



551 Hot Springs Boulevard  
Post Office Box 1859  
Pagosa Springs, CO 81147  
Phone: 1-970.264.4151  
Fax: 1-970.264.4634

**TOWN COUNCIL MEETING MINUTES**  
**THURSDAY, OCTOBER 17, 2013**  
**Town Hall Council Chambers**  
**12:00 P.M.**

- I. **CALL MEETING TO ORDER** – Mayor Aragon, Council Member Alley, Council Member Bunning, Council Member Cotton, Council Member Lattin, Council Member Schanzenbaker, Council Member Volger
- II. **APPROVAL of MEETING MINUTES FROM OCTOBER 1, 2013** – Minutes were approved as read.
- III. **PUBLIC COMMENT** – None
- IV. **LIQUOR LICENSE**
  1. **Liquor License Renewal** – Mark D Stauth dba Bear Creek Saloon at 475 Lewis Street
  2. **Liquor License Renewal** – Western Refining Southwest Inc dba Giant #6068 at 2537 W Hwy 160
  3. **Liquor License Renewal** – Prasit Muenwong dba Thai Chilie at 565 Village Dr. Suite D
  4. **Liquor License Renewal** – Mountain Spirits Inc at 135 Country Center Suite B-1 - Council Member Lattin moved to approve the liquor license renewals for Mark D Stauth dba Bear Creek Saloon, Western Refining Southwest Inc dba Giant #6068, Prasit Muenwong dba Thai Chilie, and Mountain Spirits, Council Member Bunning seconded, unanimously approved.
  5. **Special Events Liquor Permit** – Pagosa Springs Community Facilities Coalition Jazzy Sassy Christmas Concert December 12, 2013 at the Ross Aragon Community Center
  6. **Special Events Liquor Permit** – Pagosa Springs Community Facilities Coalition New Year's Eve Concert December 31, 2013 at the Ross Aragon Community Center – Council Member Lattin moved to approve the special events liquor permits for the Pagosa Springs Community Facilities Coalition for the Jazzy Sassy Christmas December 12<sup>th</sup> and New Year's Eve Concert December 31st, Council Member Bunning seconded, unanimously approved.
- V. **NEW BUSINESS**
  1. **Resolution 2013-25, State Trails Planning Grant** - Town Council has recognized that the Town to Pagosa Lakes Trail is an important part of the health and wellbeing and safe travel and recreation of our community as a whole. The Harman Park portion of the Town to Pagosa Lakes Trail has some initial site work and planning completed and is a good shovel ready project to request funding for a state trails grant. Council Member Volger moved to approve Resolution 2013-25, a resolution of the Town of Pagosa Springs, Colorado supporting and authorizing the submittal of a Colorado Parks and Wildlife State Trails Planning grant application for the Harman Park portion of the Town to Pagosa Lakes Trail, Council Member Cotton seconded, unanimously approved.
  2. **Resolution 2013-26, Appointment of Municipal Court Prosecutors** - In August 2013, the Municipal Court initiated the hiring process for Prosecutor and Prosecutor Pro Tem. The candidate chosen for Municipal Court Prosecutor is Attorney David Brett Van Winkle. Attorney Van Winkle has been serving as Municipal Court Prosecutor Pro Tem since February 2013. The candidate chosen for Municipal Court Prosecutor Pro Tempore is Attorney Kenneth J. Miller. Attorney Miller has been practicing law in Colorado since 2001, and he relocated his law practice to Pagosa Springs in March 2013. Council Member Volger moved to approve Resolution 2013-26, appointing the Municipal Court Prosecutor

as Mr. David Brett Van Winkle and Prosecutor Pro-Tempore Mr. Kenneth Miller, Council Member Alley seconded, unanimously approved.

3. **Sole Source Advertising Agency** – The TTC has worked with Vermilion ad agency since 2012. The TTC has been pleased with the creative output, quality of work and timeliness to complete projects. The TTC is seeking a sole source purchase agreement for 2013 with Vermilion for creative development needs. Council Member Bunning moved to approve a sole source purchase agreement with Vermilion for 2013 with the understanding that 2014 will be addressed in the normal fashion, Council Member Lattin seconded, unanimously approved.

## VI. OLD BUSINESS

1. **Ordinance 797, Second Reading, Adopting Snow Routes** - On October 1, 2013, Town Council approved the first reading of Ordinance No. 797. Staff will bring a resolution for Town Council's consideration on November 5th with recommended fee schedule revisions to include snow route parking fines of \$50 for the first offense and \$100 for additional violations. Council Member Bunning moved to approve the second 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 Volger seconded, unanimously approved.
2. **Sales Tax Brief** – Sales tax receipts for October 2013 are 4.48% higher than October 2012, this is for August sales. Year to date sales tax receipts are up 2.75% compared to the same time last year.
3. **Geothermal Electric Utility with Possible Executive Session Pursuant to C.R.S. 24-6-402(4)(b) for Conference with Town Attorney for the Purposes of Receiving Legal Advice Related to Geothermal Electric Utility and C.R.S. 24-6-402(4)(e) Determining Positions Relative to Matters that may be Subject to Negotiations, Developing Strategy for Negotiations, and Instructing Negotiators Concerning Geothermal Electric Utility** -In late 2011, through a study by Dr. John Lund of the National Renewable Energy Labs of Golden, Colorado and Gerry Hutterer, geothermal geologist and principle of Geothermal Management Company, Inc. of Frisco, Colorado, the NREL report regarding the community's geothermal resource was published in the spring of 2012. Geothermal Management Company, Inc. provided a study of the aquifer's capacity through stress tests on individual wells and ongoing monitoring of wells in downtown Pagosa Springs. Mr. Jerry Smith of Pagosa Verde, LLC, has been actively advancing geothermal research in the Pagosa Springs area and the town and county have supported his research budgeting \$9,000 each in 2013. Archuleta County approved funding for the project and the establishment of a geothermal electric authority. Mr. Michael Whiting said the Commissioners approved to allocate \$59,500 to explore electric utility, \$5,500 allocated to a CDBG block grant for direct use, and the formation of an authority. He said this is a high risk investment to prove out the geothermal resource. Mr. Mark Weiler has concerns about the town's track record of investing in dead end projects. He said private investors would be a better fit rather than public investments. Ms. Skeehan said the geologists have said they are confident on the heat and fluid, but she has not discovered their percentage of confidence. Council Member Cotton said the first step commits the Town to the next step that continues to increase the costs and risks. Town Manager Mitchem said this project is a risk capital, he said the research and analysis point to a favorable result, but the question is at what temperature and flow. Mr. Smith said this project is to create local jobs. He said LPEA and Tri-State have intense interest in this project. He said LPEA can take four mega-watts and that is what is proposed; over four mega-watts will require additional transmission lines. Back-up power, islanding, to the community is also built into the project plan. Mr. Weiler asked why the Levine family would not be the ones to invest, and is concerned about using public funds for this risk capital. Council Member Lattin moved to enter executive session pursuant to C.R.S. 24-6-402(4)(b) for conference with Town Attorney for the purposes of receiving legal advice related to geothermal electric utility and C.R.S. 24-6-402(4)(e) determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators concerning geothermal electric utility, Council Member Volger seconded, unanimously approved. Mayor Aragon

declared the council back in session at 3:34pm. An expenditure of \$5,500 (grant match) is requested to look into the possibility of an electric production well. Additional expenditures of \$60,000 will be used for test holes to determine the validity of moving forward with a core test well. Council Member Volger moved to approve pursuing partnership in the joint public/private development of a geothermal electricity generation facility between Town of Pagosa Springs, Archuleta County and Pagosa Verde, LLC; and approve further research into the development of the community's geothermal waters for electricity generation purposes by appropriating \$65,500 from the Capital Fund. The expenditure of \$5,500 for grant match is authorized immediately. Expenditure of \$60,000 of the funds is contingent upon execution of the Pagosa Verde, LLC, Archuleta County, and Town of Pagosa Springs agreement, and a letter of interest from La Plata Electric Association; with Pagosa Verde, LLC providing the balance of the funds for the core sampling and the Town's participation in required lease agreements taking place right now, Council Member Bunning seconded, unanimously approved.

## **VII. DEPARTMENT HEAD REPORTS**

- 1. Community Center Report** - The community center staff is currently working on the Halloween Carnival and the Festival of Trees in full force. They are also preparing for the Fire Academy being here October 14<sup>th</sup>- October 19<sup>th</sup>. All offices will be carpeted on October 11<sup>th</sup> and 12<sup>th</sup> which will complete the carpet installation. They have reached all of our goals for 2013 and increased income by \$13,574.00 as compared to August of last year; while expenses have only increased by \$6,975.00 giving a positive gain of \$6,599.00 for the 1<sup>st</sup>-3<sup>rd</sup> quarter of 2013.
- 2. Parks and Recreation Department Report** - This year's soccer season concluded last week; registration for the first session of youth basketball (ages 7-8) ended last week. The season for this division will begin in early November and run through mid-December. The fall (fourth) session of gymnastics for ages 3 and up included 41 participants and ended Oct. 10. There will be one more session of this program offered before the end of the year. To date, the program is averaging 40 participants per session. Youth volleyball for ages 9-12 has been canceled temporarily due to lack of gym space in the community center this fall, but the program has been tentatively rescheduled for next spring. The gas furnace system which was partially installed last fall in the Town Park restrooms has been completed and is now operational, which will allow the restrooms to remain open (on a limited basis) through the winter months. Estimates for the relocation and reconstruction (on Reservoir Hill) of the large gazebo the Town recently accepted as a donation amount to approximately \$60,000. The latest information indicates this structure may have to remain at its current location until next spring. Construction of the observation deck is set to begin next spring.
- 3. Town Tourism Committee Report** – August 2013 lodger's tax receipts were up just 1.02% over 2012, year to date collections are 4.17% up over 2012 an increase of \$11,745. Visitor Center traffic in August was down 8.29% and September was down 11.88% compared to 2012. Facebook fans now surpass 8,077. The TTC and P&R are working together with a focus on trails, signage and park improvements.
- 4. Planning Department Report** - Staff has responded to a complainant regarding the LED sign along Hwy 160 at the Quality Resort, the business owner's actions to correct the violation has taken care of any issues. The HPB approved a second Certificate of Alteration for the Riff Raff Brewing Co. for proposed exterior improvements to the property and building. The former DeVore home is being remodeled as a two unit vacation rental and worked to fit the project within the Town's historic code. The Town received notification from Wal-Mart that they have decided to postpone the groundbreaking of their new store in Pagosa Springs until early spring 2014. Their decision was based on recently receiving construction bids higher than anticipated and the 2013 construction season ending soon. Wal-Mart has decided to go back out to bid in late winter 2014 for an early spring of 2014 ground breaking.
- 5. Project Manager Report** – The 8<sup>th</sup> Street sidewalk is scheduled to be completed by October 31<sup>st</sup>. The 6<sup>th</sup> Street river walk extension project will begin spring 2014. CDOT and town staff is working together on the McCabe Creek culvert. CDOT has agreed to engineer the McCabe culvert/bridge to accommodate for a future underpass across the

highway. CDOT has agreed to fund the engineering for the downstream portion of the McCabe Creek project. A contract for engineering of Piedra Street was awarded to Davis Engineering.

6. **Town Manager Report** – Ms. Kirsten Skeehan has reviewed the well monitoring reports and put together information on the well activities. A large geothermal leak was discovered under the town’s geothermal building, after repairs the leak rate has diminished significantly.

**VIII. APPROVAL OF SEPTEMBER FINANCIAL STATEMENT AND ACCOMPANYING PAYMENTS** – Council Member Bunning moved to approve the September financial statement and accompanying payments, Council Member Volger seconded, unanimously approved.

**IX. PUBLIC COMMENT** – None

**X. NEXT TOWN COUNCIL MEETING NOVEMBER 5, 2013 AT 5:00PM**

**XI. ADJOURNMENT** – Upon motion duly made, the meeting adjourned at 3:35pm.

**Ross Aragón  
Mayor**