address it then. Trani requested Council make these amendments so they can move forward. Lessar stated Council is requesting to hold off on this agenda item until after the executive session. Britt stated these items will be moved to the end of the agenda. Council agreed. Hyatt stated he did have the documents prepared so Council can

review them at the next Council meeting. Trani went over the requested amendments. Hyatt stated the modification for the water and sewer agreement is a non-issue and makes good sense. The issue for the grace period is standard procedure. Lessar asked if it was Council request to make a motion now or hold off until after the executive session. Council agreed to wait until after the executive session. Hyatt gave a brief overview of the process.

Lessar called to order the Public Hearing for High Country Ranch LLC at 7:10 p.m. Hyatt stated prior to proceeding, he would like to ask Council if they had any preliminary matter they would like to bring up.

Hoyt stated he has been receiving complaint in his ward about the smell coming from the grow facility out west of the hospital, prior to moving forward, the last request was asked to filter the greenhouse. Hoyt discussed the filter requirements and would like to take some time to have staff and Council research on what is going around the State on insuring you have the air quality that does not negatively impact the quality of life for our existing community. Hoyt wanted to be fair to let the new applicants know what the requirements would be. Lessar stated how they know where the smell is coming from. Hoyt stated it is pretty obvious, and the hospital has complained about it. JR Burrel owner of Wahaytoya Farms and they have been growing marijuana for three years in the County for commercial purposes. Burrel stated he has had two inspections and has passed both of them. Burrel went over the process of the filters and how they work. Burrel stated his concerns for Council requesting to make an ordinance for the smell. Hoyt stated he felt they needed pause and look at the issue. Burrel gave a brief overview of his view point on the subject. Hoyt wanted to pause and be fair to everyone with the process. Burrel would like to discuss this issue outside of public meeting, because there are a lot of legal issues. They will make a presentation at the next Council meeting. Burrel would like to help the City through these procedures. Hoyt stated they need to pause and research. Lessar asked Hyatt if this could be addressed in an ordinance at a later date. Hyatt stated Council could grant the license and then pass the ordinance and put in additional requirements. Hoyt stated his concerns for moving forward. Hyatt stated perhaps they would continue the hearing and see what they have to say.

Retail Marijuana Licensing Hearing

HYATT: City council members you are conducting this hearing as the local marijuana licensing authority. This is a quasi-judicial hearing. You may only consider the testimony and the evidence presented to you during the hearing. You may not be lobbied for or against the issuance of the license before you today. Has any member of the City Council been lobbied for or against this license? For the record, I see that no member has been lobbied.

High Country Ranch, LLC has applied for a City of Walsenburg Retail Marijuana Cultivation Facility License that would allow the growth of 1,800 marijuana plants or fewer at 1500 U.S. Highway 85/87, Walsenburg, Colorado 81089 in the County of Huerfano. The premises is located in an area zoned as A-O, "Agricultural – Open District". Ordinance No. 1058 Article III, Sec. 1.2 provides that such a use is a use by right. As a matter of law, no issue exists with respect to zoning. The Building Inspector has done an inspection on the building and there are no issues.

Ordinance No. 1057 requires that the city council conduct a public hearing to determine whether the applicant meets the requirements for a Retail Marijuana Cultivation Facility

License set forth in Ordinance No. 1057. You are also required to determine if the use is permitted in the district where the premises will be located. Hyatt has already addressed the issue.

The requirements for a Retail Marijuana Cultivation Facility License are as follows.

1. A license cannot be issued if a similar license application for a location within 1,000 feet of the site for which a license is sought today was denied within 2 years of the current application date.

2. The applicant must be entitled to possession of the premises for the duration of the entire period of the license which is one calendar year from the date of issuance.

3. The applicant or the officers of the applicant must be of good moral character.

4. The applicant may not be a sheriff, deputy sheriff, police officer, or prosecuting officer, or an officer or employee of the local licensing authority.

5. The person must be a resident of the state of Colorado for at least two years prior to the date of the application.

6. A Retail Marijuana Cultivation Facility License may be issued only to a person who cultivate retail marijuana for sale and distribution to licensed retail marijuana stores, retail marijuana products manufacturing licensees, or other retail marijuana cultivation facilities.

7. Prior to receiving the license, the establishment must post the signs required in Ordinance No. 1057 Section 22.

8. Prior to receiving the license, the premises must be inspected by the sheriff or designee and by the City's building inspector. No license may be issued if the premises does not comply with the city's building codes and the fire code pursuant to Ordinance No. 1057 Section 15.

9. The applicant must pay the appropriate fees.

Mr. Chairman I move for the admission of the following exhibits.

a. Retail Business License Application

b. Investigation Authorization

c. Marijuana Ownership and Funding Certification and a Statement of Understanding signed by Oliver E. Scaife, III

d. Marijuana Ownership and Funding Certification and a Statement of Understanding signed by Robert Hake

e. Certificate of Fact of Good Standing for High Country Ranch LLC

f. Articles of Organization for Hake & Scaife LLC

g. Articles of Amendment amending name from Hake & Scaife LLC to High Country Ranch LLC

h. Operating Agreement of High Country Ranch, LLC

i. Lease Agreement between Oliver Scaife III, Landlord, and High Country Ranch, LLC through June 30, 2017.

j. Conceptual Site Plan of 1500 US Highway 85/87, Walsenburg, CO

k. Wholesale Sales Tax License, High Country Ranch.

l. Letter from Walsenburg Building Inspector, Rick Dunn, stating that all zoning and setback requirements have been met at 1500 U.S. Highway 85/87, Walsenburg, CO

m. Copy of the Notice of Public Hearing posted at the site.

n. 3 photographs of the Notice of Public Hearing posted at the site.

o. Photocopy of check number 507 for licensing fee

p. Colorado Retail Marijuana Conditional License conditioned on Local Authority Approval.

Mayor Pro Tem Lessar showed all exhibits a-p be admitted as evidence. Hyatt asked if there are no objections. Hoyt stated he drove out to the site and saw the gate with a no trespassing sign and he could not see the notification. Britt stated it was on the actual site, not on the front gates. Hoyt stated the public cannot get into the site because of the no trespassing sign, what good does that do to post the notice there. Britt stated it was also published in the local paper of record, and has to be posted on the premise per statute. Hoyt stated his concerns for the purpose of the signage. Hyatt stated it may be, but statute states it has to be posted on the premises. Daniels stated it is not an actual public notice then. Britt disagreed with Daniels and stated it was published per statute and on our agendas.

MAYOR Pro Tem Lessar: Mr. Hake you are representing High Country Ranch, LLC. You have the burden of proof and the right to proceed first. However, it may be easier if you allow Mr. Hyatt to proceed first. Do you have any objection to that procedure? Hake stated "no sir". OK after he asks a witness questions you may cross examine the witness.

MAYOR: Mr. Hyatt do you have any witnesses you would like to call?

HYATT: I call Wanda Britt to stand and take the oath.

Please raise your right hand, do you solemnly swear or affirm that the testimony you are about to give is the truth the whole truth and nothing but the truth under penalty of law.
Britt: yes

Hyatt: Please state your name and spell your last name.

Britt: Wanda A. Britt B R I T T

Hyatt: What is your business address?

Britt: 525 South Albert, Walsenburg, Colorado 81089.

Hyatt: What is your title?
Britt: City Clerk for the City of Walsenburg.
Hyatt: Did you post the premises? When?
Britt: Yes.
Hyatt: Did you post it yourself
Britt: No, Mr. Hake posted and provided the photos entered into evidence.
Hyatt: Did you cause a notice of this hearing to be published in the newspaper? When.
Brit: Yes, it was published on 06/22/17 in the paper of record, Signature Newspaper.
Hyatt: Was that more than ten days prior to this date.
Britt: it was nineteen days prior to this hearing date.
Hyatt: Did the applicant pay all required license fees?
Britt: Yes.
Hyatt: Is that represented by exhibit "O".
Britt: Yes.
Hyatt: I have no further Questions.
Mayor Pro Tem Lessar: Mr. Hake do you have any questions of the witness.
Hake: No sir.

Mayor Pro Tem Lessar: Mr. Hyatt do you have any additional witnesses.
HYATT: I call William Hake (representative of High Country Ranch, LLC).

Please raise your right hand, do you solemnly swear or affirm that the testimony you are about to give is the truth the whole truth and nothing but the truth under penalty of law.

Hake: Yes sir.
Hyatt: Please state your name and spell your last name
Hake: William Hake H A K E
Hyatt: What is your business address?
Hake: 1500 Highway 85/87, Walsenburg, Colorado
Hyatt: What is your affiliation with High Country Ranch LLC?
Hake: I am an owner.
Hyatt: are you the sole owner?
Hake: No, I am one of three owners
Hyatt: What are the names of the other two owners?
Hake: Oliver Scaife and Robert Hake.
Hyatt: are they both present.
Hake: Yes.
Hyatt: are there any other owners.
Hake: no.
Hyatt: You submitted a lease, and when does that expire.
Hake: I am not sure.
Hyatt: at the end of the year a month from now. July 2018
Hake: We have another one that is a three year lease.
Hyatt: Has that lease been executed by the parties.
Hake: They can execute it at this very moment.
Hyatt: asked to see the lease.
Hyatt: stated the copy had no signatures on it.
Hake: It is being updated
Hyatt: asked when they could provide the city with a signed lease.

Hake: stated right now.

Hyatt: Would like for them to execute the lease. Hyatt stated his concern that the CBI reports have not been returned as to date and he did not want the lease to expire, prior to receiving the reports.

Hake: Thanked Hyatt.

Hyatt: Are you or the other applicant may not be a sheriff, deputy sheriff, police officer, or prosecuting officer, or an officer or employee of the City of Walsenburg.

Hake: No.

Hyatt: How long have you lived in the State of Colorado?

Hake: since 2010.

Hyatt: To whom are you planning on selling the marijuana?

Hake: Licensed retail marijuana vendors.

Hyatt: Are you aware of the signage requirements in ordinance 1057.

Hake: Can you explain it to me.

Hyatt: there are requirements with the signage and are you going to comply with these requirements.

Hake: yes sir

Hyatt: will you comply prior to the license being issued.

Hake: yes sir.

Hyatt: To your knowledge has the Sheriff or Deputy Sheriff inspected the premise yet.

Hake: Not sure, Rick Dunn has inspected it.

Hyatt: you will have to make arrangements to have an inspection prior to a license being issued and provide the City with this information.

Hyatt: Mayor Pro Tem I would ask that this new lease be marked as exhibit q.

Mayor Pro Tem Lessar: So moved.

Hyatt: What are the plans for the company to control the odor?

Hake: In the greenhouse there will be carbon filters and maybe UV filters that should cover it, as for the field, tall trees, mostly trees to cut down on the odor. They cut down on the smell 33% more than other trees. They have a radius of 3,000 feet from their neighbors. Hake will do everything they can to prevent the odor. Hake gave his background and do the best of his knowledge to abate the smell issue.

Hyatt: The air flow design, prior to building will have to go through the carbon filtration.

Hake: They will make sure it is not an issue.

Hyatt: Do you own all the land between you and your nearest neighbor.

Hake: Yes.

Hyatt stated he had no further questions, so Council could proceed with questions.

Hoyt how far away from the highway will your facility begin.

Hake: the facility begins a quarter mile down the road.

Hoyt: The responsibility to maintain a safe driveway, and how do you plan to do that?

Hake: It has been re-graveled last month.

Hoyt: You have a plan so our ambulance won't get stuck out there.

Hake: Yes.

Daniels: Do you plan to have access to Law Enforcement

Hake: There is a locked fence now, but we can plan to give a key to Law Enforcement.

Daniels: Had you planned on doing that?

Hake: If we have to do that, we will plan on doing it.

Daniels: That goes in line with the Sheriff inspections

Hyatt: It is up to the Sheriff's Department to tell them what their requirements are

Lessar: That might be a liability the Sheriff's Department won't want to take.

Daniels: in the case of a burglary, law enforcement would need to have access to it.

Hake: if they had to they could also snip the lock. The facility front gate at the beginning of the road is left open. Hake stated he would work with law enforcement on that.

Jim Hillacker: Asked if the Sheriff's had keys to other businesses in town if they got robbed.

Daniels: No

JR Burrel stated it is State regulations that a key badge is needed to get into a facility with an owner to go in.

Hake stated they have cameras if there was an issue getting in.

Hoyt how many plants will you have.

Hake it is a tier one, with 1,800 plants. Hake gave an overview of the site plan.

Lessar asked if it will be an indoor grow.

Hake stated to start with it will be indoor and then the trees will block the outdoor grow. Hake gave an overview the plan.

Hoyt, will you be building a building for retail sales

Hake: No at this point now.

Montoya asked if the City benefits from any tax.

Hyatt stated no, until the city adopts an excise tax. Hyatt gave an overview of the tax

Lessar: that excise tax goes to the County.

Montoya: How much water will be used?

Hake: 3,600 hundred gallons a day, and these are high usage totals.

Hyatt stated 3 ½ acre feet a year.

Hake stated roughly.

Lessar stated if the City has a drought year those numbers will be affected.

Hake stated he was made aware of that.

Lessar asked Council if they had any further questions.

Council stated they did not.

Hyatt stated he did not have a prepared order, in the order it would read. That all of the criteria listed previously would be met. The order will read the required cultivation have a filtration system. Order that the Clerk issue the license after the requirements have been met, the CBI reports come in and they are clear, meet the signage requirement and that you provide the Sheriff's Department give the City a report. Hyatt would ask Council to adopt a motion to accepting the verbal statement of Findings and Fact and Order and authoring the Mayor to sign and then the Clerk would be able to issue the license after all the additional criteria was met. Lessar asked if there was any public comment. Seeing none Lessar closed the public hearing.

Lessar went back into regular session:

Lujan moved to adopt a motion to accepting the verbal statement of Findings and Fact and Order and authoring the Mayor to sign and then the Clerk would be able to issue the license after all the additional criteria was met, seconded by Daniels. Passed on a roll call vote of 6-0.

Resolution No. 2017 R 05-AZTK Annexation: Rabe stated the City has received a petition for annexation. Pursuant to State Statute it for Council to make a determination if the petition is in

compliance with the terms and conditions of State Statute, there are certain phases for the annexation process that are very clear through State Statute. Rabe stated they have created a calendar of events for AZTK to follow. Rabe stated the consideration tonight is to indicate to the applicant that their petition is in compliance and they establish a date for the public hearing. Rabe gave an outline of the time frame. **Boehler moved to approve, seconded by Montoya. Passed on a roll call vote of 6-0.**

AERO-MOD Contract Waste Water Treatment Plant: Harriman gave an overview of the contract. Montoya moved to approve, seconded by Boehler. Passed on a roll call vote of 6-0.

Approval of the 2018 Budget Calendar: Rabe gave a brief overview of the calendar process and asked for Council's approval. Lessar thanked Rabe for the advanced notice of the calendar. **Hoyt moved to approve, seconded by Montoya. Passed on a roll call vote of 6-0.**

Approval of Hiring Process for City Administrator: Rabe stated the process is in accordance with statute. Rabe explained the timeline and process of the hiring. Rabe stated in the future they will have discussion on salary and benefit packets. Rabe stated this is ready to move forward and did a salary summary from around the State of Colorado. Rabe requested Council review the salary and felt it was competitive for which we could receive a number of applications. Rabe gave an overview of the numbers. When they get closer to the interview process he will met with Council to discuss a definite amount for the job. Lessar requested the amount the previous Administrator received. Council discussed the dollar amount. Lessar felt they were competitive. Daniels stated his concerns with starting out on the high end of the salary base, and requested Council consider starting at the lower end. Rabe stated they will go through his meetings first, prior to going to Council with the candidates. Montoya asked if this included benefits. Rabe said it did not. Council discussed the candidates coming in and asking for more money at the last minute. Rabe stated that is why he is here to go through the applicants prior to Council going through them. Rabe requested Council approve the memo as presented. Daniels discussed the timeline. Rabe gave a brief overview of the timeline for the hiring process and requested a census of the salary. Council agreed that the starting point of the salary was good. Council discussed the timeline of the hiring process. **Daniels moved to accept the memorandum and the salary for the hiring process, seconded by Lujan. Passed on a roll call vote of 6-0.**

Mosquito Program: Rabe stated there was some questions as to if Council wanted to determine the process and move forward with the programs and policies. Rabe stated the pros and cons in the memo Council received in their packets. Rabe stated the staff can move forward if Council so chooses. Lessar stated he felt with the health issues the City should move forward with the spraying process. Lujan agreed, and stated the City has sprayed for years and didn't see why we had not done it already. Daniels stated his concerns and received numerous complaints that the spraying had not been done to date. Daniels stated his concern about the memo. Rabe clarified that it was the timeline for the events prior to the complaints, this was for information purposes. Montoya wanted to know the timeline to enact the process. Harriman gave an overview of the prior years for the program. Lessar stated they were dry years. Harriman stated they have enough spray for three times this year, and the vehicle would need to be wired for the equipment. Rabe stated they will communicate a flyer in the utility bills and public media relating to the

spraying. Rabe stated the first spraying would be sometime at the end of July. David Roesch requested information on what this spray would kill. Rabe stated the spray is non-discriminate. Daniels stated the mosquitos have tapered off. Rabe gave a brief overview of the effectiveness of the spraying cycle. David Wise gave an overview of the mosquito cycle where he grew up, and he stated his concerns for spraying and requested the public take personal responsibility for their own protection against the mosquitos. Council discussed the West Nile desease. Larry Bullock, citizen, recommended the City should eliminate standing pools of water. **Daniels moved to approve, seconded by Lujan. Passed on a roll call vote of 6-0. Lessar requested some education be provided for the public. Rabe agreed and would implement the program as such. Harriman asked for the perimeters of the spray area. Council discussed the areas requested. Montoya stated if we spray the Golf Course they should contribute to the spray costs. Harriman stated they will have a plan ready by this week. Rabe stated they will publish the announcement this week.**

Letter of Support for Downtown Colorado Incorporated (DCI): Rabe stated this is a request for the City to offer its support to DCI to move forward with some of the programs they have to offer, there is not financial commitment. Rabe stated there is no monetary commitment. David Wise gave a brief overview of the program. Wise stated this is a grant that keeps their non-profit going. Wise felt they can support it, and we already have a footprint, but was not sure there would be any additional benefits for the City. Wise wanted to be clear that it is for a train to trainer grant. Daniels asked if there would be a financial burden to the City. Wise was not sure, but there would be some. Lessar stated for the letter of support there would be no financial burden. Daniels moved to approve the Letter of Support, seconded by Montoya. Passed on a roll call vote of 6-0.

Bio Solids on Ranch Property/Northlands: Harriman stated the bio solids are ready to move from the Northlands to the Ranch facility. Harriman estimated around the 24th of July, if the weather holds old, the materials would be moved. Harriman stated they will process the hay tomorrow. They will stack it with the other bales. Lessar asked if we would, in the future want to sell this to other ranches. Harriman stated they thought they would put it on the other side of the ranch, and yes that is what Parker AG does. Hoyt requested clarification on where the sludge will come from. Daniels asked if there would be any legal problems. Hyatt stated "no". Rabe stated this was an advisory issue and no motion was needed.

Water Haul Bid/Contract: Harriman gave an overview of the contract for the water haul station. Lessar stated it went up around two-thousand dollars. Harriman stated it will now cost forty-nine thousand and thirty dollars. Council went over the improvements of the new water haul. Daniels moved to approve the contract for forty-nine thousand and thirty dollars, with Aqua Flow, seconded by Hoyt. Passed on a roll call vote of 6-0.

Montoya asked who will be aerating the fields. Harriman gave a brief overview of the process. Lessar stated the ranch will be taken care of.

Executive Session

Daniels moved to go into Executive Session regarding legal advice, under Section 24-6-402(4) (b) C.R.S., seconded by Lujan. Passed on a roll call vote of 6-0.

The time is now 9:08 p.m. and I have turned the tape recorder back on. The executive session has been concluded. The participants in the executive session were: Dennis Hoyt, Charles Montoya, Manuel Lujan, Greg Daniels, Clint Boehler, City Attorney Dan Hyatt, and myself, Mayor Pro Tem Craig Lessar. For the record, if any person who participated in the Executive Session believes that any substantial discussion of any matter not included in the motion to enter into Executive Session occurred during the Executive Session, or that any improper action occurred during the Executive Session in violation of the Open Meeting Law, I would ask that you state your concerns for the record. Seeing none, moved to the next item on the agenda.

Martra Operating Partnership, L.P.-Deed of Trust Amendments; Promissory Note Amendments; and Water/Sewer Service Agreement; Daniels motioned to deny request for Amendments, seconded by Montoya. Passed on a roll call vote of 6-0.

Adjournment

Daniels made a motion to adjourn, seconded by Boehler. The vote passed on a unanimous vote of 6-0. City Council meeting adjourned at 9:11 p.m.

CITY OF WALSENBURG

James P. Eccher
Mayor

ATTEST:

Wanda A. Britt
City Clerk

The preceding minutes were prepared according to §47 of Robert's Rules of Order, i.e. they contain a record of what was *done* at the meeting, not what was *said* by the members. Tape recordings of the meeting are available for 6 months thereafter only for listening in the City Clerk's Office as well as copies of Ordinances and Resolutions