



551 Hot Springs Boulevard
Post Office Box 1859
Pagosa Springs, CO 81147
Phone: 970.264.4151
Fax: 970.264.4634

**TOWN COUNCIL MEETING MINUTES
TUESDAY, JULY 5, 2011
Town Hall Council Chambers
5:00 P.M.**

- I. CALL MEETING TO ORDER** – Mayor Aragon, Council Member Cotton, Council Member Hart, Council Member Holt, Council Member Lattin, Council Member Pierce, Council Member Volger
- II. APPROVAL of MEETING MINUTES FROM JUNE 7th & 23rd, 2011** – Minutes were approved as read.
- III. LIQUOR LICENSE**
- 1. Liquor License Renewal – City Market #45, 165 Country Center Drive, Pagosa Springs** – Council Member Volger moved to approve the liquor license renewal for City Market, Council Member Pierce seconded, unanimously approved.
 - 2. Special Event Liquor Permit – St Patrick’s Episcopal Church, Shamrock Festival, August 12 and 13, 2011 at 225 S Pagosa Blvd**
 - 3. Special Event Liquor Permit – Folk West Inc., Four Corners Folk Festival, September 2, 3, and 4, 2011 at Reservoir Hill Park**
 - 4. Special Event Liquor Permit – Folk West Inc., Folk Festival Late Night Stage, September 2 and 3, 2011 at Ross Aragon Community Center, 451 Hot Springs Blvd.** – Council Member Volger moved to approve the special events liquor permit for St Patrick’s Shamrock Festival August 12 and 13, Folk West Four Corners Festival September 2, 3, and 4th and the Folk West Late night stage September 2 and 3, Council Member Lattin seconded, unanimously approved.
- IV. RECOGNITION – Dennis Ford Fireworks Event** - This item has been tabled until the July 21st meeting.
- V. NEW BUSINESS**
- 1. No Burn Order – Town of Pagosa Springs and Archuleta County – Drew Petersen** – With the limited moisture and dry conditions, fire restrictions are in place for all areas south of Highway 160 and west Highway 84. Prohibited are open burning, burn barrels, agricultural burning, and use of explosive materials and personal fireworks of any kind.
- VI. OLD BUSINESS**
- 1. Ordinance 762, Second Reading, Extending the Moratorium on Medical Marijuana Licensing** - With the recent State deadline extension of House Bill 10-1284 to July 01, 2012, the medical marijuana committee met on May 27, 2011 to discuss a recommendation for Town Council’s consideration, concerning the town’s Medical Marijuana Businesses Moratorium which expires on July 01, 2011. The Committee has recommended that Town Council extend the current medical marijuana moratorium until September 01, 2012. This will give staff and the Town Council to review the adopted regulations current and provide ample time to consider the states regulations and how they may apply to the Town of Pagosa Springs. The first reading of Ordinance No. 762 was approved at the June 07, 2011 Town Council meeting. Council Member Volger moved to approve the second reading of

Ordinance No. 762, An Ordinance Suspending the Processing of Applications for Medical Marijuana Centers, Medical Marijuana Optional Premises Cultivation Operations and Medical Marijuana Infused Product Manufacturing Businesses and Suspending the Delivery of Such Medical Marijuana Business Products from Outside of Archuleta County until September 01, 2012, Council Member Lattin seconded, unanimously approved. Council Member Holt would like the Marijuana Committee to be contacted and a formal statement be requested.

2. **Ordinance 763, Second Reading, Lewis Street Reconstruction Financing and Refinancing of the Ross Aragón Community Center Loan** - On June 23rd, Town Council approved the first reading of Ordinance 763. This ordinance approves the lease-purchase of up to \$2,500,000 for the Lewis Street reconstruction project as well as the refinancing of the current Ross Aragón Community Center lease. All American Investment Group has negotiated a 3.57% interest rate amortized over 10 years, a ¼ point origination fee and reduced the prepayment penalty from 2% to 1% after the third year. The lease will pay off the current community center lease of approximately \$650,000 leaving the Community Center free and clear of any liens. The Town Hall will be used as collateral for the lease. Council Member Lattin moved to approve second reading of Ordinance 763, Series 2011, an ordinance authorizing the execution and delivery by the Town of Pagosa Springs of a site lease between the Town as lessor and an investor or financial intermediary to be identified, and, in connection therewith, a lease purchase agreement between the Town, as lessee, and such investor or financial intermediary, with respect to certain real and personal property for the purposes of financing certain road improvements within the town limits and refinancing the Ross Aragon Community Center; authorizing officials of the town to take all action necessary to carry out the transactions contemplated hereby and providing for related matters, Council Member Holt seconded, motion carried.
3. **Geothermal Research Study** - On March 29th, a community meeting was held to discuss the potential uses of our geothermal water resources, the need for further geothermal research and the funding of such research. A geothermal research work-plan produced by Gerry Hutterer and Elaine Wood had been circulating in the community and had received strong support. On May 03, 2011, Town Council approved by motion to support of the PSCDC's financial participation (up to \$2,000) for the refinement of the Geothermal Research Study work-plan, to define the deliverables to be expected as part of the resource assessment scope of work. These deliverables include the installation of measurement instruments on 8 existing geothermal wells and the main source pool, the collection of base data from the installed measurement instruments prior to testing aquifer, static testing of the aquifer and stress testing of the aquifer that would include Pumping & Dumping and Pumping & Reinjection. Ms. Kirsten Skeehan, representing the Pagosa Geothermal Advocates who are recommending the geothermal research study be completed, produced a schedule and explained the project won't begin until the end of July with hopes to have it completed in January 2012. The Town funds allocated to the CDC for the 2011 budget will be reduced by \$15,000 to pay for the \$2,000 refinement as well as the Town's portion for the work-plan of \$13,000. Town Manager Mitchem said the County is supportive of the Town being the fiscal agent of this proposal, once the County approves the plan and funds allocation at their July 21st meeting then an MOU between the Town and County will be completed. Council Member Pierce would like the approval contingent upon written approval by the seven well owners to participate in the testing and go back to Gerry Hutterer with regards to moving forward should another well owner decline to participate, and funds from the private community members be put into a town trust fund, direct a member of Town staff to oversee the project and authorize the Mayor to approved the MOU. Town Manager Mitchem explained that Building Department Administrator, Scott Pierce, has been asked to oversee the project. Council Member Holt moved to authorize the mayor to sign and enter into a Memorandum of Understanding with the County based on the discussion and pending resolution of the contingent items discussed, Council Member Hart seconded, motion unanimously approved.
4. **Regional Tourism Act Grant Application** - Town Council tasked staff with reviewing the Regional Tourism Act Grant and pursue preparing a response on behalf of the Town. The RTA Grant Task Force continues the process of designing a financing package for the overall project, which will include a combination of town and county funding with business investments. While the group determined that it was not feasible to apply in 2011, there is

strong desire to continue building an overall project plan that could be used for ongoing project development and future grant applications, including a future cycle of funding through the Regional Tourism Act. A narrative response will be sent to the State in lieu of the grant application. Ms. Jennie Green handed out a draft narrative response and explained there are different avenues of revenue including, grants, town/county funding, rebate of sales tax, and private enterprise funding. Council Member Hart explained that the research will be beneficial even if the Town does not apply for the grant.

5. Town Manager Mitchem explained the Town will be receiving an \$85,000 fishing is fun grant to improve the river features and fishing habitat.

VII. NEXT TOWN COUNCIL MEETING JULY 21, 2011 at 12noon

VIII. ADJOURNMENT – Upon motion duly made, the meeting adjourned at 5:39pm

**Ross Aragón
Mayor**