AGENDA
OURAY CITY COUNCIL

Monday, August 3, 2026 - 4:00 PM

Ouray Community Center
320 6th Ave
Ouray, CO 81427

VIRTUAL OPTION - https://zoom.us/j/9349389230
Meeting ID: 934 938 9230 Passcode: 491878 Or dial: 408 638 0968 or 669 900 6833

Ouray City Council Work Session

- Changes to this agenda can be found on the bulletin board at City Hall
- Electronic copies of the Council Packet are available on the City website at www.cityofouray.com. A hard copy of the Packet is also available at the Administrative Office for interested citizens.
- Notice is hereby given that a majority or quorum of the Planning Commission, Ouray Economic Development Committee, Beautification Committee, Tourism Advisory Committee, Main Streets Committee, and/or Parks and Recreation Committee may be present at the above noticed City Council meeting to discuss any or all of the matters on the agenda below for Council consideration

1. CALL TO ORDER
2. DISCUSSION ITEMS
   a. Ouray Fire Protection Authority (4 pm)
   b. Mineral Farms (5 pm)

BYLAWS OF
RED MOUNTAIN FIRE RESCUE AUTHORITY

INTRODUCTION

These are the Bylaws of the Red Mountain Fire Rescue Authority (the "Authority") and shall, at all times, be read consistent with the Intergovernmental Agreement Establishing the Authority, dated as of ___________, 2026, and Colorado law.

ARTICLE I
OBJECTIVE AND AUTHORIZATION

1. The Authority is responsible for administering and implementing fire and medical emergency services within its defined service area covering a portion of Ouray County, Colorado. It serves the public welfare, and it is in the best interest of all represented parties to participate in the shared services and the common use of an emergency response authority.

2. Article XVI, Section 18(2)(a) of the Colorado Constitution and C.R.S. §29-1-201, *et seq.*, expressly permit and encourage political subdivisions of the state of Colorado to make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with other political subdivisions or agencies of the United States government.

3. C.R.S. 29-1-203, *et seq.*, further allows governments to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs.

4. In accordance with C.R.S. §29-1-203, any such contract shall set forth fully the purposes, powers, rights, obligations, and responsibilities, financial and otherwise, of the contracting parties.

ARTICLE II
MEMBERSHIP

1. Board Member Makeup. The Authority shall have a Board of Directors with five (5) Director seats. The Board of Directors shall initially be comprised of appointed representatives from the following member organizations as well as two (2) at-large seats appointed by the Board:

    a. Ouray County Board of County Commissioners;
    b. Ridgway Fire Protection District;
    c. City of Ouray;
    d. At-large
    e. At-large

2. Ex Officio Board Member. The Ouray County Sheriff shall serve as an *ex officio* Board member of the Authority.

The Board may adjust membership as needed and according to the amendment provision of these Bylaws.

3. Term. Each member shall serve at the pleasure of the entity which they represent for terms of four (4) years and shall be re-appointed or replaced by the originally appointing body at the expiration of their existing term.

ARTICLE II
MEETINGS

1. Meetings. Regular Meetings of the Board shall be held on the **(INSERT DAY)** of each month. The Board shall determine, set, and post actual meeting locations and times. A schedule of meetings, including date, time, and location, shall be posted at appropriate public and private locations within Ouray County. A change of meeting time and location may be made with appropriate notice to the Board Members and the public.

2. Special Meetings. Special Meetings of the Board may be called by the Board President. Notice of special meetings shall be given at least twenty-four hours prior to the special meeting in such a manner as to notify each Board Member and may be by telephone, written notice, or email or other electronic means of the time, place, and reason for the meeting. Any Board Member attending such special meeting shall be deemed to have received su cient notice of the meeting.

3. Emergency Meetings. Emergency Meetings of the Board may be called by the President at such time and place as the President or the majority of the Board may determine that circumstances require immediate action for the health, safety, and welfare of the Authority. Reasonable e ort shall be made to notify each Board Member, and the public of the meeting.

4. Public Meetings. All Meetings shall be open to the public, and subject to Colorado Open Meetings Law, except as otherwise provided for by Colorado Revised Statutes.

5. Quorums. A Quorum at a meeting of the Board shall consist of three (3) Board Members. The Board may take no o cial action unless a quorum is present.

6. Executive Session. The Board may go into executive session to discuss matters as permitted by Colorado Revised Statutes. Topics for such discussion are to be announced by motion which shall include the specific statute that authorizes an executive session. The motion shall describe the purpose of the executive session without compromising the purpose of the session. A record of the proceedings of the executive session shall be retained by the Authority for a period of ninety days after which they shall be destroyed. Such proceedings shall not be released to the public except as required under the Colorado Open Meetings Law.

7. Procedure of Meetings. Meetings of the Board of Directors shall generally be conducted according to Bob's Rules. However, no action shall be deemed invalid based on a lack of strict adherence to Bob's Rules.

ARTICLE III
OFFICERS AND DUTIES

1. Officers. The Officers of the Authority shall consist of:

    a. President
    b. Vice President
    c. Secretary
    d. Treasurer

2. <u>President</u>. The President shall act as the Chair of the Board and shall preside at all meetings. Except as otherwise authorized by the Board, the President shall sign all contracts, deeds, notes, debentures, warrants and other instruments authorized to be executed by the Board on behalf of the Authority, except contracts or agreements that may be signed by the Fire Chief of the Authority, as herein provided.

3. <u>Vice President</u>. The Vice President shall perform all of the President's duties in the absence of the President.

4. <u>Secretary</u>. The Secretary shall be responsible for overseeing the records of the Authority; may act as Secretary at meetings of the Board and record all votes; shall be responsible for ensuring a record of the proceedings of the Board is prepared in a visual text format that may be transmitted electronically, which shall be an official record of the Board; and shall perform all duties incident to that office. The Secretary shall be the custodian of the seal of Authority. The Secretary shall have the authority to affix such a seal to and attest all contracts and instruments authorized to be executed by the Board.

5. <u>Treasurer</u>. The Treasurer shall be authorized to invest or cause to be invested all surplus funds or other available funds of the Authority in permitted investments authorized by law or as specified by the Board. The Treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of Authority in accordance with adopted record retention schedules and applicable law. The accounting function shall be provided by an independent contractor or properly qualified employee under the supervision of the Fire Chief and Treasurer and shall be reviewed at least quarterly by the Board.

6. <u>Recording Secretary</u>. The Board shall have the authority to appoint a recording secretary who need not be a member of the Board, and who shall be responsible for recording all votes and composing a record of the proceedings of the Board in a visual text format that may be transmitted electronically, which shall be the official record of the Board. The recording secretary (and other officers and Board members) shall not be required to take an oath of office, nor shall the recording secretary be required to post a performance bond.

7. Election of Officers. Officers of the Board shall be elected at the first regular meeting of the year. Officers shall serve a term of two years and shall be eligible for re-election to subsequent two year terms, or upon vacancy of an existing Officer. There shall be no limit to the number of terms an officer may serve.

ARTICLE IV
PLACE OF BUSINESS

1. Principal Place of Business. The principal office of the Authority shall be: 251 N. Railroad St, Ridgway, CO 81432, unless and until otherwise designated. Further inquiries or records requests may be submitted to Ouray County: Ouray County Manager, 541 4th St., PO Box C, Ouray, CO 81427. The Authority, by resolution from time to time, may designate, locate and relocate its executive and business office or other offices at such place as the Board deems best.

ARTICLE V
CONDUCT OF BUSINESS

1. Order of Business. All meetings of the Board shall be governed by common accepted parliamentary rules, as referenced in Bob's Rules. The following order of business shall be used as a guide insofar as applicable and desirable:

    1. Determination of quorum;
    2. Approval of minutes;
    3. Reports (i.e., Chief, Financial, etc.)
    4. Unfinished business;
    5. New business;
    6. Executive session (when applicable); and
    7. Adjournment.

2. Resolutions and Motions. Each and every official action by the Board shall be taken by the passage of resolutions and motions through majority vote of the quorum present.

3. The Minute Book. All resolutions, as soon as may be practical after their passage, shall either be reflected in the minute book, or in the alternative, be recorded in a book kept for that purpose and shall be authenticated by the signature of the President of the Board and attested by the Secretary of the Board. The minutes and monthly treasurer reports shall be available for examination to the public at the office of the Authority during regular business hours.

4. Official Newspaper. The Board, by Resolution, shall annually designate an official newspaper for official publications.

5. Additional Newspapers. The Board may, if it deems it to be in the public interest, direct the use of additional newspapers for official publications, provided that such newspapers are published and circulated in the County of Ouray.

ARTICLE VI
CONFLICT OF INTEREST

1. No Member of the Board shall receive any compensation as an employee of the Authority, and no Member of the Board shall be interested in any contracts or transactions with the Authority except in his or her official respective capacity.

2. Conflicts of Interest. Any Board Member who has a conflict of interest or a potential conflict of interest in any matter before the Board shall bring it to the attention of the Board and shall recuse himself or herself from consideration or discussion of or voting regarding the matter. Such recusal shall be noted in the record of the meeting.

ARTICLE V
POWERS OF THE BOARD

1. Authority. The Board shall be deemed to have the power and authority provided by the Authority's Intergovernmental Agreement dated_______.

2. Operating Procedures. The Board shall review and approve the Operating Procedures for the Authority, as prepared by the Chief of the Authority.

3. Committees. The Board may establish committees composed of Board Members to review and advise the Board on matters under consideration.

ARTICLE VI
AMENDMENT OF BYLAWS

1. Amendment. These bylaws may be amended by a majority vote of the Board, provided that such amendment is presented in writing at a regular meeting of the Board and such action be taken at a subsequent regular meeting, if such changes are made in accordance with the governing Inter-Governmental Agreement that establishes the Authority.

INTERGOVERNMENTAL AGREEMENT
ESTABLISHING RED MOUNTAIN FIRE RESCUE AUTHORITY

This Intergovernmental Agreement (the "Agreement"), is entered into effective of the date of the last signature herein, , by and between the Ridgway Fire Protection District ("RFPD"), a quasi-municipal corporation and political subdivision of the State of Colorado; the Ouray Fire Protection District ("OFPD"), a quasi-municipal corporation and political subdivision of the State of Colorado (each individually, a "District" and collectively, the "Districts"); the City of Ouray, a home rule municipality of the State of Colorado ("City"); and the County of Ouray, a statutory county and political subdivision of the State of Colorado (County") (Districts, City, and County each individually a "Party" and collectively the "Parties").

WITNESSETH:

WHEREAS, the Districts are each fire protection districts organized and operating pursuant to Title 32 of the Colorado Revised Statutes ("Title 32"); and

WHEREAS, pursuant to the authority granted under Title 32, the Districts carry out fire prevention and suppression activities, emergency medical and rescue services, fire code enforcement, hazardous material responses and all other activities permitted under Title 32; and

WHEREAS, pursuant to the authority granted under Title 31 of the Colorado Revised Statutes ("Title 31"), the City has the power to operate a fire department and emergency rescue services, and currently operates a volunteer fire department that carries out fire prevention and suppression activities; and

WHEREAS, pursuant to the authority granted under Title 30 of the Colorado Revised Statutes ("Title 30"), the County has the power to establish emergency rescue services, and currently provides basic and advanced life-support EMS services to the County; and

WHEREAS, the Parties, being located adjacent to one another, have developed a collaborative working relationship to more efficiently and effectively carry out their individual responsibilities under their respective authority; and

WHEREAS, pursuant to Article XIV, Section 18(2)(a) of the Constitution of the State of Colorado and Section 29-1-201, *et seq.* CRS, local governments may cooperate or contract with each other to provide any function or service that is legally authorized to each, including, without limitation, the sharing of costs for such services; and

WHEREAS, in an effort to further advance their collaborative efforts, the Parties wish to enter into this Agreement to provide for the formation of an independent governmental entity, known as the Red Mountain Fire Rescue Authority (the "Authority"), to be governed by a five (5) member Board of Directors (the "Board"), which shall improve the health, safety and general welfare of the public within the respective territorial boundaries of the Parties, intended to be coterminous with the boundaries of the Districts (as such boundaries presently exist and as they may be adjusted in the future).

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein expressed, it is agreed by and between the Parties hereto as follows:

ARTICLE I

GENERAL PROVISIONS

1.1 Term of the Agreement. This Agreement shall be in effect from the date first written above and remain in effect until terminated by the Parties in accordance with the provisions provided herein.

1.2 Authority. The Authority shall be known as the Red Mountain Fire Rescue Authority and is a separate legal entity organized pursuant to Section 29-1-203(4), C.R.S., that is an independent governmental entity separate and distinct from the Parties. The Authority may provide, directly or by contract, fire protection, emergency medical, rescue and ambulance transport services, enforcement of fire prevention codes, hazardous materials response, and all other services typically provided by the Parties within their respective territorial limits (collectively, the "Fire Rescue Services").

1.3 Nature of the Authority. In carrying out its purposes, the Authority will observe and comply with statutes and laws applicable to the Parties and the Fire Rescue Services. The Parties do not intend that the Authority be considered an "enterprise" under Article X, Section 20 of the Colorado Constitution ("TABOR") and therefore will maintain a three percent (3%) emergency reserve as required by paragraph (5) of TABOR. The parties may dedicate to the Authority, or may reserve within their own funds, the 3% emergency reserves of the individual Parties' annual funding specified herein, which shall be available to the Authority should it become necessary to draw on an emergency reserve fund and thus the Authority's emergency reserve requirement under TABOR would be satisfied. The Authority boundaries shall consist of the combined territorial boundaries of the Districts (the "Service Area").

1.4 Termination. This Agreement shall terminate upon any of the following occurring:

a. Withdrawal of all but one (1) of the then-current Parties; or

b. Written agreement of the Parties; or

c. Non-appropriation event, as set forth in Article 6.2.

1.5 Withdrawal of Parties. Any Party may withdraw from this Agreement and the Authority by majority vote of the withdrawing Party's governing body. Withdrawal shall be effective as of January 1 of the year that begins at least six (6) months after the written notice of withdrawal is provided to the other Parties. Upon withdrawal, the Parties shall confer in good faith on the return of any assets, property, or personnel that were transferred to the Authority by the withdrawing Party. Prior to providing written notice of withdrawal, the Parties agree to meet and confer in good faith to resolve and confer on any existing concerns or disputes, at least one (1) month prior to any written notice of withdrawal, with representatives from each Party at the highest practicable staff level participating (e.g. Fire Chief, City Administrator, County Manager or equivalents).

1.6 Addition of Parties. The Board may determine to add entities to the Authority under such terms and conditions as the Board deems appropriate and pursuant to a majority vote of the Board.

1.7 Principal Place of Business. The principal place of business of the Authority shall be 251 N. Railroad St, Ridgway, CO 81432, unless otherwise established by the Board.

1.8 Governing Board. The Authority shall be governed by the Board in which all administrative and legislative power of the Authority is vested.

a. Number and Voting Rights. The Board shall initially be comprised of five (5) Directors, with three (3) restricted seats and two (2) at-large seats, as set forth below:
    a. One member from RFPD's governing body, appointed by the RFPD Board of Directors;
    b. One member to represent the collective boundaries of the City and OFPD, consisting of one member from either OFPD's governing body or from City's governing body, appointed by the City;
    c. One member from the Ouray County Board of County Commissioners ("BOCC"), appointed by the BOCC;
    d. Two (2) at-large members from within the Service Area, appointed by the then-current members of the Authority Board.

b. Eligibility. To be eligible to serve on the restricted Board seats, a Director must have been elected or appointed to the governing board of one of the Parties. To be eligible to serve on the at-large Board seats, a Director must reside in the Service Area.

c. Term. Each appointed Director shall serve a four (4) year term. For purposes of the initial Board of Directors, the Directors from RFPD and the County, as well as 1 at-large seat, shall serve an initial term of two (2) years, while the Director serving OFPD and the City, as well as the second at-large seat, will serve an initial term of four (4) years, thereby establishing staggered terms on the Board of Directors.

d. Vacancy. A vacancy may arise on the Board through resignation, death, removal by the appointing Party, disability of any such Director or loss of eligibility to serve on the Board.

e. Appointment; Removal. A vacancy may be filled through appointment as determined by the majority vote of the governing body that appointed the vacating Director. A Director filling a restricted seat may be removed from the Authority Board by a majority vote of their appointing governing body. An at-large Director may be removed by majority vote of the Authority Board.

f. Quorum. To form a quorum, at least three (3) of the Directors must be present at a regular or special meeting of the Board. The Board may not hold a meeting or take formal action if a quorum is not present. A Director shall be deemed present by either in-person or electronic attendance at a meeting.

g. Decisions. Decisions of the Board shall only be made at regular or special meetings, called upon notice as required herein, at which a quorum is present. Except as otherwise expressly provided herein or required by law, decisions of the Board shall be made by a majority of the quorum present at a particular meeting, which shall not be less than three (3) Directors under any circumstances.

1.9 Meetings of the Board.

a. Notice of Meetings. The Board shall annually designate, at its first regular meeting of each calendar year, the public posting location(s) within the Service Area for providing full and timely notice to the public of all regular and special meetings in accordance with Section 24-6-402(2)(c), C.R.S., as amended. The posting location may be the website of the Authority, should the Authority choose to operate a website.

b. Regular Meetings. The Board shall provide for regular meetings at a time and place fixed by the Board. The Board may change the time and place of meetings throughout the year in compliance with applicable law and reflected in the relevant posted meeting notice.

c. Special Meetings. The Board may conduct special meetings, which may be called by the Board at such times as it may determine to be necessary, provided that notice of the time, place, and business of such meeting is provided to the public in accordance with applicable law.

d. Open Meetings. All meetings of the Board shall be open to the public, except that the Board may go into executive session at any regular or special meeting, in accordance with Section 24-6-402(4), C.R.S., as amended.

e. Electronic Attendance. Directors may participate by telephone or other technology that allows them to participate in a meaningful manner, with advanced notice to the Board President. Any meeting which is held completely by remote means shall provide the relevant information for the public to join the meeting in the posted notice of the meeting.

f. Minutes. The Secretary or designee shall cause all minutes of the meetings of the Board to be kept and shall, prior to the next meeting, provide a draft of the minutes to each Director of the Board for consideration and approval at the next meeting, to the extent feasible.

g. By-Laws. The Board may adopt such by-laws, rules and regulations as necessary for the conduct of its meetings and affairs.

1.10 Colorado Governmental Immunity Act. As a separate governmental entity created pursuant to Section 29-1-203(4), C.R.S., the Authority, and its officers, employees, and volunteers, shall receive and enjoy all of the privileges, immunities and defenses afforded under federal or state constitutional, statutory or common law, including but not limited to, those provided to a "public entity" under the Colorado Governmental Immunity Act, Section 24-10-101 *et seq.*, C.R.S., as amended.

ARTICLE II

OFFICERS AND EMPLOYEES

2.1 Officers. The Board shall elect from its membership a President, Vice President, Secretary, and Treasurer who shall be the officers of the Board and of the Authority. A single Director may serve as both the Secretary and Treasurer at the discretion of the Board. The officers shall be elected by a majority of the Directors voting at such election. The Board may, from time to time appoint an acting officer in the absence of any individual officer. The election of the officers shall be conducted biennially at the first regular meeting of the Board in January. Each officer so elected shall serve for a term of two years, which term shall expire upon the election of his or her successor or upon his or her reelection to that office. An officer may be removed from their officer status by majority vote of the Board. The Board may also choose to appoint a Recording Secretary, which appointee need not be a Board member. Said officers shall perform the duties normal for said offices, including the following and such other duties as may be imposed by the Board:

a. President. The President shall act as the Chair of the Board and shall preside at all meetings. Except as otherwise authorized by the Board, the President shall sign all contracts, deeds, notes, debentures, warrants and other instruments authorized to be executed by the Board on behalf of the Authority, except contracts or agreements that may be signed by the Fire Chief of the Authority, as herein provided.

b. Vice President. The Vice President shall perform all of the President's duties in the absence of the President.

c. Secretary. The Secretary shall be responsible for overseeing the records of the Authority; may act as Secretary at meetings of the Board and record all votes; shall be responsible for ensuring a record of the proceedings of the Board is prepared in a visual text format that may be transmitted electronically, which shall be an official record of the Board; and shall perform all duties incident to that office. The Secretary shall be the custodian of the seal of Authority. The Secretary shall have the authority to affix such a seal to and attest all contracts and instruments authorized to be executed by the Board.

d. Treasurer. The Treasurer shall be authorized to invest or cause to be invested all surplus funds or other available funds of the Authority in permitted investments authorized by law or as specified by the Board. The Treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of Authority in accordance with adopted record retention schedules and applicable law. The accounting function shall be provided by an independent contractor or properly qualified employee under the supervision of the Fire Chief and Treasurer and shall be reviewed at least quarterly by the Board.

e. Recording Secretary. The Board shall have the authority to appoint a recording secretary who need not be a member of the Board, and who shall be responsible for recording all votes and composing a record of the proceedings of the Board in a visual text format that may be transmitted electronically, which shall be the official record of the Board. The recording secretary (and other officers and Board members) shall not be required to take an oath of office, nor shall the recording secretary be required to post a performance bond.

2.2 Fire Chief. The Board shall appoint a fire chief to manage the Authority ("Fire Chief"), who shall serve on an at-will basis at the pleasure of the Board. The appointment shall occur in accordance with C.R.S. § 24-6-402(3.5); provided that the Board shall have authority to appoint an interim Fire Chief while the statutory appointment process is pending. On behalf of the Authority, the Fire Chief shall carry out all of the operational and administrative responsibilities to provide the Fire Rescue Services and shall be subject to the supervision and oversight of the Board. Those powers not delegated to the Fire Chief shall be reserved to the Board. In addition to those powers and responsibilities which are specifically delegated by the Board, the Fire Chief shall have all powers and authorities provided to a fire chief under Section 32-1-1002, C.R.S., and shall oversee and manage all business and affairs of the Authority, including the operation, maintenance, management, administration, and provision of all facilities, improvements, equipment, services and personnel, in the manner typically associated with a fire and emergency rescue agency. The Fire Chief shall have the authority to oversee maintenance and operation of all facilities and to make such personnel decisions as deemed appropriate, including without limitation, decisions as to organization, staffing levels, deployment, promotions, demotions, discipline and, where deemed necessary by the Fire Chief, termination.

2.3 Other Employees, Contractors or Consultants. The Board shall have the power to appoint, employ, or contract with such other persons, agents, and consultants for the purpose of providing professional, technical or consulting services as may be necessary for the purposes of this Agreement, including but not limited to legal, accounting, and investment services.

ARTICLE III

POWERS OF THE AUTHORITY

3.1 General Powers. The Authority shall exercise, in the manner herein provided, the common powers, which are lawfully authorized to the Parties, as provided by the laws of the State of Colorado, and all incidental, implied, expressed or necessary powers for the accomplishment of the purposes of this Agreement as provided herein. Such powers shall include, but are not limited to, any lawful powers applicable to the provision of fire and rescue services under Title 32 and other applicable law. The Board shall exercise the Authority's powers unless otherwise designated by this Agreement, applicable law, or delegation of the Board. The Authority shall not have the power to levy taxes. The County and the County Sheriff reserve jurisdiction over significant wildfire incidents (including those expected to result in personal injury and/or over $100,000.00 in property damage or involve state and/or federal assistance) which require the Sheriff to act as Fire Warden under C.R.S. §§ 30-10-512 through 30-10-513.5, and the County to activate the Emergency Operations Center pursuant to C.R.S. § 24-33.5-709 and the County Multi-Jurisdictional Emergency Operations Plan (County Resolution 2024-043, as amended).

3.2 Specific Powers. The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of the foregoing powers including, but not limited to, the following:

a. To make, and enter into, and perform contracts, including those with the parties hereto, for goods or services of every kind as authorized by law with other governmental entities, the State of Colorado, or any political subdivision thereof, the United States, or any political subdivision thereof, and any individual, firm, association, partnership, corporation or any other organization of any kind.

b. To employ all necessary personnel on an at-will basis unless as otherwise provided for civil tenure or similar employment protections in accordance with C.R.S. § 32-1-1002 or other applicable law

c. To acquire, construct, manage, maintain, and operate any buildings, works, improvements or other facilities.

d. To acquire, hold or dispose of property.

e. To sue and be sued in its own name.

f. To incur debts, liabilities, or obligations as may be permitted by law, provided that no debt, liability or obligation shall constitute a debt, liability or obligation of either of the Parties to the extent and in the manner permitted by law, and borrow money and, from time to time, make, accept, endorse, execute, issue and deliver bonds, notes and other obligations of the Authority for monies borrowed, or in payment for property acquired, or for any of the other purposes, services or functions of the Authority; and as provided by law, and to the extent permitted by law, to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other collateral instrument, or by other securitized interest or assignment of all or any part of the properties, rights, assets, contracts, easements, revenues and privileges of the Authority; and providing that all debts, liabilities, and obligations of the Authority shall be limited to or secured only to the extent of the Authority's assets; and further providing that no obligation of the Authority shall be or become an obligation of either of the Parties without the express written consent of such Party.

g. To apply for, accept, receive and disperse grants, loans and other aid from any governmental entity or political subdivision thereof.

h. To invest any unexpended funds that are not required for the immediate operation of the Authority, as the Authority determines is advisable, in accordance with the laws of the State of Colorado.

i. To administer and enforce the Fire Code adopted by the Authority, and as adopted or consented to by other municipalities and counties within the Service Area.

j. To provide ambulance services or to contract with a provider of ambulance services within the Service Area through any lawful means, including but not limited to an exclusive service agreement, performance standards or other provisions as deemed appropriate by the Board.

k. To adopt bylaws, rules, and regulations respecting the exercise of its powers and carrying out of its purposes.

l. To fix, maintain, and revise fees, rates, and charges for functions, services, or facilities provided by the Authority in the manner provided by law.

m. To own, operate, and maintain real and personal property and facilities in common with others, and to conduct joint, partnership, cooperative, or operations with others, and to exercise all the powers granted herein in joint, partnership, cooperative, or other operations with others.

n. To act as agent on behalf of the parties with regard to the functions and services described hereinabove and any existing contracts and agreements between either or both of the parties or any other party, to the extent permitted by law and the terms of such contracts and agreements.

o. To carry out and enforce all provisions of this Agreement.

ARTICLE IV

ORGANIZATIONAL PROCEDURE

4.1 Delegation of Powers, Duties and Responsibilities.

a. Each of the Parties delegates to the Authority the power, duty and responsibility to maintain, operate, manage and control the Fire Rescue Services to all persons and property within the Service Area.

b. The Authority is hereby empowered to provide fire protection and/or emergency rescue services to persons and property outside the Service Area (or federal land, or any areas serviced by any non-profit volunteer fire agency inside the boundaries) by agreement in exchange for payment or reciprocal services, as long as such additional services does not negatively impact Fire Rescue Services within the Service Area.

4.2 Authority Fund. The Board shall establish all necessary Authority Funds to account for all financial transactions of the Authority in accordance with generally accepted accounting principles. The Authority shall open necessary bank accounts on or around January 1, 2027 to maintain Authority funds, which shall be separate and distinct from any account that is owned and maintained by either of the Parties, and shall maintain appropriate custodial and/or investment policies for the appropriate receipt and keeping of such funds. To initiate the funding of the first operational account of the Authority, the Parties intend to transfer the following amounts to the Authority for budget year 2027:

a. RFPD: $
b. OFPD: $
c. City: $
d. County: $

ARTICLE V

PERSONNEL, ASSETS AND PROPERTY

5.1 Personnel, Assets and Property. While the long-term goal of the Authority is to centralize all employment and asset administration under a single entity, the complexities presented by the different organizational structures of the Parties does not support an initial transfer of personnel and assets as of January 1, 2027. However, initial command staff will be hired by the Authority to assist in the initial organization and development of unified service. The Organizational Chart of the Authority is attached hereto as **Exhibit A**.

5.2 Command Staff Personnel. It is the intent of the Parties that as of January 1, 2027, the Fire Chief, Operations Chief, EMS Division Chief, and Administrative Services Manager will be hired and employed by the Authority. The Command Staff hired by the Authority shall continue to serve in a dual role with their current positions as of January 1, 2027, unless an alternative arrangement is agreed to by the employing Party. Operational personnel will remain as employees or volunteers of the respective Party for which they work as of January 1, 2027 until a future date at which the Parties agree that the Authority will hire and manage all personnel providing Fire Rescue Services.

During the term of this Agreement, all personnel hired by the Authority shall be employees or volunteers of the Authority subject to the terms and conditions in effect, as stated in the Authority rules and regulations, as amended from time to time. All of the time that a transferred employee or volunteer has spent with either of the Parties shall be considered as time spent with the Authority for the purpose of determining any conditions or benefits received from the Authority.

5.3 Assets and Property. The Parties shall confer in good faith to determine if any assets or property will be transferred to the Authority to assist with initial organization and the provision of the Fire Rescue Services. However, the Parties shall execute such agreements, assignments, or other documents as deemed reasonably appropriate by the Authority and the Parties to allow for the centralized deployment and use of the Parties' assets for the provision of the Fire Rescue Services.

ARTICLE VI

BUDGET: MAINTENANCE, OPERATIONS AND OTHER COSTS

6.1 Annual Budget.

a. The Board shall comply with all budgeting requirements of the Local Government Budget Law of Colorado, Section 29-1-101 *et seq.*, C.R.S., as amended, and adopt a preliminary budget (including a budget request to the Parties) for maintenance and operation costs, capital costs, and costs of other services in accordance with the budget schedules of the Parties, which budget may be amended from time-to-time based on changes in revenue projections made by the Parties. The Board shall submit the budget to the respective governing bodies of the Parties. The budget shall become the Authority budget only after approval of the appropriations by the respective Parties and final approval by the Board.

b. The Parties shall each adopt budgets that appropriate their portion of the Authority's operating funds by December 15 of the year before the upcoming budget year.

c. The Parties shall transfer their respective portions of such revenue on a monthly basis, at the beginning of each month, beginning on or before January 1, 2027 . The Board is authorized to approve other arrangements for transfer of revenue by the Parties, provided the financial security of the Authority is not impaired. For example, the Parties and Authority may reserve the right to stipulate on a revenue level and then stipulate to a corresponding mill levy (less the sums to be retained by Districts for wind-down and pensions), and the County could then levy that new amount on a County-wide basis if approved by the voters under Colorado law, as the Authority would lack direct taxing ability.

d. The Board may present requests for supplemental appropriations to each Party. For the purposes of this Agreement, "supplemental appropriations" shall mean any appropriation made above and beyond the annual appropriation made during the budgetary process.

e. The Authority shall make available to each of the Parties a detailed statement of the final costs and expenses for the fiscal year allocated in the same manner as estimated expenses were allocated, as soon as possible after the close of each fiscal year.

6.2 Annual Appropriation. All financial obligations of the Parties incurred pursuant to this Agreement are expressly contingent upon the annual appropriation of funds by each Party, including but not limited to an annual budget request to all Parties in accordance with C.R.S. § 29-1-105 and other applicable law and budget requirements of each Party. In order to withhold the appropriation of funds to the Authority, the governing board of the non-appropriating Party must vote in favor of non-appropriation by a majority vote, consisting of a majority of governing members plus one voting in favor of the non-appropriation decision. Upon an event of non-appropriation by one Party, the remaining Parties that have appropriated funds may, in their sole discretion, terminate this Agreement effective as of the last day of the year in which funds have been appropriated by the remaining Parties, or choose to continue this Agreement in effect, in which case the Authority shall adjust the level of service and funding consistent with the revenues available from the remaining Parties. If all Parties fail to appropriate funds under this Agreement for a given fiscal year, unless otherwise agreed to by the Parties, this Agreement shall terminate effective as of the last day of the year in which all Parties have appropriated funds.

6.3 Records and Accounts. The Authority shall provide for the keeping of accurate and correct books of account, showing in detail the capital costs, cost of special services, maintenance and operating costs and all financial transactions of the Authority which books of account shall correctly show any receipts and also any costs, expenses or charges paid to or to be paid by each of the Parties. Said books and records shall be open to inspection at all times during normal business hours by any representative of any Party or by the accountant or other person authorized by any Party to inspect said books or records. The Board shall provide for the auditing of all books and accounts and other financial records of the Authority on an annual basis. The Board shall present the result of such audit to the Parties not later than thirty (30) days after receipt.

ARTICLE VII

OWNERSHIP OF PROPERTY

7.1 Real and Personal Property. So long as this Agreement remains effective, the Authority shall hold all right, title and interest in any and all real and personal property assigned to the Authority by the Parties or acquired by the Authority after the effective date of this Agreement, unless such property is disposed of in compliance with the terms of this Agreement.

7.2 Asset Inventory Schedules. The Authority shall maintain separate asset inventory schedules for any and all property transferred from the Parties that is held under the ownership of the Authority.

ARTICLE VIII

DISPOSITION OF PERSONNEL AND ASSETS UPON TERMINATION

8.1 Personnel. Upon termination of this Agreement, to the extent any personnel have been transferred to the Authority, they shall return to the management and control of the Party that transferred them to the Authority. All other employees shall be deemed terminated as of the date of termination of this Agreement. The Parties shall engage in good faith negotiations related to the transfer of personnel hired directly by the Authority and shall include the personnel in the negotiations; however, the Parties retain the sole discretion to make the final determination of Authority personnel.

8.2 Transferred Assets and Property. Upon termination of this Agreement, the assets or property of the Authority shall be disposed of as follows:

a. First, all assets and property acquired by the Authority from contributions from the Parties shall be returned to the contributing Party if said assets or property are still owned by the Authority. If assets or property contributed to the Authority are not in existence, the contributing Party shall have the option of receiving the fair market value of the asset or property at the time of disposal by the Authority in either cash (if available) or assets or property of the Authority acquired from funds provided by the Parties.

b. The Parties may agree to dispose of any assets or property of the Authority in any other acceptable manner.

c. If the Parties cannot agree on the disposition of certain assets or property of the Authority, said assets or property shall be subject to an independent appraisal and shall be sold at public auction with the proceeds allocated to the Parties in the same proportion as the respective contribution of funds by the Parties for acquisition of the asset or property.

8.2 Division of Authority Assets and Liabilities. Upon termination of this Agreement, the Parties will work in good-faith to determine how best to allocate Authority assets and liabilities between the Parties, such that a fair and equitable arrangement can be achieved while continuing to maintain the best possible fire rescue services within the boundaries of the Parties. The Parties shall memorialize the terms of their accord in a written agreement.

ARTICLE IX

MISCELLANEOUS PROVISIONS

9.1 Notices. Any notice required hereunder shall be in writing and shall be sufficient if deposited in the United States mail, registered or certified, postage prepaid, and return receipt requested, or upon email notice if approved in advance, to:

RFPD:

Chris Miller, Fire Chief
251 N. Railroad St.
Ridgway, CO 81432
970-626-5311
chief@ridgwayfire.org

OFPD:

[Contact Information]

City:

Michelle Metteer, City Administrator
320 6th Avenue, PO Box 468
Ouray, CO 81427
970-318-9701
mmetteer@cityofouray.com

County:

Antonio Mendez, County Manager
541 Fourth Street, PO Box C
970-318-1075
amendez@ourayco.gov

9.2 Consent. Whenever any provision of this Agreement requires consent or approval of the Parties, the same shall not be unreasonably withheld.

9.3 Amendments. This Agreement may only be amended in writing, signed by the Parties in furtherance of the purposes of this Agreement.

9.4 Severability. In the event any provision of this Agreement is determined to be illegal or invalid for any reason, all other provisions of this Agreement shall remain in full force and effect unless and until otherwise determined. The illegality of any provision of this Agreement shall in no way affect the legality and enforceability of any other provision of this Agreement.

9.5 Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties.

9.6 Assignment and Delegation. A Party shall neither assign any of the rights nor delegate any of the duties created by this Agreement without the written consent of the other Parties.

9.7 No Third-Party Beneficiaries. This Agreement is made for the exclusive benefit of the Parties hereto and shall not be construed to be an agreement for the benefit of any third party or parties and no third party shall have a right of action hereunder for any cause whatsoever.

9.8 Governing Law; Venue; Jury Waiver. This Agreement is governed by Colorado law. The sole venue for any dispute concerning or arising out of this Agreement shall be courts of Ouray County, Colorado, with each Party responsible for its own attorney's fees and costs. The Parties agree that any judicial action concerning or arising out of this Agreement shall be decided by the court, sitting without a jury, regardless of the denomination of any claims that may be brought. All financial obligations of the Parties herein are expressly subject to the appropriation of funds on an annual basis pursuant to C.R.S. § 29-1-110, Article X, Section 20 of the Colorado Constitution, and other applicable law. The Parties and Authority reserve governmental immunity under C.R.S. § 24-10-101 et seq. and other applicable law.

9.9 Mediation. Prior to any Party commencing a judicial action concerning or arising out of this Agreement, the Parties shall first engage in mediation before a mutually acceptable mediator, with costs of the mediator to be split and paid equally by the Parties, subject to the appropriation and availability of funds.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed on the date hereinabove written.

[*Remainder of Page Left Blank, Signature Page Follows*]

[*Signature Page to Intergovernmental Agreement Establishing _________ Fire Rescue Authority*]

A FIREFIGHTING WATER PARTNERSHIP
FOR CAMP BIRD ROAD

Mineral Farms × City of Ouray

City Council Work Session · Monday, August 3, 2026, 5:00 PM

Presented by the Mineral Farms Water Users Association & Mineral Farms HOA

The Proposal in One Slide

Mineral Farms grants the City and fire district permanent, written access to its two ponds for wildfire response — the only stored, year round draftable water on Camp Bird Road — in exchange for water pricing equal to what any Ouray resident pays.

What the City gains

- The only creditable firefighting water source in the ISO graded area
- Protection for its own Weehawken raw-water line
- Points toward preserving the town's Class 3 insurance rating
- Insurance relief for Camp Bird corridor property owners
- A six-figure cistern alternative — avoided

What Mineral Farms asks

- Resident-rate water pricing (we currently pay ~2× the in-town rate for untreated water)
- Fire district funds, installs & maintains two dry hydrants to ISO standards
- District requests ISO re-evaluation once installed
- Drafting limited to wildfire response; hydrant siting respects homes & viewsheds

The Problem: A Fire on Camp Bird Road Today

0

Hydrants, cisterns, or engineered draft points on Camp Bird Road

0

Creditable suction points in the entire ISO graded area — per the City's own PPC report

1

Raw-water line — the City's own Weehawken supply — running through that fire-exposed corridor

What an engine company faces up that canyon today: shuttle water from town, up a narrow mountain road, one tanker at a time — against a wildfire, in a corridor holding homes, forest, heavy summer visitation, and the pipeline this town drinks from.

City staff have acknowledged this gap directly: there are very limited to no resources to fight a fire along Camp Bird Road.

This isn't a Mineral Farms problem or a City problem. It's a shared exposure — and it has an inexpensive fix.

What Mineral Farms Brings: A Year Round Water Supply in the Canyon

Asset	Detail
Two ponds	Located within the Mineral Farms community, approximately 2.3–2.8 road miles from the Ouray fire station — positioned to cover the corridor
Volume	Far exceeds cistern capacity; naturally refilling; independent of the drinking water system
Year-round access	Dry hydrants installed below the ice line allow engines to draft in any season — including January
Formal commitment	Our membership has authorized a permanent, written access agreement — the documentation ISO requires for rating credit

What is a dry hydrant? A simple, unpressurized pipe from the pond to a roadside connection point — no pumps, no power, no treatment. An engine connects and drafts directly. Installed cost is roughly $5,000–$15,000 per hydrant; the buried-cistern alternative runs $50,000–$150,000 each. We propose one in each pond so the entire neighborhood — and the corridor — is covered.

The Insurance Dividend: Ouray's ISO Rating

71.60 pts

Ouray's ISO score — a strong Class 3, but only 1.6 points above the Class 4 cutoff (70.00)

3X / 10

Current ratings for Camp Bird corridor properties — no creditable water within 1,000 ft

3 / 10W

Ratings those same properties can reach with dry hydrants in our ponds

How it works: ISO's own report lists “suction supplies — usually evidenced by dry hydrant installations near a river, lake or other body of water” as a creditable water supply type. Properties within 5 road miles of the station and 1,000 feet of a creditable source earn full Class 3 — the same rating as a home in downtown Ouray. Today, zero such sources exist anywhere in the graded area. Formalizing our ponds creates the first — and every qualifying property in the corridor benefits, not just ours.

For mountain homeowners facing premium spikes and non-renewals across Colorado, a class improvement can be worth hundreds to over a thousand dollars per household, per year — a recurring public benefit the Council can deliver at almost no cost.

What This Protects for the City

City Interest	How the Pond Agreement Serves It
The town's Class 3 rating	Water supply is 40% of the ISO score, and Ouray sits 1.6 points from a downgrade that would raise premiums town-wide. A creditable rural water source adds durable points to the weakest-margin part of the rating.
The Weehawken raw-water line	Drafting water positioned in the corridor gives crews a fighting position protecting the City's own supply infrastructure — instead of defending it from town with shuttle tankers.
The capital budget	Equivalent coverage via buried cisterns: $50,000–$150,000 each, plus maintenance forever. The ponds already exist. The district's cost is two dry hydrants.
Constituent insurance bills	Class improvements for corridor properties — a visible, recurring win for residents at a moment when coverage is a statewide concern.

Proposed Agreement Framework

Element	Proposed Terms
Grant of access	Mineral Farms grants the City/fire district written, recorded access to draft water from both ponds — use limited to wildfire and emergency fire response
Dry hydrants	Fire district funds and installs two dry hydrants to ISO standards (one per pond), sited in consultation with Mineral Farms to respect homes and viewsheds
Maintenance & inspection	District performs the periodic drafting/back-flush inspections ISO requires — keeping the credit valid rests with the district, not homeowners
ISO re-evaluation	District commits to submitting the new water source to ISO and requesting re-evaluation of the corridor's classifications
Water rate	Mineral Farms' rate set equal to the in-town resident rate, effective with the agreement
Term	Long-term in perpetuity— durability is what makes the source ISO-creditable and the partnership bankable for both sides
Parties & liability	Pond access granted by the Mineral Farms HOA (pond owner); rate terms with the Water Users Association (City water customer); mutual indemnification per counsel

The Rate Conversation, With the Numbers on the Table

~2×

What Mineral Farms pays vs. the in-town rate — for raw, untreated water

+51.9%

Base-rate increase since 2022 — roughly 15% in each of the last two years

$250,000

What our 15 households are investing — of our own money — to treat that water to state standards

The historical rationale for the 2× rate — larger lots, more irrigation — predates our current reality. **Today we buy raw water, treat it ourselves at our own capital and operating expense, and carry every regulatory obligation of a public water system. In addition, Mineral Farms today only houses 3-5 primary residents out of 15 paying customers. The other 10-12 home owners use their properties seasonally and realistically use little water in comparison to primary residents.** We are one of the City's oldest wholesale customer — fifty-plus years — asking to pay what any resident pays, and offering the only year round firefighting water supply in the canyon in exchange.

The rough economics for the City: a rate concession on one account — versus a six-figure cistern program avoided, rating points banked, its own infrastructure protected, and an insurance dividend delivered corridor-wide. We believe that trade favors the City.

Who You'd Be Partnering With

50+ years	as a City of Ouray water customer under our 1980 agreement — never a payment missed
Compliance in motion	State-certified operator engaged; continuous chlorination at required residual; monthly reporting to CDPHE; automated monitoring being installed now
$250,000 committed	Membership approved the full filtration project July 19 — including an immediate $4,000-per-household capital assessment — with construction targeted for summer 2027
Financing underway	Working with Alpine Bank and the State Revolving Fund on the balance of project funding
A community that shows up	The pond offer and project funding were authorized at our annual meeting with every vote cast in favor

We are not asking the City to solve our compliance problem — we're solving it ourselves. We're asking to be treated as the partner we've been for two generations.

A Proposed Path Forward

Step	What Happens	Target
1	Tonight — work session discussion; Council gives staff direction on the framework	**Aug 3**
2	Staff, fire district, and both parties' counsel draft the access agreement and rate amendment	**Aug–Sep**
3	Fire district scopes dry hydrant engineering and siting with Mineral Farms	**Sep**
4	Agreement returns to a regular meeting for formal Council approval; rate effective; hydrants installed before winter	**Fall 2026**
5	District submits the new water source to ISO and requests corridor re-evaluation	**On installation**

Why timing matters: fire season is now, dry hydrant installation is far easier before freeze-up, and an agreement this fall lets the ISO re-evaluation — and residents' insurance benefit — begin a full year sooner.

Discussion

Where we welcome Council's direction tonight: 1) Is this framework worth pursuing?   2) Any terms to adjust before drafting?   3) Who leads for the City — staff, attorney, fire district?   4) Target regular meeting for formal action?

Robby Whites, President, Mineral Farms Water Users Association · 682-266-6550 · robbywhites@gmail.com

Appendix: ISO Classification Detail

Class	Criteria	Camp Bird Corridor Effect
Class 3	Within 5 road miles of a recognized station AND within 1,000 ft of a creditable water supply	Achievable with dry hydrants — same rating as downtown Ouray
Class 3X	Within 5 road miles but beyond 1,000 ft of creditable water	Where Mineral Farms homes sit today (verified 2.3–2.8 road miles from the station)
Class 10W	5–7 road miles from station, within 1,000 ft of creditable water	Upgrade path for corridor properties beyond 5 miles
Class 10	Beyond 5 road miles, or no creditable water — treated as unprotected	What dry hydrants help corridor properties escape

Sources: ISO Public Protection Classification Summary Report for Ouray and Ouray FD (effective April 1, 2023): total credit 71.60 · Class 3/3X · 82 pressurized hydrants · 0 cisterns or suction points · water supply credit 26.49 of 40.00 points. Distances verified by road measurement from the Ouray fire station.