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**TOWN COUNCIL SPECIAL MEETING MINUTES  
THURSDAY, FEBRUARY 17, 2011  
Town Hall Council Chambers  
1:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Holt, Council Member Jackson, Council Member Jackson, Council Member Pierce, Council Member Volger
- II. **DELEGATIONS**
  1. **National Renewable Energy Laboratory (NREL) and School of Mines** – Ms. Cathy Keyes presented Mr. John Lund with the NREL Group, Mr. Gerald Hutterer with GMC, Mrs. Elaine Wood with Great Divide Investments, and Mr. Ken Vickerstaff. Mr. Gerry Hutterer gave a brief presentation of the geologic cross section and the large geothermal reservoir which runs southwest of Town. He explained how a downhole heat exchanger works and does not extract the hot water, but uses the heat from the hot waters. He believes the eleven wells that are currently used in Town should be monitored with flow rate, temperatures and pressure gauges to protect the existing users. The group of experts would like to use another pump to discover if pumping geothermal water out of the aquifer affects the other existing wells. He would like to see an additional geothermal well drilled into the aquifer near the Town Hall or High School. Mr. John Lund explained the heat exchange system and how the geothermal waters can be used to maximize the resource. He gave examples of the uses the town of Klamath Falls, Oregon have done to use their geothermal waters. This includes greenhouses, fish hatcheries, ice melt, and more. Mrs. Elaine Wood focuses on the business aspects of using geothermal in the community. She has a strong background in helping develop clean energy projects and specializes in grant funding options. She says she has been working with Pagosa Springs over the last year to get the geothermal greenhouse and geothermal education moving forward. Mr. Ken Vickerstaff is a local Pagosa who has worked in the natural and organic foods industry. He has worked with Mayor Aragon to develop the geothermal greenhouses and use the Town's geothermal resources to create jobs and a marketplace for Pagosa's resources. He believes Pagosa Springs is the gateway to sustainability. Mayor Aragon expressed his appreciation to these four talented individuals for their expertise and assistance in the use of the Town's geothermal resources. He presented Mr. Lund and Mr. Hutterer letters of appreciation.
- III. **NEW BUSINESS**
  1. **Geothermal Heating System RFP** - The proposed Geothermal Heating System (GHS) upgrade would be an extensive and expensive operation for the Town to undergo without a "Request for Proposal" (RFP). The RFP process is a tool to search for the best technology available to upgrade the geothermal system. The geothermal department has requested the assistance of geothermal experts to complete the RFP. These experts include Elaine Wood, Gerry Hutterer with GMC, John Lund P.E. of NREL and Ken Vickerstaff. The goal of the geothermal upgrade is to provide the residents and business owners of Pagosa Springs a renewable energy source at significant cost savings and to expand the geothermal system to serve all citizens of the Town of Pagosa Springs. The Geothermal Department would like to hire these experts for \$7,000 to assist the Town to develop an RFP for the geothermal heating system. Council Member Cotton believes the RFP that Mr. Starks has completed is very good and the general overview of the RFP should get new ideas. Council Member

Volger agrees with Council Member Cotton and would like to go to experts for refining. Town Manager Mitchem said the Town's purchase policy allows for a sole source with this experienced team. Council Member Pierce agrees that Mr. Starks draft RFP is a great start. Council Member Holt believes the experts need to be involved once the RFP's are received, and would like to spend the \$7,000 to get the RFP ready. Council Member Lattin would like to use the \$7,000 to review the RFP's the Town receives. Mr. Starks says he needs these experts to help develop, make the contacts, and review the RFP's. Mr. Steve Koneman believes the first step is accessing the current aquifer and then moving forward. Mr. Gerry Hutterer said moving forward with an RFP does not interfere with the testing of the wells. Ms. Cathy Keyes believes this expenditure is a step forward in the Town's future and encourages using the expertise available. Council Member Volger moved to proceed expending not to exceed \$7,000 to pursue the finalizing of the initial RFP draft to move forward, Council Member Jackson seconded, unanimously approve. Council Member Volger moved to pursue recommendations in the NREL Report, Council Member Jackson seconded, unanimously approved.

2. **Update on 2011 Tourism Conference** - The Town Tourism Committee is hosting the 1<sup>st</sup> annual Tourism Conference & Business Expo on Tuesday, February 22<sup>nd</sup> 2011 at the Ross Aragón Community Center. Sen. Al White, Director, Colorado Tourism Office will deliver the keynote address. Conference sessions will be held from 9am – 5pm, a business expo will be held from 10am – 3pm and a networking event will be held from 5pm – 6:30pm. This event will provide an opportunity for area businesses to learn more about tourism in the Pagosa Springs area, explore advertising opportunities and forge new partnerships with other area businesses. Ms. Jennifer Green encouraged the Town Council to participate in the conference.
3. **Resolution 2011-04 GOCO Grant Application for Yamaguchi Park Restrooms** - Resolution 2011-04 formalizes support and authorization for the pursuit of a Great Outdoors Colorado grant which, if awarded, will provide funding necessary for the construction of approximately 660 square feet of energy-efficient, ADA-compliant restroom facilities at Yamaguchi Park. The matching funds needed to pursue this grant are specifically earmarked in the 2011 Town Budget; the total amount of funds to be contributed by the Town currently amounts to \$60,400. A total of \$5,900 was spent last year on design and engineering, and an additional \$4,500 will be spent on the development of construction documents. The remainder (\$50,000) will be spent on materials and labor if a GOCO grant is awarded. The estimated annual costs to maintain this facility amount to \$8,000, which includes \$50 per month in energy expenses, \$6,500 per year in maintenance and labor costs, and \$900 per year in equipment replacement (toilet paper, soap, partition hardware, etc.). Council Member Jackson moved to approve Resolution 2011-04, which supports and authorizes the submittal of a GOCO grant application for Yamaguchi Park restrooms, Council Member Holt seconded, unanimously approved.
4. **McCabe Creek Property** – Mayor Aragon moved this item to the afternoon worksession discussion.
5. **Fire District Discontinuing All Inspections Within the Town Limits** - On Friday February 4<sup>th</sup>, 2011 the Town Building Department received a copy of a letter addressed to Mayor Aragon from Mr. Ernest Leroy Lattin, President of the Board of the Pagosa Fire Protection District. In summary the letter states that as a result of the Town's adoption of Ordinance #759 in January of this year, the Pagosa Fire Protection District will no longer perform *any* inspections within the town limits. They believe the ordinance had essentially stripped all of the Fire District's authority while maintaining all of its liability when in fact the opposite was true. The ordinance has placed all responsibility for enforcement of the Fire Code for new construction under the auspices of the Town Building Department as well as making the Town the final decision making authority over all other provisions of the code. This makes the Town ultimately responsible for all of the provisions of the code whereas prior to the adoption of the ordinance the Fire District performed those duties on behalf of the Town. Building Official Scott Pierce sent an email to Chief Thompson on Friday January 7<sup>th</sup>, 2011 to outline exactly what authority and responsibilities Ordinance #759 placed upon each entity to ensure that there was no confusion about or misinterpretation of the ordinance language. While all of the provisions of the Fire Code are compulsory, the Fire Code does not require that *any* inspections be performed by the

adopting authority to ensure compliance with the code. The International Fire Code (2006) Section 104.2 Applications and permits: “*The fire code official is **authorized** to receive applications, review construction documents and issue permits for construction regulated by this code, issue permits for operations regulated by this code, inspect the premises for which such permits have been issued and enforce compliance with the provisions of this code.*” It is clear from this language, and was confirmed by an International Code Council staff member that provides Fire Code opinions, that there are not any compulsory requirements in the code for a jurisdiction who has adopted the International Fire Code to perform inspections of new or existing structures but rather provides *authorization* to provide these services in the event that the Fire Code Official finds it necessary. Building Inspector, Scott Pierce, explained the Fire inspection is used to allow preplanning in case of emergency at these locations. Council Member Volger said the Pagosa Fire District is one of the best in Colorado. Council Member Holt would like the town attorney to write them a letter to alleviate the Districts concerns and misinterpretations. Council Member Cotton believes the District has an obligation to the taxpayers to do what they can for the residents and if they don't then they should return the mill levy and reduce staff. Council Member Lattin, Pierce and Jackson agree with Council Member Cotton's statements.

#### IV. OLD BUSINESS

1. **December Sales Tax Brief** - In February, the Town of Pagosa Springs' received December sales tax revenue which increased by **+0.15% or +\$463.57** compared to February receipts 2010. Year-to-date (January plus February) sales tax revenue reflects an increase of **+30% or +\$1,593**. In calendar year 2010 sales tax revenue was down **-3.56% (-\$109,201)**, compared to 2009. In calendar year 2009 sales tax revenue was down **-7.47% (-\$247,730)**, compared to 2008. Lodger's taxes have increase over the last two years.
2. **Approval of Skate Park Design** – The Park and Recreation Commission met on February 9, 2011 to discuss the plaza-style skate park design in Yamaguchi Park. Commissioner King was critical of the design wanted to add more transitional or bowl-style elements. The Commission could not come to consensus on the design and the board was encouraged to voice their opinions at the Town Council Meeting. The funds necessary to purse the design and construction are coming from the Town (\$30,000) and the County (\$50,000). The Town will be responsible for the maintenance of the facility estimated to be approximately \$1,000 per year for the 3,300 square foot design. Council Member Volger said there are older folks who have gone back to skateboarding and the skate parks that attract these multi generations bring stability to these parks. Council Member Pierce said, within budget restrictions, the design includes street features that our youth would like to see. She explained the design Concept B includes the ability for expansion. Council Member Holt said it has been years waiting for the skate park. He believes this design will accommodate the youth skaters as a first step, and allows for future features. Mr. Michael Musgrove is part of the Skater's Coalition for Concrete. He thanked the Council for their hard work. He read a letter to the Council asking them to consider Concept C which includes a bowl. He said he received an estimate from Who Skates to build Concept C and says it is within budget if using contributions from the community including Hart Construction of \$10,000 of dirt work, the Koch family pledged \$10,000 toward the bowl, and the Skaters Coalition has \$8,000 from fundraising. Council Member Pierce says this has been a long process and the last minute changes to Concept C from the Coalition is difficult to accept when other kids she has spoken to are excited about the Concept B plan. Council Member Holt says to move forward with Concept B would allow connectivity to the current plan. He said once the coalition has the funds, they can add the bowl as they would like, but he would like to move forward with Concept B. Mr. Musgrove said preliminary bids for Concept C would cost \$80,000. Mr. Scott Musgrove, with Who Skates, is Mike Musgrove's brother and his boss has estimated the cost to build Concept C for \$80,000. Council Member Volger said he would move forward with Concept C if it fits within budget, and if the park design is used by both kids and adults, he suggests tabling this item to give Mr. Musgrove one week to secure funding for Concept C. Council Member Jackson would like to table this issue for one week to get the information from the Skater's Coalition for Concrete. Mr. Charlie Hoch said he has been part of this project for a while and has talked with the Pagosa Springs Youth Center skaters and said the skaters want a more fluid design. He believes Concept C is more versatile for all age groups. Mr. Chris Rapp said he agrees with Council Member

Volger and would encourage the Council to vote to extend it a week. Council Member Jackson moved to require all documentation be delivered to Mr. Carosello by Wednesday February 23, 2011 and this item be voted on at the March 1<sup>st</sup> meeting, Council Member Volger seconded, motion carried with two nays (Council Member Pierce and Council Member Holt) Documentation includes a commitment and deposit of funds, proof of youth and adult features available. Council Member Pierce pointed out the commitment from Koch family requires the skate bowl be named after the family.

**V. APPROVAL OF JANUARY FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS** – Council Member Pierce moved to approve January’s financial statement and accompanying payments, Council Member Holt seconded, unanimously approved.

**VI. NEXT TOWN COUNCIL MEETING MARCH 1, 2011 AT 5:00PM**

**VII. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 3:15pm  
**Ross Aragón**  
**Mayor**