

**Town Council Regular Meeting**  
**Town of Paonia, Colorado**  
**January 22, 2013**

RECORD OF PROCEEDINGS

The Regular Meeting of the Town Council held Tuesday, January 22, 2013 was called to order at 7:06 p.m. with the Pledge of Allegiance. Those present were Mayor Neal Schwieterman, Trustees Corinne Ferguson, Ross King, Eric Goad, Amber Kleinman and Larry Wissbeck; Chief Scott Leon, Public Works Director Travis Loberg; Attorney James Briscoe and Town Clerk Barbara Peterson. Trustee Brian Ayers was absent.

Mayor Schwieterman determined a quorum was present and proceeded with the meeting.

**Approval of Agenda**

Trustee King moved to approve the agenda as presented. Trustees Ferguson seconded and the motion passed unanimously.

**Announcements**

- None

**Visitors**

- Tara Miller extended an invitation to Ilave, Puno, Peru on behalf of the Mayor Mario Huanca Flores. Mayor Flores offered his hospitality while Mayor Schwieterman and his family are visiting Lake Titicaca. Mayor Schwieterman graciously accepted and noted the wonderful family opportunity.

**Unfinished Business**

None

**New Business**

**Bureau of Land Management (BLM) – Lease Parcels**

*(Clerk Note: Due to the contentious nature of this issue, this portion of the minutes is more towards verbatim rather than summary style. This is not, nor is it intended to be a transcript. Additionally of note were more than 200 visitors as counted by Chief Leon as compared to a regular meeting averaging less than 10 visitors. This issue was intended to be a conversation between the Board of Trustees and BLM officials at bequest of BLM, which this Board honored. bjp)*

Mayor Schwieterman provided an opening statement sincerely thanking Helen Hankins, Barb Sharrow and other BLM staff for this opportunity to speak directly with them. As Mayor Schwieterman was deciding how to conduct this portion of the meeting, he was quickly made aware of the seeming pent up demand for a public meeting with BLM. A full-scale public meeting would entail a bigger venue and four (4) plus hours to conduct. This Board has been working for one (1) hour already and has other work after this portion of the meeting. So Mayor Schwieterman asked that everyone be respectful of the views presented this evening, even if you do not agree with them. Decorum is required here tonight. Thank you. People have provided comments to the Board of Trustees that have been categorized; the Resource Management Plan (RMP), public participation, air quality, water quality, traffic and noise, economics, resource potential and miscellaneous. BLM Uncompahgre Field Office Manager (UFO) Barbara Sharrow provided an explanation of the lease parcel process to date. Thirty thousand acres were nominated for a lease sale, noting the process has recently changed. The process began last December (2011) with a two (2) week scoping period. Staff put together a preliminary environmental assessment (EA). There was significant public outcry and more than 3000 comments were received. The BLM staff reviewed the voluminous comments for significant issues, which took until fall. Ms. Sharrow indicated the comments received were not taken lightly. BLM UFO came back to the public with the EA in mid-November 2012 with a third of the acres being deferred due to steep slopes, municipal water supplies, recreational activities, scenic byway, schools, etcetera. Then the leases went into a protest period where more comments were taken. No final decisions have been made. Ms. Sharrow indicated that Helen Hankins, Colorado BLM State Director, felt it was important to talk to local officials to see if there were questions that could be answered. Delta County sponsored a forum last spring in which BLM participated. State Senator Gail Schwartz held a public hearing on this issue. The BLM has a resource advisory council, public comments have been accepted and Ms. Sharrow has met individually with people.

Trustee King indicated that what he was hearing from constituents regarding the RMP process, is that they are requesting that before any decision regarding the parcels is made, that a more current plan with current conditions be considered to reduce the impacts. We're not trying to say we don't want development, but at least remove all the parcels from consideration until then. Ms. Sharrow indicated the RMP was signed in 1989 and it has had 15-16 amendments over time for a variety of reasons. The BLM has done a couple of travel management decisions, as issues arise, to try to address. Then the BLM staff wrote the EA for these parcels, they looked at the existing RMP, considered amendments and other policies that have been passed. Lonny Bagley, Deputy State Director, Energy, Land and Minerals, noted the on-shore regulatory process for drilling, production and site security to put requirements in place. Ms. Sharrow noted the on-shore orders are passed by Congress for additional regulations. Ms. Sharrow noted these are federal laws and the Colorado BLM works very closely with the Colorado Oil and Gas Conservation Commission (COGCC) that also considers the regulations. In 2012/2013 the BLM UFO has 25 projects for review under National Environmental Policy Act (NEPA) for stipulations and mitigations. Ms. Sharrow asked that if the RMP is so old, how could she use it to review the current projects submitted? Trustee Wissbeck asked if there were time constraints for those reviews. Ms. Sharrow asked if she should wait to review those projects. Trustee Ferguson noted her initial concern is that the RMP is outdated and knows the BLM UFO is in progress of updating. Trustee Ferguson indicated the 2010 Congress acknowledged that the hydro/fracking process was a real unknown and requested the Environmental Protection Agency (EPA) conduct a study, which is still happening, so why can't it wait until the study is finished before you move forward? Mr. Bagley indicated their office does work with the EPA to review current proposals and they have had no problems in Colorado. Their office makes sure the design of the wells can handle the pressure and ensures that operations are consistent and conform to Colorado regulations for fracking. Colorado did pass new laws requiring water testing. Mayor Schwieterman noted there is not a whole lot of trust with the fracking industry.

Mayor Schwieterman noted Secretary Salazar had instituted a master leasing plan process. How does this process fit with the master leasing plan? Ms. Sharrow indicated that leasing is already in developed areas and they provide careful planning in new areas. Mr. Bagley also noted there have been leases in this area and they follow Secretary Salazar's instructions with regards to leasing reform, expanding the process to include more public input as well as more detailed analyses performed. BLM does have master leasing plans in state, however this particular area is not in a master leasing plan. The new criteria have produced more conflicts in the oil and gas areas, whereby more detailed analysis and land ownership is reviewed. BLM master leasing plans do not apply to United States Forest Service lands. Mayor Schwieterman suggested that maybe master leasing plans should be included in the new RMP. Ms. Sharrow indicated while they are not in there exactly, the analysis used is similar in reviewing resources and issues. Mayor Schwieterman asked, so why not wait? Ms. Sharrow indicated the draft RMP is due out in April/June with a 90-day public comment period. A proposed plan will then come out a year after that, effectively making the wait 2.5 to 3 years. Mayor Schwieterman asked that if the plan is there to reduce mitigation, then why not wait? Leasing is in this area and looking at the maps provided, the existing wells are up in the Muddy. Citizens in this valley look at coal mining/mineral extraction as separate from the oil and gas/fracking industry. Look at this valley. It is spectacular with its views. Mayor Schwieterman has seen oil and gas development areas; they look more industrial and scar-like, not what we appreciate or understand. To us, it is a much different picture. Ms. Sharrow referred to the maps provided noting Minnesota Creek had a well drilled in 1977 along with a few others around Hotchkiss and Crawford for a total of nine (9) in the North Fork Valley. When the concern over ditches was noted, the BLM put the ditches on the map. Ms. Sharrow noted those parcels that have been deferred based on water information. Mayor Schwieterman thanked the BLM for removing those parcels in the watershed. People make money from the ditches by way of farming. What contingency plans do the BLM have in place? How do those relate with regards to the organic farms, or any farms that are being irrigated by those ditches? This community has zero tolerance for contamination. How would we protect our farms?

Mr. Bagley passed out sheets detailing the BLM Colorado oil and gas lease sale process to the Board. Mr. Bagley responded to the "why lease," question noting it is important to address energy needs. This state is in transition with regards to green (solar, wind, etcetera) energy. The BLM has a mandate to offer lands for lease every quarter. Anyone can nominate any parcel for lease. Once the lease is issued, the operator has to submit an EA for the specific site. Using best management practices, the BLM can restrict certain aspects. Berms may be built to protect the ditches and the site is tested for contamination. Mayor Schwieterman noted we need 100% protection. Trustee Ferguson asked if there were any protections in place for contaminations that may occur along natural fault lines underground that could make its way to the surface. Mr. Bagley referred to drilling plans and the testing to ensure sealed casings to ensure the design of the drill site. Mayor Schwieterman once again noted there is not a lot of trust in that process, noting he is not sure how to improve and make it more secure. We are in the desert where water is very valuable and there is zero tolerance for contamination. This is an elemental issue regarding oversight of the operators at the wells. Mr. Bagley indicated the BLM reviews each proposal to make sure the design and operations comply with Colorado laws and

Colorado does require water testing to be done. They ensure the design and operations of the wells are one of the most important things they do not only in the beginning, but also for the entire life of the well. Trustee Kleinman pulled statistics from the COGCC website, noting that in the past five (5) years, 2078 spills were reported with 17% of those coming in contact with ground water. Weld County is an example with 40% of their spills coming into contact with groundwater. Trustee Kleinman felt that the BLM couldn't say this does not happen because it does. Mayor Schwieterman said that based on what he is hearing from citizens, this is a basal issue, real or perceived and regarding the Secretarial Order, what HAZMAT response is in place for a spill? Mr. Bagley noted that the operator is required to notify and requirements are in place to clean up the spill. There is no guarantee that spills will not happen, but the BLM is doing its best to minimize that threat via measures in place. Trustee Kleinman asked how do you clean up contaminated ground water? Mr. Bagley responded with "various techniques". Ms. Sharrow noted the operators are required to have HAZMAT plans before they are allowed to drill if they are on federal lands. The Colorado Department of Public Health and Environment (CDPHE), BLM and the operator are involved when a spill occurs. Mayor Schwieterman asked if the BLM has baseline data for water quality? Mr. Bagley said yes.

Trustee Goold asked if the oil and gas industry is exempt from the Clean Water Act? Mr. Bagley indicated that certain operations are exempt. Ms. Sharrow indicated many of the spills are on the way to the site and those laws apply just like any other HAZMAT spills on a highway. Trustee Goold indicated that local roads are bad and falling apart and does the BLM have any thoughts on the subject, as the infrastructure cannot sustain the amount of heavy truck traffic needed to get to drill sites. Ms. Sharrow indicated that the Town would have a great opportunity to take at least a year to come up with a plan on how we are going to deal with this. Mayor Schwieterman reminded the audience of civility and threatened to stop the meeting if disruptions continue. Ms. Sharrow continued noting there are six (6) townships in this valley and 44% of the leases are on private land. BLM has no control over contracts between private landowners and a drilling company. If these leases are bought, 42,000 acres out of 337,000 acres will be on private land, and they may or may not come in with an application to drill. In that instance, the company may drill within 30 days. If the lease is on public land, the shortest time frame is eight (8) months and that is why she made the previous statement about the roads. Ms. Sharrow noted that up in the Muddy, Gunnison Energy and SG Interests have been doing exploratory drilling for ten (10) years. The BLM has reviewed 150 proposals for that area including the EA process. They work with landowners and are very careful and conscientious. Trustee Kleinman still felt like there was not an answer as why the rush to lease before the RMP is complete. Ms. Hankins thought that they did address in a slightly different way. Ms. Hankins indicated a preference to talk about oil and gas reform, as there seems to be a little confusion about a master lease plan versus a land use plan. The BLM is expected to do a new RMP every 20-30 years, trying to anticipate what could happen in specific areas. The current RMP has been updated sixteen (16) times since 1989. Since 2004 the policy has been to use the existing RMP to manage lands for many uses and purposes to conduct business until it is replaced or amended. In the North Fork, we already mentioned there was no stipulation regarding steep slopes, so those parcels were removed. More than 40% of the parcels are in the EA process. Ms. Hankins noted they looked at the land use plan, with many agencies, including hydrologists in Denver to provide a comprehensive EA totaling 280 pages with substantial references that provide addition information to augment the existing RMP and feel that the leasing is consistent with the plan. Waiting is certainly an option, but the difficulty is that the RMP works for one kind of energy development, but not a different kind of energy development. When we're talking about oil and gas development, which is all we are talking about here, if that even happens because we're not sure anyone will buy. The kind of impacts, in terms of air and water, are not significantly different for what we use for coal at this stage. The BLM has to review an entire spectrum of uses. We do not have the luxury to stop. And, based on the questions, Ms. Hankins did not know how many folks reviewed the EA. The RMP first evaluates if the land is available or not. If the land is available then mitigations are the next step. If the lease is acquired then the company may apply to drill. This BLM administration has included an intermediate step with public comment periods and has participated in meetings. Why not stop everything? Master leasing plans provide a more focused look in a particular area and the BLM does not want to wait 20 years to address issues. In this case, the UFO is already doing a new RMP. The current RMP allows for a maximum number of wells and only 10 wells may be drilled in one year for the UFO area. This number is very different in other areas. There has been only two (2) or three (3) for this field office. Because this threshold is so low, it is reasonable to consider operating under the current RMP. Mayor Schwieterman noted Spokane deferred based on an outdated RMP. Ms. Sharrow could not speak to that, as each case is unique.

Mayor Schwieterman noted the same drainage winds that protect our crops bring contentious air quality issues. Ms. Sharrow noted that for this lease sale there is no drill requests. The BLM has baseline information and the goal is to keep it at the baseline. When an application to drill is submitted, then it will be reviewed. Mayor Schwieterman felt there was a disconnect. The citizens feel that the impacts should be reviewed before the lease is offered even though the BLM feels the act of leasing has no impact. Trustee Kleinman said that no cumulative data exists and according to updated science on volatile organic compounds (VOC) show reasonably foreseeable impacts. Trustee

Kleinman reported the BLM is losing cases based on air and water quality issues due to lack of proper analysis, so why not provide before committing the lands for leasing? Ms. Sharrow noted the EA felt there was sufficient information for development. The UFO has been doing air quality analysis and has a track record for 22 coal actions approved in the last five (5) years. An analysis was completed for those projects and feels they are the same types for oil and gas leasing and feels the analysis is adequately covered. Trustee Kleinman pointed out that coal is different than oil and gas, in Town's designation, so why still considered? Ms. Sharrow noted the sites are required to monitor at the drilling stage. Trustee Kleinman noted that the Resource Advisory Council said there would be no drilling in the watershed area. There are seven (7) parcels in our watershed. Did the BLM think it would be appropriate to place drilling industries between the town and its source water? The town has pipelines traversing the hillsides and while the exact locations are unknown, the concern is that pipelines could be damaged. Ms. Sharrow noted the BLM looked at the Town's source water protection plan (SWPP) and the source water is protected, but it does not cover the entire watershed area. If the BLM protected all the watersheds for every town in the intermountain west, they would have absolutely no industrial development whatsoever. Ms. Sharrow continued saying that issue is addressed at the time a drill permit is submitted. They have strict contracts with industries and any breakage would be handled like any other industry breaking a town line. Trustee Wissbeck noted a significant amount of water is used in fracking, with the understanding that it takes millions of gallons per well. Where would that water come from? And what about the water that is contaminated with chemicals, where does that go? Ms. Sharrow indicated the operators would need to conform to Colorado water laws. Mr. Bagley knows that they would have to get a permit to get the water. Of the fracking fluids that are used, 98% are sand and water with only 2% being chemicals that are necessary to reduce friction to make the operation successful. There are requirements for disposal that need approval before starting a drill project. More information may be found at [frackfocus.com](http://frackfocus.com).

Mayor Schwieterman noted that anything up on Minnesota Creek would have to come through town. The Town looked at making local regulations and realized any we did would stop deliveries in town. Paonia does not have the means to redo our street with the associated noise. The coal mines have proven to be good neighbors. Mr. Bagley and Ms. Sharrow felt the oils and gas industry would also prove to be good neighbors. Mr. Bagley then gave examples of a developed impact fund.

Mayor Schwieterman noted that property values would decrease due to the view shed and noted local realtors wrote letters to the BLM to that effect. Mr. Bagley said that in other areas, property values went up. Mayor Schwieterman felt it would only be temporary and feels it is a negative. What recourse would any property owner have if the value of their land decreased? Mr. Bagley was unsure. Trustee Kleinman noted this area has organic agriculture, wines, beef and cattle. One of this area's main economic factors comes from agriculture and agri-tourism. Oil and gas development is not worth it. A simple cost benefit, whether real or perceived pollution, would be a detriment to the local economy. Do those concerns have any influence on the decision to put the leases up for sale? Ms. Sharrow noted that those concerns were addressed in the EA, not just the organic farms, but all agriculture uses. Mayor Schwieterman pointed out that it is part of why we all live here. We cannot afford to lose our agriculture, especially for the long term.

Mayor Schwieterman talked to geologists regarding the resource potential. We are on the very edge of the Piceance Basin and because of volcanic intrusions those conditions reduce the potential for economically recoverable gas so why lease if the potential is so low? Ms. Sharrow responded that the potential is low to moderate, but they are mandated to offer the lease if the office receives an expression of interest.

Mayor Schwieterman asked if the number of protests have any kind of impact on the decision making process. Ms. Sharrow assured visitors that they have had a huge impact on her staff. They are reviewing the letter, which have a quite a few themes. They are reviewing for substance and are not at the end of that process. They are trying to be completed by February 11, 2013.

Trustee Kleinman noted the Department of Wildlife (DOW) sent letters of protest because of migration corridors. Why the BLM is ignoring the advice of the agencies specially directed to manage Colorado wildlife? Ms. Sharrow noted the UFO is working with DOW. Trustee Wissbeck asked the difference between comments and protests. Ms. Sharrow indicated that a protest would have to come from someone who had already participated in a previous part of the process. While the EA has lumped comments, comments are not responded to individually.

Clerk Peterson asked if the number of submitted comments and protests; and if the BLM has had all of these meetings; and if the RMP is not the avenue to get these parcels removed from the sale, what will it take? Ms. Hankins replied that it is really important in public land management to have processes and approaches that are repeatable. In the case of oil and gas in Colorado, over the last two (2) years, BLM has been working on the process to provide for significant amount of public involvement. As an example, where we are in the process for this, we are looking at protests received and what we learn

here and will give it more thought. There are a lot of folks who do not want to see any oil and gas leases in this valley. We hear the different opinions as well. Many who are opposed are very vocal. There are others who do think there should be oil and gas leases. The next step is figure out what we want to recommend and when it will go forward, or not go forward. If we do decide to go forward, then a range of alternatives need to be considered. One way is through the political process, which many folks here have tried to follow in this case, instead of a process involving the public and involving discussion with neighbors. Many people here have not talked to the Field Manager, the District Office or the State Office and gone directly to DC. And so, it's difficult to manage public land and to have a process that is designed to be equitable for people with many different kinds of opinions. If you have some segment that doesn't want to participate in the process, and we do have that in this case, so if we do decide to recommend we go forward with some leases, you know, there is always that option of the political, of legislation. There's the option of litigation where if people want to approach Congress delegate and say, "Let's not have mineral leasing in the North Fork". So there are a few options for folks to pursue. But in my experience, the best option when you're working in a particular area, is to try to work things out with all involved and interested, and I haven't seen that here.

Mayor Schwieterman has observed that companies use these leases to improve their positions in the as commodities markets, this does not ring well here. Someone buying leases and using them to help the company in the futures market is just not palatable. Ms. Sharrow said that as a Field Manager, she agreed.

Trustee King said that he tended to agree. It seems the BLM could help us bring together, if the leases were deferred; complete the RMP so all are assured that everything is being considered to have a reasonable base to start from. If the BLM makes the decision on these leases and they are pursued, if anything ever happens, we are the ones to pay the price. It's not going to be the oil and gas company, and it's not going to be the BLM, it's going to be the people in this valley.

Mayor Schwieterman provided a closing statement: Early mining laws that are being followed were written in the 1920's, ninety (90) years ago. I submit that community standards have changed since then. The current extraction industry is possibly the largest and well-funded, man ever created. This makes changing the laws difficult. Secretary Salazar changed the process so there is more community involvement earlier in the process; this is designed to work out problems up front. The extraction industry has not done itself many favors. There are many air and water contamination stories, etcetera on the web. Whether they are 100% accurate or not, these important issues are now part of the conversation. There are similar stories close to home in the San Juan, and Piceance Basins. On the Front Range there are wells proposed next to schools. I have seen that anytime you fire up mothers, and there are Mothers Against Drilling...do a search. Mothers have banded together in Colorado, Pennsylvania and Ohio. When mothers need to unite, there is something wrong. The net result is that many people feel the industry is not trustworthy.

This area has had wells up in the Muddy in the 1930's and fracking in the 1970's with a low success rate of finding gas. We are on the edge of the Piceance Basin. The inhabited part of this valley is not only on the edge of the basin, but also has igneous intrusion; Lamborn and Lands End. Most geologists indicate that gas is not economically recoverable in the area two (2) to five (5) miles from the base. As we have heard from Ms. Sharrow, the government rates this as low to moderate potential for gas.

As we have heard, companies holding leases have higher value in the commodities market. We are being held hostage so derivatives traders can make money? In the book, "American Provence", written by a professor at University of Colorado at Colorado Springs. His wife is from Provence, and they have visited there often. Upon coming to the North Fork, he was struck by the similarities between here and Provence; winemaking area and a mountainous valley with bucolic views. Later in the book, the author portrays the greatest similarity as each region's population has a profound attachment to the land. In my folksy way, I always say, "[w]e have a pretty cool thing going on here". Chris Yates says it better, indicating that everything that really matters here has nothing to do with money. I really try to have all the decisions coming out of our tiny bureaucracy make sense. For the above reasons, and from where we sit, this parcel sale does not make sense.

9:06 p.m. Meeting recessed.

9:15 p.m. Meeting reconvened.

#### Louie's Pizza – Liquor License Renewal

Mayor Schwieterman noted the application for Louie's Pizza renewal of a beer and wine liquor license for the property located at 202 Grand Avenue. Chief Leon indicated no issues. Trustee King moved to approve the liquor license renewal as presented. Trustee Ferguson seconded and the motion passed unanimously.

### North Fork Valley Heart and Soul - Update

Alexis Halbert provided a brief update for the Board. Ms. Halbert invited each member of the Board to consider giving an interview for the project. The latest events include "Slice of the Pie" where the Heart and Soul group is reaching out to community members. To date, Heart and Soul have met with more than 20 valley groups. There are postcards at all the libraries, information may be added via the website and on February 14, 2013 there is the "Lovett or Leave It Brew Ha-ha" at the Revolution Brewing. Ms. Halbert noted the challenges in receiving comments from all factions of the community and any introductions that the Board could make would be extremely helpful. The Heart and Soul project has implemented a monthly newsletter and have been building relationships in the exploring the community phase. The next phase will be reflecting what the group has heard as a verification process. Successes include working with the Downtown Improvement Committee in Hotchkiss, a joint business symposium, a "buy local" holiday campaign, and a very successful "Pass the Mic" kids interview campaign. After hosting issue forum this spring, the remainder of the grant monies will be used to promote cross collaboration between community groups. Heart and Soul is also sponsoring the Paonia Film Festival and are very involved in the Creative Coalition. Mayor Schwieterman personally thanked Ms. Halbert for the "Pass the Mic" program as his daughter was involved and noted it was an incredible experience for her.

### Resolution 2013-02 – USDA Loan Application

Mayor Schwieterman read for visitor benefit authorizing the Mayor and Clerk to sign documents to apply for federal funds from the United States Department of Agriculture; Rural Development for the Lamborn water treatment project. Trustee King asked if the preliminary engineering report was available. Clerk Peterson indicated it was, and will put a copy in Trustee boxes. Trustee Kleinman moved to adopt Resolution 2013-02 as presented. Trustee Wissbeck seconded and the motion passed unanimously.

### Resolution 2013-03 – 2012 Budget Supplemental

Mayor Schwieterman read for visitor benefit making the necessary 2012 budget amendments. Both the auditor and legal have reviewed the resolution. Trustee King moved to approve resolution 2013-03 as presented. Trustees Ferguson and Wissbeck seconded and the motion passed unanimously.

### Paula's – Local Liquor License Request

Paula Olsen was present. Mayor Schwieterman gave control of the meeting to Attorney Briscoe. Attorney Briscoe provided a brief background summary noting this board is acting as an agency of the state and the quasi-judicial hearing is being recorded. The application by Paula J. Olsen is requesting a transfer of a hotel and restaurant liquor license for the property located at 312 Grand Avenue. The site has been licensed for many years with at least 4 changes in the license holders. The "needs and desires" have already been established; this particular hearing is to determine the qualification of eligibility of the applicant. Attorney Briscoe read the preliminary findings for the record. Ms. Olsen noted the request is to provide alcoholic beverages to accompany food in the fine dining atmosphere. Ms. Olsen has five (5) year experience in owning a restaurant in Tennessee. Ms. Olsen expressed knowledge of Colorado liquor laws and is familiar with server training and will make sure employees are trained. A temporary license was issued while the application is in progress. It was noted the premises are outside the 500-foot school restriction area. Attorney Briscoe then submitted the application to the Board for a decision. Trustee Gould moved to approve the local liquor license as presented. Trustee Kleinman seconded and the motion passed unanimously.

### Additional Business

#### Mayor's Report:

Mayor Schwieterman reported Ms. Tamra Gutshall has rescinded the fence variance application noting all variance requests will come into compliance no later than April 15, 2013 as agreed upon by staff and the applicant. The year-end building official report was submitted for consideration. Cathy Wissbeck wrote a very nice thank you letter to employees for working on water breaks in this freezing weather. Mayor Schwieterman noted a letter from a citizen commenting on the potential of marijuana growing in Town limits. Mayor Schwieterman noted the information was given to the Police Department, but due to confidentiality restrictions, the Police Department will not be reporting back. A thank you letter from the Dolphin House was received. Delta County Economic District (DCED) will have their annual meeting in Delta on Thursday night.

Public Works: Public Works Director Loberg reported working on freezing meters and water breaks. The Third Street project should commence next week. A new piece of equipment has been order to help with the frozen meters.

Police Report: Chief Leon had nothing to report.

Finance Report: Trustee Wissbeck reported the case against Kristin Chesnik has been sent to District Court where the arraignment will happen on March 11, 2013. Trustee Wissbeck noted a memo from the Finance Officer in the packets requesting to move funds and create two (2) new accounts at First State Bank of Colorado in order to provide direct deposit capabilities for employees. A new account would also be created with Colorado Statewide Investment Program (CSIP) to diversify the investment portfolio. After discussions regarding cash flow analysis, security and interest, Trustee Wissbeck moved to approve the moving of funds as outlined in the banking services policy issue statement. Trustee Kleinman seconded and the motion passed unanimously.

Parks Report: Trustee Goold reported waiting for bids on the Parks maintenance contract.

Public Safety Report: Trustees Goold had nothing to report.

Street Report: Trustee King noted that no response has been received from the railroad company regarding the closures. Trustee King was advised that the report would be available two (2) weeks after the meeting.

Water/Sewer Report: Trustee King reported the committee would be meeting with Bone Mesa on Friday, January 25, 2013.

Personnel Report: Trustee Ferguson had nothing to report.

Minutes:

Corrections noted. Trustee Ferguson moved to approve the minutes of January 8, 2013 as amended. Trustee Kleinman seconded and the motion passed unanimously.

Disbursements:

Trustee Wissbeck moved to pay the bills ending January 22, 2013. Trustee Goold seconded and the motion passed unanimously.

10:06 p.m. Meeting adjourned.

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Town Clerk, Barbara Peterson

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Mayor, Neal Schwieterman