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**PAGOSA SPRINGS SANITATION
GENERAL IMPROVEMENT DISTRICT
SPECIAL MEETING MINUTES
THURSDAY, MARCH 24, 2011
Town Hall Council Chambers
12:00 P.M.**

- I. **CALL MEETING TO ORDER** – Board President Aragon, Board Member Cotton, Board Member Holt, Board Member Jackson, Board Member Lattin, Board Member Pierce, Board Member Volger

- II. **NEW BUSINESS**
 1. **Resolution 2011-02, Adopting Forms for USDA Loan Application** - The Sanitation District has applied and been approved through USDA RD for funding of the new wastewater treatment plant. Resolution 2011-02 adopts several forms required for the loan. The forms include grant agreement, loan resolution, preauthorized payments, opinion of counsel, parcel certificate, obligation of funds, letter of intent to meet obligations. Board Member Cotton said before the District can find better funding he is not in support of moving forward with USDA funding. He believes under these conditions it is a mistake to move forward borrowing \$5million. Town Manager Mitchem is putting together a case to ask USDA for an increase in grant funding or debt forgiveness on the loan. Board Member Volger said there is a high risk of State sanctions and fines and wished there were other options besides taking out this large loan, but feels the district has to move forward before the possibility of these costs increasing even more. Board Member Holt said the plant is designed for double growth; this growth could be earmarked to pay off the loan early. Board Member Pierce believes the district has to move forward with building a new plant. Board Member Lattin said future development will pay for itself and says the penalties Bayfield incurred is not what the Town wants to have happen, she feels the district has to move forward. Board Member Jackson doesn't see any other option at this time and believes the board has to move forward. Board Member Holt moved to approve Resolution 2011-02, a Resolution of the Town of Pagosa Springs Sanitation General Improvement District, acting by and through its Wastewater Activity Enterprise, adopting forms for USDA loan application, Board Member Volger seconded, motion carried with one nay (Board Member Cotton).
 2. **Resolution 2011-03, Approving Interim Loan Agreement** - The Sanitation District has applied and been approved through USDA RD for funding of the new wastewater treatment plant. An interim loan of \$3,145,000 is required to fulfill USDA requirements; CWRPDA has approved an interim loan. Resolution 2011-03 approves the Interim Loan Agreement between the Sanitation District and the Colorado Water Resources and Power Development Authority (CWRPDA). Mr. Chris Pitcher understands the Board's difficulty in this decision and looks forward to there being an increase in river water quality. He said there are a lot of great things going on at the south end of town. He asked that the board consider the final appearance of the site to keep a beautiful landscape. Board Member Volger moved to

approve Resolution 2011-03, a Resolution of the Pagosa Springs Sanitation General Improvement District, acting by and through its Wastewater Activity Enterprise approving Interim Loan Agreement, Board Member Jackson seconded, motion carried with one nay (Board Member Cotton). Board Member Holt said the hiring of the contractor depending on the local status. Town Manager Mitchem said the State and Federal laws prohibit local preference.

- III. APPROVAL OF FEBRUARY FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS** – Board Member Volger moved to approve the February financial statement and accompanying payments, Board Member Jackson seconded, unanimously approved.
- IV. NEXT BOARD MEETING APRIL 5, 2011 AT 5:00PM**
- V. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 1:45pm.