

**PAGOSA AREA GEOTHERMAL WATER AND POWER AUTHORITY**

**REGULAR MONTHLY MEETING MINUTES**

**December 14, 2015 @ 5:00 p.m.**

**Town Hall  
551 Hot Springs Blvd,  
Pagosa Springs, CO 81147**

- I. Call to Order – Board Chair Lucero, Board Member Volger, Board Member Schanzenbaker, Board Member Whiting, Board Member Wadley, Board Member Alley
- II. Approval of Nov. 9<sup>th</sup> Minutes – Board Member Volger moved to approve the minutes, Board Member Alley seconded, unanimously approved.
- III. Ratification of Invoices Approved by Invoice Review Committee & Pagosa Waters - The invoice committee met on December 11<sup>th</sup> to review the invoice processed by Pagosa Waters. The invoice for \$57,888.50 was already paid by Pagosa Water and will be submitted for reimbursement from DOLA grant funds. The Pagosa Waters account currently has \$52,572, reimbursement from DOLA of \$25,229 and Pagosa Verde contribution of \$5,075 will get the Pagosa Waters account back to \$80,000. Ms. Kirsten Skeehan said the rates now charge by Pagosa Verde are the card rate, rather than the indirect rates that the board has been charged. The rates prior to the DOE grant the rates were at the card rate. Mr. Smith said in 2013 once DOE began the hourly rate was decreased and an indirect rate was assessed. Board Member Whiting asked why the cost of an employee doubled, Ms. Skeehan said 30% is taxes and the rest is to run the office. She said the work on the risk analysis was a huge cost in this current invoice. The next invoice will be just \$12,000 for Ecosphere, this invoice was missed a while back and should have been applied to DOE funding. After the second invoice the balance in Pagosa Water will be \$73,062. Board Member Whiting said in September Mr. Smith gave the Board the impression he believed water should be hot enough, and the Board asked how he determined that. When Smith came again to present information with clarification as to why he felt that way Pagosa Waters was billed \$27,000 for the information. Mr. Smith said the Board wanted a formal risk benefit analysis in September. The information was

reexamined, recalculated and Pagosa Verde had Roy Mink and Dan Hand review the numbers for reality of the site. He said the amount is what it cost him to have them complete the task to provide the risk assessment. He said maybe the Authority should have asked about cost prior to asking for a risk assessment. He said NREL would have charged a larger amount. He said since the Authority couldn't make a decision in October the drillers have since changed their estimated amounts. Board Member Whiting said the Board asked Mr. Smith to show the work regarding the power point in September and the odds on finding the hot water. Mr. Smith said he believes at the September meeting the board asked him to complete a risk assessment. Board Member Volger said he believes Pagosa Verde is responding in good faith. He said the model of private/public partnership is unique and so running into some problems is understandable. Town Manager Schulte said the charges against the Pagosa Waters funds needs to be authorized. Board Member Volger moved to submit the invoice to DOLA for a reimbursement amount of \$25,229.52, Board Member Schanzenbaker seconded, motion passed with one nay (Board Member Whiting). Mr. Smith said the money received by the Town and County was put into a Pagosa Waters account and signers for the account were the Town and County administrators. Pagosa Verde is uncomfortable doing any work without direction from the Authority. He said Board Member Schanzenbaker is the representative for the Pagosa Waters board. Mr. Smith said the board members of David Schanzenbaker and Marion Francis were selected from each board. Board Member Volger asked to keep things on hold with Pagosa Verde until the next meeting to have a procedure in place. Pagosa Waters board will give an update on the exciting things happening. Board Member Alley said he would like communication on the costs set out prior to action and direction from the Authority. Ms. Skeeahan clarified that at this time Pagosa Verde will not do any further work until authorized.

- IV. Update on direction to seek a 2<sup>nd</sup> opinion to verify the probability of reaching specified heat levels and certain depths - Board Member Lucero believes the Authority has the information necessary to make a decision. He doesn't believe a second opinion is necessary. Board Member Wadley agrees with Board Member Lucero on not receiving a second opinion. Board Member Whiting wants clarity before moving forward. Board Member Volger moved that the Authority does not move forward with a second opinion, Board Member Whiting seconded, unanimously approved. Ms. Skeeahan said Ken Charles with DOLA would like to have the grant extended since it is due in May 2016. County Administrator Henderson said on the next agenda should include information about changing the grant and Pagosa Waters

recommendations or a list what is the next step. Mr. Smith said Pagosa Verde will get the information for Pagosa Waters presentation pro bono.

V. Other items of mutual interest Town Manager Schulte said a budget needs to be approved. This item will be on the next agenda. Mr. Smith gave a presentation board to the Town and County for display in Town and County buildings.

VI. Adjourn – Upon motion duly made, the meeting adjourned at 6:00pm.