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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
JANUARY 17, 2019 REGULAR MEETING

Attendance

The following Directors were present: Gordon McIver, Jim Smith and Blake Brueckner. Both Paul Hansen and Glenn Walsh were excused from the meeting.

In attendance from staff: Justin Ramsey, and Aaron Burns. Also present was: Chris Mannara, Pagosa Sun.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Jim Smith at 5:03 p.m.

Consent Agenda

The Board considered the Consent Agenda. The Directors reviewed the minutes for the December 13, 2018 Regular Meeting and Water Loss Update (all copies attached).

Justin Ramsey explained that water loss as a percentage had increased during the period but as a result of decreased water use rather than an actual increase in water loss.

A motion was made by Director McIver and seconded by Director Brueckner to approve the Consent Agenda as presented. The motion passed unanimously.

Public Comment

Chairman Smith opened the meeting to public comment. No comments were offered.

Consideration of Resolution 2019-01 Annual Posting for Meetings

Aaron Burns presented Resolution 2019-01 Annual Posting for Meetings which indicates that notice of the Board's Meeting schedule would be posted in three locations in addition to the District office. Chairman Smith commented that the schedule would be kept the same as in the prior year with no meetings scheduled for July and November. Justin Ramsey reminded the board that the February regular meeting would be a joint meeting held with the Town of Pagosa Springs and was tentatively scheduled for 6pm at Town Hall. Director McIver commented that 5pm would be preferred and Mr. Ramsey said that he would make that request. A motion was made by Director McIver to adopt Resolution 2019-01 Annual Posting for Meetings. The motion was seconded by Director Brueckner and passed unanimously.

Consideration of 2019 Connection Charges and Adjustments to other Non-Rate Revenue

Aaron Burns presented analysis performed on District connection charges and other non-rate fees. The research found that some fees would need to be increased to cover calculated costs while others could be decreased as a result of material cost savings. Director McIver asked if the adjustments were applied on a percentage basis or calculated individually. Mr. Burns answered that they were individually calculated to cover associated labor and material costs. There being no further questions, Director McIver made a motion to approve adjustments to the Connection and Non-Rate Fees as presented. Director Brueckner seconded the motion, which passed unanimously.

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Presentation and discussion of the new PAWSD website/AquaHawk

Justin Ramsey presented the newly complete PAWSD website using the overhead projector. He explained that the new site was much easier to navigate and would allow customers to more easily find needed information. Mr. Ramsey then walked the Board Members through the AquaHawk program, which can be accessed through a link from the website. He explained that it was very easy for customers to register for access and set up alert thresholds in order to monitor their water usage automatically. Mr. Ramsey also pointed out that in the website development process, some changes were made to the District logo to enhance and modernize its appearance. He mentioned that with Board approval, the new logo would gradually replace the old as equipment and other items were retired. The Board indicated their approval of the change.

Other Business

Justin Ramsey reviewed the most recent snow pack data with the Board commented that the figures were still a little below average but could improve with expected snowstorms. He then added that Lake Hatcher was currently 3.5 feet down from capacity and should be full by April, commenting that a wet spring would be better than more snow. Mr. Ramsey also announced that construction for the San Juan UV project had begun and was going smoothly. There being no other business brought before the Board, Chairman Smith made a motion to adjourn at 5:25pm, Director Brueckner seconded the motion, which passed unanimously.

Respectfully submitted,

Gordon Mclver
Secretary



A joint Town GID and PAWSD work session was called to order on February 21, 2019, at 5:00 PM in the 551 Hot Springs Blvd - Town Hall Council Chambers.

1 INTRODUCTIONS – Members in attendance:

Pagosa Area Water and Sanitation District - Board Member Jim Smith, Board Member Gordan McIver, Board Member Blake Brueckner, Board Member Paul Hansen, Board Member Glenn Walsh, Justin Ramsey, Aaron Burns

District Board - Board Chair Volger, Board Member Bunning, Board Member DeGuise, Board Member Bergon, Board Member Schanzenbaker, Andrea Phillips, Martin Schmidt, Gene Tautges

2 UPDATE ON ALIGNMENT OF EU (EQUIVALENT UNIT) CALCULATION – Town Manager Phillips said the District is considering changing to fixture count calculation rather than square footage and type of use. She said the District is trying to come in line with the methodology similar to how PAWSD is calculating EU's. Board Member Walsh said there may be big changes in the number of EU's and possibly down. Town Manager Phillips said if there are two water meters with PAWSD to a duplex for instance, there would be a minimum of two EU's processed.

3 AFFORDABLE HOUSING INCENTIVES – Town Manager Phillips said the District is considering some relief for tap fees for affordable housing based on HUD median income which is about \$50,000. Those developments with homes that allow for 100% AMI (\$900 per month) would fall in to the area for discounts on connection fees. The incentives would include deed restrictions that would be handled through a third party. Board Member Schanzenbaker said there needs to be a policy in place for when these developers come in to request incentives for affordable housing. Board Member Walsh said the fees for sewer connection are \$1,000 and \$5,000 for water connection. He said the larger developments of 50 plus houses are a potential for incentives. He would like a permanent stock of affordable housing. Town Manager Phillips said the property across from the Town Hall is slated for a low income housing project and the Archuleta Housing Authority will be requesting incentives for that 40 unit development. Board Member Hansen asked about tiny trailer homes permitted for incentives and in Town limits. Town Manager Phillips said the Town would have to adopt a tiny home code to include those type of homes in Town. Board Member Hansen said he has talked with the County about a tiny home community on 70 acres he has on Hwy 84. He said the County wants the roads brought up to CDOT specifications and more which makes it not longer an affordable development. Board Member Brueckner said the target market is single family homes that the local builders could be built with incentives. PAWSD does not charge a fee for ADU's if they are on the same meter. Justin Ramsey said if developments can run with master meters, there are less connection fees involved. An 88 unit development with shared meters pays maybe 16 connection fees if they combine master meters. Board Member McIver is in favor of assisting with affordable housing developments. Board Member Brueckner said he doesn't want to base it on the income of the family. He said to put longer deed restrictions with a smaller increase each year. Justin Ramsey said the person who purchases or rents needs to be low income or you may get a wealthy person who just wants a weekend home and then it is not benefiting the local work force. Board Member Walsh said the larger developments have the bigger bang for the incentives and work force. Board Chair Volger said both boards want to assist with incentives for affordable housing. He

said the District will share all the information they have with PAWSD. The first step is creating a policy and then put a list of incentives for developers from all the different entities in the Town and County.

- 4 DISCUSSION ON POSSIBLE MERGER OF DISTRICTS** – Board Chair Volger said the Town doesn't like being in the sewer business. All of the Town's customers are also PAWSD customers. He said if a merger could be agreed upon it would be a great advantage to the Town rate payers. He said it would eliminate duplication and provide efficiency.

In 1992 PAWSD took over the Archuleta Water Company and Town Water. Board Member Walsh said at the time there was a proposal of asking for real estate transfer fees. He said the taxes would go up if PAWSD took over. He said the old lagoon property could have been sold to reduce the District debt. He said there will be serious capital expenditures in 20 years and perhaps to pick a date the two districts merge.

The district has 23 miles of line and 5 lift stations. The Town Board Members would like to look at a merger. Justin Ramsey said a third party would need to look at the infrastructure and debt, Stantec would be a good partner to use. Board Member Bunning said the San Juan Basin Health made changes to septic tanks and there will be extensions to those new areas in need of sewer connections.

- 5 GROWING WATER SMART UPDATE** – Planning Director, James Dickhoff, said the Growing Water Smart work group concentrated their efforts on developing recommendations regarding community organizations adopting a common area growth projection range and patterns. A local growth analysis was conducted and a joint work session is to be scheduled to go over the recommendation of the analysis.

Justin Ramsey said when they did the rate study they had to come up with a projection of connections and usage. Board Member Welsh said the aggregate water demand is not increasing even with a 2% increase in connection to the PAWSD. Board Member Hansen said the Snowball plant will be reconstructed and will be able to double the raw water. He said they are blessed with gravity fed water into Pagosa.

- 6 OTHER ITEMS OF MUTUAL INTEREST** – Justin Ramsey said as of Monday Hatcher was down 22 inches and Stevens is down 11 feet, the water on the mountain are at 88%. He said they will divert water from Hatcher to Stevens. He said production is down but water loss is up.

Don Volger
Mayor

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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
MARCH 21, 2019 REGULAR MEETING

Attendance

The following Directors were present: Jim Smith, Paul Hansen, Glenn Walsh and Blake Brueckner. Gordon Mclver was not present

In attendance from staff: Justin Ramsey, Kyle Tjelmeland and Aaron Burns. Also present was: Jari Sage of BWD Construction, Michael Murphy, Al Pfister and Chris Mannara, Pagosa Sun.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Jim Smith at 5:00 p.m.

Consent Agenda

The Board considered the Consent Agenda. The Directors reviewed the minutes for the January 17, 2019 Regular Meeting, the February 21, 2019 TOPS Joint Work Session as well as the February Water Loss Update (all copies attached).

Discussion around the TOPS Joint Work Session ensued with varying comments regarding the proposal for PAWSD to take over sewer services in the downtown area and to assist in the promotion of affordable housing projects. At the end of the discussion, the board instructed staff to remain in communication with TOPS staff to see what might come of the proposal.

Justin Ramsey explained that water loss as a percentage had increased during the period but as a result of decreased water use rather than an actual increase in water loss.

A motion was made by Director Walsh and seconded by Director Hansen to approve the Consent Agenda as presented. The motion passed unanimously.

Public Comment

Chairman Smith opened the meeting to public comment.

Michael Murphy of 53 Roxannas Ct. asked to address the board regarding a tampering fee that had been assessed to his account. Mr. Murphy explained that on two consecutive days, PAWSD technicians were out to his property to repair the wiring on his water meter. Mr. Murphy explained that he had no reason to damage the meter as his account is in good standing and suspected vandalism. He then provided photos of the damage done to the wiring for the Board to review. Director Hansen made a motion to waive the \$500 tamper fee on the grounds that he did not believe the customer caused the damage to the meter. Director Walsh seconded the motion, which passed unanimously.

Consideration of Petition for Inclusion for Water Services on behalf of River Rock Estates, LLC

Jari Sage of BWD Construction presented the Board with a Petition for Inclusion for Water Services on behalf of River Rock Estates, LLC. Ms. Sage described the inclusion as an approximate 80 unit residential development on a 15 acre parcel of land along Light Plant Road, just south of Apache St. Ms. Sage also commented the

52 development owns a 1.5 cfs water right from the San Juan river that would be used for landscape irrigation. The
53 Board was then presented with a master meter model that calculated that 16 EU's would be necessary
54 according to a Fixture Count formula.
55

56 Director Walsh commented that in reviewing the model, he felt 16 EU's did not seem equitable for approximately
57 80 residential units. He then asked what the approximate cost would be if PAWSD owned and installed the
58 infrastructure and would that savings warrant the reduced EU's shown in the model. Justin Ramsey commented
59 that the model could be recalculated with a single EU assigned to each single family unit rather than the Fixture
60 Count method used in the past.
61

62 Director Hansen commented that he liked the idea of the project and the intended use of water rights for
63 landscape irrigation. Director Walsh commented that more detail about the proposed development would be
64 needed, suggesting that a Work Session be scheduled to review how many units were planned and what type of
65 structures they would be. He also asked whether the development would be done in phases or all at once. Ms.
66 Sage replied that it would be built out in phases beginning with single family units along the river and ending
67 with units closer to Light Plant Road.
68

69 Director Hansen asked how the Fixture Unit approach was calculated and how it had been applied. Director
70 Walsh argued that this development is not technically commercial and a Fixture Unit count should not be applied
71 in this situation. After further discussion, the staff was asked to schedule a Work Session for 5pm on Thursday,
72 April 4th to review the EU modelling in more detail.
73

74 **Other Business**

75 Al Pfister reported on progress made at San Juan Water Conservancy District including the hiring of Renee
76 Lewis. Mr. Pfister commented that things were beginning to be more organized and that the SJWCD was
77 looking forward to working more closely with PAWSD. Mr. Pfister asked if there was anything that SJWDC
78 could be doing for PAWSD. Director Hansen replied that research into Federal funding as a way to offset costs
79 associated with the Dry Gulch property would be very helpful.

80 Justin Ramsey updated the Board on the elevated inflow & infiltration conditions that the wastewater treatment
81 plant was experiencing. Mr. Ramsey also mentioned that some customers were experiencing problems with
82 toilets flushing slowly or not at all and that some had requested refunds on their monthly fees. He also
83 suggested that the District begin requiring that sewer check valves be required on new construction as a
84 preventative measure to keep sewage from back-flowing into structures or require a signed waiver if the builder
85 chooses not to have one installed.

86 Mr. Ramsey then gave a brief update on Growing Water Smart committee activities. He mentioned that a hired
87 consultant had arrived at a 2% average growth rate for Archuleta County, which matched the figure used in the
88 most recent rate study. He also mentioned that the next step would be the creation of a MOU to promote
89 collaboration among the various agencies on water use regulation and communication. There being no other
90 business brought before the Board, Director Brueckner made a motion to adjourn at 7:27pm, Director Walsh
91 seconded the motion, which passed unanimously.

92 Respectfully submitted,
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96 Gordon McIver
97 Secretary

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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
APRIL 4, 2019 WORK SESSION

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Attendance

The following Directors were present: Jim Smith, Paul Hansen, Glenn Walsh, Blake Brueckner and Gordon McIver.

In attendance from staff: Justin Ramsey, Nancy Stahl, Marlo Herrera-Counsell and Aaron Burns. Also present was: Jari Sage of BWD Construction, Ryan Searle of BWD Construction, Mike Davis of Davis Engineering, Myron Stretton, Bruce Stewart and Chris Mannara, Pagosa Sun.

Call to Order

The Work Session for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Jim Smith at 4:59 p.m.

General Business

Justin Ramsey updated the Board on current river and diversion flows as well as reservoir levels. He added that all diversions are currently flowing into Stevens Reservoir and that all reservoirs should be full by spring. He mentioned that the San Juan diversion would be opened on April 5th and that water production for the previous week stood at 13 million gallons compared to 10.3 million gallons at this time last year.

Director Walsh asked if the Vista plant was at risk for state intervention since it is currently over capacity. Mr. Ramsey replied that it is not likely given that it was a seasonal problem related to the higher than normal snow run-off. He also mentioned that the flows into the plant had already begun to subside.

Director Hansen asked how the San Juan UV project was progressing and Mr. Ramsey replied that work was almost complete and that the plant should be up and running in May.

Discussion of EU calculations for River Rock Estates, LLC Inclusion Petition

Justin Ramsey began the discussion of EU calculations by defining how EU's are calculated and how they are applied to various residential and commercial structures. He then asks the Board if the intention is to give a discount to larger developments.

Director Walsh commented that single-family homes should be assigned 1 EU. He also commented that discounts could be given to multi-family units but perhaps not to apartments. Director Walsh reasoned that multi-family units would likely use less water on irrigation and that breaking EU's into fractions would be difficult to manage internally.

Director Hansen commented that he believed that each living unit should be assigned 1 EU. He then asked what the benefit to the District would be for a single family home versus a multi-family home. Director Walsh restated that water use for irrigation would likely be less given that typically landscaping is smaller and shared for these types of units. More discussion followed.

Director Hansen then asked how larger developments would be metered. Mr. Ramsey replied that they could be master metered or individually metered but that there were pros and cons to each method. He then commented that a master meter scenario with fewer meters should present a savings to the developer. Director

52 Mclver commented that he agreed with the idea of discounting fees for multi-family developments but that each
53 unit be assigned 1 EU. He also commented that the community needs to promote more multi-family
54 construction to provide more affordable options for our workforce.
55

56 Director Brueckner commented that lots downtown sometimes have as many as four structures on them and
57 asks if the District will begin to assign 4 EU's in those situations. Justin Ramsey explained that in those
58 instances, it would be considered an Additional Dwelling Unit and would not be assigned an additional EU
59 unless certain conditions were met. Director Walsh commented that he agreed with assigning a single EU to
60 lots with an ADU unless the ADU was separately metered.
61

62 Bruce Stuart of 8 Cobblestone Lane asked to comment on his experience within his own master metered
63 development. He commented that he had a problem with the master meter scenario since any high water
64 usage alert or leak required a lot of detective work to figure out the source of the problem. He also commented
65 that his development frequently experienced water pressure fluctuations as a result. He recommended that the
66 Board reconsider the use of master meters in multi-family developments. Ryan Searle of BWD Construction
67 (builder of the Cobblestone and River Rock Estates) commented that the developer should be allowed to make
68 these decisions and that the problem Mr. Stuart was describing could be remedied easily by adding individual
69 valves to the infrastructure. Mike Davis of Davis Engineering commented that it was buyer's risk in this situation
70 and that it was good that the developer (BWD Construction) was willing to remedy the problem. He went on to
71 say that the decision should be allowed to come down to economics and that he believed that fees were stifling
72 growth in Pagosa Springs. Mr. Stuart presented a letter that he asked be included in the minutes (see
73 attached).
74

75 Director Brueckner asked if the Board should consider a discount given for master metering a larger
76 development. Director Hansen commented that he believed a discount should be given and Director Mclver
77 asked what the percentage should be.
78

79 After further discussion, Director Hansen added that RV sites and "tiny homes" should be considered in the
80 research. He then proposed that 1 EU be assigned to every 10 sites. Mike Davis of Davis Engineering
81 commented that the District could find guidance with the State of Colorado on how these types of units are
82 treated. Lengthy discussion followed.
83

84 Justin Ramsey then asked the Board for direction on revisions to the draft memorandum presented. The Board
85 confirmed that each living unit be assigned an EU and that a discount be researched for master metering a
86 development. The Board also directed that a Fixture Count methodology continue to be used in the case of an
87 apartment complex. Mr. Ramsey commented that he would make the changes to the memorandum and have it
88 ready for review at the Regular Board Meeting scheduled for April 18th.
89

90 Mr. Ramsey then mentioned to the Board that he was considering a tamper fee waiver to allow access to water
91 meters for qualified and insured plumbers and builders.
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93 There being no further discussion, Chairman Smith adjourned the Work Session at 6:50pm.
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96 Respectfully submitted,
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100 Gordon Mclver
101 Secretary

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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
APRIL 16, 2019 REGULAR MEETING

Attendance

The following Directors were present: Jim Smith, Glenn Walsh, and Gordon McIver. Blake Brueckner was excused by a motion from Gordon McIver and second by Glenn Walsh. The motion passed unanimously.

In attendance from staff: Justin Ramsey and Aaron Burns. Also present was: Ryan Searle of BWD Construction, Mike Davis of Davis Engineering, and Chris Mannara, Pagosa Sun.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Smith at 5:00p.m.

Consent Agenda

The Board considered the Consent Agenda. The Directors reviewed the minutes for the March 21, 2019 Regular Meeting and March Water Loss Update (all copies attached).

Justin Ramsey reviewed the water loss report for March and noted that water loss had increased markedly during the month due to a probable leak that has yet to be found.

Aaron Burns reviewed the 1st Quarter 2019 Financial Statements with the Board, commenting that the majority of revenue and expense line items were at or near budgeted percentages for the period. He also commented that a few expense line items that were showing to be above budget were already being addressed.

Director Walsh asked for a report on progress with the San Juan UV project and Justin Ramsey replied that the project was near completion and the plant should be operational in early May.

A motion was made by Director Walsh and seconded by Director McIver to approve the Consent Agenda as presented. The motion passed unanimously.

Public Comment

Chairman Smith opened the meeting to public comment. No comments were offered.

Continued Consideration of EU calculations and Related CIF Fees

Justin Ramsey began the discussion by presenting a revised draft memo describing the calculation and application of EU's discussed in the previous Work Session. Mr. Ramsey also commented that all fees and their purposes would be clarified in the resulting Rules & Regulations revision. Director Walsh commented that PAWSD fees are reasonable compared to other communities but he was open to an evaluation of the Equity Buy-In Fee. Mr. Ramsey reviewed the changes reflected in the most recent revision, pointing out that one single family unit would equal one EU. He also pointed out that Additional Dwellings would not result in added EU requirements. Director Walsh recommended that the Board consider an 800 sq.ft. cap on this waiver but the consensus was to not establish a cap until a problem arose. Mr. Ramsey went on to point out that the memo defined a Multi-family dwelling as one that had common walls and that the first unit would be assessed 1 Full CIF & RWAF fee and the remaining dwellings would be assessed .5 CIF & RWAF fee to calculate the total

52 needed. He also pointed out that there would be no CIF discounts for sewer service or discounts given for
53 master metering a development.

54
55 Mike Davis of Davis Engineering asked to confirm that there would be no discount given for a master meter and
56 suggested that be reconsidered given the possibly large difference in infrastructure cost. The question of how to
57 formulate that discount then arose. Director Walsh and Mr. Ramsey both reaffirmed that in the case of a master
58 meter, District construction specifications would have to be enforced. Director Walsh went on to suggest that
59 some comparative cost analysis could be performed to come up with a formula or that the model used by the
60 Town of Pagosa Springs could be considered.

61
62 Discussion then continued on EU application with Director Walsh suggesting that the definitions of apartments
63 and condominiums be reworded. Justin Ramsey made note and continued reviewing the remaining points in
64 the memo with the Board. Mr. Ramsey pointed out that commercial developments would continue to use the
65 Fixture Unit Count methodology for calculating EU's and that mixed use (commercial/residential) could be
66 governed by the zoning that applied to the development. Director Walsh suggested that in mixed use cases, the
67 commercial units should be calculated by FU's and the residences be treated as separate multi-family units.

68
69 Mr. Ramsey then reviewed the remaining points in the memo which applied to Trailer Parks and RV/Tiny
70 Homes. The consensus of the Board was to wait until Director Hansen was able to weigh in on the subject and
71 perhaps these situations could be considered on a case by case basis.

72
73 **Consideration of Petition for Inclusion on behalf of River Rock Estates, L.L.C.**

74
75 The Board chose to table the River Rock inclusion discussion until changes to the EU policy had been finalized
76 and approved.

77
78 **Other Business**

79
80 Justin Ramsey updated the board on reservoir levels, commenting that all reservoirs were currently full. Mr.
81 Ramsey also reported that the West Fork diversion was flowing at 2.5cfs and the Four Mile diversion was
82 flowing at 4cfs. He went on to report that water production for the month of March was comparable to the prior
83 year and that snow water equivalency was at 41.8 inches.

84
85 Mr. Ramsey also advised the Board that the State of Colorado would be rolling out a new water quality review
86 initiative at some point in the near future. The initiative could involve the review of PAWSD source water to
87 determine if new disinfection and turbidity requirements are needed. Mr. Ramsey reasoned that this could
88 impact the design requirements of the Snowball WTP upgrade scheduled for 2023.

89
90 There being no other business brought before the Board, Director Walsh made a motion to adjourn at 6:15pm,
91 Director Mclver seconded the motion, which passed unanimously.

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93 Respectfully submitted,

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97 Gordon Mclver
98 Secretary

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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
MAY 16, 2019 REGULAR MEETING

Attendance

The following Directors were present: Jim Smith, Paul Hansen, Glenn Walsh, Gordon McIver, and Blake Brueckner.

In attendance from staff: Justin Ramsey, Aaron Burns, and Marissa Perdee. Also present was: Chris Mannara, Todd Starr, Al Pfister and Jari Sage.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Smith at 4:59p.m.

Consent Agenda

The Directors reviewed the minutes for the April 6, 2019 Work Session and April 16, 2019 Regular Meeting (all copies attached). A motion was made by Director Hansen and seconded by Director Brueckner to approve the minutes. The motion passed unanimously.

Justin Ramsey then reviewed the water loss report for March and noted that there had been no improvement to the water loss and that there is still an on-going leak. He then noted that pressure testing will start next week in the Meadows area to try to identify where the leak might be. Director Hansen asked if the swamp below Village Lake has been checked since there was a leak there a couple years ago. Justin Ramsey explained that the area has been walked.

Director Paul Hansen asked if the San Juan WTP clearwell was up and running and Mr. Ramsey replied that work was almost complete. He mentioned that the last of the pumps were received today (May 16th) and would be operational on Tuesday.

A motion was made by Director Hansen and seconded by Director Walsh to approve the Consent Agenda as presented. The motion passed unanimously.

Public Comment

Director Smith opened the meeting to public comment. No comments were offered.

Consideration of Changes to PAWSD Rules and Regulations

Justin Ramsey began the discussion around Resolution 2019-02 by stating that he started making changes for clarification of EU's, CIF's, Raw Water Acquisition, and other items in the PAWSD Rules & Regulations. Mr. Ramsey then noted that as described in Section 3 of the memo, he added language to allow licensed plumbers and contractors to enter meter pits with a Meter Pit Access Agreement.

Director Smith asked if the District would be requiring the use of shoring equipment and Mr. Ramsey clarified that the Meter Pit Access Agreement addressed meter pit access only, not larger excavations. Mr. Ramsey however, took the opportunity to inform the Board that the District would be acquiring and utilizing shoring equipment for safety purposes in the near future. He explained that OSHA requires trenches over five feet deep

52 to be shored with protective equipment. Director Mclver asked if we should have our own equipment for that
53 kind of work. Mr. Ramsey replied that PAWSD does plan to buy it's own shoring equipment, but that
54 contractors would need to provide for similar shoring for PAWSD Field Techs when performing connections and
55 other repairs. He pointed out that Pine Valley Rental is likely going to purchase shoring equipment to rent to
56 local contractors.

57
58 There being no further discussion on subject of shoring, Mr. Ramsey returned to Resolution 2019-02 by noting
59 that he added language in the Application for Service section clarifying the determination of flow rates. He also
60 noted that the deposit for engineering and legal costs had been increased to \$1,000 to match the figure
61 currently being used.

62
63 Mr. Ramsey went on to discuss the Cross Connection Control section. He noted that the State of Colorado
64 requires 99% of all commercial facilities have cross connection control otherwise the District is authorized to
65 discontinue service. He also noted that the Main Line Connection section previously stated that all fire lines
66 must have a compound meter. This has now been changed to read that if the District is contacted, the line is
67 put in per PAWSD specifications and PAWSD Technicians are allowed to inspect, pressure test, and disinfect
68 the line, a compound meter is not necessary. Director Walsh asked why we don't charge for water in fire
69 suppression systems. Mr. Ramsey responded that he doesn't know of a District that does charge for it. He then
70 stated that most fire lines don't have a meter on them, but we don't guarantee fire flow either.

71
72 Director Brueckner asked a follow up question about trench shoring. Justin Ramsey explained that there are
73 various ways to shore a ditch. He said that the District is looking at buying aluminum trench boxes which are 8'
74 X 6' sheets that expand and you drop it in the trench. Director Brueckner asked if that is something that the guys
75 can take to the job rather than requiring builders to have it. Mr. Ramsey explained that we don't want our
76 technicians to get to the job site and the equipment won't work. Mr. Ramsey added that there are other ways to
77 shore such as plates, jacks, stepping it, and sloping. He suggests that contractors send someone to a class to
78 learn how to assess the soil.

79
80 Returning Resolution 2019-02, Mr. Ramsey added that the name of the Raw Water Fee was changed to Lake
81 Raw Water Fee. He explained that people who live on a lake can pump water out of the lake for irrigation.
82 Director Walsh commented that a clause should be added stating that it is subject to annual review.

83
84 Mr. Ramsey then stated that the definition of the Raw Water Acquisition Fee and Model Data Use Fees have
85 also been added to the Rules and Regulations document.

86
87 Director Walsh moved to adopt Resolution 2019-02 and was seconded by Director Hansen. The motion passed
88 unanimously.

89
90 Discussion then went to RV's and Tiny Home scenarios. Justin Ramsey explained the difficulty in finding a
91 benchmark on how much water they use. Director Hansen proposed 10 sites per 1 EU. He noted that these
92 parks are good business for the community. After some discussion about how to apply EU's, a motion was
93 made by Chairman Smith and seconded by Director Walsh to approve the use of fixture count methodology on
94 RV's and Tiny Homes. The motion passed unanimously.

95
96 Mr. Ramsey then moved to the discussion of Resolution 2019-03 which adds clarity to the application of EU's
97 and fixture counts in future developments. He explained that one single family residence is equal to 1 EU. He
98 then described multifamily residences such as apartments and condos calculated as each individual unit is
99 equal to 1 EU. He also explained that the CIF/Raw water acquisition fee would also be based on an EU count
100 and that commercial units would be calculated based on EU's as calculated in the Fixture Unit worksheet. He
101 concluded by noting that for mixed use units, the commercial area is based on business EU's plus one EU per
102 residential unit attached. Director Brueckner asked about a discount for master metering. Mr. Ramsey

103 explained that the discount wasn't big enough to make a difference. A motion was made by Director Walsh and
104 seconded by Director Mclver to adopt Resolution 2019-03. The motion passed unanimously.

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109 **Consideration of Petition for Inclusion on behalf of River Rock Estates, L.L.C.**

110
111 Justin Ramsey began the discussion by explaining that the presented draft inclusion agreement is an outline of
112 the points that PAWSD and BWD need to agree on regarding the River Rock Estates development. Aaron
113 Burns read through the bullet points in the draft agreement and Director Walsh suggested adding language
114 clarifying water right ownership within the agreement. Mr. Ramsey suggested that details be added for a
115 possible Water Right lease-back. After some additional discussion regarding the ownership of Water Rights,
116 Mr. Todd Starr (legal counsel to BWD Construction) announced that he would make the necessary changes and
117 have a final draft prepared for the next Regular Board Meeting.

118
119 **Other Business**

120
121 Director Brueckner asked what the lake levels were and Mr. Ramsey responded that they are all currently full.
122 Director Brueckner noted that he has never seen the river this high. Mr. Ramsey stated that he thinks that it is
123 going to reach 3500cfs in the coming weeks.

124
125 Mr. Ramsey presented a new Fire Line Agreement form stating that all fire lines must be tested annually. He
126 also noted that it is illegal for customers to connect a sump pump to PAWSD sewer lines.

127
128 There being no other business brought before the Board, Director Mclver made a motion to adjourn at 6:16pm,
129 Director Brueckner seconded the motion, which passed unanimously.

130
131 Respectfully submitted,

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135 Gordon Mclver
136 Secretary

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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
JUNE 20, 2019 REGULAR MEETING

5
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Call to Order

7 The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by
8 Chairman Smith at 5:02p.m

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11
Attendance

12 The following Directors were present: Jim Smith, Paul Hansen, Glenn Walsh, and Gordon McIver. Blake
13 Brueckner was not present.

14
15 In attendance from staff: Justin Ramsey, Aaron Burns, and Marissa Perdee. Also present was: Chris Mannara,
16 Todd Starr, and Ryan Searle.

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19
Approval of Minutes

20 The Directors reviewed the minutes for the May 16, 2019 Regular Meeting (all copies attached). A motion was
21 made by Director Hansen and seconded by Director McIver to approve the minutes. The motion passed
22 unanimously.

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25
Public Comment

26 Director Smith opened the meeting to public comment. No comments were offered.

27
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29
Consideration of Minor Changes to Resolution 2019-03

30 Justin Ramsey began the discussion around Resolution 2019-03 by stating that as discussed at the previous
31 meeting, this Resolution has been approved but there were a couple minor changes that were needed to finalize
32 the document.

33
34 Aaron Burns explained that the commercial worksheet that is currently being used was referenced and the
35 wording has been changed in Resolution 2019-03 to match that worksheet.

36
37 A motion was made by Director Walsh and seconded by Director McIver to approve the minor changes made to
38 Resolution 2019-03. The motion passed unanimously.

39
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41
Consideration of Water Main Line Extension for Pagosa Pines Unit 3, Lot 43

42 Justin Ramsey began the Main Line extension discussion by stating that the properties in question are already
43 in the District. He noted that some houses in this cul-de-sac were getting water from a main line on an adjacent
44 street but there would not be enough flow for any newly developed houses, so a water main line is now
45 necessary. Mr. Ramsey added that the property owners are paying for the water line and it is being done per
46 PAWSD specs and standards.

47
48 A motion was made by Director Hansen and seconded by Director McIver to approve the water main line
49 extension for Pagosa Pines Unit 3, Lot 43. The motion passed unanimously.

52 **Consideration of Growing Water Smart Letter of Intent**

53

54 Justin Ramsey began the discussion by stating that the growth study matches our studies at 2% growth. He
55 explained that they have decided to get back together after the 2020 census to discuss it more.

56

57 The Directors concluded not to sign the Letter of Intent at this time but to stay engaged.

58

59 **Consideration of Petition for Inclusion Agreement on behalf of River Rock Estates, LLC**

60

61 Ryan Searle began the discussion by describing the draft inclusion agreement. He stated that the three main
62 points to be discussed were:

63

- 64 1. The agreement allows up to 100 EU's to be included in the District,
- 65 2. Equity buy-in fees – BWD is asking for .25 per additional multi-family unit, and
- 66 3. CIF fees being calculated at 1 EU and .25 for additional.

67

68 Mr. Searle then explained that the property is already close to existing PAWSD infrastructure and the build-out
69 will be expensive due to its location.

70

71 Justin Ramsey recaps that per PAWSD Rules and Regulations each unit will be billed at 1 EU. He notes that
72 there is no discount on an EU, the discount comes from CIF and RWAF.

73

74 Director Walsh brought up the legal fees for the inclusion. He noted that paragraph 1 of the draft agreement
75 states that the District is going to cover the cost of the inclusion petition, when it should be the developer that
76 pays those fees.

77

78 Todd Starr asked if the BWD legal team could perform those court filings and the Directors all agreed they
79 could.

80

81 Gordon Mclver asked whether the proposed development would be considered workforce housing. Mr. Searle
82 replied no, but there would be another project at another location that would be considered “affordable” housing.
83 Mr. Searle went on to describe the area behind Pagosa Lodge as the site of this other project. With regard to
84 the River Rock Project, he noted that there would be lower cost units closer to Light Plant Road and phases will
85 start along the road and go from North to South.

86

87 Director Walsh brought up the EU discount and discussion continued around .25 EU vs .50 EU discount for
88 additional units.

89

90 Todd Starr commented that the development would bring additional water revenue to PAWSD. Director Walsh
91 responded that the water rights retained by BWD for irrigation would greatly offset the expected increase in
92 water sales.

93

94 Director Walsh then pointed out that Paragraph 3 of the draft agreement incorrectly states that the cost of
95 design of the main line extension is the District's responsibility. Director Walsh clarifies that this is always paid
96 for by the developer.

97

98 Justin Ramsey went on to explain that the fees involved are the equity buy-in, CIF/RWAF, connection fees, and
99 the availability fee. Ryan Searle proposed a discount on both the equity buy-in and the CIF/RWAF fee. Director
100 Walsh replied that the CIF/RWAF fee should match the PAWSD Rules and Regulations. Discussion continued
101 around an equity buy-in discount. Mr. Ramsey stated that the Board's current stance is 1 full Equity Buy-in Fee
102 per EU. Mr. Searle replied that development would not proceed without an equity buy-in discount.

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Mr. Ramsey asked Mr. Searle what the units will sell for. Mr. Searle responded that they will range from \$500k to \$600k.

Mr. Starr asked about buying water from the District per 1,000gal. The Directors talked around about the option of buying water per gallon instead of tapping in to PAWSD water lines.

Any other Business Brought before the Board will be Duly Considered

Justin Ramsey noted that a significant leak was found on Trujillo Road in May and PAWSD water usage has significantly decreased since the leak was repaired. Mr. Ramsey went on to explain that the PAWSD main line is located on private property. He also noted that it is a mile long line that only services one house. Director Smith suggested discontinuing the main line and making it a service line. Mr. Ramsey responded that he will look into PAWSD legal rights to either make it a service line or move the meter.

Director Mclver asked about the work that is being done on Piedra Road. Mr. Ramsey stated that PAWSD is replacing the current pipe with HDPE pipe because there have been several leaks in that area.

Mr. Ramsey then noted that there was a leak on Lake Forest Circle crossing the road. He also mentioned that there was a leak on the raw water line on West Fork.

Mr. Ramsey also mentioned the condos on Pinon Lake that have been pulling water out of the lake. He noted that Wyndham used to pay the raw water bill for these condos, but has now decided to have the individual condominiums be responsible for payment. He then stated that we have taken the meter out until they can come up with an agreement with each other on who is going to pay for the raw water usage. To date, they have not come up with an agreement.

There being no other business brought before the Board, Director Mclver made a motion to adjourn at 6:44pm, Director Walsh seconded the motion, which passed unanimously.

Respectfully submitted,

Gordon Mclver
Secretary

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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
JUNE 25, 2019 SPECIAL MEETING

Call to Order

Chairman Jim Smith called the Special Meeting for the Pagosa Area Water and Sanitation District (PAWSD) to order at 6:18 p.m.

Attendance

The following Directors were present: Jim Smith, Glenn Walsh, Paul Hansen and Blake Brueckner. Gordon Mclver was not present. Director Hansen made a motion to excuse Director Brueckner from the last meeting. Chairman Smith seconded the motion, which passed unanimously.

In attendance from staff: Justin Ramsey, Aaron Burns, and Marissa Perdee. Also present were: Chris Mannara, Pagosa Springs Sun.

Public Comment

Chairman Smith opened the meeting to public comment. There were no comments offered by the public present at this time.

Consideration of 2018 Audited Financial Statements

Ronny Farmer with rfarmer, llc. presented the 2018 Audited Financial Statements (copy attached), reviewing the different components of the audit, highlighting the management's discussion and analysis, details regarding the different funds, and the financial statements. Mr. Farmer presented the audit with an unqualified opinion as the financial statements have no material weaknesses or significant deficiencies. Director Walsh brought up page 24 of the audit suggesting that the wording be changed to state that PAWSD will be supportive of SJWCD's efforts to complete Dry Gulch reservoir project construction but is not responsible to pay for it. Following questions from the Board, a motion was made by Director Hansen and seconded by Director Brueckner to approve the 2018 Audited Financial Statements. The motion passed unanimously.

Other Business

There being no further business to come before the Board, Director Hansen made a motion to adjourn the meeting at 6:59 pm. Director Brueckner seconded the motion, which passed unanimously.

Respectfully submitted,

Gordon Mclver
Secretary

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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
AUGUST 15, 2019 REGULAR MEETING

Call to Order

The Regular Board Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Smith at 5:00p.m

Attendance

The following Directors were present: Jim Smith, Paul Hansen, Glenn Walsh, and Gordon McIver. Blake Brueckner was not present.

In attendance from staff: Justin Ramsey, Aaron Burns, and Marissa Perdee. Also present was: John Finefrock and Mary Ann Durham.

Approval of Minutes

The Directors reviewed the minutes for the June 20, 2019 Regular Meeting and June 25, 2019 Special Meeting (all copies attached). A motion was made by Director Hansen and seconded by Director Walsh to approve the minutes. The motion passed unanimously.

Public Comment

Chairman Smith opened the meeting to public comment.

Mary Ann Durham of 949 Majestic Drive asked to address the board regarding low water pressure in her subdivision. Ms. Durham stated that there have been times in the past year where there was no water at all. Ms. Durham went on to explain that PAWSD has been out several times to put a pressure gauge on the fire hydrant, but there are times where there is no water left in the hydrant. She went on to say that she had purchased a water pressure pump for her house, but the water volume was so low that it caused the pump to fail. Justin Ramsey responded by stating that PAWSD is working on a fix for this issue. He stated that we have put in a cistern for Mr. Harris (a neighbor) and suggested that PAWSD can do that for Ms. Durham as well. Mr. Ramsey replied that since the water pressure is so low it won't help to just have a water pressure pump, a cistern is needed as well. He went on to note that PAWSD is trying to put in a pressure station for the neighborhood and has just received the easement necessary to install it. Ms. Durham asked how long it is expected to take. Mr. Ramsey responded that the pump station is in engineering right now and he is not sure how long it is going to take to complete, but he is hoping to get it installed this year. He noted that until the pump station is completed, PAWSD can put a cistern in for her if she would like. Ms. Durham asked about the rest of the people in the subdivision. Mr. Ramsey explained that PAWSD will have to do the same thing for anyone else in the neighborhood that requests it. Ms. Durham asked if this has been budgeted by the Board and Mr. Ramsey replied that the expense would come out of the water distribution maintenance budget.

Director Hansen asked about a leak on the back side of Majestic Drive that was fixed years ago. Mr. Ramsey replied that the leak had occurred back when the system belonged to Archuleta Water and that there was a pump station that was removed during that time. Director Hansen then asked if the water at the fire hydrant has been tested. Mr. Ramsey stated that it is tested frequently and that it peaks at 20 PSI. He restated that PAWSD has gone through the legal process for an easement and that the pump is now going through engineering.

51 Director Mclver asked about problems with the sewer lines in the Timber Ridge area. Mr. Ramsey responded
52 that PAWSD has put in multiple flushing stations in the affected area and that the problem should be fixed now.
53 He noted that if the flushing stations do not work, the next option would be to replace the sewer line.
54

55 **Discussion of Suggested Change to Audit Documents**

56
57 Aaron Burns began the discussion by stating that changes made to page 24 of the audit documents have been
58 presented to Ronny Farmer and he has agreed to insert the language on next year's audit.
59

60 A motion was made by Director Walsh and seconded by Director Hansen to approve the minor change made to
61 the 2019 Audit Documents. The motion passed unanimously.
62

63 **Consideration of 2019 Audit Engagement Letter**

64
65 Aaron Burns began the discussion by stating that according to the engagement letter, PAWSD will be receiving
66 the same Audit service it has for the past several years, but the fee would be going up by \$840.00 for the
67 upcoming year.
68

69 Director Hansen asked if there was a reason for the price increase. Mr. Burns responded that Mr. Farmer did
70 not give a reason for the increase, but noted that the fee had not increased in at least two years.
71

72 A motion was made by Director Mclver and seconded by Director Hansen to approve the 2019 Audit
73 Engagement Letter. The motion passed unanimously.
74

75

76 **Discussion of EU Transfer Authorization**

77
78 Justin Ramsey began the discussion on EU transfer authorization by noting that there have been multiple
79 people that have requested to transfer EU's from one property to another.
80

81 Director Walsh stated that a business owner that owns multiple properties should be able to transfer EU's
82 between the properties, but there should not be a secondary market to sell EU's between individuals.
83

84 Mr. Ramsey stated that the supplied form documents what properties EU's are attached to so that they can be
85 easily tracked. Mr. Ramsey also warned that when EU's get moved around, it has the potential to negatively
86 affect the District's water models.
87

88 The Board came to the conclusion that EU transfers will be limited to commercial accounts and that transfers
89 would be required to be within the same business entity. All request would have to come before the Board and
90 any transfer between pressure zones would require a water model.
91

92 **Consideration of 2nd Quarter Financial Statements**

93
94 Aaron Burns reviewed the 2nd Quarter Financial Statements with the Board noting that revenues and expenses
95 were largely in line with budgeted figures with a few known exceptions. Mr. Burns then gave guidance that the
96 District has experienced some large unexpected repairs in the beginning of the 3rd Quarter and that several
97 maintenance expense accounts are expected to show significant increases for the upcoming period.
98

99 Director Mclver asked what the current cost of repairs on Lake Forest Circle were. Mr. Burns replied that costs
100 were in the \$15,000 range to date but Mr. Ramsey commented that total costs may approach \$50,000 given that
101 the repair is located on a section of the Lake Forest Dam and a dam safety engineer had to be hired to

102 supervise the repairs. Mr. Ramsey also added that there will be 6" of asphalt to put down and that the existing
103 PVC pipe was replaced with ductile pipe, adding significantly to the cost of the repair.

104

105 **Manager Talking Points**

106

107 **a. Water Loss/Leaks**

108

109 Justin Ramsey began the discussion by pointing out that water loss was at 23% for the month of
110 August. Mr. Ramsey noted that this high number is mainly due to tank overflows. Mr. Ramsey then
111 stated that the reason that Majestic runs out of water is because when the tank at Meadows gets low,
112 pressure is lost, so PAWSD has been trying to keep the tanks full. Mr. Ramsey went on to explain that
113 PAWSD currently controls the water level with a valve located in the road in Aspenglow. He stated that
114 PAWSD is going to budget to get the valve taken out of the road and put in an altitude valve that will
115 work more automatically and hopefully keep the tanks from overflowing.

116

117 **b. San Juan WTP Construction**

118

119 Justin Ramsey explained that the construction of the San Juan Water Treatment Plant is 100%
120 complete.

121

122 **c. Vista WWTP NPDES Permit Requirements**

123

124 Mr. Ramsey stated that PAWSD has received their new NPDES Permit from the State of Colorado and
125 that there were some changes with regard to testing frequencies going forward. He went on to explain
126 that lab fees are likely going to increase by \$30,000 annually as a result. Mr. Ramsey noted that in the
127 past, testing for metals was required every 3 months but will now be required every two weeks. He also
128 explained that BOD testing would be increased from quarterly to twice a month going forward. Chairman
129 Smith asked if there are other labs we could look into for metals testing. Mr. Ramsey replied that other
130 labs may be too far away to meet the testing constraints required by the State but that other options
131 were being explored.

132

133 **d. Media Update/Four Mile Creek Administrative Call**

134

135 Mr. Ramsey informed the Board that Four Mile Creek went into administration on July 23, 2019. He
136 went on to note that Hatcher is only 3 inches down and all other reservoirs are full.

137

138 **e. Raw Water Irrigation Update**

139

140 Justin Ramsey brought up the condos on Pinion Lake that have been pulling water out of the lake. He
141 explained that they have come up with an agreement and they have all paid the bill. Mr. Ramsey noted
142 that the agreement is clear that they will be billed separately based on the numbers that they agreed on
143 and if one person doesn't pay, they all get shut off.

144

145 **f. Staffing**

146

147 **i. New Hires**

148

149 Justin Ramsey stated that PAWSD is back up to 100% staffing. He noted that staffing will
150 probably increase next year with operations at three plants.

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Mr. Ramsey then noted that there has been discussion on 16-24 hour shifts for operations. He stated that this will not happen in the next year, but it is being discussed.

ii. Vehicle Crash Near Aspen Springs

Justin Ramsey explained that a PAWSD employee was on his way to Durango when a car pulled out in front of him in Aspen Springs and the two vehicles collided. He noted that nobody was injured and the other driver was determined to be at fault but did not have insurance.

Any other Business Brought before the Board will be Duly Considered

Director Hansen made a motion to excuse Director Mclver from the last meeting. Director Walsh seconded the motion, which passed unanimously.

There being no other business brought before the Board, Director Mclver made a motion to adjourn at 6:11pm, Director Walsh seconded the motion, which passed unanimously.

Respectfully submitted,

Gordon Mclver
Secretary

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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
SEPTEMBER 19, 2019 REGULAR MEETING

Call to Order

The Regular Board Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Smith at 5:00p.m

Attendance

The following Directors were present: Jim Smith, Paul Hansen, Glenn Walsh, and Gordon McIver, and Blake Brueckner.

A motion was made by Director Walsh and seconded by Director McIver to excuse Director Bruckner from the last meeting. The motion passed unanimously.

In attendance from staff: Justin Ramsey, Aaron Burns, and Marissa Perdee. Also present was: Sandra Billings, Herb Billings, Chris Mannara, Aaron Kimple, and Bill Hudson

Approval of Minutes

The Directors reviewed the minutes for the August 15, 2019 Regular Meeting (all copies attached). A motion was made by Director McIver and seconded by Director Walsh to approve the minutes. The motion passed unanimously.

Public Comment

Chairman Smith opened the meeting to public comment.

Herb Billings asked for an update on the water pressure problem in Piedra Estates. Justin Ramsey replied that the pump station has been ordered and PAWSD has started laying out for electrical. Sandra Billings asked how long PAWSD thinks it will take to get the pump station set up. Mr. Ramsey responded that he does not know an exact time but hopefully within the next four weeks. Mr. Billings asked where the pump station is going to be placed. Mr. Ramsey replied that it will be on the corner of JJ Circle and Majestic Drive.

Consideration of San Juan Headwaters Forest Health Partners request for support

Aaron Kimple of San Juan Headwaters Forest Health Partners began the discussion by explaining who is involved in the partnership. Mr. Kimple noted that this group works with the Forest Service and other public and private entities to assure aid in forest health.

Justin Ramsey noted that this group has gotten him in front of the Forest Service to make sure that PAWSD infrastructures are fairly high on the priority list when it comes to fire mitigation.

Director McIver asked what the Forest Service is doing about beetle kill. Mr. Kimple responded that it depends on where the beetle kill is, but they are not more susceptible than green trees to burn. Mr. Kimple noted that beetle kill trees are in a better position for fire when they are standing up because they do not have a lot to burn and the fire will not carry as well. Director McIver asked if they are going to be left standing. Mr. Kimple responded that in Wolf Creek, because of the high elevation, the forest is more susceptible to fire when there

51 are years of heavy drought. He noted that in places where it is not too wet, the Forest Service puts a sale up for
52 the beetle kill for building log homes.

53
54 Mr. Ramsey stated that San Juan Forest Service has limited fire mitigation funds and PAWSD has been working
55 with them to prioritize where it is important to use those funds. Mr. Kimple went on to say that they are moving
56 up in elevation to areas where PAWSD infrastructures are. Mr. Kimple noted that they try to be as effective and
57 efficient with the money they do have so that when there is a fire, it will have less of an impact.

58
59 Mr. Ramsey informed the Board that this has been budgeted and the funds are available. He noted that he
60 thinks this is a wise investment and a benefit to the community and PAWSD clientele as a whole.

61
62 A motion was made by Director McIver and seconded by Director Walsh to approve the San Juan Headwaters
63 Forest Health Partners request for support. The motion passed unanimously.

64
65 **Consideration of Resolution 2019-04 defining commercial EU transfer guidelines**

66
67 Justin Ramsey began the discussion by noting that if a residential property is split, PAWSD will allow the EU's to
68 be split as the property owner desires as long as it stays within the original footprint. Mr. Ramsey stated that EU
69 transfers will be mainly commercial, they will have to be approved by the board, and if it changes pressure
70 zones, a model will have to be run.

71
72 Director Hansen asked what would happen to the sewer EU's if the water EU's were transferred from uptown to
73 downtown. Mr. Ramsey replied that there is no way to track the water EU's at that point and they go away.
74 Director Hansen noted that customers used to be able to put their EU's "on ice" if they were not being used. Mr.
75 Ramsey responded that PAWSD still does this for new developers but we cannot go up and down with EU's on
76 a property. Director Hansen asked what would happen if someone wanted to transfer water EU's from
77 downtown uptown. Mr. Ramsey noted that staff would have to look into it because PAWSD can't give sewer
78 EU's away when people transfer water EU's. Director Walsh stated that it is very complicated to put EU's "on
79 ice" and suggested that the board stick with the current guidelines. Aaron Burns added that it would be very
80 hard to track EU's this way in the system PAWSD currently uses but staff can look into it. Mr. Hansen requested
81 staff to look into this and try to come up with a simple and fair solution to putting EU's "on ice".

82
83 A motion was made by Chairman Smith and seconded by Director Walsh to approve Resolution 2019-04
84 defining commercial EU transfer guidelines. The motion passed with Director Hansen dissenting.

85
86
87 **Consideration of 2018 Annual Report to the Board of County Commissioners**

88
89 Justin Ramsey began the discussion by noting that the county used to require three binders full of detailed
90 PAWSD information and they now only require a summary to be sent to them each year.

91
92 Director Walsh added that he thinks the county wanted more information from PAWSD during the Dry Gulch
93 Project.

94
95 Mr. Ramsey noted that everything PAWSD used to send to them is still available if they ask for it. Director
96 Hansen asked if the county asks for this report every year. Mr. Burns replied that PAWSD has an agreement to
97 provide it to them. Mr. Ramsey noted that he also presents it to the BOCC.

98
99 A motion was made by Director Walsh and seconded by Director Hansen to approve the presentation of the
100 PAWSD 2018 Annual Report to the Archuleta Board of County Commissioners. The motion passed
101 unanimously.

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Manager Talking Points

Justin Ramsey began the discussion by pointing out that water loss was up to about 300gal/min for the month of August. Mr. Ramsey believes that this high number is mainly due to the water pressure issue on Piedra Estates. Mr. Ramsey then stated that in order to keep the Meadows tank full it has been spilling out of the Stevens tank. Mr. Ramsey went on to say that the water loss should go down as the booster system is built. Director Hansen asked if PAWSD is running into issues with retention time and chlorine levels. Mr. Ramsey responded that there are always issues in certain areas but not in Meadows or Stevens because there is so much water getting cycled through them.

Mr. Ramsey brought up the sewer line in Cool Pines. He noted that this appears to have been resolved, PAWSD has not heard of any problems since the flushing stations were put in.

Mr. Ramsey pointed out that there will be discussion on Urban Renewal Authority (URA) in the next Board Meeting and handed out a copy of the State Statute pertaining URA's. Mr. Walsh requested the report provided to PAWSD from the Town of Pagosa Springs. Mr. Ramsey responded the report would be emailed to all board members.

Mr. Burns requested that the Board consider postponing the October Board Meeting by one week as the presentation of the 2020 draft budget is due by October 15th and the current meeting is scheduled for October 17th. Mr. Burns noted that it is very likely that it will take until the 15th to get the draft budget completed and this will give the Board members more time to review before the meeting.

A motion was made by Director Mclver and seconded by Director Bruckner to postpone October's Board Meeting one week. The motion passed unanimously.

Mr. Ramsey brought up the EU transfer form that was approved in the August meeting. He stated that since PAWSD is going to allow a property owner to transfer EU's inside that footprint, there was a signature line added to the EU transfer form. PAWSD now requires a signature for both the person doing the transfer and the person receiving the transfer.

Any other Business Brought before the Board will be Duly Considered

There being no other business brought before the Board, Director Mclver made a motion to adjourn at 5:58pm, Director Hansen seconded the motion, which passed unanimously.

Respectfully submitted,

Gordon Mclver
Secretary

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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
OCTOBER 24, 2019 REGULAR MEETING

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Call to Order

7 The Regular Board Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by
8 Chairman Smith at 5:03p.m

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Attendance

12 The following Directors were present: Jim Smith, Paul Hansen, Glenn Walsh by phone, Gordon McIver, and
13 Blake Brueckner.

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15 In attendance from staff: Justin Ramsey, Aaron Burns, and Marissa Perdee. Also present was: Lee Olliffe and
16 Chris Mannara.

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Approval of Minutes

20 The Directors reviewed the minutes for the September 19, 2019 Regular Meeting (all copies attached). A
21 motion was made by Director Hansen and seconded by Director Brueckner to approve the minutes. The motion
22 passed unanimously.

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25
Public Comment

26 Chairman Smith opened the meeting to public comment. There were no comments offered by the public present
27 at this time.

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Consideration of Lee Olliffe's Request for Reimbursement for Mis-Location of Water Line

31 Lee Olliffe began the discussion by explaining that he would like reimbursement for one full day of excavation.
32 Mr. Olliffe explained that he had an excavator digging where the blue marker was placed and no water line was
33 found in that area. Mr. Olliffe then noted that a PAWSD employee was called to confirm location of the water line
34 and they were able to find it after that. Mr. Olliffe explained that he feels that the extra day of excavation cost is
35 due to mislocation of the water line. Director Hansen responded by noting that PAWSD did not develop the
36 property. Developers gave PAWSD a map of utility locations but PAWSD does not guarantee that the locations
37 are accurate. Director Hansen also noted that the permit states that PAWSD is not responsible for line locates.

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39 A motion was made by Director Hansen and seconded by Director Brueckner to decline the request for
40 reimbursement due to mislocation of water line. The motion passed unanimously.

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43
Consideration of Leak Rate Adjustment for Chris Horley

44 Aaron Burns began the discussion by explaining that Chris Horley recently purchased a property in July and
45 upon purchasing discovered a severe irrigation leak when he received \$1,000+ water bill from PAWSD. Mr.
46 Burns explained that Mr. Horley is requesting a leak rate adjustment be applied to his account, but his water
47 usage did not meet PAWSD threshold used to apply a leak rate adjustment.

48
49 A motion was made by Director Hansen to reduce Mr. Horley's water bill by \$150. The motion died for lack of
50 second.

52 Chairman Smith noted that there should have been an inspection done on the house prior to purchasing.
53 Director Walsh asked if PAWSD customers are eligible to register for AquaHawk upon taking ownership of a
54 property. Justin Ramsey responded that customers are eligible to sign up as soon as the account is transferred
55 into their name.

56
57 A motion was made by Director Walsh and seconded by Chairman Smith to deny Chris Horley's request of leak
58 rate adjustment. The motion passed with Director Hansen dissenting.

59
60

61 **Consideration of Letter of Support for the Upper San Juan Watershed Enhancement Partnership Grant**
62 **for Hydraulic Model and Analysis**

63

64 Justin Ramsey began the discussion by explaining that the Upper San Juan Watershed Enhancement
65 Partnership is doing studies on the Upper San Juan Watershed. Mr. Ramsey noted that there is no money being
66 requested, they are going after a grant to hire a consultant to do a large hydrologic study of the watershed to
67 help with planning purposes for the future and would like PAWSD support for the proposal.

68

69 A motion was made by Director Hansen and seconded by Director McIver to approve the letter of support for the
70 Upper San Juan Watershed Enhancement Partnership grant for hydraulic model and analysis. The motion
71 passed unanimously.

72

73 **Consideration of Levine & Partners Project**

74

75 Justin Ramsey began the discussion by pointing out that the Levine family owns the south half of Reservoir Hill.
76 Mr. Ramsey explained that about half of the property is in the District and the other half is not. Mr. Ramsey
77 noted that Robert Levine wants to develop the property but is not entirely sure what he wants to do with it. Mr.
78 Ramsey went on to explain that Mr. Levine wants PAWSD to promise him adequate offsite infrastructure for any
79 future developments. Mr. Ramsey noted that PAWSD requires a model for anything over 4 EU's and PAWSD
80 cannot promise assets that are not in the District. Mr. Ramsey went on to read three emails from Mr. Levine
81 (attached) asking for a capacity commitment for the maximum number of houses they can connect water service
82 to on the existing offsite lines. Mr. Levine also wrote that River Rock is not going to build as many houses as
83 originally planned and requested PAWSD commit the remaining EU's to them. Mr. Ramsey summarized this by
84 stating that Mr. Levine is requesting the Board make a commitment to include his 300+ acres of property
85 sometime in the future, but if the current Board agrees to this and a future Board does not, PAWSD could be
86 subject to a possible litigation.

87

88 A motion was made by Director Walsh and seconded by Director Hansen that the project is too immature for the
89 Board to give serious consideration. The motion passed unanimously.

90

91 **Consideration of Archuleta County EU Transfer Request**

92

93 Justin Ramsey explained to the Board that Archuleta County is requesting to move 4.5 EU's from the old jail to
94 the new Detention Center.

95

96 A motion was made by Director Hansen and seconded by Director McIver to approve the Archuleta County EU
97 Transfer Request. The motion passed unanimously.

98

99 **Consideration of 3rd Quarter Financial Statements**

100

101 Aaron Burns reviewed the September Financial Statements with the Directors noting that as of September 30th,
102 75% of the fiscal year had elapsed and that each fund was at or below that pace from a budget perspective.

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Public Hearing on the 2020 Draft Budget

The Public Hearing on the 2020 Draft Budget was opened at 5:44pm. Aaron Burns began the discussion by recommending the Board consider changing the next Regular Meeting date to December 12th to accommodate a vote on the Final Budget and certification of the mill levies by prescribed deadlines. Mr. Burns pointed out that the Draft Budget meets all Debt Service Coverage ratio requirements. Director Hansen pointed out that 2019 claims are higher than normal for health insurance and asked what the reason for that is. Mr. Ramsey responded that this is due to claims history. Mr. Burns went on to explain that a large capital expense PAWSD is budgeting for is the replacement of the Putt Hill water tank. He noted that this replacement will effectively double its capacity. Mr. Burns stated that 29 Full Time Equivalent (FTE) are budgeted for all of 2020 and that wage projections continue to allow for step increases of between 1-3%. Mr. Ramsey added that with equipment getting more sophisticated in terms of computer control, PAWSD has been hiring Browns Hill for the last 9 years. He noted that PAWSD is planning to hire someone as a full time employee and anticipate reducing Browns Hill cost by 75%. Mr. Burns went on to note that the Worker's Comp experience modification (MOD) for 2019 decreased significantly from where it had been as a result of the fatal accident several years back, but will be increasing slightly in 2020. He added that Health Insurance expenses are projected to increase 12% in 2020. Various other items were reviewed including the replacement of three service vehicles. There being no further discussion or questions, the public hearing was closed at 6:11pm.

Manager Talking Points

Justin Ramsey began the discussion by pointing out that water loss is the same as it has been for the past several months, likely due to tank overflow issues because of Piedra Estates. Mr. Ramsey noted that the booster station for Piedra Estates pump station has been ordered and he is hoping to have the project completed by the end of the year.

Mr. Ramsey pointed out that Hatcher and Stevens Lake are just above 90% and the other lakes are full.

Mr. Ramsey then noted that the new NPDES Permit requires more laboratory analysis. He explained that PAWSD is going to have to meet more stringent nutrient discharge limits. PAWSD can currently get discharge down to 9.5mg/liter and the limit will be 10mg/liter by 2024.

Any other Business Brought before the Board will be Duly Considered

There being no other business brought before the Board, Director Mclver made a motion to adjourn at 6:23pm, Director Hansen seconded the motion, which passed unanimously.

Respectfully submitted,

Gordon Mclver
Secretary

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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
DECEMBER 12, 2019 REGULAR MEETING

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Call to Order

7 The Regular Board Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by
8 Chairman Smith at 5:01p.m

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Attendance

12 The following Directors were present: Jim Smith, Paul Hansen by phone, Glenn Walsh, Gordon Mclver, and
13 Blake Brueckner.

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15 In attendance from staff: Justin Ramsey, Aaron Burns, and Marissa Perdee. Also present was: John Bozek,
16 Chris Mannara, James Dickhoff, Bruce Dryburgh, Bill Hudson, Ryan Searle, and Rory Burnett.

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Approval of Minutes

20 The Directors reviewed the minutes for the October 24, 2019 Regular Meeting (all copies attached). A motion
21 was made by Director Mclver and seconded by Director Brueckner to approve the minutes. The motion passed
22 unanimously.

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Public Comment

26 Chairman Smith opened the meeting to public comment. There were no comments offered by the public present
27 at this time.

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Consideration of Petition for Inclusion for Kalei Pitcher

31 Justin Ramsey began the discussion by stating that Kalei Pitcher owns property at the top of Snowball Road
32 and PAWSD water line goes up to his property. Mr. Ramsey noted that this would be a very simple inclusion
33 and there are no issues with PAWSD staff.

34
35 A motion was made by Director Walsh and seconded by Director Mclver to accept the petition for inclusion for
36 Kalei Pitcher. The motion passed unanimously. A public hearing to finalize the inclusion was scheduled for
37 January 16, 2020.

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40
Consideration of the Timbers/Kalei Pitcher EU Transfer

41 Justin Ramsey explained to the Board members that Kalei Pitcher has decided to withdraw his request for EU
42 transfer.

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45
Consideration of Certification of Mill Levies

46 Aaron Burns reviewed the results of the final Assessed Values Reports from Archuleta County noting that a
47 \$20M increase in final assessed values was seen in District 1 and an \$11M increase was seen in District 2. Mr.
48 Burns explained that given the size of these increases, TABOR restrictions have been triggered meaning District
49 1 will require a temporary tax credit of \$92.3K and District 2 will require a temporary tax credit of \$14.5K. Mr.
50 Burns added that this is the first time in three years that PAWSD has had a TABOR restriction.

52 A motion was made by Director Walsh and seconded by Director Brueckner to certify the District 1 & 2 Mill
53 Levies as presented. The motion passed unanimously.

54

55 **Consideration of Resolution 2019-04 to adopt the 2020 Budget**

56

57 Aaron Burns opened the conversation by highlighting changes to the Draft Budget presented earlier at the
58 October 24th meeting. He noted that there is a \$30K surplus from a budgeted item in 2019 that was allocated to
59 SCADA equipment upgrades. Mr. Burns noted that he is wanting to move this surplus to 2020 to allow a new
60 PAWSD staff member (SCADA technician) the ability to do repair work and upgrades in 2020. Mr. Burns went
61 on to explain that water treatment plant lab and chemical expenses have increased slightly due to new
62 regulations. After further discussion, Director McIver made a motion to approve Resolution 2019-04 to adopt the
63 2020 Budget and appropriate funds. Director Walsh seconded the motion which passed unanimously.

64

65 **Presentation on Town of Pagosa Springs work force housing**

66

67 James Dickhoff began the conversation by noting that Archuleta County Housing Authority was successfully
68 awarded the low-income housing tax credit (LIHTC) application. He went on to say that Archuleta County
69 Housing Authority has gone through the design process and is planning on breaking ground in spring of 2020.
70 They plan to build 34 units, an office building, for Department of Human Services, and a small clubhouse for the
71 residents. Mr. Dickhoff explained that the Town owns a 6 acre parcel on Trujillo Road that they are going to be
72 offering up for development proposals. A request for expressions of interest will be sent out to try to generate
73 ideas of how to develop the property appropriately for workforce housing and possibly some market grade
74 housing as well. Mr. Dickhoff noted that public financial support is typically needed for anything under 100%
75 average median income (AMI). Director Walsh stated that he believes that the real crisis is with people making
76 30-80% AMI. Mr. Dickhoff replied that the Town Council wants to put together a more comprehensive incentive
77 package and encourages PAWSD to consider some method to participate in the incentive program. He stated
78 that LIHTC was successful because of community support and suggested PAWSD consider assigning a board
79 or staff member to help.

80

81 **Presentation on fees**

82

83 Justin Ramsey began the presentation by stating that current PAWSD fees were calculated by a rate study that
84 was completed in 2018. The model for this study is based on assumptions for growth, inflation, a 10 year capital
85 investment plan, and historical operation costs. Mr. Ramsey noted that, though not illegal, PAWSD tries not to
86 mix funds (i.e. capital investment fees and rates). Mr. Ramsey went on to explain what each of the PAWSD fees
87 pay for. He noted that the majority of PAWSD revenue comes from rates.

88

89 Mr. Ramsey continued his presentation by discussing regulatory water cost increases required by the State.
90 These involve increased contact time to enhance pathogen removal, increased federal monitoring for non-
91 MCL's, increased lead and copper monitoring, and increased turbidity limitations. He went on to note that
92 regulatory waste water cost increases include rebuilding lift stations, nutrient removal, increased monitoring
93 requirements, and plant licensing upgrades. Mr. Ramsey explained that as PAWSD charges the minimum fee to
94 customers, if there is a fee reduction, the reduction in the fee needs to be replenished somehow.

95

96 Referring back to James Dickhoff's presentation, Director McIver and Director Walsh agreed to attend Town of
97 Pagosa Springs workforce housing work sessions.

98

99 **URA Discussion**

100

101 Justin Ramsey began the discussion by explaining that the Town of Pagosa Springs passed a resolution to
102 establish an Urban Renewal Authority (URA). The first step for this is to put together an URA Board. Mr.

103 Ramsey explained that the Town has opted to put together an 11 member board made up of 7 members from
104 the Town Council, 1 member from the School Board, 1 member from the County, 1 member from the 7 Special
105 Districts, and 1 member appointed by the Mayor. Mr. Ramsey noted that he drafted a letter to the Mayor
106 requesting the URA Board include 4 Town Council members, 4 Special District Board members, 1 appointee by
107 the Archuleta Board of County Commissioners, 1 elected member of the School District, and 1 member
108 appointed by the Mayor. Director Walsh suggested recommending the appointment of a second county
109 commissioner rather than the mayor appointing a member. Director Walsh also suggested possibly having a 13
110 member URA Board. Mr. Ramsey then suggested scheduling a meeting to discuss, as a community, how to put
111 the URA Board together. The Board directed staff to draft a letter to Mayor Volger requesting a meeting between
112 the town and all taxing districts to address the format of the URA Board.

113

114 Mr. Ramsey noted that he believes it would be beneficial for PAWSD to hire an attorney to look over the binding
115 arbitration and Board requirements. The Board directed staff to consult with a URA attorney.

116

117 **BWD Construction**

118

119 **a. Consideration of refund for triplex connection fee**

120

121 Ryan Searle explained to the Board members that BWD Construction is currently constructing a triplex and
122 when the connection paperwork was submitted to PAWSD he was unaware that PAWSD was revising the CIF
123 fee calculation for triplexes. The revised fees went into effect two days after BWD submitted the connection
124 paperwork. Mr. Searle requested from the Board a refund the difference in the CIF fee which resulted in a
125 refund of \$4,756.00.

126

127 A motion was made by Director Walsh and seconded by Director Chairman Smith to approve the refund of
128 \$4,756.00 to BWD Construction. The motion passed unanimously.

129

130 **b. Discussion of proposal regarding River Rock Development**

131

132 Ryan Searle began the discussion by explaining that BWD Construction has decided to scale down the River
133 Rock Development project from 100 EU's to approximately 10 EU's. Mr. Searle noted that BWD would like this
134 property to be included into the District with approximately 10 EU's (the exact number will be determined prior to
135 the inclusion submittal).

136

137 **c. Discussion of Villas at Lodge Development**

138

139 Ryan Searle began the discussion by explaining that BWD's vision for Mountain Lake Villas is for it to be a
140 workforce housing development. They would like to provide a 12 unit condominium for workforce housing at 80-
141 120% AMI. Mr. Searle explained to the Board that this housing is for the "missing middle" individuals that are
142 currently living in cheaper homes than they would prefer because there is not housing available at the price
143 range they would prefer to live in. Director Walsh commented that he has provided a spreadsheet (copy
144 attached) with rentals from the past 6 months from the Pagosa Springs SUN newspaper. Mr. Walsh added that
145 he believes the issue Pagosa Springs faces is with families making minimum wage and not being able to find a
146 place to live. Mr. Searle replied that BWD's goal is to do a voluntary workforce housing as close to 80% AMI as
147 possible. Director Walsh recommended that BWD aim towards 80% AMI then let PAWSD know what they can
148 do.

149

150 **Consideration of Joint Work Session with San Juan Water Conservancy District on 1/23/2020**

151

152 Justin Ramsey explained that he thinks that it is very important to meet with San Juan Water Conservancy
153 District to discuss joint contractual obligations with the Colorado Water Conservation Board and the Weber

154 lease of the Flat Iron Ranch. The Board agreed to meet with San Juan Water Conservancy District at 5:00pm
155 January 23, 2020 at PAWSD administrative offices.

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157 **Manager Talking Points**

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159 **a. Water Loss**

160

161 Justin Ramsey pointed out that water loss percentage went up because water usage went down but the overall
162 water loss in gpm was similar to last month.

163

164 **b. Discussion of 2020 Water Rate Increase**

165

166 Justin Ramsey noted that per the rate study done in 2016, rates are going to increase by 6% in 2020. This will
167 require a public hearing at the January 16, 2020 Board Meeting.

168

169 **c. Temporary Change in Term Length**

170

171 Aaron Burns explained to the Board members that District Elections will be changed from even years to odd
172 years, thus the next two election cycles will have three year terms as opposed to four year terms. Director
173 Walsh asked how this will count against term limits. Mr. Burns replied that he will look into it.

174

175 **d. Contracting election official**

176

177 Aaron Burns noted that Shellie Peterson has referred Glenna Sullivan to be PAWSD's designated election
178 official. Mr. Burns went on to say that he will produce a Board resolution/employment contract for Ms. Sullivan
179 for the next meeting.

180

181 **e. Discussion of 2020 Board Meeting Schedule**

182

183 Justin Ramsey recommended to the Board members changing the Board Meetings from the 3rd Thursday of
184 every month to the 2nd Thursday of every month. Mr. Ramsey noted that there will be a vote on this discussion
185 in January's Board Meeting.

186

187 **Any other Business Brought before the Board will be Duly Considered**

188

189 There being no other business brought before the Board, Director Walsh made a motion to adjourn at 7:22pm,
190 Director Mclver seconded the motion, which passed unanimously.

191

192 Respectfully submitted,

193

194

195

196 Gordon Mclver

197 Secretary