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TOWN COUNCIL MEETING MINUTES MONDAY, APRIL 21, 2008 12:00 P.M.

- I. **CALL MEETING TO ORDER** –Mayor Aragon, Council Member Atkinson, Council Member Cotton, Council Member Holt, Council Member Pierce (late), Council Member Weiler
- II. **NEW BUSINESS**
 1. **Whittington Memorandum Discussion possible Executive Session per C.R.S. Section 24-6-402(4)(a)** – The Springs Resort and Mr. Whittington have been negotiating with the Town regarding the easements for the Town’s enhancement projects; the river walk trails and river restoration. Mr. Whittington originally agreed but has recently asked to discuss options. The memorandums received February 22nd have information regarding the Springs Resort building plans and negotiations with easements. The water court filing by the Springs Resorts requests the town’s 250 gallons of discharge waters be adjudicated to the Springs Resort. The town now has 450 gallons per minutes of discharge waters from the geothermal well; the Springs Resorts has a lease on 200 gallons per minute of that discharge and the other 250 gallons discharges into river.
 2. **Education Center Discussion** –The Archuleta County Education Center, Mr. Goodwin, has requested a swap of land from their current location at Lewis and 4th St. to the Town Shop on 5th Street. The Education Center has not currently looked at other sites, but would consider options. The town shop is still occupied by the streets department; Mr. Goodwin stated that the Ed Center was looking to move quickly, but that phasing into the property would be beneficial for everyone. Breaking ground would not happen until 2010 with the grants available. The school district has expressed interest in the property when the town shop is relocated to add onto the high school campus. The Education Center will be transitioning their services focusing primarily on adult education so locating near the high school is not a main concern. Council Member Weiler and Council Member Holt will serve on a committee to discuss and negotiate with the Education Center, the School District, the CDOT, and return to council with options.
 3. **Whittington Memorandum Discussion continued** - Two memorandums, a February 22 and January 22, from the Springs Resort were discussed. Council Member Holt has concerns regarding the absolute rights of the discharge water and would prefer the town keeping their rights and negotiating a new lease with Springs Resort. There may be other entities that have interest in the discharge water including Bootjack Ranch. The Council is motivated to work with the Springs Resort to lease them the water they need for their project. Michael Whiting suggests we hire a water lawyer so as to object to the filing by the Springs Resort and negotiate a lease. Mayor Aragon’s greenhouse concept is gaining momentum and he would like to have the economic benefits of the discharge waters for this project. Mr. Hearty suggests making the lease conditional upon their commitment of the project moving forward. Chris Smith encourages council to use the water instead of sitting on it. Mrs. Poma suggests doing what ever is best for the town with the water rights and purchasing/pursuing other water rights. Council Member Weiler suggests putting out an RFP to achieve the market rate for the water; Council Member Atkinson agrees and hopes to get the potential of the water use for other projects. The 200 gallons lease with the Springs Resort ends in 2012 and includes an option for a 10 year extension. Mike Hearty says a financial institution funding a water based project usually requires a 30 year

minimum agreement and suggests the lease is written up with conditions to get the project going. Council Member Holt agrees to move forward with a lease with the Springs Resort with conditions. Council Member Cotton agrees to lease the full amount of the discharge water to the Springs Resort. The phasing of the development could facilitate how much is given at what timeframe. Staff should proceed with a 400 gallons lease, possibly in stages, with the Springs Resort contingent upon the project moving forward. The objection on the water filing will remain in effect and the town will object to future water rights filing. River setbacks are to be controlled by the PUD and the Town will work with the Springs Resort regarding the PUD. Council agrees that while the town is supportive, the town reserve the right to oppose due to self interest. The maintenance will be revisited to determine who has maintenance responsibility. Council Member Weiler would like Mr. Whittington to consider an open space initiative, considering his commitment to green building in his future project, and would like him to put part of his revenue toward an open space initiative. One item on the memorandum asks for tax monies generated by Mr. Whittington's project be put back into improvements that would benefit his project impacts. This can be accomplished through the PUD process with wording to address their concerns. There are issues concerning a new visitor center and the town will be asking the Springs Resort to initiate a new visitor center offer. Swapping the old Seeds of Learning site with the CDOT site and moving the chamber to the old Seeds of Learning site might be a reasonable offer. Council Member Cotton moved to discuss the concept of moving the chamber site to the old seeds of learning site and swap the old seeds of learning site with the CDOT site. Council Member Holt seconded the concept discussion. Mark Garcia recommended executive session. Council Member Pierce advised that she would like to have members of the chamber present to give their opinion before any discussion begins. Council Member Cotton withdrew his motion and Council Member Holt withdrew his second. The PUD analysis will determine how much Mr. Whittington needs to bring to the table due to his projects impacts and to set a cap would not be fair to the town or the improvements needed for his project. Council Member Cotton believes Mr. Whittington knows what his impact costs will be and would like an agreement to include a reimbursement program option for Mr. Whittington to receive reimbursement from the costs associated with his project from future area developers. Mr. Whittington's memorandum also includes working with the town to build a hot springs geyser and greenhouse, geothermal use and a new town recreation center including considered funding for open space. Council Member Pierce suggested asking Mr. Whittington to use his best effort to buy locally and provide local workforce but does not want to put in the lease.

4. **Economic Development Intern** - Sheila Berger approached the town to use her skills as an intern for the Economic Development position, DOLA has agreed and will give the town \$15,000 per year to employ her. Sheila would like \$50,000 for the town to employ her; the town would need to make up the \$35,000 difference. Council Member Atkinson suggested writing some specific projects for Sheila or an Economic Development Intern to bring to the town. Mayor Aragon adamantly feels that this is not the time to hire an intern due to the economic situation the town is in, but would be agreeable if the situation changes or if this position is desperately needed. Mayor Aragon suggests using the volunteer resources available in the community. Consensus by Council is to not discuss this item and look at it at a later date.
5. **Manager's Evaluation possible Executive Session per C.R.S. Section 24-6-402(2)(f)** - Council Member Pierce motioned to go into executive session, seconded by Council Member Weiler, unanimously approved. The council reconvened at 3:45pm. Council Member Weiler moved to accept Mark Garcia's resignation effective immediately, Council Member Cotton seconded, unanimously agreed.

III. **ADJOURNMENT** – Council Member Weiler moved to adjourn the meeting, Council Member Cotton seconded, motioned carried, the meeting adjourned at 3:49p.m.

Ross Aragón
Mayor