CORTEZ CITY COUNCIL
REGULAR MEETING
TUESDAY, APRIL 28, 2026

1. The meeting was called to order in the City Council Chambers at 7:30 p.m., with the Pledge of Allegiance. Roll Call was taken and the following Councilmembers were present: Mayor Rachel Medina Mayor Pro Tem Dennis Spruell, Matthew Keefauver, Bill Lewis, Robert Dobry, Lydia DeHaven and April Randle. Staff present included: Chief of Police Vernon Knuckles, Parks and Recreation Director Creighton Wright, Finance Director Randy Bailey, Interim Community and Economic Development Director/City Planner Jason Armstrong, Community and Economic Development Specialist Helen West, Airport Director Kyle Sloan, General Services and Public Works Director Casey Simpson, Human Resources Director Matt Cashner, Grant Administrator Scott Baker, Court Clerk/Administrator Carla Odell, Library Director LeRoy Harris, City Clerk Danielle Wells, City Manager Drew Sanders and City Attorney Patrick Coleman. There were over thirty-five members of the public present in the audience.

Councilmember Dobry moved that Council approve the Agenda as presented for April 28, 2026. Councilmember DeHaven seconded the motion and the vote was as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

2. CONSENT AGENDA

a. Approval of the minutes for April 14, 2026

b. Approval of the Expenditure List for April 28, 2026

c. Approval of a Renewal Application for a Hotel & Restaurant Liquor License for Agave Azul Taqueria & Bar, LLC located at 44 West Main Street, Cortez

d. Approval of a Renewal Application for a Fermented Malt Beverage and Wine Liquor License for Stokley Corporation, DBA Handy Mart South, Located At 806 ½ South Broadway, Cortez

e. Approval of a Special Event Permit to allow The Cortez Area Chamber of Commerce to host a Business After Hours event on May 14, 2026 from 5:00-8:00 p.m., at 20 W. Main Street, Cortez

f. Approval of the renewal of the Retail Marijuana Store License for NuVue Pharma LLC, located at 503 Patton Street, Cortez

Councilmember DeHaven moved that Council approve the Consent Agenda. Councilmember Keefauver seconded the motion and the vote was as follows:

DeHaven	Dobry	Lewis	Keefauver	Medina	Randle	Spruell
Yes	Yes	Yes	Yes	Yes	Yes	Yes

3. PUBLIC PARTICIPATION

James McGinley urged the new Council to act urgently and transparently regarding the city's financial condition, arguing that a significant revenue shortfall was approaching and that the community deserved a clear and candid accounting of the problem within a matter of weeks. He emphasized that only a collaborative effort between the city and its roughly 9,000 citizens could address challenges of that magnitude.

Former Mayor Mike Lavey thanked the outgoing Council for their service and expressed confidence in the incoming Council members.

4. PRESENTATIONS

a. 2026 Municipal Election - Official Results presented by Danielle Wells, City Clerk

City Clerk Danielle Wells formally announced the results of the April 27, 2026 municipal election. Clarisa Osborn, Dennis Spruell, and Carly Wolf received the highest number of votes and were elected to four-year terms on the City Council. Kathleen Swope and Claire West received the fourth and fifth highest vote totals and were elected to two-year terms. Four ballot questions were also decided. Questions 1, 2, and 3—concerning charter language updates, council member compensation, and meeting location and electronic participation provisions, respectively—all passed. Question 4, concerning council member term limits, did not pass. City Clerk Wells noted that staff is working on ordinances to implement the approved ballot measures.

b. Oath of Office for New Councilmembers: Clarisa Osborn, Dennis Spruell, Carly Wolf, Kathleen Swope and Claire West

The oath of office was administered to newly elected Council Members Clarisa Osborn, Dennis Spruell, Carly Wolf, Kathleen Swope, and Claire West, who then took their seats on the dais.

c. Nomination for Mayor

City Manager Drew Sanders read the applicable section of Article 3, Section 1 of the City Charter, which provides that one council member shall be chosen by the council to serve as mayor. Council Member Randle nominated Dennis Spruell, citing his extensive service to the community as a police officer, member of the drug task force, county sheriff, and former city council member and mayor pro tem. No additional nominations were made. A secret ballot vote was conducted and tallied by City Clerk Wells. Dennis Spruell was elected Mayor and accepted the nomination.

d. Nomination for Mayor Pro Tempore

City Manager Sanders read Article 3, Section 1 of the Charter regarding the selection of a mayor pro tempore. Mayor Spruell nominated Council Member Bill Lewis, citing his expertise in parliamentary procedure and his two years of service on the Council. A secret ballot vote was conducted. Council Member Bill Lewis was elected Mayor Pro Tempore and accepted the nomination.

e. Thank you and Goodbye to Mayor Rachel Medina and Council members Matt Keefauver, Lydia DeHaven, and Robert Dobry

Mayor Spruell invited outgoing Mayor Rachel Medina and Council Members Matt Keefauver, Lydia DeHaven, and Robert Dobry to the front of the dais to be recognized for their service. Prior to the swearing in of the new council, outgoing Mayor Medina had addressed the body, expressing gratitude to council members, city staff, and the community, and offering words of encouragement to the incoming council.

f. Current Water Supply Issues for the City of Cortez presented by Ken Curtis, General Manager, Dolores Water Conservancy District (DWCD)

Ken Curtis, General Manager of the Dolores Water Conservancy District, presented an update on regional water supply conditions. He noted that 2026 is shaping up to be approximately the third worst water year on record for the Dolores River basin, slightly better than the historic low years of 2018 and 2002, but still deeply concerning. The defining factor this year was an exceptionally warm winter—culminating in the warmest March ever recorded in Colorado—which caused snowpack to melt and run off approximately one month earlier than normal, largely eliminating the expected spring runoff benefit. As of the presentation date, the basin had effectively experienced its peak flows in late March.

Regarding impacts, Mr. Curtis reported that agricultural users are operating at approximately 14 percent of normal project supply after some water trading among parties, making a full farming year impossible for most producers. Municipal water supplies, however, are protected by a priority pool within McPhee Reservoir, and Mr. Curtis confirmed that neither Cortez nor Towaoc—which receives treated water via Cortez—would face mandatory shortages. He noted that the District had reduced its rates and would draw on reserves to help sustain farmers through the shortage. He also highlighted the ongoing threat posed by invasive zebra and quagga mussels, which are present in Lake Powell and the Colorado River main stem, and urged the public to cooperate with inspection stations at McPhee to protect the reservoir.

Regarding the proportion of McPhee water used for municipal versus agricultural purposes, Mr. Curtis explained that municipal use is typically around 5 percent or less in a normal year, with agriculture consuming the vast majority. Regarding economic impacts on the farming community, Mr. Curtis acknowledged the serious financial strain, particularly on younger farmers carrying loans, and noted that state and federal drought declarations and mitigation assistance were expected.

5. PUBLIC HEARINGS

a. Transfer of Ownership/New License of a Retail Marijuana Store from Pharmacann Inc to Vireo Health of Mile High LLC presented by Danielle Wells, City Clerk

Councilmember Wolf recused herself due to a potential conflict of interest. City Clerk Danielle Wells presented the transfer of ownership application for the retail marijuana store operating as LivWell at 1819 East Main Street, from PharmaCann Incorporated to Vireo Health of Mile High LLC. Per City Code Section 4-217, a transfer of ownership must be treated as a new license application, requiring a complete application, background checks, and a public hearing. Clerk Wells confirmed that all application requirements had been met, fees paid, and that the public hearing notice was published on April 15 and posted at LivWell and City Hall. Planning and Building had reviewed and approved the facility for compliance with zoning, distance requirements, and building codes. Chief Knuckles of the Cortez Police Department was sworn in and reported that LivWell had no violations or operational concerns and remains in good standing, and that background checks on the prospective ownership group revealed no findings of concern. Daniel Padon, appearing remotely on behalf of Vireo Health of Mile High LLC, stated that the company's mission is to provide safe access, quality products, and community support. He noted that no changes to operations, employees, or business practices were planned; only the upstream ownership structure would change. No public comments were received. Council found all requirements to be in order.

Councilmember Lewis moved that Council approve the Transfer of Ownership/New License of a Retail Marijuana Store for Vireo Health of Mile High, LLC, DBA LivWell, located at 1819 East Main Street, Cortez. Councilmember Randle seconded the motion and the vote was as follows:

Lewis	Osborn	Randle	Spruell	Swope	West	Wolf
Yes	Yes	Yes	Yes	Yes	Yes	Recused

6. UNFINISHED BUSINESS: None

7. NEW BUSINESS

a. City Council Retreat presented by Drew Sanders, City Manager

City Manager Drew Sanders introduced the item to set a date for the City Council retreat, with May 28 (Thursday) or May 29 (Friday) proposed. After discussion in which it was determined that one council member could not attend on Friday and several others had a slight preference for May 29, the Council ultimately settled on Thursday, May 28, as it was the only date on which all members could potentially be present.

Councilmember Randle moved that Council approve and schedule Thursday May 28, 2026 for the Cortez City Council retreat to be held at City Hall, Cortez, Colorado. Councilmember Lewis seconded the motion and the vote was as follows:

Lewis	Osborn	Randle	Spruell	Swope	West	Wolf
Yes	Yes	Yes	Yes	Yes	Yes	Yes

b. <u>CML Annual Conference</u> presented by Drew Sanders, City Manager

City Manager Sanders presented the annual Colorado Municipal League (CML) Conference, scheduled for June 22–25, 2026, in Westminster, Colorado. The city has budgeted for two council members to attend, plus one alternate. Council Member Pro Tem Lewis recommended that newer council members be given priority to attend, as the conference provides significant educational value for those new to municipal governance. Council Member Wolf and Council Member West expressed interest in attending. Mayor Spruell offered to serve as the alternate.

Councilmember Lewis moved to appoint Councilmembers Carly Wolf and Claire West to attend the Annual Colorado Municipal League Conference June 22-25, 2026 in Westminster, CO, and Mayor Dennis Spruell as an alternate if either of the appointees cannot attend. Councilmember West seconded the motion and the vote was as follows:

Lewis	Osborn	Randle	Spruell	Swope	West	Wolf
Yes	Yes	Yes	Yes	Yes	Yes	Yes

c. <u>Resolution No. 8, Series 2026</u> presented by Casey Simpson, General Services Director

General Services Director Casey Simpson presented Resolution No. 8, Series 2026, authorizing the city's participation in a Microsoft Corporation Volume Licensing Agreement through the State of Colorado's cooperative contract. The current contract, expiring April 30, is being renewed for a new three-year term. The city is expanding the suite of Microsoft tools available to staff and extending email access to employees who previously lacked it, improving both operational efficiency and the city's security posture. The new annual cost is $64,195, compared to the previous $55,027.81, an increase of $9,167.19 (approximately 16.5%) per year. Director Simpson clarified that this is a cooperative procurement—the city is piggybacking on a contract negotiated by the State of Colorado, which secured the lowest available government rate from Microsoft. Council questions focused on the source of the cost increase (attributed primarily to a broader range of tools rather than solely an increase in users) and on whether the cooperative arrangement would restrict the city's access in any way (it would not). Director Simpson offered to obtain a more detailed cost breakdown.

Councilmember West moved that Council approve Resolution No. 8, Series 2026, a resolution authorizing the City to participate with the State of Colorado in Microsoft Corporation's Volume Licensing Agreement, and to authorize the City Manager to sign and execute the Agreement and any other documents necessary to allow the City to continue use of the Microsoft Software. Councilmember Randle seconded the motion and the vote was as follows:

Lewis	Osborn	Randle	Spruell	Swope	West	Wolf
Yes	Yes	Yes	Yes	Yes	Yes	Yes

d. <u>Apron Expansion Contractor Award Recommendation</u> presented by Kyle Sloan, Airport Director

Airport Director Kyle Sloan presented the bid results for the South General Aviation Apron Expansion

Project, which has been in planning since 2023. Three bids were received:

- Elevated Excavating: $1,527,055.28
- Williams Construction Contractors: $1,693,749.00
- Old Castle Southwest Group, Inc.: $1,831,132.00

The project is funded 95% by federal grants, 2.5% by the state, and 2.5% by local match. The city's local match of $43,519 is covered by lodgers' tax revenue ($25,000) and the existing airport operations budget ($18,500). Staff and the city's on-call engineering firm, Garver LLC, reviewed all submissions per FAA-recommended procedures. Director Sloan recommended awarding the contract to the lowest responsive bidder, Elevated Excavating.

Councilmember Osborn moved that City Council award the Cortez Municipal Airport Apron Expansion Construction to Elevated Excavating and to authorize the City Manager to negotiate and sign a contract and any other related documents in the amount of $1,527,055.28. Councilmember Lewis seconded the motion and the vote was as follows:

Lewis	Osborn	Randle	Spruell	Swope	West	Wolf
Yes	Yes	Yes	Yes	Yes	Yes	Yes

e. <u>Ordinance No. 1365, Series 2026</u> presented by Scott Baker, Grants Administrator

Grants Administrator Scott Baker presented Ordinance No. 1365, Series 2026, on first reading, requesting appropriation of a $33,750 Housing Planning Grant Program (HPLN) award received in February 2026 from the Department of Local Affairs (DOLA) into the city's 2026 operating budget. The grant will fund the hiring of a consultant to develop a strategic growth and water supply element for the city's comprehensive plan, a state-mandated requirement. The process will include public engagement on water and growth concerns, with a goal of completing the necessary documents and recommendations by year end to feed into the city's broader comprehensive plan update.

Councilmember Randle moved that City Council approve on first reading Ordinance No. 1365, Series 2026, an ordinance adopting the appropriation of $33,750.00 from the state HPLN grant program into the 2026 operating budget for the City as set forth in the Ordinance, and set the public hearing and second reading of the Ordinance for May 12th, 2026. Councilmember Wolf seconded the motion and the vote was as follows:

Lewis	Osborn	Randle	Spruell	Swope	West	Wolf
Yes	Yes	Yes	Yes	Yes	Yes	Yes

8. DRAFT RESOLUTION/ORDINANCES: None

9. CITY ATTORNEY'S REPORT

The City Attorney provided an update on the ongoing effort to update the water service agreement between the City of Cortez and the Ute Mountain Ute Tribe. The existing agreement dates to 1988 and governs the city's provision of treated water to the Tribe via pipeline. A revised draft agreement is expected to be transmitted to the Tribe for review by the end of the week, with a goal of finalizing the agreement prior to August. The agreement will return to Council for final review and approval.

In response to a question from Council Member Randle regarding the timeline for ordinances implementing the recently passed ballot measures, the City Attorney indicated that those ordinances would likely be brought before Council within the month of May.

10. CITY MANAGER'S REPORT: No report.

11. CITY COUNCIL COMMITTEE REPORTS

   a. Mayor's Report on Workshop: No work session was held this evening.

   b. Other Board Reports

      i. Golf Advisory Committee: The committee will be meeting on Friday May 1 at the clubhouse at 7:00 a.m.

   c. Nominations for Boards and Committees

   The Council made the following assignments to city advisory boards and committees:

   - Public Arts Advisory Committee: Councilmember Wolf
   - Parks, Recreation and Forestry Advisory Board: Councilmember West
   - Golf Advisory Board: Mayor Pro Tem Lewis
   - Library Advisory Board: Councilmember Swope
   - Historic Preservation Board: Councilmember Randle
   - Airport Advisory Committee: Councilmember Osborn

12. PUBLIC PARTICIPATION: None

13. OTHER ITEMS OF BUSINESS

    Mayor Pro Tem Lewis welcomed the new council members and commended them for actively participating in motions during their first meeting.

14. The meeting was adjourned at 8:58 p.m.

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Dennis Spruell, Mayor

ATTEST:

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Danielle Wells, City Clerk