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**PAGOSA SPRINGS SANITATION GENERAL  
IMPROVEMENT DISTRICT SPECIAL MEETING MINUTES  
THURSDAY, MARCH 24, 2016  
Town Hall Council Chambers  
551 Hot Springs Blvd  
5:00 P.M.**

- I. **CALL MEETING TO ORDER** – Board President Volger, Board Member Bunning, Board Member Egan, Board Member Lattin, Board Member Patel, Board Member Schanzenbaker
- II. **PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**
- III. **PUBLIC COMMENT** – None
- IV. **CONSENT AGENDA**
  1. **Approval of March 1, 2016 Meeting Minutes**
  2. **Approval of February Financial Statement and Accompanying Payments** – Board Member Egan moved to approve the consent agenda, Board Member Bunning seconded, unanimously approved.
- V. **REPORTS TO BOARD**
  1. **Sanitation District Report** - Staff has provided all the information requested on the 8<sup>th</sup> Street paving project. Staff is reviewing the McCabe Creek project with CDOT who has requested that the PSSGID consider accepting some of the ground water from the project. Staff has reviewed the lab results from the CDOT monitoring wells and is requesting more information as to the quantity of ground water that might be encountered. The average daily flow to the lagoon system in January was 286,000 gallons per day, with flows increasing recently due to snowmelt. The lagoon system has not experienced any violations of the contaminants listed in its discharge permit in the past 12 months. Staff is hoping this will continue especially regarding ammonia in the discharge for the next several months until the facility is decommissioned.
  2. **PAWSD/Pipeline Update Report** - The contractor has suspended on site work for the time being and is awaiting the repair of the four damaged pumps. Staff still anticipates a late May start-up date, but there are a number of unforeseen circumstances that could affect that estimated date. Staff has discussed the financial impact of the damaged pumps with legal counsel and engineering and will relay that opinion to the contractor. There remains a number of punch list items that are required before the start up can occur and the contractor is aware of them and

coordinating electrical and Supervisory Control and Data Acquisition (SCADA ) subcontractors. Staff said there are few items that need to be completed including landscaping at PS2 for Timber Ridge and a fence near PS1.

**VI. EXECUTIVE SESSION**

- 1. Pursuant to C.R.S. Section 24-6-402(4)(b) Conference with an attorney for the public entity for the purpose of receiving legal advice regarding the Sewer Pipeline Intergovernmental Agreement between the Pagosa Area Water and Sanitation District (PAWSD) and the Pagosa Springs Sanitation General Improvement District (PSSGID) –** Town staff, Mayor Volger and Board Member Bunning and legal counsel attended mediation on Wednesday March 23<sup>rd</sup> in an attempt to resolve issues between the PSSGID and PAWSD. The bullet points were agreed upon in memorializing into a future IGA. The Board President went over all the bullet pointed items. Town Manager Schulte said the entire PAWSD board was present at the mediation and approved the deal points. The GID board will be asked to adopt the deal points at the April 6<sup>th</sup> meeting and if adopted an IGA will be forthcoming with the deal points. Board Member Egan would like to ask questions outside executive session. The District’s auditor recommended the GID own both segments of the pipeline, retain as well as pay for insurance, electricity, maintenance and operation of both segments. PAWSD said they don’t need to hook into segment 2 of the pipeline at this time, but may in the future hook up to segment 2. If PAWSD does connect into segment 2 the GID can charge PAWSD for the use of segment 2. The \$150,000 that was built into the contract to upgrade PS2 to accommodate Timber Ridge sewer connection from PS18. The maintenance estimate of \$5,000 per year on the pump stations for daily or annual maintenance is in the GID budget. Any extraordinary costs for maintenance will be charged to the District at costs. Sanitation District Supervisor, Gene Tautges, said the costs increase will be in the cost of the electricity at PS2 estimated about \$60,000 annually, this was not budgeted. He said keeping the liner in the 3<sup>rd</sup> lagoon cell will be an insurance policy in case of an overflow. Board Member Bunning said the original IGA was signed in 2012 and all members at the time thought it was a good deal. The current PAWSD board does not feel it was a good decision and so now a new IGA needs to be agreed upon or else the District will have to move to litigation. Board Member Lattin would like time to review the differences between the original IGA and the new bullet points. Town Manager Schulte will present a matrix to the board for review. Board Member Lattin moved to enter executive session pursuant to CRS Section 24-6-402(4)(b) for conference with an attorney for the public entity for the purpose of receiving legal advice regarding the sewer pipeline IGA between PAWSD and the PSSGID, Board Member Bunning seconded, unanimously approved at 6:32pm. Mayor called the meeting back in executive session at 7:28pm. Board Member Lattin said the original IGA was created by both attorneys at Collins, Cockrel and Cole, she believes the Board should look at in-house counsel. Board Member Bunning said the members are not lawyers and have to rely on the attorneys who are representing the Town. He said the PAWSD board was advised to do certain items in order to bring this to a resolution. He said to have in-house counsel would assist with this attorney sitting in the meetings and having the ability to ask questions in real time. Board Member Egan and Schanzenbaker agree that having an in-house counsel is important in this day and age. Board President Volger said the original agreement was approved by the two boards who were in agreement, then a new board determined they were no longer supportive of the original agreement.

**VII. NEXT BOARD MEETING APRIL 6, 2016 AT 5:00PM**

**VIII. ADJOURNMENT –** Upon motion duly made, the meeting adjourned at 7:40pm.