

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

NOTICE OF REGULAR MEETING

NOTICE IS HEREBY GIVEN that a Regular Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) has been scheduled for Tuesday, January 14, 2014, at 2:00 p.m. The Regular Meeting will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Call to Order
2. Approval of Consent Agenda
 - Minutes – 12/10/13 Regular Meeting
 - Water Loss Update
 - Investment Report – December 31, 2013
 - Financial Statements – December 31, 2013
 - 2013 Audit Update
3. Public Comment
4. Consideration of Geothermal Greenhouse Partnership Project Request for Letter of Support
5. Consideration of San Juan Water Conservancy District Request for Memorial for Jack DeLange
6. Consideration of San Juan Water Conservancy District Request to Participate in Regards to Conservation Easement Transaction Fee Agreement
7. Consideration of Revised Schedule of Fees and Charges
8. Consideration of San Juan Water Treatment Plant Upgrade Recommendation
9. Consideration of Resolution 2014 – 01 – Board of Directors Annual Posting for Meetings
10. Consideration of Resolution 2014 – 02 – Resolution Calling for the 2014 Regular District Election
11. Consideration of Designation of Election Official
12. Consideration of Board of Directors Code of Conduct
13. Any Other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
JANUARY 14, 2014 REGULAR MEETING

Attendance

The following Directors were present: Burt Adams, Allan Bunch, Michael Church, Roy Vega, and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, Gregg Mayo, and Renee Lewis. Also present were: Dana Hayward, Art Dilione, Rod Proffitt, Troy Rascoe, John Ramberg, Paul Hansen, and Mark Weiler.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Allan Bunch at 2:00 p.m.

Consent Agenda

The Board considered the Consent Agenda. The Directors reviewed the minutes for the December 10, 2013 Regular Meeting, Water Loss Update, Investment Report – December 31, 2013, Preliminary Financial Statements – December 31, 2013, and an Audit Update. Director Vega brought to the attention of the Board and staff the discrepancy on line 25 of the December 10, 2013 Regular Meeting minutes, stating his recollection of the October water loss amount was 18.5 million gallons not 20.2 million as currently stated in the draft meeting minutes. Director Walsh brought to the attention of the Board and staff the discrepancy on line 54 of the December 10, 2013 Regular Meeting minutes of the estimated cost of the Water Line from the Meadows Subdivision to District 2, stating his recollection of the estimated cost was \$2,247,000.00 not \$3,700,000.00 as currently stated in the draft meeting minutes. Ed Winton, District Manager, presented the Water Loss Update, stating the water loss amount for the month of December is up from the month of November amount of 3.3 million to 14.9 million. Mr. Winton also noted the November water loss amount was overestimated as upon further review of the data one of the larger breaks actually accounted for less of the water loss amount. Mr. Winton further stated the November water loss amount would be corrected following further review by staff. Shellie Peterson, Business Services Manager, presented the Investment Report – December 31, 2013 and the Preliminary Financial Statements – December 13, 2013, stating that maturities would again be invested in CDARS rather than in local banks as directed by the Board. Mrs. Peterson also presented an Audit Update from Ronny Farmer, stating the property purchased for the Dry Gulch Reservoir Project has been redefined for financial statement purposes from an asset to an asset held for sale. Mrs. Peterson further stated the purpose for the redefinition is due to Board action taken on September 24, 2013 terminating the Intergovernmental Agreements with the San Juan Water Conservancy District in regards to the Dry Gulch Reservoir Project. Mrs. Peterson explained to the Board that Ronny Farmer had also further reviewed the Intergovernmental Agreement between PAWSD and the Pagosa Springs Sanitation General Improvement District (PSSGID), now that the project is coming to fruition. In conference with the PSSGID's auditor, Mike Branch, it had been determined that the project would better be classified as a long-term receivable on the PAWSD financial records and a long-term payable on the PSSGID financial records rather than as Work In Progress. Mr. Farmer and Mr. Branch agreed that an amendment or addendum to the IGA would be necessary at a future date to clarify the ownership position and further

define operational issues. Finally, Mrs. Peterson reminded the Directors that the audit process was on schedule to be completed about a month earlier than previous years due to ongoing procedural changes. A motion was made by Director Vega and seconded by Director Walsh to approve the Consent Agenda as amended above. The motion passed unanimously.

Public Comment

Chairman Bunch opened the meeting to public comments. John Ramberg offered comments regarding water loss (copy attached).

Consideration of Geothermal Greenhouse Partnership Project Request for Letter of Support

The Board considered the Geothermal Greenhouse Partnership Project Request for Letter of Support (copy attached). A motion was made by Director Vega and seconded by Director Adams to not take action on this item as the project representative was not present and the Board was unable to determine a correlation between the goals of the project and PAWSD. The motion passed unanimously.

Consideration of San Juan Water Conservancy District Request for Memorial for Jack DeLange

The Board considered San Juan Water Conservancy District Request for Memorial for Jack DeLange (copy attached). Rod Proffitt, President of the San Juan Water Conservancy District (SJWCD), presented Consideration of San Juan Water Conservancy District Request for Memorial for Jack DeLange, stating that on behalf of the SJWCD Board he is requesting that PAWSD provide space on its campus for a memorial to Jack DeLange as he was a longtime District Manager of PAWSD and Board Member of the SJWCD. The Board agreed to provide space on the PAWSD campus for a reasonably sized memorial for Jack DeLange.

Consideration of San Juan Water Conservancy District Request to Participate in Regards to Conservation Easement Transaction Fee Agreement

The Board considered San Juan Water Conservancy District Request to Participate in Regards to Conservation Easement Transaction Fee Agreement (copy attached). Rod Proffitt presented Consideration of San Juan Water Conservancy District Request to Participate in Regards to Conservation Easement Transaction Fee Agreement, stating the Lavery family is willing to provide both PAWSD and SJWCD with copies of documents prepared in regards to conservation easement negotiations had between the Lavery family and the Southwest Land Alliance in return for a release by both PAWSD and the SJWCD of the Lavery family of its obligations under the aforesaid agreement. A motion was made by Director Vega and seconded by Chairman Bunch to have PAWSD General Counsel prepare a separate release that satisfies the Lavery family in exchange for copies of documents prepared in regards to the conservation easement negotiations had between the Lavery family and SLA, so long as, PAWSD is not prevented from commenting on the documents or SLA, the release provides that neither PAWSD, nor its successors and assigns, are liable for any costs incurred in the future in regards to aforesaid agreement or conservation easement, and the draft release is presented to the Board for final approval. The motion passed 3 – 0 with Directors Church and Adams abstaining.

Consideration of Revised Schedule of Fees and Charges

The Board considered Revised Schedule of Fees and Charges (copy attached). Shellie Peterson presented Consideration of Revised Schedule of Fees and Charges, stating this is typically the time of year when the Board reviews the Schedule of Fees and Charges and in light of the Board's acceptance of

the 2013 Rate Study on September 24, 2013 and the approval of the 2014 Rate Structure on December 10, 2013, she recommends the Board approve the revisions to the Schedule of Fees and Charges. Director Walsh requested the 4.4% increase in water rates be also imposed on the Potable Water Fill Station and Treated Water Tanker Hauler charges. A motion was made by Director Walsh and seconded by Director Vega to extend the 4.4% increase in water rates to the Potable Water Fill Station and Treated Water Tanker Hauler charges. The motion passed unanimously. A motion was made by Chairman Bunch and seconded by Director Vega to approve the revised Schedule of Fees and Charges as amended above. The motion passed unanimously.

Consideration of San Juan Water Treatment Plant Upgrade Recommendation

The Board considered the San Juan Water Treatment Plant Upgrade Recommendation (copy attached). Ed Winton presented Consideration of San Juan Water Treatment Plant Upgrade Recommendation, stating that due to the need for pretreatment on the San Juan Water Treatment Plant in order for the facility to treat lake water, staff had run a pilot test between both the MIEX and Trident units needed for pretreatment and conducted a preliminary cost estimate over a 30-year lifespan. Mr. Winton further noted that while the MIEX unit is more expensive for initial installation, the Trident unit, according to the preliminary cost estimate, would cost more over time due to the additional costs for labor and chemical, and it is his recommendation to proceed with the MIEX unit for pretreatment on the San Juan Water Treatment Plant. A motion was made by Director Vega and seconded by Chairman Bunch to accept staff's recommendation of proceeding with the MIEX unit for pretreatment on the San Juan Water Treatment Plant. The motion passed unanimously.

Consideration of Resolution 2014 – 01 – Board of Directors Annual Posting for Meetings

The Board considered Resolution 2014 – 01 – Board of Directors Annual Posting for Meetings (copy attached). Renee Lewis, Special Projects Manager, presented Consideration of Resolution 2014 – 01 – Board of Directors Annual Posting for Meetings, stating this is the annual notice for PAWSD Board of Directors meetings per state statute. A motion was made by Director Vega and seconded by Chairman Bunch to adopt Resolution 2014 – 01 – Board of Directors Annual Posting for Meetings as presented. The motion passed unanimously.

Consideration of Designation of Election Official and Resolution 2014 – 02 – Resolution Calling for the 2014 Regular District Election

The Board considered Designation of Election Official and Resolution 2014 – 02 – Resolution Calling for the 2014 Regular District Election (copy attached). Renee Lewis presented Consideration of Designation of Election Official and Resolution 2014 – 02 – Resolution Calling for the 2014 Regular District Election, stating this resolution is required per state statute to formally call for the 2014 election and also requires the Board to designate a 2014 Election Official. A motion was made by Director Vega and seconded by Chairman Bunch to designate Renee Lewis as the 2014 Election Official and adopt Resolution 2014 – 02 – Resolution Calling for the 2014 Regular District Election. The motion passed unanimously. A motion was made by Chairman Bunch and seconded by Director Adams to not consider reinstating the taxing restrictions of TABOR for the 2014 election. The motion passed 3 – 2 with Directors Church and Walsh opposed.

Consideration of Board of Directors Code of Conduct

The Board considered the Board of Directors Code of Conduct (copy attached). Chairman Bunch presented Consideration of Board of Directors Code of Conduct, stating the District needs its Board of Directors to operate by a definable set of rules and the Board already has an existing Code of Conduct document that is essentially created for just that purpose, but is currently being ignored by some. Chairman Bunch further stated that either we operate by this set of guidelines or change those guidelines to something to which we can and will adhere. Following a lengthy discussion, the Board agreed to abide by the existing guidelines in the Code of Conduct, address alleged violations of the Code of Conduct immediately, and address only action items during the meetings.

Other Business

The Board agreed to cancel the Regular Work Sessions typically held on the fourth Tuesday of every month until further notice.

There being no further business to come before the Board, the meeting was adjourned at 5:13 p.m.

Respectfully submitted,

Michael Church
Secretary

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

NOTICE OF WORK SESSION CANCELLATION

NOTICE IS HEREBY GIVEN that the Work Session of the Board of Directors of the Pagosa Area Water and Sanitation District has been CANCELLED for January 28, 2014.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

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

NOTICE OF REGULAR MEETING

NOTICE IS HEREBY GIVEN that a Regular Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) has been scheduled for Tuesday, February 11, 2014, at 2:00 p.m. The Board of Directors may enter into Executive Session for the purposes of discussing personnel matters pursuant to Section 24-6-402(4)(f), C.R.S. The Regular Meeting will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Call to Order
2. Approval of Consent Agenda
 - Minutes – 1/14/14 Regular Meeting
 - Water Loss Update
 - Snowpack Update
 - Update Regarding Uninstalling Meters and the 2014 Rate Structure
3. Public Comment
4. Consideration of San Juan Headwaters Forest Health Partnership Request
5. Consideration of Presentation on Water Loss – John Ramberg
6. Consideration of the Potential Inclusion of Log Park Water Company
7. Consideration of Petition for Inclusion for Water Services – Timothy & Elizabeth Vail
8. Consideration of Awarding of Contract for Vehicle Replacement
9. Consideration of Draft Release of Laverty Family in Regards to Conservation Easement Transaction Fee Agreement
10. Consideration of Entering into Executive Session Pursuant to Section as Described Above
11. Any Other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
FEBRUARY 11, 2014 REGULAR MEETING

Attendance

The following Directors were present: Burt Adams, Allan Bunch, Michael Church (telephonically), Roy Vega, and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, Gregg Mayo, and Renee Lewis. Also present were: Randi Pierce, Shanti Johnson, Art Dillione, Rod Proffitt, Dave West, Muriel Eason, J.R. Ford, Paul Hansen, Judy Reilly, Sandra Walker, and John Ramberg.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Allan Bunch at 2:10 p.m.

Consent Agenda

The Board considered the Consent Agenda. The Directors reviewed the minutes for the January 14, 2014 Regular Meeting, Water Loss Update, Snowpack Update, and Update Regarding Uninstalling Meters and the 2014 Rate Structure. Ed Winton, District Manager, presented the Water Loss Update, stating the water loss amount for the month of January is up from the December amount of 14.9 million gallons to 16.5 million gallons. Ed Winton presented the Snowpack Update, stating the snowpack in the Pagosa Springs area to be at about 19.7 inches of snow water equivalent using the SNOTEL data for the Upper San Juan and about 21.2 inches of snow water equivalent using the SNOTEL data for the Wolf Creek Summit. Shellie Peterson, Business Services Manager, presented the Update regarding Uninstalling Meters and the 2014 Rate Structure, stating her research found that during the moratorium of the Water Resource Fee 588 accounts were connected, 170 have never used any water, and 418 have begun to use water at some point since 2006. Mrs. Peterson further stated that throughout the District there are over 208 connections where no structure is present and no water use being billed except for the minimum monthly service charge. Mrs. Peterson also stated in regards to the 2014 Rate Structure that on average 23% of PAWSD customers are billed for only the minimum monthly service charge with zero water usage; thus, these customers will not realize the benefit of the 2000 gallons included in the recent minimum monthly water rate increase, but those who use a minimum of 2000 gallons will likely realize a decrease in their water rates. A motion was made by Director Walsh and seconded by Director Adams to approve the Consent Agenda as presented. The motion passed unanimously.

Public Comment

Chairman Bunch opened the meeting to public comment. Dave West offered comments regarding qualifications for being a PAWSD Board Member.

Consideration of San Juan Headwaters Forest Health Partnership Request

The Board considered San Juan Headwaters Forest Health Partnership Request (copy attached). J.R. Ford, representative of San Juan Headwaters Forest Health Partnership, presented Consideration of San

Juan Headwaters Forest Health Partnership Request, stating this group is interested in using grant monies to thin area forests in an attempt to prevent massive wildfires and mitigate silt and ash impacts on area water sources. Mr. Ford further stated that by leveraging these grant monies with any contributions from PAWSD the combined resources can be used more efficiently and effectively to protect the area water resources from the impacts of massive wildfires. A motion was made by Director Vega and seconded by Chairman Bunch to approve the request by San Juan Headwaters Forest Health Partnership for \$5000.00. The motion passed unanimously.

Consideration of Presentation on Water Loss – John Ramberg

The Board considered Presentation on Water Loss – John Ramberg (copy attached). John Ramberg provided Presentation on Water Loss, stating that his research shows PAWSD should be incorporating more of the American Water Works Association recommendations for calculating water loss. Mr. Ramberg also provided some recommendations on how to chart water loss on a monthly basis. The Board took no action on this on this matter.

Consideration of the Potential Inclusion of Log Park Water Company

The Board considered Potential Inclusion of Log Park Water Company (copy attached). Shellie Peterson presented Potential Inclusion of Log Park Water Company, stating the list of terms represents negotiation points the Log Park Water Company has agreed to at this time in regards to a potential inclusion. As the negotiations become more complicated, Mrs. Peterson requested Board direction as to whether to continue to commit both PAWSD resources and Log Park Water Company resources to this matter. The Board directed staff to continue with the negotiations with Log Park Water Company and to consult with counsel regarding two legal matters.

Consideration of Petition for Inclusion for Water Services – Timothy & Elizabeth Vail

The Board considered Petition for Inclusion for Water Services – Timothy & Elizabeth Vail (copy attached). Shellie Peterson presented Petition for Inclusion for Water Services – Timothy & Elizabeth Vail, stating these property owners had recently purchased property that adjoins those involved in the initial Mill Creek inclusion and now wish to join efforts to install the main line and appurtenances. They are negotiating a separate agreement with the Mill Creek Property Owner's Association regarding the use of that infrastructure. A motion was made by Director Vega and seconded by Director Adams to accept the Petition for Inclusion by Timothy and Elizabeth Vail. The motion passed unanimously.

Consideration of Awarding of Contract for Vehicle Replacement

The Board considered Awarding of Contract for Vehicle Replacement (copy attached). Gregg Mayo, Projects Manager, presented Awarding of Contract for Vehicle Replacement, stating this bid from Vance Auto Group, Guthrie, OK, was the lowest of six bids and does include PAWSD specifications. A motion was made by Director Adams and seconded by Director Vega to accept this bid of \$88,968.00 from the Vance Auto Group for the purchase of four 2014 Ford ½ ton trucks. The motion passed unanimously.

Consideration of Draft Release of Laverty Family in Regards to Conservation Easement Transaction Fee Agreement

The Board considered Draft Release of Laverty Family in Regards to Conservation Easement Transaction Fee Agreement (copy attached). Ed Winton presented Draft Release of Laverty Family in

Regards to Conservation Easement Transaction Fee Agreement, stating that per Board direction this Release and Consent had been drafted by PAWSD General Counsel and is now before the Board for approval. A motion was made by Director Vega and seconded by Director Adams to authorize the PAWSD Chairman and President to execute said Release and Consent upon approval by the Laverty Family and San Juan Water Conservancy District. The motion passed unanimously.

Executive Session Pursuant to Sections 24-6-402(4)(e) and 24-6-402(4)(f), C.R.S.

A motion was made by Director Vega and seconded by Chairman Bunch to enter into Executive Session at 4:31 p.m. for the purposes of discussing positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators, and personnel matters, specifically an employment contract, pursuant to Sections 24-6-402(4)(e) and 24-6-402(4)(f), C.R.S. The motion passed 3 – 1 with Director Church opposed and Director Walsh abstaining. Director Walsh then left the meeting due to illness.

Return to Open Session

Upon returning to Open Session at 4:55 p.m., a motion was made by Chairman Bunch and seconded by Director Adams to direct PAWSD General Counsel to proceed with negotiation points discussed in Executive Session and to extend the District Manager's employment contract for four more years under the current terms. The motion passed 3 – 1 with Director Church opposed.

There being no further business to come before the Board, the meeting was adjourned at 4:58 p.m.

Respectfully submitted,

Michael Church

Secretary

PAGOSA AREA WATER AND SANITATION DISTRICT

ARCHULETA COUNTY

STATE OF COLORADO

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) S.S.
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NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) has been scheduled for Thursday, February 20, 2014 at 1:30 p.m. The Special Meeting will be held at the District's administrative office located at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Consideration of Direction for San Juan Water Conservancy District to Negotiate with Colorado Water Conservation Board Regarding the Loan for the Dry Gulch Reservoir Property
2. Any other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
FEBRUARY 20, 2014 SPECIAL MEETING

Attendance

The following Directors were present: Burt Adams, Allan Bunch, Michael Church (telephonically), Roy Vega, and Glenn Walsh (telephonically).

In attendance from staff: Ed Winton, Shellie Peterson, and Renee Lewis. Also present were: Randi Pierce, Bill Hudson, and Glenn Robinson.

Call to Order

The Special Meeting of the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Allan Bunch at 1:37 p.m.

Consideration of Direction for San Juan Water Conservancy District to Negotiate with Colorado Water Conservation Board Regarding the Loan for the Dry Gulch Reservoir Property

The Board considered Direction for San Juan Water Conservancy District to Negotiate with Colorado Water Conservation Board Regarding the Loan for the Dry Gulch Reservoir Property (copy attached). Chairman Bunch presented Direction for San Juan Water Conservancy District to Negotiate with Colorado Water Conservation Board Regarding the Loan for the Dry Gulch Reservoir Property, stating PAWSD General Counsel met with the new counsel for the San Juan Water Conservancy District (SJWCD) and the outcome of that meeting was to request the PAWSD Board of Directors take formal action to allow the SJWCD to negotiate with Colorado Water Conservation Board regarding the loan for the Dry Gulch Reservoir property. A motion was made by Chairman Bunch and seconded by Director Adams to adopt Resolution 2014 – 03 – Resolution to Provide San Juan Water Conservancy District with Direction to Negotiate with the Colorado Water Conservation Board Regarding the Loan for the Dry Gulch Water Storage Facility Property. The motion passed 3 – 2 with Directors Church and Walsh opposed. A motion was made by Director Church and seconded by Director Walsh to restate the termination date of March 23, 2014 as the termination date of the IGA between the two entities in regards to the Dry Gulch Reservoir Project. The motion failed 3 – 2 with Directors Church and Walsh in favor.

There being no further business to come before the Board, the meeting was adjourned at 1:54 p.m.

Respectfully submitted,

Michael Church
Secretary

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
MARCH 11, 2014 REGULAR MEETING

Attendance

The following Directors were present: Burt Adams (telephonically), Allan Bunch, Michael Church, and Glenn Walsh

In attendance from staff: Gregg Mayo, Michael Medici, and Renee Lewis. Also present were: Shanti Johnson, Art Dilione, Bill Hudson, Glenn Robinson, Jim Bruvold, Paul Hansen, Sandra Walker, Judy Reilly, Melanie Bavouset, and John Ramberg.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Allan Bunch at 2:06 p.m.

Consent Agenda

The Board considered the Consent Agenda. The Directors reviewed the minutes for the February 11, 2014 Regular Meeting and the February 20, 2014 Special Meeting, the Water Loss Update, and the Election Update. Renee Lewis, Special Projects Manager, presented the Election Update, stating the ballot for the PAWSD 2014 Board of Directors Election was certified on March 7, 2014. The candidates for the two seats on the Board are Jennifer Burck, Gordon McIver, Paul Hansen, David West, and Allan Bunch. The Board agreed to have a polling place election on May 6, 2014 at the PAWSD administrative campus 100 Lyn Ave., Pagosa Springs, CO 81147 with absentee ballots available the first week of April by submitting a request to Renee Lewis, Designated Election Official. A motion was made by Director Walsh and seconded by Chairman Bunch to approve the Consent Agenda as presented. The motion passed unanimously.

Public Comment

Chairman Bunch opened the meeting to public comment. John Ramberg offered comments on water loss (copy attached). Bill Hudson offered comments regarding the easements acquired for the PAWSD portion of the sewer line from Pagosa Springs Sanitation General Improvement District to the PAWSD Vista Wastewater Treatment Plant.

Consideration of the Potential Inclusion of Log Park Water Company

The Board considered Potential Inclusion of Log Park Water Company (copy attached). Renee Lewis presented Potential Inclusion of Log Park Water Company, stating the board materials contain the list of terms the representatives of Log Park Water Company have agreed to thus far and the legal opinions arising out of the discussion during the February 11, 2014 Regular Meeting. The Board agreed the Log Park Water Company should pay all of the inclusion costs, including the Equity Buy-in Fee for each parcel, occupied or vacant. The Board also reminded the representatives that additional infrastructure for the purposes of integrating the Log Park metering system with PAWSD remote meter reading system may be required and these costs will be paid for by Log Park Water Company as a part of the inclusion

agreement. The Board directed staff to continue working with the representatives of the Log Park Water Company toward an inclusion agreement prior to bringing any Petition for Inclusion Election to the Board.

There being no further business to come before the Board, the meeting was adjourned at 2:49 p.m.

Respectfully submitted,

Michael Church
Secretary

PAGOSA AREA WATER AND SANITATION DISTRICT

ARCHULETA COUNTY

STATE OF COLORADO

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NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) has been scheduled for Tuesday, March 25, 2014 at 2:00 p.m. The Board may enter into Executive Session for a conference with the District’s attorney for the purposes of receiving legal advice on specific legal questions regarding the Dry Gulch Reservoir Project agenda item pursuant to Section 24-6-402(4)(b), C.R.S. The Special Meeting will be held at the District’s administrative office located at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Consideration of Entering into Executive Session Pursuant to Section as Described Above
2. Consideration of Proposal from San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C.
3. Any other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDING
PAGOSA AREA WATER AND SANITATION DISTRICT
MARCH 25, 2014 SPECIAL MEETING

Attendance

The following Directors were present: Burt Adams, Allan Bunch, Michael Church, Roy Vega, and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, and Renee Lewis. Also present were: Rod Proffitt.

Call to Order

The Special Meeting of the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Allan Bunch at 2:06 p.m.

Consideration of Entering into Executive Session Pursuant to Section 24-6-402(4)(b), C.R.S. and Consideration of Dry Gulch Reservoir Project – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C.

The Board considered Entering into Executive Session Pursuant to Section 24-6-402(4)(b), C.R.S. for the purposes of receiving legal advice on specific legal questions regarding the Dry Gulch Reservoir Project from Jeffery P. Robbins, Goldman, Robbins & Nicholson, P.C. (copy attached). A motion was made by Chairman Bunch and seconded by Director Adams to enter into Executive Session for a conference with the District's attorney for the purposes of receiving legal advice on specific legal questions regarding the Dry Gulch Reservoir Project pursuant to Section 24-6-402(4)(b), C.R.S. The motion passed unanimously. The Board entered into Executive Session at 2:08 p.m.

The Board considered the Dry Gulch Reservoir Project – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C. (copy attached). Upon returning to Open Session at 3:06, the Board thanked Mr. Robbins for providing legal advice on specific legal questions regarding the Dry Gulch Reservoir Project during Executive Session at which no decisions were made.

There being no further business to come before the Board, the meeting was adjourned at 3:07 p.m.

Respectfully submitted,

Michael Church

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

NOTICE OF REGULAR MEETING AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a Regular Meeting and Public Hearing of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) have been scheduled for Tuesday, April 8, 2014, at 2:00 and 2:30 p.m. respectively. The Board may enter into Executive Session for a conference with the District's attorney for the purposes of receiving legal advice on specific legal questions regarding the Proposal from San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property agenda item pursuant to Section 24-6-402(4)(b), C.R.S. The Regular Meeting will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Call to Order
2. Approval of Consent Agenda
 - Minutes – 3/11/14 Regular Meeting and 3/25/14 Special Meeting
 - Water Loss Update
 - Investment Report – 3/31/14
 - Financial Statements – 3/31/14
 - Election Update
3. Public Comment
4. 2:30 Public Hearing - Consideration of Petition for Inclusion for Water Services – Timothy & Elizabeth Vail
5. Consideration of 2014 Multiple Use Agreement between PAWSD and PLPOA
6. Consideration of the Application of Leakage Service Charge
7. Consideration of Entering into Executive Session Pursuant to Section as Described Above
8. Consideration of Proposal from San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C.
9. Any Other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
APRIL 8, 2014 REGULAR MEETING

Attendance

The following Directors were present: Burt Adams, Allan Bunch, Michael Church, Roy Vega, and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, Gregg Mayo, Nancy Stahl, and Renee Lewis. Also present were: Shanti Johnson, Art Dilione, Larry Lynch, Bill Hudson, Cynda Green, Judy Reilly, Sandra Walker, John Ramberg, Paul Hansen, Dave West, and Gordon McIver.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Allan Bunch at 2:04 p.m.

Consent Agenda

The Board considered the Consent Agenda. The Directors reviewed the minutes for the March 11, 2014 Regular Meeting and the March 25, 2014 Special Meeting, the Water Loss Update, the Investment Report – March, 31, 2014, the Financial Statements – March 31, 2014, and the Election Update. Shellie Peterson, Business Systems Manager, presented the Investment Report – March, 31, 2014 and the Financial Statements – March 31, 2014, stating that maturities would again be invested in CDARS rather than in local banks as directed by the Board. Mrs. Peterson further stated the Financial Statements are typical for the first quarter as expenditures are usually higher than income at this point in the fiscal year and that salaries will be overstated by the Board authorized sick leave payout until the end of the year when adjustments can be made to reduce the salaries accounts by the liability carried for that purpose. Renee Lewis, Special Projects Manager, presented the Election Update, stating that a webpage has been built on the PAWSD website to provide 2014 PAWSD Election information. Ms. Lewis also reported that 20 absentee ballots have been requested and 20 absentee ballots have been disseminated to date. A motion was made by Director Vega and seconded by Director Walsh to approve the Consent Agenda as presented. The motion passed unanimously.

Public Comment

Chairman Bunch opened the meeting to public comment. Judy Reilly, Log Park Water Company, offered comments regarding support of the potential inclusion of Log Park into the PAWSD boundaries from 40 of the 42 property owners in Log Park Water Company. Bill Hudson offered comments regarding posting monthly accounts payable checks on the PAWSD website. Mr. Hudson also offered comments regarding any agreement reached between PAWSD and San Juan Water Conservancy District (SJWCD) be made available to the public prior to approval by the PAWSD Board. John Ramberg offered comments regarding water loss.

Public Hearing – 2:30 p.m. – Consideration of Petition for Inclusion for Water Services – Timothy & Elizabeth Vail

Chairman Bunch opened the Public Hearing regarding the Timothy and Elizabeth Vail Inclusion and Consideration of Order of Inclusion at 2:35 p.m.

The Board considered Timothy and Elizabeth Vail Inclusion and Consideration of Order of Inclusion (copy attached). Shellie Peterson presented the Timothy and Elizabeth Vail Inclusion and Consideration of Order of Inclusion, stating the Board accepted the property owner's Petition to Include at the February 11, 2014 Regular Meeting, the Notice of Public Hearing had been published April 3, 2014, and should the Board so act, the Order for Inclusion and the Conditions of Inclusion will be sent to District Court once the Equity Buy-in Fee is received. No public comments on this item were offered. A motion was made by Chairman Bunch and seconded by Director Adams to authorize the Secretary to sign the Order of Inclusion on behalf of the Board and directed staff to initiate the appropriate District Court proceedings for the inclusion. The motion passed unanimously.

The Public Hearing was closed at 2:40 p.m.

Consideration of 2014 Multiple Use Agreement between PAWSD and Pagosa Lakes Property Owners Association

The Board considered 2014 Multiple Use Agreement between PAWSD and Pagosa Lakes Property Owners Association (copy attached). The Board agreed to table this item until the next Regular Meeting due to the limited time provided to review the document prior to the meeting.

Consideration of the Application of Leakage Service Charge

The Board considered the Application of Leakage Service Charge (copy attached). Director Adams presented the Application of Leakage Service Charge, stating that he believes PAWSD should not continue the current Application of Leakage Service Charge now that the AquaHawk monitoring system is in place. A motion was made by Director Adams and seconded by Chairman Allan Bunch that with the advent of AquaHawk, the water that goes through the meter should be billed at the regular tiered scale. The motion failed 3 – 2 with Chairman Bunch and Director Adams in favor.

Consideration of Entering into Executive Session Pursuant to Sections 24-6-402(4)(b) and 24-6-402(4)(e), C.R.S. and Consideration of Proposal from San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C.

The Board considered Entering into Executive Session Pursuant to Sections 24-6-402(4)(b), C.R.S. for the purposes of receiving legal advice on specific legal questions on the proposal from San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property from Jeffery P. Robbins, Goldman, Robbins & Nicholson, P.C. (copy attached). A motion was made by Director Church and seconded by Chairman Bunch to enter into Executive Session for the purposes of receiving legal advice on specific legal questions on the Proposal from San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property pursuant to Section 24-6-402(4)(b), C.R.S. The motion failed 3 – 2 with Directors Vega and Walsh opposed. Following a lengthy discussion with Mr. Robbins regarding entering into Executive Session, a motion was made by Director Walsh and seconded by Chairman Bunch to enter into Executive Session pursuant to Sections 24-6-402(4)(b) and 24-6-402(4)(e), C.R.S. for the purposes of receiving legal advice on specific legal questions and for determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators on the

Proposal from San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property. The motion passed unanimously. The Board entered into Executive Session at 3:38 p.m.

The Board considered Proposal from San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C. (copy attached). Upon returning to Open Session at 4:42 p.m., the Board thanked Mr. Robbins for providing legal advice on specific legal questions and for discussing matters that may be subject to negotiations and developing strategy for negotiations regarding the Dry Gulch Reservoir Project during Executive Session at which no decisions were made.

Other Business

Because of the Uniformed and Overseas Citizens Absentee Voting Act requirement to wait until eight days following the election date of May 6, 2014 to finalize the election results, the Board agreed to reschedule the May Regular Meeting from May 13, 2014 at 2:00 p.m. to May 14, 2014 at 6:30 p.m.

Respectfully submitted,

Michael Church
Secretary

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

NOTICE OF REGULAR MEETING

NOTICE IS HEREBY GIVEN that a Regular Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) has been rescheduled from Tuesday, May 13, 2014 at 2:00 p.m. to Wednesday, May 14, 2014 at 6:30 p.m. to accommodate for the PAWSD 2014 Board of Directors Election. The Regular Meeting will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Call to Order
2. Election of Officers
3. Approval of Consent Agenda
 - Minutes – 4/8/14 Regular Meeting
 - Water Loss Update
 - Election Report
4. Public Comment
5. Consideration of Petition for Inclusion – Jones and Williams
6. Consideration of PAWSD Board of Directors Regular Meeting Time
7. Any Other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
MAY 14, 2014 REGULAR MEETING

Attendance

The following Directors were present: Burt Adams, Michael Church, Paul Hansen, Gordon McIver, and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, Bruce Branum, and Renee Lewis. Also present were: Shanti Johnson, Art Dilione, Jeff Robbins, Bob Clinkenbeard, Jan Clinkenbeard, Dick Babillis, John Bozek, Bob Walan, Bill Hudson, John Ramberg, Ben Franklin, Charlotte Williams, and Jim Sawicki.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Director Michael Church at 6:35 p.m.

Election of Officers

The Board considered the Election of Officers. A motion was made by Director Walsh and seconded by Director McIver to nominate Director Church as the new Chairman/President of the PAWSD Board of Directors. The motion passed unanimously. A motion was made by Chairman Church and seconded by Director Hansen to nominate Director Walsh as the Vice Chairman/President of the PAWSD Board of Directors. The motion passed unanimously. A motion was made by Director Walsh and seconded by Chairman Church to nominate Director Hansen as the Treasurer of the PAWSD Board of Directors. The motion passed unanimously. A motion was made by Director Walsh and seconded by Director Hansen to nominate Gordon McIver as Secretary of the PAWSD Board of Directors. The motion passed unanimously.

Geothermal Greenhouse Partnership Project Request

The Board considered the Geothermal Greenhouse Partnership Project Request (copy attached). Director Walsh presented Geothermal Greenhouse Partnership Project (GGP) Request, stating the prior time this was presented for the Board's consideration on January 14, 2014 the GGP representative was unable to attend the meeting to request a letter of support and he was remiss in understanding the relationship of the project to PAWSD as a result. Director Walsh offered to draft the letter of support. A motion was made by Director Walsh and seconded by Director Hansen to allow Director Walsh to draft a letter of support on behalf of the PAWSD Board of Directors to be presented to the CWCB during its May 21 and 22, 2014 meeting. The motion passed unanimously.

Audit and Budget Committee Assignments

The Board considered the Audit and Budget Committee Assignments. Shellie Peterson, Director of Business Systems, presented Audit and Budget Committee Assignments, stating that per PAWSD Board of Directors Bylaws the Treasurer must sit on both committees with another Board Member appointed by the Chairman/President of the PAWSD Board. Chairman Church appointed himself and Director Hansen as the new Treasurer to sit on the Audit Committee. A motion was made by Director Walsh and

seconded by Chairman Church to amend the PAWSD Board of Directors Bylaws to reflect the appointment of a Budget Committee comprised of more than two Board Members up to and including a committee of the whole. The motion passed unanimously.

Approval of the Consent Agenda

The Board considered the Consent Agenda (copy attached). The Directors reviewed the minutes for the April 8, 2014 Regular Meeting, the Water Loss Update, and the Election Report. Ed Winton, District Manager, presented the Water Loss Update, stating the water loss amount for the month of April is up from the month of March amount of 14.5 million gallons to 15.5 million gallons. Mr. Winton also stated the Wach Water Service is currently under contract to survey 96 miles of the PAWSD water system for leaks using aquatic sounding and have found four fixable leaks to date. Director Walsh suggested forming a Water Loss Sub-committee to address water loss and consider redeveloping the Water Loss Update materials. All of the Directors agreed to be a member of said sub-committee and agreed to hold its first meeting during the first week of June 2014 with that date to be determined. Renee Lewis, Director of Operations and Compliance, presented the Election Report, stating that 545 absentee ballots were delivered with 511 voted, and that 360 ballots were cast at the polling place on May 6, 2014. Ms. Lewis further stated the Judge's Certificate of Election Returns and Statement of Ballots for Pagosa Area Water and Sanitation District as such: Jennifer Burck – 55, Gordon McIver – 719, Paul Hansen – 733, David West – 90, and Allan Bunch – 89. 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

Chairman Church opened the meeting to public comment. Jan Clinkenbeard offered comments regarding congratulations to the candidates. Dick Babillis offered comments regarding congratulations to the candidates and encouraging the Board to avail itself of the Special District Association's services. Bill Hudson offered comments regarding congratulations to the candidates and asked whether PAWSD Board of Directors could have access to the PAWSD email system via individual email accounts for each Director so as to help facilitate the Colorado Open Records Act request process. John Ramberg offered comments regarding water loss and congratulations to Renee Lewis on her promotion to Director of Operations and Compliance. Ben Franklin offered comments regarding congratulations to the candidates and the rate increase for Wastewater Hauler Charges.

Consideration of Petition for Inclusion for Water Service – Jones and Williams

The Board considered the Petition for Inclusion for Water Service – Jones and Williams (copy attached). Shellie Peterson presented Consideration of Petition for Inclusion – Jones and Williams, stating that Cathy Jones had previously chosen to not join the original Mill Creek Inclusion and now wishes to join efforts to install the main line and appurtenances, and Charlotte Williams had recently purchased property that adjoins those involved in the initial Mill Creek Inclusion and now wishes to join efforts to install the main line and appurtenances. They are negotiating a separate agreement with the Mill Creek Property Owner's Association regarding the use of that infrastructure. A motion was made by Director Adams and seconded by Chairman Church to accept the Petitions for Inclusion by Jones and Williams and set the date(s) for the Public Hearing(s). The motion passed unanimously.

Consideration of PAWSD Board of Directors Regular Meeting Time

The Board considered the PAWSD Board of Directors Regular Meeting Time (copy attached). A motion was made by Director McIver and seconded by Director Hansen to set the Regular Work Session and Regular Meeting for the third Thursday of each month at 4:00 and 5:30 p.m. respectively. The motion passed 4 – 1 with Director Adams opposed.

Consideration of Reinstating TABOR Protections

The Board considered Reinstating TABOR Protections (copy attached). Director Walsh presented Consideration of Reinstating TABOR Protections, stating that he believed this was an issue worth referring to legal counsel, Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C. A motion was made by Director Walsh and seconded by Director Hansen to refer this issue to Mr. Robbins to conduct more research on reinstating TABOR protections. The motion passed unanimously.

Consideration of Entering into Executive Session Pursuant to Section 24-6-402(4)(b), C.R.S. and Consideration of Dry Gulch Reservoir Project, Discussion Regarding Martinez Matter, and Discussion Regarding Water and Sewer Line Projects and the Pagosa Springs Sanitation General Improvement District – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C.

The Board considered Entering into Executive Session Pursuant to Section 24-6-402(4)(b), C.R.S. for the purposes of receiving legal advice on specific legal questions regarding the Dry Gulch Reservoir Project, Discussion Regarding Martinez Matter, and Discussion Regarding Water and Sewer Line Projects and the Pagosa Springs Sanitation General Improvement District from Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C. (copy attached). A motion was made by Director Walsh and seconded by Director McIver to enter into Executive Session for a conference with the District's attorney for the purposes of receiving legal advice on specific legal questions regarding the Dry Gulch Reservoir Project, Discussion Regarding Martinez Matter, and Discussion Regarding Water and Sewer Line Projects and the Pagosa Springs Sanitation General Improvement District pursuant to Section 24-6-402(4)(b), C.R.S. The motion passed unanimously. The Board entered into Executive Session at 8:28 p.m.

The Board considered the Dry Gulch Reservoir Project, Discussion Regarding Martinez Matter, and Discussion Regarding Water and Sewer Line Projects and the Pagosa Springs Sanitation General Improvement District – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C. (copy attached). Upon returning to Open Session at 9:39 p.m., the Board thanked Mr. Robbins for providing legal advice on specific legal questions regarding the Dry Gulch Reservoir Project, Discussion Regarding Martinez Matter, and Discussion Regarding Water and Sewer Line Projects and the Pagosa Springs Sanitation General Improvement District during Executive Session at which no decisions were made.

Other Business

Ed Winton requested that Chairman Church and Director McIver as the new Secretary execute the Amended and Restated Easement Agreement and Easement Special Warranty Deed with Alpine Cascade as staff had just received the final version. Director Walsh inquired about the water quality in regards to the Snowball Water Treatment Plant and runoff season. Ed Winton stated the water quality during runoff season has not been different than previous years despite the wildfire activity in the Snowball Water Treatment Plant watershed last summer. Director Walsh also inquired about the status of the Miex implementation in the San Juan Water Treatment Plant. Ed Winton stated the plans for the Miex implementation are at the state level awaiting approval. Director Walsh further inquired about PAWSD relationship with Briliam Engineering in regards to the Vista Wastewater Treatment Plant. Ed Winton stated PAWSD is currently working with Briliam Engineering to allow its staff to address the

foaming issues in warmer weather. Director Walsh lastly inquired about the line item of Master Plan in the 2014 Budget. Ed Winton confirmed that no money has been spent on the Master Plan in 2014 to date. Chairman Church inquired about how to replace former Chairman Allan Bunch on the Water and Sewer Pipeline Committee with the PSSGID. Ed Winton stated that could be accomplished through appointment or by motion. A motion was made by Director Walsh and seconded by Chairman Church to appointment Director Hansen to replace former Chairman Allan Bunch on the Water and Sewer Pipeline Committee with the PSSGID. The motion passed 4 – 0 with Director Adams abstaining. By consensus, the newly appointed officers were authorized to be signers at various banking institutions where PAWSD funds are held.

There being no further business to come before the Board, the meeting was adjourned at 10:02 p.m.

Respectfully submitted,

Gordon McIver
Secretary

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

NOTICE OF REGULAR WORK SESSION, REGULAR MEETING, AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Regular Work Session, Regular Meeting, and Public Hearing of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) have been scheduled for June 26, 2014 at 4:00, 5:30, and 6:00 p.m. respectively. The Board may enter into Executive Session for a conference with the District's attorney for the purposes of receiving legal advice on specific legal questions regarding the Dry Gulch Reservoir Project and Discussions with Colorado Water Conservation Board agenda item pursuant to Section 24-6-402(4)(b), C.R.S. and on specific legal questions regarding the Benefits for PAWSD Surviving Spouse agenda item pursuant to Section 24-6-402(4)(b). The Regular Meeting will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Call to Order
2. Approval of Consent Agenda
Minutes – 5/14/14 Regular Meeting
Water Loss Update
3. Public Comment
4. 6:00 p.m. Public Hearing – Consideration of Petition for Inclusion for Water Service – Cathy Jones & Steven W. and Charlotte A. Williams
5. Presentation and Approval of 2013 Audited Financial Statements – Ronny Farmer – Ronny Farmer, LLC
6. Consideration of 2014 Multiple Use Agreement between PAWSD and Pagosa Lakes Property Owners Association
7. Consideration of Inclusion Agreement – Log Park Water Company and Log Park Subdivision
8. Consideration of Water Loss Definitions and Objectives
9. Consideration of Approval of Two Year Rate Freeze
10. Consideration of Approval of Revisions to Bylaws Codifying the Work Session and Regular Meeting Date and Times, the Requirement that All PAWSD Elections be conducted by Mail Ballot, and the Composition of the Budget Committee
11. Consideration of Appointing a Capital Improvement Plan Projects Committee
12. Consideration of the Adoption of Resolution 2014 – 04 – Resolution to Reinstate TABOR Protections Immediately for District Customers and Placement of Ballot Issue Regarding the Same on the November 2014 Election Ballot in Coordination with Archuleta County
13. Consideration of Entering into Executive Session Pursuant to Section as Described Above
14. Discussion Regarding Dry Gulch Reservoir Project and Discussions with Colorado Water Conservation Board – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C.
15. Consideration of Benefits for PAWSD Surviving Spouse – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA SPRINGS AREA WATER AND SANITATION DISTRICT
JUNE 26, 2014 REGULAR MEETING

Attendance

The following Directors were present: Paul Hansen, Gordon McIver, and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, and Renee Lewis. Also present were: Shanti Johnson, Larry Lynch, Lee Vorhies, Allan Bunch, Roy Vega, John Ramberg, Bill Hudson, Marilyn Bunch, Judy Reilly, Sandra Walker, Ronny Farmer, and Jeff Robbins.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Vice Chairman Glenn Walsh at 5:37 p.m.

Approval of the Consent Agenda

The Board considered the Consent Agenda (copy attached). The Directors reviewed the minutes for the May 14, 2014 Regular Meeting and the Water Loss Update. Ed Winton, District Manager, presented the Water Loss Update, stating the water loss amount for the month of May is down from the month of April amount of 15.5 million gallons to 13.6 million gallons. Mr. Winton also stated WACH Water Service (WACH) that was under contract to survey 96 miles of the PAWSD water system found 14 fixable leaks that were not visible from the surface, and PAWSD field staff have had to repair six water line breaks since WACH completed its contractual obligations. Mr. Winton further added that he was very pleased with WACH Water Service performance and would look forward to working with them again in the near future. A motion was made by Director McIver and seconded by Director Hansen to approve the Consent Agenda as presented. The motion passed unanimously.

Public Comment

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

Consideration of 2014 Multiple Use Agreement between PAWSD and Pagosa Lakes Property Owners Association

The Board agreed to move this item up on the agenda as there was time prior to the Public Hearing scheduled for 6:00 p.m. The Board considered 2014 Multiple Use Agreement between PAWSD and Pagosa Lakes Property Owners Association (PLPOA) (copy attached). Larry Lynch, PLPOA, presented the 2014 Multiple Use Agreement between PAWSD and PLPOA, stating this agreement is an updated version of two previous agreements executed between the entities first in 1998 and again in 2005. Mr. Lynch also stated that PAWSD and PLPOA are already realizing a cost savings on treatments for the lakes this year due to a change in the type of treatments and in dosage and this agreement supports those efforts. A motion was made by Director Hansen and seconded by Director McIver to approve the 2014 Multiple Use Agreement between PAWSD and PLPOA as presented. The motion passed 2 – 0 with Vice Chairman Walsh abstaining.

Public Hearing – 6:00 – Consideration of Petition for Inclusion for Water Service – Cathy Jones & Steven W. and Charlotte A. Williams

Vice Chairman Walsh opened the Public Hearing regarding the Cathy Jones & Steven W. and Charlotte A. Williams Inclusion and Consideration of Order of Inclusion at 6:01 p.m.

The Board considered Cathy Jones & Steven W. and Charlotte A. Williams Inclusion and Consideration of Order of Inclusion (copy attached). Shellie Peterson presented the Cathy Jones & Steven W. and Charlotte A. Williams Inclusion and Consideration of Order of Inclusion, stating the Board accepted the property owner's Petition to Include at the May 14, 2014 Regular Meeting, the Notice of Public Hearing had been published June 19, 2014, and should the Board so act, the Order for Inclusion and the Conditions of Inclusion will be sent to District Court once the Equity Buy-in Fee is received. No public comments on this item were offered. A motion was made by Director Hansen and seconded by Vice Chairman Walsh to authorize the Secretary to sign the Order of Inclusion on behalf of the Board and directed staff to initiate the appropriate District Court proceedings for the inclusion. The motion passed unanimously.

The Public Hearing was closed at 6:10 p.m.

Presentation and Approval of 2013 Audited Financial Statements – Ronny Farmer – Ronny Farmer, LLC

The Board considered Approval of the 2013 Audited Financial Statements – Ronny Farmer – Ronny Farmer, LLC (copy attached). Ronny Farmer – Ronny Farmer, LLC presented 2013 Audited Financial Statements in reviewing the different components of the audit, highlighting the letter from his firm explaining the responsibility of the independent auditor, management's discussion and analysis, and the financial statements. Mr. Farmer presented the audit with an unqualified opinion as the financial statements have no material weaknesses or significant deficiencies. Following questions from the Board, a motion was made by Vice Chairman Walsh and seconded by Director Hansen to accept the 2013 Audited financial statements as presented and to authorize Shellie Peterson, Director of Business Systems, to post the 2013 Audited Financial Statement accordingly. The motion passed unanimously.

Consideration of Inclusion Agreement – Log Park Water Company and Log Park Subdivision

The Board considered Inclusion Agreement – Log Park Water Company and Log Park Subdivision (copy attached). Renee Lewis, Director of Operations and Compliance, presented Inclusion Agreement – Log Park Water Company and Log Park Subdivision, stating the Petition for Inclusion – Log Park Subdivision and the related Inclusion Agreement between PAWSD and Log Park Water Company are ready for presentation to the Board should the Board so act to set the Public Hearing date. The representatives of Log Park Water Company and Log Park Subdivision, Judy Reilly and Sandra Walker, requested the Public Hearing date be set for the July 17, 2014 PAWSD Board of Directors Regular Meeting so as to allow for more of the property owners in the Log Park Subdivision to attend. A motion was made by Director McIver and seconded by Vice Chairman Walsh to set the date for the Public Hearing – Petition for Inclusion – Log Park Water Company and Log Park Subdivision. The motion passed unanimously.

Consideration of Water Loss Definitions and Objectives

The Board agreed to table this item for future consideration when more Board Members could be present.

Consideration of Approval of Two Year Rate Freeze

The Board agreed to table this item for future consideration when more Board Members could be present.

Consideration of Approval of Revisions to Bylaws Codifying the Work Session and Regular Meeting Date and Times, the Requirement that all PAWSD Elections be Conducted by Mail Ballot, and the Composition of the Budget Committee

The Board agreed to table this item for future consideration as more discussion is needed in regards to the composition of the Budget Committee and to allow for more Board Members to be present.

Consideration of Appointing a Capital Improvement Plan Projects Committee

The Board agreed to table this item for future consideration when more Board Members could be present.

Consideration of Entering into Executive Session Pursuant to Section 24-6-402(4)(b), C.R.S. and Consideration of Dry Gulch Reservoir Project and Discussions with Colorado Water Conservation Board and Consideration of Benefits for PAWSD Surviving Spouse – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C.

The Board considered Entering into Executive Session Pursuant to Section 24-6-402(4)(b), C.R.S. for the purposes of receiving legal advice on specific legal questions regarding the Dry Gulch Reservoir Project and Discussions with the Colorado Water Conservation Board and Consideration of Benefits for PAWSD Surviving Spouse from Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C. (copy attached). A motion was made by Vice Chairman Walsh and seconded by Director Hansen to enter into Executive Session for a conference with the District's attorney for the purposes of receiving legal advice on specific legal questions regarding the Dry Gulch Reservoir Project and Discussions with the Colorado Water Conservation Board and Consideration of Benefits for PAWSD Surviving Spouse pursuant to Section 24-6-402(4)(b), C.R.S. The motion passed unanimously. The Board entered into Executive Session at 7:30 p.m.

The Board considered the Dry Gulch Reservoir Project and Discussions with Colorado Water Conservation Board and Consideration of Benefits for PAWSD Surviving Spouse – Jeffery P. Robbins – Goldman, Robbins & Nicholson, P.C. (copy attached). Upon returning to Open Session at 8:17 p.m., the Board thanked Mr. Robbins for providing legal advice on specific legal questions regarding the Dry Gulch Reservoir Project and Discussions with Colorado Water Conservation Board and Consideration of Benefits for PAWSD Surviving Spouse during Executive Session at which no decisions were made.

Other Business

Shellie Peterson indicated that signature cards were not yet complete at Citizens Bank for the general operating account by Chairman Church and Bank of the San Juans Money Market account by Director Hansen and Chairman Church. Director McIver allowed that he would not be a signer on any PAWSD accounts.

Respectfully submitted,

Gordon McIver, Secretary

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

NOTICE OF REGULAR WORK SESSION, REGULAR MEETING, AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Regular Work Session, Regular Meeting, and Public Hearing of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) have been scheduled for July 17, 2014 at 4:00, 5:30, and 6:00 p.m. respectively. The Regular Meeting will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Call to Order
2. Approval of Consent Agenda
 - Minutes – 6/26/14 Regular Meeting
 - Water Loss Update
 - Investment Report – 6/30/14
 - Financial Statements – 6/30/14
3. Public Comment
4. 6:00 p.m. Public Hearing – Consideration of Petition for Inclusion Election for Water Service – Log Park Water Company and Log Park Subdivision
5. Consideration of Water Loss Definitions and Objectives
6. Consideration of Approval of Two Year Rate Freeze
7. Consideration of Approval of Revisions to Bylaws Codifying the Work Session and Regular Meeting Date and Times, the Requirement that All PAWSD Elections be conducted by Mail Ballot, and the Composition of the Budget Committee
8. Consideration of Appointing a Capital Improvement Plan Projects Committee
9. Consideration of the Adoption of Resolution 2014 – 04 – Resolution to Reinstate TABOR Protections Immediately for District Customers and Placement of Ballot Issue Regarding the Same on the November 2014 Election Ballot in Coordination with Archuleta County
10. Consideration of Audit Engagement Proposal – Ronny Farmer LLC
11. Any Other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
JULY 17, 2014 REGULAR MEETING

Attendance

The following Directors were present: Michael Church, Paul Hansen, Gordon McIver, and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, and Renee Lewis. Also present were: Shanti Johnson, Cathy Justus, Alisa Hjermstad, Larry Hjermstad, Sandra Walker, Allan Bunch, John Ramberg, Michael Moore, Debbie Moore, Linda Reed, Gary Reed, Rex Nelson, Marlys Nelson, John Elliott, Johanna Elliott, Chris Hinger, Edward Mergens, and Elizabeth Mergens.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Michael Church at 5:42 p.m.

Approval of the Consent Agenda

The Board considered the Consent Agenda (copy attached). The Directors reviewed the minutes for the June 26, 2014 Regular Meeting, Water Loss Update, Investment Report – June 30, 2014, and the Financial Statements – June 30, 2014. Ed Winton, District Manager, presented the Water Loss Update, stating the water loss amount for the month of June is down from the month of May amount of 13.6 million gallons to 11.7 million gallons. Mr. Winton also stated PAWSD field staff discovered and repaired nine breaks in the month of June. Shellie Peterson, Director of Business Services, presented the Investment Report – June 30, 2014, stating the District is heavily liquid at this point in the year due to the cash flow requirements of current projects. Mrs. Peterson also presented the Financial Statements – June 30, 2014, stating that a book entry had been made to reflect the sick leave pay-out in January as a reduction of previously booked liabilities as to not distort the various accounts that report salaries and wages. She also indicated that with the exception of capital projects, the departmental totals across all funds reflect approximately 50% expended as compared to budget, which is right in line with being half way through the year. 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 Church opened the meeting to public comment. Bill Hudson offered comments regarding the PAWSD Board of Directors meeting procedures. John Ramberg offered comments regarding PAWSD water loss.

Public Hearing – 6:00 p.m. – Consideration of Petition for Inclusion Election for Water Service – Log Park Water Company and Log Park Subdivision

Chairman Church opened the Public Hearing regarding Log Park Water Company and Log Park Subdivision Inclusion and Consideration of Order of Inclusion Election at 6:02 p.m.

The Board considered Log Park Water Company and Log Park Subdivision Inclusion and Consideration of Order of Inclusion Election (copy attached). Renee Lewis, Director of Operations and Compliance,

presented Log Park Water Company and Log Park Subdivision Inclusion and Consideration of Order of Inclusion Election, stating that for the Board's consideration was the Petition for Inclusion Election, Inclusion Agreement, and Resolution 2014 – 05 – Resolution Initiating Inclusion Election.

Representatives of the Log Park Water Company and the Log Park Subdivision offered comments regarding their desire to be included into Pagosa Area Water and Sanitation District for water service. A motion was made by Director Walsh and seconded by Director Hansen to accept the Petition for Inclusion Election, approve the Inclusion Agreement, and adopt Resolution 2014 – 05 – Resolution Initiating Inclusion Election. The motion passed unanimously.

Chairman Church closed the Public Hearing at 6:17 p.m.

Consideration of Water Loss Definitions and Objectives

The Board considered Water Loss Definitions and Objectives (copy attached). The Board agreed to set a date to have a special work session on water loss to address the recent work of John Ramberg on PAWSD water loss and to determine water loss definition and objectives. Renee Lewis offered to contact Director Burt Adams in regards to scheduling said special work session and to return to the Board and John Ramberg via email with optional dates and times.

Consideration of Approval of Two Year Rate Freeze

The Board considered Approval of Two Year Rate Freeze (copy attached). Director Walsh presented Approval of Two Year Rate Freeze, stating that while researching the water rates of comparable water providers on the Western Slope, he found PAWSD water rates to be the highest of all of the comparable water providers. A motion was made by Director Hansen and seconded by Director Walsh to institute a rate freeze for the next two years effective immediately. The motion passed unanimously.

Consideration of Approval of Revisions to Bylaws Codifying the Work Session and Regular Meeting Date and Times, the Requirement that All PAWSD Elections be conducted by Mail Ballot, and the Composition of the Budget Committee

The Board considered Approval of Revisions to Bylaws Codifying the Work Session and Regular Meeting Date and Times, the Requirement that All PAWSD Elections be conducted by Mail Ballot, and the Composition of the Budget Committee (copy attached). Renee Lewis presented Approval of Revisions to Bylaws Codifying the Work Session and Regular Meeting Date and Times, the Requirement that All PAWSD Elections be conducted by Mail Ballot, and the Composition of the Budget Committee, stating the revisions to the Bylaws were necessary to memorialize recent Board decisions and she hoped the suggested revisions correctly captured those decisions. A motion was made by Director Walsh and seconded by Director Hansen to approve the Bylaws as presented with the understanding that a subcommittee of two Board Members will be appointed to meet prior to Budget Committee meetings as a whole. The motion passed unanimously.

Consideration of Appointing a Capital Improvement Plan Projects Committee

The Board considered Appointing a Capital Improvement Plan Projects Committee (copy attached). Chairman Church presented Appointing a Capital Improvement Plan Projects Committee, stating he believed a Capital Improvement Plan Projects Subcommittee is necessary to review all proposed Capital Improvement Plan Projects. A motion was made by Director Walsh and seconded by Director McIver to

appoint a Capital Improvement Plan Projects Subcommittee to consist of Chairman Church and Director Hansen. The motion passed unanimously.

Consideration of the Adoption of Resolution 2014 – 04 – Resolution to Reinstate TABOR Protections Immediately for District Customers and Placement of Ballot Issue Regarding the Same on the November 2014 Election Ballot in Coordination with Archuleta County

The Board considered Adoption of Resolution 2014 – 04 – Resolution to Reinstate TABOR Protections Immediately for District Customers and Placement of Ballot Issue Regarding the Same on the November 2014 Election Ballot in Coordination with Archuleta County (copy attached). Director Walsh presented Adoption of Resolution 2014 – 04 – Resolution to Reinstate TABOR Protections Immediately for District Customers and Placement of Ballot Issue Regarding the Same on the November 2014 Election Ballot in Coordination with Archuleta County, stating PAWSD should reinstate the protections afforded the taxpayers of the District through TABOR immediately by resolution and place a Referred Ballot Issue of the same on the ballot for the November 4, 2014 election coordinated through Archuleta County or the PAWSD regular 2016 election whichever is the least expensive. A motion was made by Director Walsh and seconded by Director Hansen to adopt Resolution 2014 – 04 – Resolution to Reinstate TABOR Protections Immediately for District Customers and Placement of Ballot Issue Regarding the Same on the November 2014 Election Ballot in Coordination with Archuleta County and place a Referred Ballot Issue of the same on the ballot for the November 4, 2014 election coordinated through Archuleta County or the PAWSD regular 2016 election whichever is the least expensive. The motion passed unanimously.

Consideration of Audit Engagement Proposal – Ronny Farmer LLC

The Board considered Audit Engagement Proposal – Ronny Farmer LLC (copy attached). Shellie Peterson presented Audit Engagement Proposal – Ronny Farmer LLC, stating the District has realized a cost savings since contracting with Ronny Farmer LLC for auditing services and she has been very satisfied with the audit process as accomplished by Mr. Farmer and his responsiveness to the District's needs. A motion was made by Director Walsh and seconded by Director Hansen to accept the Audit Engagement Proposal – Ronny Farmer LLC for the 2014 Audit. The motion passed unanimously.

Other Business

Larry Hjernstad, Western Weather Consultants, provided an update to the Board regarding the cloud seeding program in Southwest Colorado.

Respectfully submitted,

Gordon McIver
Secretary

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

NOTICE OF REGULAR WORK SESSION AND REGULAR MEETING

NOTICE IS HEREBY GIVEN that the Regular Work Session and Regular Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) have been scheduled for August 21, 2014 at 4:00 and 5:30 p.m. respectively. The Work Session and Regular Meeting will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

Work Session

1. Call to Order
2. Approval of Consent Agenda
 - Minutes – 7/17/14 Regular Meeting
 - Water Loss Update
 - Capital Improvement Projects Update
3. Consideration of Resolution and Intergovernmental Agreement between Archuleta County and Pagosa Area Water and Sanitation District Regarding November 2014 Election
4. Consideration of Approval of 2013 Annual Report to Archuleta County
5. Consideration of Approval of Employment Frost
6. Consideration of Approval of Vehicle Spending Freeze
7. Consideration of Capital Improvement Plan Projects (CIP) Subcommittee Approval of Allocation of Funds on Capital Improvement Projects
8. Consideration of Limiting Consulting Contracts to \$10,000 Annually Unless Approved by the CIP Subcommittee
9. Consideration of Savings Realized by the Treatment of Bulk Wastewater from the Town of Pagosa Springs be allocated to Sewer Rate Reduction
10. Discussion with District Manager Regarding Employee Vehicle Directive
11. Consideration of PAWSD Employee Vehicle Directive
12. Discussion Regarding Contracting and Consulting Hiring Practices
13. Discussion Regarding How to Expand Customer Base in an Effort to Reduce Customer Rates

Regular Meeting

1. Call to Order
2. Approval of Consent Agenda
 - Minutes – 7/17/14 Regular Meeting
 - Water Loss Update
 - Capital Improvement Projects Update
3. Public Comment
4. Consideration of Resolution and Intergovernmental Agreement between Archuleta County and Pagosa Area Water and Sanitation District Regarding November 2014 Election
5. Consideration of Approval of 2013 Annual Report to Archuleta County
6. Consideration of Approval of Employment Frost
7. Consideration of Approval of Vehicle Spending Freeze
8. Consideration of Capital Improvement Plan Projects Subcommittee Approval of Allocation of Funds on Capital Improvement Projects
9. Consideration of Limiting Consulting Contracts to \$10,000 Annually Unless Approved by the CIP Subcommittee
10. Consideration of Savings Realized by the Treatment of Bulk Wastewater from the Town of Pagosa Springs be allocated to Sewer Rate Reduction
11. Consideration of PAWSD Employee Vehicle Directive

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors
SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
AUGUST 21, 2014 REGULAR MEETING

Attendance

The following Directors were present: Burt Adams (telephonically), Michael Church, Paul Hansen, Gordon Mclver, and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, and Renee Lewis. Also present were: Renita Freeman, Bill Hudson, Roy Vega, Allan Bunch, and John Ramberg.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Michael Church at 5:30 p.m.

Approval of the Consent Agenda

The Board considered the Consent Agenda (copy attached). The Directors reviewed the minutes for the July 17, 2014 Regular Meeting, Water Loss Update, and Capital Improvement Plan Projects Update. A motion was made Director Mclver and seconded by Chairman Church to approve the Consent Agenda as presented. The motion passed unanimously.

Public Comment

Chairman Church opened the meeting to public comment. Bill Hudson offered comments regarding Roy Vega being asked to wait outside prior to the commencement of a Special Work Session to allow for the August 20, 2014 Budget Subcommittee meeting to end. Roy Vega offered comments regarding his being asked to wait outside prior to the commencement of a Special Work Session to allow for the August 20, 2014 Budget Subcommittee meeting to end and on a case currently in the District Court System that calls into question the constitutionality of The Taxpayers Bill of Rights (TABOR). Allan Bunch offered comments regarding the current status of the Dry Gulch Reservoir Project and the composition of the board packets for the board meetings.

Consideration of Resolution and Intergovernmental Agreement between Archuleta County and Pagosa Area Water and Sanitation District Regarding November 2014 Election

The Board considered Resolution and Intergovernmental Agreement between Archuleta County and Pagosa Area Water and Sanitation District Regarding November 2014 Election (copy attached). A motion was made by Director Walsh and seconded by Chairman Church to adopt Resolution 2014 – 06 – Resolution Calling for the November 4, 2014 Special Election and approve the execution of the Intergovernmental Agreement between Archuleta County and Pagosa Area Water and Sanitation District. The motion passed unanimously.

Consideration of Approval of 2013 Annual Report to Archuleta County

The Board considered Approval of 2013 Annual Report to Archuleta County (copy attached). A motion was made by Director Walsh and seconded by Director Hansen to approve the 2013 Annual Report to Archuleta County. The motion passed 4 – 0 with Director McIver abstaining.

Consideration of Approval of Employment Frost

The Board considered Approval of Employment Frost (copy attached). A motion was made by Director Walsh and seconded by Director Hansen to defer this item until after the budget meetings have been held. The motion passed unanimously.

Consideration of Approval of Vehicle Spending Freeze

The Board agreed during the Regular Work Session prior to the Regular Meeting to not address this item during this meeting.

Consideration of Capital Improvement Plan Projects (CIP) Subcommittee Approval of Allocation of Funds on Capital Improvement Projects

The Board considered Capital Improvement Plan Projects (CIP) Subcommittee Approval of Allocation of Funds on Capital Improvement Projects (copy attached). A motion was made by Director Adams and seconded by Director Hansen to defer this item until after the budget meetings have been held. The motion passed unanimously.

Consideration of Limiting Consulting Contracts to \$10,000 Annually Unless Approved by the CIP Subcommittee

The Board considered Limiting Consulting Contracts to \$10,000 Annually Unless Approved by the CIP Subcommittee (copy attached). Following a lengthy discussion, a motion was made by Chairman Church and seconded by Director Hansen to defer this item until Ed Winton and the CIP Subcommittee develop a proposal for how to address awarding consulting contracts.

Consideration of Savings Realized by the Treatment of Bulk Wastewater from the Town of Pagosa Springs be allocated to Sewer Rate Reduction

The Board agreed during the Regular Work Session prior to the Regular Meeting to not address this item during this meeting.

Consideration of PAWSD Employee Vehicle Directive

The Board considered of PAWSD Employee Vehicle Directive (copy attached). Following a lengthy discussion, a motion was made by Director Hansen and seconded by Director Walsh to keep the PAWSD Employee Vehicle Directive as presented. The motion passed unanimously.

Other Business

The Board discussed ways to expand the customer base in an effort to reduce customer rates and directed Ed Winton to research potential subdivisions that may wish to be included into the PAWSD boundaries. The Board also agreed to schedule a budget meeting with the Board as a whole and staff for September 17, 2014 at 2:00 p.m.

There being no further business to come before the Board, the meeting was adjourned at 7:01 p.m.

Respectfully submitted,

Gordon McIver
Secretary

PAGOSA AREA WATER AND SANITATION DISTRICT

ARCHULETA COUNTY

STATE OF COLORADO

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) S.S.
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NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) has been scheduled for Tuesday, September 2, 2014 at 2:00 p.m. The Special Meeting will be held at the District's administrative office located at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Consideration of Resolution and Intergovernmental Agreement between PAWSD and Archuleta County Regarding the November 2014 Election
2. Any other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis

For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
SEPTEMBER 2, 2014 SPECIAL MEETING

Attendance

The following Directors were present: Burt Adams, Michael Church, Gordon McIver, and Glenn Walsh (telephonically).

In attendance from staff: Ed Winton, Shellie Peterson, and Renee Lewis. Also present were: Renita Freeman, Roy Vega, Lee Vorhies, Allan Bunch, and Marilyn Bunch.

Call to Order

The Special Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Michael Church at 2:10 p.m.

Consideration of Resolution and Intergovernmental Agreement between PAWSD and Archuleta County Regarding the November 2014 Election

The Board considered Resolution and Intergovernmental Agreement between PAWSD and Archuleta County Regarding the November 2014 Election (copy attached). Renee Lewis, Director of Operations and Compliance, presented Resolution and Intergovernmental Agreement between PAWSD and Archuleta County Regarding the November 2014 Election, stating that while the PAWSD percentage of cost sharing for the November 2014 Election is 26% based on the amount of voters divided by the amount of PAWSD voters, it also includes costs that only PAWSD has to bare such as ballots that have to be sent to eligible electors outside of Archuleta County. The estimated cost share amount would be \$8,874.00 per the estimate provided by the Archuleta County Clerk and Recorder. A motion was made by Director Walsh and seconded by Director McIver to terminate the Intergovernmental Agreement between PAWSD and Archuleta County Regarding the November 2014 Election and notify the County immediately that PAWSD will not be participating in the November 2014 Election. The motion passed unanimously.

There being no further business to come before the Board, the meeting was adjourned at 2:22 p.m.

Respectfully submitted,

Gordon McIver
Secretary

PAGOSA AREA WATER AND SANITATION DISTRICT

ARCHULETA COUNTY

STATE OF COLORADO

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NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) has been scheduled for Wednesday, September 10, 2014 at 10:00 a.m. The Special Meeting will be held at the District's administrative office located at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Consideration of Letter of Intent Between PAWSD and the San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property
2. Any other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
SEPTEMBER 10, 2014 SPECIAL MEETING

Attendance

The following Directors were present: Burt Adams (telephonically), Michael Church, Paul Hansen, Gordon McIver, and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, and Renee Lewis. Also present were: Allan Bunch, Bill Hudson, and Renita Freeman.

Call to Order

The Special Meeting for Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Michael Church at 10:00 a.m.

Consideration of Letter of Intent between PAWSD and the San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property

The Board considered Letter of Intent between PAWSD and the San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property (copy attached). Chairman Church presented Letter of Intent between PAWSD and the San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property, stating that he and Director Walsh had been working on said Letter of Intent with Rod Proffitt, President/Chairman of San Juan Water Conservancy District, and that it had been reviewed by PAWSD attorney, Jeffrey P. Robbins. A motion was made by Director Hansen and seconded by Director McIver to endorse the Letter of Intent between PAWSD and the San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property. The motion passed unanimously.

Other Business

Chairman Church posed to the Board the possibility of appointing a Dry Gulch Subcommittee to proceed with the terms of the Letter of Intent between PAWSD and the San Juan Water Conservancy District Regarding the Dry Gulch Reservoir Project Property. Director Adams requested he be appointed to said Subcommittee. A majority of the Board agreed that Chairman Church should proceed with the terms of said Letter of Intent in his capacity as President/Chairman of the PAWSD Board of Directors.

There being no further business to come before the Board, the meeting was adjourned at 10:39 a.m.

Respectfully submitted,

Gordon McIver
Secretary

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

NOTICE OF REGULAR WORK SESSION, REGULAR MEETING, AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Regular Work Session, Regular Meeting, and Public Hearing of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) have been scheduled for September 18, 2014 at 3:00, 5:30, and 6:00 p.m. respectively. The Work Session, Regular Meeting, and Public Hearing will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

Work Session

1. Call to Order
2. Approval of Consent Agenda
Minutes – 8/21/14 Regular Meeting, 9/2/14 Special Meeting, and 9/10/14 Special Meeting
Water Loss Update
3. Public Comment
4. 6:00 p.m. Public Hearing – Consideration of Petition for Inclusion Election for Water Service – Log Park Water Company and Log Park Subdivision
5. Consideration of Request by Kathy and Donald Ruth
6. Consideration of Request by Jerry LaQuey
7. Consideration of Amending the PAWSD Bylaws to limit the District Manager’s Expenditure Limit
8. Discussion Regarding the Chris Mountain Subdivision
9. Discussion Regarding Inclusion Invitations
10. Discussion Regarding CityWorks Asset Management Program
11. Discussion Regarding Hatcher Propane Costs
12. Consideration of Providing Previous Month Register of Accounts in Board Packets
13. Any Other Business Brought Before the Board Will Be Duly Considered.

Regular Meeting

1. Call to Order
2. Approval of Consent Agenda
Minutes – 8/21/14 Regular Meeting, 9/2/14 Special Meeting, and 9/10/14 Special Meeting
Water Loss Update
3. Public Comment
4. 6:00 p.m. Public Hearing – Consideration of Petition for Inclusion Election for Water Service – Log Park Water Company and Log Park Subdivision
5. Consideration of Request by Kathy and Donald Ruth
6. Consideration of Request by Jerry La Quey
7. Consideration of Amending the PAWSD Bylaws to limit the District Manager’s Expenditure Limit
8. Consideration of Providing Previous Month Register of Accounts in Board Packets
9. Any Other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors
SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
SEPTEMBER 18, 2014 REGULAR MEETING

Attendance

The following Directors were present: Burt Adams (telephonically), Michael Church, Paul Hansen, Gordon Mclver, and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, Kyle Tjelmeland, Michael Medici, and Renee Lewis. Also present were: Renita Freeman, Allan Bunch, John Ramberg, Bill Hudson, Sandra Walker, David Morehead, Rex Nelson, Marlys Nelson, Jerry LaQuey, Kathy Ruth, and Melanie Bavouset.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Michael Church at 5:32 p.m.

Consent Agenda

The Board considered the Consent Agenda (copy attached). The Directors reviewed the minutes for the August 21, 2014 Regular Meeting, the September 2, 2014 Special Meeting, the September 10, 2014 Special Meeting and the Water Loss Update. A motion was made by Director Walsh and seconded by Director Hansen to approve the Consent Agenda as amended to include the "Accounted-for Losses" in future presentations of the Water Loss Update. The motion passed unanimously.

Public Comment

Chairman Church opened the meeting to public comment. Allan Bunch offered comments regarding the meeting format and the consequences being the discussions had in the work session prior to the regular meeting not being captured in the meeting minutes. Mr. Bunch also offered comments regarding the Board's decision to not fill the one open position at PAWSD for 2015 and budgetary procedures. Bill Hudson offered comments regarding posting the draft PAWSD 2015 Budget Materials on the PAWSD website and possible revisions to the Bylaws to address Board Member attendance at meetings.

Public Hearing – 6:00 p.m. – Consideration of Petition for Inclusion Election for Water Service – Log Park Water Company and Log Park Subdivision

Chairman Church opened the Public Hearing regarding Log Park Water Company and Log Park Subdivision Inclusion and Consideration of Order of Inclusion Election at 6:00 p.m.

The Board considered Log Park Water Company and Log Park Subdivision Inclusion and Consideration of Order of Inclusion Election (copy attached). Renee Lewis, Director of Operations and Compliance, presented Log Park Water Company and Log Park Subdivision Inclusion and Consideration of Order of Inclusion Election, stating that for the Board's consideration was Resolution 2014 – 07 – Resolution Initiating Inclusion Election as the original Notice to Property Owners was deficient; thus, requiring an additional Public Hearing and the re-execution of said resolution. A motion was made by Director Hansen

and seconded by Director Walsh to adopt Resolution 2014 – 07 – Resolution Initiating Inclusion Election. The motion passed unanimously.

Chairman Church closed the Public Hearing at 6:02 p.m.

Consideration of Request by Jerry La Quey

The Board considered the Request by Jerry La Quey (copy attached). Jerry La Quey presented Request by Jerry La Quey, stating that he believed PAWSD should accept his offer of \$100.00 as settlement for his outstanding bill of \$394.59 as he was not aware the property continued to incur monthly service charges despite having the water turned off at the meter and he had not received a bill until June 2014. Shellie Peterson, Director of Business Systems, explained to the Board that PAWSD is not able to track the many properties that change owners without using a title company and therefore was unaware that Mr. La Quey's property was deeded back to him by Quit Claim Deed; thus, the bills were being sent to the previous property owner and were never sent back to PAWSD. Mrs. Peterson further stated that is the reason why Mr. La Quey did not receive a bill from PAWSD until June 2014. A motion was made by Chairman Church and seconded by Director Walsh to direct staff to work with Mr. La Quey to establish a payment plan that would be agreeable to him. The motion passed unanimously.

Consideration of Request by Kathy and Donald Ruth

The Board considered the Request by Kathy and Donald Ruth (copy attached). Kathy Ruth presented Request by Kathy and Donald Ruth, stating the request for further relief from her May 2014 PAWSD bill is due to vandalism that occurred on her property sometime in April 2014, which resulted in a large amount of unintended water usage. Mrs. Ruth further added that she was very thankful for PAWSD automated meter reading system that caught the leak, for PAWSD staff investigating the leak after they were unable to reach Mr. and Mrs. Ruth, and for the initial relief granted on her May 2014 PAWSD bill through the PAWSD Leakage Service Charge, but that she is requesting additional relief from the Board due to the circumstances. A motion was made by Director Walsh and seconded by Director Hansen to deny Mr. and Mrs. Ruth's request for additional relief on their May 2014 PAWSD bill as the Leakage Service Charge reduced the billed amount to the lowest rate tier of \$4.22 per 1000 gallons above the first 2000 gallons. The motion passed unanimously.

Consideration of Amending the PAWSD Bylaws to limit the District Manager's Expenditure Limit

The Board considered Amending the PAWSD Bylaws to limit the District Manager's Expenditure Limit (copy attached). Chairman Church presented Amending the PAWSD Bylaws to limit the District Manager's Expenditure Limit, stating the Board had discussed this during the earlier Regular Work Session and had agreed that \$30,000.00 is a reasonable expenditure limit. Following a lengthy discussion, the Board directed Renee Lewis to draft revisions to the PAWSD Bylaws that would restrict the District Manager's expenditure limit for non-budgeted Capital Improvement Projects to \$30,000.00 and present said revisions to the Board at the October 16, 2014 Regular Meeting.

Consideration of Providing Previous Month Register of Accounts in Board Packets

The Board considered Providing Previous Month Register of Accounts in Board Packets (copy attached). Shellie Peterson presented Providing Previous Month Register of Accounts in Board Packets, stating that she had prepared three formats for presenting the previous month register of accounts in the board packet and each provides a different level of detail. A motion was made by Director Walsh and seconded

by Chairman Church to establish a practice of providing the previous month register in the 10 page format in the board packets. The motion passed 3 – 1 with Director Hansen opposed.

Other Business

The Board directed Ed Winton and staff to provide alternatives for housing the vacuum truck in order to decrease the energy costs of heating the older portion of the Hatcher Water Treatment Plant. Shellie Peterson stated that she anticipates having to amend the 2014 Budget because the contractor installing the wastewater pipeline is ahead of schedule and will likely exceed the wastewater fund appropriation in the 2014 Adopted Budget. The Board directed Renee Lewis to post the draft PAWSD 2015 Budget Materials on the PAWSD website.

There being no further business to come before the Board, the meeting was adjourned at 7:08 p.m.

Respectfully submitted,

Gordon McIver
Secretary

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

NOTICE OF REGULAR WORK SESSION, REGULAR MEETING, AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Regular Work Session, Regular Meeting, and Public Hearing of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) have been scheduled for October 16, 2014 at 4:00 and 5:30 respectively. The Work Session, Regular Meeting, and Public Hearing will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

Work Session

1. Call to Order
2. Consideration of Certification of Delinquent Accounts to County Treasurer
 - a) Consideration of Letters of Request Received
 - b) Consideration of Resolution 2014 – 08 – Resolution to Certify Delinquent Accounts to County Treasurer
3. Approval of Consent Agenda
 - Minutes – 9/18/14 Regular Meeting
 - Water Loss Update
 - Investment Update – September 30, 2014
 - Financial Statements – September 30, 2014
4. Public Comment
5. Consideration of Awarding Construction Contract for the Construction Phase of the MIEX Contract
6. Consideration of Cancelling the November Regular Work Session and Regular Meeting
7. Consideration of Rescheduling the December Regular Work Session and Regular Meeting
8. Any Other Business Brought Before the Board Will Be Duly Considered.

Regular Meeting

1. Call to Order
2. 5:30 p.m. Public Hearing – Certification of Delinquent Accounts to County Treasurer
 - a) Consideration of Letters of Request Received
 - b) Consideration of Resolution 2014 – 08 – Resolution to Certify Delinquent Accounts to County Treasurer
3. Approval of Consent Agenda
 - Minutes – 9/18/14 Regular Meeting
 - Water Loss Update
 - Investment Update – September 30, 2014
 - Financial Statements – September 30, 2014
4. Public Comment
5. Consideration of Awarding Construction Contract for the Construction Phase of the MIEX Contract
6. Consideration of Amending the PAWSD Bylaws to limit the District Manager’s Expenditure Limit
7. Consideration of Cancelling the November Regular Work Session and Regular Meeting
8. Consideration of Rescheduling the December Regular Work Session and Regular Meeting
9. Any Other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
OCTOBER 16, 2014 REGULAR MEETING

Attendance

The following Directors were present: Burt Adams, Michael Church, Paul Hansen, Gordon McIver (telephonically), and Glenn Walsh.

In attendance from staff: Ed Winton, Shellie Peterson, and Renee Lewis. Also present were: Renita Freeman and Allan Bunch.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Michael Church at 5:33 p.m.

Public Hearing – 5:30 p.m. – Consideration of Certification of Delinquent Accounts to County Treasurer

Chairman Church opened the Public Hearing regarding Certification of Delinquent Accounts to County Treasurer at 5:34 p.m.

The Board considered Certification of Delinquent Accounts to County Treasurer (copy attached). Shellie Peterson, Business Systems Manager, presented Certification of Delinquent Accounts to County Treasurer, stating that staff is requesting the Board adopt Resolution 2014 – 08 – Resolution to Certify Delinquent Accounts to County Treasurer as this is the regular practice for handling these particular delinquent accounts every year at this time. A motion was made by Director Walsh and seconded by Director Hansen to adopt Resolution 2014 – 08 – Resolution to Certify Delinquent Accounts to County Treasurer. The motion passed unanimously.

Chairman Church closed the Public Hearing regarding Certification of Delinquent Accounts to County Treasurer at 5:37 p.m.

Consent Agenda

The Board considered the Consent Agenda (copy attached). The Directors reviewed the minutes for the September 18, 2014 Regular Meeting, Water Loss Update, Investment Update – September 30, 2014, and Financial Statements – September 30, 2014. 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

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

Consideration of Awarding Construction Contract for the Construction Phase of the MIEX Contract

The Board agreed to table this item for a future meeting following a re-bid of the project as all of the bids were higher than the engineer's estimate.

Consideration of Amending the PAWSD Bylaws to Restrict the District Manager's Expenditure Limit

The Board considered Amending the PAWSD Bylaws to Restrict the District Manager's Expenditure Limit (copy attached). Renee Lewis, Director of Operations and Compliance, presented Amending the PAWSD Bylaws to Restrict the District Manager's Expenditure Limit, stating that per Board direction at the September 18, 2014 Regular Work Session and Meeting she has provided the Board with two options for amending the PAWSD Bylaws to Restrict the District Manager's Expenditure Limit, either Section 4(b) or Section 9(o). Director Walsh suggested the latter option as that seemed to be the most appropriate section for the new language. A motion was made by Director Walsh and seconded by Director Hansen to amend the PAWSD Bylaws, Section 9(o), to read:

o. Manager. The Board shall employ a District Manager to serve for such term and upon such conditions, including compensation, as the Board may establish. Such manager, administrator, or designee(s) shall have general supervision over the administration of the affairs, employees, and business of the District and shall be charged with the hiring and discharging of employees and the management of District properties. The Manager shall be the designated election official of the District, unless otherwise determined by the Board. The Manager shall specifically be responsible for the records of the District; may act as Recording Secretary at meetings of the Board and record all votes; and shall be responsible for composing a record of the proceedings of the Board in a visual text format that may be transmitted electronically, which shall be an official record of the Board. The Manager shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records; and shall deposit or cause to be deposited the same in the name of the District in such banks or savings associations as the Board may select. The Manager or designee will approve all vouchers, orders and checks for payment, and shall keep or cause to be kept regular books of account of all District transactions and shall obtain, at the District's expense, such bond for the faithful performance of his or her duties as the Board may designate. The District Manager's expenditure limit for non-emergency, non-budgeted Capital Improvement Projects is \$30,000.00. The Board may delegate such additional powers and duties to the Manager as it deems appropriate.

The motion passed 4 – 1 with Director Adams opposed.

Consideration of Cancelling the November Regular Work Session and Meeting

The Board considered Cancelling the November Regular Work Session and Meeting (copy attached). Chairman Church presented Cancelling the November Regular Work Session and Meeting, stating that he had discussed with PAWSD staff the possibility of cancelling the November Regular Work Session and Meeting and if that would present any problems. Chairman Church further stated that staff agreed items that would normally be on the agenda in November could be moved to the December Regular Work Session and Meeting. A motion was made by Director Walsh and seconded by Director Adams to cancel the November Regular Work Session and Meeting. The motion passed unanimously.

Consideration of Rescheduling the December Regular Work Session and Meeting

The Board considered Rescheduling the December Regular Work Session and Meeting (copy attached). Chairman Church presented Rescheduling the December Regular Work Session and Meeting, stating the reason for the suggested rescheduling is to certify the mill levies by the statutory deadline of December 15th and the currently scheduled meeting is December 18, 2014. A motion was made by Director Adams and seconded by Director Walsh to reschedule the December Regular Work Session and Meeting for December 11, 2014 at the regular times of 4:00 p.m. and 5:30 p.m. respectively.

There being no further business to come before the Board, the meeting was adjourned at 5:44 p.m.

Respectfully submitted,

Gordon McIver
Secretary

PAGOSA AREA WATER AND SANITATION DISTRICT

ARCHULETA COUNTY

STATE OF COLORADO

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) S.S.
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NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) has been scheduled for Wednesday, November 19, 2014 at 4:00 p.m. The Special Meeting will be held at the District's administrative office located at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Consideration of Awarding Construction Contract for the Construction Phase of the MIEX Contract
2. Any other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis

For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
NOVEMBER 19, 2014 SPECIAL MEETING

Attendance

The following Directors were present: Burt Adams, Michael Church, Paul Hansen, and Glenn Walsh (telephonically).

In attendance from staff: Shellie Peterson, Andy Connor, and Renee Lewis. Also present was: Allan Bunch.

Call to Order

The Special Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Michael Church at 4:02 p.m.

Consideration of Awarding Construction Contract for the Construction Phase of the MIEX Contract

The Board considered Awarding Construction Contract for the Construction Phase of the MIEX Contract (copy attached). A motion was made by Director Adams and seconded by Director Hansen to delay the meeting until Gregg Mayo, Projects Manager, could be present at the meeting. The motion failed 2 – 2 with Chairman Church and Director Walsh opposed. Andy Connor, Water Treatment Plant Supervisor, presented Awarding Construction Contract for the Construction Phase of the MIEX Contract, stating that he and Mr. Mayo have sent a series of questions to Crossfire LLC, the lowest bidder on the rebid of the project, in an effort to decrease costs. Mr. Connor further stated that while there may be cost savings realized through value engineering on the carbon building, brick fascia, and trenching, the series of questions did not realize any cost savings as these smaller projects could not be done in-house for less than was bid. Mr. Connor recommended the Construction Contract for the Construction Phase of the MIEX Contract be awarded to Crossfire LLC for \$2,509,710.87. Shellie Peterson, Business Systems Manager, confirmed the estimated cost of this project was budgeted for the end of 2014 and 2015, and any overages from the original estimate will be funded by monies not appropriated to an early payment of the 2006 Revenue Bond series. A motion was made by Director Walsh and seconded by Director Adams to award the Construction Contract for the Construction Phase of the MIEX Contract to Crossfire LLC for \$2,509,710.87 with Ed Winton, District Manager, to execute said contract should Chairman Church not be available. The motion passed unanimously.

Other Business

Chairman Church requested that Consideration of PAWSD Employees Compensation Pool be an agenda item for the December 11, 2014 Regular Work Session and Meeting. Chairman Church also briefed the Board that he was planning to attend the November 20, 2014 CWCB meeting and would possibly like to have a Special Meeting upon his return depending on the results of the CWCB meeting.

There being no further business to come before the Board, the meeting was adjourned at 5:03 p.m.

Respectfully submitted,

Gordon McIver
Secretary

PAGOSA AREA WATER AND SANITATION DISTRICT

ARCHULETA COUNTY

STATE OF COLORADO

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NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) has been scheduled for Tuesday, November 25, 2014 at 3:00 p.m. The Board may enter into Executive Session for determining positions and development strategy for negotiations and instructing negotiators in regards to the CWCB Proposal Regarding the Dry Gulch Reservoir Project Property agenda item pursuant to 24-6-402(4)(e) C.R.S. The Special Meeting will be held at the District's administrative office located at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

1. Consideration of CWCB Proposal Regarding the Dry Gulch Reservoir Project Property
2. Consideration of Entering into Executive Session Pursuant to Section as Described Above
3. Any other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
NOVEMBER 25, 2014 SPECIAL MEETING

Attendance

The following Directors were present: Burt Adams, Michael Church, Paul Hansen, Gordon McIver, and Glenn Walsh.

In attendance from staff: Ed Winton and Renee Lewis. Also present were: Renita Freeman, Allan Bunch, Bill Hudson, and Rod Proffitt.

Call to Order

The Special Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Michael Church at 3:03 p.m.

Consideration of Entering into Executive Session Pursuant to Section 24-6-402(4)(e), C.R.S. and Consideration of CWCB Proposal Regarding the Dry Gulch Reservoir Project Property

The Board considered Entering into Executive Session Pursuant to Section 24-6-402(4)(e), C.R.S. and the CWCB Proposal Regarding the Dry Gulch Reservoir Project Property (copy attached). Chairman Church presented Consideration of Entering into Executive Session and Consideration of CWCB Proposal Regarding the Dry Gulch Reservoir Project, stating the reasons why he believed Board's discussion of this agenda item ought to be in Executive Session and providing an overview of said proposal for the Board and the public. A motion was made by Director Walsh and seconded by Gordon McIver to enter into Executive Session for determining positions and development strategy for negotiations and instructing negotiators in regards to the CWCB Proposal Regarding the Dry Gulch Reservoir Project Property agenda item pursuant to 24-6-402(4)(e) C.R.S. The motion passed 4 – 1 with Director Adams opposed. The Board entered Executive Session at 3:43 p.m.

Upon returning to Open Session at 5:34 p.m., the Board agreed that Chairman Church should continue with the negotiations with CWCB on the CWCB Proposal Regarding the Dry Gulch Reservoir Project Property.

There being no other business to come before the Board, the meeting was adjourned at 5:43 p.m.

Respectfully submitted,

Gordon McIver
Secretary

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

NOTICE OF REGULAR WORK SESSION, REGULAR MEETING, AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Regular Work Session, Regular Meeting, and Public Hearing of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) have been scheduled for December 11, 2014 at 4:00, 5:30, and 6:00 p.m. respectively. The Work Session, Regular Meeting, and Public Hearing will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is as follows:

Work Session

1. Call to Order
2. Approval of Consent Agenda
 - Minutes – 10/16/14 Regular Meeting, 11/19/14 Special Meeting, and 11/25/14 Special Meeting
 - Water Loss Update
 - Log Park Election Update
3. Public Comment
4. Consideration of Amendment to 2014 Budget
5. Consideration of Proposed 2015 Budget
6. Consideration of Certification of Mill Levies
7. Consideration of PAWSD Employees Compensation Pool
8. Consideration of Martinez Matter
9. Consideration of Annual Posting for PAWSD Board of Directors Meetings
10. Any Other Business Brought Before the Board Will Be Duly Considered.

Regular Meeting

1. Call to Order
2. Approval of Consent Agenda
 - Minutes – 10/16/14 Regular Meeting, 11/19/14 Special Meeting, and 11/25/14 Special Meeting
 - Water Loss Update
 - Log Park Election Update
3. Public Comment
4. Consideration of Amendment to 2014 Budget
5. 6:00 p.m. Public Hearing – Consideration of Proposed 2015 Budget
6. Consideration of Certification of Mill Levies
7. Consideration of PAWSD Employees Compensation Pool
8. Consideration of Martinez Matter
9. Consideration of Annual Posting for PAWSD Board of Directors Meetings
10. Any Other Business Brought Before the Board Will Be Duly Considered.

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Renee Lewis
For the Board of Directors

SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
DECEMBER 11, 2014 REGULAR MEETING

Attendance

The following Directors were present: Burt Adams, Michael Church, Paul Hansen, Gordon McIver, and Glenn Walsh.

In attendance from staff: Ed Winton and Shellie Peterson. Also present were: Mark Weiler, Lee Vorhies, Allan Bunch, Renita Freeman, and Roy Vega.

Call to Order

The Regular Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Michael Church at 6:00 p.m.

Public Hearing – 6:00 p.m. – Consideration of Amendment to 2014 Budget and Proposed 2015 Budget

Chairman Church opened the Public Hearing regarding Amendment to 2014 Budget and Proposed 2015 Budget at 6:01 p.m.

The Board considered Amendment to 2014 Budget and Proposed 2015 Budget (copy attached). Shellie Peterson, Business Systems Manager, presented Amendment to 2014 Budget and Proposed 2015 Budget, stating there were several either unforeseen or uncertain expenditures since the last presentation of the Amendment to 2014 Budget and Proposed 2015 Budget that necessitated changes to both documents including final assessed values from the Archuleta County Assessor, unusually high water sales, the inclusion of Log Park Subdivision into the District's boundaries, and construction projects scheduling.

Chairman Church closed the Public Hearing regarding Amendment to 2014 Budget and Proposed 2015 Budget at 6:06 p.m.

Consideration of PAWSD Employees Compensation Pool

The Board considered PAWSD Employees Compensation Pool (copy attached). A motion was made by Director Walsh and seconded by Director Adams to establish a PAWSD Employees Compensation Pool of \$20,000.00 for fiscal year 2015 to be used at the discretion of the PAWSD District Manager for the purposes of awarding exceptional PAWSD employees. The motion passed unanimously.

Consideration of Martinez Matter

The Board considered the Martinez Matter (copy attached). Following a lengthy discussion, no decision was made on this agenda item as all motions made either failed or were withdrawn for lack of a second. At the request of the Martinez family, the Board agreed to implement increased safety training for the PAWSD employees, revise the current boating policy to include onshore personnel for all boating activities, and research increasing accidental death benefits.

Consideration of Amendment to 2014 Budget

The Board considered the Amendment to 2014 Budget (copy attached). A motion was made by Director Hansen and seconded by Director Adams to approve the Amendment to 2014 Budget. The motion passed 3 – 2 with Director Walsh and Chairman Church opposed.

Consideration of Proposed 2015 Budget

The Board considered the Proposed 2015 Budget (copy attached). Shellie Peterson presented Consideration of Proposed 2015 Budget, stating for clarification purposes that the previously approved \$20,000.00 Employee Compensation Pool would be incorporated into the Proposed 2015 Budget. A motion was made by Director Walsh and seconded by Director Hansen to adopt the Proposed 2015 Budget. The motion passed unanimously.

Consideration of Annual Posting for PAWSD Board of Directors Meetings

The Board considered Annual Posting for PAWSD Board of Directors Meetings (copy attached). Ed Winton presented Consideration of Annual Posting for PAWSD Board of Directors Meetings, stating that staff is requesting Board action on this agenda item. A motion was made by Director Hansen and seconded by Director Adams to adopt Resolution 2015 – 01 – Board of Directors Annual Posting for Meetings. The motion passed unanimously.

Consideration of Certification of Mill Levies

The Board considered Certification of Mill Levies (copy attached). A motion was made by Director Walsh and seconded by Director Adams to approve the Certification of the Mill Levies for fiscal year 2015. The motion passed unanimously.

Public Comment

Chairman Church opened the meeting to public comment. Mark Weiler offered comments regarding the Colorado Water Conservation Board (CWCB) loan for the Dry Gulch Reservoir Project property and offered his assistance in the negotiations with CWCB.

Consent Agenda

The Board considered the Consent Agenda (copy attached). The Directors reviewed the minutes for the October 16, 2014 Regular Meeting, November 19, 2014 Special Meeting, and the November 25, 2014 Special Meeting, Water Loss Update, and Log Park Election Update. A motion was made by Director Hansen and seconded by Director Adams to approve the Consent Agenda as presented. The motion passed unanimously.

There being no further business to come before the Board, the meeting was adjourned at 7:12 p.m.

Respectfully submitted,

Gordon McIver

Secretary