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BOARD OF MORGAN COUNTY COMMISSIONERS

Minutes of Meeting

November 6, 2014

The Board of Morgan County Commissioners met on Thursday, November 6, 2014 at 9:05.m. with Chairman Jim Zwetzig, Commissioner Brian McCracken and Commissioner Laura Teague in attendance. Chairman Zwetzig called the meeting to order with Morgan County elect Jim Crone, Bob Wooldridge and Susan Bailey leading the Pledge of Allegiance to the Flag.

CONSENT AGENDA

- Consideration of Approval of the Board of County Commissioners Meeting Minutes dated October 21, 2014
- Ratify the Board of County Commissioners approval of the Morgan County Ambulance Collections Proof for 10/20/2014 and 11/03/2014
- Ratify the Board of County Commissioners approval of Contract 2014 CNT 127 – Indecomm Holdings, Inc. dba Indecomm Global Services (eRecording Vendor)
- Ratify the Board of County Commissioners approval of Contract 2014 CNT 129 – ALS Environmental (Landfill Laboratory Analytical Services) *1 year automatic renewal
- Ratify the Board of County Commissioners approval of Contract 2014 CNT 132 – EmGov Power (Annual Software Maintenance-Finance Department) *1 year automatic renewal
- Ratify Chairman James Zwetzig's signature on the letter addressed to Trudy Kareus, dated October 22, 2014 regarding possible funding opportunities for affordable rental housing
- Ratify Commissioner Laura Teague's signature on the Landfill Discharge Monitoring Report for the period of July 2014 – September 2014
- Ratify Chairman James Zwetzig's signature on the Quarterly Report - EIAF Reimbursement and Report Form for the Morgan County – SW Emergency Services Tower/Radio Upgrade Project
- Ratify Commissioner Laura Teague's signature on the Division of Homeland Security and Emergency Management FFATA/FSRS Data Report dated November 3, 2014
- Ratify the Board of County Commissioners approval to award the Scrap Metal Removal bid to Bohm Farms for Morgan County Solid Waste Management Department
- Ratify Chairman James Zwetzig's signature approving the assignment of debt collections to Wakefield & Associates for Client #121988a; 091190; 100079A; 090686; 130325B)
- Ratify Commissioner Brian McCracken's approval of the 2015 Court Security Grant Request
- Ratify the Board of County Commissioner Work Session Minutes for the month of October 2014

Commissioner McCracken made a motion to approve all items on the Consent Agenda. Commissioner Teague seconded the motion. Motion carried 3-0.

PUBLIC HEARING

2015 PROPOSED BUDGET PRESENTATION

Public Hearing opened at 9:07 a.m.

Morgan County Director of Finance Michelle Covelli presented to the Board the proposed Morgan County budget for the year 2015. Covelli reported the total 2015 proposed budget is \$39,179,713.00 which is an increase of \$3.4 million over the 2014 budget due to several Road and Bridge Department projects. Covelli reported the proposed property tax for 2015 is \$13,632,099.00 which is a 5.6% increase with proposed total revenue for 2015 in the amount of \$30,183,530.00 with property tax being 45% of the total proposed revenue. Covelli noted approximately 35% of revenue is property tax with the difference coming from the Fund Balance. Covelli reported the General Fund total expenditures proposed is \$12,078,806.00 which is a decrease of \$479,724.00 from 2014 due to a decrease in capital outlay projects in 2015. Total revenue proposed for 2015 is \$12,606,506.00 with the largest revenue source being property tax which is \$9,158,390.00 or 73%. Expenditures in the General Fund include a request for a new building in Snyder, CO to house a motor grader and the General Fund has an increase of 10% in employee health premiums in 2015 for a total dollar increase in the General Fund of \$69,000.00. The proposed total expenditures for 2015 for the Road and Bridge Fund is \$12,466,435.00 reflecting an increase of \$4.5 million due to seventeen and one-half miles of asphalt overlay projects proposed. The proposed total revenue in 2015 is \$6,430,360.00 with the largest revenue source being property tax in the amount of \$3,060,959.00 or 48%. Covelli noted the remaining funds needed would come from the Road and Bridge Fund balance and reported reconstruction of the Cooper Bridge is proposed for 2015. The proposed expenditures in 2015 for the Social Services Fund are \$4,815,370.00 which is an increase from \$4,805,183.00 from the 2014 budget. The proposed budget for 2015 for the 911 Emergency Telephone Fund is \$767,500.00 which includes \$375,000.00 budgeted for capital equipment reserves and \$255,000.00 for capital equipment in 2015. The revenue is estimated to be \$271,700.00 which is funded by the \$.70 surcharge on telephones. The proposed expenditures for 2015 for the Lodging and Tourism Fund is \$110,400.00 which are used to promote tourism in Morgan County with the proposed revenue coming from lodging tax which is \$100,000.00. The Conservation Trust Fund proposed budget for 2015 is \$395,000.00 which includes \$200,000.00 for land purchase and \$70,000.00 for arena cooling. The Confiscation/Seizure Fund's proposed budget is \$10,000.00. The 2015 proposed budget for the Jail Capital Improvement Fund is \$15,000.00 for the planning phase for improvements at the Morgan County Justice Center. The proposed budget for the Ambulance Service Fund is \$1,083,784.00 with proposed revenue of \$1,154,800.00. The 2015 proposed budget for the Solid Waste Management Fund is \$1,461,911.00 which includes \$113,000.00 reserve for cell construction and \$37,000.00 reserve for capital equipment. Covelli reported these reserves are set aside annually for future capital projects with an additional \$438,050.00 budgeted to begin the closing of a cell at the landfill. The proposed revenue is \$792,718.00 with rates going up \$1.50 in 2015. The total proposed budget for 2015 for the Central Services Fund is \$5,975,507.00 which includes the following departments: the Human Services attorney budget is \$93,336.00, the

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Information Systems budget is \$785,946.00, the Accounting Department budget is \$346,658.00, the Fleet Management budget is \$4,680,258.00 and the Human Resources Department budget is \$69,309.00. Covelli noted for Fleet Management, approximately \$2.4 million is for capital equipment purchases. Chairman Zwetzig opened the hearing for public comment at 9:17 a.m. Commissioner Teague commented that part of the increase in the Road and Bridge Department are projects that were not completed in 2014 which adds to the fund balance for 2015. Commissioner Teague noted part of the overage for the Ambulance Fund of \$50,000.00 is for the building in Brush, CO. Commissioner Teague asked about the Human Service Fund with Covelli replying approximately 71% is coming from State or Federal reimbursement. Chairman Zwetzig noted there is an increase in employee health insurance premiums for 2015. The hearing closed for public comment at 9:18 a.m.

Morgan County Assessor Bob Wooldridge reported the hearings through the courts with Assessment Technologies, Ltd. or Safeway, Inc. that will not be settled until 2015 concerning personal property which will be reflected in the 2015 income. Wooldridge noted BM Processors, LLC has appealed which could affect the 2015 budget as well. Wooldridge reported there could be a change in re-appraisals as property values are going back up.

Morgan County Sheriff Jim Crone asked if the proposed budget has taken into consideration salary increases with Chairman Zwetzig replying it has not. Chairman Zwetzig pointed out there is a 10% increase in health insurance premiums and the County only has a 5% increase in revenue. Commissioner Teague stated the County has an obligation to get ahead of capital reserves plus do a small salary increase and she does not think an increase in mill levy would pass. Commissioner McCracken commented salary increases will continue to be an issue.

Wooldridge stated compared to other cities, Morgan County is restricted to a five and one-half percent increase in property tax revenue that the County can grow by annually.

Covelli thanked the various departments for their hard work as well as the Finance Department staff and the Commissioners. Covelli noted the final approval is set for December 15, 2014.

Hearing closed at 9:41 a.m.

GENERAL BUSINESS AND ADMINISTRATIVE ITEMS

CONSIDERATION OF APPROVAL-RIGHT OF WAY PERMIT-2014 PMT 35-VIAERO WIRELESS

Morgan County Road Supervisor John Goodman presented to the Board for approval Right of Way Permit 2014 PMT 35 for Viaero Wireless to bore across Morgan County Road R, County Road 18.5, County Road 19 and County Road Q along with trenching along County Road Q from the Fort Morgan Canal to County Road 19, Fort Morgan, CO to install conduits and fiber optic cabling. Goodman noted the fees are attached. Chairman Zwetzig noted a procedure needs to be established for notification and documentation of what infrastructures are in the right of ways. Commissioner Teague made a motion to approve Right of Way Permit 2014 PMT 35 for Viaero Wireless to bore across County Road R noting the fees are attached and authorized the Chairman to sign. Commissioner McCracken seconded the motion. Motion carried 3-0.

CONSIDERATION OF APPROVAL-RIGHT OF WAY PERMIT-2014 PMT 36-XCEL ENERGY

Morgan County Road Supervisor John Goodman presented to the Board for approval Right of Way Permit 2014 PMT 36 for Excel Energy to replace a pole on the south side of Morgan County Road S approximately seven hundred feet east of County Road 24. Goodman noted a new pole will be installed on the north side of County Road S to install overhead secondary lines. Goodman stated the poles are set one foot in the right of way. Goodman reported only an inspection fee of \$50.00 was charged and noted the fees are attached. Commissioner McCracken made a motion to approve Right of Way Permit 2014 PMT 36 with Xcel Energy to replace a pole on County Road S approximately seven hundred feet east of County Road 24 and authorize the Chairman to sign. Commissioner Teague seconded the motion. Motion carried 3-0.

CONSIDERATION OF APPROVAL-RIGHT OF WAY PERMIT-2014 PMT 37-BLACK RAVEN ENERGY

Morgan County Road Supervisor John Goodman presented to the Board for approval Right of Way Permit 2014 PMT 37 for Black Raven Energy to trench across Morgan County Road 18 approximately two thousand three hundred thirty feet south of Morgan County Road F to install an eight inch steel production line noting the production line is going to old wells in order to get them back up and running. Goodman noted an inspection had been done and the fees are attached. Commissioner Teague made a motion to approve Right of Way Permit 2014 PMT 37 with Black Raven Energy to install a production line noting the fees are attached and authorize the Chairman to sign. Commissioner McCracken seconded the motion. Motion carried 3-0.

CONSIDERATION OF APPROVAL-RIGHT OF WAY PERMIT-2014 PMT 38-BLACK RAVEN ENERGY

Morgan County Road Supervisor John Goodman presented to the Board for approval Right of Way Permit 2014 PMT 38 to bore across Morgan County Road F approximately eight hundred thirty-eight feet east of County Road 18 to install an eight inch steel production line. Goodman noted the fees are attached. Commissioner McCracken made a motion to approve Right of Way Permit 2014 PMT 38 with Black Raven Energy to bore across County Road 18 and authorize the Chairman to sign. Commissioner Teague seconded the motion. Motion carried 3-0.

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CONSIDERATION OF APPROVAL-RIGHT OF WAY PERMIT-2014 PMT 39-WIGGINS TELEPHONE ASSOCIATION

Morgan County Road Supervisor John Goodman presented to the Board for approval Right of Way Permit 2014 PMT 39 for Wiggins Telephone Association to bore across Morgan County Road M.5 one thousand three sixty-six feet east of County Road 1 to provide new service located at 1264 County Road M.5, Wiggins, CO. Goodman noted an inspection had been done and the fees are attached. Commissioner Teague made a motion to approve Right of Way Permit 2014 PMT 39 with Wiggins Association to bore across Morgan County Road M.5 and authorize the Chairman to sign. Commissioner McCracken seconded the motion. Motion carried 3-0.

CONSIDERATION OF APPROVAL-CONTRACT-2014 CNT 130-VIAERO WIRELESS

Morgan County Director of Communications Danette Martin presented to the Board for approval Contract 2014 CNT 130 with Viaero Wireless for the purpose of cell phones for Morgan County employees. Martin stated the amount of the contract is \$2,053.32 per month plus approximately 15% surcharges bringing the total to \$2,361.32 per month or \$28,335.84 per year. Martin noted the term of the contract runs for one year beginning November 1, 2014 through October 31, 2015. Martin reported each department pays their own fees with most of the cell phones going to the Sheriff's Department and noted the cell phone for the Morgan County Fairgrounds has been cancelled as well as one line for the Communications Center. Martin stated there are approximately twenty-two basic phones which have been upgraded to smart phones with unlimited data and texting and fifty thousand shared minutes between all the phones. Commissioner Teague made a motion to approve Contract 2014 CNT 130 with Viaero Wireless for cell phones for Morgan County employees in the amount of \$28,335.84 per year with the term running from November 1, 2014 through October 31, 2015. Commissioner McCracken seconded the motion. Motion carried 3-0.

CONSIDERATION OF APPROVAL-CONTRACT-2014 CNT 131-WIRELESS ADVANCED COMMUNICATIONS

Morgan County Director of Communications Danette Martin presented to the Board for approval Contract 2014 CNT 131 with Viaero Wireless for service and maintenance on radio equipment not under warranty from the radio upgrade which was completed October 2014. Martin noted the amount of the contract is \$34,800.00 which is billed quarterly in the amount of \$8,700.00 with the term of the contract beginning October 1, 2014 through September 30, 2015. Martin stated in 2015 all the equipment will be rolled into one contract. Commissioner Teague asked Martin if the maintenance contract would increase with Martin answering it is approximately \$20,000.00 more than she anticipated. Commissioner McCracken made a motion to approve Contract 2014 CNT 131 with Wireless Advanced Communications for service and maintenance on radio equipment not under warranty in the amount of \$34,800.00 billed quarterly in the amount of \$8,700.00 beginning October 1, 2014 through September 30, 2015. Commissioner Teague seconded the motion. Motion carried 3-0.

COUNTY OFFICIAL AND DEPARTMENT HEAD REPORTS

Commissioners reviewed the calendar dated October 31, 2014 through November 11, 2014 with changes.

UNFINISHED BUSINESS

There was no unfinished business.

CITIZEN'S COMMENT PERIOD

Morgan County Clerk and Recorder Connie Ingmire wanted to thank the Board for all their help on Election Day.

We hereby adjourn and are in recess at 10:10 a.m.

Respectfully submitted,

Dee Loose
Deputy Clerk to the Board

THE BOARD OF COUNTY COMMISSIONERS MORGAN COUNTY, COLORADO

s/Jim Zwetzig
Jim Zwetzig, Chairman

s/Brian McCracken
Brian McCracken, Commissioner

s/Laura Teague
Laura Teague, Commissioner

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(SEAL)

ATTEST:

s/ Connie Ingmire
Connie Ingmire, Clerk to the Board

MORGAN COUNTY BOARD OF COMMISSIONERS November 6, 2014 MINUTES

The Morgan County Board of Commissioners met at their regular meeting on Thursday, November 6, 2014 at 10:17 A.M. in the Assembly Room of the Morgan County Administration Building. Present were Commissioners Laura Teague, Brian McCracken and James P. Zwetzig. Also present were John Crosthwait, Planning Administrator; Jody Meyer, Planning Assistant; and Susan Bailey, Administrative Services Manager for Morgan County.

The hearing was called to order by Chairman Commissioner Zwetzig.

NEW BUSINESS:

APPLICANT: STERLING ENERGY INVESTMENT, LLC
LANDOWNERS: WILLIAM F. AND VELERIA M. FABRIZIUS
AND ARTHUR L. FABRIZIUS AKA ART L. FABRIZIUS

Application for Use by Special Review located in the E1/2 of Section 27, Township 6 North, Range 59 West of the 6th P.M., Morgan County, Colorado, ½ mile North of (not developed/not dedicated) Co. Rd. FF and West of Co. Rd. 10, Weldona, Colorado.

Representing Sterling Energy were Dena Lund, Vice President of Operations along with Matthew Harris from Baumberger & Associates as project engineer.

John Crosthwait presented the file and recommended approval of this application.

The applicants want to permit a natural gas processing facility (65 million cubic feet per day processing capacity) on a 37.7 acre parcel. The proposed facility will compress inlet gas delivered by Sterling Energy's gas gathering system. The proposed facility will treat the gas to remove carbon dioxide, sulfur components, and water as needed and the gas will be processed to recover liquefied hydrocarbons. An existing pipeline on Sterling Energy's Gas Gathering System runs across the proposed facility site. After handling, the remaining gas will be delivered to the Cheyenne Plains Pipeline that transports sales-quality gas across the northeastern corner of the state and is incident to the subject property. The Natural Gas recovered will be sold and transported via truck. It is estimated that the heavy truck traffic after construction will consist of five to eight 80,000 pound trucks per day to transport natural gas from the site. Construction of the facility will be completed in two phases, and is anticipated that the entire project will be completed within the next three years. The applicant has not requested vesting of rights.

The application is very complete, and representatives from Sterling Energy as well as contractual engineering firm will be present to explain the proposal. The file addresses environmental impacts, site plans, emergency operations plan, and many other issues required which makes this a very complete file.

Access has been reviewed by Morgan County Road and Bridge Department, and a letter is in the file indicating that there is no objection to the use of a new driveway located onto County Road 10.

All appropriate notices, posting and publication requirements have been met. Property is zoned "A" Agriculture. Site is not in the floodplain. Taxes are paid.

John noted the Planning Commission approved this application with the condition that a road impact agreement be negotiated with the Board of County Commissioners concerning any road concerns or issues that may come before the County because of this application.

Dena Lund presented an overview of this project (Jackson Lake Gas Processing Facility) noting it is the third facility they have built in Morgan County. She showed maps of the facility along with an aerial view. She noted the facility is centralized on the property and will have minimal noise. It is estimated that the heavy truck traffic after construction will consist of five to eight 80,000 pound trucks per day to transport natural gas from the site. This project will be in two phases. They will lease equipment at first to get started and then will build out with permanent equipment. The final build-out will employ about 10 people. They would hope for a startup and running by March 2015 and be finalized by the fall of 2016. Water and sewer will be on site. They reviewed an easement by Pantera Oil & Gas and stated very little impact with additional pipelines. A state permit is required with the air pollution division and will put in an application by November. Dust will be mitigated with water down and dirt on this site. They are located outside the 500-year Floodplain and they have an option to purchase this 35 acre parcel from the landowners.

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The nearest occupied residence is 3 miles away. There is an unoccupied residence about ½ mile to the north of this site. Eric Christensen concurred that this house has been empty for about 10 years.

They are working on getting a water well permit in place.

Road/Traffic: Dena Lund told Commissioners they would be traveling north on Co Rd 10 to Co Rd JJ then west to Co Rd 9, then north to Hwy 14 and from there to Briggsdale or Sterling. Dena Lund said to get started there would be 50 loads or less of equipment coming in.

Phases: First phase would generate \$8 million and the second phase will bring in 10 times that. Construction would hopefully start in December 2014 with the first phase starting on line in March 2015 and the second phase in 2016. This does not include any new gas pipelines as things progress at this plant facility.

Fencing and Lights – The facility will be fenced. Lights will be pointed down toward the facility. The natural terrain is rugged and the lights should not be bothersome to neighbors. Eric Christensen also concurred that the occupied residence probably wouldn't even see the lights from this facility because of the terrain in the area.

Other Notifications: John Crosthwait noted that he got a phone call from Greg Erickson (New Haven, Michigan), a neighboring landowner. John Crosthwait also notified the US Government in Loveland, Colorado, and received no comment.

Fire Department will be with the New Raymer Fire District. Also Steve Enfante from Emergency Management approved the /Emergency Operating plan submitted to his office.

Dena Lund said the company keeps an OSHA log and there have not been any recordable incidences other than a sprained ankle.

Public Comment:

Speaking in favor of this application was Eric Christensen representing Christensen Bros Inc. with a work address of 24951 Co Rd 9.5, Weldona, CO 80653. Eric said he is a neighbor of the Fabrizio family. He is in full support of this application; however he had concerns for road impacts on Co Rd 9 and 10 stating it is nearly impassable in some areas. The road will not hold up to this kind of traffic generated by this application. There are three blind corners near Co Rd KK. He thought the roads needed to be widened and higher maintenance enforced.

There was no one present to speak in opposition to this application.

Road Concerns: Dena Lund said they want to work with the County to better the roads in this area. Commissioner Zwetzig said the road impact is an issue for this application. John Goodman, Morgan County Road Supervisor, noted that Co Rd 9 is not frequently traveled so they don't carry those roads as wide as other roads carrying heavier traffic. Mr. Goodman said the route to the east is difficult to remove snow during winter months. It is sometimes 2-3 days before they can get to that area.

Dena Lund said if the roads were shut down for 3 days, they would have storage on site for that length of time. If longer response time is needed, then they will require more storage.

John Crosthwait said the width of the roads is an issue along with drainage/seepage in the barrow ditches. Dena Lund asked for feedback on the best way for truckers to exit Morgan County. Eric Christensen said he would widen the narrow roads. They would need to be brought up to County standards. Dave Martin from the Morgan County Sheriff's Dept. noted there have been road problems in this area before.

Taxes: Karina Graulus, Morgan County Assessor's Office – stated the property tax would possibly be locally assessed (2016 tax year payable in 2017) with an assessment of 29% for a "Commercial" business for personal property.

Commissioner Teague said an impact /mitigation plan would need to be presented to them for review.

It was moved by Commissioner Teague and seconded by Commissioner McCracken to table this Application for Use by Special Review for a natural gas processing facility (65 million cubic feet per day processing capacity) located in the E1/2 of Section 27, Township 6 North, Range 59 West of the 6th P.M., Morgan County, Colorado, located ½ mile North of (not developed/not dedicated) Co. Rd. FF and West of Co. Rd. 10, Weldona, Colorado, until Tuesday, November 18, 2014, the next Commissioners' meeting, in order to implement a road impact plan to be prepared by the Planning and Zoning Dept., the Road and Bridge Department and Sterling Energy (the proposed landowner). Motion carried 3-0.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Jody Meyer, Planning Assistant

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**THE BOARD OF COUNTY COMMISSIONERS
MORGAN COUNTY, COLORADO**

s/Jim Zwetzig

Jim Zwetzig, Chairman

s/Brian McCracken

Brian McCracken, Commissioner

s/Laura Teague

Laura Teague, Commissioner

(SEAL)

ATTEST:

s/ Connie Ingmire

Connie Ingmire, Clerk to the Board