

Ridgway Town Council
Regular Meeting
Wednesday, June 8, 2016, 5:30 pm
201 N. Railroad Street, Ridgway, Colorado

ROLL CALL Councilors Robb Austin, Stephen Barnes, Candida Gold, Ellen Hunter, Nick Williams, Mayor Pro Tem Eric Johnson and Mayor John Clark

ADDITIONS & DELETIONS TO THE AGENDA

PROCLAMATIONS, RECOGNITIONS & INTRODUCTIONS

Recognition of Town Clerk, Pam Kraft, for 20 years of service to the Town.

ADOPTION OF CONSENT CALENDAR All matters listed under the consent calendar are considered to be routine by the Town Council and enacted by one motion. The Council has received and considered reports and recommendations prior to assigning consent calendar designations. Copies of the reports are on file in the Town Clerk's Office and are available to the public. There will be no separate discussion on these items. If discussion is requested, that item will be removed from the consent calendar and considered separately.

1. Minutes of the Regular Meeting of May 11, 2016.
2. Register of Demands for June 2016.
3. Renewal of Brew Pub Liquor License for Colorado Boy Pub and Brewery.

PUBLIC COMMENTS Established time for the public to address the Council regarding any item not otherwise listed on the agenda. Comments will be limited to 5 minutes per person.

PUBLIC REQUESTS AND PRESENTATIONS Public comments will be limited to 5 minutes per person; discussion of each item may be limited to 20 minutes.

PUBLIC HEARINGS Public comments will be limited to 5 minutes per person; hearings may be limited to 20 minutes.

LAND USE ITEMS Public comments will be limited to 5 minutes per person; hearings may be limited to 20 minutes.

POLICY MATTERS Public comments will be limited to 5 minutes per person; overall discussion of each item may be limited to 20 minutes.

4. Transfer of Liquor Store License for Ridgway Liquors to new applicant Silver Dollar Holdings Corporation, Michaela Countryman sole member - Town Clerk.
5. Update on CDoT Enhancement Project, Phase 5 – Public Works Director
6. In honor of Michael McCullough Day on June 26th, request to purchase a couple of signs for each end of the north/south alley behind the Firehouse identifying "Michael McCullough Alley" – Mayor Pro Tem Johnson for Mayor Clark
7. Request to join the Mountain Pact Letter to the Department of the Interior on Climate Change and Coal – Mayor Pro Tem Johnson for Mayor Clark

MANAGERS REPORT

STAFF REPORT Written report is provided for informational purposes prior to the meeting updating Council on various matters that may or may not warrant discussion and action.

COUNCIL COMMITTEE REPORTS Informational verbal reports from Councilors pertaining to the following committees, commissions and organizations:

Chamber of Commerce Liaison - Councilor Barnes
County Board of Appeals - Mayor Clark
County Weed Board - Councilor Williams; alternate - Public Works Director
Fairgrounds Liaison - Councilor Hunter
Gunnison Valley Transportation Planning Region - Town Manager; alternate - Public Works Director
Joint Planning Board - Councilor Hunter, citizens Rod Fitzhugh & Rick Weaver; alternate-Mayor Pro Tem Johnson
Multi-Jurisdictional Housing Authority - Councilor Austin; alternate - Town Manager
Sneffels Energy Board - Mayor Clark and Town Manager; alternate - Mayor Pro Tem Johnson
Ouray County Transit Committee - Comm. Dev. Coordinator; alternate - Public Works Director
Ouray County Water Users Association - Councilor Williams
Parks, Trails & Open Space Committee - Councilors Austin, Williams and Mayor Pro Tem Johnson
Planning & Zoning Commission representatives - Mayor Clark and Councilor Hunter
Region 10 - Mayor Clark
Scholarship Committee - Councilors Barnes, Mayor Pro Tem Johnson and Mayor Clark
Sister Communities Initiative Committee - Councilors Barnes and Gold

TOWN ATTORNEY REPORT

The Town Attorney may request an executive session pursuant to CRS 24-6-402-4(a), (b) and (e).

ADJOURNMENT

Deadline for agenda items for next regular meeting, Wednesday, July 6, 2016 at 4:00 p.m., Town Clerk's Office, 201 N. Railroad Street, Ridgway, Colorado.

RIDGWAY TOWN COUNCIL
MINUTES OF REGULAR MEETING
MAY 11, 2016

CALL TO ORDER

The Mayor called the meeting to order at 5:35 p.m. in the Community Center at 201 N. Railroad Street, Ridgway, Colorado. In attendance Councilors Austin, Barnes, Gold, Hunter, Mayor Pro Tem Johnson and Mayor Clark. Councilor Williams was absent.

PROCLAMATIONS, RECOGNITIONS & INTRODUCTIONS

Town Manager Coates introduced the new Building Inspector Mike Gill, who she noted, has a significant background in construction. She explained the full time position is a collaboration between the Town and City of Ouray, with inspection services being offered in Town on Mondays and Fridays, and half the day on Wednesday.

CONSENT AGENDA

1. Minutes of the Regular Meeting of April 13, 2016.
2. Minutes of Workshop Meeting on April 14, 2016.
3. Minutes of Joint Workshop with Planning Commission on April 26, 2016.
4. Register of Demands for May 2016.
5. Renewal of liquor store license for Ridgway Liquors.
6. Water leak adjustment for 243 S. Lena/Account #1960.1.
7. Ratify release of reimbursement obligation for Block 37, Lots 3 through 8.

ACTION:

It was moved by Councilmember Hunter and seconded by Mayor Pro Tem Johnson to approve the consent agenda. The motion carried unanimously.

PUBLIC REQUESTS AND PRESENTATIONS

8. Introduction of local company to provide transit and shuttle services, Western Slope Rides

Andy Michelich introduced his new company, Western Slope Rides, explaining the State of Colorado is currently reviewing issuance of a public transportation permit. The company will be located in Town and offer transportation and shuttle services, and also expand into adventure shuttles for bike riders, hikers and river runners. Additionally, shuttle services in the 15 passenger van, will be offered to and from community events.

The Council acknowledged support of the service, and the public need.

9. Request for support for the San Juan Wilderness Expansion proposal

Tom McKenney addressed the Council pertaining to endorsements made by the Council in 2007 and 2011 for expansion of the Sneffels Wilderness area. He explained Senator Bennett has again requested support from local governmental agencies, as the ten year old bill is “out of committee and back before Congress again”.

There was discussion by the Council.

ACTION:

It was moved by Mayor Pro Tem Johnson, seconded by Councilor Austin and unanimously carried to adopt a resolution supporting the Sneffels Wilderness Expansion utilizing the same resolution template used in 2011.

PUBLIC HEARINGS

10. Adoption of Ordinance Amending Chapter 9, Section 1, Subsection 9 of the Municipal Code, increasing tap fees and establishing the phased implementation thereof

Public Works Director Joanne Fagan noted the ordinance increasing tap fees was introduced at the last meeting. Increases in fees water and wastewater taps will be phased, first increase on June 30th, and again on July 1 of 2017.

ACTION:

Moved by Councilor Barnes to adopt Ordinance 04-2016 Amending Chapter 9, Section 1, Subsection 9 of the Municipal Code increasing tap fees and establishing the phased implementation thereof, Mayor Pro Tem Johnson seconded, and on a call for the vote the motion carried unanimously.

LAND USE ITEMS

11. Planning Commission recommendation to approve Minor Subdivision of the McCabe Replat of Block 2, Lots 22 through 24

Staff Report from the Town Manager dated 5-11-16 presenting background on the application and approval of the Planning Commission for minor subdivision of the McCabe Replat.

Manager Coates reported the minor subdivision, or replat, for the McCabe property on Lots 22 through 24, of Block 2 was approved by the Planning Commission in November of 2010, and the owner never requested to move through the process for Council approval. New property owners are seeking to finalize the process. The property consists of three historically platted lots, an existing single family home and garage structure. The request is to subdivide the 10,650 square foot lot from north to south to create an easterly lot. The Planning Commission placed three conditions on approval of the minor subdivision, one is sufficient easement for private utility access.

Applicant Tim Stewart addressed the Council regarding the utility easement noting it would be six feet wide, and stated he feels this is adequate for a “one time installation” of a natural gas line.

There was discussion by the Council and it was agreed the private easement of six feet is sufficient.

ACTION:

Councilor Hunter moved to approve the minor subdivision for the McCabe Replat of Block 2, Lots 22 through 24, as shown on the plat, and with the recommendations of the Staff Report dated May 11, 2016, Mayor Pro Tem Johnson seconded and it carried unanimously.

12. Request for Amendment #3 to the RiverSage Subdivision Improvements Agreement

Letter dated 5-8-16 from RiverSage Ridgway LLC requesting amendment to the Subdivision Improvements Agreement. Staff Report from the Town Manager dated 4-25-16 addressing the third amendment request to the improvements agreement for the RiverSage PUD.

Rick Weaver addressed the Council on behalf of RiverSage Ridgway LLC and requested an amendment to the subdivision improvements agreement regarding installation of the new pedestrian bridge. He stated “we understand the primary intention was safety” and “we feel safety is not an issue” noting “the speed limit is 15 and the bridge is 21 feet wide”. He explained “this is about economics for us” “our funds are tied up” in an estate settlement “and we want to finish the subdivision” which is “not feasible for us to do now, until we have the funds from sale of a few lots”. He requested extending the requirement date for installation of the bridge, and also the release of Lot 4 within Phase One which is being held as the performance bond, and asked that a new form of security to be identified.

There was discussion by the Council and it was noted the Staff Report recommends review by an engineer of the plans for the bridge construction, to identify if estimated construction costs are still accurate.

ACTION:

Councilor Hunter moved to direct staff to prepare an amendment to the Subdivision Improvements Agreement and bring to the next meeting, work with the applicant to create new securities for the agreement, the new agreement date to expire June of 2018, and require an engineer prepare a new estimate of cost to install the pedestrian bridge and lights, the motion was seconded by Mayor Pro Tem Johnson and carried unanimously.

POLICY MATTERS

13. Contract Agreement with J. David Reed for legal services as Town Attorney

The Town Manager presented a contract agreement with the J. David Reed, P.C. Law Firm to “serve at the pleasure of the Council” to provide legal services to the Town and serve as Town Attorney. She explained the agreement defines services and compensation, and summarize the Town Attorney’s role, along with staff and Council, and noted the document contains a “charge back fee” which is a separate rate from Town services. She explained the fee will be used when the Town is allowed, pursuant to the Municipal Code, to charge pass through attorney fees to applicants, impacted parties and owners. She noted applicants are made aware of these associated fees, but under the new contract these rates are move than double then what was charged in the past.

There was discussion by the Council and Town Attorney.

ACTION:

Mayor Pro Tem Johnson moved to enter into a contractual agreement with J. David Reed for legal services as the Town Attorney. Councilor Gold seconded the motion, and after a call for the vote, the motion carried unanimously.

14. Request for extension of River Park Ridgway Business Park Filing 3, Outlot P3/C preliminary plat approval

Letter dated 4-28-16 from Ridgway Light Industrial, LLC requesting a two year extension for the third phase of the Ridgway Industrial Park.

Manager Coates explained the request for extension of preliminary plat approval for the next phase of the Ridgway Light Industrial Park, includes a few blocks west of the existing industrial park which has not been platted. The area is included in the River Park Ridgway Business Park Filing 3.

Mayor Clark noted the Council meet jointly with the Planning Commission last month and received a development proposal for the property. Council discussed the request with staff and applicant Glenn Pauls.

ACTION:

Moved by Councilmember Barnes, seconded by Councilor Gold to approve the extension of River Park Ridgway Business Park Filing 3, Outlot P3/C preliminary plat approval pursuant to Municipal Code 7-4-5(C)(1)(c). The motion carried unanimously.

The Council took a recess at 6:50 pm and reconvened the meeting at 7:05 pm.

15. Agreement with United Church of the San Juans for hard surfacing half a block of Charles Street

The Town Manager explained the Phase 5 Enhancement Project, utilizing grant funds from the Colorado Department of Transportation, will entail installation of sidewalks from Hartwell Park along Charles Street to Cora Street. The Church of the San Juans has inquired into paying the cost to asphalt pave a portion of Charles Street from Lena to the alley, if the Town will prepare the bid package, procure the materials, and oversee and manage the project.

ACTION:

Councilor Hunter moved to enter into the MOU with the Church of the San Juans for hard surfacing a block of Charles Street, from Lena Street to the alley to the west, with the Church agreeing to repay the Town for costs. Councilmember Gold seconded the motion which carried unanimously.

16. Change receipt of grant funds to State Severance Tax Funds for EIAF 7411 Main Street/Highway 62 Project

The Town Manager presented a request from the Department of Local Affairs to authorize the change of Energy Impact Grant Funding source for the Main Street/Highway 62 Project to be dispersed from State Severance Funds, versus as it currently is slated, from Federal Mineral Lease Funds. She noted this will provide assistance to other municipalities that have not de-bruced from TABOR requirements.

ACTION:

Moved by Councilor Barnes to approve the request and change the Energy Impact funding source to Severance Tax for EIAF 7411, seconded by Councilmember Hunter. The motion carried unanimously after a call for the vote.

17. Award of 2016 college education scholarship to a senior from Ridgway Schools

Representing the Town Council Scholarship Committee the Mayor reported the group has reviewed eight applications for this years college education scholarship. He explained he will not present the name of the winning student "so it will be a surprise for the winner at the awards ceremony on Monday night".

18. Consideration to participate in the Drug Free Communities Coalition with Voyager Youth Program

Mayor Clark reported the Voyager Youth Program has a local advocacy coalition which is striving to send a message to youth regarding sobriety. The coalition has requested the Town announce at the concert series a reminder that it is illegal to consume marijuana in public places, including the event. He suggested the Town become involved in the coalition and offered to be a liaison.

There was discussion by the Council and it was agreed not to join the coalition as the name does not portray it is formed to represent youth. The Council agreed to support the efforts of youth education on underage consumption of marijuana and alcohol, and approved the announcement from the stage at the concert series.

19. Appointment to the Planning Commission

Mayor Clark explained two applications were received for the vacancy on the Planning Commission, one of which has withdrawn yesterday. He announced the appointment of Jennifer Nelson to the Commission, noting she has a background in project management and is interested in affordable housing and managing growth.

20. Approval of Voyager Youth Program 10K Run prior to the Love Your Valley Festival

The Town Clerk explained as part of the Town's Love Your Valley Festival community event on May 21st the Voyager Youth Project is organizing a 10K Run. She requested Council approval to include the run under the Town's event umbrella.

ACTION:

Moved by Councilor Hunter, seconded by Councilmember Gold to approve addition of the Voyager 10K Run to the list of events for the Love Your Valley Festival, at no additional cost to the Voyager Youth Project, the motion carried unanimously.

MANAGERS REPORT

Manager Coates reported residents on Clinton Street have expressed concerns regarding impacts due to the Planning Commission approval to issue a temporary use permit, allowing storage and staging of construction equipment for the RAMP Project on private property at the corner of Clinton and Laura Streets. She presented impacts expressed by residents, and the construction companies request to store and stage the equipment, and

process materials on a short term basis, on Town property at the Railroad Street parking lot behind the library facility.

There was discussion between the Council and staff. It was agreed the use should be permitted contingent on the area being reclaimed and road base placed, and notification to the property owners on the west side of North Lena Street.

ACTION:

Moved by Councilmember Hunter to direct staff to work with American Civil Contractors to prepare a permit or agreement to use the property north of the library, seconded by Councilor Barnes, the motion carried unanimously.

COUNCIL REPORTS

Councilor Barnes presented an update on the Chamber of Commerce and Multi Jurisdictional Housing Authority.

EXECUTIVE SESSION

The Town Attorney requested an executive session pursuant to CRS 24-6-402 (4)(e) for conference with the Town Attorney for the purpose of determining position subject to negotiation and CRS 24-6-402(4)(b) for the purpose of receiving legal advice.

ACTION:

Councilor Barnes moved to go into closed session the motion was seconded by Mayor Pro Tem Johnson and carried unanimously.

The Council entered into executive session at 8:15 p.m. with the Town Attorney, Town Manager and Public Works Director.

The Council reconvened back into open session at 9:30 p.m.

ADJOURNMENT

The meeting adjourned at 9:30 p.m. to a joint workshop with the Planning Commission on May 18, 2016 at 5:30 p.m., Ridgway Community Center 201 N. Railroad Street.

Respectfully Submitted,

Pam Kraft, MMC
Town Clerk

Town of Ridgway
The Register of Demands
 June 3, 2016

Name	Memo	Account	Paid Amount
White Glove Cleaning		Alpine Bank-Operating Account	
		913WOO · Office-Miscellaneous	-83.33
		913SOO · Office-Miscellaneous	-83.33
		545GOO · Janitorial Services	-566.67
		779PO1 · Janitorial Services - comm cntr	-566.67
		779POO · Janitorial Service - parks	-250.00
TOTAL			-1,550.00
Peter Decker Living Trust		Alpine Bank-Operating Account	
		665GO2 · Leased Property-dwntwn parking	-500.00
TOTAL			-500.00
True Value		Alpine Bank-Operating Account	
		CP1600 · Line Extension-water	-515.75
		632GO2 · Supplies & Materials	-9.16
		661GO2 · Vehicle & Equip Maint & Repair	-15.98
	Hartwell Park restrooms	731POO · Maintenance & Repairs	-141.29
		732POO · Supplies & Materials	-58.94
		781POO · Events & Festivals	-72.09
		761POO · Vehicle & Equip Maint & Repair	-7.49
		731PO1 · Maint & Repairs - comm cntr	-0.90
		732PO1 · Supplies - community center	-3.79
	Lift Station	931SOO · Maintenance & Repairs	-46.89
		932SOO · Supplies & Materials	-22.50
		932WOO · Supplies & Materials	-28.40
TOTAL			-923.18
Verizon Wireless		Alpine Bank-Operating Account	
		741POO · Telephone	-34.40
		943SOO · Telephone	-52.64
		942WOO · Utilities	-80.54
		843GO3 · Telephone	-96.42
		543GOO · Telephone	-129.88
		643GO2 · Telephone	-37.14
TOTAL			-431.02
Xerox Corporation		Alpine Bank-Operating Account	
	May '16	948SOO · Office Equipment - Leases	-28.00
	May '16	948WOO · Office Equipment - Leases	-28.00
	May '16	528GOO · Other - admin	-190.56
TOTAL			-246.56
Munro Systems		Alpine Bank-Operating Account	
	Lift Station	931SOO · Maintenance & Repairs	-667.26
TOTAL			-667.26
Dana Kepner Company Inc		Alpine Bank-Operating Account	
		988WOO · Taps & Meters	-1,954.98
TOTAL			-1,954.98
GMCO Corporation		Alpine Bank-Operating Account	
		636GO2 · Dust Prevention (mag chloride)	-28,860.00
TOTAL			-28,860.00
Copy Cats		Alpine Bank-Operating Account	
	nameplate	546GOO · Council/PC - Reference Material	-13.98
TOTAL			-13.98

Town of Ridgway
The Register of Demands
 June 3, 2016

Name	Memo	Account	Paid Amount
Rocky Mountain Ice		Alpine Bank-Operating Account	
	LYVF ice	781POO · Events & Festivals	-102.00
TOTAL			-102.00
Deeply Digital LLC		Alpine Bank-Operating Account	
	Avaya phone system additions	971SOO · Office Equipment - Purchase	-745.00
	Avaya phone system additions	971WOO · Office Equipment Purchase	-745.00
	Avaya phone system additions	571GOO · Office Equipment Purchase	-745.00
	host spot-June '16	917WOO · IT Services	-20.00
TOTAL			-2,255.00
Clearnetworx LLC		Alpine Bank-Operating Account	
	fiberoptic phone lines	972SOO · Equipment Purchase	-1,340.00
	fiberoptic phone lines	972WOO · Equipment Purchase	-1,340.00
TOTAL			-2,680.00
Neenah Foundry Company		Alpine Bank-Operating Account	
	tree grates	CP1201 · Site Furnishings	-45,473.00
TOTAL			-45,473.00
Quill.com		Alpine Bank-Operating Account	
	double pedestal desk-planner	571GOO · Office Equipment Purchase	-786.99
		541GOO · Office Supplies	-102.98
TOTAL			-889.97
The Paper Clip LLC		Alpine Bank-Operating Account	
	notary stamp-Taylor	540GOO · Printing & Publishing	-21.45
TOTAL			-21.45
NAPA		Alpine Bank-Operating Account	
		661GO2 · Vehicle & Equip Maint & Repair	-101.44
TOTAL			-101.44
Honnen Equipment Company		Alpine Bank-Operating Account	
	JD backhoe	961WOO · Vehicle & Equip Maint & Repair	-200.87
	JD backhoe	961SOO · Vehicle & Equip Maint & Repair	-602.59
TOTAL			-803.46
Producers Co-Op		Alpine Bank-Operating Account	
	fertilizer	732POO · Supplies & Materials	-359.55
TOTAL			-359.55
Ouraynet Inc.		Alpine Bank-Operating Account	
		930SOO · Computer	-14.00
		930WOO · Computer	-14.00
		830GO3 · Computer	-14.00
		630GO2 · Computer	-14.00
		530GOO · Computer	-14.00
TOTAL			-70.00
Grand Junction Pipe & Supply Company		Alpine Bank-Operating Account	
		CP1600 · Line Extension-water	-3,358.25
TOTAL			-3,358.25

Town of Ridgway
The Register of Demands
June 3, 2016

<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Paid Amount</u>
Park Avenue True Value		Alpine Bank-Operating Account	
	trimmer head	732POO · Supplies & Materials	-280.00
TOTAL			<u>-280.00</u>

File No. _____

STAFF REPORT

Subject: Transfer of Liquor Store License – Ridgway Liquors
Initiated By: Pam Kraft, MMC, Town Clerk
Date: May 14, 2016

BACKGROUND:

The Town has received an application for transfer of liquor store license from Kimberly J. Chamberlain to new applicant, Michaela Countryman for the premises at 580 Sherman Street. The trade name of the establishment will continue to be Ridgway Liquors.

State law does not require a public hearing before the local jurisdiction for transfer of a license, however I have posted the premises with a notice of the transfer to provide notification to the public.

All requirements of license application have been met, all fees paid, and all forms received, including a cleared background check from the Colorado Bureau of Investigation.

ANALYSIS:

The application for Liquor Store License will be held by Silver Dollar Holdings Corporation, of which Michaela Countryman is the sole member. The applicant is purchasing the business from the current business owner, Kimberly Chamberlain. Additionally, a subsidiary of Silver Dollar Holdings is purchasing the building at 580 Sherman Street.

State liquor law allows the transferee to request issuance of a temporary permit from the local jurisdiction to continue to conduct business and sell alcohol under the existing license, until transfer approval is issued by the state licensing authority. The applicant is seeking issuance of a temporary operating permit from the Town, has remitted the appropriate fee, and will open the business to the public on June 27th.

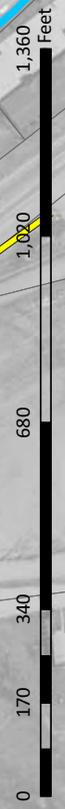
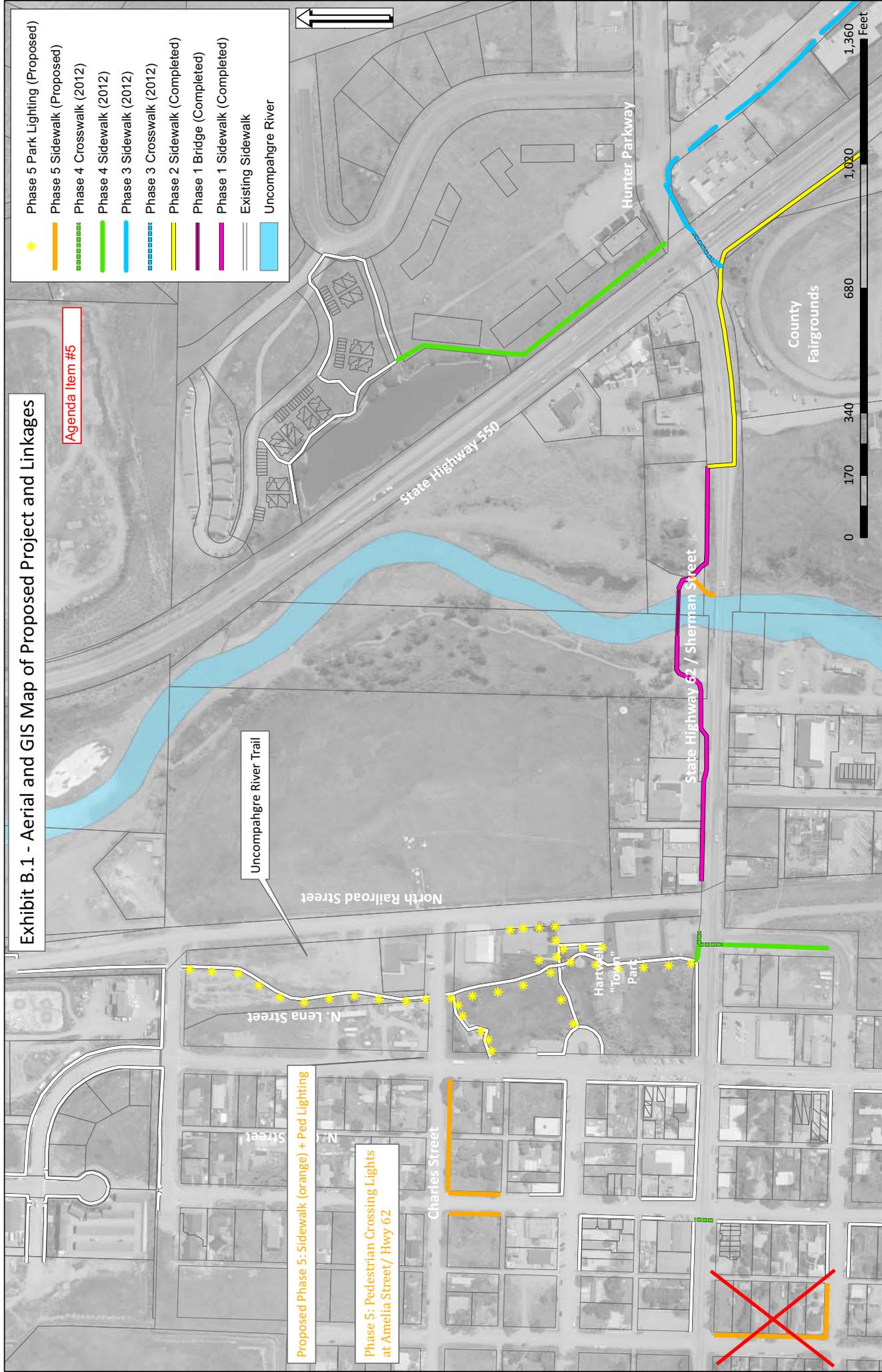
NOTE: All documents are on file with the Town Clerk and open for inspection

Exhibit B.1 - Aerial and GIS Map of Proposed Project and Linkages

Agenda Item #5

- * Phase 5 Park Lighting (Proposed)
- Phase 5 Sidewalk (Proposed)
- Phase 4 Crosswalk (2012)
- Phase 4 Sidewalk (2012)
- Phase 3 Sidewalk (2012)
- Phase 3 Crosswalk (2012)
- Phase 2 Sidewalk (Completed)
- Phase 1 Bridge (Completed)
- Phase 1 Sidewalk (Completed)
- Existing Sidewalk
- Uncompahgre River

Proposed Phase 5: Sidewalk (orange) + Ped Lighting
 Phase 5: Pedestrian Crossing Lights
 at Amelia Street/ Hwy 62



Jennifer Coates

From: John I. Clark <macdokter@gmail.com>
Sent: Sunday, May 22, 2016 9:17 AM
To: Jennifer Coates
Cc: Eric Johnson
Subject: Fwd: Join the Mountain Pact's Letter to DOI on Climate Change & Coal

I'd like to continue supporting these kinds of efforts by the Mtn. Pact. Jen, would you prefer we run it by Council first? If so, would you be willing to address it at the June meeting, Eric?

Let me know your thoughts,
John

Begin forwarded message:

From: Diana Madson <diana@themountainpact.org>
Date: May 20, 2016 at 10:30:08 AM MDT
To: macdokter@gmail.com
Subject: Join the Mountain Pact's Letter to DOI on Climate Change & Coal
Reply-To: diana@themountainpact.org



The Mountain Pact

Joint Letter for DOI Coal Valuation Reform

Hello Mountain Towns!

Yesterday I testified at the Department of Interior's (DOI) Salt Lake City [listening session](#) on their comprehensive review of the federal coal program. Alongside Town of Alta Council Member Harris Sondak and Alta Assistant Town Administrator Chris Cawley, we urged DOI to account for coal's contribution to climate change in coal mined on public lands.



[Over the last year](#), we, Western mountain communities with tourism-based economies, gave the Obama Administration the political capital it needs to move forward on coal reform. Before last summer -- when many of the Mountain Pact's partners in local government testified to DOI on their community's experience facing climate change -- "climate change" was not part of the coal reform discussion.

But our voices were heard: [in January](#), the Obama Administration halted new coal mining on public land for the next three years as part of a larger review of the federal coal program. The comprehensive review "will take a careful look at issues such as how, when and where to lease; how to account for environmental and public health impacts of federal coal production; and how to ensure American taxpayers are earning a fair return for the use of their public resources". Together, we have put the Obama Administration on the right track to more accurately account for the true cost of coal.

We applaud President Obama and Secretary Jewell for their leadership in reforming a federal coal program that is outdated, but until these reforms are finalized our communities need to ensure that the Obama Administration meets their commitment. Yesterday's DOI listening session in SLC was part of a series to invite public comment on coal reform. We started with the SLC and will continue on to the June listening sessions in Seattle and Grand Junction, where many of you will be joining us ([email me](#) if you're interested in joining our group).

In addition to our verbal comment, we are organizing a joint [written comment letter](#) to Interior Secretary Jewell and BLM Director Neil Kornze commending their efforts on coal reform and urging them to internalize climate change costs into the federal coal program. We invite you to join this sign on letter by July 20.



Based on the Mountain Pact's past letters to [DOI](#) and [BLM](#), we anticipate 10+ communities to be signatories on this letter. We hope you will join us. To sign on, email me at diana@themountainpact.org.

In the meantime, please don't hesitate to contact the us with questions or if there is anything we can provide to make things easy for

you as you consider/seek approval for sign on to the letter.

Sincerely,

Diana Madson
Executive Director | [The Mountain Pact](#)
(530) 539-4071 | diana@themountainpact.org

www.themountainpact.org | info@themountainpact.org



Sierra Business Council, PO Box 2428, Truckee, CA 96160

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Sent by diana@themountainpact.org in collaboration with



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The Mountain Pact

July 23, 2016

The Honorable Sally Jewell
Secretary
U.S. Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

The Honorable Neil Kornze
Director
Bureau of Land Management
1849 C Street, N.W.
Washington, D.C. 20240

Dear Secretary Jewell,

As representatives of mountain communities throughout the American West, we commend the Department of Interior and Bureau of Land Management's leadership to initiate the Programmatic Environmental Impact Statement for the federal coal program. It is time to modernize the federal coal program, account for the climate change, environmental and public health impacts of federal coal production, ensure American taxpayers are earning a fair return for the use of their public resources, and transition our nation to cleaner energy sources.

As western mountain communities, we represent nearly [insert once finalized] permanent residents and roughly [insert once finalized] million annual visitors. Coal extraction and use as a fuel source poses a number of costs currently unaccounted for in federal coal program. Onsite, these costs include air pollution from exploration, development, and transportation to and from the mine site; fugitive methane emissions; habitat disruption; noise pollution; and water contamination. From the perspective of our mountain communities, the coal's contribution to climate changes poses the greatest cost. Economic, public health, and environmental damages from catastrophic wildfire, floods and reduced snowpack are some of the threats we face.

Failing to account for coal's contribution to these costs in federal coal leases shifts them onto taxpayers -- and in our case, at a time when our towns are shouldering the financial burden of climate impacts and proactive adaptation. In the face of climate change, it is time to modernize the federal coal program to accurately account for its costs to communities, taxpayers and the environment while supporting a transition to a more sustainable and resilient economy.

We thank you for your attention to this important issue and we look forward to working with you on this and other much needed reforms to the federal coal program.

Sincerely,

[list of town signatories]



Joint-Statement of Colorado Mountain Towns

Read by Diana Madson at the DOI Grand Junction listening session on the federal coal program on June 23, 2016

My name is Diana Madson, executive director of the Mountain Pact. I'm reading this statement on behalf of [list names/towns], who could not join us today due to a conflict with the annual Colorado Municipal League meeting.

“Our Colorado outdoor recreation-based economies are dependent on the mountains and rivers that bring people to our region, yet each year the threats of climate change grow more and more severe. Increased temperatures, decreased snowpack and the growing risk of wildfire in our state are all symptoms of rising global temperatures. Our communities need time and resources to develop and implement climate change mitigation and adaptation strategies.

Greenhouse gas emissions from coal are a primary driver of climate change and the price of coal extraction on public lands does not take this into account. Meanwhile, because mountain regions are so susceptible to warming temperatures and other impacts caused by climate change, our communities are on the front lines and often responsible for responding to these environmental consequences on a local level. Not only are the livelihoods and safety of our community members jeopardized, but we are also asked to bear the financial burden of climate adaptation and mitigation efforts.

In the face of climate change, it is time to modernize the federal coal program to accurately account for its costs to communities, taxpayers and the environment while supporting a transition to a more sustainable and resilient economy. With new revenues from an increased royalty rate, the federal government, state and communities could invest in climate preparedness practices. Furthermore, revenues could help ease the immediate effects of the decline in coal production, the loss of jobs, and catalyze the transition to a more diverse economy.

Now is the time to reform this outdated federal program, account for coal's contribution to climate change and ensure that American taxpayers receive their fair share of coal royalties. We commend the Department of Interior and Bureau of Land Management for launching the PEIS and we urge you [DOI + BLM] to 1) update the royalty rate for fossil fuels extracted on public lands to ensure that American taxpayers receive their fair share, and invest a portion of new revenues into local climate resilience projects, and 2) help diversify rural economies and create new jobs through investments in technology, infrastructure and the outdoor recreation economy.”

Thank you.



Background on the Dept of Interior’s Review of the Federal Coal Program

In 2015, DOI Secretary Jewell called for an open and honest conversation about modernizing the federal coal program to ensure taxpayers receive a fair return from these resources and manage the program in a way that accounts for our changing climate. This statement was followed by listening sessions across the nation to invite public feedback on how the DOI can best carry out its responsibility of implementing an effective federal coal program. These efforts culminated when on January 15, 2016, the Obama Administration announced the launch of a comprehensive review of the coal leasing program with a Programmatic Environmental Impact Statement (PEIS).

According to the Interior Department’s press release¹, the PEIS will consider “how, when, and where to lease; how to account for the environmental and public health impacts of federal coal production; and how to ensure American taxpayers are earning a fair return for the use of their public resources.” The PEIS includes a moratorium on all new coal leases while the review is taking place. These actions build on the necessity to modernize the federal coal program, account for the climate, environmental and public health impacts of federal coal production, ensure American taxpayers are earning a fair return for the use of their public resources, and transition our nation to cleaner energy sources.

Background on Coal Royalty Rate

Today, coal extracted from federal land is an important source of energy and revenue in the United States, and the federal government owns roughly one-third of total coal reserves. The Bureau of Land Management (BLM) and the Office of Natural Resource Revenue (ONRR) within the Department of Interior (DOI) administers the federal coal leasing and royalty program -- royalties are the owner’s share of the resource value.

The federal government is required to receive fair market value of the use of public lands and their resources.² However, the current royalty structure is opaque and costly to administer, and the returns to the U.S. public are unclear. Today, the ONRR often accepts less than full market value—the effective coal royalty rate is 4.9 percent of the gross market value of coal extracted between 2008 and 2012.³ As a result of this and other issues with the coal program, the government’s undervaluation of coal may have cost taxpayers upward of \$1 billion per year in lost revenue.⁴

¹ U.S Department of Interior. “Secretary Jewell Launches Comprehensive Review of Federal Coal Program.” January 2015. Published online at: <https://www.doi.gov/pressreleases/secretary-jewell-launches-comprehensive-review-federal-coal-program>

² Institute for Policy and Integrity. “Harmonizing Preservation and Production How Modernizing the Department of the Interior’s Fiscal Terms for Oil, Gas, and Coal Leases Can Ensure a Fair Return to the American Public.” June 2015. Published online at: http://policyintegrity.org/files/publications/DOI_LeasingReport.pdf

³ Headwaters Economics. “An Assessment of U.S. Federal Coal Royalties Current Royalty Structure, Effective Royalty Rates, and Reform Options.” January 2015. Published online at: <http://headwaterseconomics.org/energy/coal-royalty-valuation>

⁴ Tom Sanzillo. “The Great Giveaway: An analysis of the costly failure of federal coal leasing in the Powder River Basin.” June 2012. Published online at: https://docs.google.com/file/d/0B_qWeYLAqq1V2YyX3hnR25lcXM/edit



Implications for Your Community: Federal Coal Reform

In his final State of the Union⁵ on January 12, 2016, President Obama said it is time to change “the way we manage our oil and coal resources, so that they better reflect the costs they impose on taxpayers and our planet.” Coal extraction and consumption includes a number of costs not included in the current royalty rate. For communities near coal mines, these costs include local air pollution from exploration, development, and transportation to and from the mine site; fugitive methane emissions, which contribute to climate change; habitat disruption; noise pollution; infrastructure wear and tear; and water contamination, among others.⁶ Additionally, coal emissions are a key contributor to climate change, which leads to warming temperatures and extreme weather events like catastrophic wildfire, the spread of the mountain pine beetle epidemic, and reduced snowpack. Failing to account for these costs in the terms of federal coal leases shifts them onto taxpayers, who already receive an improvidently low return on federal mineral resources.

By even slightly increasing the royalty rate for coal, millions of dollars in new revenue will be generated from coal royalties.⁷ The allocation structure of these increased revenues will not change; ONRR will forward approximately half to states where the activity took place and invest the other half into federal programs such as the Historic Preservation Fund, the Land and Water Conservation Fund, the Reclamation Fund, and the General Fund of the U.S. Treasury.

With this increase in revenue, the federal government, state and communities could integrate climate preparedness practices such as hire staff to develop and implement a comprehensive climate adaptation plan, update stormwater infrastructure to prepare for more frequent and intense flooding events as well as update energy infrastructure to promote renewables and a new clean energy economy.

Recently, President Obama introduced a plan, called POWER+, to help ease the immediate effects of the decline in coal production, the loss in jobs, and catalyze the transition to a more diverse economy. The President has requested for Congress to set aside \$1 billion to help address widespread struggling coal communities. In addition to the \$1 billion proposal, the Administration had made available \$75 million for the implementation of targeted economic and workforce development strategies⁸. These funds began to be used through POWER+ in FY2015, and will continue in FY2016 for job training, job creation, economic diversification, and other economic efforts in communities that have experienced layoffs due to the declining coal industry⁹. Some of the funds include \$20 million for coal miners or coal plant workers who have lost their jobs in recent years or the additional \$5 million to the Environmental Protection Agency Brownfields Program working to clean up land that been contaminated by harmful pollution. The POWER+ Plan is a substantial investment in promoting a diversified economy and creating new jobs for American citizens. Working towards these new programs will help to ease the transition to a new diversified and renewable economic portfolio for America.

⁵ The New York Times. “Transcript of Obama’s 2016 State of the Union Address.” January 2016. Published online at: <http://www.nytimes.com/2016/01/13/us/politics/obama-2016-sotu-transcript.html>

⁶ Institute for Policy and Integrity. June 2015.

⁷ Sanzillo, 2012

⁸ Brown, Dylan. “Obama revives bid to rescue displaced communities.” February 10, 2016. Environment & Energy Publishing.

⁹ The White House. “Investing in Coal Communities, Workers, and Technology: The Power+ Plan” Available online at: www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/fact_sheets/Investing%20in%20Coal%20Communities.pdf

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