

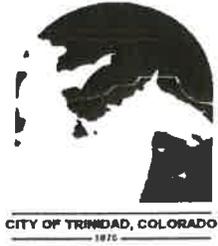


CITY OF TRINIDAD TRINIDAD, COLORADO

The City Council will hold its regular Work Session on
Tuesday, August 9, 2011 at 1:30 p.m.
City Hall Council Chambers, Third Floor, City Hall

AGENDA

1. Consideration of bid results for the City of Trinidad Gas Shop parking lot for new concrete and asphalt paving – Jim Fernandez, Utilities Superintendent
2. Consideration of request for water tap from New Elk Coal Company, LLC – Jim Fernandez, Utilities Superintendent
3. Consideration of First Amendment to Water Purchase Contract for Dochter Water Association – Jim Fernandez, Utilities Superintendent
4. Discussion of other agenda items



City of Trinidad
Office of Utilities Superintendent
P.O. Box 880
Trinidad, Colorado 81082
Telephone (719) 846-9843
Fax (719) 846-4140
www.historictrinidad.com

MEMO

From: James Fernandez 
To: Mayor, Members of Council, City Manager
Date: August 5, 2011
Subject: Gas Shop Parking Lot Bid

Plans and specifications were drawn up for the Gas Shop parking lot which consists of new concrete paving and new asphalt paving. The primary purpose of the project is to keep surface run off from entering the shop buildings. The job was advertised in the local paper with one bid received. The bid was from Schultz Construction, 117 Pine Street, Trinidad, in the amount of \$61683.20. We were able to negotiate a lower bid price by having city crews do the demolition and excavation of the existing parking lot in preparation for the new work. This equates to a savings of \$6,500, reducing the bid down to \$55,183.20. The project is included in the 2011 budget. It is my recommendation that we accept the bid from Schultz Construction in the amount of \$55,183.20.

BID FORM
CITY OF TRINIDAD, COLORADO
GAS SHOP PARKING LOT
WEDNESDAY, JULY 20, 2011

ATTN: UTILITY SUPERINTENDENT

THE UNDERSIGNED HEREBY PROPOSES TO PROVIDE A COMPLETE, FINISHED PARKING LOT FOR THE CITY GAS SHOP IN ACCORDANCE WITH ALL OF THE SPECIFICATIONS, DRAWINGS AND DOCUMENTS AS FOLLOWS:

<u>BID ITEM</u>	<u>QUANTITIES</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1. Excavation and Regrading	382 cubic yards	\$ <u>28⁰⁰</u> /cu.yd	\$ <u>10,696.00</u> <i>- 6,500.⁰⁰</i>
2. Six inch (6") thick Compacted Road Base	232 cubic yards	\$ <u>50⁰⁰</u> /cu.yd	\$ <u>11,600.00</u>
3. Six inch (6") thick Concrete w/WWR	68 cubic yard	\$ <u>250⁰⁰</u> /cu.yd	\$ <u>17,000.00</u>
4. Three inch (3") thick Asphalt Paving	70.4 cubic yards	\$ <u>318⁰⁰</u> /cu.yd	\$ <u>22,387.20</u>

TOTAL AMOUNT OF BID: \$ 61,683.20

REVISED TOTAL: \$55,183.⁰⁰

BIDDER/CONTRACTOR Schultz Construction TELEPHONE 846-8449

STREET ADDRESS 117 Pine St. P.O. BOX NO. N/A

CITY Trinidad STATE Co ZIP CODE 81082

SUBMITTED BY:  TITLE Managing Member
(Signature)

ADDENDUM ACKNOWLEDGMENT: N/A

wpdocs\specs\gasshopparkinglot07/2011

Advertisement for Bid



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From: James Fernandez 

To: Mayor, Members of Council, City Manager

Date: August 5, 2011

Subject: New Elk Coal Company Water Tap & Pipeline

The New Elk Coal Company (N.E.C.C.) represented by Ron Thompson has requested a water tap on the City main water line on the North Fork Road approximately thirty miles west of Trinidad. The request includes a 6" water tap, and approximately 8,400 feet of six inch (6") water line. The water line will be placed in State Highway 12 Right of Way, thus requiring a permit from CDOT. An easement thru private property will also be required. Plans for the pipeline have been submitted by the engineering firm for N.E.C.C., River City Consultants, Grand Junction, Colorado. The plans have been reviewed and changes that we requested have been accomplished.

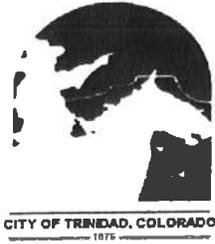
According to information provided by River City Consultants, water demand is anticipated to be 25,200 gallons per day at full production. The majority of this demand will be for showers during shift changes. A 25,000 gallon storage tank and a pump system at the mine site will be required.

It is my understanding that PVC, the local construction company will install the pipeline. Upon completion of the project and at the end of the warranty period (one year), the pipeline will become the property of the City up to the N.E.C.C. property line and the City will assume operation and maintenance responsibilities for the pipeline.

According to Article 5 Water Ordinance, Section 12-67, the Plant Investment Tap Fee for the 6" tap is to be negotiated. (The P.I.F. for a four inch tap is \$36,000). The Ordinance states: "*Plant Investment Fee for 6" or larger tap subject to negotiation to be based on projected revenue from the project*".

It is my recommendation that we approve the water tap subject to agreement on the Plant Investment Fee and in accordance with the conditions I have described in the attached memo to River City Consultants.

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October 12, 2010

Doug Thies, P.E.
River City Consultants
744 Horizon Court
Suite 110
Grand Junction, CO. 81506

Re: Proposed Water Main Extension to New Elk Coal Company

Doug,

Following are preliminary comments after reviewing the drawing and information you provided concerning the proposed New Elk Coal Company (NECC) water line.

- The proposed tie-in point must be made above the existing regulating station on the North Fork Road to achieve the 90 p.s.i. you mentioned in your previous e-mail. This will add an additional 400 feet to the length of the pipeline. End station (80+00 on the drawing) will become station 84+00.
- The minimum size of the new main extension will be six inch (6") diameter. This is for the reason that if a fire hydrant is ever installed on this pipeline, this diameter is required to provide minimum water volume.
- The pipeline from Highway 12 into the NECC property will be tapped onto the new 6" pipeline and will be classified as the "NECC service line". The Plant Investment Fee and related tapping charges will be based on the size and diameter of this tap, and may be of any size or diameter requested by NECC.
- A profile drawing of the proposed pipe line must be submitted indicating the location of air release valves at the high points of the pipe line and necessary line valves, blow-off valves, etc. There will be a control valve at the beginning of the pipeline (station 0+00), one at the end of the pipe line and most likely at least one near the middle of the pipe line extension.
- NECC will be responsible for all costs involved in constructing the water main extension from point of beginning to the end point, including all established City fees and charges.
- NECC will be responsible for constructing the water main extension in accordance with all existing City specifications and guidelines.

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Section 12-67. Plant Investment Fee.¹

Before a City water service shall be allowed or approved for any premises in any territory, area or subdivision, developed or undeveloped, there shall be an initial water service charge to compensate the City partially for the base water supply, treatment facilities and mains required to provide service. Such a charge, generally referred to as the Plant Investment Fee, shall be as follows:

(1) Water Plant Investment Fee - Inside City² (Ord. 1579, eff. 3-14-98)

3/4"	tap	\$ 1,200.00
1"	tap	\$ 2,000.00
1-1/2"	tap	\$ 3,000.00
2"	tap	\$ 3,500.00
3"	tap	\$ 6,000.00
4"	tap	\$ 10,664.00

Plant investment fee for 6" or larger tap subject to negotiation to be based on projected revenue from the project.

(a) Where a tap is made on the main to serve an nonmetered private fire hydrant, fire sprinkler system, or standpipe, and a smaller tap is made for metered domestic, commercial or industrial use, the Plant Investment Fee shall be based on the size of the metered tap.

(b) These charges are in addition to the actual costs in physically tapping the main by City forces. (Ord. 1169, 5/20/80.)

(2) Water Plant Investment Fee - Outside City (Ord. 1579, eff. 3-14-98)

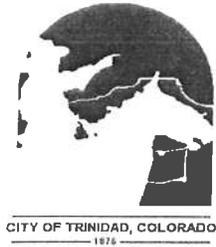
3/4"	tap	\$ 3,150.00
1"	tap	\$ 4,500.00
1-1/2"	tap	\$ 6,750.00
2"	tap	\$ 9,000.00
3"	tap	\$ 20,250.00
4"	tap	\$ 36,000.00

Plant investment fee for 6" or larger tap subject to negotiation to be based on

¹ Chapter 12, Section 67, Subsection 6 is repealed. (Ord. 1661, eff. 4/13/01)

² Chapter 12, Article 5, Section 12-67(1 & 2) is repealed and reenacted. (Ord. 1579, eff. 3-14-98, 12-4-98)

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From: James Fernandez 
To: Mayor, Members of Council, City Manager
Date: August 5, 2011
Subject: Dochter Water Agreement

Recently, Ken and Kellie Dochter approached City Council and requested that an existing water tap within the Association be given a change of use to a commercial 2" tap for bulk re-sale purposes. The Dochters have submitted the necessary documentation for the 2' re-sale permit. The original agreement between the City and the Dochter Water Association was executed in December of 1981 and allowed three (3) household service lines. The original terms of the contract stipulated that the contract would extend for a period of ten (10) year from the initial delivery of water, and thereafter could be renewed or extended for three (3) subsequent periods of ten years, each such period being referred to as an extended term.

As such, the amended agreement before us tonight represents the third 10 year extended term of the contract. This amendment also includes the necessary language to convert or change the third household tap to the 2" bulk water re-sale tap. Tap fees are in accordance with current Ordinance rates. It is my recommendation that the amended agreement with the new language be approved.

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APPLICATION AND AGREEMENT
FOR WATER RE-SALE PERMIT

I (We), the undersigned, hereby agree to abide by and adhere to the following conditions in return for the provision of water service by the City of Trinidad, Colorado:

1. Prior to the issuance of this water re-sale permit, the applicant must have a completed and approved City of Trinidad Water Tap Request form containing the following information:
 - (a) Proof of ownership (copy of deed or perpetual easement)
 - (b) Copy of Building Permit (City or County as applicable)
 - (c) Zoning Approval (Letter from County Planner, if in Las Animas County)
 - (d) Survey Plat/Drawing (showing site of dispensing facility)
 - (e) Individual Septic Disposal System Permit (if applicable)
 - (f) Signed and Notarized Water Tap Application
 - (g) Right of Way Easements (if within County)
 - (h) Proof of Payment of Applicable Fees
 - (i) Agreement not to oppose Annexation
2. The applicant agrees to comply with all applicable requirements of Chapter 12 of the City of Trinidad Code of Ordinances, and more specifically § 12-85 of the Code of Ordinances, as amended.
3. The applicant agrees to comply with Colorado Department of Public Health and Environment (CDPHE) rules and regulations for water haulers, more specifically, Drinking Water Technical-8 (DWT-8).
4. The City shall have sole authority to regulate the use of applicant's proposed water station (the "Facility") with respect to the number of customers, the volumes of water per customer that may be withdrawn, the total volume of water that may be withdrawn from the Facility, and the uses to which the water may be put from the Facility. The applicant shall submit an initial list of customers to the City for its approval. The City shall have final authority over location and number of customers. No additional customers shall be allowed without the express written authorization of the City. No unauthorized customers shall receive water service from applicant's Facility.
5. Water drawn from applicant's Facility shall be used for residential/domestic purposes only. No water drawn from the Facility shall or may be used for industrial, agricultural, or commercial purposes. The City shall have the right to discontinue service to any customer who fails to adhere to these limitations.
6. No other pipe connections, taps, storage tanks, or modifications to the approved Facility as identified herein, for any purpose whatsoever, shall be connected to the Facility unless expressly authorized by written approval from the City.
7. The applicant recognizes that the City shall make every effort to provide the Facility with, but does not guarantee the provision of, potable treated water meeting applicable purity standards of the State of Colorado during the term of this agreement.
8. The use of water outside the corporate limits of the City of Trinidad, Colorado, shall be subject to the paramount rights of users within the City's corporate limits. In the event that there is a

scarcity or shortage of water and the City has insufficient water to provide for users both within and without the corporate limits, the City may reduce, curtail, or shut off the supply of water to the Facility during such periods of scarcity or shortage in the same manner as the supply of water to users outside the City's corporate limits is reduced, curtailed, or shut off. The City may also impose reasonable regulations and restrictions for the use of water outside of its corporate limits which are different from those that are applicable to the use of water within its corporate limits.

- 9. The applicant recognizes that a water re-sale permit may be suspended or revoked if the above conditions are not satisfied.
10. The applicant agrees that a water re-sale permit may not be assigned, leased, or otherwise transferred without the express written consent of the City.

WATER RE-SALE PERMIT INFORMATION: Please complete the following:

(a) Owner of Facility: Tochter Water Association, c/o Mr. Ken Tochter, President

(b) Operator of the Facility: Tochter Water Association, c/o Mr. Ken Tochter, President

(c) Mailing Address: 200 West Indiana Street, Trinidad, CO 81082

(d) Physical Address of Facility: Block 4, Lots 1 through 10, Collier's Subdivision, Las Animas County, Colorado.

(e) Telephone: 719-846-2110 Fax: 719-846-8372

(f) Size of Tap: 2" Size of Water Meter: 2"

(g) Estimated Volume of water to be re-sold: 10,000 gallons/day

Monthly: 200,000 gallons/cu. ft.

Annually: To Be Determined gallons/cu. ft.

AGREED to this 5th day of August, 2011, by the undersigned on behalf of the Tochter Water Association.

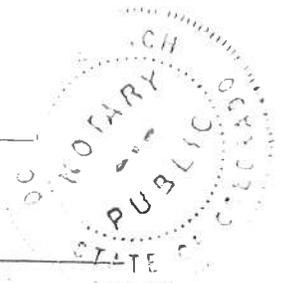
Handwritten signature of Mr. Ken Tochter, President of Tochter Water Association.

COUNTY OF LAS ANIMAS }
} ss.
STATE OF COLORADO }

The foregoing instrument was acknowledged before me this 5 day of August, 2011, by Mr. Ken Tochter, President of Tochter Water Association.

Witness my hand and official seal.

Handwritten signature of Dorra Valencich, Notary Public.



My commission expires 3/17/2013.

Handwritten number 3-3.

FIRST AMENDMENT TO WATER PURCHASE CONTRACT

This First Amendment to Water Purchase Contract ("**First Amendment**") is entered into this _____ day of _____, 2011, between the CITY OF TRINIDAD, COLORADO, a home rule municipal corporation of the State of Colorado (hereinafter, "**Seller**" or the "**City**"), and the DOCHTER WATER ASSOCIATION (hereinafter, "**Buyer**").

RECITALS

WHEREAS, the parties executed a "Water Purchase Contract" dated December 16, 1981 ("**Water Purchase Contract**"), pursuant to which Seller provides water service from its water distribution system to Buyer, and Buyer has installed its own water distribution system to provide water service to three (3) customers, two (2) of which are located generally on the following two (2) tracts of land in Las Animas County, Colorado, to the north of the City of Trinidad:

- (i) Lots 1 through 7 and 24 through 36 inclusive, Block 19, Media Addition, Las Animas County, Colorado. (Ken Dochter.)
- (ii) Lots 1 through 10 and 27 through 36 inclusive, Block 7, Media Addition, and Lots 1 through 10 and 27 through 36 inclusive, Block 18, Media Addition, Las Animas County, Colorado. (Dochter Lumber & Sawmill.)

WHEREAS, said Water Purchase Contract has not previously been renewed or amended, but Seller has continuously furnished water from its water supply distribution system to Buyer since an initial delivery of water in approximately March 1982; and

WHEREAS, subject to the mutual covenants contained herein, the parties desire to enter into this First Amendment to renew said Water Purchase Contract for an additional period of ten (10) years, and to revise the proposed use of the third water tap authorized within the Water Purchase Contract from residential and domestic use to a commercial use for a proposed bulk water station.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties agree as follows:

1. **Renewal of Water Purchase Contract.** The Water Purchase Contract is hereby renewed for a additional period of ten (10) years extending from the date first written above (the "**Renewal Term**"). Buyer and Seller acknowledge and agree that the Renewal Term established herein shall be deemed the Water Purchase Contract's third (3rd) renewal term for the purposes of § C.1. of the Water Purchase Contract. Unless specifically modified in this First Amendment, all provisions of the Water Purchase Contract shall remain in full force and effect.
2. **Commercial Water Tap for Bulk Water Station.** For the third (3rd) and final water tap reserved within the Water Purchase Contract but not yet been placed into service ("**Water Tap No. 3**"), Seller hereby consents to a change in use from a household water tap for residential and domestic use to a commercial water tap for a proposed bulk water station. The proposed bulk water station shall be located on a tract of land in Las Animas County, Colorado, to the north of the City of Trinidad, described as follows:

Lots 1 through 10 inclusive, Block 4, Collier's Subdivision, Las Animas County, Colorado.

K.D. 3-4
BUYER

The location of Water Tap No. 3 is depicted in Exhibit "A" attached hereto and incorporated herein by this reference.

3. **Consent to Annexation.** For Water Tap No. 3, Buyer shall be required to submit a letter of request, accompanied by the applicant's water tap application and supporting documentation, to Seller prior to the water tap's placement into service. The letter of request shall be submitted to the City Council of the City of Trinidad, Colorado, for final approval. Buyer shall further be required to execute an agreement containing language of implied consent to annex the affected property into the City, in accordance with § 31-12-121, C.R.S. Said agreement shall stipulate that voluntary annexation will occur when the property becomes eligible, if so desired by the City.
4. **Installation of Water Tap.** If Water Tap No. 3 is approved by the City Council, Buyer must, within one (1) year of the date of approval by the City Council, place the approved water tap into service. If the approved water tap is not placed into service within one (1) year of approval by the City Council, such approval shall become null and void. A water tap so approved shall be installed and maintained by the Tochter Water Association.
5. **Water Plant Investment Fee.** Buyer acknowledges that it shall be subject to a Water Plant Investment Fee for Water Tap No. 3, if ultimately approved, in accordance with § 12-67 of the Trinidad City Code. As of the effective date of this First Amendment, the Water Plant Investment Fee for a two-inch (2") water tap located outside of the City of Trinidad is Nine Thousand Dollars (\$9,000.00). Buyer shall be entitled to a credit in the amount of Three Thousand One Hundred Fifty Dollars (\$3,150.00) for a previously paid Water Tap Investment Fee.
6. **Metering and Billing.** The meters for all water taps reserved within the Water Purchase Agreement and this First Amendment and placed into service shall be read and billed on a monthly basis. For metering and billing purposes, the term "monthly" shall mean the term between any two consecutive regular readings by the City of the meters at the premises, such readings to be taken as nearly as may be practicable every thirty (30) days. However, the City reserves the right to require the payment of bills for service at more frequent intervals. In such event, meters will be read at the intervals specified by the City. If the City is unable to read a meter after reasonable effort, Buyer will be billed on an estimated usage based on the best available information.
7. **Applicability of Trinidad City Code.** All water taps reserved within the Water Purchase Contract and this First Amendment are subject to the provisions, regulations, and restrictions set forth in Chapter 12, Article 5, of the Trinidad City Code. If Water Tap No. 3 is placed into service for the proposed bulk water station, Buyer shall specifically comply with § 12-85 of the Trinidad City Code regarding a required permit to re-sell water.
8. **Applicability of Water Tap Transfer Policy.** The sale or transfer of any water tap authorized within the Water Purchase Contract and this First Amendment shall be in accordance with the City's water tap transfer policy and shall be exclusively authorized by the City Council. Individuals, entities, heirs, and assigns are prohibited from transferring water taps authorized herein to other individuals, entities, heirs, or assigns without prior authorization from the City Council.

9. **Applicability of Resolution No. 1327.** All water taps reserved within the Water Purchase Contract and this First Amendment are also subject to the provisions, regulations, and restrictions of Resolution No. 1327 of the City Council of the City of Trinidad, Colorado.
10. **Severability.** If any section, subsection, paragraph, term, or provision of this First Amendment is determined to be illegal, invalid, or unconstitutional by any court or agency of competent jurisdiction, such determination shall have no effect on the validity of any other section, subsection, paragraph, term, or provision of this First Amendment, all of which will remain in full force and effect for the term of this First Amendment.
11. **Entire Agreement; Modification and Waiver.** This First Amendment constitutes the entire agreement between the parties pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification, or amendment of this First Amendment shall be binding unless executed in writing by both parties. No waiver of this First Amendment shall be binding unless executed in writing by the party making the waiver.
12. **Effectiveness.** This First Amendment shall become effective immediately following its mutual execution.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date first written above.

SELLER: CITY OF TRINIDAD, COLORADO

By: _____
JENNIE GARDUNO, Mayor

ATTEST:

AUDRA GARRETT, City Clerk

APPROVED AS TO FORM:

JEROD BEATTY, City Attorney

Initials: _____
CITY BUYER **36**

BUYER: DOCHTER WATER ASSOCIATION

By: [Signature]

Its: DOCHTER

STATE OF Colorado)
COUNTY OF Las Animas) ss.

The foregoing instrument was subscribed and sworn to before me this 5th day of August, 2011, in the State of Colorado, County of Las Animas, by Ken Dochter on behalf of Dochter Water Association.

Witness my hand and official seal.

[Signature]
Notary Public

My commission expires 3-17-13.



Initials: _____
CITY BUYER

3-7

