

CALL TO ORDER

Mayor Gutierrez called the regular meeting of the Loveland City Council to order on the above date at 6:30 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL

Roll was called and the following responded: Gutierrez, Farley, Klassen, Trenary, McKean, Shaffer, Fogle, Taylor and Clark.

PROCEDURAL INFORMATION

Mayor Gutierrez made the following procedural announcement: Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. You will be given an opportunity to speak to the item before the Council acts upon it. Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items. Anyone making a comment during any portion of tonight's meeting should come forward to a microphone and identify yourself before being recognized by the Mayor. Please do not interrupt other speakers. Side conversations should be moved outside the Council Chambers. Please limit your comments to no more than three minutes.

CONSENT AGENDA

Mayor Gutierrez asked if anyone in the audience, Council or staff wished to remove any of the items or public hearings listed on the Consent Agenda. Councilor Farley asked for Item 6 to be removed from the Consent Agenda. Councilor Shaffer moved to approve the Consent Agenda, with the exception of item 6. The motion was seconded by Councilor Trenary and a roll call vote was taken with all councilors present voting in favor thereof.

1. CITY MANAGER

**Approval of Council Minutes
Motion**

Administrative Action: The minutes from the February 12, 2013 study session and the February 19, 2013 regular meeting were approved.

2. CITY MANAGER

PUBLIC HEARING

Amendment to Municipal Code Pertaining to Senior Advisory Board

Ordinance #5747

Legislative Action: A Public hearing was held and "AN ORDINANCE AMENDING SECTION 2.60.240 OF THE LOVELAND MUNICIPAL CODE PERTAINING TO THE SENIOR ADVISORY BOARD" was approved and ordered published on second reading.

3. FINANCE

PUBLIC HEARING

Supplemental Budget And Appropriation-Fleet And Police Funds

Ordinance # 5748

Administrative Action: A Public Hearing was held and "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2012 CITY OF LOVELAND BUDGET FOR EXPENSES RELATED TO THE COST OF FUEL AND PARTS FOR THE OPERATION OF THE CITY FLEET AND FOR POLICE OVERTIME

EXPENSES FOR SPECIAL INVESTIGATIONS" was approved and ordered published on second reading.

4. DEVELOPMENT SERVICES

Vacating Portion Of Drainage Easements-Buck 4th Subdivision Ordinance #5749

Legislative Action: A Public Hearing was held and a motion making the findings in Section V of the Staff memorandum dated February 19, 2013 was approved and "AN ORDINANCE AUTHORIZING THE CONVEYANCE OF REAL PROPERTY LOCATED IN LOTS 1 AND 2, BLOCK 1 AND TRACT C, BUCK FOURTH SUBDIVISION, CITY OF LOVELAND, LARIMER COUNTY, COLORADO D" was approved and ordered published on second reading.

5. DEVELOPMENT SERVICES

Vacating Portion Of Drainage Easements- Mineral First Subdivision Ordinance #5750

Legislative Action: A Public Hearing was held and a motion making the findings in Section V of the Staff memorandum dated February 19, 2013 was approved and "AN ORDINANCE VACATING A PORTION OF DRAINAGE EASEMENTS ON LOTS 5 AND 6, BLOCK 1, MINERAL FIRST SUBDIVISION, CITY OF LOVELAND" was approved and ordered published on second reading.

6. PUBLIC WORKS

Sale of City Property

This Item was removed from the Consent Agenda and will be considered on the Regular Agenda.

7. PARKS & RECREATION

IGA with Thompson School District R2-J For Joint Use Facilities

Resolution #R-19-2013

Administrative Action: Resolution #R-19-2013, approving an Intergovernmental Agreement between the City of Loveland and Thompson School District R2-J concerning joint use of facilities was approved.

RESOLUTION # R-19-2013

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LOVELAND AND THOMPSON SCHOOL DISTRICT R2-J FOR JOINT USE OF FACILITIES

WHEREAS, the City of Loveland and Thompson School District R2-J (collectively, the "Parties") are political subdivisions of the State of Colorado duly organized and existing in accordance with Colorado law; and

WHEREAS, Section 29-1-203 of the Colorado Revised Statutes authorizes intergovernmental agreements between and among political subdivisions of the State of Colorado to cooperate or contract with one another to provide functions, services or facilities lawfully authorized to each; and

WHEREAS, the Parties agree that cooperation and coordination with each other can result in better fiscal and physical management of the Parties' respective facilities; and

WHEREAS, the Parties have a history of mutually beneficial reciprocal facility use and recognize that as governmental entities serving a majority of the same public, it is prudent to work together for mutual gain; and

WHEREAS, the Parties seek to replace and update the current Intergovernmental Agreement Concerning Joint Use of Facilities dated February 4, 1998 (the "Original Agreement"), by entering into the Intergovernmental Agreement Concerning Joint Use of Facilities attached hereto as Exhibit "A" and incorporated herein by reference (the "2013 Agreement"); and

WHEREAS, the City Council finds that it is in the best interest of its citizens to enter into and participate in the 2013 Agreement.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO AS FOLLOWS, that:

Section 1. The 2013 Agreement is hereby approved and the Original Agreement is replaced and superseded by the 2013 Agreement.

Section 2. The City Manager is hereby authorized and directed to enter into the 2013 Agreement, subject to such modifications in form or substance as the City Manager, in consultation with the City Attorney, may deem necessary to effectuate the purposes of this resolution or to protect the interests of the City.

Section 3. That this Resolution shall go into effect as of the date and time of its adoption.

ADOPTED day of March, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

Teresa G Andrews, City Clerk

Exhibit Available in the City Clerk's Office

8. DEVELOPMENT SERVICES

WAIVER OF FEES – CONSTRUCTION BY LOVELAND HABITAT FOR HUMANITY

Resolution #R-20-2013

Administrative Action: Resolution #R-20-2013 waiving certain development fees for the construction of eight residences by Loveland Habitat for Humanity was approved.

RESOLUTION #R-20-2013

A RESOLUTION WAIVING CERTAIN DEVELOPMENT FEES FOR CONSTRUCTION OF EIGHT RESIDENCES BY LOVELAND HABITAT FOR HUMANITY

WHEREAS, Loveland Habitat for Humanity, Inc., a Colorado nonprofit corporation ("Habitat") has requested that the City waive certain City-imposed development fees, including capital expansion and enterprise fees, for eight residences that it will construct in 2013 in Loveland, Colorado, including 7 residences located in Koldeway Industrial 3rd Subdivision at 1726, 1750, 1802, and 1886 9th Street, 873 Libra Court, 904 N. Boise Avenue, and 1916 E. 11th Street; and 1 residence located in Wards 3rd Subdivision at 1232 Raven Place, (collectively, the "Residences"); and

WHEREAS, Loveland Municipal Code Section 16.38.075 provides that the City Council may by resolution grant an exemption from all or part of the capital expansion fees or any other fees imposed upon new development upon a finding, set forth in a development agreement, that the project for which the fees would otherwise be imposed will provide not-for-profit facilities open to Loveland area residents that might otherwise be provided by the City at taxpayer expense, that such facilities relieve the pressures of growth on City-provided facilities, and that such facilities do not create growth or growth impacts; and

WHEREAS, Habitat is willing and able to enter into one or more development agreements with the City pursuant to which Habitat will agree to construct the Residences for the benefit of low and moderate income Loveland households.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the City Council finds that the waiver of the development fees, capital expansion fees, and enterprise fees which results from the adoption of this Resolution will provide not-for-profit facilities open to Loveland area residents that might otherwise be provided by the City at taxpayer expense, that such facilities relieve the pressures of growth on City-provided facilities, and that such facilities do not create growth or growth impacts.

Section 2. That capital expansion fees in a total amount not to exceed \$100,232.56 payable for the construction of the Residences are hereby waived for the purpose described above.

Section 3. That as provided in Loveland Municipal Code Section 16.38.075, when a capital related fee is waived as set forth in Section 2, there shall be no reimbursement to the capital expansion fund by the general fund or any other fund.

Section 4. That development fees, including, but not limited to, all building permit fees, plan review fees, and any and all other fees, due and payable for construction of the Residences between permit application and final certificate of occupancy (but not including capital expansion fees, enterprise fees such as system impact fees, raw water fees, tap fees or other enterprise fees) in a total amount not to exceed \$20,564.00 are hereby waived for the purpose described above.

Section 5. That enterprise fees, including system impact fees, raw water fees, tap fees, or any other enterprise fees, payable for construction of the Residences in a total amount not to exceed \$65,000.00 are hereby waived for the purpose described above.

Section 6. That the amount of the waived enterprise fees, in an amount not to exceed \$65,000.00 as set forth in Section 5 hereof, shall be paid by the City into the City's enterprise funds from the general fund of the City, and that such funds have been appropriated in the City's 2013 budget. It is anticipated that the enterprise fees due for the Residences will exceed the \$65,000.00 waived hereunder and the remaining balance of enterprise funds due shall be paid by Habitat.

Section 7. That the waiver of the fees described in Sections 2, 4, and 5 hereof shall be conditioned upon the City, through its City Manager, and Habitat entering into one or more development agreements, which development agreements shall provide for the waiver of said fees in exchange for the construction of the Residences, as well as such other conditions as the City Manager shall deem necessary.

Section 8. That this Resolution shall be effective as of the date of its adoption.

ADOPTED this 5th day of March 2013.

Cecil Gutierrez, Mayor

ATTEST:

Teresa G. Andrews, City Clerk

9. PARKS & RECREATION

PUBLIC HEARING

IGA WITH COLORADO PARKS & WILDLIFE – "FISHING IS FUN" GRANT

1. Resolution #R-21-2013 Administrative Actions: Resolution #R-21-2013, approving an Intergovernmental Agreement between the City of Loveland and the State of Colorado Division of Parks and Wildlife to accept a "Fishing is Fun" grant for enhancements to the River's Edge Natural Area, was approved.

RESOLUTION # R-21-2013

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LOVELAND AND THE STATE OF COLORADO DIVISION OF PARKS AND WILDLIFE TO ACCEPT A "FISHING IS FUN" GRANT FOR ENHANCEMENTS TO THE RIVER'S EDGE NATURAL AREA

WHEREAS, the City of Loveland (the "City") is a home rule municipality organized and existing in accordance with Colorado law; and

WHEREAS, the Division of Parks and Wildlife is a division of the Department of Natural Resources of the State of Colorado ("DPW"); and

WHEREAS, Section 29-1-203(1) of the Colorado Revised Statutes authorizes intergovernmental agreements between the City and DPW to cooperate or contract with one another to provide any function or service lawfully authorized to each; and

WHEREAS, DPW, as part of its Fishing is Fun in Colorado program, distributes grant funds provided by the U.S. Department of Interior's Fish and Wildlife Service to qualified entities for the purpose of improving fisheries and otherwise increasing recreational fishing opportunities; and

WHEREAS, the City has applied for and has been offered a grant of ninety thousand dollars (\$90,000.00) on a reimbursable match basis where the City will match the grant with one hundred thirty six thousand three hundred sixty dollars (\$136,360.00); and

WHEREAS, the City will use such grant funds to enhance the River's Edge Natural Area including the development of trails to provide access to the shoreline, bank stabilization, an ADA accessible fishing dock, and a belly boat ramp as identified in the proposed subgrant agreement attached hereto as Exhibit "A" and incorporated herein by reference (the "Subgrant Agreement"); and

WHEREAS, City Council finds that it is in the best interest of the citizens of the City to approve and enter into the Subgrant Agreement.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO AS FOLLOWS, that:

Section 1. The Subgrant Agreement is hereby approved.

Section 2. The City Manager is hereby authorized and directed to enter into the Subgrant Agreement, subject to such modifications in form or substance as the City Manager, in consultation with the City Attorney, may deem necessary to effectuate the purposes of this resolution or to protect the interests of the City.

Section 3. That this Resolution shall go into effect as of the date and time of its adoption.

ADOPTED 5th day of March, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

Teresa G. Andrews, City Clerk

Exhibit Available in the City Clerk's Office

2. 1st Rdg Ord. and P.H.

A Public Hearing was held and "AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2013 CITY OF LOVELAND BUDGET FOR A FEDERAL GRANT FROM THE UNITED STATES FISH AND WILDLIFE SERVICE FOR CONSTRUCTION OF CERTAIN COMPONENTS OF THE RIVER'S EDGE NATURAL AREA DEVELOPMENT PROJECT" was approved and ordered published on first reading.

10. CITY MANAGER

REPORT OF THE CITY COUNCIL'S ANNUAL GOAL-SETTING SESSION

Motion

Administrative Action: a motion accepting and approving the Report of the City Council's Annual Goal-Setting Session. was approved.

11. CITY MANAGER

AMENDMENT OF THE HANDBOOK FOR BOARDS AND COMMISSIONS

Resolution #R-22-2013

Administrative Action: Resolution #R-22-2013 amending the City of Loveland Handbook for Boards and Commissions was approved.

RESOLUTION #R-22-2013

A RESOLUTION AMENDING THE CITY OF LOVELAND HANDBOOK FOR BOARDS AND COMMISSIONS

WHEREAS, Section 2.60.010 of the Loveland Municipal Code authorizes the City Council to adopt a Handbook for Boards and Commissions to guide the City of Loveland's advisory boards and commissions regarding policy and procedures; and

WHEREAS, the City Council desires to amend the previously-adopted Handbook for Boards and Commissions.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the Handbook for Boards and Commissions (revised June 2008) is hereby repealed and replaced by the Handbook for Boards and Commissions (revised March 2013), a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

Section 2. That this Resolution shall take effect as of the date of its adoption.

ADOPTED this 5th day of March, 2013.

Cecil A. Gutierrez, Mayor

ATTEST:

Teresa G. Andrews, City Clerk

Exhibit Available in the City Clerk's Office

12. HUMAN RESOURCES

SCHEDULED CHANGE OF MEETING DATES – FIRE RETIREMENT PLAN BOARD

Resolution #R-23-2013

Administrative Action: Resolution #R-23-2013, amending the scheduled meeting dates of the City of Loveland Fire Retirement Plan Board, was approved.

RESOLUTION #R-23-2013

A RESOLUTION AMENDING THE SCHEDULED MEETING DATES OF THE CITY OF LOVELAND FIRE RETIREMENT PLAN BOARD

WHEREAS, on December 18, 2012, City Council adopted Resolution #R-87-2012 setting forth the 2013 meeting dates for the City's boards and commissions, including the City of Loveland Fire Retirement Plan Board (the "Board"); and

WHEREAS, the Board meeting dates are currently set on the third Friday of January, April, July and October at 10:00 a.m., in the Administrative Conference Room, 2nd Floor, Fire Administration Building, 410 East Fifth Street, Loveland, Colorado (the "Original Meeting Dates"); and

WHEREAS, in order to timely review the quarterly and annual statements for the Fire Retirement Plan, the Board at a special meeting on February 7, 2013, unanimously approved a motion to recommend that City Council change the Board meeting dates; and

WHEREAS, the Board desires to move the Board's meeting dates to the first Friday of March, June, September and December at 10:00 a.m., in the Administrative Conference Room, 2nd Floor, Fire Administration Building, 410 East Fifth Street, Loveland, Colorado (the "Revised Meeting Dates").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the meeting dates adopted in Resolution #R-87-2012 are hereby amended to change the Board's meeting dates from Original Meeting Dates to the Revised Meeting Dates.

Section 2. That Resolution #R-87-2012, as amended herein and by prior resolutions, shall remain in full force and effect.

Section 3. That pursuant to City Code Section 2.14.020B, the City Clerk is directed to publish the revised meeting dates established by this Resolution within seven days after the date of this Resolution in a newspaper of general circulation in the City and in addition post such notice of revised meeting dates in a conspicuous place in the City Municipal Building.

Section 4. That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this 5th day of March, 2012.

Cecil Gutierrez, Mayor

ATTEST:

Teresa G. Andrews, City Clerk

CITY CLERK READ TITLES OF ORDINANCES ON THE CONSENT AGENDA.

CITY COUNCIL

a) Citizens' Reports None

b) Business from Council

McKean Attended a tour of the American Eagle Distributors

Farley Commended Councilor Shaffer on the panel she served on at the Artist's Collective forum with City Employees: Marcie Erion and Suzanne Janssen and Artspace advocate Felicia Harmon.

Klassen Attended the Larimer County visioning event held at the Ranch. Consensus of Council was to remove 15 and 16 on the Regular Agenda tonight, due to the anticipated length of the meeting. Mayor Gutierrez directed Council to forward any concerns and questions to staff and cc: City Council.

Clark Announced that in 2013 the Corn Roast and the Pro Cycling Tour would work together to make that weekend a combined event. Councilor Fogle moved to add Councilor Clark to the Title 18 Committee. The motion was seconded by Councilor Klassen and a roll call vote was taken with six councilors voting in favor and Councilors Shaffer and Trenary voting against.

Trenary Attended the Big Thompson Watershed Forum. Participated in the first two weekends with one more scheduled for this weekend. City of Loveland Fire personnel, students from local high schools as well as citizen volunteers will be going around the City on three consecutive Saturdays starting February 23, 2013 distributing Carbon monoxide and smoke detectors, as well as checking existing detectors, for the "Leaders Abroad Urging Rights, Equality, and Non-violence" (LAUREN) project".

Shaffer Attended the Unity in the Community held annually in Longmont. Encouraged Downtown business owners and residents to attend the Loveland Downtown Team meetings held on the 1st Tuesday of the month. There was discussion regarding the Sustainability study at the Transportation Advisory Board meeting.

Gutierrez Attended the Emergency Managers of Colorado conference held at the Embassy Suites. Mayor Gutierrez commended Loveland Employee Pat Mialy on all of her hard work for this 3rd annual event.

c) City Manager Report

Cahill Announced the Parks and Recreation Annual Report was completed and available for the City and on the Website.

d) City Attorney Report None

PROCEDURAL INFORMATION

Anyone who wishes to address the Council on any item on this part of the agenda may do so when the Mayor calls for public comment. All public hearings are conducted in accordance with Council Policy. When Council is considering adoption of an ordinance on first reading, Loveland's Charter only requires that a majority of the Council present vote in favor of the ordinance for it to be adopted on first reading. However, when an ordinance is being considered on second or final reading, at least five of the nine members of Council must vote in favor of the ordinance for it to become law.

REGULAR AGENDA

CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

6. PUBLIC WORKS

PUBLIC HEARING

Sale of City Property – 905,915,925,933 and 935 N. Taft Ave

Ordinance #5751

Administrative Action: Facilities Manager, Ken Cooper introduced this item to Council.

This is an administrative action approving the sale of approximately 5.2 acres of City-owned property located at 905, 915, 925, 933 and 935 N. Taft Avenue, which were parcels acquired for the Taft Avenue widening project. Councilor Farley read a letter to Councilor from Kyle Dallabetta, suggesting possible uses, if the City would retain possession of this property. Councilor Shaffer moved to approve on second reading and ordered published on first reading an "ORDINANCE AUTHORIZING THE SALE OF 905,915,925,933 AND 935 TAFT AVE". The motion seconded by Councilor Klassen, carried with seven Councilors present voting in favor, and Councilors Shaffer and Farley voting against.

19. CITY MANAGER

Water Enterprise Funding

Resolution #R-16-2013

Administrative Action: This item was introduced by Utility Accounting Manager, Jim Lees. This resolution provides funding mechanisms for the Water Enterprise through external and internal loans, and a series of rate increases, and an annual transfer of funds from the General Fund to the Water Enterprise. This funding will be used to improve the Water Treatment Plant and undertake a comprehensive water line replacement program. Councilor Shaffer moved to approve Resolution #R-16-2013 on first reading. Councilor Klassen seconded the motion, which carried with five Councilors voting in favor and Councilors Farley, Shaffer, Gutierrez and Trenary voting against.

RESOLUTION #R-16-2013

A RESOLUTION CONCERNING FUNDING FOR THE WATER ENTERPRISE TO IMPROVE THE WATER TREATMENT PLANT AND UNDERTAKE A COMPREHENSIVE WATER LINE REPLACEMENT PROGRAM

WHEREAS, for well over one hundred years, the City of Loveland Water Utility has provided the Loveland community with a safe and reliable source of potable water at some of the lowest rates in the State of Colorado; and

WHEREAS, the Water Utility is now facing significant financial challenges due to escalating regulatory requirements, increasing operation and maintenance costs, aging infrastructure, and water treatment plant capacity limitations; and

WHEREAS, to meet these challenges and provide for the City's future economic growth and development, the Water Utility must improve the water treatment plant and undertake a comprehensive water line replacement program; and

WHEREAS, the City Council desires to secure adequate funding for the Water Utility to meet these project needs through a combination of sources, specifically external borrowing, internal borrowing, General Fund transfer, and water rate increases, designed to equitably distribute the financial impacts between current and future Water Utility customers and the citizens of Loveland who will benefit from the City's future economic growth and development; and

WHEREAS, Section 13-3(b) of the Loveland Municipal Charter provides that loans from one utility account to another shall be allowed with the City Council's approval, but shall require the affirmative vote of a majority of the entire City Council; and

WHEREAS, the Loveland Municipal Charter and Code provide that all utility rates, charges, and fees shall be set by the City Council by resolution adopted upon two readings.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the City Council hereby directs the City Manager to secure for the City Council's future consideration and approval as the Board of the City's Water Utility Enterprise a twenty-year amortized loan from an external source (or sources) to the Water Enterprise, on the most advantageous terms available as determined by the City Manager, in consultation with the City Attorney and the City's Executive Fiscal Advisor, in the principal amount necessary to pay all financing costs and establish any required reserves to achieve net loan proceeds of Ten Million Dollars (\$10,000,000).

Section 2. That the City Council hereby authorizes and approves the Power Enterprise loaning to the Water Enterprise in 2013 Six Million Dollars (\$6,000,000) to be repaid by the Water Enterprise to the Power Enterprise in eight annual, fully-amortized principal and interest payments with the interest to be determined and accrue at the variable rate and in the manner required by Loveland Municipal Charter Section 13-3(b).

Section 3. That the City Council hereby directs that, in each year during the eight-year term of the loan contemplated in Section 2 above, the City Manager shall include in the City's annual budget and appropriation ordinances for each of those years the transfer of Seven Hundred Fifty Thousand Dollars (\$750,000) from the General Fund to the Water Enterprise to be used by the Water Enterprise to pay the principal due on the Six Million Dollar (\$6,000,000) loan from the Power Enterprise.

Section 4. That the City Council hereby adopts the following rate increases across all Water Utility customer classes for each of the next nine years as listed below, said rate increases to take effect beginning with billings mailed on or after January 1 of the then-current year:

2014	13% increase
2015	9% increase
2016	9% increase
2017	9% increase
2018	9% increase
2019	9% increase
2020	8% increase
2021	8% increase
2022	8% increase

The rate increases adopted herein shall be in addition to, and not in lieu of, any other rate increases for water service that may hereafter be adopted by the City Council to more accurately reflect the cost of providing water service to the Water Utility's customers.

Section 5. That this Resolution shall be effective as of the date of its adoption on second reading as provided in the Loveiand Municipal Code.

ADOPTED this 5th day of March, 2013.

Cecil A. Gutierrez, Mayor

Attest: Teresa G. Andrews, City Clerk

14. DEVELOPMENT SERVICES

PUBLIC HEARING

OIL AND GAS DEVELOPMENT REGULATIONS

1st Rdg Ord. and P.H.

Legislative Action: Development Services Director Greg George introduced this item to Council.

This item is a legislative action to consider adoption of an ordinance on first reading to establish regulations on oil and gas development. The ordinance would:

- Require operators to obtain a permit from the City prior to locating an oil and gas facility within Loveiand city limits.
- Provide two processes and each with a different mix of standards for obtaining a permit.

o **Mandatory process:** The mandatory process would require compliance with standards referred to as "baseline standards." These standards are designed to protect public health, safety and welfare and the environment, while avoiding preemption by state law and the Colorado Oil and Gas Conservation Commission (COGCC) regulations. The permit would require approval by the Planning Commission, with possible appeal to City Council.

o **Optional process:** The optional process would be strictly voluntary and would require compliance with standards referred to as "enhanced standards," in addition to most of the baseline standards. These standards are designed to mitigate adverse impacts on public health, safety and welfare and the environment to a greater degree than required by the COGCC. To encourage operators to agree to comply with these higher enhanced standards that might otherwise be preempted by state law, the permit would be approved by the Director of Development Services, with no appeal to either the Planning Commission or City Council. Any appeal would be to Larimer County District. Mayor Gutierrez opened the public hearing at 7:39 p.m. Carol Dowding, 3241 Ivy Ct., spoke in support of the ordinance if an amendment was made to the Optional process, to include an appeal to the Directors decision, and to extend the moratorium; Dawn Autsin, 1613 20th St, requested the City ban fracking; Steve Fancher, 2001 Frances spoke in support of the ordinance; Jake Matter, Assistant to the Attorney General related to matters of Oil and Gas told Council more work was needed regarding the mandatory process identified in the ordinance; Doug Riley, 4116 Alvalita Del Sol Drive, spoke in support of the ordinance; Matthew Frednicey spoke in opposition of the ordinance and requested this matter be placed before the voters; William E. Street, 217 N. Jefferson Ave spoke in opposition of the ordinance; Alita Savory, 600 Pierce Ave, spoke in opposition of the ordinance; Nick Peterson, 822 E. 5th St, spoke in opposition of ordinance, and asked for public vote; Dillion Meur, 1703 Greeley Drive, spoke in opposition to the ordinance; Mike Guinn, 2115 117th St, Noble Energy, spoke in support of ordinance; Andrew Fischer, 2423 15th St S.W. would like to vole on this issue; Linda

Pirshibacher, 1974 Windham spoke in opposition of the ordinance, Cassiah Givens, 2423 15 St. S.W.. spoke in opposition and requested a vote; Daniel Lorgan, 2830 Carina, spoke in opposition and requested Council extend the moratorium; Mary Baes Meyer, 444 Logan Ave, spoke in opposition and requested an extension to the moratorium; Bret Nye, 1704 Fire Rock Ct, spoke in opposition of the ordinance; Lenina Olivas 1195 W. 45th St, spoke in opposition. Drake Riskie, 3418 Sheridan Ave spoke in opposition of the ordinance; Lucia Herrera, 767 Monroe Ave., spoke in opposition and requested this matter be referred to the voters; Anita Monkers, resident, spoke in support of the ordinance; Michelle Mandaville, 525 Arrowhead, spoke in opposition and requested the matter be voted on; Lori Collins, spoke in support of the ordinance; Ryan Millard 2903 Montana Place, spoke in opposition of the ordinance; Linda Sandahl, 4170 Garfield Ave, spoke in opposition of the ordinance; Andy Peterson, 1805 Morning Glory, spoke in support of ordinance; Barbara Case, 2475 Glendale Ct. spoke in opposition to the ordinance, Esther Menninger, 2874 Chicory spoke in support of the ordinance; Tom Buchanan 910 W. 8th, spoke in support of the ordinance; Susan Aldridge, Anadarko attorney, spoke regarding the ordinance, Timothy Anderson. 3906 Poudre and employee of Nobel Energy spoke in support of the ordinance; Korby Bracken, Anadarko; spoke in support and stated they are the most regulated industry in the country regarding air and water quality; Johnny Westerop, spoke in opposition of the ordinance: Linda Schlosky, 1651 E. 6th spoke in opposition of the ordinance. Mayor Gutierrez requested a break at 10:40 p.m. Council reconvened at 10:50 p.m. Carta Massaro, 425 Ontero spoke in opposition of the ordinance and requested the matter be placed before the voters; Evi Buckner Osier, 3354 Valley Oak Drive, spoke in opposition of the ordinance; Latin 2075 Grays peak spoke in opposition of the ordinance; Kathy Hartman, 945 E 6th St spoke in opposition of the ordinance; Sharon Carlyle spoke in opposition of the ordinance, Brian Lambert spoke in opposition of the ordinance; Carla Westin, 226 S. Washington, spoke in opposition of the ordinance; Kyle Foster, 1944 Markham Ct, spoke in opposition of the ordinance; Linda Owen, 1642 Pinon, spoke in opposition of the ordinance; Nicholas Fredricey, 1360 20th St, S.W., spoke in opposition of the ordinance; Judy Freeman, 1641 Pinon Ct, spoke in opposition of the ordinance, Robert Henry Scholt 4782 W. Eisenhower, spoke in opposition of the ordinance; Jack Cantley, 6295 Bluff Lane, spoke in support of the ordinance; Evelyn King, 6321 14th St, spoke in support of the ordinance; Bob Houston, 713 Cold Dr. spoke in support of the ordinance; Jeff Fredricey, spoke in opposition of the ordinance, Angela loathia, 536 E. 5th St, spoke in opposition of the ordinance. Mayor Gutierrez closed the public hearing at 11:39 p.m. Councilor Shaffer moved to approve and order published "AN ORDINANCE ADDING TO THE LOVELAND MUNICIPAL CODE CHAPTER 18.77 FOR THE REGULATION OF OIL AND GAS OPERATIONS AND CHAPTER 18.78 FOR SETBACKS FOR DEVELOPMENT FROM OIL AND GAS OPERATIONS IN THE CITY OF LOVELAND" on first reading. The motion seconded by Councilor McKean, was approved with five voting in favor and Councilors Trenary, Shaffer, Farley and Gutierrez voting against.

21. FINANCE

DECEMBER 2012 PRELIMINARY FINANCIAL REPORT

Information only item. This item was removed from the Agenda

19. CITY MANAGER

INVESTMENT REPORT FOR JANUARY 2013

Information only item. This item was removed from the Agenda

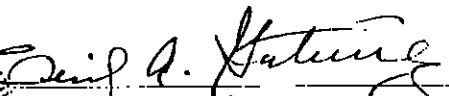
ADJOURNMENT

Having no further business to come before Council, the March 5, 2013
Regular Meeting was adjourned at 1:27 a.m.

Respectfully Submitted,


Teresa G. Andrews, City Clerk




Cecil A. Gutierrez, Mayor