

**PAGOSA AREA GEOTHERMAL WATER AND POWER AUTHORITY**

**REGULAR MONTHLY MEETING MINUTES**

**Meeting of March 14, 2016**

**County Commissioners Meeting Room**

**398 Lewis Street**

**Pagosa Springs, CO 81147**

- I. Call to Order
  - Meeting called to order by Chairman Lucero at 5:00pm
  - Commissioners present:
    - Volger
    - Whiting
    - Alley
    - Schanzenbaker at 5:16 pm
    - Egan at 5:32 pm
- II. Approval of February 8, 2016 Minutes
  - Motion to approve made by Alley, second by Whiting. Motion passed unanimously.
- III. Update on request to DOLA for Contract Amendments
  - Town Manager Greg Schulte initiated the conversation indicating that a draft letter had be generated and was being vetted by Town Staff. Schulte continued by stating that the letter would reflect the discussions that had taken place at the February meeting and that the three primary grant modification requests were:
    - i. A time extension for at least one year.
    - ii. Modification of the contribution match split to; DoLA 75%, PAGWAPA 25%.
    - iii. The grant be change from a “reimbursement” grant to a “cash advance” grant.
  - Schulte concluded by advising the Board that he was able to have a conversation with Chantal Unfug (Department of Local Affairs, Director of the Division of Local Government) and some of her staff, and was advised that while there may be some latitude available for some of the contract modifications, the revised contribution was going to be a difficult one for the Department to reconcile.

#### IV. Manager's Update

- Jerry Smith gave the Board some information that he had regarding a company called Geothermal X who has a new drilling technology called micro-bore. This is a technology that provides for a smaller faster drill hole that allows for results of heat and flow to happen much quicker. The micro-bore technology is contingent upon another technology which uses lasers to shatter the rock ahead of the drill bit. The laser technology is critical to the micro-bore effectiveness. This technology is less expensive since it is faster. The downside of the small bore is the fact that the hole cannot be converted to direct use once completed. Smith went on to say that in 2017 there may be additional federal and state funding available, and given that, PAGWAPA should keep the lease in place should funding come along at a later date.
- Additional discussion included: the status of the Fairway Trust lease, timing of federal and state funding and the implications of it as it relates to the grant extension, specifics around the nature of the exploration approvals and how they relate back to the conditions associated with the additional funding provided by the Town and the County, and alternatives regarding possible grant match funding for the DoLA Grant.

#### V. Other items of mutual interest

- None offered.

#### VI. Adjourn

- The meeting adjourned at 5:44. The next meeting will be at 5:00 pm, April 11<sup>th</sup>, at Town Hall.