TOWN OF PARACHUTE
BOARD OF TRUSTEES
MINUTES OF SPECIAL MEETING
September 25, 2014

Meeting called to order at 6:37 p.m. by Mayor Roy McClung

ACTION MINUTES:

(A) ROLL CALL

TRUSTEES PRESENT:

John Yadloski, Juanita Williams, Timothy Olk, Tom Rugaard

TRUSTEES ABSENT:

John Loschke

STAFF PRESENT:

Town Manager Stuart McArthur, Town Clerk Denise Chiaretta, Administrative Assistant Colleen Kyle, Public Works Director Mark King, Police Chief Cary Parmenter, Town Engineer Mark Austin

STAFF ABSENT:

Community Development Specialist Derek Wingfield, Town Attorney Ed Sands

(B) PLEDGE OF ALLEGIANCE

(C) COMMENTS FROM CITIZENS NOT ON THE AGENDA

None present

(D) CONSIDER CONDITIONS OF APPROVAL FOR WATERSHED PERMIT FOR URSA OPERATING COMPANY LLC

STAFF: MARK AUSTIN, TOWN ENGINEER

Last meeting several items that were to be approved.
First condition: Ursa will implement the Best Management Practices (BMP's) as outlined in their Watershed Permit Application - No disagreement.
Second condition: Well pad grading such that the facility will be a "no discharge" facility - Ursa in agreement.
Third condition: Any onsite retention of runoff from the pad that shows a sheen or other type of contamination will be removed within 24-hours from the pond – Ursa in agreement but follow-up comments on that particular item.
Fourth condition: Install a minimum 4-inch thick bentonite clay liner over the entire well pad area, including the onsite stormwater retention pond. Ursa in agreement.
Fifth condition: Install up-gradient and down gradient monitoring wells at the padsite. The specific number of monitoring wells and specific location will be defined by Bruce Smith of Western Water and Land (WWL). In general agreement but follow up, Bruce Smith technical expert to oversee.
Sixth condition: Western Water and Land, Inc. (WWE) will provide a detailed monitoring well sampling and analysis plan acceptable to the Town of Parachute - Ursa in agreement but few items to follow up.

Seventh condition: Install Leak Detection systems on long term production tanks and pipe for produce water, condensate, or other producing fluids or hydrocarbons as suggested by the WWL report – Ursa in general agreement but possible additional language.
Eighth condition: Provide automated Spring Water Quality Monitoring to include monitoring of specific conductance, volatile organic gas detection, dissolved volatile organic compounds, and /or total petroleum hydrocarbons. The Town of Parachute will allow a 10-year cost recovery for the equipment installation for future watershed permit applications or modifications within the watershed basin as defined by the WWE report – Some discussion on this item.
Ninth condition: Fluid and Chemical Storage secondary containment shall be provided with at least 110% of the largest vessel plus a maximum 24-hour precipitation event. Chemicals shall be stored onsite only during temporary operations and as absolutely needed for operations. If stored onsite, chemicals shall be stored in approved containers with secondary containment measures and inspected at least on a monthly basis and after large storm events. Tank fluid levels shall be managed such that there is no danger for levels to overtop or pressurize tanks – Ursa in agreement but will hear more on that.
Tenth condition: The operator shall notify the Town of Parachute Administrator a minimum of 24 hours in advance if any of the following items occur: (1) Any new facility or structure is being constructed at the facility, including future well installations or rework; (2) A schedule of construction activities for earthwork / pad construction, drilling, completion, production, etc. (3) Notification when chemicals are used or stored on the pad, (4) Immediate notification of any spill or discharge of any kind from the well pad and associated stormwater retention basin.
Eleventh condition: Longer term compliance monitoring and observation costs associated with this project that may be incurred by the Town of Parachute or their designated representative. Costs for the well pad construction observation should not exceed $5,000 unless otherwise agreed to in writing with Ursa.

Needs to further clarify some of the issues outlined in letter.

Robert Bleil stated that terminology is key:

- #1 – Agree and want to make sure that everything in permit is good.
- #2 – No issue.
- #3 – No issue – as worded okay but will be doing it at 50%.
- #4 – no problem.
- #5 – Have to monitor Tompkins well already but will also do ours, adding separate plan for that location.
- #7 - Rewording want to be real clear and will be following their rules on everything that needs to be done.
- #8 – Only one with concern – Bruce asked to clarify to put in whole system shouldn't be just their responsibility and putting in $15,000 how do we put in partnership with others in area? Encana, WPX, Laramie Energy II, Bartlett, Entero those are the holders of 11 pads within study area. Something that needs to be done possibly in next month put everyone in same room and form a partnership.
- #9 – Again terminology issue and put proposal before everyone.
- #10 – Not opposing but try to sync these requirements together.

In addition to conditions and approval:

- Lots of things that are standard practices this is just about 25% of what they will be doing for environmental protection. Did ask Bruce Smith that study was done independently, and not just for Ursa.
- Town Engineer Mark Austin - $5,000 in funds towards having someone there for a majority of the time.
- Appropriate that we have an expert to make sure it is done correctly, we need to have a representative there.
- Robert Bleil suggested that we will be getting notice and it will only take about 5 days. Possibly have staff down by our springs to see if any conditions change.
- Public Works Director Mark King remarked that our springs are inspected daily.
- Approve Ursa wording or Mark Austin recommended wording.
- The Town wants to make sure they are notified before anything is done. Particularly with construction, and be notified of drilling or actions within 24 hours.

- Contact Town of Parachute, Police Department, Fire Department.

MOTION NO. 1

Moved and seconded by Trustees Williams/Olk to consider conditions of approval for watershed permit for URSA Operating LLC.

Motion passed unanimously.

(E) DISCUSSION OF 2015 PRELIMINARY BUDGET

STAFF: STUART MCARTHUR, TOWN MANAGER

Town Manager McArthur reviewed the preliminary budget for the Trustees.

The proposed budget will be before the Board at the October 9th meeting.

Motion No. 2

Motion to adjourn by Trustees Williams/Olk.

Meeting adjourned at 7:58 p.m.

TOWN OF PARACHUTE SEAL COLORADO

Mayor

Town Clerk

The preceding Action Minutes were prepared in accordance with the Town of Parachute Board of Trustees Rules of Order and Procedure, General Rules 9.9. These Minutes contain a record of actions that were TAKEN at the meeting, not a transcript of what was said by members of the Board, staff or other parties present. A recording of the meeting is available for review in the Town Clerk's Office for thirty days after the meeting.

Note: If you have corrections to the minutes that are minimal (incorrect spelling etc.), ***please contact the Town Clerk the day prior to the meeting****. A corrected copy of the minutes will then be prepared for approval by the Board of Trustees.*