

**GUNNISON COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING MINUTES
June 27, 2007**

The June 27, 2007 Board of Commissioners meeting was held in the Commissioners Meeting Room at the Courthouse. Present were:

Hap Channell, Chairperson
Paula Swenson, Vice-Chairperson
Jim Starr, Commissioner
David Baumgarten, County Attorney

Matthew Birnie, County Manager
Marlene Crosby, Assistant County Manager
Katherine Haase, Clerk to the Board
Others Present as Listed in Text

CALL TO ORDER: Chairperson Channell called the meeting to order at 2:06 pm.

GUNNISON HAY PRODUCTS / GUNNISON LIGHT-INDUSTRIAL PARK: Gunnison Hay Products, LLC (GHP) representatives Gary Hausler and Mike Darnell were present for discussion.

Chairperson Channell noted that the single item for discussion on the agenda was GHP's proposed wood pellet plant. He also noted that, after meeting with GHP's project consultant, outstanding issues remain that need settled prior to moving forward with negotiations. He further stated that the board believes the GHP plant proposal to be a viable project for this community.

Chairperson Channell stated the first issue to be whether or not a light-industrial classification would be applicable to the proposed GHP plant and Commissioners Starr and Swenson both agreed that the impact issues will be the most important deciding factors. Chairperson Channell stated that the 24-hour operation presents issues of noise, light, water vapor clouds within range of the airport and gas emissions equivalent to 4,500 pellet stoves. Mr. Hausler stated that the gas emissions would be more accurately defined as equivalent to approximately 2,300 pellet stoves even though he believed that the number of stoves is irrelevant as the proposed pellet stove meets all federal, EPA and state requirements. Chairperson Channell stated that high traffic is also a concern since the Valco plant, which is located in the same general area, already presents high levels of traffic.

Commissioner Starr stated that he was not available to speak with the consultant, but that he believes this process to be an uphill battle not warranting pursuit. Commissioner Swenson stated that, since the industrial park area could affect as many as 300 residents, public comment requirements would likely make GHP's timelines unfeasible. Commissioner Swenson also stated her opinion that, while she believes the GHP proposal is a worthwhile project, it would be best suited outside of this residential area.

Chairperson Channell noted that the use of other locations would normally mandate a land use change, however he also stated that the county could potentially designate an alternate location as a Special Geographic Area (SGA) for location of the plant.

Mr. Hausler expressed his gratitude to the board for their time although he did not agree with the decision because of his belief that this plant would have met all requirements. He also relayed that EPA approval can take up to six months, which he was not aware of until June 18, 2007. He thanked the board for their quick decision and then inquired about alternate locations.

Mr. Hausler explained that he was originally opposed to the landfill site because of the distance from Hwy 50 and related power needs. As well, when he originally viewed the landfill, he was uncertain of boundary lines which led to inflated cost estimates. On the morning of this meeting, he and Assistant County Manager Crosby were able to visit the landfill together and determine that adequate flat ground exists for the GHP plant. Mr. Hausler stated that the necessary 3-phase power will be available at a cost of approximately \$300,000.

Mr. Hausler stated that GHP would be willing to consider the landfill location as long as the board would enthusiastically support this new location. He also requested clarification on legalities in order to locate the GHP plant in the vicinity of the landfill and stated that Planning Director Joanne Williams had previously estimated up to 60 days for all determinations to be made.

Mr. Hausler also acknowledged that Gunnison Sage-grouse populations could present a problem in this location however he stated GHP's openness to mitigation of any Gunnison Sage-grouse issues.

Mr. Hausler also stated that GHP will likely request that the county bear costs of either paving or chip-sealing CR 42. In addition to power and Gunnison Sage-grouse issues, Mr. Hausler also listed outstanding issues related to road access, dust control, site access, fire-flow and potable water. He stated that the plant will not require water in order to operate and that water will only be necessary for bathrooms. He also stated his belief that at least one well would be allowed, per state rights. Assistant County Manager Crosby stated that an ISDS would be necessary because of the bathrooms.

Mr. Hausler stated that, if given the opportunity to locate the plant in this location, GHP will meet all of the same requirements as they would have in the industrial park. The only exception to this was that GHP would intend to run the front-end loader more frequently during the night. He also stated that GHP is prepared to consider a cost-sharing effort with the county and that GHP would also like to discuss purchasing the land from the county so that GHP could enjoy a longer amortization schedule.

County Attorney Baumgarten confirmed that an SGA would be allowable in this area and that the board would need to initiate the SGA during a regular meeting via motion. Once that motion has passed, there must be a 30-day period of notice for a Joint Hearing, during which a decision can be made, between the Planning Commission, the

Board of County Commissioners and the applicant. He also recommended that the board go into executive session to discuss the issue of size, use limits and availability to more than one.

County Attorney Baumgarten stated that the board would need to decide whether to extend a lease or a purchase option to GHP and also reiterated Mr. Hausler's statement that a purchase would be a preference, yet not a necessity, for GHP to continue negotiations with the county. County Manager Birnie stated that any land for purchase will need to be made publicly available since the county cannot preferentially choose a specific buyer.

County Attorney Baumgarten expressed that demonstrated support of this proposal via negotiations will be more concrete than a statement of enthusiastic support. County Manager Birnie reminded Mr. Hausler that the county landfill location was suggested to him approximately one month prior to this meeting and that Mr. Hausler declined to consider the location at the time. Mr. Hausler apologized for not considering the landfill location any earlier.

Mr. Hausler and Mr. Darnell discussed a potential benefit to the landfill location in that the possibility exists of transforming future landfill waste into useable pellets, which could reduce the amount of waste that is then buried.

County Manager Birnie suggested that the board direct county staff to proceed with negotiations including a cost-recovery mechanism to repay the county for costs incurred that will not directly benefit the county, such as road work necessary for GHP's proposed plant.

Commissioner Starr asked County Attorney Baumgarten to explore legalities of reselling or leasing this land due to the county originally purchasing the parcel from the Bureau of Land Management.

The board expressed their desire to proceed with this proposal and to allow county staff to work on all related issues. The initiation of an SGA designation was placed on the July 10, 2007 agenda. Mr. Hausler requested a formal motion stating that the GHP proposal was appropriate based on all contingencies discussed. **Moved** by Commissioner Starr, seconded by Commissioner Swenson to direct staff to work with Gunnison Hay Products, LLC to identify all issues of having the proposed wood pellet plant located by the county landfill and to have a report ready for the Board of County Commissioners at the next regular meeting on July 10, 2007 at which time also formally initiate the establishment of a Special Geographic Area at the landfill for a wood pellet plant for the reason that we believe this is a good proposal and that this is potentially a very good site to locate this activity. Mr. Hausler expressed his appreciation to the board and also stated reliance on the integrity of the board because of the amount of time and money that GHP has invested into this proposal. Chairperson Channell reiterated board intent to proceed because of an overall belief that the GHP proposed plant is a worthwhile project. Commissioner Starr asked that discussion be scheduled on the July 10, 2007 agenda regarding the possibility of a public meeting prior to a public hearing so that any outstanding issues could be identified. Motion carried unanimously.

Moved by Commissioner Swenson, seconded by Commissioner Starr to cancel the Special Meeting previously scheduled for July 5, 2007. Motion carried unanimously.

ADJOURN: Moved by Commissioner Starr, seconded by Commissioner Swenson to adjourn the meeting. Motion carried unanimously. This meeting was adjourned at 2:55 pm.

Hap Channell, Chairperson

Paula Swenson, Vice-Chairperson

Jim Starr, Commissioner

Minutes Prepared By:

Katherine Haase, Deputy County Clerk

Attest:

Stella Dominguez, County Clerk