

COUNTY COMMISSIONERS PROCEEDINGS

State of Colorado)
 SS
County of Rio Grande)

The Rio Grande County Board of Commissioners met in regular session on Wednesday, January 5, 2011. Members present were Chairman Doug Davie, Commissioners Dennis Murphy and Robert Hagedorn, Commissioner Elect, Karla Shriver, Suzanne Benton, County Administrator, Mary Beth Miles, Intern and Lyla Davis, Clerk of the Board.

At 9:00 a.m. Chairman Davie called the meeting to order and gave the opening prayer. The Pledge of Allegiance was said and the agenda was set.

At 9:05 a.m. David Mahonee, District Attorney, joined the session to update the Board on various matters. He thanked the Board for the minor renovations to his department's offices. He invited the Board to visit the offices. He would like a security door at the entrance. The District Attorney's budget will cover the cost if the Board gives approval for the installation.

He noted that he has had staff turnover but is pleased with the attorneys on staff. There was discussion of pending court cases and cases that the District Attorney has dismissed. The Board voiced concerns with several cases and a case naming the Sheriff's Office. The Board briefly adjourned to visit the offices. They agreed that some sort of security door should be installed.

At 9:45 a.m. Porfie Medina, Maintenance Supervisor, joined the session to discuss the power outages in the nurse's offices. He said the vaccine refrigerator continues to overheat causing the electrical circuit to shut off. There was discussion of the number of machines and appliances using this circuit. Mr. Medina said he has never had the power go off while using the floor buffer and other machines. After some discussion, the Board felt that the refrigerator could be defective. They will discuss this with the Public Health Nurse.

At 10:00 a.m. Ms. Benton presented pending matters and the meeting schedule. Commissioner Hagedorn made the motion to approve the contract between Ramona Archuleta and Rio Grande County Department of Social Services. Commissioner Murphy seconded; the motion passed.

At 10:30 a.m. Pat Perry, Public Health Director, joined the session to discuss the vaccine refrigerator and power outages. She feels there are too many items on the circuit and has talked with the State about this refrigerator. They felt the unit may not work properly because of the power fluctuations. She feels an electrician should look at the electrical system. Chairman Davie said if the inside temperature of the refrigerator increases eleven degrees in a couple of hours with the door closed there could be a problem with the unit. Xcel Energy has a meter on the power coming into the building to test for fluctuations. Ms. Perry will call the manufacturer to find out if there are problems with this refrigerator model. Billings Electric will look at this circuit while Xcel Energy is metering the power. Ms. Perry will get a power cord to supply power to the vaccine refrigerator temporarily.

At 11:00 a.m. Commissioner Hagedorn made the motion to approve the following claims. Commissioner Murphy seconded; the motion passed.

County General Fund

Adeline Lee	2009 HLS grant	\$	206.01
CE Compliance Investigation	USPAP fee	\$	440.00
Co Dept of Human Service	November	\$	40.00
Dave Pote	2009 SHS	\$	862.95
Del Norte Auto Supply	supplies	\$	30.47
District Attorney Office	12th pmt	\$	13,389.75
Dunn Law LLP	November	\$	2,930.83
Fleet Services	November fuel	\$	4,055.67
Fleming Chemical Co	supplies	\$	158.28
Gobins	supplies	\$	447.12
Hart Intercivic	election exp	\$	32.31
Kimberly Bryant	mileage	\$	49.50
Norm Crawford	mileage	\$	665.72
Pittney Bowes Inc	postage meter	\$	105.00
Pueblo Co Information	computer exp	\$	5,237.33
Qwest Communications	telephone	\$	1,754.81
Rusty Strohmayer	transports	\$	2,400.00
SLV GIS/GPS Authority	service	\$	900.00
State of Colorado/DOI	T1 line	\$	333.84
United Reprographic	supplies	\$	15.98
Valley Publishing	notice	\$	16.00
Vendola Plumbing	repairs	\$	70.00
Verizon Wireless	cell phones	\$	146.49
Verizon Wireless	cell phones	\$	809.60
Victim Assistance Fund	November	\$	40.00
Xcel Energy	utility	\$	2,773.44
Xcel Energy	utility	\$	4,615.56
TOTAL		\$	42,526.66

American Public Life	December	\$	432.12
BC Services Inc	December	\$	301.66
Colorado State Treasurer	quarter	\$	950.18
Community Bank of the Rockies	December	\$	53,937.04
Family Support Registry	exp	\$	106.00
Family Support Registry	exp	\$	158.00
Pre-paid Legal Services	exp	\$	139.45
Rio Grande County Treasurer	December	\$	44,695.56
Security Benefit	exp	\$	2,650.00
Sooper Credit Union	exp	\$	500.00
TOTAL		\$	103,870.01

ACS Services, Inc	computer svc	\$	2,987.00
Adams Drug Store, Inc	jail meds	\$	1,101.02
Alamosa Co Nursing Svc	SHSG 2009	\$	80.82
All-Pro Forms Inc	supplies	\$	350.55
Aspen Office Products	supplies	\$	1,837.04
Brown's Septic Svc	RGSO	\$	486.00
Business Solutions Lsng	copier	\$	410.33
Camille Ferran	mileage	\$	706.95

CAN Surety	Bond	\$	340.00
Co Dept of Public Safety	Fees	\$	367.50
Colorado State Forest	Fire fund	\$	2,922.00
Conejos County Sheriff	Holding	\$	615.00
County Sheriff's of Colo	dues	\$	3,377.43
Del Norte Auto Supply	supplies	\$	76.40
Duckwall Alco Discount	supplies	\$	52.06
Dunn Law LLP	attorney	\$	343.75
El Paso County Coroner	autopsy	\$	2,500.00
First Bankcard	card pmt	\$	4,040.35
First Ford	supplies	\$	29.10
Gobins	supplies	\$	695.97
Hart Intercivic	election exp	\$	125.00
Hi-Land	jail food	\$	11.00
Holiday RV South	Homeland sec.	\$	4,119.50
Jack's Market	supplies	\$	77.04
Jack's Market Pharmacy	jail meds	\$	616.40
Jeff Babcock	SHSG 2009	\$	7,925.48
John Michalke	Prj 2	\$	6,368.55
Ken's Service Center	RGSO	\$	1,325.79
Marshall & Swift	assessor	\$	476.20
Meadow Gold Dairies	jail food	\$	321.73
Notes & Numbers LLS	board clerk	\$	230.00
O&V Printing	supplies	\$	367.13
Oncall Paging Service	RGSO	\$	239.70
Peggy J Kern	mileage	\$	17.10
Postmaster	stamps	\$	83.60
Qwest Communications	telephone	\$	26.63
Rio Grande Hospital	RGSO	\$	767.85
Robert Hagedorn	mileage	\$	365.83
Safeway	jail food	\$	188.11
Seton Identification	Name plate	\$	134.35
Shamrock Food Company	jail food	\$	3,125.39
Sleuth	Computer svc	\$	1,875.00
Southern Colo Computer	repairs	\$	20.99
Staples Business	supplies	\$	156.47
Sue Davis	2009 HLS	\$	3,434.70
Suzanne Benton	mlieage	\$	172.80
Todd Wright	Emerg. Prepare	\$	742.00
True Value Hardware	supplies	\$	8.97
United Reprographic	supplies	\$	82.95
Valley Publishing	notices	\$	168.00
Vendola Plumbing	RGSO	\$	1,701.83
WSB Computer Services	repairs	\$	762.00
TOTAL		\$	59,357.36

Road & Bridge Fund

Heritage Ford-Lincoln	truck	\$	31,183.00
B&C Electric	repairs	\$	1,323.16
Ballinger, Branch/Mueller	metal	\$	106.77
Business Solutions Lsng	copier	\$	110.08
Gunbarrel Service Station	repairs	\$	559.00
Qwest Communications	telephone	\$	554.72
Roadsafe Traffic System	signs	\$	3,977.75

Seed Solutions	grass seed	\$	3,698.00
Verizon Wireless	cell phone	\$	121.64
Xcel Energy	utility	\$	1,705.08
TOTAL		\$	43,339.20
American Public Life	exp	\$	226.82
Colorado State Treasurer	exp	\$	429.52
Community Banks of Colorado	exp	\$	22,509.22
Rio Grande County Treasurer	exp	\$	18,336.92
Security Benefit	exp	\$	50.00
TOTAL		\$	41,552.48
Triple Z Trailers	Sand truck	\$	13,000.00
Adarand Constructors	Guardrail	\$	3,165.00
Airgas Intermountain	supplies	\$	270.74
Alcon Construction	supplies	\$	1,197.23
Alta Fuels	fuel	\$	20,855.48
Aspen Office Products	supplies	\$	419.15
Colorado Machinery	supplies	\$	413.18
Del Norte Auto Supply	supplies	\$	226.65
Duckwall-Alco Discount	supplies	\$	5.49
First Bankcard	card pmt	\$	375.31
Fleet Services	fuel	\$	1,243.66
Four Corners Cooling	repairs	\$	1,065.00
Gobins	supplies	\$	29.30
Gunbarrel Service Station	repairs	\$	360.00
Haynie's Inc	supplies	\$	1,758.95
Industrial & Farm Supply	supplies	\$	41.70
Intermountain First Aid	supplies	\$	250.50
Ken's Service Center	repairs	\$	8.00
Layton Truck Equipment	Hydraulics	\$	11,295.80
Lenco West	Supplies	\$	38.71
Leroy A Romero	maintenance	\$	125.00
Lyle Signs	supplies	\$	6,578.17
Mathias Concrete	supplies	\$	720.00
Monte Vista Cooperative	supplies	\$	1,135.27
Monte Vista Machine Tool	supplies	\$	21.64
Monte Vista Tractor	repairs	\$	277.40
Myers Brother Truck	supplies	\$	1,316.54
Petty Cash	misc	\$	21.39
Pro Com	radios	\$	111.00
Qwest Communication	telephone	\$	463.45
Reliance Steel Co	supplies	\$	5,368.01
Rocky Mt Memorabilia	misc	\$	36.25
Russell Surveyors & Assn	airport road	\$	510.00
Rylind Industries	Cylinder	\$	1,147.00
Safety-Kleen	supplies	\$	255.00
San Luis Valley Regional	hot plant	\$	2,770.53
San Luis Valley Rural	utility	\$	352.00
Sanner Brothers Salvage	parts	\$	101.58
Schall	parts	\$	11.33
South Fork Propane	fuel	\$	342.00
Spectracom	radios	\$	1,025.15

Superior Signals Inc	Strobe; lens	\$	913.38
Thompson Distributing	Supplies	\$	612.00
Tire Distribution System	Tires	\$	6,325.90
Valley Lumber and Supply	Supplies	\$	144.75
Valley Tractor Repair	Repairs	\$	255.63
Wagner Equipment	Compressor	\$	18,990.00
Wagner Equipment	supplies	\$	3,015.06
Waste Management	Trash	\$	8.03
Whitealls Alpine	supplies	\$	14.00
Windys LP Gas Service	supplies	\$	15.00
Xcel Energy	utility	\$	2,480.67
TOTAL		\$	111,482.98
Pest Control			
Alltel	cell phone	\$	36.56
Colorado Dept of Agriculture	license	\$	350.00
Del Norte Auto Supply	parts	\$	13.56
Monte Vista Cooperative	supplies	\$	6.09
San Luis Valley Rural	utility	\$	70.00
TOTAL		\$	476.21
Colorado State Treasurer	exp	\$	25.66
Community Banks of the Rockies	exp	\$	1,591.94
Rio Grande County Treas.	exp	\$	1,078.48
TOTAL		\$	2,696.08
Colorado County Weed	dues	\$	50.00
First Bankcard	card pmt	\$	310.54
Qwest Communications	phone	\$	82.13
TOTAL		\$	442.67
Airport Fund			
San Luis Valley Rural	utility	\$	293.00
TOTAL		\$	293.00
San Luis Valley Rural	utility	\$	270.00
TOTAL		\$	270.00
Capital Expenditure Fund			
		\$	-
TOTAL		\$	-
Conservation Trust			
San Luis Valley TV Inc	4th quarter	\$	1,500.00
TOTAL		\$	1,500.00
Tourism Trust			
Boondocker Publishing	ads	\$	50.00
Harris Publishing	ads	\$	225.00
Hawk Media	ads	\$	752.06
Pueblo Chieftain	ads	\$	295.00

Wolf Creek Ski Area	Promotion	\$	816.67
Yutzy Enterprises	Sign	\$	350.00
TOTAL		\$	2,488.73

Public Health Department

Chaffee Cnty Public Health	November	\$	1,700.00
Costilla County Nursing	EPSDT	\$	6,824.00
Physician Sales & Service	supplies	\$	189.52
Qwest Communications	phone	\$	305.36
Qualistar Early Learning	Contribution	\$	25.00
Saguache Co Public Health	services	\$	700.00
Sanofi Pasteur Inc	vaccine	\$	3,643.59
Staples Business	supplies	\$	116.18
State of Colorado/DOI	T1 line	\$	61.51
Town of Del Norte	health fair	\$	25.00
Verizon Wireless	cell phone	\$	121.66
TOTAL		\$	13,711.82

American Public Life	exp	\$	104.98
Colorado State Treasurer	exp	\$	123.22
Community Bank of the Rockies	exp	\$	8,415.86
Rio Grande County Treasurer	exp	\$	5,309.26
Security Benefit	exp	\$	50.00
Sooper Credit Union	exp	\$	100.00
TOTAL		\$	14,103.32

CALBOH	dues	\$	70.00
CALPHO	dues	\$	99.00
Certi	training	\$	333.00
Chaffee Cnty Public Health	services	\$	1,700.00
First Bankcard	card pmt	\$	28.81
Lake County Health Dept	services	\$	1,600.00
Qwest Communications	telephone	\$	7.88
Qwest Communications	telephone	\$	48.72
Qualistar Early Learning	DVD purchase	\$	7.50
Sanofi Pasteur	vaccine	\$	393.18
TOTAL		\$	4,288.09

At 11:30 a.m. County Attorney Bill Dunn joined the session to discuss pending legal matters. A call was placed to Karen Spray with the State Oil and Gas Commission to arrange a time that she and her supervisor can meet with the Board. Ms. Spray was out of the office and will return the call.

Mr. Dunn is still working on some individual lease agreements for County Road 22-A.

Ms. Benton asked about the single wide trailer matter with Ken Carpenter. Mr. Carpenter still claims that he owns the trailers. Mr. Dunn said per State Statute, bids must be taken and a notice published for the sale of County property. Mr. Dunn will notify Mr. Carpenter of the procedures to change the title of these trailers.

At 11:45 a.m. the meeting adjourned.

Attest:

Doug Davie
Chairman of the Board

Lyla Davis
Clerk of the Board

COUNTY COMMISSIONERS PROCEEDINGS

State of Colorado)
 SS
County of Rio Grande)

The Rio Grande County Board of Commissioners met on Tuesday, January 11, 2011 following the inauguration ceremony. Members present were Chairman Doug Davie, Commissioners Dennis Murphy, Jr. and Karla Shriver, Suzanne Benton, County Administrator, Mary Beth Miles, Intern, and Lyla Davis, Clerk of the Board.

At 9:00 a.m. Commissioner Murphy gave the opening prayer. The Pledge of Allegiance was said and the agenda was set. Commissioner Murphy made the motion to approve the January 5, 2011 minutes as presented. Commissioner Shriver seconded; the motion passed.

At 9:05 a.m. the meeting was turned over to Ms. Benton for reorganization of the Board. She asked for nominations for Chairman of the Board. Commissioner Davie nominated Commissioner Murphy for chairman. Commissioner Murphy nominated Commissioner Davie for chairman. Commissioner Shriver moved that nominations cease. Ms. Benton called for the vote. Commissioner Shriver broke the tie vote electing Commissioner Murphy as Chairman of the Board.

Chairman Murphy read the list of department heads as follows:

- Road & Bridge Supervisor - Patrick Sullivan
- Director of Social Services and Hiring Authority - Jody Kern
- Director of Public Health Agency - Pat Perry
- Veterans Service Officer - Larry Crowder
- Director of Museum and Cultural Center - (vacant)
- County Attorney - William Dunn
- County Administrator & Budget Officer - Suzanne Benton
- Weed District Supervisor - Darrel Plane
- EEOC and ADA Officer - Suzanne Benton

Commissioner Shriver made the motion to retain the existing slate of appointed department heads. Commissioner Davie seconded; the motion passed.

The Board discussed the appointments to board and commissions. Commissioner Davie made the motion to approve the following people to serve on the following committees. Commissioner Shriver seconded; the motion passed:

- SLV DRG/COG - Karla Shriver
- SLV Revolving Loan Board - Karla Shriver
- SLV Action Agency - Robert Hagedorn
- SLV Regional Landfill - Doug Davie
- CAPP Designated Representative - Dennis Murphy
- CWCP Designated Representative - Dennis Murphy

CHP Designated Representative - Suzanne Benton
HazMat - Doug Davie
RC&D - Doug Davie
SLV TV - Doug Davie
Tri County Senior Citizens - Dennis Murphy
South Central Senior Citizens Board - Dennis Murphy
911 Authority Board - Doug Davie
Library Board - Dennis Murphy
Homeland Security Advisory Board - Doug Davie
Courthouse Security Board - Doug Davie
Action 22 - Dennis Murphy
Prevention Partners - Dennis Murphy
MV Chamber Ag Committee - Karla Shriver
CCI Steering Committees and Proxies: (appointed at the
time of meetings)
Agriculture, Wildlife & Rural Affairs - Doug Davie
Land Use & Natural Resources -
General Government -
Taxation & Finance -
Transportation & Telecommunications -
Health & Human Services -
Tourism -

Ms. Benton noted an opening on the Planning Commission. Janice Slade has submitted a letter of resignation. Rose Vanderpool, Land Use Administrator, joined the session and noted that the position has been advertised but no letters of interest have been received. There was discussion and suggestions of individuals from the north part of the County who might be willing to serve. Ms. Vanderpool will place several calls to the names mentioned. There are two vacancies on the Board of Adjustments with no letters of interest submitted.

Commissioner Shriver made the motion to reappoint Mike Schaefer to the Weed Advisory Board. Chairman Murphy seconded; the motion passed.

There is a vacancy on the Tourism Board. The Board discussed various individuals from the Monte Vista area who work in the tourism field. Commissioner Shriver will talk with Jena Ford about her willingness to serve.

Commissioner Davie made the motion to appoint the Monte Vista Journal as the designated newspaper. Commissioner Shriver seconded; the motion passed.
Commissioner Shriver offered to prepare the newspaper articles.

Ms. Benton presented the draft meeting and holiday schedule. The courthouse will be closed on the following days:
January 17, February 21, April 22 (1/2 day), May 30, July 4, September 5, November 11, November 24 & 25, December 26, 2011 and January 2, 2012.
Commissioner Shriver made the motion to approve the holiday schedule. Commissioner Davie seconded; the motion passed.

Commissioner Shriver made the motion to approve the meeting schedule. Commissioner Davie seconded; the motion passed. BOOK 552 PAGE 200

Ms. Benton presented pending matters. She discussed the insurance for Astronaut Rominger Airport. The County Insurance Pool does not cover airports or herbicide application. Commissioner Davie made the motion to add the Hangar Keepers

Liability coverage to the Phoenix Aviation Insurance policy this year. Commissioner Shriver seconded; the motion passed.

The final payment was received for the airport project; \$22,000 was returned to the State Department of Aviation in unused project funds. Ms. Benton gave the distribution of reimbursed expenses for in-kind work. Road and Bridge will receive \$92,864.65 and the Airport Fund will receive \$141,753.30. Commissioner Davie made the motion to approve the disbursement. Commissioner Shriver seconded; the motion passed.

Ms. Benton noted pending meetings and schedules. There was also discussion of the possibility of a new building on the Ski Hi grounds and the various groups that could use it for multi purposes. The meeting involving all user groups will be rescheduled to discuss this project and Ski Hi Complex, as a whole, in depth. The City of Monte Vista, County, Stampede Committee and 4-H will all be involved.

Commissioner Shriver made the motion to sign the Certification of Compliance, Article 29 of Title 29 C.R.S., Immigration Status - Cooperation with Federal Officials. Commissioner Davie seconded; the motion passed.

Ms. Benton presented informational items and correspondence. Ms. Benton asked for 'goals and objectives' suggestions for 2011. Chairman Murphy read the draft list. The Board felt it was a good list and volunteered for various goals: Commissioner Shriver will work on the Korean document exchange ceremony, Commissioner Davie will work on the open shed project at the Ski Hi complex and Chairman Murphy will work on the business development center in Del Norte. Ms. Miles and Patrick Sullivan, Road and Bridge Supervisor, will work on transferring the wells at the airport.

Bonnie Asplin has expressed interest in serving on the Museum Board and/or serving as the Museum Director. She is a certified appraiser and values many types of collections. Ms. Benton said there is a vacancy on this board. Sue Getz has resigned and represents the Monte Vista area. Suggestions are welcome for this vacancy. The Del Norte Chamber of Commerce is using the office in exchange for keeping the Museum doors open for visitors. Other goals include being involved in the Monte Vista Main Street Program, the Museum coordinator and facility improvement, and the South Fork Park project. Commissioner Shriver made the motion to adopt these goals and objectives. Chairman Murphy seconded; the motion passed.

At 11:30 a.m. County Attorney Bill Dunn joined the session for pending legal matters. He presented two draft deeds to convey the airport roadway to the County. He is stilling working on the property conveyance from the Rio Grande Hospital.

Karen Spray, State Oil and Gas Commission, will join the Board on January 26, 2011, at 1:30 p.m. for the continuation of the oil and gas hearing.

Commissioner Davie asked about the status of the Ellen Dunn blight case. Mr. Dunn (no relation) will follow up on the matter. Ms. Vanderpool joined the session. Ms. Dunn's dirt warehouse on West Sickles has not been cleaned up; her property on Sherman Avenue has been cleaned up.

Ms. Vanderpool noted that the Vern Braun property has never been cleaned up after the Board's visit. The property is now owned by his daughter, Valarie Braun. Mr. Dunn will notify her of the ongoing blight matter. The Board also noted that the trailer north of Del Norte that burned needs to be addressed.

There was discussion of the oil and gas hearing. The Board did not feel there was a conflict of interest with Pam Bricker serving on the board at this time because there has not been an application submitted for drilling in the San Francisco Creek area. The County is adopting regulations at this point for the entire County.

There was discussion of de-annexation and follow up on the Land Properties Planned Unit Development (PUD). Ms. Vanderpool said the Code Book addresses significant changes to the PUD and Board review and approval for such changes.

At 12:00 p.m. the meeting was adjourned.

Attest:

Dennis Murphy, Jr.
Chairman of the Board

Lyla Davis
Clerk of the Board

COUNTY COMMISSIONERS PROCEEDINGS

State of Colorado)
 SS
County of Rio Grande)

The Rio Grande County Board of Commissioners met in regular session on Wednesday, January 19, 2011 following the monthly managers meeting. Members present were Chairman Dennis Murphy, Jr., Commissioners Doug Davie and Karla Shriver, Suzanne Benton, County Administrator, and Lyla Davis, Clerk of the Board.

At 10:00 a.m. Chairman Murphy called the meeting to order. Ms. Davis gave the opening prayer. The Pledge of Allegiance was said and the agenda was set with some informational items added. Commissioner Davie made the motion to approve the amended agenda. Commissioner Shriver seconded; the motion passed.

At 10:05 a.m. Patrick Sullivan, Road and Bridge Supervisor, joined the session for the monthly report. The written report was submitted as follows:

- Completed the new road around the airport. The approximate cost for Phase II was \$664,367.
- Completed the removal of ditch bank material along the 3 East Road.
- Picked up the foreman's truck for Darryl Miles in Loveland.
- Mr. Sullivan attended CCI.
- The new sign truck was taken to Layton to have equipment installed.
- Completed the demolition of the rental house at the hot plant.
- Assisted the Monte Vista Golf course with watering the greens during the warm spell in December.

- Plowed snow several times in December mainly in the Del Norte and South Fork area.
- Shouldered the 2 East Road from the 8 North to 9 North Roads.

Proposed work for January includes stockpiling rock in the 10 South Pit, start construction on the 2 East and 8 South roads, change the stop sign location at the 2 East and 9 North intersection to improve the safety in the area, will begin tree trimming in the Del Norte and South Fork area, completed the state report due February 1, 2011, continue grading as weather permits and will mount the new sander bodies in the new plow and on Unit 91.

Mr. Sullivan commented on the 9 North and 2 East intersections. The traffic study found that 64% of the traffic drives north/south so the stop sign for northbound and southbound traffic is ineffective. A four-way stop sign will be installed for a two week period to make traffic aware that changes will be made. Reduced speed signs will also be installed. Commissioner Shriver suggested printing a notice in the newspaper of this change. Mr. Sullivan will see that the information runs as an informational item.

Ms. Benton has not had written notice from Jamie Hart about the gravel pit completion. Mr. Sullivan would like to start closure work on this pit since he is in the area and would keep hauling costs to a minimum. Mr. Sullivan will follow up with Mr. Hart.

The Department will drag and water the McMullen Building for the SLV Ag Fair and Trade Show. The hydrant is not leaking at this time but will be replaced when the crew can get to it. If there is snow at the time of the Ag Fair the Department will plow the Stampede parking lot. Mr. Sullivan asked that the gate will need to be unlocked when they arrive.

Mr. Sullivan said after talking with suppliers at CCI the County should anticipate increased road oil and asphalt costs. Ms. Benton noted that diesel costs are also rising.

Regarding wetland areas and the McDonald Ditch project, the NRCS has received some money to study the project. Laurie Clark, NRCS, said if the County will partner with them and they could help mitigate the Seven Mile Plaza reclamation project. The Army Corps of Engineers would not meet with Mr. Sullivan to tell him what was wrong with the reclamation but the representative did meet with Ms. Clark and explained the problems to her. Mr. Sullivan expressed some frustration with this process. He would like to know how to remedy the problem. He stated that the Department followed the Corps recommendations and directions but cannot get an answer as to why it was not acceptable. Mr. Sullivan said he would be in favor of a partnership with NRCS but he would prefer that the County equipment not be used in the River. Mr. Sullivan commented on the large number of tires that were pulled out of the Plaza site along with wire and trash.

Commissioner Shriver asked if the landfill would still accept tires; she was asked by a County resident about the matter. Commissioner Davie said the landfill board would like to use their shredder and is collecting the tires in hopes of being able to use it soon. The landfill is working with the State on this matter so that tires are not dumped on the roadsides. He noted that the landfill has to dispose of tires within two

years. Tires can be quartered and buried but they cannot be buried whole. There is an individual who is in the business of hauling and cutting tires who is working with businesses who dispose of tires; the landfill is working with the State on this matter.

Ms. Benton noted that about \$9,200 was reimbursed to the Road and Bridge fund from the airport project.

At 10:45 a.m. Commissioner Shriver updated the Board on her sessions at CCI. She suggested having a Road and Bridge training day for all the Valley Counties. Ms. Benton said most counties are members of CTSI and receive the training through their sessions by representatives for each county. Commissioner Shriver asked if the County Master Plan should be updated. She also asked if the impact fees and building permit fees had been reviewed recently. Ms. Benton said both fees came from studies done for the County about five years ago. Ms. Benton suggested that the Land Use and Building Departments be brought in for this discussion. Commissioner Shriver noted that the County needs to evaluate the fees and determine if they are sending business out of the county and creating a loss of future property and sales taxes. Ms. Benton noted that the Building Department cash flows and is not subsidized by the general fund. Work sessions were suggested for reviewing the fees.

At 10:55 a.m. Pat Perry, Public Health Agency Director, joined the session for the monthly report and a presentation by Chris Canaly, SLV Ecosystem Council. Ms. Canaly distributed a brochure that was mailed to the rural residents of the Valley pertaining to well water. The Council is an advocate for public lands. They became involved in household well testing via the Environmental Protection Agency who contacted the Council having done research determining that the household wells in the Valley were not being monitored. There was funding to test some sample wells for bacteria and nitrates. The testing for pesticides is costly but partnering with the Colorado State Extension Office gave the Council information about what was being used in the Valley. The well owners attended training and educational sessions in 2006 prior to being given the testing kits. One-quarter of the samples tested positive for bacteria. In 2009, the Department of Agriculture administered the testing of wells for pesticides. Ms. Canaly gave a Power Point presentation with slides on each test. One hundred sixty-seven (167) wells were tested for Arsenic. A research doctor is studying the levels of arsenic and correlation to diabetes and cardiovascular disease. The study should be released soon. Commissioner Shriver asked if there was a record of wells being the confined or unconfined aquifer. Ms. Canaly said they tried to account for that factor when it was available to them. Treatment options were also listed such as installing filters, shock chlorination and boiling water. The Council has received a \$100,000 grant for Community Action for Renewed Environments (CARES) to be done over the next two years. Diane Koshak, Public Health Agency, has worked on the water testing project and noted that residents were very pleased with the testing and results. The focus of the CARE grant is to assess environmental health risks. They will be surveying residents on various health matters.

On behalf of the SLV Ecosystem Council, Ms. Canaly presented the County with a map of the sensitive resources in the Valley. She noted there was no connection with the Trincherra Ranch and the transmission line matter. The map denotes the Xcel and SLV Rural

Electric transmission lines, center pivot sprinklers, wells and surface water locations. Kelley Thompson, Agro Engineering, drafted the map.

Ms. Perry distributed her written report. The Board will follow up with any questions. Ms. Perry said the County was not recognized in the national Project Public Health Ready (PPR) process. They are working diligently to meet the March 1, 2011 deadline for the next funding cycle.

At 11:30 a.m. County Attorney Bill Dunn joined the session for pending legal matters. He was able to contact Ellen Dunn (no relation) about the pending blight matter. Ms. Dunn met with the Land Use and Building departments and notified them of her progress.

Mr. Dunn has not been able to locate Valerie Braun-Frye. Commissioner Shriver asked if letters were sent via certified mail. Mr. Dunn said he has had better luck calling people and talking informally with them but will use certified mail when necessary.

The airport roadway leases are complete and will be mailed out this week.

At 11:45 a.m. Ms. Benton presented pending matters. Commissioner Shriver made the motion to approve the January 11, 2011, minutes as amended. Commissioner Davie seconded; the motion passed.

Chairman Murphy signed the monthly Veteran's Officer Report. Ms. Benton presented the list of intergovernmental agreements required by the Department of Local Affairs. Commissioner Davie made the motion to sign the letter. Commissioner Shriver seconded; the motion passed.

Safer Rural Schools payments of \$254,575.09 for Title I funds was distributed to school districts in the County, and \$20,965.00 of Title III funds are held in escrow for search and rescue services on public lands. Twenty-five (25%) of the Title I funds were distributed to the Road and Bridge fund amounting to \$68,885.02; 25%, of \$68,885.02, will be distributed to county schools on the basis of population and 50% is held in escrow to be negotiated with the schools. Ms. Benton noted the State Statute requiring three school board representatives and the Board of Commissioners comprises a board to determine the distribution of the remaining 50% of the funds.

Ms. Benton presented a bid of \$250 for the Sheriff's Department Crown Victoria. Ms. Benton will ask Sheriff Norton if this vehicle is still available for bid and if so will be advertised accordingly.

Ms. Benton presented various meeting notices, correspondence and pending matters.

At 12:15 p.m. the Board adjourned for lunch and a work session.

Attest:

Dennis Murphy, Jr.
Chairman of the Board

Lyla Davis
Clerk of the Board

COUNTY COMMISSIONERS PROCEEDINGS

State of Colorado)
 SS
County of Rio Grande)

The Rio Grande County Board of Commissioners met in regular session on Wednesday, January 26, 2011. Members present were Chairman Dennis Murphy, Jr., Commissioners Doug Davie and Karla Shriver, Suzanne Benton, County Administrator, Mary Beth Miles, Intern, and Lyla Davis, Clerk of the Board.

At 9:00 a.m. Chairman Murphy called the meeting to order. Commissioner Shriver led the Pledge of Allegiance and Commissioner Davie gave the invocation. Commissioner Davie made the motion to approve the agenda with two additions. Commissioner Shriver seconded; the motion passed. Commissioner Shriver made the motion to approve the January 19, 2011 minutes as amended. Commissioner Davie seconded; the motion passed.

At 9:10 a.m. Brenda Felmlee, Representative for Congressman Scott Tipton, joined the session to introduce herself and let the Board know that she is always available to discuss any legislative matters. Ms. Felmlee asked to be kept informed of County matters.

At 9:15 a.m. Rose Vanderpool, Land Use Administrator, joined the session to discuss the oil and gas regulations. Commissioner Shriver addressed some changes other than the obvious typographical errors. Ms. Vanderpool said significant changes were addressed at the Planning and Zoning work session. Ms. Vanderpool said she does have the definition of "bottom hole" to add to the regulations. There was discussion of the distance for notifications being changed from 1,500 feet to 3,000 feet. Commissioner Shriver felt this was significant. Commissioner Davie said this is the only section of the Code Book where 3,000 feet is required for notification and should be kept at 1,500 feet to be consistent with the Land Use Code Book.

At 9:30 a.m. Jody Kern, Director of Social Services, joined the session for the monthly report.

At 10:30 a.m. Greg Brumley, joined the session for an amendment of zoning. The property in question is located in a fraction of the NW ¼, Section 1, T 38 N, R 7 E. Ms. Vanderpool stated that he purchased property which is zoned commercial for an auto repair shop. It is no longer being used as commercial property and the Brumleys would like to build a home on this site. This did not go through the Planning and Zoning process because Ms. Vanderpool did not view the matter as controversial since it was going back to a residential zone. The landowners within 1,500 feet were notified of the hearing. One neighbor responded in favor of the rezoning. Commissioner Shriver asked Mr. Brumley to explain the map attached with the application. Chairman Murphy noted that this property cannot be rezoned in the future. Commissioner Davie made the motion to approve the rezoning of this property from commercial to residential. Commissioner Shriver seconded; the motion passed.

At 10:50 a.m. Sheriff Brian Norton joined the session to introduce Undersheriff Ed Raps to the Board. Mr. Raps discussed his professional history with the Board.

At 11:10 a.m. Ms. Benton presented pending matters. The Sheriff vehicle that was bid on was denied. The Board felt that it would bring more at the Co-op auction this spring.

Commissioner Davie made the motion to name Bonnie Asplin as the independent contractor project coordinator for the Korean document ceremony. Commissioner Shriver seconded; the motion passed.

Ms. Asplin is researching the museum where the Korean document will be held.

The audit expense from Wall, Smith, Bateman & Associates will increase in 2011. Commissioner Shriver made the motion to retain Wall, Smith, Bateman, & Associates and sign the letter of agreement. Chairman Murphy seconded; the motion passed.

Ms. Benton asked for agenda items for the meeting with the City of Monte Vista. The Main Street program, Ski Hi complex, ongoing intergovernmental agreements, Monte Kids Club and CDOT projects were noted.

Ms. Benton noted the pending meeting schedule.

Commissioner Davie made the motion to approve the following payroll. Commissioner Shriver seconded; the motion passed.

County General

Davie, Douglas	sal.	\$ 4,141.67
Hagedorn, Robert	sal.	\$ 1,183.32
Murphy, Dennis	sal.	\$ 4,141.67
Shriver, Karla	sal.	\$ 2,958.34
Benton, Suzanne	sal.	\$ 6,963.03
Dennis, Krystal	sal.	\$ 2,267.42
Bricker, Pamela	sal.	\$ 50.00
Franke, Craig	sal.	\$ 50.00
Freeman, Dwight	sal.	\$ 50.00
McCallister, Vern	sal.	\$ 50.00
Seger, Gary	sal.	\$ 50.00
Vanderpool, Rose	sal.	\$ 3,215.33
Canada, Sean	sal.	\$ 3,279.47
Kern, Randall	sal.	\$ 4,296.93
Gabbel, Jaclyn	sal.	\$ 1,698.67
Gonzales, Catherine	sal.	\$ 2,112.93
Hill, Cindy	sal.	\$ 4,382.33
Jackson, Sandra	sal.	\$ 1,183.32
Montoya, Michelle	sal.	\$ 2,591.33
Quintana, Mary	sal.	\$ 2,574.00
Steving, Sherryl	sal.	\$ 2,022.80
Wilson, Christina	sal.	\$ 1,698.67
Dominguez, Telesforo	sal.	\$ 4,141.67
Leist, Chris	sal.	\$ 3,208.40
Lyons, Cherri	sal.	\$ 2,267.20
Medina, Michelle	sal.	\$ 2,496.00
Mondragon, Jennifer	sal.	\$ 2,804.53
Salazar, Eva	sal.	\$ 2,312.27
Trujillo, Dale	sal.	\$ 2,447.47
Valdez, Michael	sal.	\$ 2,447.47

Kern, Peggy	sal.	\$ 4,141.67
Rue, Cherilyn	sal.	\$ 2,933.23
Voris, Carol	sal.	\$ 2,249.22
Brown, Elaine	sal.	\$ 1,348.32
Garcia, Carol	sal.	\$ 1,842.53
Marquez, Ronald	sal.	\$ 1,995.07
Medina, Porfie	sal.	\$ 2,508.13
Arellano, Timothy	sal.	\$ 2,496.00
Clark, Frank	sal.	\$ 1,944.80
Doctor, Janette	sal.	\$ 2,996.93
Duran, Jeremiah	sal.	\$ 2,496.00
Fresquez, Adam Paul	sal.	\$ 1,550.08
Garcia, Cori	sal.	\$ 1,708.79
Lopez, Emily	sal.	\$ 2,643.33
Lucero, William	sal.	\$ 2,447.47
Martinez, Robin	sal.	\$ 2,447.47
Messoline, Larry	sal.	\$ 2,398.93
Norton, Brian	sal.	\$ 5,550.00
Raps, Edward	sal.	\$ 1,494.00
Wheelwright, Boyd	sal.	\$ 2,750.80
Archuleta, Anthony	sal.	\$ 2,487.85
Atencio, Joseph	sal.	\$ 2,546.27
Bailey, Ronald	sal.	\$ 1,995.80
Black, Kelly	sal.	\$ 3,272.53
Bollinger, Jason	sal.	\$ 1,918.71
Bruder, Gary	sal.	\$ 2,491.51
Chick, Amanda	sal.	\$ 2,030.98
Duran, Dusty	sal.	\$ 2,101.85
Ford, Donna	sal.	\$ 604.80
Fuentes, Jose	sal.	\$ 2,015.54
Hart, Jonathan	sal.	\$ 2,207.06
Naranjo, Henry	sal.	\$ 1,747.71
Ortega, Arthur	sal.	\$ 2,349.09
Pacheco, Helen	sal.	\$ 1,577.85
Parks, Joseph	sal.	\$ 2,510.10
Salazar, Alicia	sal.	\$ 2,004.04
Sierra, Shaun	sal.	\$ 2,159.17
Stambaugh, Keith	sal.	\$ 1,935.05
Trujillo, Ramon	sal.	\$ 2,188.35
Vest, David	sal.	\$ 1,954.02
Wright, Todd	sal.	\$ 907.50
Strohmayer, Rusty	sal.	\$ 1,841.67
Ferran, Camille	sal.	\$ 1,993.33
Crowder, Larry	sal.	\$ 1,160.58
Lujan, Maxine	sal.	\$ 2,544.82
Miles, Mary B	sal.	\$ 2,608.33

\$176,183.52

(Taxes Withheld, \$26,185.74; Deductions Withheld,
\$26,518.52)

ROAD & BRIDGE

Atencio, Kevin	sal.	\$ 2,357.33
Black, Timothy	sal.	\$ 3,435.47
Chapman, Destry	sal.	\$ 2,838.15

Hansen, Arnold	sal.	\$ 2,838.15
Hill, Carl	sal.	\$ 3,435.47
Lyons, Dale	sal.	\$ 2,235.98
Maestas, William	sal.	\$ 3,528.16
McKinley, Robert	sal.	\$ 3,111.33
Miles, Darryl	sal.	\$ 3,693.73
Pacheco, Carl	sal.	\$ 3,435.47
Plane, Kenneth	sal.	\$ 2,256.25
Widger, Michael J	sal.	\$ 2,153.56
Archuletta, Mark	sal.	\$ 3,169.47
Atencio, Manuel	sal.	\$ 3,279.90
Benavides, Eodofredo	sal.	\$ 3,189.90
Gates, Marvin	sal.	\$ 2,168.45
Paulson, Roy	sal.	\$ 3,569.25
Rowe, Danny	sal.	\$ 2,452.67
Steffens, John	sal.	\$ 3,869.54
Sullivan, Patrick	sal.	\$ 5,455.45
Romero, Olivia	sal.	\$ 2,405.87
		<u>\$ 64,879.55</u>

(Taxes Withheld, \$10,856.33; Deductions Withheld,
\$9,822.03)

DEPARTMENT OF SOCIAL SERVICES

Atencio, Davine	sal.	\$ 2,083.25
Buxman, Bryan	sal.	\$ 2,676.38
Chavez, Melody	sal.	\$ 2,063.75
Collins, Kelsie	sal.	\$ 3,061.50
Dupont, Ilene	sal.	\$ 1,539.72
Duran, Jaxine	sal.	\$ 2,299.38
Gallegos, Brandi	sal.	\$ 2,590.25
Garcia, Shirley	sal.	\$ 1,628.25
Gonzales, Carolyn	sal.	\$ 2,393.63
Gunther, Darlene	sal.	\$ 2,299.38
Harmon, Alicia	sal.	\$ 2,083.25
Hernandez, Marlene	sal.	\$ 2,393.63
Horn, Ruth	sal.	\$ 4,129.13
Jaramillo, Richelle	sal.	\$ 3,199.63
Jiron, John	sal.	\$ 2,340.00
Kern, Jody	sal.	\$ 5,000.00
Leblanc, Elizabteh	sal.	\$ 2,083.25
Lester, Heather	sal.	\$ 3,047.38
Maestas, Valarie	sal.	\$ 2,434.25
Martinez, Helen	sal.	\$ 4,057.63
Martinez, Janelle	sal.	\$ 2,255.50
Meder, Jeremy	sal.	\$ 2,935.25
Naranjo, Andritta	sal.	\$ 2,136.88
Pacheco, Leann	sal.	\$ 1,761.50
Palacios, Irma	sal.	\$ 2,255.50
Parra, Gregorio	sal.	\$ 3,796.00
Roesch, Korissa	sal.	\$ 614.18
Ruybal, Evelyn	sal.	\$ 2,051.60
Sanchez, Ramona	sal.	\$ 2,440.75
Shaver, Betty	sal.	\$ 2,803.13

Sierra, Jessica	sal.	\$ 2,299.38
Slane, Sherryl	sal.	\$ 2,785.25
Stephens, Jackie	sal.	\$ 3,823.63
Thompson, Chris	sal.	\$ 2,826.38
Varner, Julia	sal.	\$ 2,083.25
Webb, Jeannie	sal.	\$ 1,756.30
White, Victoria	sal.	\$ 2,255.50

\$ 94,283.62

(Taxes Withheld, \$13,107.29; Deductions Withheld, \$16,131.01)

PEST CONTROL

Plane, Darrel	sal.	\$ 3,913.40
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\$ 3,913.40

(Taxes Withheld, \$591.32; Deductions Withheld, \$896.09)

PUBLIC HEALTH

Brown, Linda	sal.	\$ 3,703.70
Koshak, Dianne	sal.	\$ 3,037.88
Kostuk, Diane	sal.	\$ 2,023.23
Masters, Judy	sal.	\$ 2,528.59
Perry, Patricia	sal.	\$ 4,642.65
Montoya-Salazar, Lanell	sal.	\$ 2,026.27
Robinson, Kelli	sal.	\$ 1,768.43

\$ 19,730.75

(Taxes Withheld, \$3,485.09; Deductions Withheld, \$4,910.52)

At 11:30 a.m. Bill Dunn, County Attorney, joined the session for pending legal matters. Ms. Vanderpool joined the session and noted that she sent another letter to Beverly Chacon regarding the unauthorized auto repair shop on County Road 27 near the Monte Vista Cemetery. She asked that Mr. Dunn send a letter because the repair shop has not ceased operation. If the Chacon's have not responded within thirty days Mr. Dunn will send a letter.

Mr. Dunn sent a letter to Valerie Braun-Fry regarding her blight matter.

The easement deeds have been sent to the property owners at the airport and should be returned to the County soon.

At 12:00 p.m. the Board adjourned for lunch.

At 1:30 p.m. the Board reconvened for the continuation of the oil and gas hearing from December 29, 2010. Chairman Murphy noted the continuation regarding the changing of the one mile to three mile radius water testing area. There will not be a public comment time unless there are questions at the end. Chairman Murphy swore in Allen Davey, Davis Engineering, Craig Cotten, Division of Water Resources, Karen Spray, Colorado Oil and Gas Conservation Commission (COGCC) Environmental Supervisor, Alex Fischer, COGCC Environmental Supervisor and Mark Weems, COGCC Southwest Regional Engineer. Mr. Fischer presented a slideshow beginning with the COGCC mission statement:

Under the Oil and Gas Conservation Act, the Commission's mission is to: foster the responsible, balanced development, production and utilization of oil and gas in a manner consistent

with protection of public health, safety, and welfare, including protection of the environment and wildlife resources (C.R.S. 34-60-102 (1)(a)(I)). Responsible development results in the efficient exploration and production of oil and gas resources in a manner consistent with the protection of public health, safety and welfare; the prevention of waste; the protection of mineral owners' correlative rights; the prevention and mitigation of adverse impacts to the environment and wildlife. The COGCC seeks to serve, solicit participation from and maintain working relationships with all those having an interest in Colorado's oil and gas natural resources.

Legal and regulatory issues noted were Colorado oil and gas development often occurs where the mineral estate has been split from the surface estate; each party (surface and mineral estate) has their own property rights associated with ownership; surface and mineral interests are created or transferred through private party contracts, including deeds and leases.

The COGCC is a state regulatory agency created by the Legislature to foster oil and gas development while protecting public health, safety, and welfare, including the environment and wildlife resources. It is required by law to make and enforce rules to protect the environment and wildlife and to keep the public safe when drilling and development occurs. It is not authorized to protect property values or a preferred quality of life.

Mr. Fischer noted split estates should be called out in the title work. The COGCC does not get involved in negotiations of the use of the mineral rights. A slide with the map 'permitting staff areas of responsibility' was presented. Dave Kobesco is the oil and gas specialist for this area.

A slide titled Annual Permitting Statistics was presented. The COGCC permitting and engineering staff process approximately 5,000 to 7,000 permits for the drilling of new oil and gas wells and another 250 to 500 permits for the recompletion of existing wells. The COGCC oil and gas location assessment (OGLA) staff, process approximately 2,500 to 3,000 locations for well pads and tank batteries. The staff reviews Applications for Permits to Drill (APDs) including the well locations (surface and bottom hole), setback requirements (buildings, roads, utilities, etc.), spacing units, assigned acreage and lease boundaries, objective formations (split mineral ownership), surface and mineral ownership (split estate), consultation requirements (surface owner, local government designee, and CDPHE), and surface use agreements and bonding (surface and plugging). The staff also reviews requests for change of location, confidential status, completed interval reports and change of operator forms. They also coordinate with the engineering group for re-entry, deepening, and complete APDs, plug-back procedures and sidetrack APDs, hydrogen sulfide drilling operations plans, drilling mud disposal methods, special pit requirements for drilling salt sections, use of salt-mud, or the use of oil-based mud. Mr. Fischer noted that the county is typically the governing agency. Permitting staff also review bottom hole change. Down-hole material is confidential for six months. The completed interval reports show that operators are completing in the proper formation. Change of operator occurs if an operator sells its assets.

Ms. Spray presented the following information. The Oil and Gas Assessment Staff is broken into state regions. A slide with this

information was presented. The primary functions of this staff include ensuring compliance with COGCC rules that relate to permitting and reporting of oil and gas location, reviewing Form 2A (Oil and Gas Location Assessment forms) and Comprehensive Development Plans (CDPs), evaluating each location's potential to impact public health, safety and welfare, including the environment and wildlife resources. They develop site-specific COAs to minimize and mitigate potential impacts, attend pre-drill onsite field inspections with operator, other government agencies and other stakeholders, work with operators and other stakeholders to minimize cumulative impacts from oil and gas operations by optimizing the use of space at locations and requiring the mitigation of unavoidable impacts. They coordinate consultations with operators, Colorado Division of Wildlife (CDOW), CDPHE, local governments, surface owners, and other stakeholders on Form 2A-related matters. The staff recommends studies to COGCC's environmental group to promote development of processes for the OGLA group. OGLA extends to batteries, pads, expansions, and changes.

Mr. Weems has worked with Division of Wildlife on issues including site specific conditions. The staff will also field verify, for example, move a drilling operation out of a drainage area. Mr. Fischer urged any involved parties to call the representatives for any permitting matters. The web site is also very useful. Commissioner Shriver asked if studies were done prior to the drilling. Mr. Fischer said they are done in conjunction with permitting process.

Mark Weems, petroleum engineer, has been stationed in Durango for over 25 years and is connected to the area. He presented the Engineering Staff functions slide. A map of the state regions was presented with the representative's names. The engineering staff reviews the casing and cement design for the following submittals: applications for permit to drill (APDs), drilling completion reports, and plugging and abandonment reports. The review focuses on ensuring that down hole fluids are either produced in accordance with COGCC's rules or confined to the reservoir in which they originally occurred. A slide of the casing and cement design (conductor, surface and production) was presented. Mr. Weems reviewed the design of the well and geologic system along with ground waters. They want to protect shallow water aquifers. After approval, the application is turned over to permitting department. A sample APD was presented along with cement bond logs and the Division of Water Resources water well data and permit information. The drilling process is seen through from start to finish and they see that the well is properly closed. The staff also reviews procedures for workover operations, casing repairs, and remedial cement operations. They monitor compliance with MIT requirements for wells that are shut-in or temporarily abandoned and administer the orphan Plugging and Well Reclamation (PAWR) fund, and provide field management of PAWR projects.

Mr. Weems stated that rock formations have fluid - liquid or gas - and the fluids remain in zone and do not contaminate other zones. If fluids do move, the zones are isolated to protect the water. He presented a picture of a closed loop site near Durango and discussed casing and cement design. Wells are drilled below the fresh water resource. Cement is poured down the sides to protect the water and support the well. He continued with slides showing depth and bottom going beyond the resource zones. Hydrogen sulfide is toxic and poisonous and if it is found they

take precautions for the employees and public. Mr. Weems also noted that they do not want salt contaminating any fluids so casing is run through salt sections. 'Drilling mud' is the removed cuttings from drilling the well. A drill bit is screwed in to the pipe and water pressure forces the pieces out. The solid pieces and the mud are separated. Some formations are sensitive to water so an oil-based mud is used. He noted this procedure is not used very often. The application also addresses how mud will be distributed. The mud is tilled in to the ground and the microbes work in the ground and can change the mud into a fertilizer. The casing telescopes down with the largest part of the hole on the outside. Cement is used to seal and isolate the zones as the drilling is done. The Colorado Department of Water Resources a partner with the engineering staff. Mr. Weems noted that the Division of Water Resources has a detailed database with well permit information. The surface casing will go deeper than the deepest water well. Engineers also deal with reviewing procedures, dealing with leaks or perforations. Plugs are placed to seal off the well in the event of a pressure leak to keep elements static (not moving) in the well.

A slide with Field Inspection Statistics was presented. The COGCC annually inspects 10,000 to 14,000 oil and gas locations, including wells and tank batteries. Field inspectors ensure that well operators are complying with COGCC regulations and permit conditions, respond to complaints received from surface owners and other members of the public, and monitor the progress of interim and final reclamation. The staff performs field inspections which include complaints (housekeeping, odor, noise, dust, spills, etc); drilling operations (noise, lighting, secondary containment); cementing operations; completion operations (bradenhead monitoring and green completions); and routine producing wells or idle wells. Inspections also include bradenhead tests, mechanical integrity tests, environmental spill response and referral to COGCC's environmental group, storm water and wildlife BMP's and interim and final surface reclamation.

Inspectors also respond to complaints and are involved in the drilling process. The drilling is done 24 hours/day. The mud acts as a retaining wall so it must be kept moving. Mechanical failures do happen and inspectors must be on site to deal with such happenings. Bradenhead access is an area that the inspector can watch as a monitoring site for what is happening in the well. Engineering staff administers the PAWF fund and should the operator default. Field staff also spends time on site checking for compliance and perform tests for mechanical integrity, wildlife management practices, etc.

Ms. Spray spoke about the areas of supervision and the Rule 324A addressing pollution. A complaint from a citizen is their top priority. Rule 324Aa states: "The operator shall take precautions to prevent significant adverse environmental impact to air, water, soil or biological resources to the extent necessary to protect public health, safety and welfare, including the environment and wildlife resources...". Rule 324Ab. states "No operator, in the conduct of oil and gas operations, shall perform any act or practice which shall constitute a violation of water quality standards or classifications established by the Water Quality Control Commission for waters of the state...". The functions of the environmental staff are to respond to complaints (spills and alleged water well impacts), review Spill/Release Reports, review site investigation and

remediation work plans, perform infestations in response to releases, and conduct enforcement. They also review applications for Earthen Pit Permits, plans for closure of earthen pits, applications for non-commercial centralized waste management facilities, conduct baseline water quality studies and conduct hydro-geological studies. The operators should bear the burden of the cost of the studies but the COGCC will step in when necessary.

The COGCC coordinates with many agencies including CDPHE (water quality control division), CDOW, BLM, USFS, USFWS, County health department and EPA region VIII. Ms. Spray noted a variety of ways to settle a dispute through enforcement. They annually issue 250 to 500 Notices of alleged Violation (NOAVs) to operators for alleged violations of regulatory or permit requirements. Many NOAVs require corrective or remedial actions, and COGCC's hearing group seeks monetary penalties for significant violations through settlement decrees or administrative order. Ms. Spray stated that there is no paperwork for drilling at this point in Rio Grande County. Rule 305 provides for notice to Local Government Designees (LDGs) for Form 2 (Application for permit to Drill) and Form 2A (Oil and Gas Location Assessment). Comments are accepted for 20 days (10 day extension possible with written request). Rule 306 states the LGDs may request consultations with COGCC staff and operators to discuss location of proposed facilities and any concerns regarding public health, safety, welfare, or impacts to the environment. When the State receives the application, Rose Vanderpool, county designee, will receive copies of all paperwork. Ms. Spray presented the slide showing that Rose Vanderpool has already applied for and received the LGD. La Platta County is a good resource having dealt with this in the past. Documents are sent electronically to the designee. Permits are posted on the website the same day they are received at www.colorado.gov/cogcc. Anyone in the public can access any permit. Ms. Spray encouraged communication and noted that the staff does read the online comments.

The COGCC can be contacted at 303-894-2100 (Denver office). The following regional contact information was given:

Permitting: Julie Vigil - 303-894-2100 x5172
Location Assessment (OGLA): Dave Kubeczko - 970-625-2497 x5
Engineering: Mark Weems - 970-259-4587
Environmental: Karen Spray - 970-259-1619
Inspections: Leslie Melton - 970-375-6419
Statewide Complaint Line: 888-235-1101

Mr. Weems referred to the permit and noted that 'DA' stands for dry/abandoned which means there were no hydrocarbons of commercial quantity found; 'AL' stands for abandoned location; 'PA' is plugged abandoned. Rules 305 and 306 are notifications to stakeholders and he encouraged residents to review them as well. Mr. Weems has visited the proposed site with the Forest Service but there is not an active application yet. The Statewide complaint line should be used for immediate service. Ms. Spray spoke with the operator once but nothing has been filed and noted that many departments will be involved. The landowners are often notified by the operator before the State is involved. Commissioner Shriver asked for the average timeframe for the permitting process. Ms. Spray said 30 to 45 days. The Western Slope timeframe is longer taking 45 to 60 days. Commissioner Shriver asked if elements were anticipated, such as salt, etc, and what would happen if they are found. Mr.

Weems said if for example hydro gas is found, the mud pressure is increased to keep the gas contained in its zone. Very rarely is there a blowout. If there is a blowout the local emergency authorities and the State office are notified. Ms. Spray said the well is normally closed.

Craig Cotten, Division III Engineer for the Division of Water Resources, noted that his office is concerned with stream flows and water well resources. The Division deals with water quantity not necessarily quality. The Department of Health and EPA generally deal with quality. Not until recently has the Division been involved with oil and gas. Legislation says they should be involved if the wells produce water, more specifically the gas from the well. If a well will produce water as a byproduct and is tributary to a surface stream or aquifer that is over appropriated then they are involved to be sure the tributaries are not harmed. In most cases in the Valley there will be tributary ground water. If wells in the Valley do produce water there are permitting requirements that the water has to be replaced to the system. There cannot be any more water taken out of the system than has been allocated. It must be replaced since the Valley is over appropriated. Water is necessary for the drilling mud. This water must be acquired legally such as changing use from agriculture for example. Water produced has to follow a system to replace the water similar to an augmentation plan or substitution plan. There can be no more demand on the aquifer than prior to the drilling. The Division can make recommendations as to how far to cement the well.

Allen Davey, Davis Engineering, said his area of expertise is water resources in the Valley. He discussed hydrogeology in this part of the Valley and feels there is good justification for concern of the water. When the San Francisco Creek test well was drilled it continued to flow so there is an aquifer in that area. Mr. Davey said the casing was only poured 1,000 feet. Mr. Weems said it was not determined to be a productive well and was plugged. The Conejos rock formation extends from the surface down 3,000 to 4,000 feet. Per the study Mr. Davey found that water entered through the fractured surfaces and fed the confined aquifer. There are high flowing wells at 2,000 feet in this area. He believes 100,000 acre feet of water flows into the Valley from the surrounding foothills into the deeper aquifer system. Wells should be cased and cemented to the bottom of the Conejos formation (3,000 to 4,000 feet). The same formation is in the Baca area and is not unlike what the Division of Wildlife found there in their studies. Mr. Davey recommended protecting the Conejos formation. He gave example of a well breaking through the volcanic rock and water immediately flowing and having to start the mud process. This could be a problem if proper technology is not followed. Mr. Weems said some wells are 300 to 600 feet deep in the San Francisco Creek area. There is also some fractured volcanic in the Pinos Creek area. The faults extend to the Saguache area and feed some springs around the Valley. Mr. Davey said he is willing to share resources. Mr. Weems thanked Mr. Davey for his information and willingness to share and plans to work together. He recalled that 5,800 feet was the depth of the San Francisco Creek well but Mr. Davey did not know at what level water flowed. Dale Wiescamp noted that Owen Scherzer was involved in the water diversion process from that test well and should he should be a resource. Ms. Spray said she is in contact with Mr. Scherzer.

Chairman Murphy officially closed the hearing and invited the audience to ask questions of each panelist. Cris Canaly, SLV Ecosystem Council, asked to provide written information to the Board in consideration of the 1 to 3 mile radius. Chairman Murphy accepted the documents.

Mike Trujillo, representing Hughes Oil Company, asked the Commission if the County could make regulations in contradiction to the State rules. Ms. Spray said the State has to abide by Federal rules and the State has rules for its own administration. There is not a State rule for the 1 mile radius baseline water testing. She explained the State rules will be enforced but they will not write rules against a county. This is not a 'coal bed methane well' so there are no water rules for distance testing. Mr. Dunn asked about terms like 'operational conflicts' and at what point would the County be interfering. Ms. Spray said this is not a 'coal bed methane well' so there is not a one mile or three mile rule. It would be taken on a permit by permit basis. The state may defer to the County rules or the operator may agree and do so voluntarily. The drilling company has submitted the well tests to the State and complied voluntarily. The State does not intentionally go in to pre-empt what the County is doing. Mr. Dunn asked about hydro-fracking and worsening the situation. The hydro-fracking would occur in the target APY zone. She would have to look at the logs before speculating. Mr. Weems said in this area it would be have to be a case by case review. Because of the separation between sandstone and volcanic rock, the frack zone properties would be maintained. If they were tied into fresh water they would look at a similar model in La Platta County. They are not looking at producing oil and gas from the Conejos formation. There are ways to determine if the frack is staying in zone. The operations between the County and State are done daily. There is an Assistant Attorney General that can assist with further legal questions.

One audience member asked if the State would assist with baseline water testing and that the entire lab testing is provided to the State office and that a certified hydrologist and geologist review and provide a chain of handling so they know it was handled properly. She asked if the baseline testing was being done properly and that they talk with people in the community about who is doing the testing. Ms. Spray provided the information for the baseline testing within the one mile radius and chain of custody was discussed. Ms. Spray said there is no such thing as a 'certified hydrologist' in Colorado. The County rules required testing be provided to the State. Ms. Spray stated that she is a professional geologist. The gloves are worn to protect the tester - not the water sample. Ms. Spray feels the chain of custody was followed per the information provided. She said the COGCC will do the testing if the citizens so request. This request does become a matter of public record. She asked that the landowners coordinate together to make the best use of State time and money for the testing.

John Bricker asked about water flowing within the fractured rock and if it always flows down and what happens at the River. Mr. Davey said water flows down gradient unless it reaches a pressure point but he has not studied this in the San Francisco Creek area.

Sean Burd said the Dan A Hughes Company will be using a closed steel tank. He asked Mr. Weems for the benefits of a closed loop system. Mr. Weems said it is most useful for surface protection

because it will separate the fluids and recycle the water. Another resident, Susan ?, voiced concern about which State inspectors would be present during the drilling and how an accident mitigated. Ms. Spray said the field inspector has to be notified within 48 hours of drilling and since this is a high profile case she feels the residents will be calling the office as well. Mr. Weems said the probability that a gas leak will happen is very rare. He is only aware of one instance in the 1970s in Texas where 9 people died; there will be accidents with anything that comes from living in this world. A risk analysis is done in every area. Jim Keen lives right next to the proposed site and he appreciates the safety measures and asked for an actual number of contamination cases. Ms. Spray said they do not have that figure but could obtain it from their director. Mr. Weems said there were about 15 instances that he could recall noting that 4,000 wells are drilled. Most of the problems come from wells drilled many years ago but measures are taken to remedy the problem. Ms. Spray said she could think of three instances in four years, one of which was from a pit that was unlined. Ms. Susan ? said accidents happened and the drillers don't intend to contaminate a well but accidents happen. People want to know that they are safe.

Terri Hansen spoke about holding the oil and gas companies accountable. The companies need to be held to the same standards as the citizens. If the wells are contaminated, how are they fixed. The people and families are affected but the oil and gas industry does not care about the people. She said she has seen the destruction of Garfield County.

Ms. Canaly read the following prepared letter to the Board.

Rio Grande County Commissioners Hearing, January 26th, 2011 1:30 PM
925 6th St., #207
Del Norte, CO 81132

To the Honorable Rio Grande County Commissioners;

It is our understanding that the purpose of this hearing is to consider the Planning Commission's recommendation to amend the Oil and Gas Regulations specifically Section 6.1.21.2 which will consider changing baseline water quality analysis from the **one-mile** radius regulation to a **three-mile** radius from a drill site/facility.

We are asking you, Rio Grande County Commissioners, to reconcile two sections of the Rio Grande County Regulations. This reconciliation does not conflict with existing Colorado Oil and Gas Conservation Commission Regulations.

"6.1.21.2. Description of existing water quality. A description of existing water quality based upon a **current baseline water quality analysis** of all water bodies and wells that lay within one (1) mile radius the parcel, down and side gradient."

We are asking for reconciliation with the following regulation below.

"8.8.1.2. Water wells. The Oil and Gas Operation shall not cause degradation in the water quality or water pressure of any public or private water wells within three (3) miles of the site." **The best way for the County to enforce it's own regulations is to mandate that the Oil and Gas Operator do a baseline Water Quality analysis within a three-mile radius so the data is on record to prove that a degradation of water quality has/has not taken place. The County is merely protecting itself and it's citizens.** It is imperative that the Rio Grande County Regulations work in tandem and reinforce the State of Colorado Oil and Gas Conservation Commission Regulations. In fact, County Regs can be "No less Restrictive" than state regulations. In other words, State Regulations set the standard and the County is mandated to maintain that standard and cannot by law, **regulate a lower standard.** As long as the Rio Grande County Regulations do not "materially impede the extraction of the resource", in other words, not impact the operations of extracting the resource, then Counties in the State of Colorado hold the right to be able to make Oil and Gas Regulations "more restrictive" than the State's regulations.

In the La Plata County Oil and Gas Regulations, it defines the following:

"Sec. 90-126. Operational conflicts special exception.

(a) Special exceptions to this division may be granted where the actual application of requirements of this division conflicts in operation with the requirements of the Oil and Gas Conservation Act or implementing regulations. All applications where a special exception due to operational conflicts is requested shall be processed as a major facility and heard in a noticed public hearing by the board of county commissioners acting in a quasi-judicial capacity. The applicant shall have the burden of pleading and proving an actual, material, irreconcilable operational conflict between the requirements of this division and those of the COGCC in the context of a specific application.

(b)

For purposes of this section, an operational conflict exists where actual application of a county condition of approval or regulation conflicts in operation with the state statutory or regulatory scheme, and such conflict would materially impede or destroy the COGCC's goals of fostering the responsible, balanced development and production and utilization of the natural resources of oil and gas in the State of Colorado in a manner consistent with protection of public health, safety, and welfare, including protection of the environment and wildlife resources. Additional county requirements in areas regulated by the COGCC, which fall within county land use powers and which are necessary to protect the public health, safety and welfare under the facts of the specific application presented, and which do not impose unreasonable burdens on the applicant and which do not materially impede the state's goals, shall be presumed not to present an operational conflict.

If the board of county commissioners finds, based upon competent evidence in the record, that compliance with the requirements of this division shall result in an operational conflict with the state statutory and regulatory scheme, a special exception to this division may be granted, in whole or in part, but only to the extent necessary to remedy the operational conflict. The board of county commissioners may condition the approval of a special exception as necessary to protect the public health, safety and welfare by mitigating any adverse impacts arising from the grant of approval. Any such condition shall be designed and enforced so that the condition itself does not conflict with the requirements of the COGCC."

The second issue has to do with water management and water supply.

The Colorado Oil and Gas Conservation Commission has promulgated Oil and Gas regulations and is responsible for the entire State of Colorado. These regs. were not based on the site specific needs of the San Luis Valley, though COGCC takes that under consideration. In 1998, Colorado House Bill 98-1011 was passed requesting that, due to insufficient knowledge, a confined aquifer study be conducted in the San Luis Valley: *"Concerning the replacement of depletions from new withdrawals of groundwater division 3 that will affect the rate or direction of movement of groundwater in the confined aquifer, and, in connection therewith, authorizing the State Engineer to promulgate rules that optimize the use of the groundwater and provide alternative methods to prevent injury"*. In section (3) (a), the Water and Irrigation Act states that: *"The hydrologic system in water division 3 and, in particular, the hydrology and geology of the shallow aquifer and confined aquifer systems and their relationship to surface streams in water division 3 are unique and are among the most complex in the state....there is currently insufficient comprehensive data and knowledge of the relationship between the surface streams and the confined aquifer system to permit a full understanding of the effect of groundwater withdrawals, affecting the confined aquifer upon the natural stream and aquifer systems in water division 3....(b)1..[rules promulgated by the State Engineer]shall be based upon specific study of the confined aquifer system and shall be promulgated prior to July 1, 2001...the State Engineer and the Colorado Water Conservation Board shall proceed with diligence to complete needed studies"*. This act is important for two reasons: 1) It underscores the complex and poorly understood nature of the regions hydrogeology, even of the relatively shallow unconfined and confined aquifers and; 2) It addresses the need for further studies in order to better understand and inform water-related policy. ***San Francisco Creek represents a significant recharge area and is a tributary to the Rio Grande. Special steps need to be taken to protect the groundwater and surface water of this area. Under these stated conditions, asking for a 3-mile radius of baseline testing data from the Operators is an appropriate request. It is within the Counties purview to require this testing on behalf of public health and safety.***

This isn't just a water quality but water quantity issue. Please review the January 25, 2011 article regarding "Oil Shale development in Colorado could use as much as 120,000 Acre-feet of water by 2050." This is from the Colorado's Statewide Water Supply Initiative (SWSI) Report.

"Somewhat lost in the report's stunning finding is that Colorado may need as much as 1 million-acre-feet more water in 40 years than it does now were the predictions that the development of an oil shale industry could boost water demand by up to 120,000 acre-feet on the western slope."

The article goes on to say that "The SWSI Report from this month predicted that a developed shale industry could add 120,000 to the 630,000 acre-feet by which the state may exceed its allotted water supply in 2050."

“A Government Accountability Office study from November 2010 also raises concerns over affects of Oil shale extraction on the quality of water.”

The County needs to be aware that the state faces some tough challenges and decisions regarding future water supply to develop oil and gas resources.

In conclusion, I will resubmit the baseline testing that was requested by US Fish and Wildlife Service on the Baca National Wildlife Refuge to prepare for Lexam’s exploratory drilling. According to the memo, they are requesting water quality monitoring wells and testing outside a one-mile area.

Also, I have included Dr. Theo Colburn, Director of the Endocrine Disruption Exchange, analysis of a set of Material Safety Data Sheets (MSDSs) for products proposed by LEXAM Corporation for use to drill natural gas wells in the Baca National Wildlife Refuge, Saguache County, Colorado. We submit this information as a good baseline of information for chemicals that Rio Grande County may also be dealing with.

Thanks for your time and consideration.

Sincerely,

Christine Canaly

Director

San Luis Valley Ecosystem Council

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537 Main St.

Alamosa, CO 81101

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info@slvec.org

Pam Bricker asked how much water was needed to drill a well. Ms. Spray said it depends on the type of well and type of rock being drilling through. Mr. Weems said he would have to sit down and figure the amount. Mr. Cotten said 1 million to 7 million gallons would be 3 to 25 acre feet of water. Irrigation water could be purchased and the parcel dried up so water could be transferred to the well drilling.

Chairman Murphy thanked everyone for attending. A decision will be rendered at 9:00 a.m. Wednesday, February 2, 2011.

At 4:00 p.m. the meeting was adjourned.

Attest:

Dennis Murphy, Jr.
Chairman of the Board

Lyla Davis
Clerk of the Board