



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, OCTOBER 1, 2013**  
**Town Hall Council Chambers**  
**551 Hot Springs Blvd**  
**5:00 p.m.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Bunning, Council Member Cotton, Council Member Lattin, Council Member Schanzenbaker, Council Member Volger
- II. **APPROVAL of MEETING MINUTES FROM SEPTEMBER 19, 2013** – The minutes were approved as read.
- III. **PUBLIC COMMENT** – None
- IV. **NEW BUSINESS**
  1. **Preliminary 2014 Budget** - The preliminary budget is presented according to C.R.S. 29-1-105, budget officer must submit proposed budget to the governing body by October 15, 2013. The 2013 year-end sales tax revenue is projected to be \$3,259,012, 2% above 2013 budgeted amount. Projecting a continuation of steady increases in sales tax revenue and continued strength in tourism (lodger's tax), staff projects the sales tax revenue for 2014 to be 2% higher than the 2013 year-end estimates plus \$300,000 in additional revenue from Wal-Mart and Tractor Supply stores. Total 2014 sales tax revenue is projected to be \$3,624,192. Current estimates project a \$1.5 million balance in the General Fund at the end of 2013. This amount equates to over seven months of operating expenses with no income. The current estimates project a \$1.5 million balance in the Capital Fund at the end of 2013. This amount equates to over nine months of operating expenses. The 2014 Capital Fund proposed budget expends the large amount of reserves leaving just three months (\$400,000) of reserves at the end of the 2014 year. Budget worksessions are proposed for the next two weeks.
  2. **Geothermal Electric Utility** - Mr. Ed Morlan with Region 9 Economic Development and Mr. Jerry Smith and Ms. Kirsten Skeehan with Pagosa Verde presented information regarding an electric utility project to the council. Current usage of the geothermal resource is limited to three bathing spas and winter heating for a number of downtown businesses, homes and schools. Over the past several years, the Town has sponsored research to document the geothermal aquifer's capacity more fully. On March 5, 2013, the Town Council approved \$9,000 to assess the merits of further testing and development of the geothermal resource for electricity production. Archuleta County is a full partner with the Town in this initiative. The Town and County Geothermal Water and Power Authority ("TCGWPA") document outlines the intent of the Town and County to participate in ownership of an electric utility company. The utility will execute a land lease agreement with the Fairway Land Trust, obtain an assurance of purchase letter from La Plata Electric Association (LPEA) and proceed to next phases of exploration drilling as analysis indicates. Ownership interest in the utility project will be as follows: Town of Pagosa Springs, 40%; Archuleta County, 40%; and Pagosa Verde, LLC, 20%. The Fairway Land Trust owns the property on the south side of Reservoir Hill and has invested approximately \$40,000 into researching the availability of geothermal waters on the property. Currently, the Trust is asking for a 5% royalty in exchange for the development of a utility project on its property. LPEA sent a letter expressing interest in purchasing electricity generated by the geothermal power plant. Ms. Skeehan said several steps must occur prior to the production well, including test holes, test wells, and grant applications. Discussion at the October 17<sup>th</sup> meeting will include the request of

appropriating \$65,500 per participant in the project for core testing, holes. After the test holes, another \$200,000 per participant will need to be expended for a slim hole to determine if the utility project is feasible and the geothermal water is possible to make power. Mr. Smith said Pagosa Verde will help with the possibilities of these test holes be used to leverage financing of production wells going forward. Mr. Morlan said alternative uses such as greenhouses or aquaculture could produce revenue and jobs in the area even if the utility project doesn't move forward. Mr. Smith said the data collected from the well monitoring shows there is an affect to other well owners when wells are running within the town heating area. He said the possible holes on Hwy 84 for this project will show up immediately should it affect the wells being monitored in town. The council gave consensus to authorize staff to conduct a public meeting regarding the merits of the project during the week of October 14<sup>th</sup>.

3. **County Court Use of Municipal Courtroom and Town Hall** - The County Courts had requested to use the town hall to conduct court during the roof repairs. They have since found another option and have withdrawn their request.
4. **Resolution 2013-24, Appointing Parks and Recreation Commission Members** - Two seats are available on the PRC commission. Mike Leroux, Jeff Greer and Sally High all expressed interest. Each was invited to address the PRC last month regarding their backgrounds and capabilities. Afterward, Mr. Leroux and Ms. High were unanimously recommended for approval by the commissioners, while Mr. Greer was recommended as an alternate. Council Member Lattin moved to adopt Resolution 2013-24, appointing Mike Leroux and Sally High to the Parks and Recreation Commission for one-year terms, and appointing Jeff Greer as an alternate member for a one-year term, Council Member Volger seconded, unanimously approved.

## V. OLD BUSINESS

1. **Ordinance 796, Second Reading, Marijuana Prohibition** - On September 19<sup>th</sup>, the Town Council passed the second reading of Ordinance No. 796 by a vote of 5 for and 2 against. This matter is before Council once again for second reading due to public notice publication error after first reading. The Town's legal counsel added language in the publication section to prevent any possible challenges to the ordinance in the future. To correct this error, the first reading public notice was published on the town web site on September 20<sup>th</sup>, including legal counsel's additional language. This publication meets the ten day notice prior to second reading as required by town charter. Council Member Volger moved to approved second reading of Ordinance 796, an ordinance of the Town of Pagosa Springs amending Chapter 6 of the Pagosa Springs Municipal Code by the addition thereto of a new Article 5 prohibiting the sale and cultivation of medical marijuana, including medical marijuana centers, optional premises cultivation operations and medical marijuana-infused products manufacturing and a new Article 6 prohibiting the operation of marijuana clubs, marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities and retail marijuana stores; which ordinance will automatically expire on March 1, 2015 unless extended or readopted, Council Member Bunning seconded, motion carried with one nay (Council Member Schanzenbaker).
2. **Ordinance 797, First Reading, Designating Snow Routes** - On Thursday September 26, 2013, the committee of Planning Direction James Dickhoff, Police Chief Rockensock, Council Members Bunning and Schanzenbaker met to discuss specifics regarding the policy surrounding snow routes and parking enforcement. The committee discussed actual snow routes and recommended snow routes. Routes were determined for access to schools, access to Hwy 160, access to governmental buildings and Medical/Emergency routes. Per Ordinance 797, the Town Manager or his designee shall have the authority to designate snow routes with amendments to the designated snow route map as needed. Violation fees are recommended at \$50 for the 1st offense and \$100 for subsequent offenses. For the first few storms of the season, the police department will issue warnings. The Police Dept will only tow vehicles that pose an immediate safety hazard. Violation fees will be presented to Town Council as a resolution to amend the Town's violation fee schedule. Signage will be placed along designated streets that see a lot of on-street parking, and at the intersections of streets that do not experience much on street parking. The exact sign is yet to be determined, but recommended to at least include: Emergency Snow Route/No Parking after 2" snowfall/ Oct 15 - April 15. Council Member Lattin said that N 6<sup>th</sup> Street should be highlighted as a snow route. Council Member Bunning moved to approve the first reading of Ordinance No. 797, an ordinance of the Town of Pagosa Springs revising Chapter 17 and Chapter 18 of the Town code regarding snow route prohibitions and delegating authority

to the Town Manager to place traffic control devices, Council Member Schanzenbaker seconded, unanimously approved.

**VI. PUBLIC COMMENT - None**

**VII. NEXT TOWN COUNCIL MEETING OCTOBER 17, 2013 AT 12:00PM**

**VIII. ADJOURNMENT – Upon motion duly made, the meeting adjourned at 6:05pm.**

**Ross Aragón  
Mayor**