

PAGOSA AREA GEOTHERMAL WATER AND POWER AUTHORITY

REGULAR MONTHLY MEETING

July 13, 2015 @ 5:00 p.m.

Town Hall, 551 Hot Springs Blvd., Pagosa Springs, CO

- I. **Call to Order** – Board Chair Clifford Lucero, Michael Whiting, Steve Wadley, Don Volger, David Schanzenbaker, Mike Alley
- II. **Approval of Minutes** – This item is tabled to next meeting.
 - a. June 2015 Monthly Meeting Minutes
- III. **Approval of Invoices** – Mr. Volger and Mr. Alley reviewed the invoices numbers 2015-0425 and 2015-0531. Board Member Wadley moved to approve the two invoices, Alley seconded, unanimously approved.
- IV. **Execution of Promissory Note** – The promissory note is a requirement by the BOCC, this note has a date for expenses incurred before July 1st, 2015. Board Member Alley moved to authorize the PAGWPA Chairman to sign the promissory note with the amendment to number five changing the date for expenses incurred before August 1st 2015, Board Member Volger seconded, motion carried with one nay (Board Member Schanzenbaker). The BOCC has required this promissory note as well as a guarantee by Pagosa Verde to release the \$125,000 funds to PAGWPA. Mr. Smith said that the original agreement between Pagosa Verde and PAGWPA does not include a guarantor requirement. He doesn't understand that one member (PV) of the partnership is required to guarantee another partners (County) funds. He suggests the three members put in 40/40/20 which would be equal to \$100K/\$100K/\$50K for Town/County/Pagosa Verde partners to pay the invoices. The funds will be returned to the partners by September 1st as per the agreement. Board Member Whiting said there has been opportunity to discuss this item over the last two weeks but the issue has not been addressed, he said there is missed opportunity.
- V. **Drilling Update and Discussion of Reporting of Drilling Findings** – Ms. Kirsten Skeeahan said one hole was drilled near the Proline on Goldmine Drive. There was a lot of water in the 320 foot hole. She said the temperature measurements have come back erratic and the information should be completed in a few weeks. Pagosa Verde has been completing reports for the DOE. TG5 was

leaking to surface, the one near the Bass property, Pagosa Verde had to spend time and approximately \$100,000 to cover that hole at TG5 and was covered by the DOE grant percentage. All field work items were completed by the June 30th DOE deadline. Pagosa Verde will be completing the report of record for the project as DOE perspective by July 30th. Mr. Jerry Smith said at the TG1 well, located on the Levine property, at 1,800 feet there is the potential for direct use. The 110 degree water is at 2,000 feet and at 5,300 feet there is the possibility of power generated water. He said the next step is to get investors to support a 6" direct use well. This drilling would cost approximately \$1.5 million using the DOLA grant as match. Board Chair Lucero asked about using the county property across Hwy 84. Mr. Smith said that property would be an option. He said there would be the cost of \$150K to drill a gradient well, then test the data to discover if that property is feasible.

- VI. DOE Grant Close Out, DOLA Grant and Outside Funding Updates** - Mr. Smith said some international companies may be interested in investing bringing in outside funding. Investors are encouraged to earn 40% of an investment into the group, that percent would cost a \$250,000 investment. The DOLA grant still has \$1 million to use on this project. Negotiations with DOLA for the use and match of that grant funds are ongoing. Attorney Todd Starr asked about the report of all the data that the public can obtain. Ms. Skeehan said the NGDS National Geothermal Data System information will be updated and available at their website. A summary and powerpoint was submitted at a peer review and is available to the public as well. By the end of the month, the completed data composition will be presented to the board and available for the public.
- VII. Visit of DOLA Executive Director, Irv Halter** – Mr. Halter is the new executive director of DOLA. He will be in Pagosa Springs on Tuesday to discuss the GGP project and meet with the boards.
- VIII. Items of Mutual Interest** - none
- IX. Adjourn** – Upon motion duly made, the meeting adjourned at 6:15pm.