



ADAMS COUNTY

COLORADO
BOARD OF COUNTY COMMISSIONERS

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**STUDY SESSION AGENDA
TUESDAY
November 16, 2021**

**ADAMS COUNTY GOVERNMENT CENTER
CONFERENCE CENTER, ROOM BRANTNER GULCH B**

ALL TIMES LISTED ON THIS AGENDA ARE SUBJECT TO CHANGE

10:45 A.M.	ATTENDEE(S):	Adam Burg / Eliza Schultz / Elisabeth Rosen / Alan Morse
	ITEM:	State Lobbyists Update
11:15 A.M.	ATTENDEE(S):	Jenni Grafton / Melissa Scheere / Nicole Samson / Adams County Foundation Board Members
	ITEM:	Adams County Foundation Grant Award Recommendations
11:45 A.M.	ATTENDEE(S):	Jenni Grafton / Ryan Nalty / Katie Keefe
	ITEM:	Water Quality Control Division (WQCD) Presentation
12:45 P.M.	ATTENDEE(S):	Jenni Grafton / Ryan Nalty / Jen Rutter / Karl Onsager / Christy Fitch
	ITEM:	Development Standards Overhaul
1:30 P.M.	ATTENDEE(S):	Jenni Grafton / Ryan Nalty / Katie Keefe / Greg Dean
	ITEM:	Oil and Gas Update
2:00 P.M.	ATTENDEE(S):	Raymond Gonzales
	ITEM:	Administrative Item Review / Commissioners Communication
2:30 P.M.	ATTENDEE(S):	Heidi Miller
	ITEM:	Executive Session Pursuant to C.R.S. 24-6-402(4)(b) and (e) for the Purpose of Receiving Legal Advice and Instructing Negotiators Regarding Soma Case

(AND SUCH OTHER MATTERS OF PUBLIC BUSINESS WHICH MAY ARISE)

AGENDA IS SUBJECT TO CHANGE



STUDY SESSION ITEM SUMMARY

DATE OF STUDY SESSION: November 16, 2021
SUBJECT: Recommendation from the Adams County Foundation on how to disperse Community Enrichment Grant funds to community organizations that serve Adams County residents
OFFICE/DEPARTMENT: Community & Economic Development
CONTACT: Grants Administrator Nicole Samson, Community Development Manager Melissa Scheere
FINACIAL IMPACT: \$800,000 of budgeted funds
SUPPORT/RESOURCES REQUEST: N/A
DIRECTION NEEDED: The Adams County Foundation Board requests the Board of County Commissioners provide direction, if any, on changes to the grant recommendations.
RECOMMENDED ACTION: Request staff to prepare the grant awards as presented for formal approval.

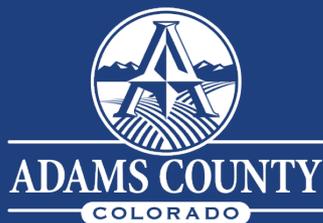
DISCUSSION POINTS:

- The County Commissioners authorized \$800,000 in the 2021 budget to be distributed through the Community Enrichment Grant.
- The Community Enrichment Grant was created by the Adams County Board of County Commissioners to provide financial support to nonprofit organizations to carry out programs that serve the basic needs and promote self-sufficiency of the Adams County residents.
- The County Commissioners requested the Adams County Foundation board accept applications for this grant, review the applications, and make a recommendation to the Board of County Commissioners on the projects to fund.
- Organizations submitted grant applications from August 4 through September 9, 2021. Eligible organizations completed the Colorado Common Grant Application to apply for the funding.
- The announcement of projects and programs to receive grant funding is scheduled for December 7, 2021.
- Names of Adams County Foundation Board members: Chair Ken Ciancio, Vice Chair Frederick Alfred, Secretary Richard Delaney, Treasurer Abel Wurmnest, Vince Chowdhury, Billy Gurr, Trish O'Connor, JoAnn Vondracek

Recommended Awards for the 2021 Community Enrichment Grant

Presentation by the Adams County Foundation

November 16, 2021



Community Enrichment Grant

- Created by the Adams County Board of County Commissioners
- Provides financial support to nonprofit organizations to carry out programs that serve the basic needs and promote self-sufficiency
- \$800,000 in the 2021 budget to be distributed through the grant

Selection Guidance

- Project funds must be used only to directly serve Adams County residents
- Intended to fill direct service gaps in the organizations' budgets that are not typically covered by other sources of funding
- Does NOT fund administrative costs, general funds, other grant programs, indirect costs, or individuals

Adams County Foundation

The Foundation Board accepts applications for this grant, reviews the applications, and makes a recommendation on the projects to fund.

2021 Process

- Grant applications were accepted from August 4 through September 9, 2021
- 50 organizations applied
- There was a total of more than \$2.9 million in requests
- Organizations with multiple applications were asked to prioritize only one application
- Organizations that are not registered with the Secretary of State and applications submitted late were not considered
- Applications not recommended for funding did not meet one or more of the selection guidance criteria

Health Category Applications

Organization	Project/Program	Suggested Award
Clinica Colorado	Behavior health/counseling	\$20,000
Foster Source	Mental health for foster parents	\$19,000
Kids in Need of Dentistry	Dental services for youth	\$39,000
Project Angel Heart	Home delivered, medically tailored meals for critically ill	\$24,000
Rocky Mountain MS	Day program for adults with severe disabilities from MS, traumatic brain injury, stroke, etc.	\$10,000
Servicios de La Raza	Health & wellness services for Latino families with children	\$20,000

Housing Category Applications

Organization	Project/Program	Suggested Award
Beyond Home	Cost to create engineering drawings for transitional housing on site at Crossroads Church in Adam County	\$19,000
Second Chance Center	Transitional housing for people leaving incarceration	\$25,000

Poverty Category Applications

Organization	Project/Program	Suggested Award
A Precious Child	Case management for public assistance programs & essential items	\$41,000
Food for Hope	Weekend food for school-age children	\$29,000
Food for Thought	Weekend food for school-age children	\$20,000
FRCC Foundation	Financial assistance to students experiencing financial hardship	\$30,000
Growing Home	Housing, food assistance, case management, parent classes	\$40,000
There With Care	Basic needs for families with critically ill children	\$10,000
Wee Cycle	Baby gear, diapers, wipes, baby food, formula to families in need	\$29,000
Rocky Mountain Partnership	Develop & maintain data program	\$49,000

Human Services Category Applications

Organization	Project/Program	Suggested Award
CASA	Recruit, train, retain volunteer CASAs	\$34,000
ECPAC	Care navigation to families with children birth to age 8	\$17,500
Five Star Education Foundation	Resource closets	\$25,000
Platte Valley Medical Center Foundation	Non-emergency transportation for low-income individuals	\$10,000

Human Services Category Applications continued

Organization	Project/Program	Suggested Award
Ralston House	Partial salary for forensic interviewer and bilingual child abuse pediatrician	\$49,000
Restoration Outreach Programs	Food, ESL classes, workforce readiness	\$10,000
Seniors' Resource Center	Assistance to help older adults stay in their homes independently	\$30,000
We Don't Waste	Food distribution to nonprofit partners & nutrition/food waste education for youth	\$44,000

Education Category Applications

Organization	Project/Program	Suggested Award
A Child's Song	Music & movement classes	\$10,000
Bal Swan Children's Center	Developmental, therapeutic and mental health supports for preschoolers	\$10,000
Coal Creek Adult Education	ESL classes	\$4,200
Colorado Youth for a Change	Reading and math tutoring	\$24,000
Family Tree	Skills training for parenting, child safety, and child health	\$15,000
Hope House	Education programs for at-risk teen moms and their children	\$29,000

Education Category Applications continued

Organization	Project/Program	Suggested Award
Little Giants Learning Center	Summer program for kids	\$19,000
Save Our Youth	Mentoring & supplemental education programs for teens	\$10,000
Westminster Public Schools	Boys & Girls Club program at Colorado Sports Leadership Academy	\$25,000
Westminster Rotary Club	Provide books to children birth to age 5	\$10,300

Options and Next Steps

- Request staff to prepare the grant awards as presented for formal approval
- Make changes to the slate of awards and request the amended slate be prepared for formal approval

Formal approval of grant awards – December 7th

2022 Community Enrichment Grant Program to start 1st Quarter of 2022



STUDY SESSION ITEM SUMMARY

DATE OF STUDY SESSION: November 16, 2021
SUBJECT: Water Quality Control Division (WQCD) Presentation
OFFICE/DEPARTMENT: Community & Economic Development (CED)
CONTACT: Jenni Grafton, CED Director; Ryan Nalty, CED Deputy Director; Katie Keefe, Environmental Program Manager
FINACIAL IMPACT: None
SUPPORT/RESOURCES REQUEST: N/A
DIRECTION NEEDED: N/A
RECOMMENDED ACTION:

DISCUSSION POINTS:

- WQCD Staff will provide the BoCC with an overview of:
 - Authorities, roles, and responsibilities of WQCC and WQCD
 - South Platte River Watershed in Adams County & key water quality concerns
 - Compliance and enforcement of water quality requirements
 - Mechanisms and opportunities for public participation

Adams County BOCC Water Quality Work Session



November 16, 2021



Agenda

1. The Clean Water Act and Colorado Water Quality Control Act
2. Protecting uses in the South Platte Basin
3. Additional protections - antidegradation
4. Ensuring compliance with permits
5. Public outreach and partnership opportunities
6. Questions and contacts

Introductions to division presenters

- Nicole Rowan, Division Director
- Meg Parish, Permits Section Manager
- Nathan Moore, Compliance and Enforcement Section Manager
- Aimee Konowal, Acting Clean Water Program Manager

Thanks to CDPHE staff that are here today!

Clean Water Act & Colorado Water Quality Control Act



Water Quality Control - Commission and Division

The division enforces permit limits and gathers stream data to see if waters are meeting standards and supporting uses.

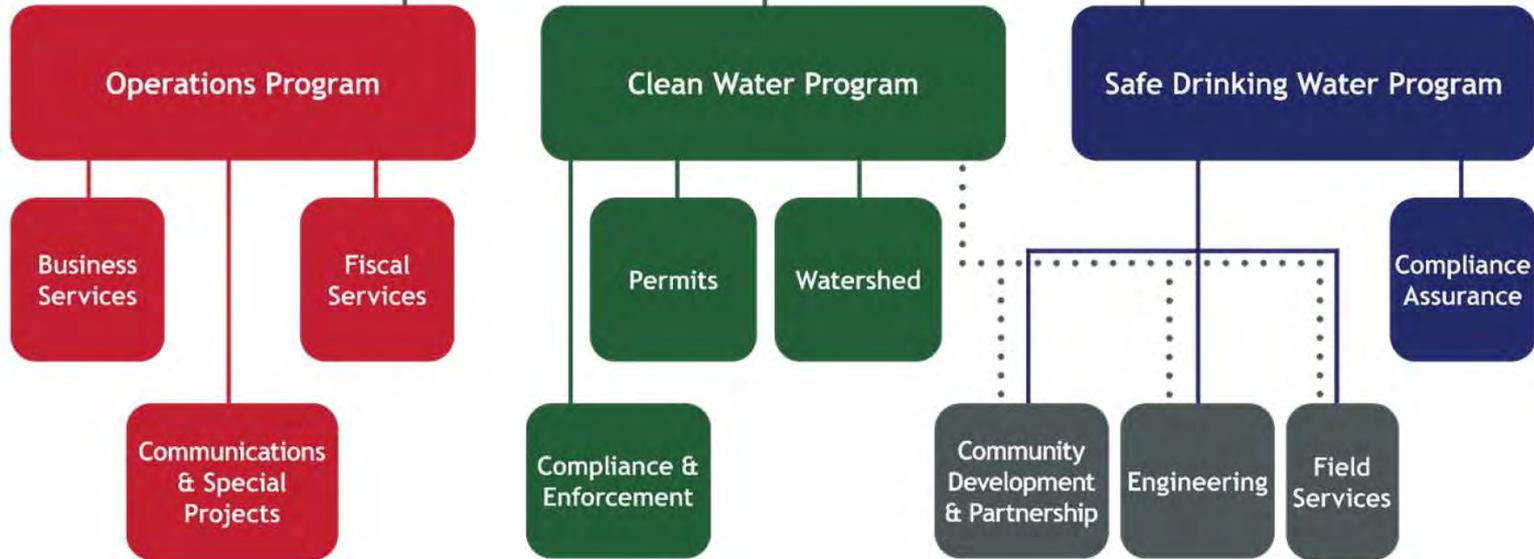


The Water Quality Control Commission establishes water uses and the standards needed for those uses.

The division issues permits that allow pollution, but only up to a point so that streams still meet water quality standards and support uses.



Water Quality Control Division



Protecting uses in the South Platte Basin



Goal - Protect current and future uses



Aquatic Life



Recreation

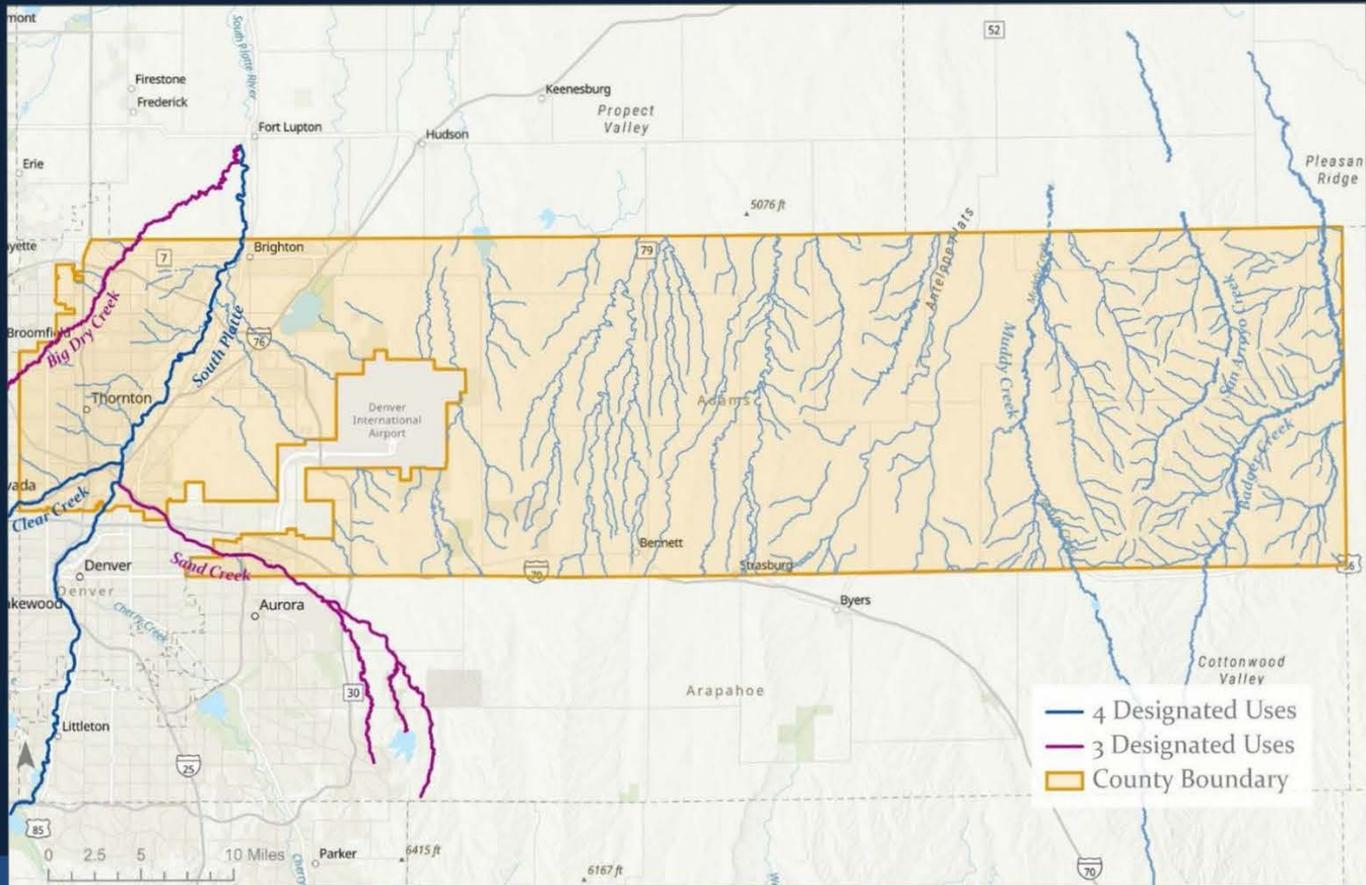


Agriculture

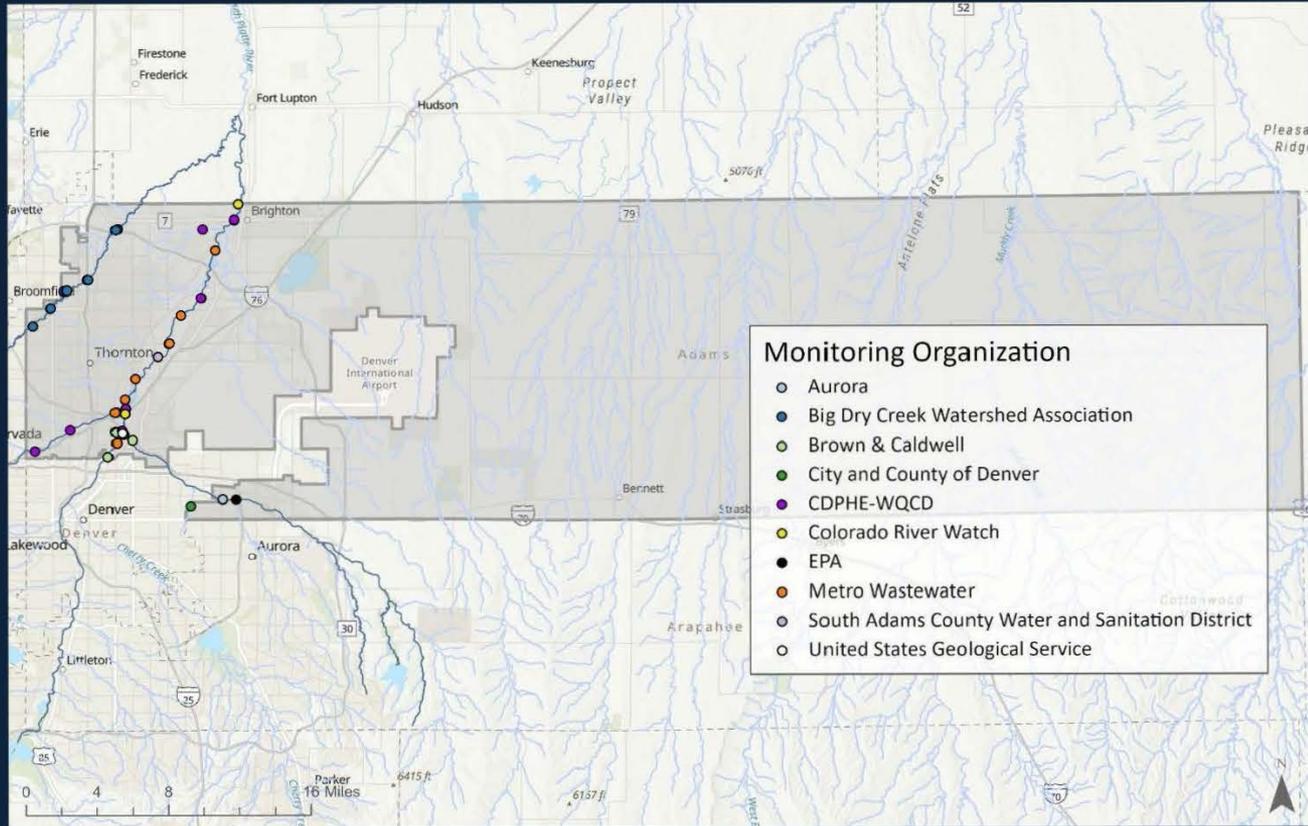


Drinking Water

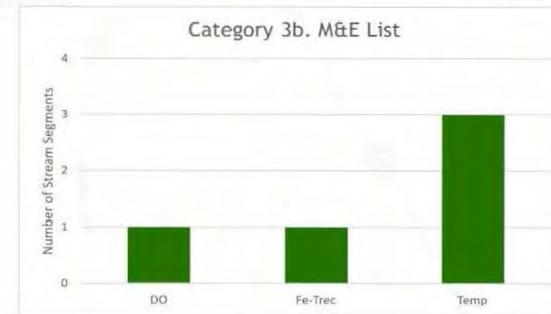
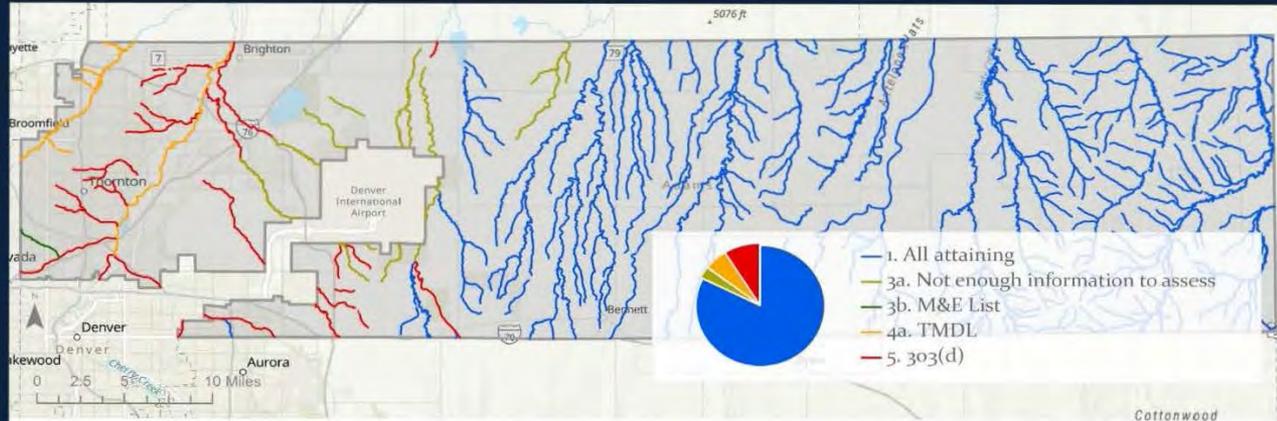
Waters in Adams County and their classified uses



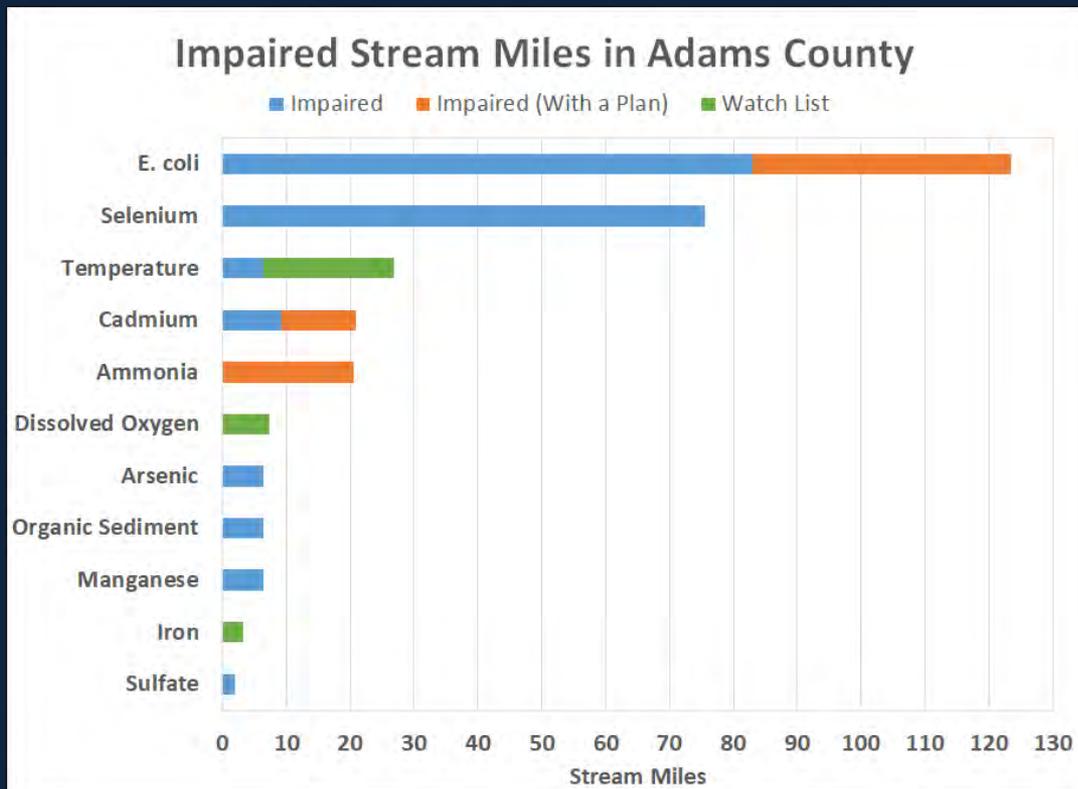
Water Quality Monitoring in Adams County



Impaired Waters in Adams County - 303(d) List

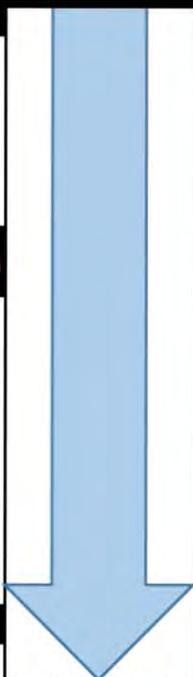


Key pollutants impacting surface waters



- Impaired water quality mostly in western Adams County near Denver
- *E. coli*, cadmium, ammonia are main issues on South Platte through Adams County
- Other impairments are mostly on South Platte tributaries

What Impacts Water Quality in the South Platte River

INPUTS	SOUTH PLATTE	BOUNDARIES	UPSTREAM
		Bowles Ave	
Clear Creek: Temperature, <i>E. coli</i> , Arsenic, Manganese, Organic Sediment Little Dry Creek: Iron	<i>E. coli</i> , Arsenic		
		Burlington Ditch	
Sand Creek: <i>E. coli</i> , Selenium	Cadmium, <i>E. coli</i> , Temperature, Ammonia, Sulfate		
	Cadmium, <i>E. coli</i> , Temperature, Ammonia	120th Ave.	
Big Dry Creek: <i>E. coli</i>	<i>E. coli</i> , Ammonia		DOWNSTREAM

Lake Impairments in Adams County

Barr Lake

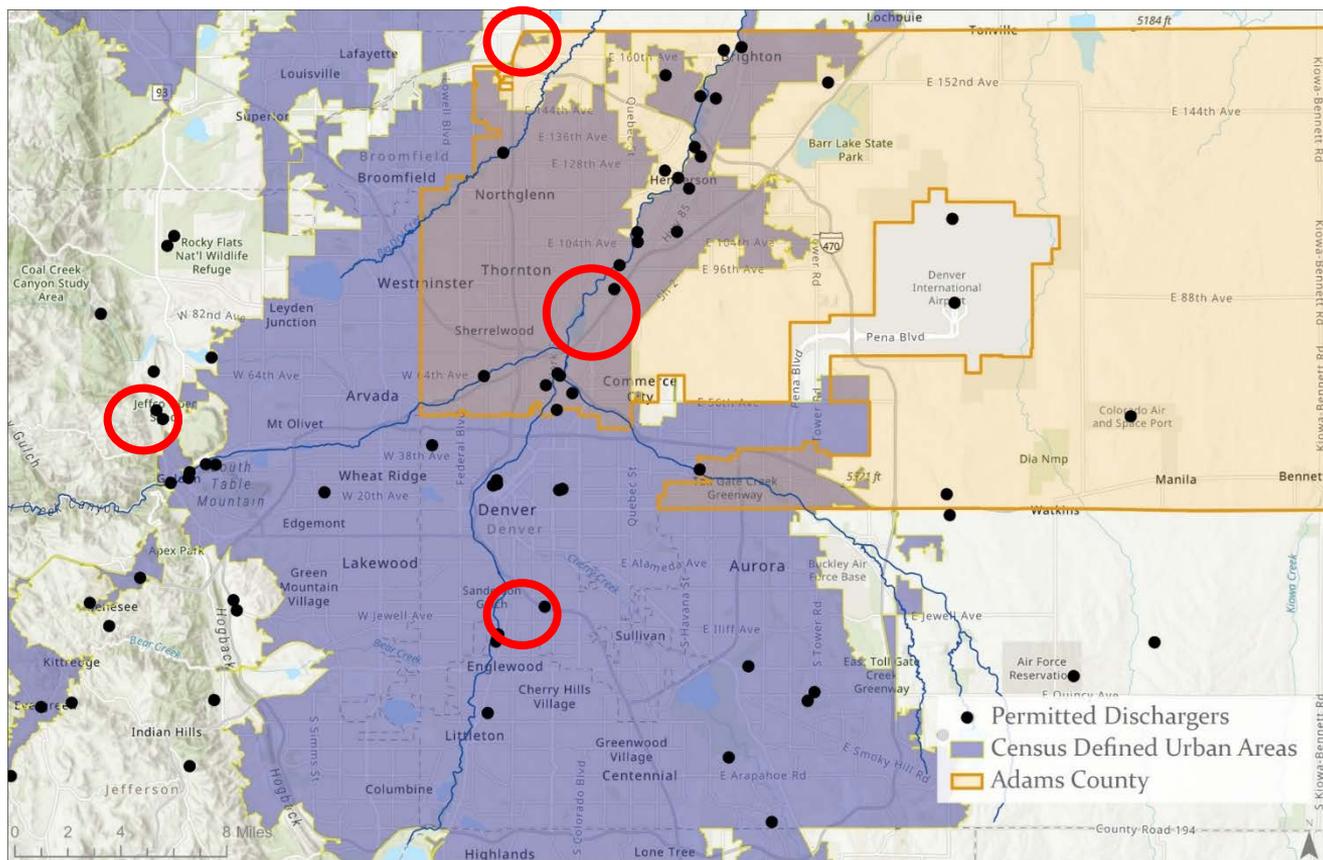
- TMDL - pH and dissolved oxygen
- 303(d) - total arsenic

Horse Creek Reservoir

- 303(d) - pH

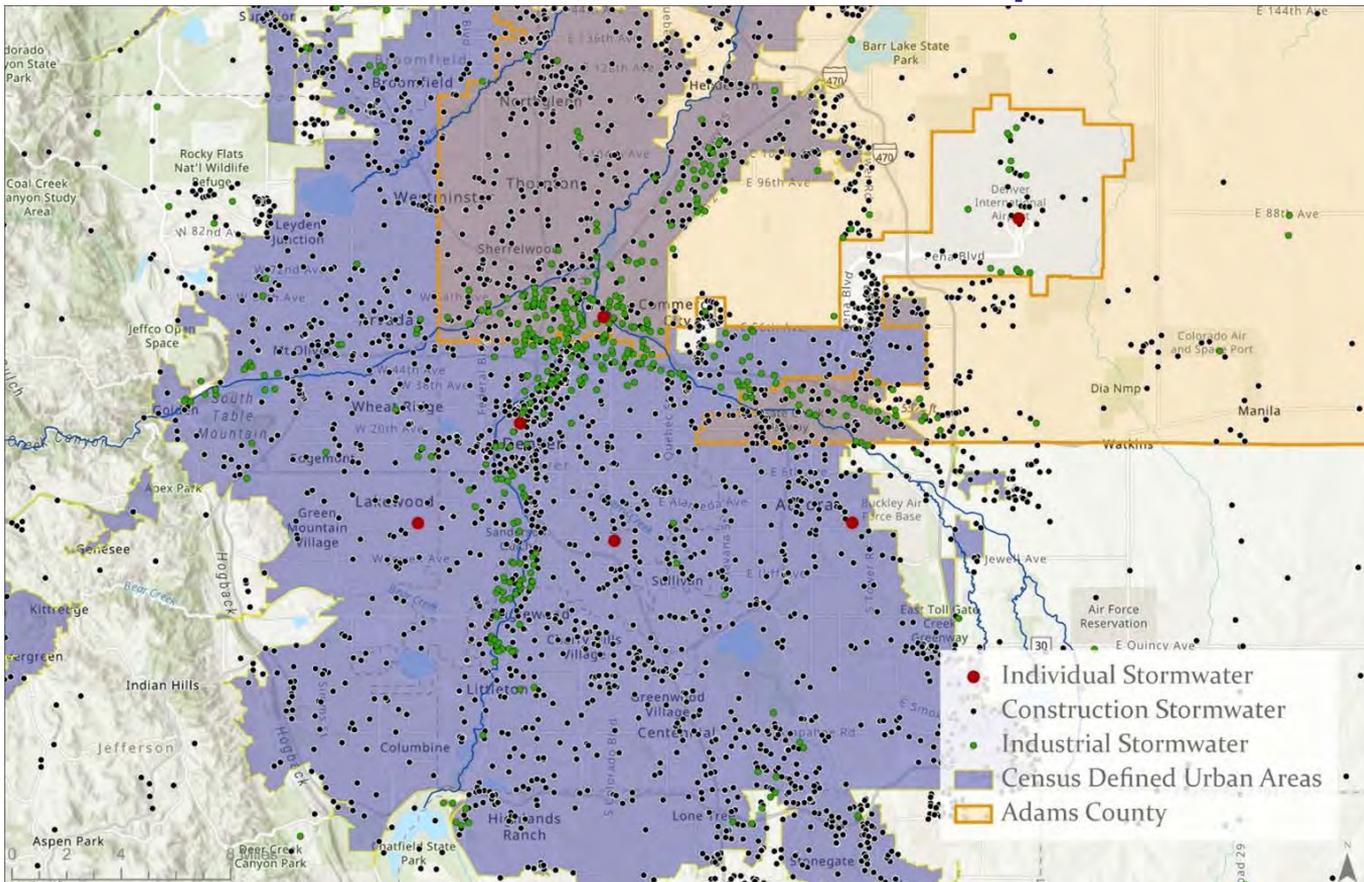


Process Water Permits



- Adams County is downstream of Colorado's largest dischargers
- At the time it hits the Adams Co. line, the South Platte is almost entirely wastewater effluent and urban stormwater runoff
- This map is process water dischargers.

Stormwater permits



- Adams County is downstream of Colorado's largest dischargers
- At the time it hits the Adams Co. line, the South Platte is almost entirely wastewater effluent and urban stormwater runoff
- This map shows stormwater discharges - plus every purple area has a stormwater sewer system (MS4) that is discharging

How permits can help protect Adams County water for its uses

- Making the South Platte a better place for fish by limiting metals and ammonia
- Limiting and monitoring for emerging contaminants like PFAS and 1,4 dioxane
- Reducing sediment and pathogen loading from urban streets and construction sites
- Being part of the solution for *E. coli* - limiting discharges from wastewater plants and urban stormwater systems
- Implementing TMDLs for waters that aren't supporting uses

Example: Suncor's draft water quality permit

- Will establish limits and controls for PFAS
- Adds limits for 50+ organic chemicals
- Controls stormwater off the site
- Strict maintenance and inspection requirements
- Extra requirements to protect Burlington Ditch

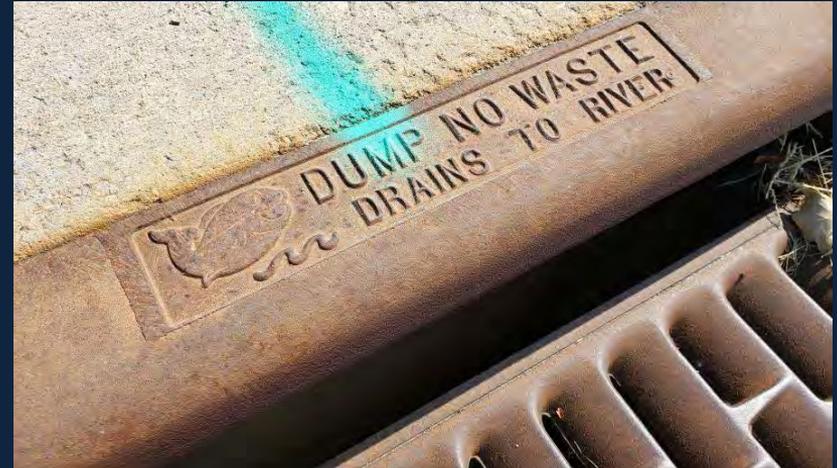


Example: 2017 Metro Hite plant renewal

- 220 million gallons a day - almost all of Segment 15 of the South Platte during dry weather
- Modeled the plant with the Xcel Cherokee power plant so that their cumulative impacts to the South Platte would be accounted for
- New nutrient (nitrogen and phosphorus) limits to protect Barr Lake and the South Platte
- New limitations for iron, temperature, and cyanide to protect drinking water uses and aquatic life

Example: 2020 Denver MS4 renewal

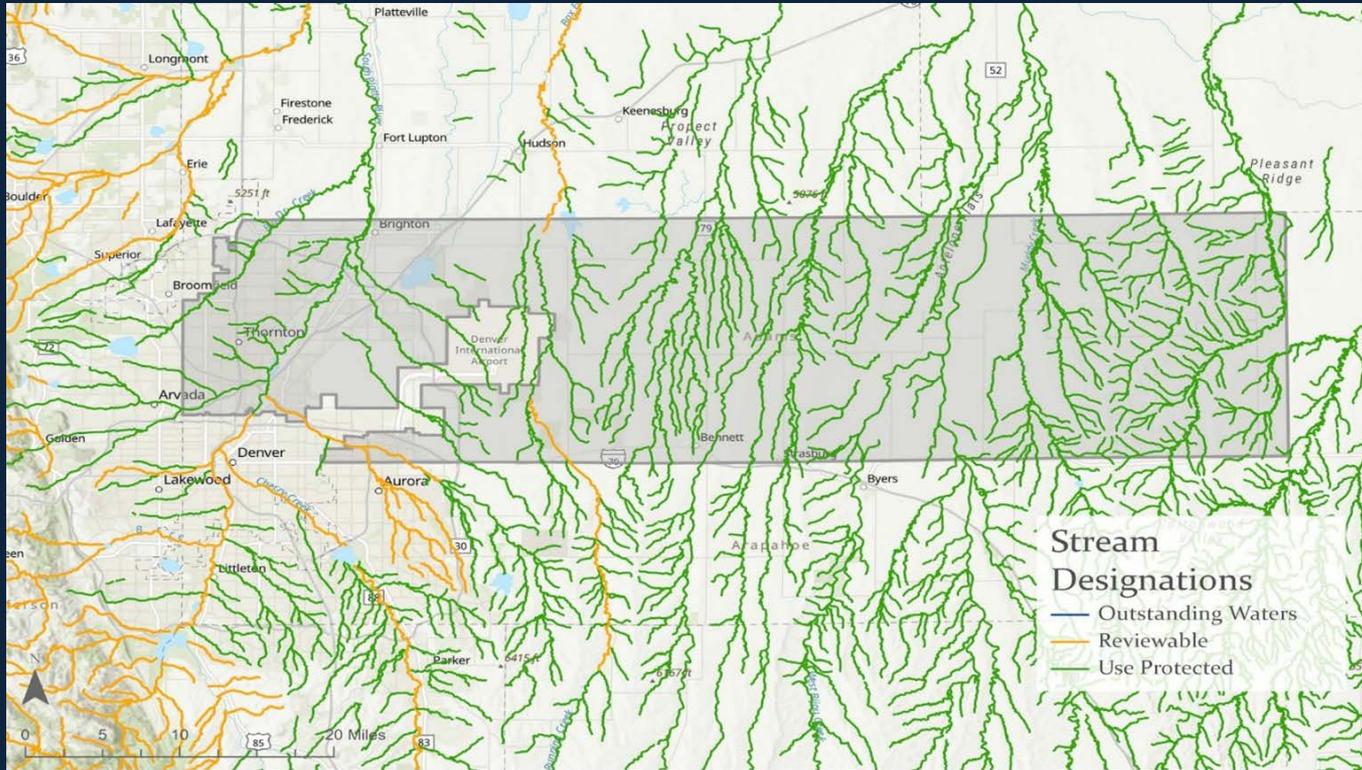
- A smaller portion of the South Platte during dry weather; a much larger portion during rain or snowmelt
- Implements South Platte Segment 15 *E. coli* TMDL for first time, includes *E. coli* controls and monitoring
- Requires phosphorus controls to protect Barr Lake for the first time
- Better inspections for construction sites and permanent controls to keep sediment out of streams



Additional protections for some streams: Antidegradation

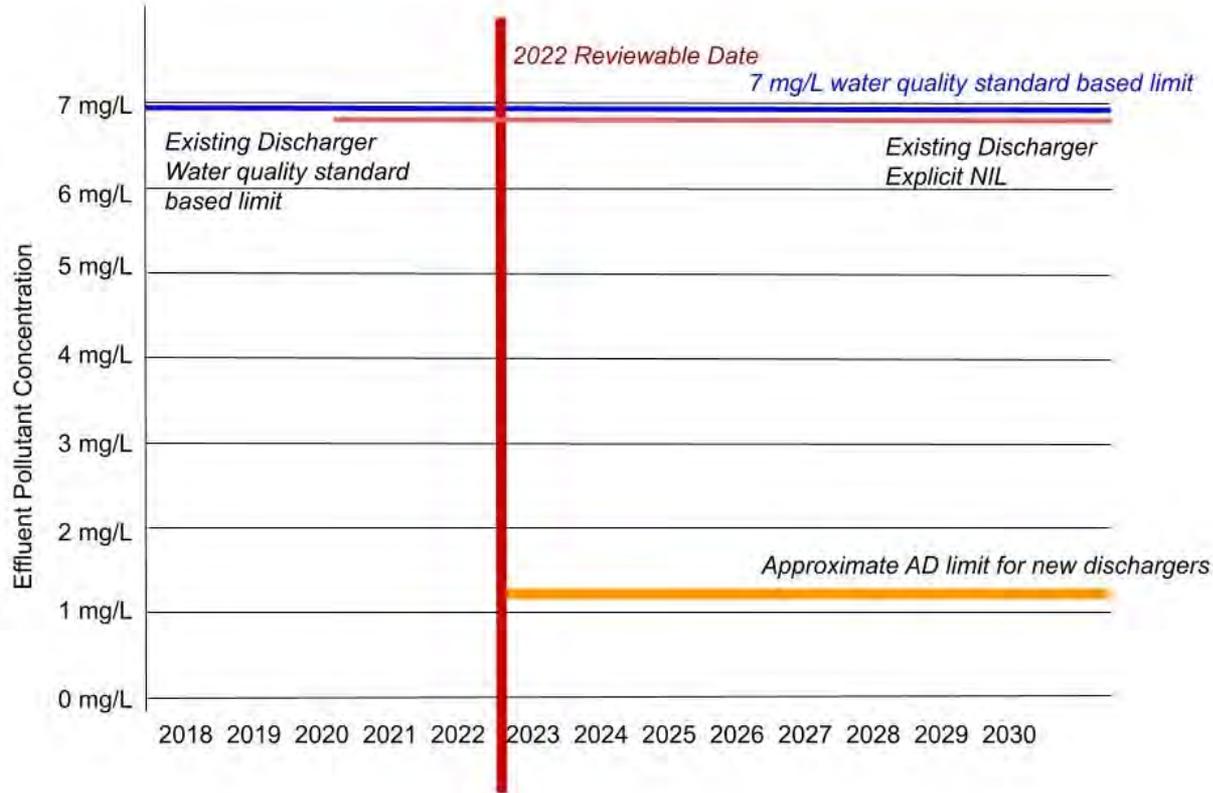


Antidegradation Designations - Adams County



Use-protected	No antidegradation protections
Reviewable	Some antidegradation protections - no significant degradation
Outstanding	Strict antidegradation protections - no permanent degradation. Typically waters in national parks.

What does making a stream reviewable mean for pollution limits?



Ensuring Compliance with Permits

24

Clean Water Program Compliance Assurance

- Compliance is measured using field inspections and reporting
 - \cong 50,000 permit reports required every year
 - 769 Inspections last year
 - Inspections last 5 years in Adams:
 - 17 Domestic and industrial wastewater inspections; and
 - 254 Construction, Industrial Stormwater, and Sand & Gravel
 - Compliance assistance is primarily provided to facilities during inspections; but also responsive and in presentations.
- Compliance also includes spill (including sewer overflows) and complaint response



Clean Water Program Compliance Assurance

	Majors (Larger Domestic and Industrial Facilities)	Construction	Industrial & Mining	Domestic	MS4
Current Oversight Targets	20%	8%	4%	11%	0% *
Oversight Goals	20-50% (varies annually)	10%	10-20% (\cong 15%)	10-20% (\cong 15%)	20%

- *For MS4, division does conduct complaint response and some targeted oversight
- Due to resources, the division can not meet inspection goals for industrial/mining and MS4. Also, providing the level of assistance for smaller domestic systems, such as lagoons at mobile home parks has been a challenge
- Division minimizes the potential for impacts by assistance, targeted oversights, local government partners (e.g., Adams County construction inspection and spill response) and effective enforcement deterrents

Clean Water Program Enforcement

- Typically the division can obtain the necessary environmental protection and both reduce and address noncompliance through the assistance framework, but enforcement is an essential part of division compliance assurance strategy
 - About 97% of facilities are in compliance with effluent limits
 - 31 facilities in Adams County have been in Significant Noncompliance within the last 5 years (More significant cases of noncompliance for reporting, discharge limits, or control measures that warrant escalated compliance or enforcement response)
- Enforcement in Adams County over last 5 years: 7

Formal Enforcement in Adams County (last 5 years)

Domestic Wastewater Systems

Permit	Permittee	Resolution
COG589003	Petroleum Wholesale	Facility closed and properly decommissioned its wastewater lagoons. Paid a civil penalty of \$60,821. Enforcement case has been closed.
COG589412	Galamb's MHP	Currently under enforcement and is working to construct a new mechanical wastewater treatment facility with a discharge to surface water. Existing wastewater lagoon will be decommissioned.

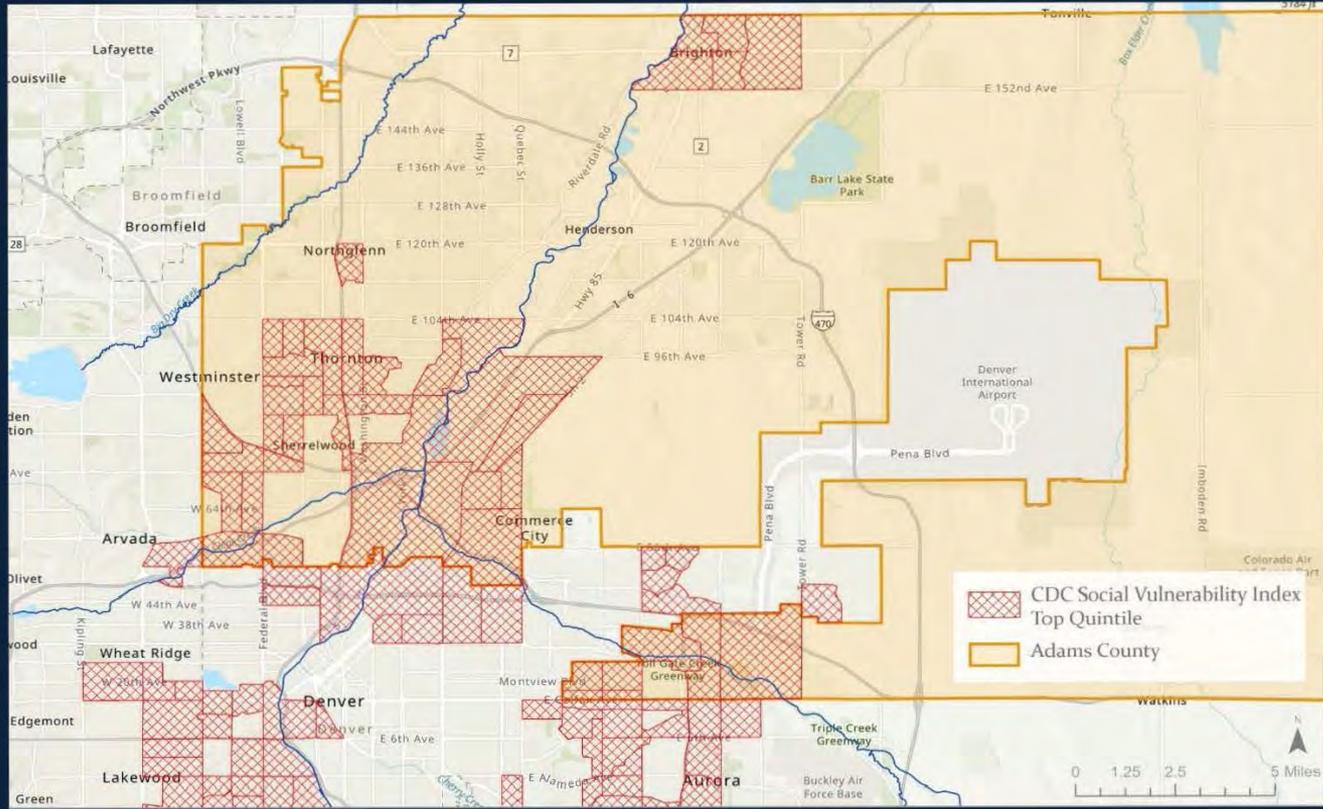
Construction Stormwater

- Three entities, five sites
- All entities completed corrective actions and paid penalties
 - McCauley Constructors (1 site): \$57,000
 - Bucknell Services (2 sites): \$60,000
 - Doud BTS (2 sites): expedited settlement agreement, \$4,375

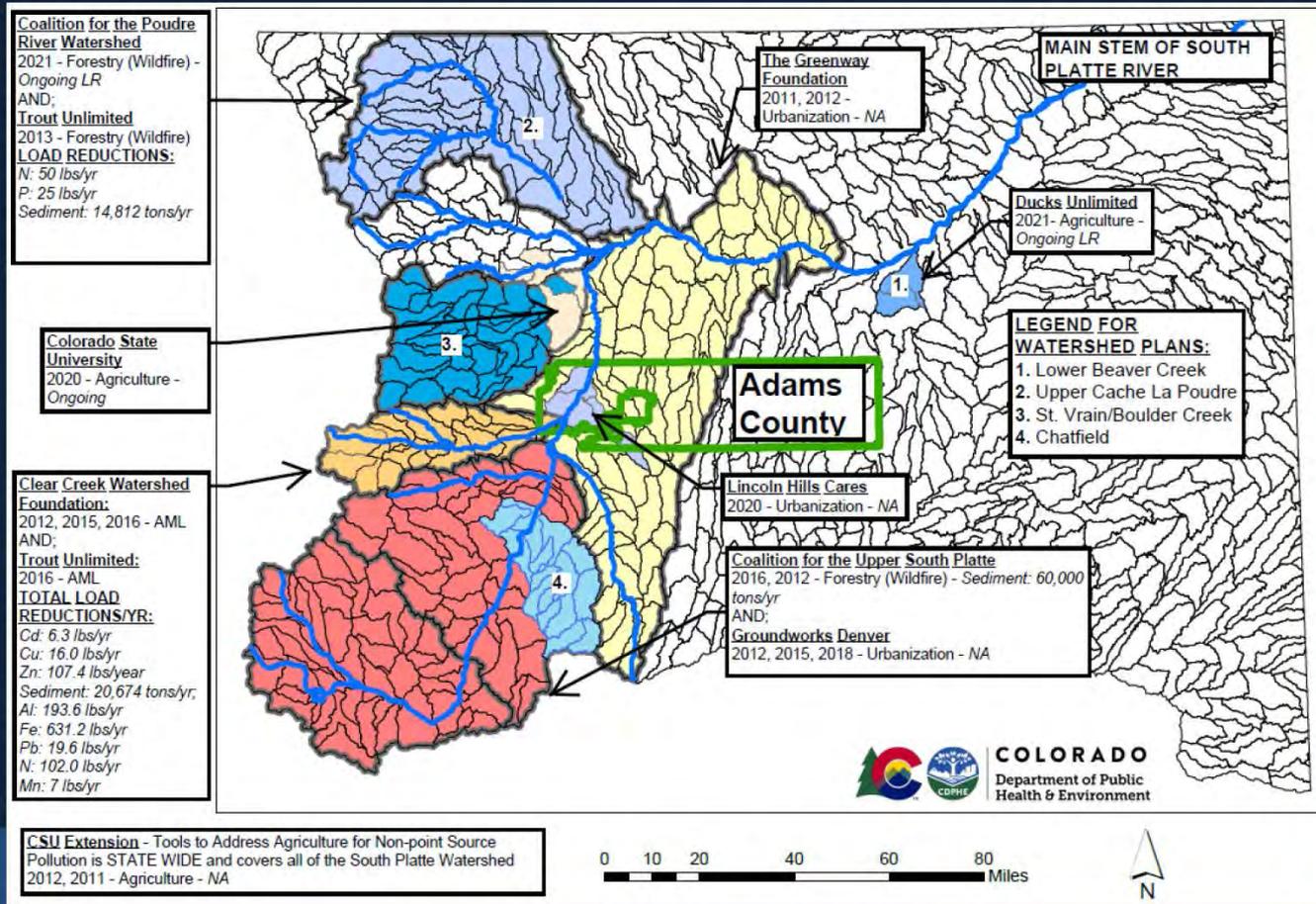


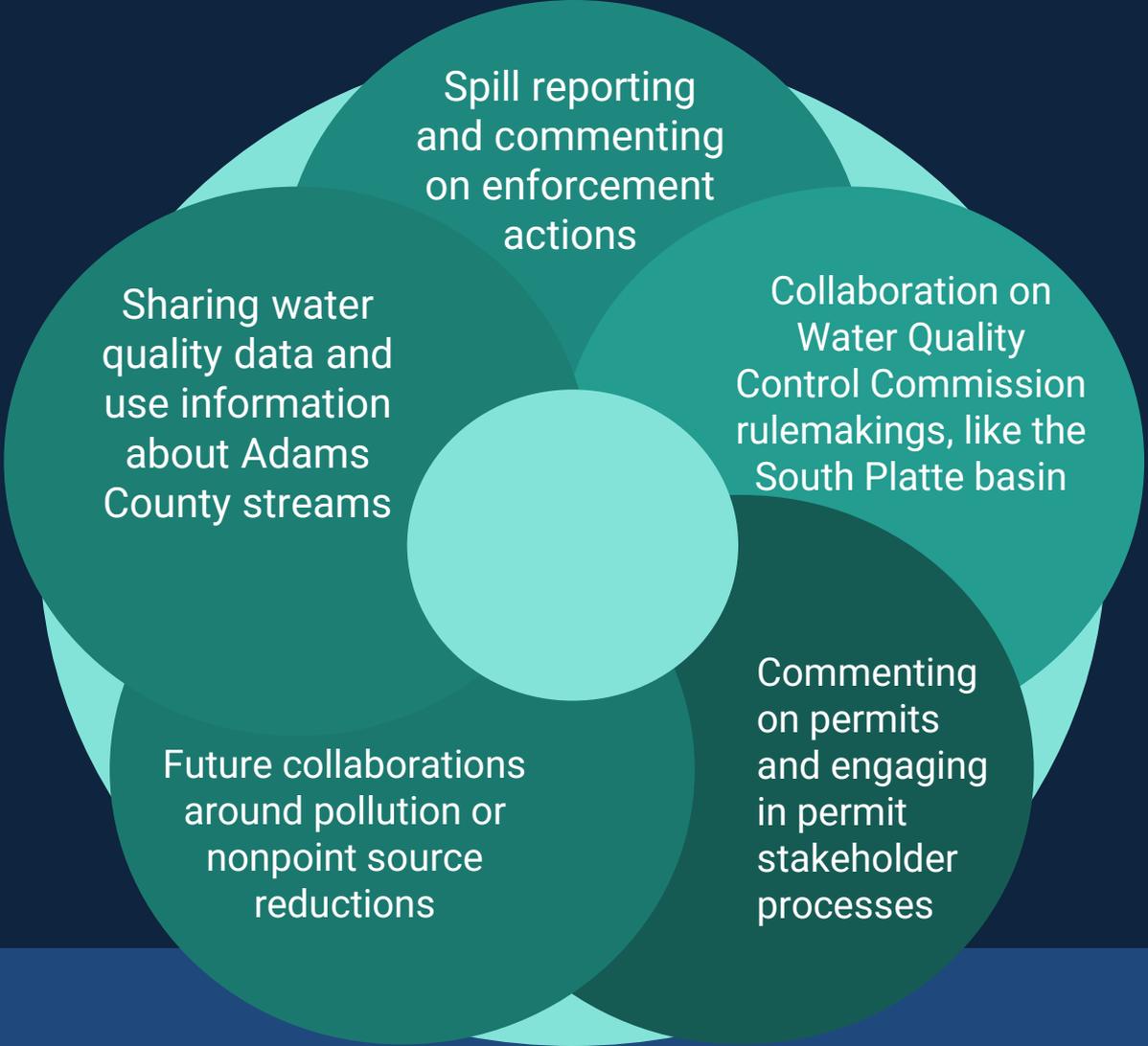
PUBLIC OUTREACH AND PARTNERSHIP OPPORTUNITIES

Environmental Justice



Nonpoint Source Impacts and Projects





Spill reporting
and commenting
on enforcement
actions

Sharing water
quality data and
use information
about Adams
County streams

Collaboration on
Water Quality
Control Commission
rulemakings, like the
South Platte basin

Commenting
on permits
and engaging
in permit
stakeholder
processes

Future collaborations
around pollution or
nonpoint source
reductions

Resources for these partnerships

- *Water Quality Control Commission*
 - Meets most months on the 2nd Monday of month
 - cdphe.colorado.gov/wqcc
 - Next 303(d) List of Impaired Waters RMH - Spring 2022
 - Next South Platte Basin RMH - June 2025
- *WQCD stakeholder engagement website*
 - cdphe.colorado.gov/water-quality-engagement
 - Engagement Emails
- *EPA ECHO Database*
 - for all dischargers: echo.epa.gov/
- *Spill line*
 - 1-877-518-5608
- *Draft permits public comment page*
 - cdphe.colorado.gov/water-quality-draft-permit-actions



COLORADO
Department of Public
Health & Environment

Questions, Contacts

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Aimee Konowal: aimee.konowal@state.co.us

Meg Parish: meg.parish@state.co.us





STUDY SESSION ITEM SUMMARY

DATE OF STUDY SESSION: November 16, 2021
SUBJECT: Development Standards Overhaul
OFFICE/DEPARTMENT: Community & Economic Development Department
CONTACT: Karl Onsager, Senior Implementation Planner
FINANCIAL IMPACT: None
SUPPORT/RESOURCES REQUEST: Pending \$150,000 budget request
DIRECTION NEEDED: Input on the proposed scope, timeframe, and approach for implementation, specifically to chapters 2, 3, 4, and 5 of the County's Development Standards and Regulations to address commercial and industrial uses, housing, performance standards, subdivision requirements, and environmental standards
RECOMMENDED ACTION: Approve staff to move forward a request for proposal and outlined project plan.

DISCUSSION POINTS:

The updated community vision through the draft Advancing Adams Comprehensive Plan poses an opportunity to ensure the Adams County Zoning, Subdivision, and Development Standards can effectively achieve that vision. Specifically, staff, in partnership with a future consultant (if funded), will review, analyze and propose new and amended regulations to process and procedures (Chapter 2), land uses and lot standards (Chapter 3), performance standards (Chapter 4), and subdivision requirements (Chapter 5), and additional provisions as directed.

In this presentation, staff will discuss the proposed project to implement the County's long-range plans:

- Confirm support for the development standards overhaul
- Confirm scope
- Confirm reasonable time-frame for success
- Confirm pace of check-ins and project next steps
- Confirm project approach for staff-initiated batches and consultant lead batches

Development Standards Overhaul

Board of County Commissioners Study Session
Community and Economic Development Department
November 16, 2021

Objectives for Study Session

- Confirm support for the development standards overhaul
- Confirm scope
- Confirm reasonable time-frame for success
- Confirm pace of check-ins and project next steps
- Confirm project approach for staff-initiated batches and consultant lead batches

Interaction with development standards

People who want to do something and can:

- Build something
- Operate a use
- Subdivide property

Interaction
With
Development
Standards

People who want to do something and can't:

- Exceed requirements
- Nuisances
- Prohibited uses
- Enforcement

People who passively interact with the code:

- Urban design
- Sidewalks and ROW
- Housing choice and location

Re-alignment

Federal Law
State Law

Development
Standards

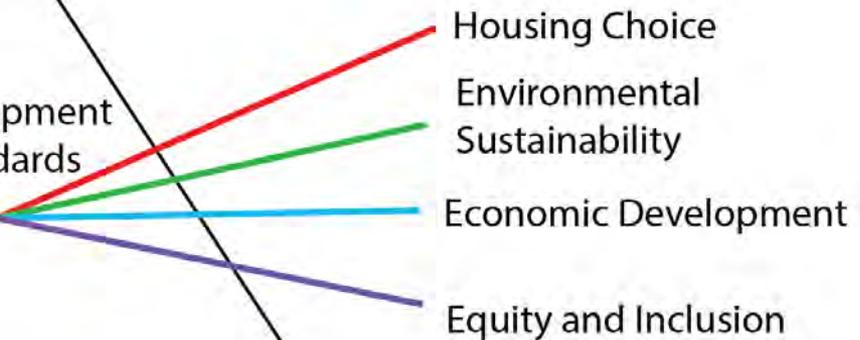
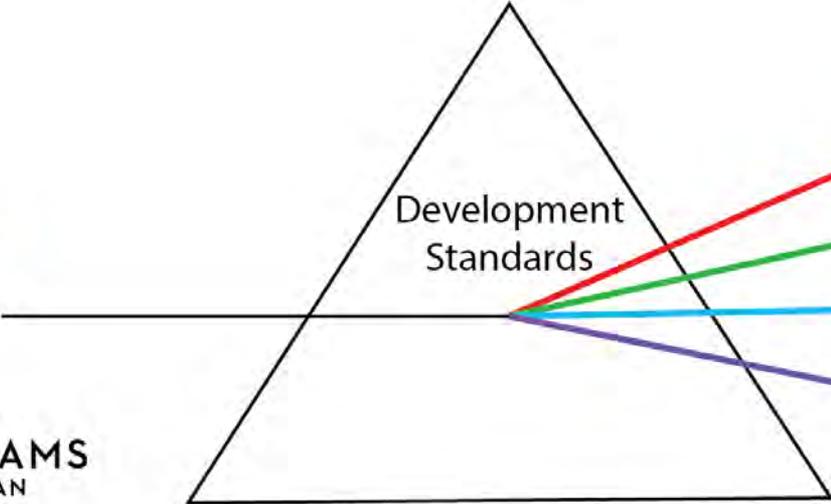
Housing Choice

Environmental
Sustainability

Economic Development

Equity and Inclusion

ADVANCING ADAMS
COMPREHENSIVE PLAN



Re-alignment

Advancing Adams Goal/Policy	Outcomes
Increase housing opportunities	<ul style="list-style-type: none">- Lot standards mismatched with developable properties- Requirements push for PUD's to achieve flexibility- Regulations not aligned with fair housing requirements
Environmental standards	<ul style="list-style-type: none">- Regulations could better address water and landscaping requirements- Better ensure public and private improvements lead to improved environment, safety, and active choices
Economic development and livable community	<ul style="list-style-type: none">- Process and requirements sometimes frustrate desired economic and housing outcomes- Land uses could be clarified and re-aligned with county priorities- Ensure development expectations transition to existing housing and businesses and municipal partners
Culture and heritage	<ul style="list-style-type: none">- Ensure agricultural standards align with preservation, food systems, and industry needs

BOCC Project Priorities

Priority	Strategy to support
Remove redundancy	Utilize tables, clarify with illustrations
Improve development	Clarify standards, process, consolidate certain zones
Reduce or condense items on BOCC agenda	Update/modify process
Remove potential conflicts	Reduce page counts, consolidate content
Improve staff capacity	Update/modify process, update definitions
Increase housing choice	Update standards, expand types, review densities, adopt policy recommendations
Sustainability goals	Update landscape standards, development standards, support adaptive re-use
Data-driven decision making	Utilize economic outcome analysis when appropriate

Project Approach

1. Organize batch by chapter:

- Pros – Allows for a comprehensive look at a chapter
- Cons – May make for re-work in other chapter reviews (example, review processes and then subdivisions to only go back and revise process based on subdivision review)

2. Organize by topic rather than chapter:

- Pros – Allows for more comprehensive look across chapters. Project flexibility to review parallel topics
- Cons – Very comprehensive look across 500+ pages

Project Approach and Next Steps

- Best practice timeline – 18-month process
- RFP at 90% Advancing Adams Draft

- Check-in and study session schedule:
Every other month

Project Approach

Staff Initiated Content

Goal: Focus on technical corrections and capacity-based code amendments

Potential topics:

1. ADU's
2. PUD amendment/lapse process
3. Referral agency review during site plan process
4. Air-quality overlay for trees
5. Consolidate redundancy from Chapter 2 and Chapter 3 into tables
6. Slot homes and review of housing types
8. Fence standards, corner lots, clarify opacity
9. Clarification of process for building change of use and zoning change of use
10. Consolidate Inert Fill TUP and SUP to Grading Permit Process
12. Engineering standard changes (Ch. 8, 9)
13. Food trucks and food truck courts
14. CUP review for semi-truck storage in residential
15. Process & standards for rectifying illegal parcels

Consultant Lead Content

Goal: Address systemic issues in the code requiring expertise and additional capacity

Potential topics:

1. Comprehensive review of land-uses
2. Potential consolidation of zones
3. Update subdivision standards
4. Comprehensive review and alignment of performance standards
5. Municipal transition zoning overlays
6. Affordable and attainable housing/ Fair Housing compliance review (Root Policy)
7. Modernize commercial and industrial standards
8. Update environmental standards aligning with a water master plan
9. Update standards to support sustainability plan
10. Align processes with best practices

Project Approach - Batches

Batch 1	Batch 2	Batch 3	Batch 4
<p>Review and adjust:</p> <ul style="list-style-type: none"> - Commercial & Industrial land-uses - Com and Ind. Performance standards - Zone district recommendation 	<p>Review and adjust:</p> <ul style="list-style-type: none"> - Housing and fair housing compliance - Residential standards - Subdivision standards 	<p>Review and adjust:</p> <ul style="list-style-type: none"> - Environmental standards - Sustainability standards - NRCO <p>Create municipal transition overlays</p>	<p>Review and adjust:</p> <ul style="list-style-type: none"> - Process and procedures - Align batches
<ul style="list-style-type: none"> - ADU's - Fence standards - Existing code into tables - Change in use process - Food Trucks and Food Truck Courts - CUP standards for semi-trucks - PUD Amendment/lapse process 	<ul style="list-style-type: none"> - Inert fill TUP and SUP to Grading Permit - Engineering Standards - Slot homes and residential standards - Air-quality overlay 	<ul style="list-style-type: none"> - Air-quality overlay - Environmental and sustainability standards 	<ul style="list-style-type: none"> - Review referral agency review procedures - Site plan review process

Project Approach

Public Engagement Process

General Public Feedback
- What considerations do you have on this topic?

Stakeholder feedback
- Focus groups
- Targeted survey questions on topic

Draft specific questions
Public input on draft code
Survey questions

Drafting and Review Process

Staff Due Diligence

PC Study Session for Direction
BOCC Study Session for Direction

Code Draft Phase

PC Study Session

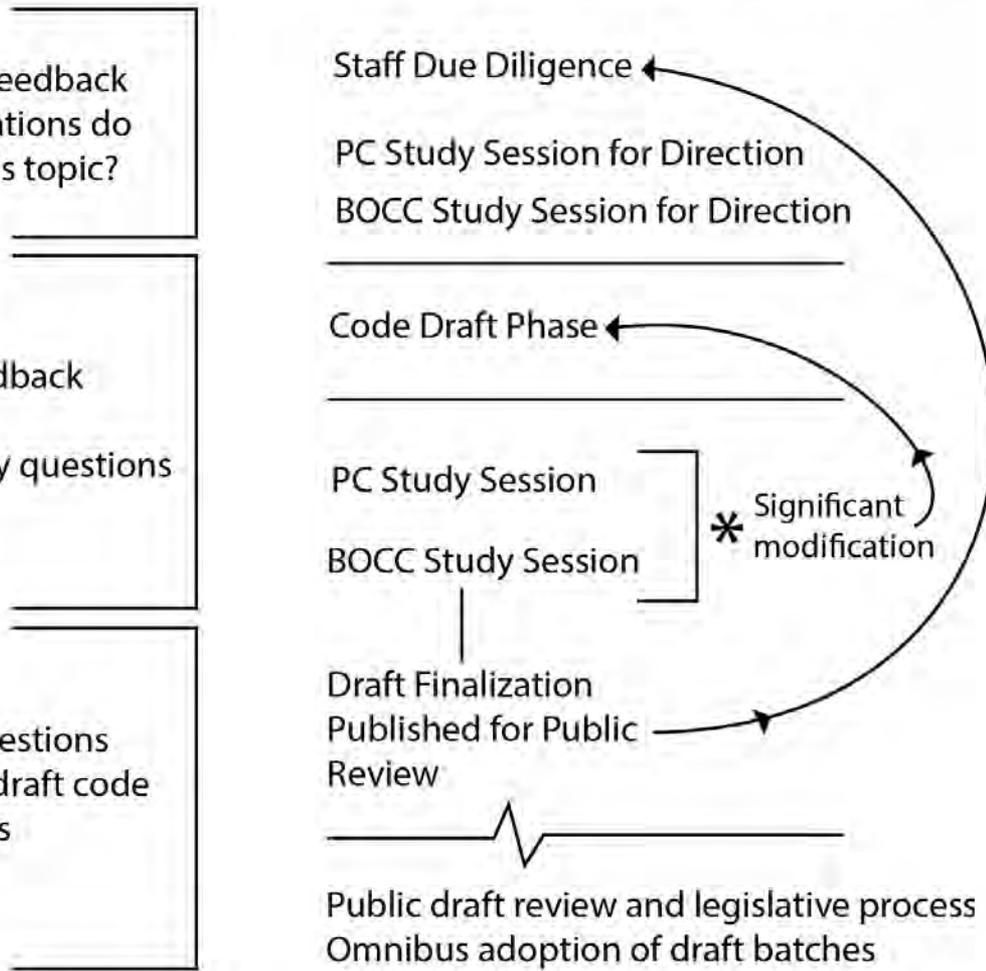
BOCC Study Session

* Significant modification

Draft Finalization
Published for Public
Review

Public draft review and legislative process
Omnibus adoption of draft batches

Report process results to inform next batch



Discussion

- Recommendation:
 - Proceed with request for proposal
 - Formalize project plan
 - Initiate staff review of standards
 - Process for capturing BoCC priorities



STUDY SESSION ITEM SUMMARY

DATE OF STUDY SESSION: November 16, 2021
SUBJECT: Oil & Gas Update
OFFICE/DEPARTMENT: Community & Economic Development
CONTACT: Jenni Grafton, Community & Economic Development Director; Ryan Nalty, Community & Economic Development Deputy Director; Katie Keefe, Environmental Program Manager; Greg Dean, Oil & Gas Liaison; Christy Fitch, Assistant County Attorney; Chane Finkenbinder, Oil & Gas Inspector
FINACIAL IMPACT: None
SUPPORT/RESOURCES REQUEST: N/A
DIRECTION NEEDED: Direction regarding future state rulemaking and COGCC compliance hearing
RECOMMENDED ACTION: Staff will provide an update the COGCC's compliance order against an Operator of oil and gas wells in the County and recommendations for further action and Staff's reviews of COGCC's proposed financial assurance regulations
DISCUSSION POINTS: <ul style="list-style-type: none">• COGCC Compliance Hearing<ul style="list-style-type: none">○ Summary of the Order○ COGCC requests• Painted Pegasus Petroleum Review• Affected Person Petition Process• COGCC Financial Assurance Rulemaking Update



Oil & Gas Update

November 16, 2021

Greg Dean
Oil & Gas Liaison
gdean@adcogov.org





Oil & Gas Update

COGCC Compliance Hearing Review

Agenda



Current Orphaned Well Summary



COGCC Compliance Hearing

- Summary of the Order
- COGCC requests



Painted Pegasus Petroleum (P3) Review

- Wells in Adams County
- County Inspection Review



Affected Person Petition Process and Staff discussion



COGCC Financial Assurance Rulemaking Update



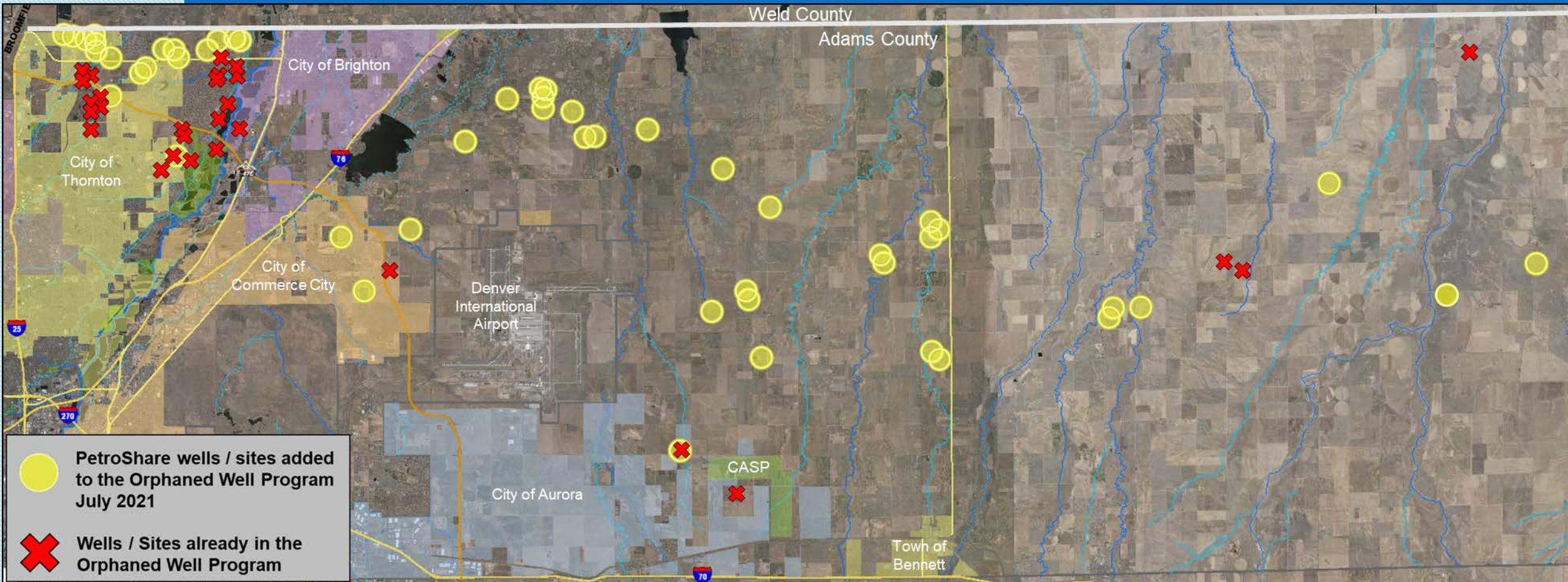
Oil & Gas Update

COGCC Compliance Hearing Review

Current Orphaned Well Review

Orphaned Wells – All of Adams County

**** Currently 77 Orphaned Wells in Adams County**





Oil & Gas Update

COGCC Compliance Hearing Review

COGCC Compliance Hearing Overview:

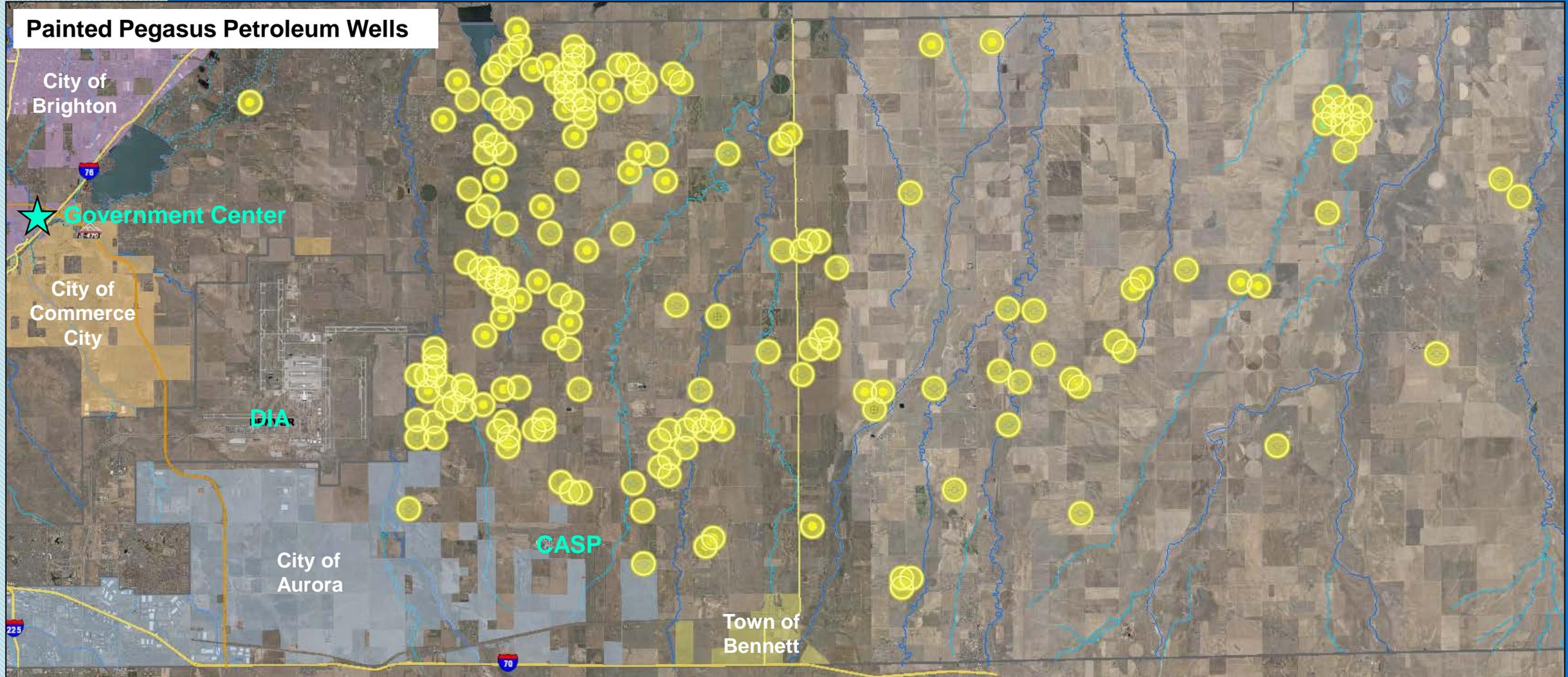
- COGCC has filed for an enforcement hearing against Painted Pegasus Petroleum (P3) to adjudicate 8 specific Notice of Alleged Violations (NOAVs) of the Commission's rules including failure to:
 - Report production volumes and submit reports
 - Install contact information signage, emergency and safety placards, National Fire Association and hazardous material chemical labels
 - Maintain and inspect equipment, valves, and pipes to ensure mechanical condition
 - Prevent adverse impacts to PHSWEW by leaving tanks open and unlocked
 - Conduct necessary Mechanical Integrity Testing on wells
 - Manage weeds and remove rubbish and waste materials from sites
- COGCC Staff is requesting the Commission force P3 into compliance within 35 days and assess penalties and fines. If those wells are not in compliance within that time it would require the Director of COGCC to:
 - Suspend P3's certificates of clearance and revoke their right to operate in Colorado
 - Foreclose on all existing financial assurance bonds and force the repayment any funds to the COGCC expended for work by any successor
- COGCC is requesting the Commission authorize (but not require) the Director to:
 - Declare P3's wells Orphaned (189 statewide, 182 in AdCo)
 - Use the Orphaned Well Fund to investigate, mitigate, remediate, and reclaim their wells / sites
 - Claim all saleable products and equipment to help cover costs



Oil & Gas Update

COGCC Compliance Hearing Review

Painted Pegasus Petroleum Summary





Oil & Gas Update

COGCC Compliance Hearing Review

Painted Pegasus Petroleum Summary

P3 Summary in Adams County:

- P3 is the second largest Operator in AdCo by number of wells (182 active wells)
- 30% of P3's wells (55 wells) reported no production in one or more the last 3 years, with 98% (177 wells) producing less than 1 barrel of oil equivalent / day and could be deemed 'functionally inactive' by proposed COGCC standards
 - Non-producing and marginally producing wells are inherently higher future orphaned well risks
- AdCo has inspected 65 of P3's wells to-date in 2021 (36%), with nearly 70% of those requiring 1 or more corrective actions
 - AdCo plans to inspect another 40 P3 wells by EOY
- P3 appears to have only filed 3% of their required Bradenhead pressure / surface casing integrity tests with the COGCC
 - 10% of their wells (18 wells) are overdue for Mechanical Integrity Tests, with another 15% (26 wells) due by EOY

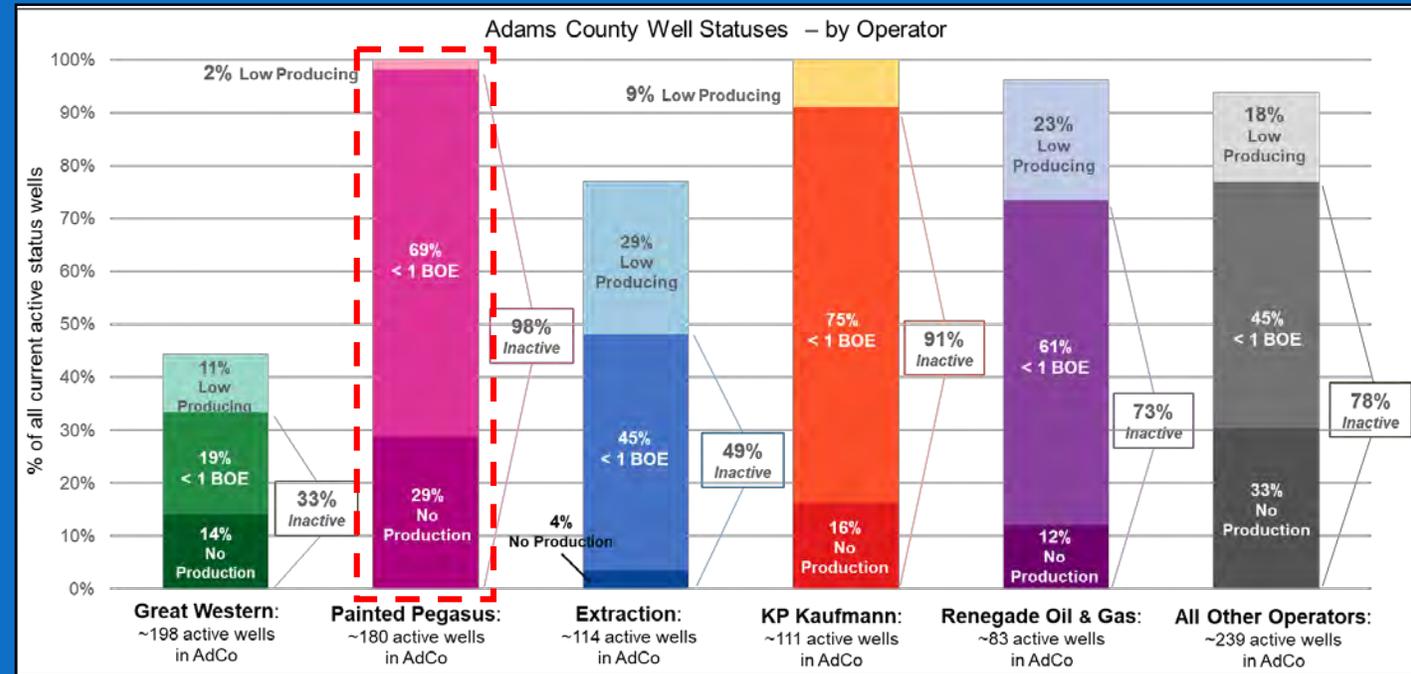


Figure from Staff's Future Orphaned Well Risk Assessment Report – Sept 2021



Oil & Gas Update

COGCC Compliance Hearing Review

Affected Person Petition



COGCC Affected Person Petition requirements



Staff discussion of County positions and proposed remedies



Oil & Gas Update

COGCC Regulation Amendment Update

Staff Recommendations for Financial Assurance:

- **Inactive Well Determinations:**

- Requested the COGCC use well production volumes or economic parameters for the determination of inactive wells
- *Staff argues that using only days of production will lead to many marginally producing wells being left open and will lead to more of those becoming orphaned in the future*

- **Transfer of Operatorship and Permits:**

- Proposed additional submission requirements during well transfers to ensure Operators are in good standing with the COGCC, have a demonstrated history of compliance, and are not using the OWP to discard high liability or less desirable assets to the state
- Recommended that a Selling entity must secure financial assurance for all assets being kept before the transfer is allowed
- *Staff contends that being able to siphon off active permits and high producing wells while leaving higher liability assets with another operator will encourage the future orphaning of wells.*

- **Financial Assurance Review Plan:**

- Proposed the addition of a Financial Assurance Review Summary submission during the state permitting process.
- *Staff wants to ensure Operators with any documentable deficiencies in meeting responsibilities are not granted new permits to drill more wells*

- **Relevant Local Government Consultation and Involvement:**

- Requested a local government consultation requirement for determining an orphaned well's priority ranking for plugging and allow a local government to request a reassessment of a well's ranking should new information become available.
- *Staff asserts that a local government may have more site-specific knowledge and expertise that could impact the timeline for which the OWP should commence the plugging of a well*