

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, October 3, 2016
Council Chambers, Crested Butte Town Hall

Mayor Michel called the meeting to order at 7:00PM.

Council Members Present: Jim Schmidt, Erika Vohman, Chris Ladoulis, Roland Mason, Laura Mitchell, and Paul Merck

Staff Present: Town Manager Dara MacDonald, Town Attorney John Belkin, and Town Planner Michael Yerman

Town Clerk Lynelle Stanford and Public Works Director Rodney Due (for part of the meeting)

APPROVAL OF THE AGENDA

Schmidt moved and Mason seconded a motion to approve the agenda as submitted. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

CONSENT AGENDA

- 1) **September 19, 2016 Regular Town Council Meeting Minutes.**
- 2) **September 26, 2016 Special Town Council Meeting Minutes.**
- 3) **Resolution No. 32, Series 2016 - Resolutions of the Crested Butte Town Council Appropriating Matching Funds in an Amount not to Exceed \$10,000 from the General Fund for the Colorado Tourism Office Matching Marketing Grant Program Fiscal Year 2017 and Authorizing the Town Manager to Execute the Grant Application Regarding the Grant.**

Schmidt moved and Merck seconded a motion to approve the Consent Agenda. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

PUBLIC COMMENT

None

STAFF UPDATES

Rodney Due

- They completed utilities and paving at Big Mine, which went smoothly.
- Patching was done at 5th and Belleview and 6th and Red Lady.

Lynelle Stanford

- Staff would have a debrief meeting with the organizers of Vinotok.
- KBUT Scrapple Fest was moved from the gravel pit as originally planned to Town Park.

Michael Yerman

- Was reaching out to municipalities for letters of support regarding the roundabout.
- He reminded Vohman and Schmidt of an upcoming meeting on October 25 at the County for STIP funding.

Mike Reily

- Staff had not had the chance to debrief with the organizers of Vinotok, but after the meeting they would have a better feeling for what happened.
- The fire was not built to the agreed upon scale, but it was a typical Vinotok night with DUIs and emergency alcohol commits.

Dara MacDonald

- Mentioned there was a changing of the guard on Thursday afternoon and a farewell send off for the Martins on Friday afternoon.
- Hansen sent a PSA asking people to move items from the rights of way by October 15.
- The CIRSA inspection last week went fine. However, CIRSA required a training for Council on liability and conflicts of interest. She thought they would have a retreat in the next couple of months.
- The first reading of the short-term rental ordinance would be October 17.

PUBLIC HEARING

1) New Beer and Wine Liquor License Located at 313 3rd Street for Sherpa Dharma LLC DBA Sherpa Café.

Michel confirmed proper public notice was given. Stanford confirmed there were no changes from the time the staff report was written, and the Staff recommendation was to approve. The applicants, Linda Wessman and Mingma Sherpa, were present and did not comment.

The public hearing was opened. There was no public comment. The public hearing was closed, and it was opened to Council discussion. Schmidt questioned if the premises was bigger than it was before. Wessman explained the map submitted was an old map that reflected additional seating.

Vohman moved and Mitchell seconded a motion to approve the Beer and Wine Liquor License for Sherpa Café. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

2) Planned Improvements to the Crested Butte Wastewater Treatment Facility and Project Needs Assessment (PNA).

Michel confirmed that proper public notice was given. Due stated the cost and contributions for the planned improvements to the wastewater treatment plant facility. He listed reasons for the necessary upgrades such as: there was no redundancy for the water oxidation ditch, the need to replace the grit removal system, and Town was growing. The expansion would also address Regulation 85 and compliance with nutrient requirements. Michel asked Due why there was a public hearing, and he explained it was a mandatory requirement for the state revolving fund loan.

Michel opened the hearing for public comment. There was no public comment, and the public hearing was closed. It was opened to Council discussion, and there was no further Council discussion.

NEW BUSINESS

1) Discussion and Possible Approval for the Mayor to Sign a Letter of Support from the Mountain Pact on Public Lands and Fire Funding Reform.

Vohman explained to the Council she had been trying to gain clarity on this agenda item, but it had been challenging. She said the letter was about the reform of the allocation of funds for fire fighting. Merck stated the Mountain Pact was about climate change and lobbying government to research the effects of climate change and fires were part of it. When asked by Michel to explain the letter's relevance to Town, Vohman reiterated climate change and that forests were really vulnerable. She thought it was in the best interest of Town to support people that wanted to lobby on behalf of Town. Mason was hesitant to sign on because he recalled pulling back on a signature because of limited information. Ladoulis agreed with Mason. He thought the Council should decide on policy as a group, and they needed more information before they signed on to issues. Schmidt countered that they were lobbying for small mountain towns. He thought it was worthwhile to join them. They were not asking for something that specific, and he was in favor. Mitchell was also in favor. Merck agreed they needed more information. Michel was comfortable in signing as the Mayor, but he agreed with both Ladoulis and Mason in that they needed to be deliberative.

Schmidt moved and Merck seconded a motion to direct the Mayor to sign the letter of support for the Mountain Pact to Senators McConnell and Reid, Speaker Ryan, and Representative Pelosi. A roll call vote was taken with Merck, Mitchell, Michel, Vohman and Schmidt voting, "Yes," and Mason and Ladoulis voting, "No." **Motion passed.**

2) Resolution No. 33, Series 2016 - Resolutions of the Crested Butte Town Council Supporting Ballot Question 2A Related to the Issuance of Debt for the Purpose of Preventing Mining Activity on Mt. Emmons.

MacDonald explained that the Council was restricted in terms of lobbying, but they directed Staff to bring back a resolution supporting the ballot question. She emphasized it was a debt issuance, and there were no new taxes proposed. Michel encouraged citizens to support 2A. He hoped it passed overwhelmingly to send a message. Schmidt and Ladoulis also supported. Ladoulis pointed out that the funds allocated for repayment were specifically designed for supporting open space for surrounding areas. Merck was also supportive. Mason supported, and he recognized that the negotiation team structured the deal in such a way that taxes were not increased. Mitchell stated she absolutely supported, and Vohman concurred.

Schmidt moved and Merck seconded a motion to approve Resolution No. 33, Series 2016, resolutions of the Crested Butte Town Council supporting ballot question 2A related to the issuance of debt for the purpose of preventing mining activity on Mt. Emmons. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

COUNCIL REPORTS AND COMMITTEE UPDATES

Jim Schmidt

- There was a housing committee meeting last week.
- The returns on the needs assessment were great. Once they received the report from the needs assessment, they would be figuring out a concise plan for the future.
- There were five units left to go in Anthracite Place. There were pending applications.
- The marker for the Jokerville Mine disaster was north of the entrance to the cemetery. The perimeter had been staked, and they were planning a fence around it.
- They would have a Creative District meeting on Wednesday.

Roland Mason

- The RTA bus came in, and it would be ready soon. Each new bus accommodated 12 extra seats.
- Merck asked when the senior bus was coming. Mason said it would hopefully be here by the end of the year.

Erika Vohman

- Sustainable CB launched the Boomerang Bag project.

Glenn Michel

- He had the opportunity last week to attend the Mayors Summit, a CML event. He had good training on how to run better meetings. He talked to other mayors who were also dealing with affordable housing and issues similar to Crested Butte.
- He would be attending a mayors/managers meeting this week. It would be MacDonald's first.

- There would be a One Valley Prosperity Project meeting this week.

NEW BUSINESS CON'T

3) Update from the EPA on the Standard Mine Remediation Project and Emergency Action Plan.

Christina Progress represented the EPA, and she provided an update on the Standard Mine remediation work. She explained that they rehabilitated two tunnels successfully. They were in the process of sealing off shafts, so water would be conveyed to the main level. They were creating a bulkhead, which was a big concrete plug. Progress thought that the latest they would be up there would be early November, and she reported that so far things had gone well. Progress further explained that the valve that was needed on the end of the bulkhead took about ten weeks to manufacture. They would run out of time this construction season, so there was work to do next year. Progress described the additional work for next year and future work.

Michel thanked the EPA for their hard work. Schmidt questioned if there would be pressure built up and if they expected water to come out of other fissures and cracks. Progress stated that they planned on monitoring seeps and springs. Schmidt asked if they would be monitoring once the work was done. Progress stated they would have an operations maintenance plan, and the State would take it over. The EPA would come back every five years to monitor.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

None

NEW BUSINESS CON'T

4) Discussion and Possible Approval for the Mayor to Sign a Letter of Support from the Crested Butte Mountain Bike Association (CBMBA) to the Forest Service for Winter Fat Bike Grooming Amenity.

Dave Ochs, Executive Director of the Crested Butte Mountain Bike Association (CBMBA), presented the proposal on behalf of CBMBA. He thought that fat bike grooming did not have a lot of impact on snow. He read the mission and purpose, and he showed a map that depicted the proposed grooming. He explained that the Slate River Valley was removed from the proposal. Ochs showed trails that were already groomed. He stated a main focus would be Brush Creek. He also mentioned the proposal to groom Cement Creek and how they wanted to create a loop. They also wanted to create the experience of leaving from Town on a bike. He showed a slide with proposed grooming in the Town of Mt. Crested Butte. He said that the grooming was for everyone to use. Ochs stated he had letters of support and good community support.

Michel questioned the previous decision of the Gang of Nine that closed the Gothic Corridor to mechanized travel. Ochs explained that the closure did not apply to the road under the County's jurisdiction. Next, Michel questioned trailhead management. Ochs answered that signage was part of the proposal. Vohman cited her issue with the Nordic Center and easements that were just for skiing. Ochs agreed they were looking for more collaboration. Schmidt asked if it was appropriate to re-open the winter travel management plan with the Forest Service (FS). Ochs agreed it was.

Ali Fuchs - 29 Whiterock - Owner of Big Al's Bicycle Heaven

- Was at the meeting supporting CBMBA's proposal.
- Fat biking was already happening, and they needed to ride the wave and support it.
- The number of fat bikes she rented out increased from year to year.

Matt Whiting - 2094 Cement Creek Rd - President of the CBMBA Board and a lodge owner

- Fat biking was critical for the community to diversify the economy.
- The grooming up Cement Creek had changed the whole nature of the valley providing a utopian/communal feeling.
- Fat biking was a low impact, positive experience

Doug Bradbury - 119 Gothic

- Everyone kept looking at CBMBA to take on fat biking, particularly the FS because they were in need of a point organization.
- Maybe they could make the year around thing work.
- They had no clue who was going to pay for it.
- They were going out on a limb.
- They hoped for support from the Council.

Maureen Hall - 9 Moon Ridge Lane

- She was not opposed to fat bikes.
- Told the Council they should also urge the FS to address winter travel management as soon as possible.
- They needed a comprehensive plan for all drainages. There was a lot of conflict at trailheads that would get worse without addressing comprehensive winter management.

Jason Sumner - 37 Kubler Court - Cycling Journalist and Writer

- There was no real marquee location for fat biking in the West.
- He mentioned nearby communities and what effects biking had there.
- There was an opportunity for the whole community to benefit.

Eliza Cress - 602 4th Street - Executive Director of the Chamber of Commerce

- Reminded the Council of the Fat Bike Worlds event last year. Businesses said they did great during the event.

- Fat biking brought people to Crested Butte during a slow time.
- Everyone could benefit from the amenity.

Brittany Konsella - 701 Gothic - Member of Share the Slate

- Share the Slate's perspective was that they could overall improve the user experience.
- They wanted to meet with CBMBA to discuss improving education and how to co-exist as multiple user groups by increasing awareness and etiquette.

Sean Riley - 705 Red Lady

- The relationship with the Nordic Center had been confrontational, and they had not embraced fat biking.
- Would like to see more help with collaboration.

Marco White - 718 Belleview

- Town had the infrastructure to deal with a large number of people in the summer.
- He couldn't think of any other idea that would bring incremental benefit to Town.

Ken Stone - 196 Coyote Circle

- The Nordic Inn promoted fat biking.
- He provided statistics from the Nordic Inn on the results of fat biking. There was measurable impact.
- He explained how much the Nordic Inn had collected in taxes related to fat bikers.

Janet Harvey - Reported to live across from the North Village in Mt. Crested Butte

- Expressed concern about cars parked at the Gothic Trailhead.
- Watched them groom North Village a lot, and she didn't see one person complete the course. Some of the proposed grooming would not work for an average fat biker.
- Any kind of recreational travel needed to be viewed as a whole.

Kendall Tankersley - Owner of Third Bowl Ice Cream - Vice President of Share the Slate

- Town needed more winter business.
- A small fraction of drainages was for mixed use.
- It was important that people could get out close to town and recreate the way they wanted.
- The purpose of their group was to reduce user conflict and increase safety.

Michel summarized that he heard that users would like to have a better travel management plan from the FS. He asked if the Council wanted to encourage the FS to address winter travel management overall as a whole. He thought another concern was how they were going to manage. Schmidt suggested they add a sentence to the letter about evaluating total management. Mason liked the presentation, and he thought the views made sense. He would like to include a comment to look at the overall picture. Ladoulis thought they should separate the issues. He saw some risk that CBMBA's effort

could be stalled. Merck cited that FS lands were lands of many uses, and he thought biking made a lot of sense. He said the FS was taking counts and thinking of ways to manage. Merck was in favor of the letter. Vohman liked the letter and the concept. She wanted to push the Council to gain access to Nordic trails. She stated they should sign the letter. Mitchell supported the letter. Her concern was trailhead management. Michel asked if they wanted to add the encouragement to improve trailhead management as well as encouragement to the FS to re-evaluate the winter travel management plan. Ochs reminded the Council that trailheads were County properties. Michel summarized the Council wanted to augment the letter to encourage the FS to continue to re-evaluate the winter travel management plan in drainages around Crested Butte and to adequately manage the impact on the backcountry.

Mitchell moved and Vohman seconded a motion to approve the letter of support for the Crested Butte Mountain Bike Association to the Forest Service for winter fat bike grooming amenity. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

5) Proposal by Cypress Equities LP for Water Service for Proposed Gunnison County Slate River Major Development Application and Possible Direction by Town Council.

Yerman provided an overview and background. He explained the Town extended sewer service to the development through a pre-annexation agreement. At this time, Cypress was requesting the ability to connect to Town water. He explained the process it would take to accomplish, including that the pre-annexation agreement would need an amendment. A minor code amendment would also be required. He reviewed and explained the key deal points that the Town would receive in exchange for water service. The question was whether Council wanted to direct Staff to prepare an ordinance and amendment to the pre-annexation agreement.

Michel asked Yerman what in-stream flows meant to the Town. Yerman stated they had been working to increase the water supply in Coal Creek. Water would bypass the McCormick Ditch intake, and water could stay in the river longer. Michel asked what the importance was of drought proofing. Yerman said they were taking an irrigated right and changing it to municipal consumption. He further explained the water right would secure water coming down Coal Creek for municipal use. Michel asked if the Town had ever allowed non-annexed land to connect to Town's drinking water. The answer was no. Yerman explained the changes to the Code that would be necessary.

Cameron Aderhold, representing Cypress, explained the processes they were undergoing. The County had suggested they come to Town about the connection to water. They were at the point where they needed to get a plan submitted. He thought the characteristics were unique, and the proposal should be viewed in and of itself.

Marcus Lock, attorney for Cypress, explained why they didn't propose the connection to water immediately. They had to provide something unique that Town couldn't get

anywhere else, which was the senior water right on Coal Creek. It could provide a lot of water for municipal purposes. Lock listed the items to what Cypress had agreed. He stated that tying into the Town's water supply made logical and engineering sense. The Gunnison County Planning Commission also preferred that Cypress connected to the Town's water supply.

Tyler Harpel, engineer for Cypress, stated the development would account for 3% of what Town was doing at the wastewater treatment plant (WWTP). If they were not included with Town, the development would require a redundant system right across the river. Harpel described systems and requirements. He listed the impacts (of a redundant system) to be: environmental, economic, and fire safety.

Schmidt asked how many acres would be dried up and how often. Lock described the areas that the McCormick Ditch irrigated. The dried up areas would be 19.2 acres on the two easternmost parcels. He cited a water right change in Skyland that was successful.

Schmidt questioned who would pay the costs in water court. Michel asked the Council what they thought of a 50/50 split. Merck thought the fees would be reduced if it were amicable. Schmidt thought 50/50, minus what the Water Trust paid. Yerman said they should know more about the Water Trust's involvement by the 17th. Lock wanted the cost to his client to be capped. They would not be in the case and therefore had no involvement nor control. Belkin estimated the cost to be anywhere between \$40K and \$100K. Aderhold said 50/50 would be doable, with a cap of \$25K. Belkin pointed out it was different from an annexation and that Town would be paying for it.

Michel summarized and surveyed the Council on each deal point:

- 1) Town's wood burning stove regulation.
 - Schmidt said it was very important. He didn't want to see a blanket of smoke. The Council agreed.
 - There was a discussion on the mechanism for enforcement.
- 2) Cypress would pay out of town tap and user fees.
 - The Council agreed.
- 3) Cypress would place a 3% RETT on the County development.
 - The Council agreed.
- 4) Cypress would pipe raw irrigation water down 8th Street.
 - The Council agreed.
- 5) Cypress would adhere to Town's water regulations.
 - The Council agreed.
- 6) Cypress would be responsible for all water infrastructure extensions to service their development.
 - The Council agreed.
- 7) Senior rights in the McCormick Ditch to the Town.

Michel thought the idea of drought proofing the Town's water supply could be invaluable. He thought in-stream flows were great and valuable, and he valued the 3%

RETT. He was good with the proposal. Vohman thought what they came up with was close to ideal. She wanted to split the cost of water court. Overall, she liked it. Merck stated they should work on moving forward. Schmidt said water was really important. Ladoulis thought it was a unique arrangement and didn't have as much precedential value. He appreciated how they got to this point. Mitchell supported it, but she wanted to figure out the price of water court. Mason was in favor. What they were getting was close to with what he was comfortable. Michel reminded the Council they would still receive public input, and they would listen to constituents. Belkin said they would most likely bring the ordinance to the next meeting and then work on the agreement for the first meeting in November or when it was ready.

Merck moved and Schmidt seconded a motion to direct Staff and the Town Attorney to prepare an ordinance amending Section 13-1-280 of the Town's Municipal Code for the next meeting and prepare an addendum to the pre-annexation agreement to be considered when prepared at a future Town Council meeting. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

LEGAL MATTERS

None

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, October 17, 2016 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, November 7, 2016 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, November 21, 2016 - 6:00PM Work Session - 7:00PM Regular Council

EXECUTIVE SESSION

Ladoulis moved and Mason seconded a motion to go into Executive Session for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) regarding 721 Butte Avenue Unit I and regarding the transactions with Freeport-McMoRan. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

The Council went into Executive Session at 10:00PM. Council returned to open meeting at 10:26PM. Mayor Michel made the required announcement before returning to open meeting.

Schmidt recused himself and left the meeting at 10:15PM for the discussion on 721 Butte Avenue Unit 1.

ADJOURNMENT

Mayor Michel adjourned the meeting at 10:27PM.



Glenn Michel, Mayor



Lynelle Stanford, Town Clerk (SEAL)



