

PAGOSA AREA WATER AND SANITATION DISTRICT)
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ARCHULETA COUNTY) SS
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STATE OF COLORADO)

NOTICE OF SPECIAL MEETING AND WORK SESSION

NOTICE IS HEREBY GIVEN that a Special Meeting and Work Session of the Board of Directors of the Pagosa Area Water and Sanitation District have been scheduled for Monday, April 26, 2010, at 4:00 p.m. The Special Meeting will be held at the District's administrative offices located at 100 Lyn Avenue, Pagosa Springs, Colorado. Following the Special Meeting, the Board of Directors will adjourn to a Work Session to accommodate the attendance of the Board honoring out-going members. The Work Session will be held at Colorado Café located at 565 Village Drive, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Call to Order
2. Consideration of District's Strategic Plan
3. Consideration of District's Annual Report
4. Consideration of Resolution Supporting Proposal to Bureau of Reclamation WaterSMART Water and Energy Efficiency Grant Program
5. Any Other Business Brought Before the Board Will Be Duly Considered.
6. Adjourn to Work Session

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Carrie S. Weiss
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
APRIL 26, 2010 SPECIAL MEETING

Attendance

The following Directors were present: Karen Wessels, Steve Hartvigsen, Windsor Chacey, Harold Slavinski and Bob Huff. Also in attendance were: Carrie Weiss, Gene Tautges, Sheila Berger, Art Holloman, Michelle Tressler, Randi Pierce, Jodie Blankenship, Allan Bunch, and Roy Vega.

Disclosure of Potential Conflicts of Interest

Carrie Weiss had previously reported that she had filed a Disclosure of Conflict of Interest regarding her position on the San Juan Water Conservancy District Board of Directors and receiving compensation for services as Manager for the Pagosa Area Water and Sanitation District. Karen Wessels had previously submitted a Disclosure as a Board of Director for the District, as a member of the Board of Directors of the San Juan Water Conservancy District, and as owner of Alpha Engineering, where one might perceive a conflict could arise. Harold Slavinski and Windsor Chacey had previously submitted a Disclosure as a Board of Director for the District and as members of the Board of Directors of the San Juan Water Conservancy District. The Board noted, for the record, that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

Call to Order

The Special Meeting of the Pagosa Area Water and Sanitation District was called to order by Chairman Karen Wessels at 4:03 p.m. on April 26, 2010.

Consideration of District's Strategic Plan

Sheila Berger provided the Directors with an overview of the Strategic Planning process and the final document, explaining that the second round of all-staff comments had been incorporated as well as comments from the Board since the April 13 Special Meeting. Director Chacey expressed that the Plan was an extremely valuable future planning tool, particularly as it focuses on the development of alternative energy and efficiency measures. Ms. Berger pointed to the final page which illustrated the timeline for implementing action steps in the Plan, stating that the staff will be quite busy in the next several months. She elaborated on the level of involvement of all staff in the Strategic Planning process, particularly regarding suggestions for action steps to resolve issues of internal communication and technical systems optimization. Director Hartvigsen suggested a wording change to Objective 1.2.

Following this discussion, the Directors turned their attention to a revised District organization chart, one of the first outcomes of the Strategic Plan. Shellie Tressler explained that it incorporated many of the staff suggestions regarding optimization of personnel systems and improved internal communication as well as incorporating succession planning and identifying training needs. She noted that this is a living document, like the Strategic Plan, and subject to change over time, but that staff had given it a lot of thought and was not only looking at existing staffing but looking forward to future District needs. Director Huff asked how quickly the seven "future" positions as noted on the organization chart were expected to be filled, to which Ms. Tressler replied over the next five years. Director Chacey pointed out that PAWSD personnel do a lot of work with a minimum amount of people.

Following the organization chart discussion, Ms. Tressler directed the Board's attention to the Board of Directors' Code of Conduct, another outgrowth of the Strategic Plan. She pointed out a couple changes that had been made since the April 13 Regular Board Meeting and explained that if something is already specifically addressed in the District By-Laws or another over-riding document, it was not included in the Code of Conduct. A motion was made by Director Chacey and seconded by Director Huff to approve the Strategic Plan with the change suggested by Director Hartvigsen, the organization chart and the Code of Conduct. The motion passed unanimously.

Carrie Weiss requested that the Board give her the authority to make salary adjustments to the modified positions where they involved increased duties, these changes to be considered at mid-year evaluations. Director Huff requested that the modifications, if made, were done within the approved salary ranges, to which Mrs. Weiss confirmed that the adjustments would be between 5-8% and that adjustments would not be applicable to all modified positions, only those with a significantly higher level of responsibility, and that she would provide the Board with an update in June during the mid-year evaluation process. She affirmed that any increases would be within budgeted parameters. A motion was made by Director Hartvigsen and seconded by Director Huff to give the District Manager the authority to make salary modifications. The motion passed unanimously.

Consideration of District's Annual Report

Carrie Weiss provided the Board with an overview of the final Annual Report to the County. She stressed that much staff and attorney time, effort, and expense had been put into responding to the County's additional 25 requests outside of a typical annual report, the total staff time being 156.5 hours and total legal time being 52 hours. Pointing to the three binders of exhibits she stated that much of the 600-plus pages of supporting documentation had already been provided to the County in their preceding other seven requests for information. She reported that a letter had been sent to the County last week indicating that PAWSD would be providing the report prior to their April 30, 2010 deadline and that we would be ready to present the report publicly at their May 4 regular meeting. She said that the County had responded that they would need more time than that to read through the report and prepare for our presentation. Mrs. Weiss informed the Board that the report would be provided to the County the following day, and that the Directors would be advised once the BoCC notifies us of a time and date to present it. Shellie Tressler stated that doing this report has made us a better organization, hopefully perceived as less defensive and more open and sharing. She opined that this document would be a basis to begin a new attitude of sharing and community involvement. Director Chacey commended the work. Mrs. Weiss pointed out that in the County's initial March 8, 2010 letter demanding this report and additional responses, the original District Service Plan was continually called into question as a basis to attack the validity of our work and planning 33 years later. Director Huff pointed out that the community of Parker, CO is building a new reservoir and although a general obligation bond was approved, so far it had been paid for entirely by growth fees. He went on to say that what the Board has done regarding Dry Gulch planning is to establish the location and purchase some of the property so that future Boards can have the opportunity to build the size of reservoir the community desires at that time.

Sheila Berger went over the redline changes in the report. Ms. Tressler pointed out that the report followed a template provided by the Colorado State Auditor's office and that future reports would be much smaller in size. The Board discussed the wording of the cover letter, also included in the final paragraph of the report. Ms. Berger presented the Board with a proposal for

the Dry Gulch Community Work Group, stating that the details would be formulated in the next week prior to the May Board meeting. Director Huff suggested that the four main decisions that would be required from the work group would be: 1. Should PAWSD be planning for storage? 2. Should the storage be at the Dry Gulch site? 3. How much storage should PAWSD plan for? 4. How should the project be paid for?

Following discussion of the Annual Report, cover letter and Dry Gulch Community Work Group, a motion was made by Director Huff and seconded by Director Slavinski to approve the Annual Report and accompanying cover letter with changes as noted, and to direct staff to continue to proceed with developing the Dry Gulch Community Work Group as proposed. The motion passed unanimously.

Consideration of Resolution Supporting Proposal to Bureau of Reclamation WaterSMART Water and Efficiency Grant Program.

Sheila Berger provided the Board with an overview of a grant proposal to the Bureau of Reclamation (BOR) for approximately \$182,000. These funds would match money that had already been budgeted for 2010 to begin implementing the Water Meter Replacement project. Specifically, the grant, if successful, would allow the District to purchase nearly 1000 more water meters programmable to 10 gallon reading increments which would greatly enhance the leak detection and water loss initiatives that have begun since installation of the Automated Meter Reading technology. A motion was made by Director Slavinski and seconded by Director Hartvigsen to adopt the resolution obligating PAWSD to the required BOR reporting and financial commitments if the WaterSMART grant is received. The motion passed unanimously.

Other Business

There being no further business to come before the Board, the meeting was adjourned at 5:48 p.m.

Respectfully submitted,

Windsor Chacey
Secretary/Treasurer