

**GUNNISON COUNTY BOARD OF COUNTY COMMISSIONERS
SPECIAL MEETING MINUTES
June 14, 2011**

The June 14, 2011 meeting was held in the Commissioners' boardroom in the Courthouse located at 200 E. Virginia, Gunnison, Colorado. Present were:

Hap Channell, Chairperson
Paula Swenson, Vice-Chairperson
Phil Chamberland, Commissioner

Matthew Birnie, 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 8:30 am.

AGENDA REVIEW: There were no changes to the agenda.

MINUTES APPROVAL: Moved by Commissioner Swenson, seconded by Commissioner Chamberland to approve the Regular Meeting minutes for April 19th, May 3rd and May 17th and the Special Meeting minutes for May 24th and June 9th and authorize signatures. Motion carried unanimously.

CONSENT AGENDA: Commissioner Chamberland requested that Item #14 be pulled for additional discussion. Chairperson Channell asked that staff members stop utilizing unidentified acronyms on the agenda routing sheets. Moved by Commissioner Swenson, seconded by Commissioner Chamberland to approve the Consent Agenda, excluding Item #14. Motion carried unanimously.

1. Ratification of County Manager's Signature; AIA Document A151 and A251, Standard Form of Agreement between Owner and Vendor for Furniture, Furnishings and Equipment; Pro Space Interiors; Gunnison County Public Works and Law Enforcement Center; \$191,353.81
2. Acknowledgment of County Manager Signature; Region 10 Area Agency on Aging Funding Application, Attachment A; Gunnison County Senior Resources Office; 7/1/11 thru 6/30/12; \$33,000
3. Acknowledgment of County Manager Signature; Interim Report Summary; Temple Hoyne Buell Grant ID Number 5432; Nurturing Parenting Program; 9/1/10 thru 8/31/11
4. Delta, Gunnison, Hinsdale County Options for Long Term Care Agency Subcontract; Long Term Care Case Management; 7/1/11 thru 6/30/12; \$47,000
5. Memorandum of Understanding Subcontract, RE: Nurse Home Visitor Program; County of Montrose, State of Colorado; 7/1/11 thru 6/30/12
6. Vendor Disclosure Statement, Contract Performance Outside the United States or Colorado, Colorado Revised Statute 24-102-206; Colorado Children's Trust Fund (CCTF) Grant
7. Acknowledgment of County Manager Signature; Colorado Division of Criminal Justice Statement of Grant Award (SOGA); Sexual Assault Response Program; \$30,000; 6/1/11 thru 9/30/12
8. Agreement Regarding Dedication of Easements and Identification of Tap Fees; MJM, Inc. and 233 County Road, LLC; Lots 1, 2, 3 and 4, Mountain Meadows Subdivision and Parcel B, Fisher Subdivision
9. Ratification of County Manager Signature; Grant of Perpetual Easement; Sewer Line Easement; Lot 15, Gunnison River Filing No. 1 Subdivision; Craig H. Cooper and Elizabeth K. Cooper; 5/19/11
10. Ratification of County Manager Signature; Grant of Perpetual Easement; Sewer Line Easement; Lot 34, Gunnison River Filing No. 2 Subdivision; Christian Haas; 5/23/11
11. Ratification of County Manager Signature; Grant of Perpetual Easement; Sewer Line Easement; Lot 7, Gunnison River Filing No. 1 Subdivision; John Paul Fullmer; 5/11/11
12. Ratification of County Manager Signature; Grant of Perpetual Easement; Sewer Line Easement; Lot 3, Gunnison River Filing No. 3 Subdivision; Sue Noone; 5/17/11
13. Acknowledgment of County Manager Signature; Funding Request Form, Conservation Trust Funds; Gunnison County Metropolitan Recreation District Funding Cycle Ending 9/30/2011; Enhancements/Improvements at the Gunnison County Fairgrounds and/or Trail Enhancements
14. **Pulled for Discussion and Separate Action:** Acknowledgment of County Manager Signature; Amendment to Standard Consulting Agreement for Owner's Representation Services; Gunnison County Jail and Public Works Facilities; \$68,446
15. Agreement Between Gunnison County Board of County Commissioners and Region 10 League for Economic Assistance and Planning, Inc., Region 10 Area Agency on Aging; 7/1/11 thru 6/30/12; \$53,000
16. Provider Agreement; Gunnison/Hinsdale Youth Services, Inc.; Professional Services Regarding Mentoring to Individuals and Families Referred from Gunnison County Department of Health and Human Services and Gunnison County Juvenile Services; 6/1/11 thru 5/31/12; \$11,189

CONSENT AGENDA #14: Commissioner Chamberland asked for additional discussion related to the increased scope of work. County Manager Birnie explained that this amendment is necessary to maintain Project One Integrated Services Sr. Project Manager Mike Mismash's full-time assistance with the capital projects. He noted that Mr. Mismash's time was intended to scale back in January, yet the County has

benefitted greatly from his continued representation, especially since the project architect is no longer involved. County Manager Birnie also confirmed that the additional expenditures related to this contract amendment are within the project budget. **Moved** by Commissioner Chamberland, seconded by Commissioner Swenson to approve Consent Agenda Item #14. Motion carried unanimously.

BREAK: The meeting recessed from 8:36 until 8:50 am in order to hold the below Public Hearing.

PUBLIC HEARING; LIQUOR LICENSE; JON-RON ENTERPRISES, LLC, D/B/A MOTHER LODGE: Jon-Ron Enterprises, LLC owner John Swatzel and Gunnison County Clerk and Recorder Stella Dominguez were present for discussion.

1. Open Public Hearing. Chairperson Channell opened the Public Hearing at 8:36 am.
2. Public Notice Confirmation. Clerk to the Board Haase confirmed that the Public Hearing had been properly public noticed.
3. Identify Ex Parte Communications. There were no ex parte communications identified; however, Chairperson Channell read out loud two documents that were brought to the Public Hearing by the applicant. The first document, dated 6/14/11, was handwritten and signed with the title of "Operating Agreement" in which Mr. Swatzel affirmed that he is the sole managing officer and agent for Jon-Ron Enterprises, LLC, duly registered with the State of Colorado. The second document, dated 3/31/11, was a letter from the State of Arkansas Department of Finance and Administration in which the agent, B. Lynch, stated that he had been unable to find any record of the applicant being arrested for a criminal violation or a violation of the Alcohol Beverage Control Rules & Regulations for the State of Arkansas. Both documents were entered into the record.
4. Staff Presentation. Gunnison County Clerk and Recorder Dominguez informed the Board that the restaurant portion of the business had already been open to the public for about six weeks without being able to serve alcohol.
5. Applicant Presentation. Mr. Swatzel vowed to provide the best possible service to the community.
6. Board Questions. Commissioner Chamberland asked if the business would be open year round, and Mr. Swatzel explained that it would only be open from March until the last day of elk season each year. Commissioner Swenson asked if the hotel and restaurant would be fully licensed, and Mr. Swatzel explained that it would be fully licensed with the capability of serving alcohol until 2:00 am. Chairperson Channell noted that question #10 on the application had not been answered, and Mr. Swatzel confirmed that it should be marked "no".
7. Public Comments. Chairperson Channell opened the Public Hearing to comments at 8:44 am.

Roy and Tammy Ray from Ohio City stated their support of the application. Mr. Ray stated that this establishment is vital to the community because it is the only place to buy sandwiches and other food items in between Parlin and Pitkin.

Ramon Reed from Pitkin stated his support of the business and the liquor license application because he feels that the service is needed in the rural area. He noted that he had not yet been introduced to Mr. Swatzel, but that the Planning Commission had previously spoken with the prior owner regarding nighttime parking. He asked Mr. Swatzel to encourage his customers to park on the sides of the business at night because backing out into oncoming traffic can be unsafe for automobiles and animals. Mr. Swatzel confirmed that he has already been asking his customers to park in the RV parking area. Chairperson Channell noted that Mr. Reed currently serves as the Planning Commission chairperson.

Mr. Swatzel stated that all of his employees are TIPS (Training for Intervention Procedures) certified and that the appropriate alcohol-related signage is ready for installation.

8. Acknowledge Correspondence Received. No additional correspondence was identified.
9. Applicant Response. County Sheriff Rick Besecker stated that this business has the full support of his office. Mr. Swatzel asked if a temporary permit could be issued so that he would have the flexibility to order alcohol, but Gunnison County Clerk and Recorder Dominguez informed him that this would not be a possibility. She did, however, agree to rush the paperwork to the State office.
10. Close Public Hearing. Chairperson Channell closed the Public Hearing at 8:50 am and immediately reconvened the Gunnison County Board of County Commissioners Meeting.

Moved by Commissioner Swenson, seconded by Commissioner Chamberland to approve the new liquor license for Jon-Ron Enterprises, LLC, d/b/a Mother Lode. Motion carried unanimously.

CORRESPONDENCE; CRYSTAL VALLEY ENVIRONMENTAL PROTECTION ASSOCIATION; DAMS ON THE CRYSTAL RIVER: County Attorney David Baumgarten was present for discussion.

Chairperson Channell stated that he had previously emailed information to the Board. County Attorney Baumgarten asked for direction. The Board asked him to perform research on this issue and then report back to the Board at a future date.

ROAD CLOSURE REQUEST; COUNTY ROAD 49; GUNNISON ROTARY CLUB; 7/4/11 – 7/5/11:

Airport Manager John DeVore, County Attorney Baumgarten, Gunnison Rotary Club attorney Bob O'Hayre, Gunnison Rotary President Drew Nelson and pyro-technician Demalou Coghill were present for discussion.

Mr. O'Hayre presented the request to close CR 49 beginning at 7:00 am on 7/4/11 until 8:00 am on 7/5/11. He also stated that the proposed location has been utilized for this purpose for the past eight years. Chairperson Channell asked if the Rotary has experienced any problems in this location and Airport Manager DeVore confirmed that they had not and that the Federal Aviation Administration has approved of the request. Mr. O'Hayre felt that paragraph 4H presented a problem because the Rotary would need the IBar Ranch to be closed during the proposed timeframe. He noted that IBar owner Dick Bratton has not been opposed to the closure during any of the previous years. **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland to approve the Temporary Road Use Agreement for closure of County Road 49 for the fireworks on the 4th of July between the Rotary Club of Gunnison and the Board of County Commissioners, and authorize signatures. Motion carried unanimously.

BREAK: The meeting recessed from 9:05 until 9:20 am.

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS AND FACILITIES ON FEDERAL LANDS; UNITED STATES FOREST SERVICE; McCLURE PASS COMMUNICATIONS SITE:

Emergency Manager Scott Morrill was present for discussion.

Emergency Manager Morrill explained that approval of the application would allow for emergency radio service in the Marble area. He noted that this site, currently utilizing solar with little power, will begin utilizing a statewide radio system. He stated that it might be possible to use the tower for wireless broadband service, but that it may be complicated to arrange. **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland to approve the submittal of the US Forest Service Utility System Facilities Application for the McClure Pass communications site and authorize any signatures that need to be included. Motion carried unanimously.

PROCLAMATION; JUNE 15, 2011 AS AL PFISTER DAY IN THE COUNTY OF GUNNISON, COLORADO: Gunnison Wildlife Conservation Coordinator Jim Cochran was present for discussion.

Chairperson Channell read the draft proclamation out loud. **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland to adopt the proclamation as read by the Chair. Motion carried unanimously.

BREAK: The meeting recessed from 9:28 until 10:00 am for a short break and then again from 10:06 until 11:41 am in order to hold the below Public Hearing.

PUBLIC HEARING; AMENDMENTS TO THE GUNNISON COUNTY TEMPORARY REGULATIONS FOR OIL AND GAS OPERATIONS:

County Attorney Baumgarten, Assistant Community Development Director Neal Starkebaum and Community Development Department Director Joanne Williams were present for discussion.

Chairperson Channell thanked everyone for attending and participating in the meeting. He read aloud the following prepared statement outlining the purpose of the Public Hearing and the intention of the Board to continue the Public Hearing to a date certain.

"Gunnison County has a history of active participation in matters involving oil and gas operations, and I think that many of you know that, particularly as they may affect land use, public health and safety, the environment, wildlife and the economic and social fabric of our community. Gunnison County has participated in state regulatory and rulemaking processes, including those conducted by the Colorado Oil and Gas Conservation Commission, most commonly called COGCC, and the Colorado Water Quality Control Commission. The County has worked with other local governments and state entities to help foster effective regulations. We have been open and attentive to suggestions from all, including the industry, the environmental community, and citizens, as Gunnison County's regulatory process has matured. We are acutely aware of the multi-faceted debate currently unfolding regarding oil and gas development. Gunnison County has been guided by the legal authorities and constraints that inform our regulation, and has been and is participating in litigation in the Colorado Court system to ensure that Gunnison County can effectively use its legal authority.

There is one effort that the Board of County Commissioners wants to use this occasion to announce. The Colorado Oil and Gas Conservation Commission and the Gunnison County Board of County Commissioners are engaging in discussions to attempt to clarify, coordinate and harmonize the

application of their respective regulatory programs to oil and gas development within the County. Any such clarification, coordination, and harmonization shall be consistent with the purposes and provisions of the Oil and Gas Conservation Act and applicable county government authority and shall become effective only upon formal approval by the Commission and this Board.

Given the scope and depth of the proposed amendments, this session today will be opened, some preliminaries attended to, testimony taken, and then continued for another date certain so that it can be fully conducted. Importantly, the Board also wants to use that continuance to participate in and assess the efforts between Gunnison County and the state Oil and Gas Conservation Commission."

1. Open Public Hearing. Chairperson Channell opened the Public Hearing at 10:06 am.
2. Public Notice Confirmation. Assistant Community Development Director Starkebaum confirmed that the Public Hearing had been properly public noticed. Chairperson Channell confirmed that the Board received the copy of the potentially amended regulations from the Planning Commission, along with the Planning Commission's recommendation.
3. Identify Ex Parte Communications. There were no ex parte communications identified, though the commissioners acknowledged that they had each engaged in many informal conversations with members of the public.
4. Staff Presentation. County Attorney Baumgarten stated that the six-page recommendation from the Planning Commission to the Board could be provided to the public, if desired.
5. Applicant Presentation. N/A.
6. Board Questions. The Board did not have any questions.
7. Public Comments. Chairperson Channell opened the Public Hearing to comments at 10:09 am.

Larry Mosher, a Crested Butte resident, expressed appreciation to the Board for hearing this issue. He stated that he had also sent an email to the Board during the previous week with a full statement. He stated that trying to keep an industry from poisoning water and air, without the ability to do so, is a ridiculous situation to be in. He stated that highly toxic chemicals are being injected into the ground, and he urged the Board to require the industry to publicize the list of chemicals being used within 45 days of commencement of an operation and to pay for any necessary compliance testing. He stated that, if drilling ever expanded to the Ohio Creek Valley, there may possibly be direct effects of contamination.

Albert (Bert) Phillips, Gunnison County United Director, introduced geologist Weston Wilson to speak on behalf of Gunnison County United. Mr. Wilson, an environmental engineer who formerly worked with the Environmental Protection Agency, provided suggested amendments to the regulations in written format. Those suggestions, entered into the record, include:

1. Include the source and quantity of water to be used because cumulative water demand can be extensive.
2. The Community Development Department should be able to conduct site visits.
3. There should be full disclosure of all chemicals used. He noted that, in Colorado, companies are required to keep on site the list of chemicals being used. This list must be available to medical staff, but currently is not available to the public.
4. The operator should be liable for a well within 0.5 miles of an operation.
5. The County should adopt Colorado's Green Completion Rule for all wells drilled in the County to minimize the release of natural gas and vapors. He acknowledged that this may be difficult to adopt in a cold climate, but that it should be pursued, at least during warmer seasons.
6. The review should be expanded to include abandoned wells within areas of ejection pressure.
7. There should be additional reporting, particularly with respect to radioactivity.
8. Baseline water quality testing should be completed.
9. Alternatives should be considered and applicants could possibly be required to provide alternatives that would minimize environmental impact.
10. Operators should be held to performance based criteria.

Matt Reed, Public Lands Director for High Country Citizens' Alliance (HCCA), thanked the Planning Commission for creating the recommendation. He provided written comments that were entered into the record. He read a prepared statement that detailed HCCA's concern related to how extraction can be allowed without affecting human health, wildlife and the environment. He opined that the proposed regulations offer a compromise between the industry and health matters. He stated that he supports the bulk of the Planning Commission recommendation, but asked that the applicant be mandated to provide the list of chemicals used or anticipated for use.

He also requested additional language regarding enforcement, and that the County annually collect fees for each permit held to hire an inspector. With these caveats, he stated that HCCA could support the regulations.

Brad Burritt, Citizens for a Healthy Community board member, stated that the threat of gas drilling is very real. He reiterated the request for provisions outlined by Mr. Reed. He also stated that it would not be fair to make the public pay for the critical inspections.

Barbara Silverman, a representative of the merged North Fork River Improvement Association and Western Slope Environmental Resource Council (NFRIA-WSERC), thanked the County for producing the recommendations. She stated her strong support of HCCA's recommendations and offered to assist the County in any way possible. She noted that Delta County produces a great deal of organic fruits and vegetables, which should be considered.

Reed Hunker, a previous 30-year resident of Gunnison County that has lived in Delta County for the past five years, provided copies of an article about a hazardous pipeline that was installed without oversight. He stated that the State of Colorado had a total of 14 inspectors as of November 2010. He opined that more inspectors are needed and that the inspectors should be paid for by the oil and gas industry.

Harvey Castro, an 18-year resident of the County, stated that he has been working with the Coal Creek Watershed Coalition for approximately four years, though he noted that he was speaking as a private citizen and not on behalf of the Coalition. He opined that good baseline data and regular water and air monitoring are needed.

Jeremy Rubingh stated that the federal government has made the County responsible for the protection of the County's water and land. Lastly, he stated that the proposed regulations might represent the bare minimum of what may actually be needed.

Liberty Godshall, a Crested Butte resident, thanked the County for performing the associated research. She stated that water and children are precious and that our future is in the Board's hands to protect them from irreparable harm.

John Banker stated that he had previously submitted his comments to the Board via email. He summarized his comments by stating the importance of full disclosure related to drilling to any and all affected persons so that those persons may have the opportunity to provide comment. He stressed that the Duke University study illustrates that the risk of contamination by methane is a lot higher than anyone ever thought. In the study, every water well within a kilometer of a drilled oil well was examined and tested by the University and found to be contaminated by an average of 17 milligrams of methane per liter, which is well beyond the level allowed by the federal government. This study, he believes, should change the way that wells are viewed. He noted that the leaks within the wells were attributed to the concrete well casing. He urged the use of baseline testing with monthly or quarterly follow-up testing thereafter.

Sue Navy provided a photograph of a woman holding a glass of grayish water in Wyoming, as published in an unidentified news article. She noted that this issue extends beyond the County as it affects citizens all over the country. She opined that, in the past, the County has shown incredible leadership with regard to water protection and that this issue is no less important. She stated that the draft regulations might not reach as far as they ought to because of State of Colorado limitations, but that some modifications may make them as strong as they can be. She also opined that, after the County regulations are adopted, work will be necessary to improve related state and federal laws.

Billy Rankin, a Crested Butte resident, thanked the Board for taking on this issue. He agreed with many of the comments expressed by others during the hearing. He stated his support of the draft regulations, but feels that they offer minimal protection. He urged the passage of the two provisions outlined by HCCA. He stated that it is preposterous of the industry to claim that the disclosure of chemicals is too burdensome. He also stated that the industry is too new not to mandate high-level monitoring.

Lyn Moresca submitted signed petitions, with a total of 259 signatures, supporting the draft regulations with the caveats proposed by HCCA. She asked the Board to consider a moratorium on additional drilling until the Environmental Protection Agency (EPA) study has been released. She also thanked the Planning Commission for the work performed on this issue.

Meghan Dennison, a local resident since 1999, stated that we live and recreate here (in the County), which obligates us to ensure that the water quality is protected. She noted that the people living downstream are affected by local decisions. She stated that the mining industry has made millions of dollars, while the state has spent billions of dollars to clean up mines. She thanked the County for producing the proposed regulations.

Albert (Bert) Phillips thanked the County for the completed and future work on this issue. He informed the Board that a documented Cornell University study indicated that, when factoring in the emissions from extracting methane, it is a dirtier process than extracting coal. The City of Dallas, TX has banned fracking because Ft. Worth has the worst air quality in the country. He also noted that the New York, NY and Pittsburgh, PA, along with the State of Maryland, have moratoriums in place. He urged the County to consider all of the scientific evidence.

Ryan Stringfellow, manager of KBUT radio in Crested Butte, noted that there are negative social impacts as well as environmental impacts. He expressed concern about the County's ability to support families that will be affected by the boom and bust of the oil and gas industry. He also questioned whether or not the County's current road infrastructure could handle the increased demand. He thanked the Board for allowing this transparent process.

Ramon Reed, Gunnison County Planning Commission Chairperson, stated that the proposed amendment process began approximately one year ago with a Board directive to evaluate the setback issues. Since that time, representatives from the County have met with representatives from the Bureau of Land Management (BLM), Forest Service (FS), oil and gas industry, environmental community and the Colorado Oil and Gas Conservation Commission (COGCC) to discuss the related issues. He noted that it has been a lengthy process and that the proposed regulations primarily relate to water quality. He stated that hydraulic fracturing wasn't a large issue when the process began, but that it has become a large issue. He noted that the proposed amendments do not ban certain chemicals or the practice of fracking, as he didn't feel that the County could outlaw fracking. A congressional report was released in April regarding the chemicals used in fracking. The EPA is currently undergoing a study on the impacts to drinking water, to which there will be a federal response. He stated that the draft regulations contain no water body setbacks and that the regulations followed the COGCC's lead on buffer zones for development. He is pleased that the Board will be discussing the proposed regulations with the COGCC because he felt that the COGCC has not been cooperative in holding discussions with the Planning Commission. He expressed his disappointment with the timeline and asked the Board to consider a moratorium on accepting new applications from the industry until all discussions are complete. He noted that the amendments to the regulations are not extreme and will not curtail gas operations in the County.

Matthew Scala, a Crested Butte resident, expressed concern related to what is unknown about toxic chemicals. He stated that the HCCA caveats are important because people will get sick from toxins.

Brett Henderson, a Crested Butte resident that spent his childhood in Ft. Worth, TX, stated that he has witnessed the impacts of an unregulated gas industry. His parents' water was ruined and there was visual pollution from the gas rigs running throughout the night. He opined that his experiences robbed him of part of his childhood by eliminating open space and recreational fishing from his life. He stated his support of HCCA's proposal.

Marcie Telander, a local resident for the past 34 years, stated her concern related to the unknown factor of how fast chemicals move. She stated that we shouldn't sacrifice our children's health and that she works with people that regularly wonder why things such as this were not prevented in the first place. She stated her appreciation for the County's work.

Weston Wilson informed the Board that 85% of water wells tested revealed high methane if they were within a kilometer of an operation. He also suggested that the requirement for monitoring is not associated with drilling and, therefore, is a capability of the County. He feels that, to the maximum extent possible, the use of fracking fluids should not be allowed. He noted that the industry has perfected green fracking fluids, but that diesel fuel should be banned.

John Banker noted that it is important to determine if wells are leaking as soon as possible, and that the operation should be shut down until the leak has been found and repaired.

Ralph (Butch) Clark stated that he has previously submitted his written comments to the Board. He feels that the 45-day notification of materials to be used for well drilling or fracturing is problematic as the information should be available to the Colorado Highway Patrol and local first responders in order to plan for the safe movement of hazardous materials. He feels that the County should be notified prior to any materials being brought into the area. He noted that the information he previously submitted provides some disturbing information related to health and welfare.

Glo Cunningham, a County resident for the past 36 years, stated that each individual can make a difference and that we have that opportunity now. She noted that the Board is obligated to protect the health, welfare and safety of the County's citizens, and that the citizens are counting

on the Board to do just that. In this case, the Board needs to protect water and air quality. She feels that a moratorium is necessary.

Peggy Baxter, a resident of Cedaredge, stated that her family has lived in Delta County for 35 years and that they appreciate Gunnison County for taking them into consideration.

Mark Schweisow opined that the country is irresponsible with regard to fuel consumption and that the industry is sometimes fear driven. He noted that there is proof that clean energy sources can be engineered. He also noted that pollution of the watersheds will have far reaching implications. He feels that, over time, the focus on energy will switch to clean water. He noted that our water runs downstream to Delta County's agricultural production, and beyond just our neighboring counties. He stated his appreciation that the County is evaluating this issue carefully. He prophesized that the rest of the country will someday look to Gunnison County and see that this was handled correctly.

Eric Sanford, Operations and Land Manager for SG Interests, stated his disagreement that setbacks was the only issue before the Board. He feels that it will be difficult for businesses to operate under the proposed regulations as they are prohibitive to the industry. He stated his respect for HCCA's participation in the process. He stated that much of the temporary regulations are preempted by state and federal law and that the proposed regulations are preempted even more. He urged the Board to carefully read the proposed changes as they address more than water quality. He acknowledged that the oil and gas industry is unpopular and he stated that written comments from SG Interests would likely be submitted to the Board in the future.

Vannie Lowdenslager informed the Board that the country of France completely prohibits fracking.

Sandy Shay, a Crested Butte resident, thanked the Board and the Planning Commission. He noted that citizens feel powerless about this issue, so he asked the Board to consider that it speaks for the citizens.

8. Acknowledge Correspondence Received. Chairperson Channell informed the audience that many written comments have been received and that written comments will still be accepted. *(A log of all written comments received is being maintained in the County Manager's office.)*
9. Applicant Response. County Attorney Baumgarten requested that the agenda notice, the newspaper notice and the transmittal letter with appendices be included in the formal record.
10. Close Public Hearing. At 11:41 am, Chairperson Channell continued the Public Hearing to 8/2/11 at 10:00 am and immediately reconvened the Gunnison County Board of County Commissioners Meeting. He noted that the Board may take action after the Public Hearing is closed on 8/2/11. He also noted that the civility shown during the Public Hearing is a credit to all participants and attendees, and he encouraged this civility to continue.

BREAK: The meeting recessed from 11:45 am until 1:00 pm for lunch.

GUNNISON VALLEY HEALTH HOSPITAL; BOARD OF TRUSTEES; POWERS AND DUTIES; QUALIFICATIONS; APPOINTMENT/REMOVAL; POSSIBLE EXECUTIVE SESSION: Finance Director Linda Nienhueser and County Attorney Baumgarten were present for discussion.

County Attorney Baumgarten suggested that he present information to the Board regarding the Board of Trustees, either in or out of executive session. He noted that an executive session with no contemporaneous recording would be permissible as the information was of an attorney/client privilege. **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland to go into executive session based on the criteria outlined by our County Attorney, and those in the executive session will be the Board, the County Manager, the County Attorney and the Finance Director. Motion carried unanimously.

The board went into executive session at 1:20 pm. *Executive sessions of the Board of County Commissioners are conducted as per C.R.S. 24-6-402(4). This specific session was conducted as per C.R.S. 24-6-402(4)(b).*

Attorney Statement Regarding Executive Session

Pursuant to C.R.S. 24-6-402(4), I attest that I am the Gunnison County Attorney, that I represent the Gunnison County Board of County Commissioners, that I attended all of the above referenced executive session, that all of the executive session was confined to the topic authorized for discussion pursuant to C.R.S. 24-6-402(4) and that, because in my opinion all of the discussion during the executive session constituted a privileged attorney-client communication, no record of the executive session was required to be kept and no such record was kept.

Date: _____

 David Baumgarten
 Gunnison County Attorney

Chairperson Statement Regarding Executive Session

Pursuant to C.R.S. 24-6-402(4), I attest that I am the Chairperson of the Gunnison County Board of Commissioners, that I attended all of the above referenced executive session, and that all of that executive session was confined to the topic authorized for discussion pursuant to C.R.S. 24-6-402(4).

Date: _____

 Hap Channell, Chairperson
 Gunnison County Board of Commissioners

The Board came out of executive session at 1:39 pm. Chairperson Channell confirmed that the discussion remained on-topic, that all parties stated to be in attendance were, in fact, in attendance, that no decisions were made, and that no contemporaneous recording was kept.

Chairperson Channell instructed staff to move forward to gather information related to whether or not the powers and duties of the Trustees are being met per state statute requirements, require in the first week of July that a report of all expenditures and revenues during the first half of the year be forthcoming, and include an explanation of the transfer of the \$900,000+ to the Health Foundation.

RESOLUTION; APPROVING MAIL BALLOT FOR THE NOVEMBER 1, 2011 COORDINATED ELECTION: County Attorney Baumgarten, Gunnison County Clerk and Recorder Stella Dominguez and Elections Technician Diane Folowell were present for discussion.

Elections Technician Folowell explained that a mail ballot election would need to be approved by the Board, as it is the governing body. The Elections Office hoped to have this approved because of the realized cost savings of mail ballot elections (\$21,060) compared to polling place elections (\$32,590) and greater voter turnout. Elections Technician Folowell also explained that obtaining election judges is becoming difficult. **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland to adopt Resolution #2011-23, a Resolution Approving Mail Ballot for the November 1, 2011 Coordinated Election and authorize signatures. Motion carried unanimously.

GUNNISON COUNTY SAGE-GROUSE STRATEGIC COMMITTEE ORGANIZATION AND PROCEDURAL GUIDELINES; APPROVAL OF AMENDMENTS: Gunnison Wildlife Conservation Coordinator Jim Cochran and County Attorney Baumgarten were present for discussion.

Gunnison Wildlife Conservation Coordinator Cochran informed the Board that the recreation community now includes a motorized group called GOATs (Gunnison Valley O.H.V. Alliance of Trailriders).

Since a very involved representative from a mechanized group has been attending meetings, the Committee approved by motion at the May 2011 meeting to create a seat on the Committee for the recreation community.

Gunnison County Wildlife Conservation Coordinator Cochran presented the draft amendments to the guidelines for consideration. He explained that the main changes were to add the seat and to change the quorum. Since the Committee will meet again on 6/15/11, he recommended that the Board make a motion contingent upon the Committee approving the changes to the guidelines. The draft amendments were discussed and agreed upon. **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland to approve (the guidelines) on the condition of the Sage Grouse Strategic Committee's approval. Motion carried unanimously.

STALLION PARK; PROPOSAL BY DEVELOPER TO RESTRUCTURE; POSSIBLE EXECUTIVE SESSION: County Attorney Baumgarten, County Paralegal Rachel Magruder, Gunnison County Housing Authority Executive Director Gazunis, Assistant Public Works Director Allen Moores, developer Dr. Dick Landy and Brad Pauls, senior lender with the Pauls Corporation, were present for discussion.

County Manager Birnie stated that the counter offer to the County's most recent counter offer was included in the packet materials. Assistant Public Works Director Moores recommended that Building Inspector Rich Wojdakowski perform a site visit to determine whether or not some of the foundations may be reused as it will cost approximately \$2,000 to remove each foundation.

Gunnison County Housing Authority Executive Director Gazunis informed the Board that the HOA dues are currently \$571 per quarter for sewer, water and dues. She explained, however, that Dr. Landy has the ability to set the HOA dues for the commercial and multi-family portions separate from the rest of the park. If the Stallion Park unit dues can be capped at a maximum amount, Dr. Landy has the authority to do so via the overarching declarations. The method of HOA calculation would need to be determined. Commissioner Swenson stated that the County wants to ensure that the deed-restricted units remain low

in dues. County Attorney Baumgarten opined that the County could set HOA dues for the five deed-restricted units differently than the rest of the park. Mr. Pauls explained that he is involved with a community that is a mix of housing that is deed restricted and not deed restricted. The levels of restriction are outlined by the HOA in the covenants.

The Board expressed agreement with accepting the counter offer as long as the HOA fee issue is figured out. Staff will proceed with developing the agreement and figuring out the HOA dues issue. County Attorney Baumgarten stated that this can be accomplished by amending the Development Improvements Agreement and the Conditions of Approval. The parties agreed that a Public Hearing was not warranted. This discussion will continue on 7/5/11.

ADJOURN: Moved by Chairperson Channell, seconded by Commissioner Chamberland to adjourn the Special Meeting. Motion carried unanimously. The meeting adjourned at 2:19 pm.

Hap Channell, Chairperson

Paula Swenson, Vice-Chairperson

Phil Chamberland, Commissioner

Minutes Prepared By:

Katherine Haase, Deputy County Clerk

Attest:

Stella Dominguez, County Clerk

GUNNISON COUNTY BOARD OF COMMISSIONERS TEXT INCLUSION INTO MINUTES

**BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GUNNISON, COLORADO
RESOLUTION NO. 2011-23**

**A RESOLUTION APPROVING MAIL BALLOT FOR THE
NOVEMBER 1, 2011 COORDINATED ELECTION**

WHEREAS, C.R.S. 1-7.5-101, et. seq., permits the Board of County Commissioners of the County of Gunnison, Colorado to determine that an election shall be by mail ballot; and

WHEREAS, the Board has determined that a mail ballot for the November 1, 2011, Coordinated election will be beneficial to the voters, cost effective and appropriate;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of the County of Gunnison, Colorado, that, pursuant to C.R.S. 1-7.5-101, et seq., the November 1, 2011, Coordinated election in Gunnison County shall be by mail ballot.

INTRODUCED by Commissioner Swenson, seconded by Commissioner Chamberland, and adopted this 14th day of June, 2011.

**BOARD OF COUNTY COMMISSIONERS
OF GUNNISON COUNTY, COLORADO**

Chamberland – yes; Channell – yes; Swenson – yes.