



PAGOSA AREA GEOTHERMAL WATER AND POWER AUTHORITY

REGULAR MONTHLY MEETING MINUTES

March 9, 2015 @ 5:00 p.m.

398 Lewis Street, Pagosa Springs, CO

- I. **Call to Order** – Chairman Clifford Lucero, Board Members Don Volger, Steve Wadley, Michael Whiting, David Schanzenbaker, John Egan, Mike Alley
- II. **Approval of Minutes**
 - February 23rd, 2015 Regular Monthly Meeting Minutes – Board Member Volger moved to approve the meeting minutes with Michael Whiting edits. Mr. Volger wanted to point out that during that meeting and fairly long discussion that nobody was in agreement with Michael’s opinions. The vote was all in favor with the exception of Michael Whiting. Chairman Volger moved to approve the meeting minutes. Motion was made and seconded, unanimously approved.
- III. **Resolution 2015-01 Designating Town of Pagosa Springs as the fiscal agent for the Pagosa Area Geothermal Water and Power Authority.**
 - a. Mr. Schulte said it was suggested that the Town of Pagosa Springs act as the fiscal agent for PAGWAPA and the Town could achieve that.

Mr. Wadley wanted to know what the motivation was for the change.

Mr. Schulte said he believed it was because the county was immersed in doing audit work and has a lot of catching up to do and the Authority might be better served if the Town took over.

Chairman Lucero said that we are going to vote on this but it's important that Larry Walton sit down with April and Greg with his checklist so that the Town knows how the invoices need to be paid and the Town can work off of that.

Mr. Schulte said he would welcome that.

Mr. Volger asked if those submitting the bills, Kirsten and the staff from Pagosa Verde, LLC would help as much as they can and keep good lines of communication in this process.

Mr. Whiting wanted to point out that it might have been suggested that this change was due to the county staff taking too long to pay the invoices as a reflection of their due diligence in approving the invoices. He wanted to make sure that the Town staff would have the same level of due diligence when taking over as the fiscal agent. Mr. Schulte said the Authority can be assured the Town will undergo the same due diligence.

Chairman Lucero called for a motion. Mr. Volger moved to approve Resolution 2015-01 of the Board of Director for PAGWAPA recognizing the Town of Pagosa Springs as the authorized fiscal agent for the Authority.

Mr. Egan pointed out that there was a typo in Resolution 2015-01 that needed to be corrected. Mr. Lucero said the Resolution would be corrected.

Motion seconded and carried unanimously.

IV. Approval of Promissory Note with Archuleta County and PAGWAPA.

- a. Mr. Henderson said at the regular BoCC meeting of March 3, 2015 there was a motion made to approve the bridge funding for Pagosa Waters with conditions upon the execution of 2 documents one being a promissory note to be executed by PAGWAPA Board and the other a Guaranty to be executed by Pagosa Verde. The promissory note is before you now for approval.

Todd Starr said the Commissioner's vote at the BoCC meeting was the \$250,000.00 or so much that was drawn upon would be paid back by June 1, 2015.

Don Volger: I am more than willing to make a motion to accept the promissory note but will be revisited in May when we will possibly renegotiate a due date for payment.

Chairman Lucero asked for a Motion.

Don Volger made the motion to approve the promissory note that will be presented to PAGWAPA authorizing the Executive Vice Chair to approve PAGWAPA to execute the promissory note for \$250,000.00 from Archuleta County on the terms set forth therein.

Move that in May we review the progress of the promissory note and if needed ask the county for an extension.

Motion seconded and carried unanimously.

V. Approval of Invoices.

- a. Mr. Henderson said we need to come up with a basic function to approve the invoices as they come along and how much detail does the board want to see.

Steve Wadley said we should come up with a dollar amount not to exceed and e-mail them so everyone can review and the approval should be in a public way.

Don Volger asked to be excused for a prior engagement.

Greg Schulte mentioned having a committee in place to approve the invoices and they could be ratified later so reimbursement would be as quick as possible.

Chairman Lucero said there should be a Town representative, County representative, and an at large representative. He asked if a motion could be made to select the 3 representatives.

Motion was made to establish an invoice approval committee which consists of Town Rep: Don Volger, County Rep: Steve Wadley, and At Large Rep: Mike Alley. Motion was seconded.

Todd Starr: What is the process going to be?

Greg Schulte: More than likely before we send it out to DOLA we are going through the approval committee for approval prior to the review.

Chairman Lucero: Do we have invoices today?

Bentley Henderson: Yes. With the changing of the fiscal agent we weren't sure of the approval process.

Clifford Lucero: They will go through the Town for initial review, and then the committee will convene for their approval and then they will be ratified at the next meeting.

Motion carried unanimously.

VI. Drilling Update: Tom Foley

DOE will make a stop date decision. Data will be collected and a report will be made by March 17th. Geophysical logs, etc. will be analyzed. Will have a better idea where the best spot is and a turn-around time by that date. A report will be made at the next meeting.

VII. Public Comment:

Mark Weiler is concerned about making agreements or guarantees without documentation and suggested we go through some sort of underwriting.

Michael Whiting wanted to make a correction to Mr. Weiler saying the loan of \$250,000.00 is contingent upon the execution of a written guaranty and promissory note.

Marion asked if PAGWAPA was authorized to borrow money from the Town.

Todd Starr said no. The Town is just giving money.

Chairman Lucero asked for a Motion to Adjourn. Motion seconded.

VIII. Adjourn: Meeting was adjourned at 5:48 p.m.