

Pagosa Area Geothermal Water and Power Authority
Meeting Minutes
October 13, 2013

Meeting called to order by Chairman Clifford Lucero at 5:38 pm.

I. Minutes of 9-8-2014

Motion to approve the minutes was made by Don Volger with a 2nd from Michael Whiting; the minutes were approved as read.

II. Public Hearing for 2014 supplemental Budget and consideration of Resolution 2014-1

Public Hearing opened at 5:39 pm; the Chair opened the floor to those wishing to speak in favor of the supplemental budget. There was no comment. The floor was then opened to those wishing to speak in opposition to the supplemental budget.

There was no comment (there were no members of the public in attendance).

Staff indicated the DoLA grant expenditure amount reflected in the 9-8-2014 budget presentation had been increased from \$200,000 to \$500,000 which was the result of additional information on anticipated expenses. Additionally, the budget also reflected additional transfers in (intergovernmental revenue) as a result of slightly higher legal fees.

A motion to approve was made by Mike Alley. The motion was amended to reflect approval of Resolution 2014-1. The motion was seconded by Michael Whiting, and carried unanimously.

III. Project Status update

Lease update – Staff indicated that a meeting had been held with the Fairway Trust property owners to finalize the details of the Fairway Trust Lease and that the lease had essentially been approved at that meeting. Staff indicated that the only real issue left was language regarding a development agreement between the property owners and the County. During the meeting it was pointed out that the development agreement and the lease were entirely different documents and that any language in the lease that referenced the development agreement would be unenforceable, and could actually void the lease. Ultimately, language regarding the development agreement was removed. Staff indicated that the property owner wanted to revisit the inclusion of the references to the development agreement.

Concession Agreement – Ken Charles with the Department of Local Affairs provided some detail on how the grant is awarded and what the restrictions of that award are. Charles indicated that the key to the award is that it has to go to a political subdivision of the state and that the relationships between the Authority and the Geothermal entity are spelled out clearly.

DoLA Grant – Staff will be presenting a letter to the BoCC requesting that the award of the grant be transferred from Archuleta County to the Authority.

IV. Manager Update on Activities to Date

Pagosa Verde staff indicated that in accordance with the Geothermal Authority documents they are required to get approvals to execute any contract that exceeds \$100,000. Being unaware of the noticing constraints the Authority is bound by; staff did not realize that contract signatures could not be obtained at just any time. Pagosa Verde staff requested that a special meeting of the Board of Directors of the Pagosa Area Geothermal Water and Power Authority be convened to execute a contract up to \$900,000. PV staff stated that it is their intention to keep the expenditure under that total as it is driven by the type of drilling be it auger or core. The nature of the expediency of the request is that PV staff would like to begin drilling on October 27th. The Authority agreed to meet at 7:30 am on October 15th.

V. Items of Authority Interest

There were no other items of interest before the Board.

VI. Adjourn

Michael Whiting made a motion to adjourn, Steve Wadley seconded the motion.

Approved:

Clifford Lucero, Board Chairman