

**Town of Bayfield**  
**Regular Town Board Meeting**  
**October 18, 2011**  
**1199 Bayfield Parkway Bayfield, CO 81122**

**Town Board Members Present:** Rick Smith (Mayor), Ed Morlan, Justin Talbot, Debbi Renfro, Dan Ford

**Town Board Members Absent:** Gabe Candelaria, Tom Au (Mayor Pro-Tem)

**Staff Members Present:** Chris La May (Town Manager), Dirk Nelson (Town Attorney), Marianne Jones (Town Clerk), Ron Saba (Director of Public Works), Chris Choate (Town Marshal), Elizabeth Jackson (Town Intern), Gary Maestas (1<sup>st</sup> Deputy)

**Media Present:** Carole McWilliams (Pine River Times)

The meeting was called to order @ 7:07 p.m.

**Minutes:** Dan made a motion to approve the minutes from the October 4<sup>th</sup>, 2011 Regular Town Board Meeting as submitted. Debbi seconded the motion. All were in favor, motion passed unanimously.

**Public Comment:** Ed Tolen introduced himself and stated that he is the new general manager for the La Plata Archuleta Water District (LAPLAWD). He explained that he was hired in September to get the District going. He stated that he has a strong background in this line of work and has a lot of knowledge needed for this type of endeavor. He explained that the District has a ballot issue on the November election requesting a bonding of up to 25 million dollars to help kick start the water system for the District. The first thing they plan to do is either expand Bayfield's water treatment facility or to build a new plant. They will also be working on getting the pipelines into the ground to distribute the water to their customers. They are also setting up capital investment fees public workshops in order to determine what the monthly fees & tap fees should be for the customers utilizing the system.

Dan expressed concern that the Board is not fully in the loop on what LAPLAWD is doing and asked that the Town Board be kept abreast of all decisions that affect the Town.

Ed stated that he will be available to answer questions and he encouraged the Town to call him with any concerns.

Chris asked how much money the District received from the payment in lieu of taxes.

Ed answered that the District received \$120,000 in 2011 and they hope to receive \$125,000 in 2012.

No additional public input was offered so that portion of the meeting was closed.

**Action Agenda Item #1: Approval of Bills**

Ed made a motion to approve the bills dated October 14<sup>th</sup>, 2011 as submitted. Justin seconded the motion.

Debbi asked about the bill to the Durango Herald for the Public Works position.

Marianne answered that Ron requested that the advertisement be posted in the newspaper, it ran for one day, and Chris La May pulled the ad due to budgetary concerns with the position.

All were in favor, motion passed unanimously.

**Action Agenda Item #2: Town Updates**

**Town of Bayfield  
Regular Town Board Meeting  
October 18, 2011  
1199 Bayfield Parkway Bayfield, CO 81122**

Dan asked for an update regarding recreational vehicles living in driveways throughout Town.

Chris answered that there are several circumstances that this issue applies to in the Town. The most recent one was there was a home that had guests come into Town and they set up their RV on the homeowner property as living quarters. The Town received complaints from the adjoining neighbors and the code is not very clear on the rules & restrictions. Chris suggested writing a more descriptive ordinance that really outlines whether or not it is allowed, what the restrictions are, and how it will be enforced. Chris asked for guidance from the Board on how he should proceed with this matter.

Dan asked if all the issues have been resolved.

Chris answered that there is one that is still outstanding.

Rick stated that he doesn't have a problem with people staying in their RV's for a week or less but he doesn't think it should continue for longer than that or infringe on the adjacent property owners.

Ed asked for clarification that the revised ordinance will not prohibit people from storing their RV's, it will just be a restriction on living in those vehicles for extended amounts of time.

Chris answered that is exactly what will be outlined in the ordinance.

Debbi asked if the ordinance should outline restrictions for public roads versus private property.

Dirk answered that the model traffic code prohibits people from living in their RV's on public roads. That is very clearly defined in that code. So this ordinance would specifically pertain to private property within the Town limits.

Ed mentioned that the letter the Town received from CDOT regarding the Eastside Traffic Study. He specifically mentioned the comment regarding restricting left-hand turns out and into Commerce Drive. Ed asked what the Town needs to do as the next step.

Chris answered that there are a lot of property owners north of Highway 160 that will be affected by this change and he expressed that he thinks it would be a good idea to put together a meeting of those property owners. This will help get a big picture of what their hopes are for their properties and give the Town some direction on what the anticipated growth is going to be for the Town. Chris also mentioned that the comments from CDOT state that they want a plan and they want the plan implemented. The Town needs to find out how much has to be implemented before they will allow the project to move forward (i.e. granting access, future commitments, etc).

Debbi commented that she is disappointed that Drexel Barrell did not include the future north-leg connection to Dove Ranch Road. Debbi explained that when the report was first received, Ann Bauer stated that she didn't know about that possibility so it wasn't included in the report. Debbi thinks that connection could really help in solving some of the issues that CDOT has with that area of Town.

Chris stated that he is meeting with one of the major property owners in this area on Monday October 24<sup>th</sup> and hopes to get a feel for how he would like to proceed with development on his land. He thinks getting willingness from one property owner will help motivate some of the others to move forward as well.

Ed commented that this is a big deal for the Town and he asked that the staff continue communications with CDOT regarding this intersection because there are a lot of property owners/businesses that will be affected by a change to that intersection.

**Town of Bayfield  
Regular Town Board Meeting  
October 18, 2011  
1199 Bayfield Parkway Bayfield, CO 81122**

Rick mentioned that the Bayfield School District is extremely interested in the east-side connection because it would eliminate their use of Commerce Drive.

Dan stated that the Town seems to go through this every 5 years with CDOT regarding the closing of that intersection. He stated that the solutions committee spent an entire year working on this in approximately 1999 and the end result was that CDOT was going to legalize the intersection (so this wouldn't come up again in the future). However, Dan doesn't think that ever got completed. He suggested gently bringing it to their attention and reminding them of what they committed to back at that time.

Rick agreed and stated that keeping the intersection is worth the fight with CDOT.

Debbi mentioned that getting the intersection at the eastside of Town will lessen the traffic at Commerce Drive and CDOT should look favorably upon that reduction.

Rick asked that Chris keep the Board updated on this item as it progresses.

**Action Agenda Item #3: Purchasing Policy**

Chris gave his staff report. He stated that to continue the establishment of the Town of Bayfield Financial Policy and Procedure Manual, staff has prepared a purchasing policy for consideration by the Town Board. This policy was specifically identified in the recommendation of the auditing firm that conducted the 2010 audit.

Chris stated that the Purchasing Policy establishes levels of authority for making purchasing decisions primarily based on dollar amount. The levels of authority are subject to different amounts, but staff tried to arrive at values that would not be administratively cumbersome.

Purchases of budgeted goods or service that do not exceed \$500.00 require approval from the Department Head. Non-budgeted purchases of goods or service that do not exceed \$1,000.00 require approval by the Department Head & final approval by the Town Manager. Purchases of budgeted goods or service that do not exceed \$5,000.00 require approval by the Department Head and final approval by either the Finance Department or the Town Manager. Budgeted purchases or contractual obligations that do not exceed \$10,000.00 require approval by the Department Head, second approval by the Finance Department and final approval by the Town Manager. Non-budgeted purchases or contractual obligations in excess of \$1,000.00 or budgeted purchases or contractual obligations exceeding \$10,000.00 require approval by the Department Head, second approval by the Finance Department, third approval by the Town Manager and final approval by the Town Board.

Chris noted that the Town will be implementing a purchase order policy that states all purchases over \$500.00 require a purchase order. There is also a local purchasing policy that states that businesses within the Town limits (that have a current business license) will be given a 5% local preference up to a limit of \$500.00. Businesses within a 10 mile radius of the Town will receive a 2.5% local preference up to a limit of \$250.00.

Chris recommended approval of the Resolution #265 adopting a purchasing policy for the Town of Bayfield.

Ed made a motion to approve Resolution #265 adopting a purchasing policy for the Town of Bayfield. Debbi seconded the motion.

All were in favor, motion passed unanimously.

**Town of Bayfield  
Regular Town Board Meeting  
October 18, 2011  
1199 Bayfield Parkway Bayfield, CO 81122**

**Action Agenda Item #4: Formal Bid Process**

Chris gave his staff report. He stated that to continue the establishment of the Town of Bayfield Financial Policy and Procedure Manual, staff has prepared a formal bidding policy for Town Board consideration. This policy is linked to the purchasing policy and lays out the process for seeking and selecting formal bids.

Chris explained that the Formal Bid Policy complies with statutory requirements for public works projects and purchases greater than \$10,000. The process also provides guidance for when quotes or requests for proposals may be used in lieu of the formal bidding process.

Chris recommended approval of the Resolution #266 adopting a Formal Bid Policy for the Town of Bayfield.

Ed made a motion to approve Resolution #266 adopting a formal bid policy for the Town of Bayfield. Dan seconded the motion. All were in favor, motion passed unanimously.

**Action Agenda Item #5: Purchase of Plow Truck**

Chris gave his staff report. He stated that as discussed previously with the Board of Trustees the additional 2.5 miles of arterial roadway (Bayfield Parkway) will impact the snow removal operations for Town of Bayfield. For efficient snow removal service, Public Works will need an additional plow truck.

Public Works has received quotes for a plow truck from three vendors (two representing Freightliner, the other International).

Freightliner in Connecticut gave the Town a price of \$95,500 after an initial bid of \$98,328.00.

Freightliner from Grand Junction quoted a price of \$96,488, although if we order before the end of October they would reduce the cost by \$1500.00 (bringing the total due to \$94,988.00). They also offered to deliver the vehicle to Bayfield at no additional cost.

International, out of Farmington quoted a price of \$111,662 and would not negotiate their price.

These prices include delivery to Layton Company in Colorado Springs for outfitting the plow, wing sander, etc. Staff would then have to pick up the truck in Colorado Springs (unless the Town went with the quote from Freightliner in Grand Junction because they have agreed to deliver the truck to Bayfield).

The total quoted price from Layton Equipment for equipping the truck is \$52,225.00. This price will be used for all of the vendors.

Chris stated that the total price for the equipped vehicle from Freightliner from Grand Junction will be \$147,213.00.

Dan made a motion to approve the purchase of the snow plow truck from Freightliner of Grand Junction with a not to exceed price of \$150,000.00. Ed seconded the motion. All were in favor, motion passed unanimously.

**Action Agenda Item #6: Pine River Crossing Alternatives**

**Town of Bayfield**  
**Regular Town Board Meeting**  
**October 18, 2011**  
**1199 Bayfield Parkway Bayfield, CO 81122**

Chris gave his staff report. He stated that as previously discussed, a logical next step for determining future action regarding the two bridges on Bayfield Parkway, was to evaluate and develop a recommended solution for the replacement of the two bridges. Brent Adams with Souder Miller Associates (SMA) provided an original scope for completing an evaluation for the Pine River Crossings for \$23,500. At the October 4, 2011 Board of Trustees meeting, the Board directed staff to discuss potential cost saving options related to the scope of service identified.

Chris stated that staff consulted Brent Adams regarding potential cost saving measures that could be achieved either by the Town gathering or providing information or removal of items in the scope that might not be necessary at this point and time. The engineer, in consultation with the Town, determined that the Town could hire their own surveyor for the survey work and that the environmental evaluation could be delayed until later date. The thought is that if a different structure (i.e. culvert) does not provide significant cost savings the environmental impacts of that decision would not need to be evaluated, thereby savings money and effort. Please note however, that any structure replacement whether bridge or culvert will require evaluation for environmental and historical impacts. The project would be funded out of the proceeds from the transfer of US 160 B to the Town of Bayfield.

Chris recommended moving forward with the Pine River Crossing Alternatives project with Souder Miller Associates in an amount not to exceed \$16,524.

Justin asked if this change to the scope addresses the Board's concerns from the previous meeting.

Chris answered that the environmental study didn't really come up at the prior meeting. However, in discussing the project with the engineer it was determined that the Town can make a decision on what needs to be done with the bridge structurally without having the environmental study (at this time). The Board can decide based on the engineering options whether to replace both bridges or put in a culvert. However, if the Town decides to move forward with changes to the bridges an environmental study will still have to be done in the future.

Debbi asked why this project is not being bid out. She knows that Souder Miller has already invested a lot of time in this project but she still thinks that it should be bid out to other engineers. She also suggested that it might be a good idea to put the Town engineering services out to bid again as well.

Rick asked when the Town normally takes engineering services out to bid.

Chris answered that it is usually taken out to bid when there is a problem with the service that is being received.

Marianne said that the Town went out to bid when they were dissatisfied with Goff Engineering, and then again when they were dissatisfied with Russell Engineering. The Town has been with Souder Miller for 3 years and they haven't been given a price increase on their contract during that entire 3 years (despite numerous requests for an increase). She explained that taking this contract out to bid risks getting a higher rate from the next engineering firm than what the Town is paying now and possibly not getting as good of service.

Debbi stated that the contract for the Pine River Crossing engineering project is way higher than the contracted rates; therefore she disagrees that they have not been given a raise in three years.

Dan asked if the environmental work that has to be done in the future be approximately \$8,000.00 as originally estimated.

Chris answered that it could run about \$8,000 because those reports tend to be a little pricey.

**Town of Bayfield**  
**Regular Town Board Meeting**  
**October 18, 2011**  
**1199 Bayfield Parkway Bayfield, CO 81122**

Ed made a motion to accept the staff recommendation and move forward with the Pine River Crossing Alternatives project with Souder Miller & Associates in an amount not to exceed \$16,524.00. Dan seconded the motion.

Dan clarified that he is not happy with spending this much money on engineering but he feels that it probably does need to be done so he is relying on the fact that the staff has done their research and that it is the right decision that it needs to be completed. However, he stated that he wishes there was a better option.

Justin agreed with Dan.

Rick stated that the Public Works Director has requested an answer of what should be done with the two bridges and the Town needs this engineering information to move forward. Rick stated that he trusts the staff and their recommendations.

All were in favor, motion passed unanimously.

**Action Agenda Item #7: Discussion & Possible Action: Proposed Phelps Annexation**

Chris gave his staff report. He stated that Rick Phelps is interested in annexing property west of Town. The annexation has some challenges in that it would require a flag pole annexation and water service is currently not available to the property. Rick Phelps, Ron Saba and Chris met with the Upper Pine Fire District to discuss options as it relates to fire flow for the property. The Upper Pine Fire District has expressed some concerns about the Town annexing properties that do not have Town water services because it could impact the ISO rating for the Town. A number of options were discussed:

**Option 1**

Phelps property gets land use entitlements from La Plata County. Phelps installs a 32,000 gallon tank for fire flow to meet a level 6 ISO rating. Town and applicant could enter into a pre-annexation agreement establishing public improvement requirements at future date.

**Option 2**

Phelps may install 180,000 gallon tank on property to meet a level 4 ISO rating and annex property into Town, with requirement that the property owner would tie into town water services at the point water is available and pay a pro rata share of the water line extension.

**Option 3**

Relocate an unused water tank that the Town currently owns east of Town to the property. The applicant could relocate the tank at their expense and then utilize the 100,000 gallon tank for fire flow, until water lines could be brought to the property. Other properties within 1,000 feet of the tank could also utilize the tank for fire flow purpose until water services are available.

**Option 4**

Town installs a water line to the property and seeks reimbursement from others as they tie into services. There may be an opportunity for CDBG grant funding for a portion, with the appropriate jobs created or retained by the business locating.

Chris explained that he placed this on as an agenda item because the annexation of the property poses some challenges. He stated that his preference is to get a water line out to US Highway 160 to open up development opportunities, but there are significant costs associated with the extension of a water line. Chris stated that he is

**Town of Bayfield**  
**Regular Town Board Meeting**  
**October 18, 2011**  
**1199 Bayfield Parkway Bayfield, CO 81122**

concerned that if the Town does not annex the property today, the opportunity for future annexation is diminished. The Town would likely not receive significant Town sales tax revenue from the property as sales tax is collected at the point of sale and the propane gas is delivered outside of Town. The 5.950 property tax mill levy will not generate a significant amount of money either. However, the Town has taken over responsibility for the road and currently receives no revenue from the property, yet still provides road maintenance service. The proposed gas company may generate a significant amount of wear and tear on the road from the heavy trucks.

Rick Phelps would like to take the Town's temperature as to the relocation of the water tank

Ed asked what the source of water will be to fill up the water tank.

Chris answered that they will most likely use ditch water during the summer months and they will have to put in some sort of apparatus to keep it from freezing in the winter. If it has to be drained in the winter, they will most likely have to pay for non-potable water to be hauled to the site to fill up the tank.

Ed asked if this 100,000 gallon tank will allow that area of Town to keep their current ISO rating.

Chris answered that the rating would factor in the tank and the amount of water that will be brought onsite so the Fire Chief feels that they should be able to keep the current rating if the tank is relocated onto the site.

Justin asked who would get the benefit of the tank if they decided to annex into the Town.

Chris answered that the property is located on the far west end of Bayfield Parkway (near the entrance into the Homestead Subdivision). Anyone located within 1000 feet would have benefit of the water tank for fire flow. Chris asked if the Board is comfortable with moving forward with this proposal.

Rick stated that the Town has a tank that isn't being used and this is a good opportunity for it to get some use. He stated that the Town will receive some tax benefit from the business that is moving into that location so he thinks it's an avenue that the staff should explore. He asked if the Town will be selling the tank to the developers.

Chris answered that is one of the questions that need to be answered. The tank doesn't have a lot of value as it stands. If the Town put it on the open market to sell it probably wouldn't bring in a lot of revenue because it would have to be dismantled and hauled off. The cost of doing that is similar to the cost of a new tank.

Ron Saba clarified that the hope is to be able to move the tank in one piece from its current location to the new one. It's going to take some research from the Town and the developer to find out if that will even be possible.

Rick stated that he would be comfortable with moving forward in the process. He mentioned that the Tone Family would be happy to get this tank off of their property if at all possible.

Dan asked what the benefit will be to the Town to annex this property.

Chris answered that it will help with future annexations. He explained that the property tax will be relatively minimal because the Town's mill levy is so low. The Town also won't receive a lot of sales tax revenue because sales tax on propane gas is at the point of sale which means that it's determined at the location where the propane is delivered. However, it will give the Town connectivity to other properties along Bayfield Parkway that will then be eligible for annexation. The biggest challenge is that there isn't water out to that location. The sewer service is already available and the Town already takes care of the road & public safety.

Dan mentioned that the location will be much safer than where it is located currently (next to the Bayfield High School). He asked which option the developer prefers.

**Town of Bayfield  
Regular Town Board Meeting  
October 18, 2011  
1199 Bayfield Parkway Bayfield, CO 81122**

Rick Phelps stated that he prefers the option of moving the tank. He thinks that will be the most cost-effective ways of being able to get the property into the Town of Bayfield. He explained that he could take this proposal through La Plata County but he would really prefer to annex it into the Town. Rick mentioned that they still have to figure out if they can move it in one piece.

Debbi asked if the Town has access to the property where the tank is located.

Ron answered that the Town does have access and he thinks that the property owners will be happy to have it off their property.

Debbi asked who will own the tank once it is moved.

Dirk stated that the details have not been worked out yet on the legalities.

Ed clarified that there is still a long-term plan to extend water service out towards Homestead.

Chris stated that the Town will still be working on getting a water-line along Bayfield Parkway. The Town will continue negotiations with LAPLAWD & the Homestead Subdivision. LAPLAWD might be extending the water line out to County Road 509 and that will definitely make it more economical to extend the water line to Homestead and the other properties along that highway.

Rick & Dan stated that they are in favor of Option #3.

Justin expressed concern about how the residents will react to the Town "giving" the development a water storage tank. He asked if the Town should allow them to use the tank until there is a water line available or some other type agreement for development.

Debbi stated that the Town needs to come up with an agreement outlining who owns the tank, who is allowed to use the tank, etc.

Ed agreed that the public perception could be bad if the Town just "gives" the tank to the developer but he does think that the Town should help move this process forward if possible.

Rick Phelps mentioned again that all of this will depend on whether or not the tank can be moved in one piece or not.

The Board gave staff direction to go ahead and continue the negotiations with Rick Phelps.

**Action Agenda Item #8: New/Unfinished**

Chris mentioned that the Town received a request from Matt Koker to have a fireworks display at the Senior Center as part of the fireman's ball on Friday October 21st. However, the staff felt that it was too short of notice to allow them to do that at this location. However, they might want to set fireworks off during Christmas time so this request might come back for approval.

Dan stated that he thinks the Town needs to have a contingency amount set aside in the budget to cover any unexpected expenses. He recommended an amount of \$50,000.00.

Ed asked for a status update on the water on the Ludwig property.

**Town of Bayfield**  
**Regular Town Board Meeting**  
**October 18, 2011**  
**1199 Bayfield Parkway Bayfield, CO 81122**

Chris answered that he has submitted the claim to the Town insurance carrier, CIRSA. The staff has been sending information to their engineer so that they can research the problem further. Chris hopes to hear from them in the next couple of weeks.

Debbi mentioned that she is working on a job with Gabe & Tom. She asked for clarification about whether or not that would cause a conflict or be a violation of the sunshine law.

Dirk asked if this project has anything to do with the Town.

Debbi answered that it does not have anything to do with the Town and the job is not located within the Town or the County (it's actually in Rangeley, CO).

Dirk stated that the Board members are not allowed to discuss Town business while they are working together. As long as they don't do that, it shouldn't be an issue.

Rick reminded the Board about the budget meeting on Thursday October 20<sup>th</sup> from 5:00 – 9:00 p.m.

The meeting was adjourned @ 8:27 p.m.