



ARCHULETA COUNTY  
BOARD OF COUNTY COMMISSIONERS

**CALL TO THE ORDER THE REGULAR MEETING MAY 17, 2016 AT 1:30 PM**

**PAYROLL, PAYABLE WARRANTS AND PURCHASE CARDS**

**A. May 4, 2016 - May 17, 2016**

**PLEDGE OF ALLEGIANCE**

**MOMENT OF SILENCE**

**DISCLOSURES AND/OR CONFLICT OF INTEREST**

**APPROVAL OR ADJUSTMENTS TO AGENDA**

\* Executive Session - Specific Agenda Topic

**PUBLIC COMMENTS FROM THE FLOOR\***

This is an opportunity during the session for the public to address the Commissioner. Please step up to the podium, **STATE YOUR NAME AND ADDRESS FOR THE RECORD** and keep your comments to 3 minutes (**the Board is not required to discuss your comment or make a decision regarding your comment, under this section**).

**ACKNOWLEDGEMENTS**

**A. Award Of Environmental Awareness Scholarships**

Archuleta County Board of County Commissioners will present two students with the Environmental Awareness Scholarships for 2016.

Presenter	Michael Whiting
Presenter's Title	Chairman, Board of County Commissioners

**REPORTS**

**A. Upper San Juan Health Services District Annual Report**

Presenter	Jesse Hensle
Presenter's Title	Communications and Marketing Specialist, Pagosa Springs Medical Center

Documents: [PSMC 2015 CEO ANNUAL REPORT.PDF](#), [PSMC 2016 BUDGET - BOCC ANNUAL REPORT.PDF](#), [PSMC SERVICE PLAN.PDF](#), [PSMC SIGNED CEO CERTIFICATION 2016.PDF](#)

**LAND USE REGULATION HEARING**

**A. Request To Open & Continue Public Hearing For Two Rivers Pit Major Sand &**

## Gravel Permit

C&J Gravel Products, Inc, of Durango, Colorado, represented by Nathan Barton, Wasteline, Inc., have applied for a Major Sand & Gravel Permit for the proposed Two Rivers Pit, to be located on property owned by James and Leila Constant at 12500 County Road 500. On April 27, 2016, the Planning Commission continued their public hearing on this item to June 8, 2016. Staff is requesting the Board of County Commissioners open this noticed public hearing and continue consideration to a special meeting on Tues. June 28, 2016, for 1:30 pm at the CSU Extension Building, 344 US Highway 84, Pagosa Springs.

Presenter                      John Shepard, AICP  
Presenter's Title              Planning Manager

Documents: [2015-035SG\\_TWORIVERSPIT\\_BOCC-20160517\\_STAFFREPORT.PDF](#), [A1-2015-035SG\\_AREAMAPS.PDF](#)

## CONSENT AGENDA

### A. Regular Meeting Minutes Of 05-03-16

Draft for approval-minutes of Regular Meeting of May 3, 2016

Documents: [05-03-16R.PDF](#)

### B. Airport Assignment Of Hangar GroundLease

Interest in Hangar 510F was sold by the current lease holder to another individual. Request BoCC approval of the Assignment of Hangar Ground Lease from the seller to the buyer.

Responsible Staff: Kate Alfred, Airport Manager

Documents: [AIRPORT LEASE.PDF](#)

### C. Consideration And Approval Of A Tavern Liquor License Renewal For San Marcial Holdings, LLC Dba Lone Wolf Bar & Grill

This is a renewal of a Tavern License for San Marcial Holdings, LLC dba Lone Wolf Bar & Grill located at 20 Sunset Trail, Arboles, Colorado. This renewal includes no changes. The application is complete and the proper fees have been submitted. The Sheriff's Office has completed their background check and the Building Department has inspected the premises for changes.

Responsible Staff: Tonya McCann, Executive Assistant

Documents: [LONE WOLF BAR AND GRILL RENEWAL APPLICATION.PDF](#)

## NEW BUSINESS

### A. Consideration Of Letter From The Archuleta County Board Of County Commissioners Requesting Interagency Cooperation Regarding The Dry Gulch Project

Consideration of letter from the Archuleta County Board of County Commissioners requesting Southwestern Water Conservation District to develop a working relationship with San Juan Water Conservancy District regarding the Dry Gulch Project.

Presenter                      Bentley Henderson  
Presenter's Title              County Administrator

Documents: [20160513083726722.PDF](#), [20160513083733985.PDF](#)

### B. Consideration Of Resolution 2016 - \_\_\_\_\_ Approving An Intergovernmental

**Agreement By And Between Archuleta County And The Town Of Pagosa Springs Regarding The Effects Of The County Jail Being Vacated**

This IGA is an agreement for the custody and transportation of persons in custody by a Town Police Officer.

Presenter Rich Valdez  
Presenter's Title Sheriff

Documents: [RESOLUTION - IGA JAIL SERVICES.PDF](#), [JAIL IGA.PDF](#)

**C. Consideration Of Resolution 2016 - \_\_\_\_\_ Committing Funds From The Board Of County Commissioners Contingency In Support Of The Purchase Of 2 ATV's And A Snowmobile For The Upper San Juan Search And Rescue Organization**

Per established protocol, attached is a resolution approving the commitment of funds to the purchase of Search and Rescue equipment.

Presenter Bentley Henderson  
Presenter's Title County Administrator

Documents: [RESOLUTION DEDICATING COMMISSIONER CONTINGENCY TO USJSAR.PDF](#)

**D. Award The Cloud Cap Avenue Resurfacing & Lake Forest Circle Reconstruction Project**

On April 28th, we received bids for the Cloud Cap Avenue & Lake Forest Circle Reconstruction Project. We received four bids for the project with Strohecker Asphalt being our low bidder for the total base price amount of \$ 1,688,282.40.

The other bids were:

Old Castle SW Group - \$1,794,000.00  
Crossfire, LLC - \$1,766,852.38  
Russell Sand & Gravel- \$2,070,652.35

Staff is requesting that we award contract to Strohecker Asphalt for the amount and not to exceed \$1,688,282.40.

Presenter Ken Feyen  
Presenter's Title Public Works Director

**E. Consideration Of Resolution 2016 - \_\_\_\_\_ Expressing Support For The Application Of Federal Lands Access Program (FLAP) Grant For The Reconstruction Of 2.29 Miles Of Piedra Road**

Provided is a resolution of the Board of County Commissioners in support of an application for a Federal Lands Access Program Grant, to complete the reconstruction of Piedra Road.

Presenter Bentley Henderson  
Presenter's Title County Administrator

Documents: [RESOLUTION SUPPORTING FLAP GRANT.PDF](#)

**F. Consideration Of Resolution 2016 - \_\_\_\_\_ Approving An Intergovernmental Agreement Between Archuleta County, San Juan County And La Plata County For The La Plata County Courthouse Remodel For District Attorney Office Space**

Intergovernmental Agreement between Archuleta County, San Juan County, and La Plata County for the La Plata County courthouse remodel for District Attorney office space.

Presenter Bentley Henderson  
Presenter's Title County Administrator

Documents: [DA SPACE REMODEL IGA MEMORANDUM.PDF](#), [RESOLUTION - IGA LA PLATA COURTHOUSE REMODEL.PDF](#), [2016\\_04 IGA FOR DA SPACE REMODEL\\_FINAL TO ARCH AND SJ\\_05 10 16 V2.PDF](#)

#### **PUBLIC COMMENTS FROM THE FLOOR**

This is an opportunity during the session for the public to address the Commissioners on a subject not covered on the agenda. Please step up to the podium, **STATE YOUR NAME AND ADDRESS FOR THE RECORD** and keep your comments to 3 minutes (**the Board is not required to discuss your comment or make a decision regarding your comment, under this section**).

#### **MEDIA QUESTIONS**

#### **COMMISSIONER COMMENTS**

#### **EXECUTIVE SESSION**

Per C.R.S. 24-6-402(4) the Board of County Commissioners will hold an executive session to discuss the matters identified below.

For purposes of the Board receiving advice on a specific legal question pursuant to C.R.S. 24-6-402 (4)(b) regarding Case Number 16CV4.

Presenter Todd M. Starr  
Presenter's Title County Attorney

#### **ADJOURNMENT OF THE REGULAR BOCC MEETING**

All meetings to be held in the Archuleta County Administration Offices  
398 Lewis Street, unless otherwise stated.  
All Regular and Special BoCC Meetings are recorded.

2015 ANNUAL REPORT  
PRESENTED TO THE  
UPPER SAN JUAN HEALTH SERVICE DISTRICT  
BOARD OF DIRECTORS

by

Bradley Cochennet, Chief Executive Officer

March 2016



## INTRODUCTION

Eleven years ago, the Upper San Juan Health Service District (USJHSD or District or PSMC) Board of Directors began planning for a Critical Access Hospital (CAH) in Pagosa Springs. By January of 2008, the long-held dream of area residents was realized when the 11-bed hospital opened. In addition to the 11 inpatient beds, which are used as both acute and swing beds, the hospital provides 24-hour emergency care, a broad range of imaging services, laboratory, and general and orthopedic surgery. The board of directors (BOD) requires detailed business plans for each new service to assess community need, alignment with the District's strategic plan, financial viability, and to identify resources required for ongoing operations.

Connected to the hospital is a Rural Health Clinic where full-time primary care physicians and other providers, including visiting specialists, provide care to area residents. During 2015, the District engaged Boulder & Associates (architect) and GE Johnson (general contractor) who designed a new building for the Rural Health Clinic with a registration area common to the clinic and hospital. In addition, the District also obtained land use approvals from the Town of Pagosa Springs. Financing of the new clinic building is expected to be accomplished during 2016 with construction starting thereafter.

The District also provides 911 response and ambulance services in the District's service area. The District has four ambulances and staffs two to three ambulances on a 24/7 basis.

The District prepared its first strategic plan in February 2011; updates are crafted each year. These plans include an analysis of the service area demographics and economics as well as a review of historical volume and financial trends. Those trends are derived from monthly financial and statistical reports that are shared with management and with the District board. The strategic plans also assess physician supply and demand, by specialty, and use the results to recruit new medical staff members. And, out-migration trends are studied annually to learn where service area residents are receiving care and whether they generate adequate volume to justify offering various services at Pagosa Springs Medical Center.

The strategic planning process provides an opportunity to evaluate the District each year. Internal data as well as data from the Colorado Department of Public Health and Environment, the Colorado Health Institute, the Colorado Rural Health Center, and the Colorado Hospital Association are gathered and analyzed. Other resources are used when the situation requires data that is not available from these sources. At the conclusion of each strategic planning process, the District's board reviews and approves the strategic plan.

This annual report provides a high-level review of our 2015 accomplishments as well as a more detailed report on our quality and patient safety activities.

## MISSION, VISION, AND VALUES

The District crafted the following mission, vision, and values statements as the foundation for all of its key strategic initiatives.

<b>MISSION</b>	Our purpose is to provide quality, compassionate healthcare and wellness where we live.	
<b>VISION</b>	Our vision is to build an organization that has passion for doing the right thing for our patients every day.	
<b>VALUES</b>	<b>Wholeness</b>	We value the physical, spiritual and emotional aspects of all.
	<b>Integrity</b>	We strive for transparency, consistency, and clarity in our relationships.
	<b>Stewardship</b>	We work to deliver the best value for our community’s healthcare dollar.
	<b>Excellence</b>	We are focused on the best performance and outcome in all of our actions.
	<b>Respect</b>	We honor, in thought and action, the worth of our patients and employees.
<b>KEY STRATEGIC AREAS</b>	Quality care and patient safety Financial stability Strategic growth	Community relationships Culture and talent

## 2015 ACCOMPLISHMENTS

The following is a summary of our accomplishments during 2015.

Financial Stability	<ul style="list-style-type: none"> <li>▪ Doubled net income between 2014 and 2015, thereby achieving the highest net income in the District’s history.</li> <li>▪ Increased gross patient revenues by 32% as a result of new services and significant growth in existing services.</li> <li>▪ Achieved 60 days of cash on hand by the end of 2015.</li> <li>▪ By September 30, 2015 (prior to ICD-10 implementation), reduced days in accounts receivable by almost one-third, from 95 to 67 days.</li> </ul>
Strategic Growth	<ul style="list-style-type: none"> <li>▪ Gained board approval to make improvements to the District: convert the procedure room to an operating room to accommodate the growth in surgical procedures; dedicate a room for infusion services; and, create a triage space in the emergency department.</li> <li>▪ Achieved recertification of PSMC’s Level 4 Trauma designation.</li> <li>▪ Worked with Boulder Associates Architects and GE Johnson to prepare and finalize designs and construction documents for the expansion of the new building for the Rural Health Clinic. Financing of the new clinic building is expected to be accomplished during the first part of 2016 with construction starting thereafter.</li> </ul>



#### Community Relationships

- Expanded the relationship with the Jicarilla Apache Nation in Dulce, New Mexico (48 miles south of Pagosa Springs); this relatively new patient population accounted for 11% of our patient revenue, up from 8% in 2014 and 1% in 2013.
- Made presentations to a wide variety of constituents (e.g., local business owners, government officials, service clubs) and held “meet and greets”.

#### Culture and Talent

- Met EMR challenges, including Cerner optimizations, HIMSS level 6, meaningful use objectives, and ICD-10 transition.
- Transitioned to goal- and performance-based evaluations.
- Integrated mission, vision, and values into management processes and employee recognition.
- Enhanced effectiveness through departmental restructuring.
- Added key staff positions: Chief Administrative Officer (CAO), Chief Medical Officer (CMO), Chief Medical Information Officer (CMIO), discharge planner/case manager, and patient experience supervisor.
- Educated managers with Lean training.

## VOLUME TRENDS

Each month, the senior leadership team reviews key volume indicators and the relationships between and among the various statistics. This review provides current information that is critical to our day-to-day operations as well as to our ability to prepare a viable annual budget. For example, we assess the source of our imaging volumes, by type of exam, so that we know how many are generated by the emergency department, by our inpatients, and so forth. Tracking these relationships helps us make more accurate volume forecasts; it also documents the community’s increasing use of our growing array of services.

The table below summarizes key statistics for each of the last seven years. Highlights of the data include:

- Since 2009, inpatient volumes have grown more than five-fold. Between 2014 and 2015, the number of inpatient admissions increased 12% following a 91% increase in the prior year. Between 2014 and 2015, the number of observation visits doubled.
- GI procedures have been performed for the past five years. Although the volume in the initial year, 2011, was impressive, volumes have grown 12% since then.
- The number of procedures generated by the full-time general surgeon continues to increase each year, with 59% growth between 2014 and 2015.
- The growth in orthopedic surgery volume—177 cases in 2014, 256 in 2015—has been impressive. Orthopedics has performed a variety of orthopedic procedures from arthroscopies to open reductions to total joint replacements.
- Emergency department volume has grown steadily, with particularly large increases between 2013 and 2014 (36%) and between 2014 and 2015 (30%). An all-physician ED staff and their reputation for quality care are significant factors in increasing visits.
- The number of Rural Health Clinic visits increased 8.5% between 2013 and 2015.
- Impressive growth has also occurred in diagnostic imaging department. In 2009, nearly 3,200 radiology exams were provided to 2,300 patients. By 2015, total exams had increased to nearly 13,000 and 9,700 patients. The growth is a result of providing state-of-the-art equipment, reducing the need to travel to other locations for these important tests. Since 2014, the District has provided mammography and bone density screening services.
- As the District has been able to offer increasingly sophisticated services to Archuleta county residents and visitors, more and more individuals are being transported to PSMC by ambulance in lieu of continuing on to other facilities. In 2015, the number of ambulance transports increased 13% over the previous year, and the percent transported to PSMC increased from 64% to 66%.

Hospital Services	2009	2010	2011	2012	2013	2014	2015	% Change 2012 - 2015
<b>Inpatient Data</b>								
Inpatient Admissions	104	167	167	187	245	468	523	179.7%
Inpatient Days	227	443	519	531	707	1,107	1,251	135.6%
Inpatient ALOS	2.2	2.7	3.1	2.8	2.9	2.4	2.4	-14.3%
Swing Bed Admissions	18	29	31	24	19	9	8	-66.7%
Swing Bed Days	119	279	280	189	169	74	34	-82.0%
Swing Bed ALOS	6.6	9.6	9.0	7.9	8.9	8.2	4.3	-45.6%
<i>Total Average Daily Census</i>	<i>0.9</i>	<i>2.0</i>	<i>2.2</i>	<i>2.0</i>	<i>2.4</i>	<i>3.2</i>	<i>3.5</i>	<i>75.0%</i>
Observation Visits	-	127	150	230	235	206	413	79.6%
<b>Surgical Patients</b>								
Gastroenterology			318	412	400	438	461	11.9%
General Surgery			39	82	103	135	214	161.0%
Eye Surgery			15	28	44	23	20	-28.6%
Orthopedic Surgery			-	-	1	177	256	
All Other			-	16	18	5	62	287.5%
<b>Total</b>			<b>372</b>	<b>538</b>	<b>566</b>	<b>778</b>	<b>1,013</b>	<b>88.3%</b>
Emergency Room Visits	3,980	4,228	4,139	4,270	4,782	6,519	6,983	63.5%
Rural Health Clinic Visits	-	3,778	10,549	14,085	15,438	12,757	16,753	18.9%
Outpatient Lab Tests	10,561	11,116	11,958	13,871	15,531	17,459	20,481	47.7%
<b>Imaging Statistics:</b>								
Dx Radiology Exams	2,317	2,669	3,364	3,745	4,434	6,728	7,475	99.6%
CT Scans	705	674	748	947	1,107	2,163	2,414	154.9%
MRIs	156	163	244	263	188	629	748	184.4%
Ultrasound		88	662	770	767	954	1,096	42.3%
Echocardiography			204	72	139	238	269	273.6%
Mammography						585	700	
Bone Density						282	248	
<b>Total Imaging Exams</b>	<b>3,178</b>	<b>3,594</b>	<b>5,222</b>	<b>5,797</b>	<b>6,635</b>	<b>11,579</b>	<b>12,950</b>	<b>123.4%</b>
<b># Radiology Patients</b>	<b>2,331</b>	<b>2,658</b>	<b>4,207</b>	<b>4,501</b>	<b>5,292</b>	<b>8,450</b>	<b>9,696</b>	<b>115.4%</b>
<b>Ambulance Statistics</b>								
EMS Calls	1,013	1,067	1,103	1,057	1,184	1,580	1,896	79.4%
EMS Transports	694	666	684	651	734	933	1,056	62.2%
EMS Transports to PSMC	381	403	361	386	435	601	693	79.5%
% Transports to PSMC	55%	61%	53%	59%	59%	64%	66%	6.3%

ALOS = average length of stay

## FINANCIAL TRENDS

The District's net income (unaudited) doubled in 2015 over 2014 even though tax revenues increased by a very small (1.4%) percentage. The favorable bottom line is due overall increases in services for orthopedic surgery, general surgery, emergency room, inpatient admissions, imaging and lab services.

In 2015, Medicare accounted for 37.9% of total charges, just a slight change from 37.5% in 2014. Colorado's Medicaid expansion program resulted in Medicaid charges at 20.3%, a significant increase over the 2012 when Medicaid accounted for 8.7% and 2014 when it reached 17.9%. The increase in Medicaid was largely responsible for a significant decrease (to 9.2%) in self-pay.

The following is an income statement summary that compares 2015 to 2014 and 2014 to 2013. The 27% increase in net revenues (2015 over 2014), coupled with a 19% increase in expenses, allowed net income to more than double.

	<u>Unaudited</u>		<u>% Change</u>	<u>2013</u>	<u>% Change</u>
	<u>2015</u>	<u>2014</u>	<u>2014 to 2015</u>		<u>2013 to 2014</u>
Gross Revenues	46,227,164	34,983,889	32.1%	24,349,054	43.7%
Contractual Loss and Charity	21,449,850	15,500,141	38.4%	10,269,996	50.9%
Net Revenues	24,777,314	19,483,748	27.2%	14,079,058	38.4%
Other Revenues	1,241,586	1,710,955	-27.4%	1,415,511	20.9%
Expenses					
Personnel	16,978,513	14,269,772	19.0%	11,316,993	26.1%
Purchased Services and Other	942,568	874,522	7.8%	758,263	15.3%
Supplies	3,244,285	2,207,201	47.0%	1,719,067	28.4%
Depreciation and Interest	2,141,166	1,944,466	10.1%	1,505,770	29.1%
All Other Expense	2,694,819	2,536,646	6.2%	1,783,802	42.2%
Total Expense	26,001,351	21,832,607	19.1%	17,083,895	27.8%
Operating Gain (Loss)	17,549	(637,904)		(1,589,326)	-59.9%
Tax Revenues	1,122,124	1,106,311	1.4%	1,299,227	-14.8%
Donations	479,698	312,597	53.5%	451,397	-30.7%
Net Income	1,619,371	781,004	107.3%	161,298	384.2%

Tax revenues have declined steadily since 2011 when PSMC received nearly \$1.7 million. In 2015, the total was \$1.1 million, or a reduction of about \$600,000. Thus far, the District has been able to generate adequate revenue to offset the reduction in tax dollars by offering new services that meet community need.

## PERFORMANCE IMPROVEMENT ACTIVITIES

**Contracts.** The Finance Department completed a review of all contracts (except provider contracts discussed below) and updated a spreadsheet (contract log) that contains a listing of the key elements of each contract. Each month, new contracts are added to the log along with a summary of the follow-up on any outstanding issues. Hard copies of all contracts are maintained in the Finance department in a secure cabinet. The Medical Staff Office maintains a contract log of all provider agreements together with a summary of key elements of all provider agreements. Electronic copies of the provider agreements are maintained by the Medical Staff Office and electronic access into Medical Staff Office files is restricted.

**Revenue Cycle.** The District contracted with an outside organization to review its Charge Master and to provide training to department managers about key elements of the charging process. This training was completed in December 2015. In 2016, the District will continue to update and improve the charging process.

**Days in Accounts Receivable.** Accounting staff reviewed information related to patient credit balances and the re-work caused as a result. Process improvement steps were identified that involved staff from both registration and the business office to improve this process. The improved process has been instrumental in decreasing the District's days in A/R.

**Primary Care Clinic Efficiency.** The District's Rural Health Clinic has undertaken an improvement project using Lean methodology geared toward improving the overall efficiency of the providers and support staff. The outcome is that the clinic can accommodate more patients through improved scheduling capacity. Baseline data indicated the providers were seeing 11-15 patients per day. The goal of this project is to increase the capacity of patient appointments at least 18 per day per provider.

**Reduction in Inventory Expense.** The Material Management Inventory project achieved success in decreasing inventory expense due to unnecessary loss, and it ensured that patient supplies were available on request. Loss per month decreased from \$1,250 to \$10 by year-end with notable improvement in supply availability.

## QUALITY IMPROVEMENT ACTIVITIES

### PURPOSE

- To document PSMC's compliance with Federal regulations and Critical Access Hospital (CAH) conditions of Participation for CAH (CFR §485.641): *"The CAH carries out or arranges for a periodic evaluation of its total program. The evaluation is done at least once a year."*
- To provide a framework for all quality assessment and performance improvement activities throughout PSMC's hospital and clinic.
- To determine whether utilization of services was appropriate, that established policies were followed, and that any changes that were needed have been made.

### DATA SOURCES

Information used in this Annual Report came from the following: 1) review of scope of services, 2) peer review, 3) committee, department, and/or team minutes, 4) occurrence reports, 5) patient satisfaction and concern data, 6) statistical reports, and 7) Cerner reports and other sources as applicable.

**Medical Record Review.** PSMC uses medical record review to analyze information useful for improving the delivery of quality care. In review of accomplishments for 2015, PSMC observed numerous changes as described below:

- Centers for Medicare and Medicaid (CMS) suggest that Critical Access Hospitals (CAHs) participate in the collection and analysis of data related to quality indicators. Quality indicators were developed by CMS to allow hospitals to benchmark data that allows comparison to other hospitals across the country. The data shows the percentage of patients who received the recommended care for the measures the patients were eligible to receive. Steps taken to improve our reporting process included the following:
  - PSMC voluntarily submits its quality indicator information to Quality Health Indicators (QHi), an organization that benchmarks our data against organizations of similar size and structure.
  - PSMC streamlined CMS quality indicator reporting process through implementation of Cerner e-Quality Check.
- Participated in the Medicare Beneficiary Quality Improvement Program (MBQIP) reporting and were rewarded financially.

- The responsibilities for quality improvement and compliance were restructured as separate departments to assure that each had a clear focus.
- The Joint Commission recommends surveillance of Healthcare Associated Infections (HAI's) as a method to "reduce the risk of health care-associated infections." PSMC works with the Centers for Disease Control (CDC) to eliminate healthcare associated infections, (HAI's).
  - Established an effective Infection Prevention Plan by engaging a .5 FTE as an Infection Preventionist.
  - Reviewed and revised infection prevention policies.
  - Appointed an active physician chair.
- Improved the process for Provider Clinical Record Review by:
  - Transitioning oversight responsibilities to the medical staff office. This facilitated improvements in review assignments, timeliness of review completion, and reporting to committees.
  - Initiating a search for software to facilitate ease of reporting and accuracy in data reporting.
- Quality Indicator data analysis completed in 2015 shows that PSMC delivered care for patients with Pneumonia, Congestive Heart Failure, Acute MI, Chest Pain, the Surgical Improvement Project (SCIP), Inpatient readmissions, and Infection Prevention that met or exceeded benchmarks established by QHi.
- PSMC reports infection surveillance data to the Centers for Disease Control. Reviews are conducted on all patients suspected of or diagnosed with the following:
  - Catheter Associated Urinary Tract Infections (CAUTI)
  - Methicillin Resistant Staphylococcus aureus (MRSA)
  - Clostridium difficile (C-difficile)
  - Surgical site infection information related to those procedures identified as reportable by the Colorado Department of Public Health and Environment (CDPHE).

PSMC met or exceeded national standards in all areas of review.

**PSMC Organizational Improvement Activities.** Organizational Improvement occurs through ongoing analysis of information pertinent to patient outcomes and organized, safe care delivery. The following brief descriptions present an overview of the quality participation.

#### Compliance Improvement

- Implemented policy management software that simplifies and automates policy access, review, and approval.

- Implemented software that provides alerts regarding regulatory changes so that we can understand and comply with those changes.
- Implemented a system that offers relevant policy review of each document.
- Retired 242 policies that were duplicative or no longer relevant.
- Assigned 24,098 competencies for staff edification.
- Approved, reviewed, revised or created 872 policies.
- Initiated a structured approach to survey readiness by focusing on management education and training related to Conditions of Participation.
- Created department specific tracking tools of applicable standards to assist with survey readiness.

### Informatics Improvement

- Implementation of the Health Information Exchange (HIE). The goal of HIE participation is to facilitate access to clinical data and to securely provide safer, timelier, and more effective patient-centered care.
  - PSMC became a full data sender to CORHIO Health Information Exchange (HIE) on 2/11/16, ending a 2 ½ year project.
  - Participating healthcare organizations in southwest Colorado and across the state now have access to PSMC patient information when there is a need. Examples of information available on the HIE include provider notes, laboratory and diagnostic imaging results.
- Successful Meaningful Use attestation: According to the American Recovery and Reinvestment Act of 2009, Meaningful Use is the use of a certified EHR in a meaningful manner. It includes the electronic exchange of health information to improve quality of health care and to report de-identified clinical quality data. Benefits to PSMC are summarized below:
  - PSMC implemented processes which will allow attestation of 4 Rural Health Clinic Providers and 3 specialists for data reporting year 2015.
  - Attestation includes submitting data for core and clinical quality measures.
  - Provides incentive payments to help defer the cost of implementing and using an EHR.
  - Improved quality of care, exchange of information and increased patient engagement.
  - Allows PSMC to avoid Medicare penalties starting in 2015.
- The Health Maintenance Documentation project was designed to improve quality of care, provide the opportunity for early disease detection, increase revenue and satisfy Meaningful Use clinical quality measures. This was accomplished by:
  - Providing the basis of a preventive healthcare recommendation process for breast cancer and colon cancer screening.

- Implementation of a comprehensive plan to train and support health maintenance documentation in the EHR for primary care clinic encounters and specialty clinic colonoscopy encounters.
  - Establishing a process by which PSMC and primary care clinic patients with a status of 'due' for these procedures will receive a recommendation letter.
- The EHR Process Improvement project was established to ensure patient safety as PSMC moves through the challenges associated with the EHR implementation. To accomplish proactively addressing patient safety the Informatics Team:
    - Analyzed opportunities identified through data collected from patient concerns, occurrence reporting, and staff and provider input.
    - The informatics team intricately connected with clinical staff and participated in the evaluation of care delivery models such as medication protocols, lab results, documentation of patient status and how this affects information flow, registration procedures, and order entry.
  - Cerner Optimization was completed on site, by Cerner experts allowing PSMC the opportunity to examine the functionality of how the EHR is supposed to work in comparison to how it actually is working. Cerner Optimization for quality is scheduled in 2016. Cerner Optimization was completed in all areas except pharmacy, lab, and quality. Optimization for quality is scheduled in 2016.

#### Patient Experience

- The Patient Experience Department advanced the overall safety of the patient visit while gaining direct patient feedback relating to care at PSMC. Identified actions include:
  - PSMC surveyed all inpatients using the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS Survey) tool.
  - Although our inpatient volumes increased significantly in 2015, PSMC still has a small inpatient base. That, in combination with a 36.2% survey return rate, makes meaningful data analysis difficult.
  - PSMC is getting direct patient feedback through "Comment Cards" distributed by various departments (other than inpatient) and returned anonymously.
  - The information was used to improve the overall patient experience (as an example, dietary and environmental services).
  - Auditing and occurrence reporting data were used to improve the process of patient identification and accurate data entry at the time of registration. The number one National Patient Safety Goal as identified by The Joint Commission is to "Improve the accuracy of patient identification."

#### Clinical Process Improvement driven by a focus on patient safety

- 2015 Colorado Department of Public Health and Environment (CDPHE) Level IV Trauma Review conducted by the CDPHE offered high praise for our program sighting the following positive remarks:
  - Administrative support;
  - Trauma nurse coordinator participation on the Regional Emergency Medical Trauma Advisory Council (RETAC) board;
  - A strong peer review and QI process;
  - The trauma nurse coordinator experience;
  - The trauma medical director is highly engaged and well qualified; and
  - PSMC conducts thorough chart reviews and provides and documents education for identified areas of improvement.
  
- The Emergency Medical Services (EMS) First Attempt at Intubation project shows baseline data collected in 2014 as achieving a 33% success rate. EMS implemented the following steps and improved to 75%:
  - Implementation of pre-procedure checklists.
  - Focused training for new-hires.
  - An increase in frequency of training for all EMS crews.
  - Participation in live intubations.EMS will continue to work towards its established goal of 80%.
  
- The Surgical Care Improvement Project has improved patient satisfaction and safety and decreased cancellations by creating a process that uses a consistent Pre-admission Testing (PAT) RN to interview scheduled surgical and GI patients and evaluate their surgical readiness.
  
- The PSMC surgery team researched procedural best practice standards for PCIOL eye procedures. Information reviewed included the medical records of all patient having this procedure in 2015 as well as sterilization logs. Process improvement guidelines were implemented based on the research and standard of care.
  
- The “Handoff Communication Project” was initiated as a result of opportunities identified through the occurrence reporting system. The Joint Commission identifies “Improving the effectiveness of communication among care givers” as a National Patient Safety Goal. A “handoff” is defined as follows:

A “handoff” or “patient care transfer” is an interactive process of transferring patient-specific information from one caregiver to another or from one team of caregivers to another for the purpose of ensuring the continuity and safety of the patient’s care.

  - Through review of information collected internally and routine chart review performed, PSMC identified opportunity for improvement on the process of “handoff communication.”

- Input from medical staff, informatics, nursing, registration, and quality improvement was reviewed.
- PSMC organized an effort to work interdepartmentally in order to establish the best flow of information while gaining the best information through use of the EHR.
- Conducted research which identifies best practice as using an SBAR Tool for handoff communication when transferring a patient from one caregiver to another or from one team of caregivers to another.

This project will continue through 2016 as we implement a "Handoff Worksheet" to enhance continuity of care and, when appropriate, face-to-face communication.

- The Pharmacy Supply of Medication to Surgery shows that the electronic inventory kept by PYXIS is different than what is physically in the PYXIS. The potential to affect medication availability when delivering patient care makes this a high priority project. This remains an ongoing project with a consistent goal of 100% accuracy.
- The Risk Management services at PSMC have been re-structured to place appropriate emphasis on areas involving review and investigation of patient concerns, patient safety process improvement opportunities, and security reporting. In keeping with national patient standards of reporting and evaluating patient safety issues, PSMC is taking the followings steps to ensure patient safety is a high priority:
  - Examining our methods of investigating and reporting patient safety opportunities to ensure the best patient outcomes. Examples include tracking medication related events and patient falls. Data tracking shows PSMC is meeting or exceeding benchmarks based on facilities of similar size and structure.
  - PSMC reviews and reports all medication related occurrences to the Pharmacy and Therapeutics Committee.

### Conclusion

By optimizing the use and effectiveness of all its resources and personnel, PSMC has worked diligently to support our mission, vision, and values while delivering safe and effective care to our community and patients.

**Pagosa Springs Medical Center  
Financial Forecast  
Statement of Cash Flows**

	Forecast 2015	Revised Budget 2016	Forecast for FY Ending December 31,					
			2017	2018	2019	2020	2021	2022
<b>Cash Flows from operating activities</b>								
Change in net assets	1,534,081	3,332,600	2,396,066	1,602,212	2,319,139	2,029,285	2,150,053	2,058,723
Adjustments to reconcile net assets to net cash								
Depreciation and amortization	1,496,065	1,531,800	1,965,000	1,957,000	1,537,000	1,420,000	1,420,000	1,420,000
Patient accounts receivable	(646,343)	700,000	(431,000)	(346,000)	(289,000)	(203,000)	(281,000)	(274,000)
Accounts payable	160,836	220,000	(190,000)	80,000	80,000	80,000	80,000	80,000
Accrued liabilities	115,247	300,000	-	40,000	40,000	40,000	40,000	40,000
Pre-paid assets	28,059	10,000	-	-	-	-	-	-
Deferred revenues	(400,984)	(252,000)	(252,000)	(252,000)	(159,000)	(50,000)	-	-
Other receivables	1,361,239	140,000	-	-	-	-	-	-
Other								
Reserve for third party settlement	847,000	(100,000)	(200,000)	(200,000)	-	-	-	-
Inventory	(292,650)	(100,000)	(100,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Net Cash Provided by (used in) operating activities	4,202,550	5,782,400	3,188,066	2,806,212	3,453,139	3,241,285	3,334,053	3,249,723
<b>Cash Flows from investing activities</b>								
Purchase of property and equipment	(548,008)	(600,000)	(600,000)	(600,000)	(800,000)	(900,000)	(1,000,000)	(1,000,000)
EMR in Progress	(26,916)							
Construction in progress	(600,000)	(10,400,000)	(1,983,165)	-	-	-	-	-
Proceeds from sale of equipment								
Net Cash Provided by (used in) investing activities	(1,174,924)	(11,000,000)	(2,583,165)	(600,000)	(800,000)	(900,000)	(1,000,000)	(1,000,000)
<b>Cash Flows from financing activities</b>								
Principal payments on long-term debt	(670,554)	(937,089)	(273,297)	(1,130,503)	(604,200)	(628,400)	(658,400)	(689,000)
Proceeds from debt	-	9,416,000						
Change in leases payable	197,341	218,485	(547,168)	(69,294)	111,500	61,500	50,000	-
Net Cash Provided by (used in) financing activities	(473,213)	8,697,396	(820,465)	(1,199,797)	(492,700)	(566,900)	(608,400)	(689,000)
<b>Net Increase in Cash</b>	2,554,413	3,479,796	(215,564)	1,006,414	2,160,439	1,774,385	1,725,653	1,560,723
<b>Cash Beginning of Year</b>	1,457,771	4,012,184	7,491,980	7,276,417	8,282,831	10,443,270	12,217,655	13,943,308
<b>Cash End of Year</b>	4,012,184	7,491,980	7,276,417	8,282,831	10,443,270	12,217,655	13,943,308	15,504,031

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UPPER SAN JUAN  
HOSPITAL DISTRICT  
SERVICE PLAN

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SERVICE PLAN FOR  
UPPER SAN JUAN HOSPITAL DISTRICT

I.

INTRODUCTION

This Service Plan has been prepared for submission to the Board of County Commissioners of Archuleta County, the Board of County Commissioners of Hinsdale County and the Board of County Commissioners of Mineral County, pursuant to part 2 of article 1 of title 32, Colorado Revised Statutes 1973, as amended, concerning formation of a special district. The Petitioners seek to establish a hospital district having boundaries which include all of Archuleta County and that portion of Mineral County lying west and south of the Continental Divide and that portion of Hinsdale County lying south of the Continental Divide. Toward this end, we have prepared this Service Plan, which describes the proposed district, its services and facilities, and summarizes facts tending to establish both the need for and the financial feasibility of the proposed district.

II.

PROPOSED DISTRICT

→ The Dr. Mary Fisher Medical Center, an existing 2400 square foot outpatient medical clinic, in Pagosa Springs, Colorado, serves the population of Archuleta County and those portions of Hinsdale and

Mineral Counties which are west of the Continental Divide (approximately the lower one-third of Hinsdale and the lower one-fourth of Mineral County). Services are also provided by the clinic to a large number of vacationers and recreationists who are attracted to the area each year. The Dr. Mary Fisher clinic is the only medical facility of any kind within the proposed district. The closest alternative for medical care is located 60 miles away in Durango, Colorado (La Plata County).

Because the present clinic facility is operating at capacity and is unable to meet fully the current medical needs of the area, the Center Board has determined that it is necessary to expand and modernize the medical clinic. They have also recognized the critical need for long term medical planning in the region in order to provide essential medical services to the rapidly expanding population.

The decision to construct a larger clinic designed to meet criteria for licensing by the State of Colorado as a Community Clinic Emergency Center was reached after consultation with architects, builders, representatives of regulatory and planning agencies, and independent consultants. Renovation and expansion of the existing clinic would be costly and would fail to correct deficiencies in the present structure. The deficiencies include its location on a 100-year flood plain, as well as inadequate plumbing, substandard electrical, inadequate ventilation and heating, inadequate space for emergency care (especially trauma

and cardiac emergencies), inadequate space for minor surgery,  
laboratory, administration and storage. Furthermore, the clinic  
is located on a site that is too small to allow long term planning  
for anticipated future expansion of facilities as the population  
in the area continues to increase.

At the present time, neither the Town of Pagosa Springs, nor  
Archuleta County, nor any other existing political subdivision is  
contemplating plans for meeting the need for an emergency medical  
center in the subject region. Representatives of the Board of  
Trustees of the Town of Pagosa Springs and the Board of County  
Commissioners of Archuleta County serve on the Dr. Mary Fisher  
Medical Center Board. Both have communicated with their  
respective Boards and received endorsement for the proposed  
hospital district. R\*

Also at the present time, there are no known plans for private  
development of a medical center in the region.

The site for construction has not yet been determined, but will be  
selected by the Board of Directors with the advice of a Citizens  
Committee after consideration of accessibility for the majority of  
residents in the District, the cost, the adequacy for possible  
future expansion, and the desires of the residents of the  
District.

While the community need for a new medical facility is great, the financing of a replacement facility on acceptable terms is beyond the capacity of the Dr. Mary Fisher Medical Center Board of Directors to negotiate. Therefore, the petitioners propose that a Hospital District be formed pursuant to part 2 of article 5 of title 32, Colorado Revised Statutes 1973, as amended, to assume the assets of the Dr. Mary Fisher Medical Center, Inc. and to finance the replacement Community Clinic Emergency Center as a public project.

### III.

#### PRESENT FACILITY AND ORGANIZATION

The Dr. Mary Fisher Medical Center is incorporated under the laws of Colorado as a non-profit corporation. The clinic is governed by a Board of Directors composed of nine members elected from the community. Seven members are elected for two-year terms by the share holders of the corporation at their annual meeting. The remaining two members are appointed for one-year terms. One member is appointed from the Board of Trustees of the Town of Pagosa Springs and the other member is a County Commissioner of Archuleta County. It is anticipated the existing Medical Center Board of Directors, less the appointed Town Trustee and County Commissioner, will stand for election for the proposed District's Board of Directors.

The present facility was constructed in 1960 with community donations. The clinic was designed as a two-physician office with four examination rooms, a small laboratory, a bathroom, a patient waiting room and a room used for X-Ray, storage and as emergency receiving room for patients transported by ambulance.

The current staff is composed of one physician, one physician's associate, one registered nurse, one medical technologist, one receptionist and one bookkeeper. Space and facilities are so limited that it is difficult to efficiently provide medical care, especially for emergency patients requiring stabilization and ambulance transport. Moreover, staff cannot be increased without expansion of facilities.

#### IV.

#### PROPOSED DISTRICT BOUNDARIES

It is proposed that the boundaries of the district include the area presently served. The boundaries would include all of Archuleta County and that portion of Mineral County lying west and south of the Continental Divide and that portion of Hinsdale County lying south of the Continental Divide. A map and legal description of the proposed District is attached hereto as Exhibit A.

## V.

## ESTIMATE OF POPULATION AND ASSESSED VALUATION

A special census done June 14, 1977, indicated that the population of Archuleta County was 3,594. The Upper San Juan Planning Commission estimates the County's population at over 4,200 with 85% of that population living within a ten-mile radius of Pagosa Springs. The estimated populations for those portions of Mineral and Hinsdale Counties lying within the proposed District are 10 and 35 persons, respectively. The estimated total population of the proposed District is 4,245.

The Archuleta County Planner's office projects population growth for the County as follows:

Archuleta County

<u>Year</u>	<u>Projected Population</u>
1980	4,235 (current estimate)
1885	5,618
1990	7,007
1995	8,243
2000	9,500

These projections average 6 percent population growth per year and

it is reasonable to assume the proposed District will grow at a similar rate. The total assessed valuation of Archuleta County in 1980 was \$30,229,890. The assessed valuation for the included portion of Mineral County is \$279,640 and for the included portion of Hinsdale County is \$405,400. The total assessed valuation for the proposed District is \$30,914,930.

The assessed valuation for Archuleta County has grown approximately 6 percent the last three years. Given this and the same projected population growth rate, it is reasonable to project valuation for the proposed District at the same 6 percent annual growth rate. Exhibit B presents this projection.

The Pagosa Springs area has grown rapidly in the past few years and is expected to continue. Residential developments around Pagosa Springs such as Eaton's Pagosa in Colorado, San Juan Resorts, Aspen Springs, etc. are rapidly bringing in new year-round residents to the community. Eaton's Pagosa in Colorado now has over 700 residents in their development alone. In addition, the area attracts a large number of vacationers and recreationists who utilize the medical facilities. The number of transient patients is expected to increase significantly with the planned expansion of Wolf Creek Ski Area beginning in 1980 and the proposed East Fork Ski/Recreation development which is currently in the Colorado Review Process.

VI.

DESCRIPTION OF FACILITIES TO BE CONSTRUCTED

STANDARDS OF CONSTRUCTION

It is contemplated that a Community Clinic Emergency Center, conforming to all standards and criteria established by the Colorado Department of Health for licensing and certification, will be constructed to replace the present facility. Preliminary plans call for two holding beds, eight examination rooms, a birthing room, a procedure room for protoscopy and casting, a trauma receiving room with two trauma tables and surgical lights, facilities and equipment for laboratory, X-Ray and physical therapy, and adequate facilities for administrative and staff personnel, as well as storage. Offices suitable for counseling and family therapy to be utilized by two full time Mental Health ← counselors are planned. The facility will be a single ground floor structure with an ambulance bay for two vehicles connected.

The detailed design plans have not been culminated, but would follow and be finalized under the direction of the Board and an advisory citizens committee of the newly formed Hospital District. (Exhibit C is a sketch plan of the Proposed Facility.) All construction shall conform to high standards and requirements of the architectural and engineering professions and the construction business applicable at the time of construction for medical/emergency room facilities. The building will be required to meet Uniform Building Code requirements and State of Colorado regulations for Community Clinic Emergency Centers.

Over the next five to ten years it is expected that acute care hospital beds and/or nursing home extended-care facility beds will be needed. The Emergency Center structural plans are laid out so that these expansions may be easily added to the facility.

It is anticipated that construction of the Emergency Center would begin during the summer of 1981 with an estimated opening in January, 1982.

#### VII.

##### PRELIMINARY ARCHITECTURAL OR ENGINEERING SURVEY

The construction site has not yet been determined. An advisory citizens committee is currently researching possible sites in Pagosa Springs (El Centro area) and surrounding Pagosa Springs. Site selection and plans for the proposed facility will be made and commissioned by the Hospital District Board of Directors with input from the citizens advisory committee after formation of the District has been approved by the voters.

The site would require a minimum of 10 acres with adequate access from U. S. Highway 160. Current real estate prices for such a site are estimated to be \$200,000 to \$250,000. However, it is anticipated land would either be donated or swapped with the existing Medical Center site, thus reducing land costs.

## VIII.

## COST ESTIMATE AND SOURCES OF FUNDS

The estimated cost of the project is approximately \$600,000. This amount includes the following:

## Construction:

Medical Building (5,290 sq. ft.).....	\$ 271,000
Ambulance Garage (960 sq. ft.).....	35,000
Land.....	190,000
Site Preparation.....	10,500
Architectural Fees.....	38,500
Legal Fees.....	4,000
Bond Issue Costs.....	-0-
Capitalized Interest.....	51,000
	<hr/>
Total.....	\$ 600,000

It is contemplated that the cost will be financed from proceeds of a bond issue (either general obligation bonds, revenue bonds, or both) in combination with funds from HEW grants, Farmers Home Administration Loans, Community donations, and the sale of the existing medical facility.

The Medical Center has previously applied for a \$105,000 grant

from HEW. Although a favorable response was received, the Medical Center was informed that due to budget cutbacks no grant money was available at the present time.

A preapplication for a Farmers Home Administration Loan has been submitted. The FMHA has indicated that the proposed new facility is eligible for a Farmers Home Loan and will be given priority. A community donation drive is being planned, but the results of this and the sale of the existing facility are thought to be uncertain at this time. Should the grant and low interest rate loan funds not become available the planned project could be financed by one or more bond issues.

The proposed District's General Obligation bonds would require approval by a majority of the voters in the District at a special bond election held after formation of the District. The estimated debt service over twenty years for a General Obligation Bond issue in the amount of \$600,000 is detailed in Exhibit B. This estimated annual debt service of \$64,660 would require an additional mill levy of 2.10 on the taxable property in the proposed District based on the current assessed valuation of \$30,914,930. As growth continues in the District this mill levy would proportionately decline.

#### IX.

#### FINANCIAL SURVEY

The current Medical Center operates as a non-profit corporation

and charges fees for services rendered sufficient to cover operating expenses except the physician's salary. This major operating expense is paid by the U.S. Public Health Service under their Public Health Care Program. The Medical Center's 1980 and projected 1981 Budget are presented in Table 1 below:

Table No. 1  
 Dr. Mary Fisher Medical Center  
Estimated Income and Expenses

	<u>1980</u> <u>Budget</u>	<u>1981</u> <u>Projections</u>
<u>Operating Revenue</u>		
Patient Services	\$ 66,912	
Lab	15,468	
X-Ray	8,136	
General Services and Miscellaneous	14,544	
Immunizations	7,108	
Supplies	8,576	
	<hr/>	
Total	\$120,744	\$144,892*
<u>Other Revenue</u>		
Physician's Salary (PHS)	\$ 36,400	\$ 36,400
	<hr/>	<hr/>
<u>Total Revenue</u>	<u>\$157,144</u>	<u>\$181,292</u>
 <u>Operating Expenses</u>		
Physician's Asst. Salary	\$ 19,800	
Staff Salaries	47,084	
Housekeeping	2,400	
Medical Supplies & Drugs	47,062	
Administrative Supplies	3,726	
X-Ray & Lab Supplies	3,006	
Purchased Lab	2,530	
Utilities & Telephone	4,056	
Computer Services	13,440	
Insurance	4,000	
Other Expenses	8,660	
	<hr/>	
Total	\$155,764	\$169,782
<u>Other Expenses</u>		
Physician's Salary	\$ 36,400	\$ 36,400
Estimated Bad Debt	12,000	13,200
	<hr/>	<hr/>
<u>Total Expenses</u>	<u>\$204,164</u>	<u>\$219,382</u>

\*Revenue projection assumes 20% increase in charges already approved, plus additional revenue for slow month adjustments and increased volume due to new physician and assistant.

This budget forms the basis of the operating and maintenance expenses and patient services revenues portions of the Projected Flow of Funds Table found in Exhibit B.

### Tax Revenues

Once the proposed District is formed it will have authority to request the County Commissioners to levy up to a maximum of two mills for operation and maintenance of the District. Given the District's estimated total assessed valuation of \$30,914,930, this two mill levy would generate approximately \$61,830 revenue. As the District becomes more financially stable, it is likely that the Public Health Service will withdraw their physician salary support. However, as growth occurs in the District the mill levy will proportionately decrease.

In the event the maximum two mills would be levied for operation and maintenance expenses and a bond mill levy of 2.10 would be required for the \$600,000 bond issue, the total mill levy for the District would be 4.10.

### Revenues from Patient Services

Revenues from services to patients are based on historical revenues per patient visits and number of annual visits. As noted

in Table No. 1, increased rates have been instituted to generate revenues sufficient to meet expenses.

#### Operating Expenses

Salaries and wages for the proposed facility were estimated based on a staffing pattern established by the existing facility. It is anticipated that the new facility initially will not require any additional staff. If patients are held after hours, then a part-time nurse will be called in to monitor and care for the patient. Wages are expected to increase at five percent per year. Fringe benefits were included at approximately 6.5 percent of the projected annual wage and salary expense based on the clinic's experience.

#### Existing Debt

The Dr. Mary Fisher Medical Center currently has no long-term or short-term debts.

#### Projected Flow of Funds - Financial Feasibility

Exhibit B details a projection of services and expenses for the proposed District. It uses an assessed valuation growth rate of 6 percent for tax revenues and operation costs' and patient services revenues' inflation factor of 10%. Surplus (Deficit) column of the table demonstrates the financial feasibility of the District.

Further, an opinion letter attesting to the financial viability of the District is presented.

#### Maximum Interest Rates and Discount

The proposed maximum interest rate at which the proposed District may issue bonds is 15% for general obligation bonds and 17% for revenue bonds, and the proposed maximum discount at which such bonds may be sold is 10%.

#### X.

#### FUTURE DEVELOPMENT

It is anticipated that the area included in the proposed Hospital District will continue to experience residential and commercial growth. Particularly noteworthy on the five-year planning horizon are the expansion of the existing Wolf Creek Ski Area and the planned development of the East Fork Ski Area.

As this growth continues to occur in the area, the proposed District will experience the need to expand beyond the currently planned Emergency Clinic. As noted above, the facility plans are being drawn to accommodate additions as needed. Moreover, it is likely, if the ski area developments do occur, that a larger hospital/medical facility would be required in the District. It is the intent of the Dr. Mary Fisher Medical Center Directors who plan to stand for election to the proposed District's Board of

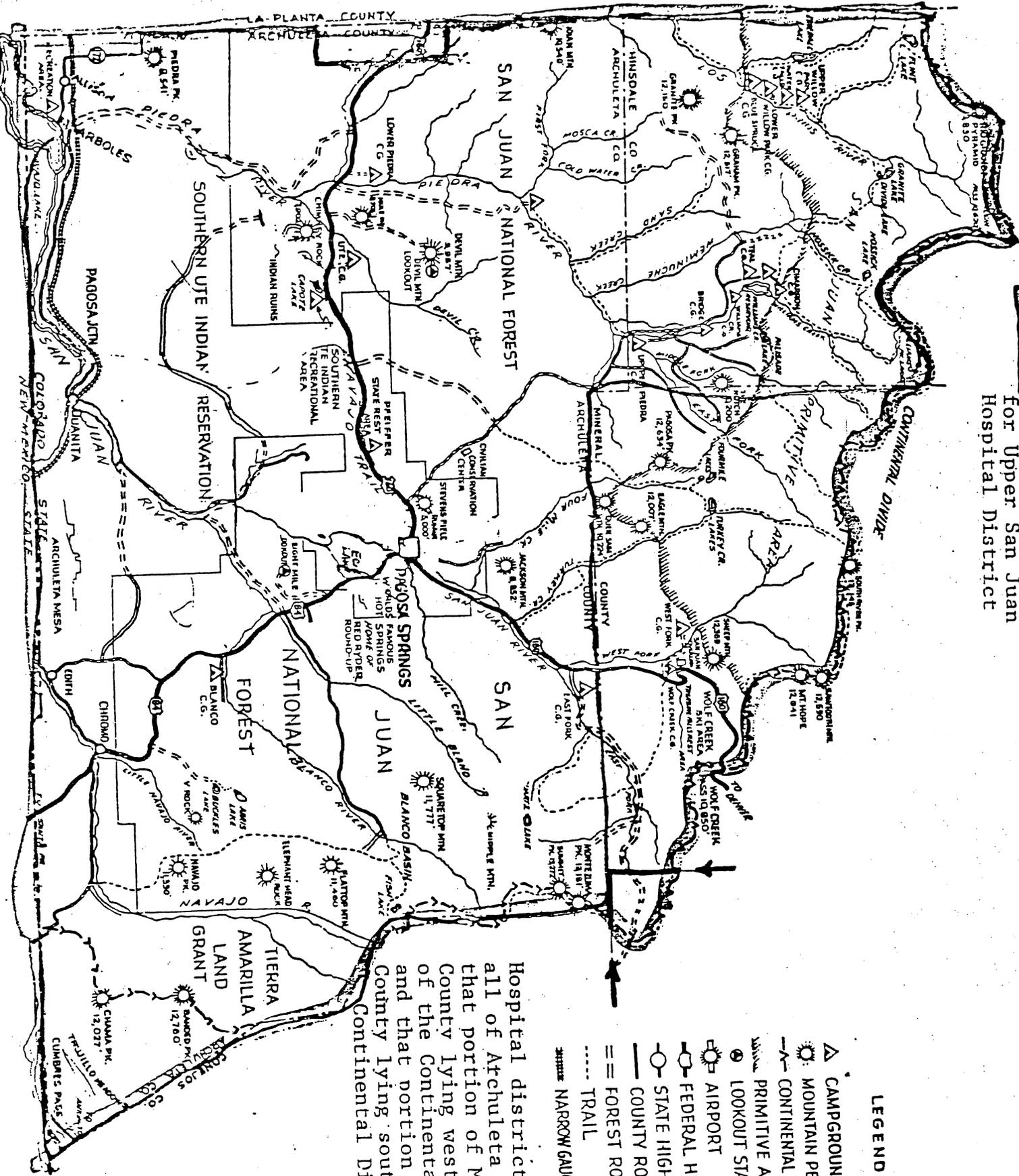
Directors, to pursue a formal comprehensive planning process, including use of health care planning and financial consultants after formation of the District.

Dated July, 1980

EXHIBIT A

MAP OF PROPOSED DISTRICT

Proposed boundaries  
for Upper San Juan  
Hospital District



LEGEND

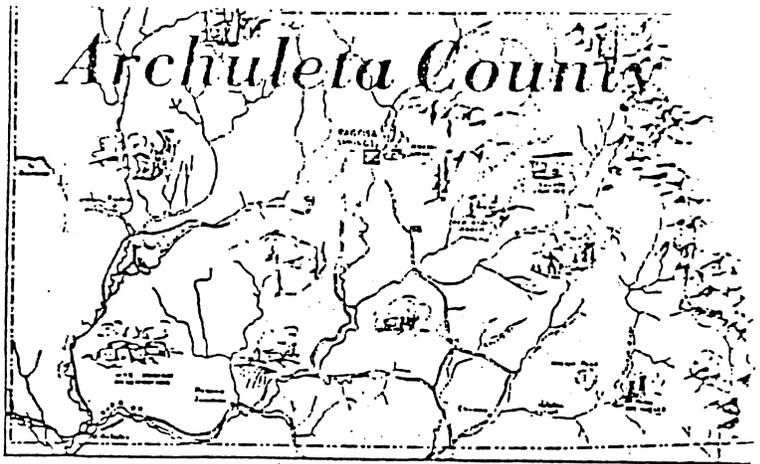
- ▲ CAMPGROUNDS
- ⊙ MOUNTAIN PEAKS
- A- CONTINENTAL DIVIDE
- ▭ PRIMITIVE AREA
- ⊙ LOOKOUT STATION
- ⊙ AIRPORT
- ⊖ FEDERAL HIGHWAY
- STATE HIGHWAY
- COUNTY ROADS
- ≡≡≡ FOREST ROADS
- ⋯ TRAIL
- ⚡ NARROW GAUGE RAILWAY

Hospital district includes all of Archuleta County and that portion of Mineral County lying west and south of the Continental Divide and that portion of Hinsdale County lying south of the Continental Divide.

# OFFICE OF THE ASSESSOR

(303) 264-5656 • P. O. Box 62

Pagosa Springs, Colorado 81147



2 July 1980

Dr. J. A. Swedberg  
Dr. Mary Gisher Medical Clinic  
Pagosa Springs, Colorado 81147

Dear Dr. Swedberg,

Following is a written description of the proposed Upper San Juan Hospital District:

Beginning on the southern boundary of the state of Colorado at the intersection of said state line and the eastern boundary line of Tierra Amarilla Grant, which is thirty-seven and eleven one-hundredths chains west on said state line from the range line between ranges four and five east of the New Mexico Principal meridian, thence in a northwesterly direction following said east boundary line of said Tierra Amarilla Grant, thence in the same direction until said line intersects with the range line between ranges two and three east of the New Mexico principal meridian, thence following said range line to the North boundary line of the county of Conejos, thence west to the southeast corner of Mineral County, thence north to intersection of eastern boundary of Mineral County and the Continental Divide of the San Juan Mountains, thence along said Continental Divide through Mineral and Hinsdale Counties to point of intersection with western boundary of Hinsdale county, thence south along western boundaries of Hinsdale and Archuleta Counties to the state line and thence east along the said southern boundary line of the state of Colorado to the place of beginning. (Comprising all of Archuleta County and portions of Mineral and Hinsdale Counties which lie southerly of the Continental Divide.)

Respectfully submitted,

Genevieve Phelps  
Assessor

GP/naf

**EXHIBIT B**

**PROJECTED FLOW OF FUNDS**

**FINANCIAL FEASIBILITY**

UPPER SAN JUAN HOSPITAL DISTRICT  
 ANCHOLETA, HINSDALE AND MINERAL COUNTIES, COLORADO  
 PROJECTED FLOW OF FUNDS

Year	Assessed Valuation (1)	Mill Levy	Tax Revenue	Patient Charges (2)	Revenue Bond Proceeds	Interest Income	Total Revenues	Operation Maintenance (2)	Bond Retirement	Expenditures Interest Expense	Capital Improvements	Total Expenditures	Surplus/ (Deficit) Carryover (3)
1981	\$ 30,914,930				\$ 600,000 (5)	\$ 40,000	\$ 821,292	\$ 219,382	\$ -	\$ 51,000	\$ 549,000	\$ 819,382	\$ 1,910
1982	32,769,826	4.10	134,356	181,292 (4)			333,777	241,320	15,000	51,000		330,170	28,167
1983	34,736,015	4.10	142,418	199,421			325,381	265,452	15,000	49,723		355,417	23,571
1984	36,820,176	4.10	150,963	201,259			352,222	291,997	15,000	49,125		388,321	20,346
1985	39,029,387	4.10	160,020	221,385			381,404	321,196	20,000	45,125		418,790	13,429
1986	41,371,150	4.10	169,622	243,523			413,145	353,315	20,000	45,475		452,422	7,784
1987	43,534,419	4.10	178,451	272,721			451,212	398,512	20,000	42,075		489,587	6,574
1988	46,484,624	4.10	190,587	299,993			490,380	470,263	25,000	40,375		535,683	7,567
1989	49,273,701	4.10	202,022	329,992			532,114	517,289	25,000	38,250		580,539	2,494
1990	52,430,124	4.10	214,144	364,991			579,135	545,000	30,000	36,125		611,125	1,869
1991	55,000,000	4.10	225,500	385,000			610,500	545,000	30,000	33,575		608,575	3,794
1992	57,000,000	4.10	235,000	385,000			620,000	545,000	35,000	31,025		611,025	3,269
1993	59,000,000	4.10	245,000	385,000			630,000	545,000	35,000	28,050		608,050	5,719
1994	61,000,000	4.10	255,000	385,000			640,000	545,000	40,000	25,075		610,075	6,244
1995	63,000,000	4.10	265,000	385,000			650,000	545,000	45,000	21,675		611,675	7,263
1996	65,000,000	4.10	275,000	385,000			660,000	545,000	45,000	17,850		607,850	8,093
1997	67,000,000	4.10	285,000	385,000			670,000	545,000	50,000	14,025		609,775	9,019
1998	69,000,000	4.10	295,000	385,000			680,000	545,000	55,000	9,775		610,100	9,819
1999	71,000,000	4.10	305,000	385,000			690,000	545,000	60,000	5,100		610,100	10,219
2000	73,000,000	4.10	315,000	385,000			700,000	545,000					

(1) Projected to grow through 1990 at 6% per year.

(2) Projected to grow at 10% per year through 1990.

(3) Balance carried over from one year to next; represents accumulated balance.

(4) Includes \$36,400 annual grant from U.S. Public Health Service for physician's salary expenses through 1983.

(5) Includes \$51,000 bond proceeds for capitalized interest in the first year.



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# Boettcher & Company

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American Stock Exchange Inc  
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Chicago Board Options Exchange Inc

July 30, 1980

Boards of County Commissioners  
Archuleta, Hinsdale &  
Mineral Counties, Colorado

Re: Upper San Juan Hospital District

Gentlemen:

We have examined the Service Plan for Upper San Juan Hospital District. In our opinion, the projected revenues to be derived from ad valorem taxes based on the projected assessed valuations and from patient fees and other charges are reasonable and compare favorably with the projected revenues of other such districts in the State of Colorado. It is also our opinion that based on such revenues, the proposed district will have the ability to discharge its proposed bonded indebtedness as set forth in said Service Plan.

Yours very truly,

BOETTCHER & COMPANY

Stephen B. Clark  
Special Partner

EXHIBIT C

SKETCH PLAN OF PROPOSED

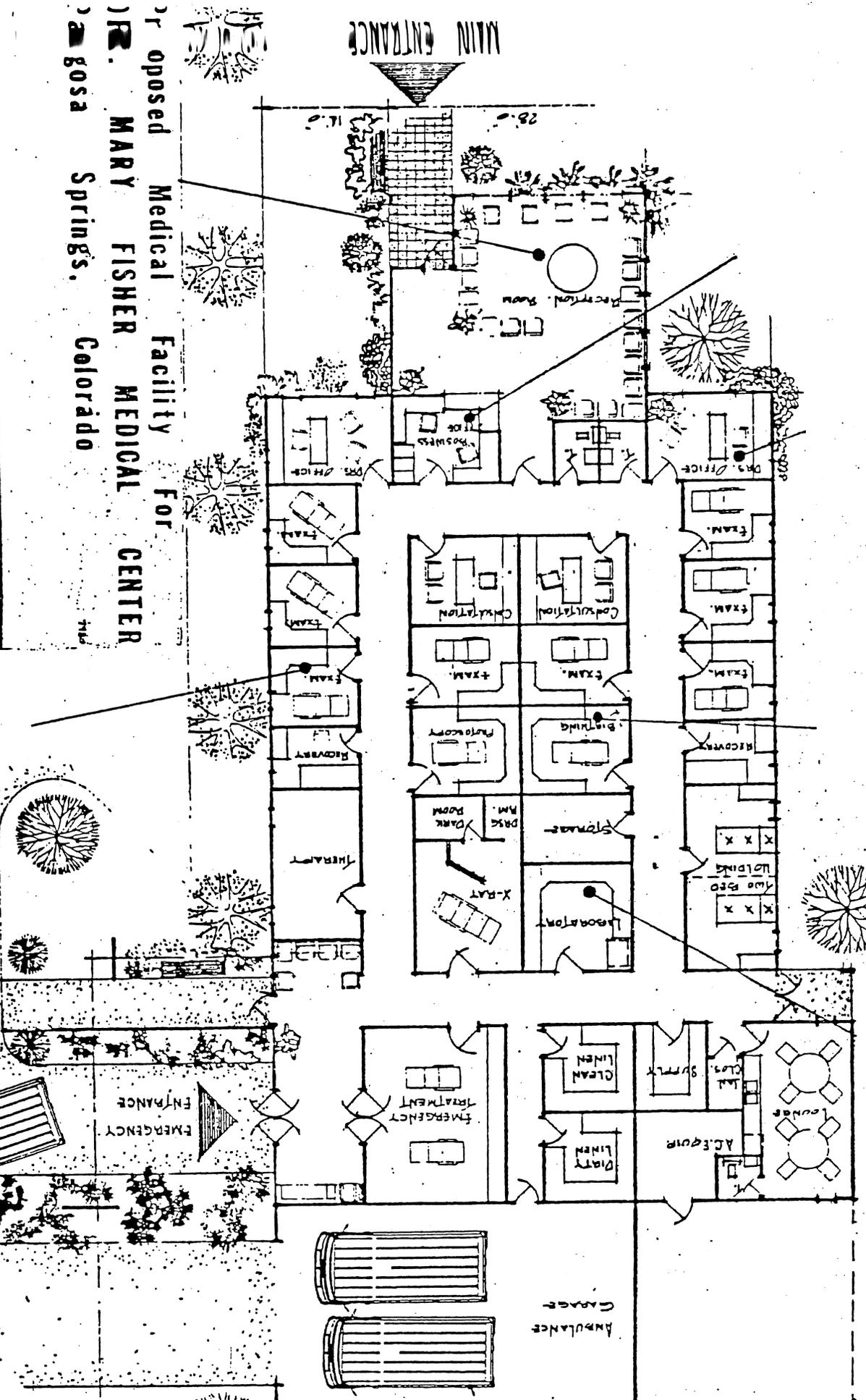
EMERGENCY CLINIC

**R.O. NELSON & ASSOCIATES**  
 ARCHITECTS  
 ENGINEERS

P.O. BOX 311  
 3237 E. MEADOWBROOK  
 (303)  
 (603)

PILOSA SPRINGS CO. 81147  
 PHOENIX ARIZONA 85018  
 264-5464  
 954-1590

Proposed Medical Facility For  
**MARY FISHER MEDICAL CENTER**  
 Pilosa Springs, Colorado



## Certification

I, Brad Cochennet, hereby certify under the penalty of perjury that I am the CEO of the Pagosa Springs Medical Center, Upper San Juan Health Service District and all of the following are true and correct statements:

1. Since the approval of the Service Plan or last amendment thereto, there has not been a change of basic or essential nature; and
2. Since the approval of the Service Plan or last amendment thereto, there has not been any addition to the types of services provided by the special district; and
3. Since the approval of the Service Plan or last amendment thereto, there has not been a decrease in the level of services; and
4. Since the approval of the Service plan or last amendment thereto, there has not been a decrease in the financial ability of the district to discharge the existing or proposed indebtedness; and
5. Since the approval of the Service plan or last amendment thereto, there has not been a decrease in the existing or projected need for organized service in the area.

Dated this 10<sup>th</sup> day of May, 2016.

Upper San Juan Health Service District, d.b.a. Pagosa Springs Medical Center

By: *Bradley A. Cochennet*

Its: *CEO*

State of Colorado    }  
                                  } s.s.  
County of Archuleta }

Subscribed and sworn to before me this 10<sup>th</sup> day of May, 2016,  
by Bradley A Cochennet.



*Amanda Gallegos*  
Signature of Notary Public

07/31/2017

Commission Expiration Date of Notary Public



Archuleta County  
Development Services—Planning Department  
1122 HWY 84  
P. O. Box 1507  
Pagosa Springs, Colorado 81147  
970-264-1390  
Fax 970-264-3338

## MEMORANDUM

TO: Archuleta County Board of County Commissioners

FROM: John C. Shepard, AICP; Planning Manager

DATE: May 17, 2016

RE: Request to Open & Continue Public Hearing for Two Rivers Gravel Pit Major Sand & Gravel Permit, located at 12500 County Road 500.

---

### EXECUTIVE SUMMARY

C&J Gravel Products, Inc, of Durango, Colorado, represented by Nathan Barton, Wasteline, Inc., have applied for a Major Sand & Gravel Permit for the proposed Two Rivers Pit, to be located on property owned by the James A. Constant Jr Revocable Trust and Leila B. Constant Revocable Trust; NW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$  and NE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 10 and N $\frac{1}{2}$ SW $\frac{1}{4}$  and S $\frac{1}{2}$ NW $\frac{1}{4}$  Section 11, T33N R2W NMPM at 12500 County Road 500, Pagosa Springs, CO. C&J Gravel proposes to construct and operate a sand and gravel mining and processing facility on approximately 62.6 acres of the 100 acres of the property east of the San Juan River, in accordance with Colorado Division of Reclamation Permit M-2015-004.

On March 1, 2016, the Board of County Commissioners continued the noticed public hearing to their regular meeting on May 17, 2016. **Applicants have now requested that the hearing be continued once more for sufficient time to review updated information.**

### REVIEW PROCEDURE

The *Archuleta County Land Use Regulations* Section 9.1.7 outlines submittal requirements for Sand, Soil, and Gravel Mining Operations. A Major Sand & Gravel Permit is processed according to the Conditional Use Permit procedures.

Revised notice of this hearing was published as a courtesy in the *Pagosa Springs Sun*, and mailed to neighboring property owners within 500' of the underlying parcel.

### DISCUSSION

Applicant's Representative met with County Development Services staff on 7/21/2015 for a Pre-Application meeting, as required by the *Archuleta County Land Use Regulations*, and an informal checklist was provided for a Sand & Gravel Permit. A Land Use Permit application was submitted on 12/17/2015, and completed on 12/24/2015. A Preliminary Traffic Impact Study

and revised narrative was submitted on 1/29/2016 (received 2/1/2016). Additional information was requested in response to concerns highlighted by public comments.

On 2/10/2016 the Planning Commission voted to continue their public hearing to April 27, 2016. At that meeting, the Planning Commission approved the Applicants' request for a further continuance to Wed. June 8, 2016. The Planning Commission will make a recommendation on the application at that time.

#### RECOMMENDATION AND FINDINGS

The first continuance was granted at the request of staff. Applicants have requested a second continuance to allow staff and the public enough time to review updated application materials demonstrating mitigation of impacts of the proposal. Applicants have submitted the required fee for the request. Given the high level of public interest to date, staff has scheduled a larger meeting room for the public hearing.

#### PROPOSED MOTION

**I move to continue this public hearing of the Two Rivers Pit Major Sand & Gravel Permit, to a Special Meeting on Tues. June 28, 2016, for 1:30 pm at the CSU Extension Building, 344 US Highway 84, Pagosa Springs.**

#### ATTACHMENTS.

Attachment 1: Area Map

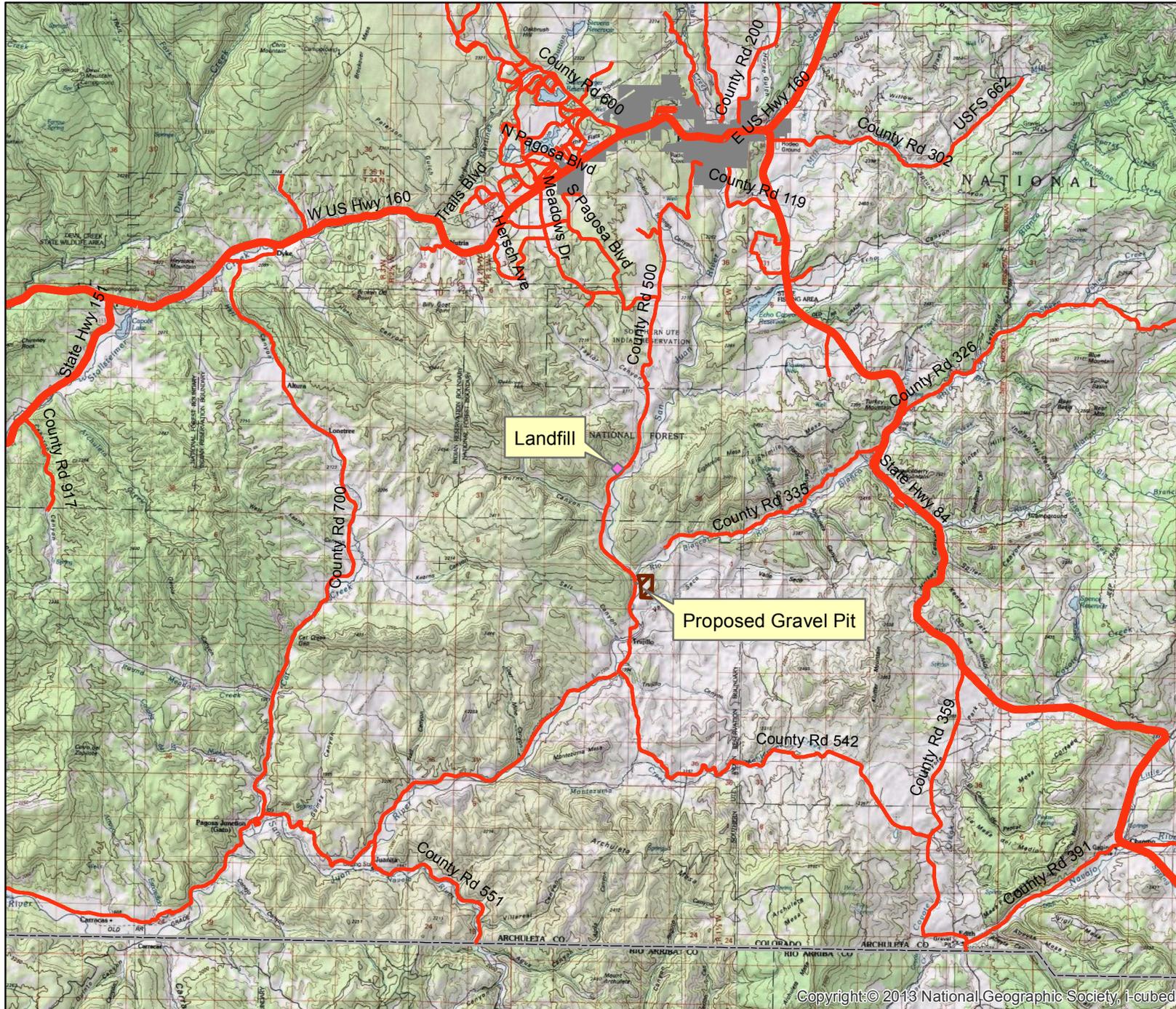


# Location Map

Two Rivers Pit  
Major Sand & Gravel  
Permit  
2015-035SG

### Legend

- Highway
- Primary Road
- Landfill
- Gravel Pit Area



1 0.5 0 1 Miles



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This map has been produced using various geospatial data sources. The information displayed is intended for general planning purposes and the original data will routinely be updated. No warranty is made by Archuleta County as to the accuracy, reliability or completeness of this information. Consult actual legal documentation and/or the original data source for accurate descriptions of locations displayed herein.

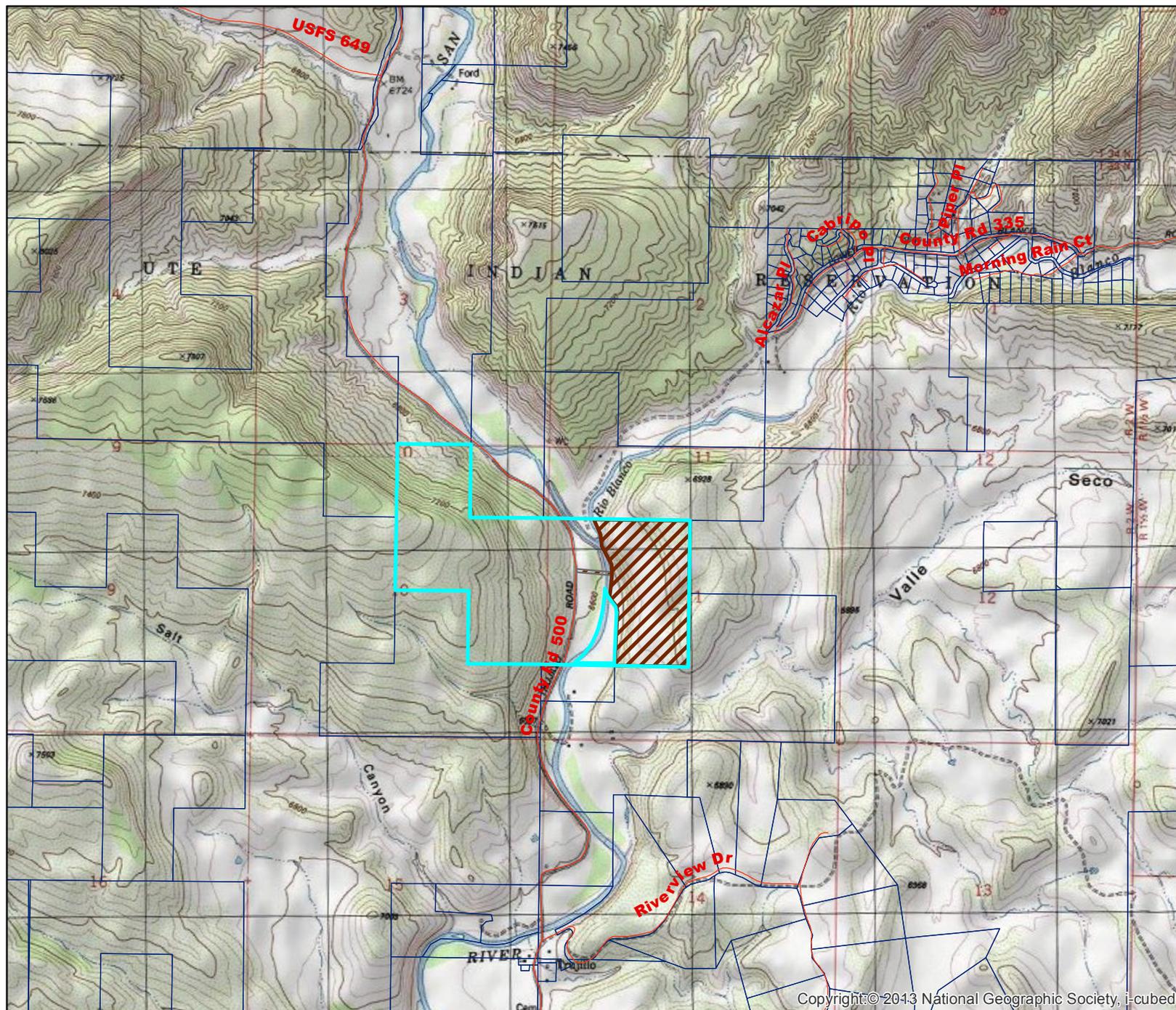


# Site Map

Two Rivers Pit  
Major Sand & Gravel  
Permit  
2015-035SG

## Legend

- Roads
- Parcels
- Project Location
- Gravel Pit Area



1,000500 0 1,000 Feet



Copyright © 2013 National Geographic Society, i-cubed

This map has been produced using various geospatial data sources. The information displayed is intended for general planning purposes and the original data will routinely be updated. No warranty is made by Archuleta County as to the accuracy, reliability or completeness of this information. Consult actual legal documentation and/or the original data source for accurate descriptions of locations displayed herein.

**ARCHULETA COUNTY PROCEEDINGS  
BOARD OF COUNTY COMMISSIONERS**

The Board of County Commissioners held a Regular Meeting on May 3, 2016 noting County Commissioners Michael Whiting, Clifford Lucero and Steve Wadley, County Administrator Bentley Henderson, County Attorney Todd Starr and June Madrid County Clerk & Recorder present.

Chairman Whiting called the meeting to order at 1:30 p.m.

The meeting began with the Pledge of Allegiance and a moment of silence.

**Disclosures and/or Conflicts of Interest**

There were none.

**Approval or Adjustments to Agenda**

Chairman Whiting stated there would be an Executive Session this afternoon as stated on the Agenda. **Commissioner Wadley moved to approve the agenda. Commissioner Lucero seconded the motion and it carried unanimously.**

It was discussed and decided more information should be added to the record regarding the Executive Session to be held at the end of the meeting. Chairman Whiting stated this Executive Session would be for the following purposes: Pursuant to C.R.S. 24-6-402-(4)(b) conference with the county Attorney for purposes of receiving legal advice on specific legal questions regarding Giehl vs. Madrid, Sandoval/Fletcher vs. Board of County Commissioners and Independent Ethics Commission and C.R.S. 24-6-402(4)(a) to discuss the purchase, acquisition, lease, transfer or sale of real, personal or other property interest in regards to possible courthouse sites.

**Commissioner Lucero moved to accept the amendment to the agenda. Commissioner Wadley seconded the motion and it carried unanimously.**

**Public Comments**

Chairman Whiting stated that he was opening the floor to public comments for those wanting to comment on items not on this agenda. Comments were asked to be held to 3 minutes for each person who desired to speak. No response from the Board would be given.

- Bill Hudson of 268 Hermosa Street said there would be an item on the November ballot, Amendment 69, he believed, which he asked the Board to look at to see the impact on local government, find out if it was worthwhile or not and let the tax payers know whether its good or bad.

**Acknowledgements**

**A. Recognition of Thad McKain Archuleta County Emergency Operations Director**

Chairman Whiting recognized Thad McKain Archuleta County Emergency Operations Director for his award of Emergency Manger of the Year granted from the Colorado Emergency Management Association Conference held this past March. He received the Emergency Manager of the Year award for the Southwest All-hazards Region. Manger McKain said how grateful he was for the award but could not have been honored without his staff, Sheriff Valdez and Undersheriff Hamilton who work so hard for this department. He felt he had been successful because of staff, continuity

and hard work.

Commissioner	Comments
Commissioner Wadley briefly recognized Manager McKain.	
Commissioner Lucero briefly recognized Mr. McKain also saying he had done a huge service to our County. He spoke about his commitment to the community.	
Chairman Whiting added he too was proud of staff that we have working for the County now.	

He presented Manager McKain with a plaque in commemoration of the award.

**B. Recognition of Les Bevins, Upper San Juan Search and Rescue**

Chairman Whiting recognized Les Bevins and commended him for receiving the Volunteer of the Year award presented at the Colorado Emergency Management Association Conference this past March. He received the award for Outstanding Volunteer of the Year for the Upper San Juan Search & Rescue.

Mr. Bevins thanked the Sheriff, Undersheriff, Emergency Director McKain and Kristina. He spoke about the Upper San Juan Search and Rescue and how they had come from a group of untrained to a great group of well-trained responders and volunteers. The County now had a high angle rescue team. Wealth and wellbeing of locals, tourists and hunters is their number one priority. He had seen an increase in people being lost in the outback, and they now have more experienced help and equipment to find them. He commended Sheriff Valdez for being such a help with the rescues service. Mr. Bevins had been a volunteer for 15 years and never had the backup of the Sheriff.

Chairman Whiting presented him with a plaque in commemoration of the award.

**Reports**

**A. 2016 1<sup>st</sup> Quarter Report from the Archuleta County Department of Human Services**

Matt Dodson Archuleta County Director of the Department of Human Services presented the Board with the first quarter report from that department. He read through their Mission Statement. A copy of the reports will be attached to the minutes. He thanked his staff for all their hard work and how well they work together to get things done for our County.

He introduced Crystal Slaughter, Case Manager for the adult protection program. She talked a little about her position. She uses her resources to help seniors so they may have a comfortable home and with a safe environment.

All Board members spoke about how well the department was running and programs going so well.

**B. 2016 1<sup>st</sup> Quarter Report from the Finance Department**

Finance Director Larry Walton presented the Board with the first quarter financial report for 2016. A copy will be attached to the minutes. He spoke about positive developments on both the expenditure and revenue funds.

Commissioner Comments:

The Board concurred that these reports quarterly and helpful not only to the Board but to the public.

The Board thanked the Town in their willingness to work with sales tax since it is increasing. It was important to note that all Elected Officials not just the Finance Department were watching the funds for overages and shortages. The changes from 2009 budget position are phenomenal. It's the Board's job to be good stewards of the public's money.

Chairman Whiting recessed the Regular Meeting to convene the Board of Adjustments at 2:20 p.m.

### **Board of Adjustments**

Chairman Whiting swore in John Shepard Planning Manager for testimony.

Planning Manger Shepard presented a brief statement explaining that the three resolutions being submitted were memorializing what came out of the Board of Adjustment Hearing of April 19, 2016.

#### **A. Resolution 2016-01BOA Variance for Cody & Dawn Ross-Paving**

Planning Manager Shepard submitted a resolution for the Board's consideration. This resolution memorialized the Variance from the Archuleta County Land Use Regulations for paving on the property located at 1435 Hwy 160 for owners Cody & Dawn Ross dba Buckskin Towing & Repair. The resolution granted a Variance from Sections 27.1.7.3 and 27.1.7.4 of the Archuleta County Road & Bridge Design Standards and Section 5.4.5.4 of the Archuleta County Land Use Regulations requiring paving of the access and parking for the existing parking and access on Parcels A & B, HIS Subdivision. **Commissioner Lucero moved to approve Resolution 2016-01BOA of the Board of Adjustments approving Variance from paving from the Archuleta County Land Use Regulations for Parcels A & B of HIS Subdivision. Commissioner Wadley seconded the motion.** Chairman Whiting asked for public comment. **The motion carried unanimously.**

#### **B. Resolution 2016-02BOA Variance for Cody & Dawn Ross-Screening**

Planning Manager Shepard submitted a resolution for the Board's consideration. This resolution memorialized the Variance from the Archuleta County Land Use Regulations for screening on the property located at 1435 Hwy 160 for owners Cody & Dawn Ross dba Buckskin Towing & Repair. The resolution granted a Variance from Section 5.4.2.6 of the Archuleta County Land Use Regulations requiring Outdoor Storage to be screened from adjacent property or roads, on Parcels A & B, HIS Subdivision. **Commissioner Wadley moved to approve Resolution 2016-02BOA of the Board of Adjustments approving Variance from screening from the Archuleta County Land Use Regulations for Parcels A & B of HIS Subdivision. Commissioner seconded the motion.** Chairman Whiting asked for public comment.

- Bill Hudson of 268 Hermosa Street understood they (the Board) are just memorializing what happened in the hearing after they heard issues from the public and neighbors, but he asked the Board to explain again why they agreed to the variance from the screening. Planning Manger Shepard explained how the process worked and without going into everything that was discussed in the Hearing, the Board felt this was a fair variance to approve.

**The motion carried unanimously.**

#### **C. Resolution 2016-03BOA Variance for Cody & Dawn Ross-Landscape Buffer**

Planning Manager Shepard submitted a resolution for the Board's consideration. This resolution

memorialized the Variance from the Archuleta County Land Use Regulations for the landscape buffer on the property located at 1435 Hwy 160 for owners Cody & Dawn Ross dba Buckskin Towing Repair. The resolution granted a Variance from Section 5.4.3.2 of the Archuleta County Land Use Regulations requiring a 40” landscaped buffer for commercial development along US Highway 160 on Parcels A & B, HIS Subdivision. **Commissioner Lucero moved to approve Resolution 2016-03BOA of the Board of Adjustments approving Variance from Landscape Buffer from the Archuleta County Land Use Regulations for Parcels A & B of HIS Subdivision. Commissioner Wadley seconded the motion.** Chairman Whiting asked for public comment.

- Bill Hudson of 268 Hermosa Street wanted to ask about a deadline. There was none in the resolution; who was the official in charge of making sure these variances are achieved. Planning Manager Shepard replied that normally the answer would be easy but this was an ongoing project from years back which project had already been through three County Planners and Administrators. In general, all these things would be taken care of before they pull a permit. In this case, they had tried to help the applicants to come into line with the guidelines. As a practical matter, the applicants are clear they intend to put up a storage structure and fence and the County was working with them to make sure the process was completed as soon as possible. The applicants won’t be able to move in before that’s done. He said he was responsible in enforcing policy and procedures for Variances.
- Dianne Killen of 1186 Lake Forest Circle asked about the 6’ fence. Is there more language? She was wondering if the reason was to beautify the premises. Were there more details not being presented today. Planning Manager Shepard answered all the details were worked out during the Hearing. Today was just approving the resolutions to memorialize what happened. Ms. Killen then asked if there was a timeline. She didn’t understand the answer given when Mr. Hudson asked the question. Were there penalties for non-compliance? Planning Manger Shephard answered the deadline was actual years ago. He said this was a learning experience because it’s gone through several Planning Managers. You are typically given up to 1 year to complete your conditions. They will be keeping track of the progress.

**The motion carried unanimously.**

Chairman Whiting closed the Board of Adjustments and reconvened the Regular Meeting at 2:40 p.m.

**Consent Agenda**

A. Regular Meeting Minutes

April 19, 2016

B. Payroll & Payable Warrants and Purchase Cards for April 20, 2016 through May 3, 2016

General Fund Payable	225,663.32
Road and Bridge Fund Payable	50,200.05
Department of Human Services Fund Payable	28,326.59
All Combined Dispatch Fund Payable	11,515.97
Solid Waste Fund Payable	4,785.12
Airport Fund Payable	2,275.58
Fleet Fund Payable	100,838.29
<b>Total</b>	<b>\$ 423,604.92</b>

General Fund Payroll	142,240.10
Road and Bridge Fund Payroll	32,875.82
Department of Human Services Fund Payroll	29,988.69
All Combined Dispatch Fund Payroll	18,643.06
Solid Waste Fund Payroll	9,230.02
Airport Fund Payroll	4,073.28
Fleet Fund Payroll	8,770.18
<b>Total</b>	<b>\$ 245,821.15</b>

County Administrator Henderson read the Consent Agenda. **Commissioner Wadley moved to approve the Consent Agenda as read. Commissioner Lucero seconded the motion. The motion carried unanimously.**

**New Business**

**A. Modification No. 1 of the Cooperative Law Enforcement Annual Operating Plan between the Archuleta County Sheriff and USDA, Forest Service San Juan National Forest**

County Administrator Henderson submitted a modification to the Cooperative Law Enforcement Annual Operating Plan. The plan is between the Archuleta County Sheriff’s Office and the USDA, Forest Service San Juan National Forest and is done on an annual basis. Intent is to provide other entities assistance. This provides for reimbursement to the Sheriff’s Dept. There was a carry over and the modified agreement allows that carry-over to be moved into 2016. . **Commissioner Lucero moved to approve the Modification No. 1 of the Cooperative Law Enforcement Annual Operating Plan and Financial Plan between the Archuleta County Sheriff’s Department and the USDA Forest Service, San Juan National Forest. Commissioner Wadley seconded the motion.** Chairman Whiting asked for public comment. **The motion carried unanimously.**

**B. Resolution 2016-30 Amending Fee Schedule for Archuleta County**

County Administrator Henderson submitted a resolution to change some of the fees for the different offices. He explained there were 3 fees were being changed. As we go through the process of changing the way we are using the County Attorney, fees need to be reviewed to see how we recoup costs. The Attorney Fees in the Planning Department pass through for planning were increasing. The Clerk & Recorder’s Office was changing the fee to upload images and data for those purchasing recording data. They were going from \$300 to \$400 monthly to cover the data that was increasing. The last change was for building rentals and building usage at the Fair Grounds. **Commissioner Wadley moved to approve Resolution 2016-30 amending the Archuleta County Fee Schedule as presented. Commissioner Lucero seconded the motion.** Chairman Whiting asked for public comment. **The motion carried unanimously.**

**Public Comments**

Chairman Whiting stated that he was opening the floor to public comments for those wanting to comment on items not on this agenda. Comments were asked to be held to 3 minutes for each person desiring to speak. No response from the Board would be given.

- Michael Killen of 1186 Lake Forest Drive wanted to ask about Lake Forest Circle. He had brought this road’s bad condition to the Board a couple months ago. A road damage sign was put up by water treatment plant. He had been gone for a while and when he returned the snow was gone and now there are bigger pits and holes. He was curious as to what further action would be made on this road. County Administrator said the first rough

portion of Lake Forest Drive would be rebuilt this summer. Bids are out but not back yet. Mr. Killen asked if the County in the meantime; re-gravel. The answer was up to the Public Works Director but it was not known if money would be put into it prior to a lot of money being spent on it. Mr. Killen's concern was the public's safety and the Board agreed that was their concern also.

- Bill Hudson of 268 Hermosa Street said there is a scheduled PAGWAPA meeting coming up. He asked the Board to please make sure there was a final report to give to the public to see what they spent a half a million dollar.

### Media Questions

Bill Hudson of the *Pagosa Daily Post* said it had sounded like, at the Board's work session this morning, a discussion about the Dry Gulch project was being scheduled for 17<sup>th</sup>. Chairman Whiting said they had talked about two things: putting it on the work session and then holding a meeting on the same day. Mr. Hudson said it sounded like the Board was interested in having JR Ford's input. Is that true? Chairman Whiting said yes along with others. Mr. Hudson suggested Glenn Walsh from the Board of Directors of PAWSD as he was very knowledgeable about Dry Gulch. Chairman Whiting said they would only be talking about writing a letter to endorse moving forward with Dry Gulch, no other discussion would be held. Commissioner Lucero said the letter would much like the one already written in 2009.

### Commissioner Comments

- Commissioner Lucero appreciated celebrating staff and successes.
- Commissioner Wadley said it was important why everyone was wearing black shirts today. He commended the Sheriff's Department on doing this push against "No Texting and Driving". It's a reminder to not take your eyes from the road. He appreciated the Sheriff reminding us of that fact and the effort that went into this for the school.

### Executive Session

**Commissioner Lucero moved to go into Executive Session pursuant to C.R.S. 24-6-402(4)(b) for purposes of the Board to receive advice on specific legal questions regarding Giehl vs. Madrid, Sandoval/Fletcher vs. Board of County Commissioners and Independent Ethics Commission; and C.R.S. 24-6-402(4)(a) to discuss the purchase, acquisition, lease, transfer or sale of real, personal or other property interest in regards to possible courthouse sites. Commissioner Wadley seconded the motion and it carried unanimously.**

Chairman Whiting stated those going into Executive Session would be all three Commissioners, County Administrator Henderson and County Attorney Starr. Tonya McCann Executive Assistant would be present for the Sandoval/Fletcher case. County Clerk Madrid would be present during the portion of the session speaking to Giehl vs. Madrid. Chairman Whiting recessed the Regular Meeting to go in Executive Session at 2:55 p.m.

Chairman Whiting reconvened the Regular Meeting at 3:31 p.m. He stated that no decision was made in the Executive Session.

With no further business coming before the Board, the meeting was adjourned at 3:31 p.m.

**May 3, 2016**

Approved this 17<sup>th</sup> day of May, 2016.

\_\_\_\_\_  
June Madrid  
County Clerk & Recorder

\_\_\_\_\_  
Michael Whiting, Chairman

draft

*Archuleta County Airport – Stevens Field*  
**Assignment of Hangar Ground Lease**

RE: The Archuleta County Hangar Ground Lease for Hangar 510F between Archuleta County Airport (Lessor) and Mike Entz / Tim Gallagher (Lessee) dated May 1, 2012.

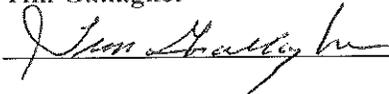
*KNOWN TO ALL BY THESE REPRESENTS:*

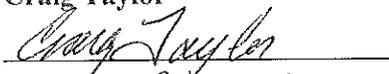
That the undersigned, Tim Gallagher (Assignor) does hereby assign, transfer and set over with full recourse to: Craig Taylor (Assignee) all the Assignor's rights, title and interest in, to and under that certain Lease for Hangar Site 510F dated May 1, 2012 between Assignor, as Lessee and Archuleta County Airport – Stevens Field as Lessor.

Assignee will pay all rents and will strictly observe and perform all other terms, covenants and conditions of the Lease.

The assignment and all representations, warranties, covenants, powers and rights herein contained shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, Tim Gallagher (Assignor) has caused these presents to be effective on 5-4-16 (date).

Assignor: Name (Print) Tim Gallagher  
Signature  Date 5-4-16

Assignee: Name Craig Taylor  
Signature  Date 5-4-16  
Mailing address 221 Blue Heron Circle Email: dogring@verizon.net  
Pagosa Springs CO 81147

Lessor: Archuleta County Airport  
Signature \_\_\_\_\_ Date \_\_\_\_\_

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that Tim Gallagher (Seller), for and in consideration of one dollar and other considerations to Seller , in hand paid at or before the ensembling or delivery of these presents by Craig Taylor (Buyer) , of the County of Archuleta, State of CO , the receipt of which is hereby acknowledged, has bargained and sold, and by these presents does grant and convey unto the said Buyer, their personal representatives, successors and assigns, the following property, good and chattels to wit:

THE ARCHULETA COUNTY AIRPORT HANGAR BUILDING AND ASSOCIATED IMPROVEMENTS ERECTED UPON THE REAL PROPERTY DESCRIBED AS Hangar 510F (the property) as is, and acknowledges that the Property is tenantable and in good condition.

TO HAVE AND TO HOLD the same unto the said Buyer, his personal representative, successors and assigns forever. The said Seller covenants and agrees to and with the Buyer, his personal representatives, successors and assigns to WARRANT AND DEFEND the sale of said property, goods and chattels against all and every person(s) whomever.

The Seller makes no warranty or representation express or implied as to the fitness, design or condition of the property, its merchantability or fitness for a particular purpose. When used herein, the singular shall include the plural, the plural the singular, and the use of any gender shall apply to all genders.

IN WITNESS WHEREOF, the Seller has executed this Bill of Sale this 6 day of May, 2016.

Tim Gallagher Seller  
Tim Gallagher, Seller

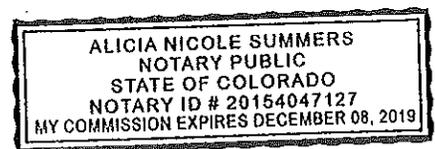
Craig Taylor  
Craig Taylor, Buyer

STATE OF COLORADO  
COUNTY OF ARCHULETA

The foregoing instrument was acknowledged before me this 6 day of May, 2016 by Tim Gallagher, Seller.

Witness my hand and Seal of Office.  
My commission expires Dec 8 2019

Alicia Nicole Summers  
Notary Public



**RETAIL LIQUOR OR 3.2 BEER  
 LICENSE RENEWAL APPLICATION**

LONE WOLF BAR & GRILL  
 PO BOX 897  
 IGNACIO CO 81137-0897

Fees Due	
Renewal Fee	\$500.00
Storage Permit \$100 x _____	_____
Optional Premise \$100 x _____	_____
Related Resort \$75 x _____	_____
<b>Amount Due/Paid</b>	

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

**PLEASE VERIFY & UPDATE ALL INFORMATION BELOW**

**RETURN TO CITY OR COUNTY LICENSING AUTHORITY BY DUE DATE**

Licensee Name SAN MARCIAL HOLDINGS LLC		DBA LONE WOLF BAR & GRILL	
Liquor License # 40378580000	License Type Tavern (county)	Sales Tax License # 40378580000	Expiration Date 7/4/2016
Due Date 5/20/2016			
Operating Manager Peter Schmidt	Date of Birth 5/18/55	Home Address 214 San Marcial Pl	
Manager Phone Number 970-553-9373	Email Address P.Schmidt268@aol.com		
Street Address 20 SUNSET TRAIL LOT 32 BLK 4 ARBOLES CO 81121			Phone Number (970) 883 2507
Mailing Address PO BOX 897 IGNACIO CO 81137-0897			

- Do you have legal possession of the premises at the street address above?  YES  NO  
 Is the premises owned or rented?  Owned  Rented\* \*If rented, expiration date of lease \_\_\_\_\_
- Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested.  YES  NO  
**NOTE TO CORPORATION, LIMITED LIABILITY COMPANY AND PARTNERSHIP APPLICANTS:** If you have added or deleted any officers, directors, managing members, general partners or persons with 10% or more interest in your business, you must complete and return immediately to your Local Licensing Authority, Form DR 8177: Corporation, Limited Liability Company or Partnership Report of Changes, along with all supporting documentation and fees.
- Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation.  YES  NO
- Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation.  YES  NO
- Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation.  YES  NO

**AFFIRMATION & CONSENT**

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

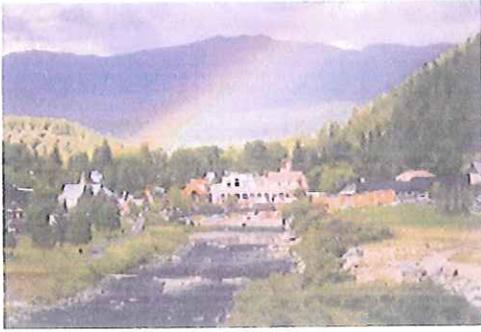
Type or Print Name of Applicant/Authorized Agent of Business Peter L. Schmidt, San Marcial Holdings LLC	Title Manager
Signature 	Date 3/20/16

**REPORT & APPROVAL OF CITY OR COUNTY LICENSING AUTHORITY**

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 12, Articles 46 and 47, C.R.S. **THEREFORE THIS APPLICATION IS APPROVED.**

Local Licensing Authority For Archuleta County	Date
Signature 	Title Chairman
Attest	





San Juan Water  
Conservancy District

P.O. Box 4632

46 Eaton Drive, Suite #5;

Pagosa Springs, CO 81147

April 18, 2016

Archuleta County Board of County Commissioners  
P.O. Box 1507  
Pagosa Springs, CO 81147

**RE: Request**

Dear Members of the Board of County Commissioners:

The Board of Directors of the San Juan Water Conservancy District (“the District”) recently concluded a three-way agreement with the Pagosa Area Water & Sanitation District (“PAWSD”) and the Colorado Water Conservation Board (“CWCB”). According to the terms of that agreement, the District has accepted the responsibility of moving the Dry Gulch Project forward to completion. PAWSD has agreed to purchase water from the Dry Gulch Project under certain conditions, and has also agreed to cooperate as needed to protect the conditional water rights for the project.

Although, the District has resources to coordinate efforts to move the Dry Gulch Project forward, it has neither staff nor resources to finance and develop a project this size. The District is authorized to seek out partnerships to participate in this project, and it is with that in mind, the District comes to the Board of County Commissioners. Informal discussions with board members of the Southwestern Water Conservation District Board of Directors (“Southwestern”) indicates they would be receptive to discussions leading to participation in the Dry Gulch Project. Therefore, the District is asking that Archuleta County sponsor and recommend to Southwestern that it consider formally joining with the District to plan and build the Dry Gulch Project.

A proposed letter incorporating the basis for this request has been attached and made a part of this letter of request.

You will note the history of Southwestern includes efforts to construct a reservoir in Archuleta County following the construction of the San Juan – Chama Diversion Project. This is a strong incentive for Southwestern to join with the District to finally see a reservoir built to serve the citizens of Archuleta County.

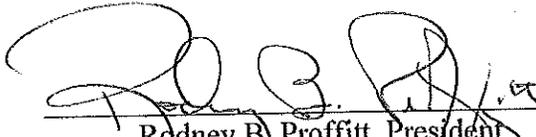
The District updated the application to the local forest service office for the San Juan National Forest not long after it became clear PAWSD would no longer provide leadership for the project. Now, things have changed again, and efforts are under way to again update the application, which will go a long way to complete acquisition of the pool basin needed for this water storage project. Southwestern is experienced in developing a reservoir, has access to resources appropriate to a project like this, and has available to it staff with a wealth of knowledge and expertise needed to assure the ultimate success of this project.

The District is also seeking to acquire the remaining parcel of privately owned land as well. The pool basin and land ownership interests are set out on the attached map. The District may have the resources to complete the transaction with the private property owner, but not the forest service property.

Thank you for your consideration and timely response to this request.

Sincerely,  
San Juan Water Conservancy District

By:

  
Rodney B. Proffitt, President

cc. Mike Church, President PAWSD  
Tim Feehan, CWCB  
JR Ford, SWCD Board Member



DRAFT

[LETTERHEAD]

April 18, 2016

Mr. John Porter, Board President  
C/O Bruce Whitehead, Executive Director  
Southwestern Water Conservation District  
841 E. Second Avenue  
Durango, CO 81301

**Re: San Juan Water Conservancy District  
Dry Gulch Reservoir Project**

Dear Mr. Porter:

The Archuleta County Board of County Commissioners ("Archuleta County") has been approached by the San Juan Water Conservancy District ("the District") to support a request to Southwestern Water Conservation District ("Southwestern") on its behalf. The request simply asks the SWCD board to consider developing a working relationship with the District to advance the Dry Gulch Project. Archuleta County had significant concerns about this project when it was planned as a 35,000 AF water reservoir, but the project has been downsized, and significant efforts have been made to make this project feasible.

Archuleta County has every confidence the District is capable of spearheading efforts to move the Dry Gulch Project forward, but the success of the project would be substantially enhanced by the participation of Southwestern. Therefore, Archuleta County has directed its representative to Southwestern's board, J.R. Ford, to present the District's request for consideration. Archuleta County recommends Southwestern do its best to find a way to structure a working relationship that lends itself to successfully developing the Dry Gulch Project.

Southwestern recently celebrated 75 years of existence, and Archuleta County wants to congratulate it on the many successes and achievements over the years. During the presentation on the history of Southwestern, John Porter noted the many attempts Southwestern made to develop a reservoir in response to the San Juan – Chama Diversion. As you know, that project takes up to 88,890 AF of water out of the San Juan Basin every year. There was no compensatory storage ever developed in the San Juan basin even though that was the informal agreement between east slope / west slope elected officials at the time. It is often said this trans-mountain diversion does not even count against Colorado's upper basin contribution to the Colorado River Compact requirements. Development of the Dry Gulch Project is finally an opportunity to right a wrong, and support water storage in Colorado.

The Dry Gulch Project is now planned as an 11,000 AF water storage facility. Since the Basin Implementation Plan, submitted by the Southwest Water Roundtable as part of the State Water Plan, concludes the foreseeable needs of Archuleta County are 12,000 AF, Dry Gulch will go a long way toward supplying the water needed by Archuleta County. Further, the Dry Gulch Project has been listed as an Identified Project or Process ("IPP") since the inception of the Southwest Water Roundtable.

DRAFT

Finally, Archuleta County would be remiss if it did not mention the past controversies related to the Dry Gulch Project. There was a great deal of opposition to the project when it was planned to be much larger than was needed, was planned using local funding that would have over-burdened local taxpayers, and was planned without input from the public. Archuleta County has placed the Dry Gulch Project in its Action Plan, and the reason it can be done now is that opposition has waned as a result of efforts to reposition this project in the community. With Southwestern involved, Archuleta County believes planning efforts going forward will be substantially enhanced to assure the public will be involved and their concerns met.

Thank you in advance for giving this request your immediate attention, and in-depth consideration. Archuleta County believes the value this project will bring to our region of the State is worth your time and effort in reaching an agreement for participation.

Archuleta County Board of County Commissioners  
Sincerely,

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

cc. J.R. Ford  
San Juan Water Conservancy District

**RESOLUTION NO. 2016 - \_\_\_\_\_**

**A RESOLUTION APPROVING THE INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE TOWN OF PAGOSA SPRINGS, COLORADO AND THE BOARD OF COUNTY COMMISSIONERS OF ARCHULETA COUNTY, COLORADO, CONCERNING A JAIL SERVICES AGREEMENT**

**WHEREAS**, the Town of Pagosa Springs, Colorado, (“Town”) and the Board of County Commissioners of Archuleta County, Colorado (“County”) desire to enter into an intergovernmental agreement between the two bodies for the provision of Jail Services by the Archuleta County Sheriff (“IGA”); and

**WHEREAS**, governmental entities are authorized to enter into intergovernmental agreements pursuant to the provisions of Article XIV, Section 18(2)(a) of the Colorado Constitution, and C.R.S. §29-1-203; and

**WHEREAS**, Colorado Revised Statutes require that each county maintain a jail for the incarceration of those either convicted of a crime or awaiting trial: and,

**WHEREAS**, Statute further provides for those jail services to be proved for within each county or through agreement with another county; and,

**WHEREAS**, due to circumstances beyond the control of Archuleta County, Archuleta County has been forced to contract for jail services outside of the County: and,

**WHEREAS**, in an effort to define the joint and mutual responsibilities of Archuleta County and the Town of Pagosa Springs it is necessary to enter into an agreement which defines those responsibilities.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ARCHULETA COUNTY, COLORADO;**

1. Board of County Commissioners of Archuleta County, State of Colorado, and the Town of Pagosa Springs, Colorado enter into an intergovernmental agreement attached as an exhibit referred to as Agreement for Municipal Jail Services concerning the mutual agreement regarding the handling and disposition of municipal arrestees further defined.

**APPROVED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2016 in Pagosa Springs, Archuleta County, Colorado.

**BOARD OF COUNTY COMMISSIONERS  
ARCHULETA COUNTY, COLORADO**

\_\_\_\_\_  
Michael Whiting, Chair

ATTEST

\_\_\_\_\_  
June Madrid, County Clerk

**INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN ARCHULETA  
COUNTY, COLORADO AND THE TOWN OF PAGOSA SPRINGS, COLORADO  
THE EFFECTS OF THE COUNTY JAIL BEING VACATED.**

**THIS AGREEMENT**, is made and entered into this \_\_\_\_\_ day of May, 2016, by and between The Board of County Commissioners of Archuleta County, Colorado, a political subdivision of the State of Colorado (hereinafter referred to as “County”) and the Town of Pagosa Springs, Colorado, a home rule town of the State of Colorado (hereinafter referred to as “Town”).

**WHEREAS**, The County and the Town have the authority to act cooperatively and also have the authority and capacity to enter into this Intergovernmental Agreement pursuant to C.R.S. §29-1-201, *et. seq.* Further, the Town pursuant to its Home Rule Charter of 2003, §12.14, permits execution of Intergovernmental Agreements with political subdivisions such as County; and

**WHEREAS**, the parties hereto are parties to an Agreement for Municipal Jail Services which is dated May 4, 2004 (Hereinafter the “2004 Jail Agreement”); and

**WHEREAS**, the Archuleta County Sheriff operates a jail within Pagosa Springs, Archuleta County, Colorado which jail was evacuated on or about April 24, 2015 in order to protect the health and safety of inmates, county employees and members of the general public; and,

**WHEREAS**, persons commanded to the custody of the Archuleta County Sheriff may be transported to and held in the La Plata County jail; and,

**WHEREAS**, this Agreement is necessary for the orderly administration of justice and to insure that the health, safety and welfare of the community is not jeopardized during this period of inconvenience.

**NOW THEREFORE**, in consideration of the joint and mutual promises contained herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto state and agree as follows:

## **SECTION ONE - DEFINITIONS**

- A. The term “Jail” means the Archuleta County Sheriff’s Office Detention Facility or the La Plata County Sheriff’s Office Detention Facility.
  
- B. The term “book” means the act of registering, screening and examining inmates for confinement in the Jail; inventorying and safekeeping inmates' personal property; maintaining all computerized records of arrest; performing warrant checks; and all other activities associated with processing an inmate for confinement.
  
- C. The term “Town Inmate” means a person presented to the Archuleta County Sheriff’s Office or any of its employees to be booked or housed in the Jail as a result of being arrested for, or convicted of, violations of municipal ordinances.
  
- D. The term “Custody” means the point at which the County or its agents have taken physical possession of such Town Inmate for transportation to the jail facility.

## **SECTION TWO - CONDITIONS OF ACCEPTANCE OF MUNICIPAL OFFENDERS**

Subject to the conditions stated herein, the County will accept Custody of persons arrested by Town law enforcement officers and delivered to the County for transport/transfer to Jail for confinement, including persons arrested for, or convicted of, violations of the Town Municipal Code, and will hold them until such time as they are lawfully discharged from custody pursuant to law, or returned to the custody of the Town.

- A. Town law enforcement personnel will follow all Archuleta County Sheriff’s Office policies and procedures and La Plata County policies and procedures when presenting arrested persons for booking or transport/transfer by County to either Jail for booking.

- B. County will not receive a person into custody for transport/transfer to either Jail until the Town law enforcement officer having custody of the person provides Archuleta County with proper documentation of the legal basis to hold the person in custody. Proper documentation shall consist of i) the literal description of the alleged Municipal, State, or Federal violation; and either a) a mittimus order that sentences Town Inmate to consecutive days b) an arrest warrant; or c) an Affidavit for arrest without a warrant.
  
- C. A Town Inmate will not be accepted by Archuleta County for transport/transfer to either Jail unless such person is without serious medical and/or mental conditions, as determined by County. If the Town Inmate presents medical or mental health needs, the arresting officer will transport the subject to the hospital for medical clearance prior to being accepted by the County. If the County accepts a Town Inmate for transport/transfer to La Plata County and they refuse to accept the person for medical or mental reasons and said person is taken to a hospital or other facility in La Plata County for medical or mental care, the Town shall be responsible for all such costs incurred.
  
- D. If County accepts a person into custody who was charged under a state statute as opposed to a municipal offense by a Town police officer, the Town shall remain liable for all medical costs arising out of concerning or touching upon such a person from the time of arrest until the time such person is booked into either Jail, regardless of whether the costs related to medical or mental health or whether such person is treated in a facility in Archuleta County, La Plata County or elsewhere as deemed appropriate by the entity having Custody of the person.

### **SECTION THREE - COSTS AND REIMBURSEMENT**

- A. The La Plata County Detention Facility will bill Archuleta County for the housing of all Town Inmates, as well as for phone privileges, video conferencing, medical care,

medications and mental health evaluations. The purpose of this agreement is to provide assistance to the Town in transporting Town Inmates to the La Plata County Jail, if deemed necessary by County Detention Deputies. Regardless of the location of housing said inmates, the Town agrees to pay Archuleta County the sum of \$55.00 per day for each such Town Inmate for which Archuleta County was billed, or has housed.

- B. All arrests made by Town law enforcement officers for municipal charges that result in transport by the County to the La Plata County Detention Facility will be billed a one-time transportation fee of \$85.00. In addition to the one-time transportation fee, if County incurs any costs for transporting Town Inmates back and forth for appearances at Municipal Court, such costs shall be the responsibility of Town which shall be billed monthly by the County at a fixed rate of 85.00 per round trip. (The total cost incurred by County is actually \$183.24.)
- C. County shall submit invoices to the Town on a monthly basis. All undisputed payments shall be made by Town to County within thirty (30) days of receipt of invoice. Both parties shall endeavor to resolve disputed charges within one billing cycle.

#### **SECTION FOUR - TERM AND TERMINATION**

- A. This Agreement, which supersedes and terminates the 2004 Jail Agreement, shall continue through December 31, 2016 and shall be automatically renewable year to year unless sooner terminated by notice from either party.
- B. This Agreement may be unilaterally terminated, with or without cause by thirty (30) days written notice to the other party.

#### **SECTION FIVE - MISCELLANEOUS**

- A. Notices. Any notices or communication required or permitted under this Agreement shall be given in writing and sent by personal service (including express or courier service), electronic communication, whether by facsimile or email, or by certified mail, postage prepaid, return receipt requested, as follows:

If to Town, to: Town of Pagosa Springs  
Attn: Administrator Greg Schulte  
P.O. Box 1859  
Pagosa Springs, Colorado 81147  
Phone: 970-264-4151  
Email: gschulte@pagosasprings.co.gov

With a copy to:  
  
Court Administrator  
Attn: Candace Dzielak  
Town of Pagosa Springs  
P.O. Box 1859  
Pagosa Springs, CO 81147

If to County, to: Archuleta County  
Attn: Administrator  
Bentley Henderson  
398 Lewis Street  
Pagosa Springs, Colorado 81147  
Phone: 970-264-8300  
Email: bhenderson@archuletacounty.org

With a copy to: Archuleta County Sheriff  
P.O. Box 638  
Pagosa Springs, Colorado 81147  
Phone: 970- 264-8430  
Email: rvaldez@archuletacounty.org

B. Governing Law. This Agreement shall be governed by the laws of the State of Colorado. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law, or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in

question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

- C. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.
  
- D. Entire Agreement. This Agreement constitutes the entire agreement between the parties, and cannot be modified or amended except by mutual written agreement of the parties.
  
- E. Separate Entries. It is understood and agreed that nothing herein contained is intended or should be construed as in any way creating or establishing the relationship of co-partners or joint ventures' between the parties hereto, or as constituting Town or the County of as representatives of each other for any purpose.
  
- F. No Third Party Beneficiary. This Agreement shall be construed to benefit the Participants and their respective successors and assigns only, and shall not be construed to create third-party beneficiary rights in any other party, governmental agency or organization.
  
  
- G. Attorney's Fees and Costs. The prevailing party in any dispute between the parties arising out of the interpretation, application or enforcement of any provision of this Agreement shall be entitled to recover all its costs and expenses, including reasonable attorneys' fees and court costs incurred in or related to the proceeding.

[Signature page follows]



Signed and executed this \_\_\_\_ day of May, 2016.

BOARD OF COUNTY COMMISSIONERS  
ARCHULETA COUNTY, COLORADO

\_\_\_\_\_  
Michael Whiting, Chairman

ATTEST:

By: \_\_\_\_\_  
June Madrid, Archuleta County Clerk and Recorder

TOWN OF PAGOSA SPRINGS, COLORADO

\_\_\_\_\_  
Don Volger, Mayor

ATTEST:

\_\_\_\_\_  
April Hessman, Town Clerk

**RESOLUTION NO. 2016-**

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ARCHULETA COUNTY, COLORADO, COMMITTING FUNDS FROM THE BOARD OF COUNTY COMMISSIONERS CONTINGENCY IN SUPPORT OF THE PURCHASE OF 2 ATV'S AND A SNOWMOBILE FOR THE UPPER SAN JUAN SEARCH AND RESCUE ORGANIZATION**

**WHEREAS**, The Board of County Commissioners of Archuleta County fully support the effort of the Upper San Juan Search and Rescue (USJSAR) Organization; and

**WHEREAS**, some of the equipment utilized by USJSAR has fallen into disrepair; and,

**WHEREAS**, the Board recognizes the tremendous benefit USJSAR provides to the residents and visitors of Archuleta County; and,

**WHEREAS**, The Board has determined that the need for safe reliable equipment is critical to the work undertaken by the dedicated staff and volunteers of USJSAR.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ARCHULETA COUNTY, COLORADO;**

1. The Board of County Commissioners have determined that the need for reliable equipment by the Search and Rescue professionals associated with USJSAR is worthy of dedicating County resources to support the acquisition of that equipment.
2. The Board of County Commissioners will dedicate \$22,500.00 from Commissioners Contingency line item to support the equipment purchase for USJSAR.

**READ APPROVED AND ADOPTED**, this 17th day of May, 2016.

ATTEST

BOARD OF COUNTY COMMISSIONERS

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June Madrid, County Clerk

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Michael Whiting, Chairman

**RESOLUTION NO. 2016-**

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ARCHULETA COUNTY, COLORADO, EXPRESSING THEIR SUPPORT FOR THE APPLICATION OF A FEDERAL LANDS ACCESS PROGRAM (FLAP) GRANT FOR THE RECONSTRUCTION OF 2.29 MILES OF PIEDRA ROAD**

**WHEREAS**, Archuleta County has a wealth of publicly accessed lands within the County; and

**WHEREAS**, The County continually strives to ensure that County controlled access to those lands is maintained at a level which encourages the public's use of those lands; and.

**WHEREAS**, Archuleta County, in 2012, was awarded a Public Lands Highway Discretionary (PLHD) Grant of \$3,500,000.00 for the reconstruction of a portion of Piedra Road; and

**WHEREAS**, Subsequent to the award, the County proceeded to reconstruct 3.5 Miles of Piedra Road from the cattle guard at the forest service entrance to Stevens Lake Road; and

**WHEREAS**, The "Piedra Road" project was completed in 2014 and is recognized as an extremely successful project in facilitating access to the upper Piedra and beyond; and,

**WHEREAS**, The 2013/14 project clearly met the goals set out by the Board of County Commissioners for public lands access, and it is understood that the project was only the first of a two phased project.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ARCHULETA COUNTY, COLORADO;**

1. The Board of County Commissioners are committed to the completion of the reconstruction of Piedra Road and unequivocally support the application for a Federal Lands Access Program Grant for the completion of phase II of the Piedra Road Project.

**READ APPROVED AND ADOPTED**, this 17th day of May, 2016.

ATTEST

BOARD OF COUNTY COMMISSIONERS

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June Madrid, County Clerk

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Michael Whiting, Chairman

# Memorandum

TO: Chairman Michael Whiting and the Archuleta County Board of Commissioners

DATE: May 11, 2016

FROM: Bentley Henderson

RE: Intergovernmental Agreement between Archuleta County, San Juan County, and La Plata County for the La Plata County courthouse remodel for District Attorney office space

## BACKGROUND

Archuleta County along with La Plata County and San Juan County comprise the area included in the 6<sup>th</sup> Judicial District of the State of Colorado. As such the three counties each have a pro-rata share in all of the funding needs of the District Attorney's office.

Annually, the three counties meet with the District Attorney to participate in annual budget development for the office. At the October 2015 meeting the member counties were advised by the DA that they (the DA) had effectively outgrown their space. Upon further explanation the elected representatives of each county concluded that the space challenges faced by the DA demanded further investigation. During those discussions representatives of La Plata County indicated that one possible solution to the needs of the DA would be to remodel the basement of the present courthouse to accommodate the DA's needs. It was the consensus of the group at that time to imitate an investigation into the utility of the idea. In mid-April representatives of each county and the District Attorney's office met to review the schematic proposal for the remodel. Upon evaluation of the design there was consents around moving forward with the remodel of the Courthouse basement to accommodate the DA.

## DISCUSSION

Provided for your consideration is an Intergovernmental Agreement (IGA) outlining the agreement between the three counties that make up the 6<sup>th</sup> Judicial District regarding the remodel of the La Plata County Courthouse. The agreement is intended to provide for a clear understanding each, party's obligations and involvement in the project. Some of the major components of the agreement include; change order approval, cost sharing, term and nature of repayment, and dispute resolution options. A specific point of note, is the fact that preliminary cost estimates anticipate that the project will cost approximately \$2,000,000.00. Recognizing the monetary constraints of both San Juan County and Archuleta County, La Plata County has agreed to provide the upfront funding for the project and amortize the pro-rata share of San Juan and Archuleta County over a 10 year period. The one thing that La Plata County is requesting is a 2% carrying cost on the unpaid balance of our pro-rata share of the project.

## RECOMMENDATION

Staff recommends approval of the IGA. The terms contained therein are reasonable and confer no special benefit to any party.

**RESOLUTION NO. 2016 - \_\_\_\_\_**

**A RESOLUTION APPROVING THE INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN SAN JUAN COUNTY COLORADO, LA PLATA COUNTY COLORADO, AND THE BOARD OF COUNTY COMMISSIONERS OF ARCHULETA COUNTY COLORADO, CONCERNING MUTAL AGREEMENTS AND COVENANTS REGARDING THE REMODEL OF THE LA PLATA COUNTY COURTHOUSE TO ACCOMODTE THE RELOCATION OF THE DISTRICT ATTORNEY’S OFFICE OF THE 6<sup>TH</sup> JUDICIAL DISTRICT.**

**WHEREAS**, La Plata County Colorado, San Juan County Colorado, and the Board of County Commissioners of Archuleta County, Colorado (“County”) desire to enter into an intergovernmental agreement concerning the remodel project in the basement of the La Plata County Courthouse (“IGA”); and

**WHEREAS**, governmental entities are authorized to enter into intergovernmental agreements pursuant to the provisions of Article XIV, Section 18(2)(a) of the Colorado Constitution, and C.R.S. §29-1-203; and

**WHEREAS**, the aforementioned counties comprise the 6<sup>th</sup> Judicial District of the State of Colorado; and,

**WHEREAS**, the District Attorney for the 6<sup>th</sup> Judicial District is primarily located in La Plata County, and has demonstrated the need for additional space; and,

**WHEREAS**, the Board of County Commissioners of La Plata County have agreed that they can dedicate space in the basement of the La Plata County Courthouse to accommodate the needs of the District Attorney’s office, the space under consideration however, needs a significant remodel to accommodate the needs Of the District Attorney; and,

**WHEREAS**, the affected Counties have agreed that the remodel is necessary and appropriate to meet the needs of the District Attorney and recognize that an agreement among the parties is necessary to establish the appropriate understanding regarding construction and funding related issues.

**NOW, THEREFORE**, be it resolved that the Board of County Commissioners of Archuleta County, State of Colorado, hereby approves the intergovernmental agreement by and between La Plata County Colorado, San Juan County Colorado, and the Board of County Commissioners of the County of Archuleta, concerning the details associated with the La Plata County Courthouse remodel to accommodate the relocation of the offices of the District Attorney of the 6<sup>th</sup> Judicial District of the state of Colorado.

**APPROVED AND ADOPTED** this 17<sup>th</sup> day May, 2016 in Pagosa Springs, Archuleta County, Colorado.

**BOARD OF COUNTY COMMISSIONERS  
ARCHULETA COUNTY, COLORADO**

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Michael Whiting, Chair

ATTEST

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June Madrid, County Clerk

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN THE BOARDS OF COUNTY COMMISSIONERS OF  
LA PLATA COUNTY, COLORADO, SAN JUAN COUNTY, COLORADO  
AND ARCHULETA COUNTY, COLORADO CONCERNING  
FUNDING OF IMPROVEMENTS TO THE LA PLATA COUNTY COURTHOUSE FOR  
DISTRICT ATTORNEY OFFICES**

**THIS INTERGOVERNMENTAL AGREEMENT** (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the BOARD OF COUNTY COMMISSIONERS OF LA PLATA COUNTY, COLORADO, a political subdivision of the State of Colorado (“La Plata County”), the BOARD OF COUNTY COMMISSIONERS OF SAN JUAN COUNTY, COLORADO, a political subdivision of the State of Colorado (“San Juan County”) and the BOARD OF COUNTY COMMISSIONERS OF ARCHULETA COUNTY, COLORADO, a political subdivision of the State of Colorado (“Archuleta County.”)

**RECITALS**

- A. The District Attorney’s Office for the Sixth Judicial District (“DA’s Office”) serves La Plata County, Archuleta County and San Juan County.
- B. In accordance with C.R.S. § 20-1-302, the DA’s Office is jointly funded by La Plata County, San Juan County and Archuleta County in the proportion that the population of each county bears to the population of the whole Sixth Judicial District, as such percentages are updated from time to time. As of the date of this Agreement, the parties agree that the expenses borne by each County are allocated as follows:
  - La Plata County – 80.60%
  - Archuleta County – 18.40%
  - San Juan County – 1.00%
- C. The DA’s Office has outgrown its existing office space location at 1060 Main Ave., Durango, Colorado, and the opportunity exists to remodel the lower level of the La Plata County Courthouse (“Courthouse”) to accommodate its needs.
- D. On April 12, 2016, schematic designs for the remodel of the lower level of the Courthouse for use by the District Attorney for the DA’s Office were presented to the La Plata County, San Juan County and Archuleta County Boards of County Commissioners at a work session held at the La Plata County Administration Building.
- E. La Plata County, San Juan County and Archuleta County wish to enter into an agreement to share the cost of remodeling the lower level of the Courthouse to house the DA’s Office.

- F. La Plata County, San Juan County and Archuleta County have authority to act cooperatively and also have the authority and capacity to enter into this agreement pursuant to C.R.S. §29-1-201 *et seq.* and Article XIV, § 18 of the Colorado Constitution.

**NOW, THEREFORE,** in consideration of the mutual covenants, conditions and obligations herein set forth, the parties agree as follows:

**1. Recitals.** To the best of the parties' knowledge, the forgoing Recitals are true and accurate and are incorporated into this Agreement by reference.

**2. Project Management.** La Plata County shall be responsible for the management and construction of the project to remodel the lower level of the Courthouse to house the DA's Office ("Project").

2.1. *Plans; Design of Project.* The Project will be conducted in substantial conformance with the schematic designs presented to La Plata County, San Juan County and Archuleta County at the April 12, 2016, work session, which designs are attached to this Agreement as Exhibit A and incorporated by reference ("Plans").

2.1.1. Structural and Safety Changes. La Plata County shall be authorized to make any changes to the Plans that it deems necessary or desirable to ensure the structural soundness, long-term integrity or safety of the Courthouse and DA's Office. Cost-overruns derived from any such changes shall be borne by the parties according to the provisions of Section 3 below. La Plata County shall keep the other parties informed as to each such change.

2.1.2. Unknown Conditions. La Plata County shall be authorized to make any changes to the Plans that it deems necessary to address conditions that are not identified during the design of the Project, such as concealed conditions uncovered during remodeling; sub-surface conditions; unknown hazardous materials such as lead, asbestos and radon; and changes related to abnormal weather conditions. Cost-overruns derived from any such changes shall be borne by the parties according to the provisions of Section 3 below. La Plata County shall keep the other parties informed as to each such change.

2.1.3. Other Substantial Changes. If, after this Agreement is fully executed, La Plata County desires to make other substantial changes or additions to the Plans that are not described in Section 2.1.1 and 2.1.2 above, La Plata County shall provide the other parties with appropriate information, plans or specifications showing, in detail, the nature of the proposed changes or additions. Any change or addition so proposed shall be deemed part of the Plans approved by all parties unless, within ten (10) business days after Notice thereof, either Archuleta County or San Juan County notifies La Plata County that it does not accept the proposed change or addition. La Plata County will keep the other parties informed of each such objection and approved change or addition.

- 2.1.4. Minor Changes. The DA's Office may request minor changes in the work or materials dictated by the Plans; provided, that such changes do not affect the general character or increase the overall cost of the remodeling Project and such changes are approved by La Plata County. La Plata County shall keep the other parties informed as to each such change.
- 2.2. *Goods and Services*. La Plata County shall procure the goods and services necessary to complete the Project in the manner it deems appropriate in accordance with its procurement code and procedures.
- 2.3. *Consultants and Subcontracts*. La Plata County shall be responsible for providing all project management services for the Project, including, but not limited to, design, permitting, bid solicitation, consultation, construction contracts and subcontracts, construction management and inspections. All contract bids and awards shall comply with La Plata County's adopted procurement code.
- 2.4. *Construction Timeframe*. The Project is projected to begin in 2016 and is estimated to be completed by May 31, 2017. La Plata County agrees that in its role as supervisor of the Project it shall use its "best efforts" to have the renovation completed by May 31, 2017, but the parties hereby acknowledge and accept that unexpected delays in such construction may be encountered for any number of foreseeable and unforeseeable reasons and, therefore, La Plata County assumes no liability or responsibility for any damages that any party may incur pursuant to any such delay.

### 3. Cost-Sharing and Payments

- 3.1. *Cost Sharing*. In accordance with C.R.S. § 20-1-302, La Plata County, San Juan County and Archuleta County agree to fund and pay for the costs of the Project ("Project Costs" as defined below) based on the following allocations.

La Plata County – 80.60% of the total cost of the Project  
Archuleta County – 18.40% of the total cost of the Project  
San Juan County – 1.00% of the total cost of the Project

- 3.2. *Project Costs*. The parties acknowledge and agree that, at the time of the execution of this Agreement, the total cost to accomplish the Project is currently estimated at \$2,000,000.00 ("Project Costs"). For purposes of this Agreement, the term "Project Costs" shall include the following cost and expense items incurred during the design and remodeling process:

- **Architectural and Engineering (A&E) Costs** – Architectural and design fees include, but are not limited to, costs incurred on feasibility studies, master planning, design costs, and all other cost included from schematic design to final design development and Project completion. Engineering costs include mechanical, structural, plumbing and electrical engineering costs associated with the Project.

- **Contingencies** – An allowance for work that is not fully defined under the current estimate or that arises due to unanticipated costs during demolition and construction. Contingencies include, but are not limited to, design changes due to things such as alternate construction methods, product substitutions, unanticipated regulatory changes and contractor proposed cost savings; structural and safety issues and unknown conditions (see Section 2.1. for a description of structural and safety changes and unknown conditions) that were not identified during the design of the Project; or design deficiencies or errors on the part of the architect or its consultants, including, but not limited to, inadequate detail on documents and failure to comply with codes.
- **Direct Construction Costs** – The cost of remodeling (demolition and construction) the lower level of the Courthouse for the DA’s Office, site improvements and all fixed and installed equipment, including, but not limited to the costs of labor, materials, equipment, general requirements and contractor overhead and mark-up.
- **Environmental Abatement** – The costs of abatement of hazardous materials, including, but not limited to, lead, asbestos and radon, whether such hazards are known or unknown during the design of the Project.
- **Other Soft Costs** – Costs associated with Project implementation, including, but not limited to, testing, surveys, other miscellaneous reimbursable costs and consultant services such as AV, technology, communication systems and audio visual consultants, commissioning consultants and other specialty consultants.
- **Permits / Inspections** – The costs of inspections, permits and other regulatory fees paid to governmental entities.
- **Furniture, Fixtures and Equipment** – The costs of any furniture, fixtures and equipment items that will be necessary to ensure functionality and efficiency of the workspace.

It is understood and agreed that the final Project Costs could increase due to any number of items, as described in this Section 3.2. If the final cost of remodeling the lower level of the Courthouse exceeds the estimated Project Costs, La Plata County, San Juan County and Archuleta County shall be responsible for and assume all liability and obligation for paying such additional costs and cost-overruns, regardless of the cause for the increase(s), in accordance with the allocation set forth in Section 3.1 above. After completion of the Project, La Plata County will provide San Juan County and Archuleta County with an invoice detailing the total Project Costs.

3.3. *Up-Front Project Costs.* Subject to reimbursement by San Juan County and Archuleta County as set forth in Section 3.4 below, La Plata County agrees to pay all Project Costs

necessary to undertake and complete the Project when such costs are due to Project contractors, consultants and suppliers.

3.4. *Reimbursement of Costs.* Archuleta County and San Juan County agree to reimburse La Plata County for their respective pro-rata share of the costs of the Project over a ten (10) year period, beginning in 2017 and continuing through 2026. The parties further agree that Archuleta County and San Juan County will pay interest on the unpaid balance of their pro-rata share of the Project costs at the rate of two percent (2.0%) per annum.

3.4.1. Annual Payments. Equal annual payment shall be made to La Plata County on or before June 1<sup>st</sup> of each year. The first installment shall be due from both San Juan County and Archuleta County on June 1, 2017. The final payment from each county shall be made June 1, 2026.

If the Project is not completed by May 31, 2017, as contemplated, so that La Plata County cannot provide the actual annual payment amounts due from each party to Archuleta County and San Juan County on or before June 1, 2017, then the 2017 payment due date may be rescheduled by the La Plata County Manager; provided, that the first annual payment due date will not be extended past September 1, 2017.

3.4.2. Estimated Payments. Based on an estimated Project cost of \$2,000,000.00, Archuleta County's annual reimbursement payment is estimated to be \$40,968.00 and San Juan County's annual reimbursement payment is estimated to be \$2,227.00. The estimated annual payment includes interest at the rate of two percent (2.0%). The parties acknowledge and agree that this is only an estimate and that the actual amount of the annual reimbursement payments due from each party will be determined and communicated to Archuleta County and San Juan County at the completion of the Project, once the final Project Costs have been calculated.

3.4.3. *Rent.* Reimbursement of the costs of the Project by Archuleta County and San Juan County shall be in addition to any pro rata share of rent to be paid by Archuleta County and San Juan County for the DA's Office space.

#### **4. Term and Termination**

4.1. *Term.* The parties' respective obligations under this Agreement shall commence on the date of the last party to sign the Agreement ("Effective Date"). Unless otherwise terminated, as set forth in this Section 4, this Agreement shall terminate upon final payment to La Plata County by Archuleta County and San Juan County in 2026.

4.2. *Termination for Cause.* The failure of any party to perform its obligations under this Agreement, in whole or in part, in a timely and satisfactory manner shall constitute a breach. In the event of a breach, Notice shall be given, in writing, by the aggrieved party to the breaching party. If such breach is not cured within 30 days of receipt of the Notice, or if the cure cannot be completed within 30 days, the aggrieved party may terminate their

participation in this Agreement; provided, that the Agreement will remain in full force and effect with respect to the remaining parties, subject to the provisions of Sections 4.2.1 and 4.2.2 below.

4.2.1. If either Archuleta County or San Juan County terminates this Agreement as a result of a breach by La Plata County, this Agreement will remain in full force and effect with respect to the remaining two (2) parties; provided, that La Plata County will be responsible for payment of all Project costs previously allocated to the terminating County that are incurred after the date Notice of the breach is delivered.

4.2.1.1. If Archuleta County or San Juan County terminates this Agreement pursuant to the provisions of this Section 4.2.1, such County shall be responsible for payment of its pro-rata share of the Project Costs reasonably incurred by La Plata County through the date Notice of the breach is delivered. Such costs shall be paid to La Plata County pursuant to the provisions of Section 3.4.

4.2.2. If La Plata County terminates this Agreement as against Archuleta County or San Juan County, such County's pro-rata share of the Project Costs shall be immediately due and payable in full, including interest.

4.3. *Termination Based Damage or Destruction.* If the Courthouse or DA Office space are damaged or destroyed by fire or otherwise during the Project, La Plata County may choose to restore, repair, replace, rebuild or alter the damaged or destroyed property as nearly as possible to its prior condition (as used in this Section 4.3, "Work"), or terminate this Agreement immediately upon written Notice to the other parties, which will terminate any obligation of San Juan County or Archuleta County to reimburse La Plata County for costs of the Project. If La Plata County chooses to perform the Work, Work shall be commenced as soon as practicable after the parties receive any insurance proceeds designated for such use and shall be performed with reasonable diligence. The parties shall apply all insurance money received on account of such damage or destruction, less the cost of recovery, to pay the cost of the Work. The insurance funds shall be paid out, from time to time as the work progresses according to a process established by La Plata County pursuant to its procurement code or statutory parameters.

## **5. General Provisions**

5.1. *Entire Agreement.* This Agreement, together with its exhibits and attachments, is intended as the complete integration of all understandings between La Plata County, San Juan County and Archuleta County. No prior or contemporaneous addition, deletion or modification hereto shall have any force or effect whatsoever.

5.2. *Modification.* This Agreement may not be amended or modified in any manner, except by written agreement of all parties, and then only to the extent expressly provided therein.

5.3. *Inurement.* This Agreement shall be binding upon all parties hereto and their respective legal representatives, successor and assigns.

- 5.4. *No Third-Party Beneficiaries.* Nothing in this Agreement shall be construed to create any rights in or duties to any third party, nor any liability or standard of care with reference to any third party. No person other than the parties shall have any rights of any nature whatsoever under this Agreement and may not enforce any provision of this Agreement.
- 5.5. *No Waiver.* The waiver of any breach of a term, provision or requirement hereof shall not be construed as a waiver of any other term, provision or requirement or any subsequent breach of the same term, provision or requirement. No failure by any party to exercise any right it may have shall be deemed to be a waiver of that right or the right to demand exact compliance with the terms of this Agreement.
- 5.6. *Severability.* To the extent that this Agreement may be executed and performance of the obligations of may be accomplished within the intent of the Agreement, the terms of this Agreement are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof.
- 5.7. *No Presumption.* Each of the parties and its legal counsel have reviewed the Agreement and have had the opportunity to participate in the negotiation and drafting of this Agreement. In any event of any ambiguity, controversy, dispute or disagreement over the interpretation, validity or enforceability of this Agreement or any of its provisions, terms or conditions, there shall be no construction against any party based on that party's involvement in the drafting the Agreement.
- 5.8. *Captions.* Captions are used throughout this Agreement for convenience and reference only, do not in any way limit or amplify its terms and provisions, and shall not be considered, in any manner, in the construction or interpretation of this Agreement.
- 5.9. *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute but one and the same original document. Facsimile, electronically scanned or electronically signed copies of an original signature by any party shall be binding as if they were original signatures.
- 5.10. *Representative Capacity.* Each person signing this Agreement in a representative capacity expressly represents that the signatory has the subject party's authority to so sign and that the subject party will be bound by the signatory's execution of this Agreement.
- 5.11. *Notices.* All notices, requests, demands, or other communications ("Notice") under this Agreement (other than routine operational communications or as otherwise expressly set forth herein), shall be in writing and provided by one or more of the following methods of delivery, each of which for purposes of this Agreement is a writing: (a) personal delivery, (b) Registered or Certified Mail, return receipt requested and postage prepaid, (c) nationally recognized overnight courier, with all fees prepaid and proof of delivery

provided by courier, or (4) email, with proof of a delivery receipt to the Addressee (as defined below). Each Notice shall be addressed to the appropriate person at the receiving party (“Addressee”) at the address listed below or to such address as a party may designate by a Notice given in compliance with this section.

For La Plata County:

County Manager, La Plata County  
1101 E. 2<sup>nd</sup> Ave.  
Durango, CO 81031  
Email: [joe.kerby@co.laplata.co.us](mailto:joe.kerby@co.laplata.co.us)

For Archuleta County:

County Administrator, Archuleta County  
398 Lewis Street  
P.O. Box 1507  
Pagosa Springs, CO 81147  
Email: [bhenderson@archuletacounty.org](mailto:bhenderson@archuletacounty.org)

For San Juan County:

County Manager, San Juan County  
1557 Greene Street  
Silverton, CO 81433  
Email:  
[sanjuancounty@frontier.net](mailto:sanjuancounty@frontier.net)

If a Notice that otherwise fulfills the requirements of this Section is rejected by the Addressee, or if an Addressee refuses to accept such Notice, or if a change in address for which no Notice was given causes the Notice to be undeliverable, then the Notice is effective upon the occurrence of such rejection, refusal or undeliverability.

- 5.12. *Governing Law and Venue.* The terms and conditions of this Agreement shall be construed, interpreted and enforced in accordance with Colorado law. If any legal action is necessary to enforce the terms and conditions of this Agreement, the parties agree that jurisdiction and venue for bringing such action shall be in La Plata County, Colorado.
- 5.13. *Attorneys’ Fees.* In the event of a dispute as to the terms and conditions of this Agreement, the prevailing party shall collect all reasonable costs and expenses of collection and/or suit including, but not limited to, reasonable attorneys’ fees.
- 5.14. *Insurance.* Each County is a public entity within the meaning of the Colorado Governmental Immunity Act, CRS § 24-10-101, et seq (“CGIA”). La Plata County, San Juan County and Archuleta County will each maintain, at all times during the term of this Agreement, such liability insurance, by self-insurance or commercial policy, as is necessary to meet their liabilities under the CGIA.
- 5.15. *Colorado Open Records Act.* As a public entity, La Plata County, San Juan County and Archuleta County are subject to the Colorado Open Records Act, C.R.S. § 24-72-200.1, et seq. (“CORA”). This Agreement is subject to public disclosure and inspection, pursuant to CORA.

5.16. *Non-Waiver of Immunity.* Nothing in this Agreement shall constitute or be construed as a waiver of any immunity by the parties for any purpose whatsoever, including the Colorado Governmental Immunity Act, CRS § 24-10-101, *et seq.* (“CGIA”).

5.17. *No Joint Venture.* Nothing contained in this Agreement shall be construed as creating or establishing a joint venture or partnership between La Plata County, San Juan County and Archuleta County.

5.18. *Appropriations.* Because this Agreement involves the expenditure of public funds, this Agreement is contingent upon continued availability and appropriation of such funds by the parties. The obligations described herein shall not constitute a general obligation, indebtedness or multiple year direct or indirect debt or other financial obligation whatsoever within the meaning of the constitution or the laws of the State of Colorado.

**IN WITNESS WHEREOF**, the parties hereto have executed this Intergovernmental Agreement the day and year indicated by their signatures, and the Agreement shall become effective upon the date of the last party to execute it.

BOARD OF COUNTY COMMISSIONERS  
LA PLATA COUNTY

By: \_\_\_\_\_  
Brad Blake, Chair

\_\_\_\_\_  
Clerk to the La Plata County Board

BOARD OF COUNTY COMMISSIONERS  
ARCHULETA COUNTY

By: \_\_\_\_\_  
Michael Whiting, Chair

\_\_\_\_\_  
Clerk to the Archuleta County Board

BOARD OF COUNTY COMMISSIONERS  
SAN JUAN COUNTY

By: \_\_\_\_\_  
Ernest Kuhlman, Chair

\_\_\_\_\_  
Clerk to the San Juan County Board