



**PAGOSA AREA GEOTHERMAL WATER AND POWER AUTHORITY  
REGULAR MONTHLY MEETING MINUTES  
OF  
Monday, August 8, 2016**

1. Call To Order

Meeting called to order by Chairman Lucero at 5:03 pm there was a quorum present.

2. Approval of July 11<sup>th</sup> Minutes

Motion made to approve the minutes by Wadley and seconded by Schanzenbaker. Board member Whiting abstained.

3. Pagosa Waters Manager's Update

The Pagosa Waters' manager was not present to provide an update. A report was provided that was reviewed by those present. Board member Lucero asked about an entry on the report regarding a reimbursement to the Manager for a risk benefit analysis. PW board member Marion Francis indicated that the analysis was requested by the PAGWAPA Board. Additional discussion involved the details on who was paid what, and how the hourly reimbursement worked out.

Mr. Smith arrived at a later time and provided an update on the property lease indicating the fact that Pagosa Water's was interested in abandoning the lease.

Mr. Smith stated that he had been in contact Alan Levine and that representatives of Fairway Trust was open to the idea. Fairway Trust just wants assurances that the closeout of the project as it relates to their property was done. Smith stated that the biggest issue was in capping the well and stated that it would cost between \$4,000 and \$10,000 dollars. The other alternative would be to convey ownership of the well to Fairway Trust. Fairway Trust indicated that ownership might be preferable to them. Starr indicated that if ownership by Fairway Trust was the direction that the project was headed, then Pagosa Verde needed to get some documentation from Fairway Trust releasing Pagosa Waters and Pagosa Verde from liability. Smith to request that Alan Levine write Pagosa Verde a letter releasing them from all liability associated with the ongoing ownership and operation of the geothermal well. The Board concluded that they would rely on the communication already submitted to Levine from Smith as notification of the level of indemnity expected in writing from Levine.

4. Decision Item: Discussion and possible direction to PAGWAPA Representative Schanzenbaker on the dissolution of Pagosa Waters, LLC

Attorney Todd Starr indicated that at the last PAGWAPA Board meeting he had been tasked with the development of a dissolution agreement for Pagosa Waters. Starr indicated that subsequent to that meeting he met with Town Manager Schulte, Town Attorney Cole and County administrator Henderson, and that group determined that the proper way that you dissolve an LLC was to first file a Statement of Intent which defined how you take care of distributions based upon each partner's capital accounts, verify that all of the creditors have been taken care of and then file the Articles of Dissolution. Starr then indicated that he had provided a copy of the Articles of Dissolution for review by the Town and the County. The next step for the PAGWAPA Board would be to direct Board Member Schanzenbaker, as the Board's representative on the Pagosa Water's, Board to deliver to Pagosa Water's the prepared notices and to seek a vote from the members of the Board of Pagosa Water's to dissolve the LLC. The Pagosa Waters Board would also have delivered to the Secretary of State Notice of intent to dissolve, with an anticipated dissolution date of October 1, 2016. This date was expected to provide more than enough time to take the action necessary to meet the requirements of dissolution. Whiting stated that he wanted to be assured that all of the ancillary filings were in place, such as taxes etc. The Board quizzed Mr. Francis as to whether or not taxes had been filed. He was uncertain as to the answer. Starr stated that it had been represented to him by Mr. Smith that the taxes had not been filed. Board member Volger

queried the Board as to how difficult would it be, if at some point in the future there was a desire to reinstate Pagosa Waters. The alternatives would be to reconstitute a dissolved entity or to just start a new one which would probably be easier.

Motion was made by Egan to direct Board Member Schanzenbaker to go to the Pagosa Water's Board and seek dissolution of Pagosa Waters. Motion seconded by Whiting. Motion passed unanimously.

**5. Other Items of Mutual Interest**

There was no other business before the Board.

**6. Adjourn**

Meeting adjourned at 5:56 pm.