

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

NOTICE OF SPECIAL MEETING AND REGULAR MEETING

NOTICE IS HEREBY GIVEN that a Special and Regular Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) have been scheduled for Thursday April 9, 2026 at 4:00 and 5:00 p.m., respectively. The Special and Regular Meetings will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agendas are as follows:

Special Meeting

1. Call to Order
2. Roll Call
3. Consideration of an executive session to discuss a conceptual settlement of the litigation concerning Running Iron Ranch and management of Running Iron Ranch (the "Subject Matters") pursuant to C.R.S. Section 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal questions from the District's general counsel on the Subject Matters, and C.R.S. Section 24-6-402 (4)(e)(I), to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators with respect to the Subject Matters.

Regular Meeting

1. Call to Order
2. Roll Call
3. Consideration of Agenda
4. Approval of Minutes – 3/10/26 Special Meeting, 3/12/26 Special and Regular Meetings, and 3/16/26 Special Meeting
5. Public Comment
6. Consideration of Request for Exemption from Affordable Housing Policy Requirements – CDC
7. Consideration of Proposal(s) – 2026 Rate Study
8. Consideration of Revisions to 2020 Drought Management Plan
9. Consideration of Drought Stage Designation
10. Manager Talking Points
11. Any other Business Brought before the Board will be Duly Considered

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Andrew Connor
For the Board of Directors



1
2 **RECORD OF PROCEEDINGS**
3 **PAGOSA AREA WATER AND SANITATION DISTRICT**
4 **MARCH 10, 2026 SPECIAL MEETING**

5
6 **Call to Order (0:00:02)**
7

8 The Special Board Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called
9 to order by Chairman Gene Tautges at 3:00 p.m.

10
11 **Attendance (0:00:04)**
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13 The following Directors were present: Gene Tautges, Alex Boehmer, Bill Hudson, Glenn Walsh
14 (virtual), and Bruce Jones.

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16 In attendance from staff: Andy Connor, Justin Ramsey, Renee Lewis (virtual), and Jack Dossett.
17

18 Also present: Marcus Lock (virtual) and Jodi Bunn (virtual).

19 **Consideration of an executive session to discuss Running Iron Ranch and litigation related**
20 **to the same, mediation, and the management of Running Iron Ranch (the “Subject Matters”)**
21 **pursuant to C.R.S. Section 24-6-402(4)(b) for the purpose of receiving legal advice on**
22 **specific legal questions from the District’s general counsel on the Subject Matters, and**
23 **C.R.S. Section 24-6-402 (4)(e)(I), to determine positions relative to matters that may be**
24 **subject to negotiations, developing strategy for negotiations, and instructing negotiators**
25 **with respect to the Subject Matters (0:00:18).**

26 A motion was made by Director Jones and seconded by Director Boehmer to enter into Executive
27 Session for the purposes cited above. The motion passed unanimously. The Board entered into
28 Executive Session at 3:03 p.m.

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30 The Board exited Executive Session at 4:03 p.m. during which negotiators were instructed but no
31 decisions were made.

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33 There being no other business to come before the Board, the meeting was adjourned at 4:07 p.m.
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35 Respectfully submitted,
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37
38 Bill Hudson
39 Secretary
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1
2 **RECORD OF PROCEEDINGS**
3 **PAGOSA AREA WATER AND SANITATION DISTRICT**
4 **MARCH 12, 2026 SPECIAL MEETING**

5
6 **Call to Order (0:00:01)**
7

8 The Special Board Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called
9 to order by Chairman Gene Tautges at 4:00 p.m.

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11 **Attendance (0:00:11)**
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13 The following Directors were present: Gene Tautges, Alex Boehmer, Bill Hudson, Glenn Walsh
14 (virtual), and Bruce Jones.

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16 In attendance from staff: Andy Connor, Justin Ramsey, Renee Lewis, and Jack Dossett.
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18 Also present: Marcus Lock (virtual) and Marybeth Snyder.

19 **Consideration of an executive session to discuss (1) Running Iron Ranch and litigation**
20 **related to the same, mediation, and the management of Running Iron Ranch; and (2)**
21 **procedure and protocols for atypical customer relations (the “Subject Matters”) pursuant to**
22 **C.R.S. Section 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal**
23 **questions from the District’s general counsel on the Subject Matters, and C.R.S. Section 24-**
24 **6-402 (4)(e)(I), to determine positions relative to matters that may be subject to negotiations,**
25 **developing strategy for negotiations, and instructing negotiators with respect to the Subject**
26 **Matters (0:00:30).**

27 A motion was made by Director Boehmer and seconded by Director Jones to enter into Executive
28 Session for the purposes cited above. The motion passed unanimously. The Board entered into
29 Executive Session at 4:02 p.m.

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31 The Board exited Executive Session at 4:33 p.m. during which negotiators were instructed but no
32 decisions were made.

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34 There being no other business to come before the Board, the meeting was adjourned at 4:34 p.m.
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36 Respectfully submitted,
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39 Bill Hudson
40 Secretary
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RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
MARCH 12, 2026 REGULAR MEETING

Call to Order (0:03:40)

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

Attendance (0:03:46)

The following Directors were present: Gene Tautges, Alex Boehmer, Bill Hudson, Glenn Walsh (virtual), and Bruce Jones.

In attendance from staff: Andrew Connor, Renee Lewis, Jack Dossett, and Justin Ramsey.

Also present: Emily Lashbrooke, Warren Brown, John Ranson, Cathie Giovanni, Carl Young, Marybeth Snyder, Jeff Sams, Terri House (virtual), Sherri Pierce (virtual), and James Dickhoff (virtual).

Consideration of Agenda (0:03:59)

A motion was made by Director Hudson and seconded by Director Jones to approve the agenda as presented. The motion passed unanimously.

Approval of Minutes – 2/13/26 Special and Regular Meetings (0:04:30)

A motion was made by Director Boehmer and seconded by Director Jones to approve the 2/13/26 Special and Regular Meeting as presented. The motion passed unanimously.

Public Comment (0:05:14)

Carl Young provided comments regarding monthly financial statements in the board packets.

Consideration of Request for Exemption from Affordable Housing Policy Requirements – CDC (0:08:26)

Emily Lashbrooke presented Consideration of Request for Exemption from Affordable Housing Policy Requirements - CDC. The Board agreed to table this item until the requested documentation could be further reviewed and new income verification certification provided.

Consideration of Request for Waiver of 2026 Capital Investment Fees – Archuleta County Commissioners (0:41:20)

Archuleta County Commissioners Warren Brown and John Ranson presented Consideration of Request for Waiver of 2026 Capital Investment Fees. A motion was made by Director Hudson and seconded by Director Walsh to consider waivers of 2026 Capital Investment Fees for 2026 CDC properties when the homeowners are certified by an approved third-party income verification process at 80% or below of AMI. The motion passed 3 - 2 with Chairman Tautges and Director Boehmer opposed.

52 **Consideration of Policies and Protocols for Atypical Customer Relations (1:21:52)**

53

54 The Board provided staff with direction to look into the policies and protocols suggested by the
55 District's attorney.

56

57 **Manager's Talking Points (1:28:19)**

58

59 Andrew Connor provided updates on Vista Wastewater Treatment Plant upgrades, meters and
60 meter flow testing program, meter replacement project, pressure zone controls, rate study RFQ,
61 CDOT project in Town of Pagosa Springs, Snowball Water Treatment Plant replacement
62 construction progress, and updates to the Drought Management Plan. The Board directed staff to
63 extend the deadline for the rate study RFQ to 4/8/26.

64

65 **Other Business (1:53:04)**

66

67 Justin Ramsey provided an update on a potential Running Iron Ranch ranch manager. Renee
68 Lewis confirmed with the Board the 3/16/26 special meeting is at 5:00 p.m. Chairman Tautges
69 provided an update on the adjacent property owner to PAWSD main campus interest in possibly
70 selling the property in the future.

71

72 There being no other business to come before the Board, the meeting was adjourned at 6:53 p.m.

73

74 Respectfully submitted,

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77 Bill Hudson

78 Secretary

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1
2 **RECORD OF PROCEEDINGS**
3 **PAGOSA AREA WATER AND SANITATION DISTRICT**
4 **MARCH 16, 2026 SPECIAL MEETING**

5
6 **Call to Order (0:00:06)**
7

8 The Special Board Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called
9 to order by Chairman Gene Tautges at 5:00 p.m.

10
11 **Attendance (0:00:09)**
12

13 The following Directors were present: Gene Tautges, Alex Boehmer, Bill Hudson, Glenn Walsh
14 (virtual), and Bruce Jones.

15
16 In attendance from staff: Andy Connor, Justin Ramsey, Renee Lewis (virtual), and Jack Dossett.

17
18 Also present: Marcus Lock (virtual).

19 **Consideration of an executive session to discuss litigation and mediation related to**
20 **Running Iron Ranch and management of the Ranch (the “Subject Matters”) pursuant to**
21 **C.R.S. Section 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal**
22 **questions from the District’s general counsel on the Subject Matters, and C.R.S. Section 24-**
23 **6-402 (4)(e)(I), to determine positions relative to matters that may be subject to negotiations,**
24 **developing strategy for negotiations, and instructing negotiators with respect to the Subject**
25 **Matters (0:00:18).**

26 A motion was made by Director Boehmer and seconded by Director Jones to enter into Executive
27 Session for the purposes cited above. The motion passed unanimously. The Board entered into
28 Executive Session at 5:02 p.m.

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30 The Board exited Executive Session at 5:45 p.m. during which negotiators were instructed but no
31 decisions were made.

32
33 **Potential action related to the Subject Matters (0:02:25)**
34

35 A motion was made by Director Boehmer and seconded by Director Jones to approve the
36 confidential term sheet dated March 13, 2026 that resulted from the San Juan Water Conservancy
37 District mediation held on the same date. The motion passed unanimously.

38
39 There being no other business to come before the Board, the meeting was adjourned at 5:48 p.m.

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41 Respectfully submitted,
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43
44 Bill Hudson
45 Secretary
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Board Agenda Summary Sheet

| | To | Action | Signature, Date | | To | Action | Signature, Date |
|---|---------------|---------|-----------------|----|----|--------|-----------------|
| 1 | Andrew Connor | Review | | 6 | | | |
| 2 | Board | Approve | | 7 | | | |
| 3 | | | | 8 | | | |
| 4 | | | | 9 | | | |
| 5 | | | | 10 | | | |

| | | | |
|--|---------------|---|--|
| Name of Action Official: Renee Lewis | Phone: | Board Meeting Date: April 9, 2026 | Priority <input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low |
|--|---------------|---|--|

Subject: 2026 Rate Study RFQ

Please find attached the one proposal we received thus far. Following Board March 12, 2026 direction, staff extended the deadline to April 8, 2026 at 10:00 a.m. I individually contacted the following firms regarding interest:

- Raftelis
- Roaring Fork
- SEH, Inc.
- MSW Consultants
- Willdan Financial Services
- EPS Denver

Should I receive other proposals, I will disseminate as soon as possible.

Pagosa Area Water and Sanitation District

Statement of Qualifications for
**Consulting Service for Water
& Wastewater Rate Study**



March 4, 2026

Stantec Consulting Services Inc.





Stantec Consulting Services Inc.
410 17th Street Suite 1400
Denver CO 80202

March 4, 2026

Attention:
Pagosa Area Water and
Sanitation District
100 Lyn Avenue
Pagosa Springs, CO 81147

Reference:
Request for Qualifications:
Consulting Service for Water
and Wastewater Rate Study

A handwritten signature in black ink that reads 'Carol F. Malesky'.

Carol Malesky

Project Manager
(330) 271-9125
Carol.Malesky@Stantec.com

1001 Lakeside Ave. East
Ste 1600
Cleveland, OH 44114

Dear Members of the Selection Committee,

We are pleased to submit our **Statement of Qualifications to the Pagosa Area Water and Sanitation District (District) to provide Consulting Service for Water and Wastewater Rate Study**. Stantec Consulting Services Inc. (Stantec) has worked with the District to develop its water and wastewater rates in the past and is looking forward to an opportunity for further collaboration.

We have extensive rate and financial consulting experience. Our financial consulting team excels at rate studies, having completed over 1,500 studies nationwide in the last 10 years and serving over 400 communities, including many in Colorado. As the proposed **Project Manager for this Study, Carol Malesky** has over 28 years of experience working with similar districts throughout the country. Together, our proposed project team has completed projects and routinely works with other local entities, including the Parker Water and Sanitation District, City of Englewood, and Castle Rock Water.

We have the tools, and we know the District. Our proprietary Financial Analysis and Management System (FAMS) enables comprehensive sensitivity and scenario analyses with customizable features. The dashboard presents clear side-by-side scenario comparisons, allowing quick adjustments to key inputs. In 2023, we tailored FAMS for the District, even producing a short-term rental rate analysis for its wastewater utility. The upcoming Water and Wastewater Rate Study will expand on previous work, factoring in the new water treatment plant, regulatory changes, inflation, and updated rate structures aligned with Board objectives.

We want to work with you! Our team partners closely with the District and stakeholders to develop fair, sustainable rates and fees. We offer objective analysis and tailored cost recovery strategies based on local data and community goals. With broad experience and user-friendly Excel modeling, we deliver:

- National recognition in utility ratemaking
- Expertise in Colorado rate and financial management
- Customized, clear modeling tools
- Strong stakeholder education and engagement
- Dedicated resources for timely project completion

Our expert team. Project Manager Carol Malesky is authorized to contract with the District on behalf of Stantec and will be your main point of contact during this study. Carol is located in our Cleveland office and can be reached at (330) 271-9125 or Carol.Malesky@Stantec.com

We look forward to the opportunity to help the District further its financial and operational objectives. Please contact us with any questions about our proposal or services.

Respectfully,

Stantec Consulting Services Inc.

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Summary

Local Knowledge

We have recent and valuable experience working in Colorado, including Parker Water and Sanitation District, Pinery Water and Wastewater District, Cities of Englewood and Brighton, and Castle Rock Water. This has given us extensive knowledge of local issues and the current socio-economic conditions. Additionally, we have worked with Pagosa Area Water and Sanitation District (PAWSD) on multiple rate studies between 2018 and 2023 and presented a short-term rental wastewater rate analysis at the Rocky Mountain Water Conference in August of 2024 with PAWSD staff.

Modeling Approach

We have developed an easy-to-use and robust modeling system on the Microsoft Excel platform that is customizable to reflect the unique dynamics and data of the District. Our modeling system is designed to provide flexibility to perform extensive sensitivity and scenario analysis with real-time feedback of results, including side-by-side scenario comparisons. We have developed separate models that enable us to focus on the important details of each component of a rate study, including revenue sufficiency, cost of service, and rate design. Our approach is unique as we focus on an interactive decision support process which allows for efficiency, transparency, and a comprehensive look at our clients' utility systems. Each modeling scenario presented will be thoughtfully curated to address key District objectives, including financial policies, bond covenant compliance, and rate payer impacts.

Experience

Our staff have completed over 1,500 utility financial and rate consulting studies for clients throughout the country. We have experience in a wide variety of ratemaking practices, and we are very familiar with rating agency criteria and funding agencies in Colorado, including the State Revolving Fund loan program through the Colorado Water Resources & Power Development Authority. We have worked with PAWSD on multiple previous studies, allowing for continuity of understanding the challenges and objectives unique to PAWSD.

Expertise & Industry Leadership

Our senior level staff are recognized industry experts. They are actively involved with the American Water Works Association and the Water Environment Federation. Carol recently lead a chapter development for the new upcoming AWWA M85, System Development Charges.

Project Manager and Primary Point of Contact



Carol Malesky
1001 Lakeside Avenue East, Suite 1600
Cleveland, OH 44114
(330) 271-9125
carol.malesky@stantec.com

Project Manager and Primary Point of Contact, Carol Malesky possess the experience and availability necessary to successfully manage this project. The Project Manager has a proven track record overseeing projects of similar scope and complexity, with demonstrated strengths in coordination, communication, and risk management. Current workload has been carefully assessed to ensure sufficient capacity to meet all project requirements, milestones, and timelines, while maintaining a single, consistent point of contact for efficient decision-making and responsiveness.

Cost of Providing Services

Based on our understanding of the scope of services and the specific plan outlined in the rate study approach, we propose to complete the scope of services for a not-to-exceed fee of \$82,650 for tasks under the proposed Phase 1. We also propose an optional task to review and update the District's wastewater short-term rental analysis and rate equivalency. This optional task can be completed for a not-to-exceed fee of \$14,000. To complete all tasks, we propose a not-to-exceed fee of \$96,650. A detailed work plan is presented in Appendix C.

| Phase 1 Task | | Hours | Cost |
|---|---|------------|-----------------|
| 1 | Project Initiation | 52 | \$12,175 |
| 2 | Revenue Sufficiency Analysis & Financial Management Plans | 79 | \$17,450 |
| 3 | Review & Development of System Investment Fees | 44 | \$9,700 |
| 4 | Rate Structure Evaluation & Documentation | 110 | \$22,475 |
| 5 | Comparative Rate Survey | 11 | \$1,875 |
| 6 | Reports & Presentations | 84 | \$18,850 |
| Total | | 380 | \$82,525 |
| Estimated Expenses | | | \$125 |
| Total Not to Exceed | | | \$82,650 |
| Phase 2 Task | | | |
| 7 | Short-Term Rental Wastewater Rate & Fee Evaluation | 66 | \$14,000 |
| Total Not-to-Exceed Project Cost | | | \$96,650 |

Billing Process

We typically bill projects based upon a percentage complete framework. We first develop a work plan specific to your requested scope of work detailing the hours by task and subtask and by project position. We estimate any expenses that may be incurred during the study, printing and mailing costs for this project's final report, and arrive at a total not-to-exceed fee. We then bill monthly based upon the percentage complete at that point in time.

Hourly Billing Rates

For additional services requested by the District, Stantec bills according to the following rate table:

| Position | Hourly Rate |
|------------------|-------------|
| Project Director | \$375 |
| Project Manager | \$375 |
| Quality Control | \$275 |
| Consultant | \$200 |
| Analyst | \$150 |
| Admin | \$100 |

Statement of Understanding

We have a keen understanding of the professional services to be provided for the District. Not only did we complete the most recent study in 2023, but we also understand local needs given our extensive experience in the state of Colorado. Stantec's Management & Technology Consulting group (formerly financial consulting services) has completed hundreds of similar studies throughout the country and is well suited to perform all the services requested.


Communication is key, and our interactive process facilitates transparency in our studies. Data and assumptions are thoroughly vetted prior independently by our team, and then together with your staff during these work sessions. We value your input, and it truly allows for a collaborative study environment. As part of our services, we provide periodic work products with you to again keep everyone on the same page.

A key component to every study we conduct is our interactive process. Through a series of work sessions with your staff, we review all assumptions and alternative scenarios with you live, making changes to our models on the fly during these meetings.

In order to eliminate travel expenses and maintain the lowest project cost we have included web-based meetings with the District within our work plan. However, to the extent that in-person interactions are desired, two of the project team members are local to Denver, Colorado and the Project Manager can travel as-needed to accommodate the study interactives.

By the end of the study, we will have developed alternative rate plans to meet the financial obligations of the District, using the current rate structure's performance as a baseline for comparing the proposed alternatives. We will prepare a preliminary, draft, and final report describing the analysis, results, and recommendations of the study. Following confirmation of final results, we will present to the District's Board of Directors.



 Aerial view of the Town of Pagosa Springs.

Background & Experience

Stantec, a corporation founded in 1954 in Edmonton, Alberta, Canada, provides professional design and consulting services in engineering, architecture, planning, surveying, geotechnical, environmental sciences, construction management, project management, and more. Continually striving to balance economic, environmental, and social responsibilities, we are recognized as a world-class leader and innovator in the delivery of sustainable solutions. The Stantec community unites more than **34,000 employees working in over 450 locations across the globe** offering a wide range of services to improve communities. Our local strength, knowledge, and relationships, coupled with our world-class expertise, have allowed us to go anywhere to meet our clients' needs in more creative and personalized ways. With long-term commitment to the people and places we serve, Stantec has the unique ability to connect to projects on a personal level and advance the quality of life in communities across the globe. Stantec is a publicly traded corporation on the TSX and NYSE under the symbol STN. Information regarding our corporate governance can be found on our website at Stantec.com.



Stantec Consulting Services Inc.

Main Office:
410 17th St, Suite 1400
Denver CO 80202

Project Manager's Office:
1001 Lakeside Ave E, Suite 1600
Cleveland OH 44114

Headquarters:
103 Avenue NW
Edmonton, Alberta T5J 0N3
Canada

Years in Business: 72

Stantec's Management & Technology Consulting

Our Management & Technology Consulting (MTC) sector includes **100+ consultants** working across seven distinct practice areas (see Figure 1). Our team of experts apply a comprehensive understanding of utility management to deliver practical, actionable solutions to the challenges faced by local governments. MTC operates as a collaborative group, drawing on the collective knowledge and experience of its members to create a combination of diverse backgrounds and experiences that makes us who we are today - a trusted source to our clients in providing independent and objective utility management and financial services to local governments and utilities, including **over 350 communities throughout the United States**. This knowledge sharing and expertise will be brought to your project so you can be confident that our team will develop comprehensive, balanced solutions tailored to your project's needs.



| Management & Technology Consulting Practice Areas | | | |
|--|--|---|--|
| Financial Services Sustainable, affordable financial analysis and planning | Asset Management Maximize performance, governance and sustainability | Systems Integration Asset information systems and data management solutions | Economics Unbiased benefit cost analysis and forecasting |
| | Funding Identify, secure and manage alternative funding (grants/loans) | Strategic Planning Transform agencies through people/process changes and implementation | Technology Consulting Data analytics and digital planning to improve performance |

Figure 1. Full suite of practice areas offered by our MTC sector.

Strategic Financial Planning

Stantec's Financial Services practice delivers specialized financial analysis with a strong focus on fiscal planning for public sector entities. Having partnered with hundreds of clients across the continent, we bring deep insight into the operational and financial realities faced by utilities. Our work is grounded in a holistic understanding of government functions, enabling us to craft solutions that are practical, transparent, and implementable.

We help public agencies assess their financial health and plan strategically for long-term sustainability. Our services include comprehensive financial modeling, scenario planning, and sustainability analysis, all tailored to support effective resource allocation and informed decision-making.

Backed by extensive experience supporting utility providers both locally and globally, our team of financial experts excels at identifying root causes of financial pressures and developing actionable strategies to address them. We support both immediate needs and long-range planning, ensuring our clients can remain agile in a dynamic environment. Effective financial planning requires evaluating innovative, data-driven solutions that account for risk, capacity, system efficiency, and service reliability. Our consultants work closely with clients to develop adaptable financial plans and prioritize capital investments. By emphasizing transparency, risk management, and community engagement, we help local governments maintain fiscal stability while continuing to invest in critical infrastructure and services.

Industry Experts

As showcased throughout this proposal, Stantec has a team of industry experts poised to provide the highest level of service to the City. These leaders are widely recognized as experts in the utility rate, financial and management consulting industry, and have:

- Contributed to AWWA rate manuals M-1 and M-54
- Contributed to WEF wastewater rate Manual of Practice No. 27
- Contributed to AWWA's capital financing manual M-29
- Contributed to and drove creation of AWWA's cash reserve policy statement
- Served as chair to AWWA's Rates and Charges Committee
- Provided testimony and expert witness services in multiple states
- Conducted rate training for AWWA, WEF, Michigan State University, the Carl Vision Institute of Government, and private training organizations

| | |
|---|---------------------------------|
| Rate Studies | |
| • Water/Sewer/Reclaimed | • Stormwater |
| • Electric & Natural Gas | • Solid Waste & Recycling |
| Cost-of-Service Analysis | |
| • Wholesale/Outside-City Rates | • Regionalization Studies |
| • Interlocal Agreements | • Customer Class Allocations |
| System Development Fees / Capacity Charges | |
| • Utilities & Other Services | • Fee/Charge Structure |
| • Expert Witness Services | • Development Policies |
| Financial Planning & Capital Funding | |
| • Policies, Targets & KPI's | • Demand Forecasting |
| • Bond Feasibility Studies | • Project Funding Strategies |
| Benchmarking | |
| • Database of 500+ Entities | • Key Financial Metrics |
| • Audited Financials & Rates | • Custom Group Comparisons |
| Affordability | |
| • Actual Bills & Incomes | • Regulatory Support |
| • Multiple Metrics & Thresholds | • Assistance Programs |
| Strategy & Management | |
| • IT Planning & Implementation | • O&M and CIP Optimization |
| • Strategic Plans | • Performance Measures |
| • Asset Management | • Level of Service Development |
| • Business Process Mapping | • Real Estate Advisory Services |

Figure 2. List of Financial Consulting services available.

**We write the books
on rate setting**

Our team of experts routinely contribute to industry manuals that establish standards of practice for utility rates.



Bond Covenant Experience

While we are not registered Municipal Advisors (see our municipal advisor exemption statement in Appendix D), we have experience in advising municipalities and other utilities regarding bond covenants and complying with bond covenants. As part of each financial plan we develop, we request copies of all recent bond issuances so that we can study the covenants of each bond. The recommendations we make regarding rates and rate increases always consider the bond covenants and they appear as a key metric on the dashboard of the model, as shown in Figure 3 below. In this case, the target rate covenant was 1.25. The dashboard of the model alerts us (in red) that the rate covenant has dipped below that target for Senior-Lien Debt Service Coverage (DSC) in FY 2026.

| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Override | 0.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Sewer Rate Plan | 0.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Senior-Lien DSC | 15.53 | 2.22 | 3.11 | 3.14 | 1.22 | 1.51 | 1.65 | 1.46 | 1.52 | 1.58 | 1.65 |
| All-in DSC w PIF | 15.53 | 2.22 | 3.11 | 3.14 | 1.22 | 1.51 | 1.65 | 1.46 | 1.52 | 1.58 | 1.65 |
| Oper Reserve Mos | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |

Note: The 'Senior-Lien DSC' value for FY 2026 (1.22) is highlighted in red in the original image, indicating it is below the target of 1.25.

Figure 3. Example FAMS Dashboard.



Approach to Utility Rate Study

Stantec's has completed over 1,500 similar studies throughout the country. Our approach is centered on our interactive decision support process that engages your staff, Board, and other stakeholders. While our team will facilitate all aspects of the study, provide industry expertise, and give specific recommendations, we believe that input that the District provides is essential to achieving successful outcomes. It is vital for the study to reflect the unique nature and specific needs of the District, and it is critically important that the District and key stakeholders participate along the way. Our interactive process effectively facilitates this input in an efficient manner while providing transparency and ultimately a comprehensive look at your utility funds.

The components of a utility rate study as identified by the District in the Request for Qualifications are consistent with the industry's long-standing rate study practices. These include: 1) developing a revenue sufficiency analysis including a financial management plan with identification of revenue requirements and associated rate revenue adjustments considering financial policies and capital financing plans, 2) cost allocation analysis identifying the costs of service and appropriate allocations to systems and to customers, 3) reviewing rate structures and designing rates to generate sufficient revenues with consideration of customer impacts, and 4) updating or developing miscellaneous fees and system investment fees while considering the cost of service, implications on the financial management plan, legal requirements, bond covenants, and policy objectives. Each rate study and system is unique and while we follow this general outline and supporting industry approaches, our team identifies the appropriate tools, methodologies, and outputs that match the District's objectives and available data. The schematic below outlines the general methodology of a typical rate study, followed by specific discussion of each task we will conduct based upon the objectives and requirements outlined in the Request for Qualifications. It is important to note that we will not be evaluating system capital investment fees or other miscellaneous fees in this study. This study will thoroughly review the District's annual revenue requirements and the ability of its rate structures to meet its objectives of equity, conservation impacts, revenue stability, and transparency to customers.

| Revenue Sufficiency Analysis | Cost Allocation Analysis | User Rates | Other Fees |
|---|--|--|---|
| <ul style="list-style-type: none"> Financial Management Plan & Sustainability Rate Adjustments Capital Funding Financial Policies | <ul style="list-style-type: none"> Identifies Costs by Service Type Define Customer Classes Fixed and Variable Costs Informs Rates | <ul style="list-style-type: none"> Rate Structure (Fixed and Volumetric/Tiers) Pricing Objectives Customer Impacts Local Bill & Rate Structure Comparisons | <ul style="list-style-type: none"> Impact Fees Miscellaneous Fees |

Project Management

Having the best project management and leadership team in place is essential to any successful project. Project Manager Carol Malesky, will lead our services using the highest standards of Stantec's Project Management Framework. Our project leadership is highly experienced in stakeholder coordination, contract administration, task staffing and scheduling, budget management, quality control/peer reviews, decision-making coordination, and timely status reporting and programmatic adjustments. Carol will work closely with you to understand the expectations for each task, to provide certainty in both project budgets and schedule, and to establish critical milestones and decision-making strategies for each study.

Frequent and timely communication between Carol and our entire team and District staff are vital to the success of each project. That is why we have a strong process that creates clear and concise communication between all team members, stakeholders, and, most importantly, you.

Stantec’s Project Management Framework

We take project management seriously. Stantec embraces project management as a core competency. We understand that one of the key benefits of engaging consulting professionals is that consulting teams come with the skills to make progress happen. Our Project Manager will lead our services using the highest standards of the industry and **Stantec’s Project Management Framework**. This framework, represented in Figure 4, identifies the critical tasks that the Project Team must follow to manage risks and quality on a typical project. The ten points of the Project Management Framework are organized based on the four stages of project management: Initiate, Plan, Control, and Close-Out. These tasks represent the project requirements of Stantec’s ISO 9001 Quality Management System.

Quality Control

We raise the bar on excellence. Through a thorough quality control program, our services are meticulously reviewed to minimize errors and omissions, delivering top-tier results to clients. Every deliverable undergoes rigorous evaluation before issuance, underscoring our commitment to reliability and precision. This dedication reinforces our reputation for unparalleled quality and client satisfaction.

Schedule Management

We prioritize your schedule. During scope development for each project, our Project Manager will work with the City to establish a detailed schedule with tasks, subtasks, dependencies, predecessors, and key milestones. Collaborative development of the schedule with the project team keeps everyone aware of milestones and dependencies that must be prioritized and tracked to avoid schedule slip.

Budget Control

We know it’s important to come in on budget. For all projects, our Oracle Business Intelligence Project Management Dashboard will be used to monitor project financials, time charges, work in progress, estimate to complete and invoice tracking. Our Project Manager accesses these tools weekly to track project costs and provide regular updates to be sure we stay on budget.

Capacity & Additional Staff Resources

A deep bench of expertise. Our proposed project team has the capability and capacity to complete the study and is supported by 60+ professionals that could step in to complete the requested scope of services if needed. From our kick-off meeting to the successful delivery of the project, our project plan will minimize risk and increase quality control. We know how important it is to keep everyone in the loop. That is why we have a strong process that creates clear and concise communication among all team members, stakeholders, and, most importantly, the District.

| Stantec's Project Management Framework | |
|--|--|
| 0 | Prepare a proposal that includes a preliminary Project Plan including scope, project budget, resources, deliverables, and schedule. Conduct and document an independent review of the final proposal, as required. |
| 1 | Obtain written instructions to proceed and obtain an approved contract with the client. Obtain written agreements for subs (third party providers). |
| 2 | Prepare a Project Plan to an appropriate level of detail. Conduct and document an independent review as required. |
| 3 | Establish hard copy and/or electronic project record directories and file project records accordingly. |
| 4 | Complete a Health, Safety, Security & Environment (HSSE) risk management assessment and documents for all proposals and projects involving field work. |
| 5 | Monitor the project financials on a regular basis, including weekly time charges, timely invoicing, accounts receivable (AR), and estimates to complete. |
| 6 | Promptly communicate changes to agreed services to the client and obtain required written approvals in a timely manner. |
| 7 | Conduct and document a quality review of final deliverables prior to issue. |
| 8 | Conduct and document a technical independent review of final deliverables prior to issue. |
| 9 | Close the project financials and files. |

Figure 4. Process of Stantec’s Project Management Framework.

Project Approach

The elements of our approach are common to what you will see from most of the professional service firms you evaluate. What is different about our approach is our ability to interact with District staff and elected officials to best achieve the District's goals and objectives for this study.

At the end of the study, Stantec will have delivered to the District:

- Viable options for funding the water and wastewater utilities operations, maintenance, debt, and capital programs.
- Fair rates and charges that recover the cost to provide service as well as address policy requirements.
- Effective solutions that are supported and approved by elected officials.

The scope of work on the following pages will describe the tasks involved. The detailed work plan shown in Appendix C provides the specific path of the study from inception to completion and identifies the number of meetings proposed to occur during the study.

Task 1: Project Initiation

To initialize the study, we will conduct a web-based kick-off meeting with staff to:

- Discuss key issues, roles, and responsibilities
- Confirm study objectives
- Identify data requirements and begin data transfer
- Determine project schedule, including identifying key milestone dates and deliverables
- Bi-weekly meetings to cover status updates

Once all data have been received, we will review it in detail. Follow-up calls and emails with staff will be made to ensure full understanding of all data received prior to utilization in the study. Future meetings will include interactive work sessions in which we review data and preliminary results together to ensure accuracy and complete understanding every step of the way.

Task 1 Milestones & Deliverables:

- Kick Off Meeting
- Data Request
- Bi-weekly status conference calls

Task 2: Revenue Sufficiency Analysis & Financial Management Plans

We will prepare a 10-year analysis of revenue requirements for the water and wastewater system. We will use the multi-year revenue sufficiency and financial planning models (FAMS) of our modeling system to develop long-term financial management plans, inclusive of projected annual revenue requirements and rate adjustments. Within the model, we will examine historical operating expenses, growth and consumption trends, alternative capital improvement spending levels, debt service coverage ratios, levels of operating and capital reserves, and other financial policies/goals that affect the future revenue requirements of the utility.

Through our experience with local and national municipal utilities along with our participation in industry groups and rating agencies, we are able to provide insight and recommendations for certain key financial policies related to debt service coverage and reserve levels.

In addition to evaluating financial goals and objectives, we will also evaluate alternative demand projections, cost escalation factors, changes in usage patterns, elasticity of customer demand in response to rate increases, and other variables that could affect the financial performance of the utility. Cost escalation factors can be revised with informed analyses by Stantec's group of economic forecasters.

The models allow for separation of revenue streams - meaning we breakdown what portion of revenues come from existing customers at current rates and any incremental revenue that will be required from and generated by the addition of new customers. Similarly, the models allow for the distinction of revenue types by customer class that can be grouped into expansion and non-expansion categories.

One item of particular importance in a utility's financial plan is the projection of volumetric sales, especially as it relates to the possibility of adopting rate structure changes. Water consumption patterns are influenced by price signals, and this change in customer behavior can be enhanced by other non-price factors, such as rainfall and economic conditions. We will incorporate estimates of price elasticity and analyze estimates of the probable range of responses to different degrees of rate increases and rate structure changes. Prudent planning requires that utilities prepare for reductions and changes in demand patterns, and such planning will be incorporated to achieve financial targets and maintenance of fund balances.

The financial planning model provides a valuable capital planning tool which we use to review the District's projections for capital improvements, and to evaluate the impacts of alternative projects, costs, timing, and funding sources. For all scenarios reviewed, the financial planning model will develop a funding plan, including the identification of the amount, timing, and type of borrowing required as may be necessary. We will examine the District's use of debt versus cash financing for capital improvements and build a financing plan to support a proper balance of debt coverage and rate stabilization over the planning period.

Closely related to this analysis is an examination of adequacy of reserves for operating and capital projects. Adequate reserves are fundamental to achieving financial stability and can help some systems to avoid sudden or disruptive rate adjustments in the face of unanticipated operating or capital needs or changes in demand. We will examine the District's fund balances and incorporate these balances and alternative reserve policies into the financial planning model and the conversations we will have regarding financial sustainability.

Another key feature within the financial planning model that can be used for the District is the evaluation of key metrics of financial performance. We are very familiar with the criteria that the rating agencies are currently using, such as new matrices and scorecards to evaluate financial performance. We have existing financial models from prior studies with the District that will allow for efficiency gains to be realized and knowledge continuity to be achieved.

Task 2 Milestones & Deliverables:

- Two (2) web-based interactive work sessions
- Assumptions workbooks for water and wastewater financial models

Task 3: Review and Development of System Investment Fees

Stantec will review existing capital investment fees charged to new connections to its water and wastewater systems. For capital investment fee development, a review of existing fees and background is the initial step. Stantec will prepare water and wastewater fees, using existing assets and planned capital improvements to identify the costs of proposed growth capacity versus existing rehabilitation and replacement. Costs of additional treatment capacity needs, if driven by growth, can be recovered partially through these growth related fees. Fees are developed based on acceptable industry methods from the AWWA and Water Environment Federation (WEF). Current practices regarding facility construction and connection requirements for new development are reflected in the analysis. An assessment schedule of fees based on water meter size will be prepared to update the water and wastewater capital investment fees.

Task 3 Milestones & Deliverables:

- One (1) web-based interactive work session
- System investment fee workbook

Task 4: Rate Structure Evaluation and Documentation

Currently, the District's rate structures consist of the following:

Water

Monthly Base Charge per equivalent residential Unit (EU) (Includes 2,000 gallons per EU) \$34.35

Volume Rate

| | |
|---------------------|---------------------------|
| 2,001 – 8,000 | \$6.16 per 1,000 gallons |
| 8,001 – 20,000 | \$12.34 per 1,000 gallons |
| Greater than 20,000 | \$15.49 per 1,000 gallons |

Wastewater

Monthly Service Charge per EU (all users) \$50.18

Short-term Rental Additional Monthly Fee \$20.07

During the rate structure evaluation task, we will perform an independent review of the current water and wastewater rate structures to evaluate the structures in terms of:

- Compliance with legal precedent and generally accepted industry practice (national and local)
- Fair and equitable distribution of costs to customers in proportion to the benefit received and/or demand placed on the system
- Consistency with policies and management objectives regarding conservation impacts
- Fiscal stability/risk of the utility
- Ease of administration and understanding to District staff and customers

We will also review the current rates to determine if they are recovering the appropriate amount and types of costs in base monthly charges and volumetric rates. In addition, we will evaluate the inclining block rate differentials and usage thresholds for each components ability to encourage conservation while maintaining revenue sufficiency.

Based on an interactive work session to review and discuss the Board of Directors' interest in alternative rate designs, we will develop alternative rate structures for the water and wastewater systems. Alternative rate structures will be evaluated to determine if they may better serve the District's fiscal stability and/or public policy objectives relating to fixed cost recovery and conservation, while supporting a fair and equitable distribution of costs.

To the extent that adjustments to the District's rate structure are recommended, historical and detailed output from the District's billing system will be required. We are careful to understand the way that billing systems actually store information and process meter reading data to calculate and generate bills. Our rate analysis is always conducted with an awareness of the limitations (or opportunities) of your billing system.

For each rate structure alternative, we will provide an analysis of the impacts at various levels of consumption. Our rate design models can easily adjust revenue levels that are generated from base and volumetric charges. Bill impact analyses of representative customers will also be used to consider the social and economic factors of the proposed rates. And like our financial planning models, rate alternatives can be evaluated side-by-side to gauge the impacts on your customers.

Task 4 Milestones & Deliverables:

- Two (2) web-based interactive work sessions
- Summary and presentation of rate recommendations

Task 5: Comparative Rate Survey

We will complete surveys of up to 10 local utilities comparing the rates and rate structures to the District's rates. This will include other utilities of comparable size in Colorado and the Southwest region, similar surveys previously completed for the Pinery Water and Wastewater District and City of Englewood, CO.

Task 5 Milestones & Deliverables:

- Charts presenting comparative bills and system investment fees of peers
- Presentation of findings during interactive work session in Task 4

Task 6: Reports & Presentations to Staff and Board of Directors

At the conclusion of the study, we will prepare a preliminary, draft final, and final report documenting the results of the study. Each report will encompass the input and review comments by District staff and Board of Directors (BOD). The report provides a detailed narrative of each component of the study, and includes appendices that contain a series of graphs, charts, and tables that provide the supporting details of the results and recommendations of the study. We will participate in three web-based meetings with your Board of Directors and members of the public to present, explain and justify the findings and recommendations of the study.

Task 6 Milestones & Deliverables:

- Draft and Final reports
- Summary presentation of findings
- Three (3) virtual meetings presenting recommendations to Staff and Board of Directors (BOD)
- Attendance at up to two (2) virtual public meetings

Optional Task 7: Short-Term Rental Wastewater Rate and Fee Evaluation

If the District desires, Stantec will review and update the short-term rental (STR) wastewater rate and equivalency analysis. This would involve identifying all STR units over a multi-year period including billing data account numbers and billable units to analyze differences in actual use between STR and non-STR units. We will meet with District staff as-needed throughout the execution of this optional task to align assumptions, validate data, and discuss results. We will document, report, and present results and recommendations to staff and the District BOD.

Optional: Task 7 Milestones & Deliverables:

- Two (2) web-based interactive work sessions
- Memo documenting findings and presentation of recommendations to Staff and BOD

Project Schedule

Based on our understanding of the scope of services and the task plan outlined above, we have prepared the following project timetable. We propose to complete the study within approximately 4 months assuming that all data points requested as a part of the study are provided within 10 business days of the notice to proceed. Assuming a May 2026 notice to proceed, we will finalize the study and all associated presentations by the end of September 2026.

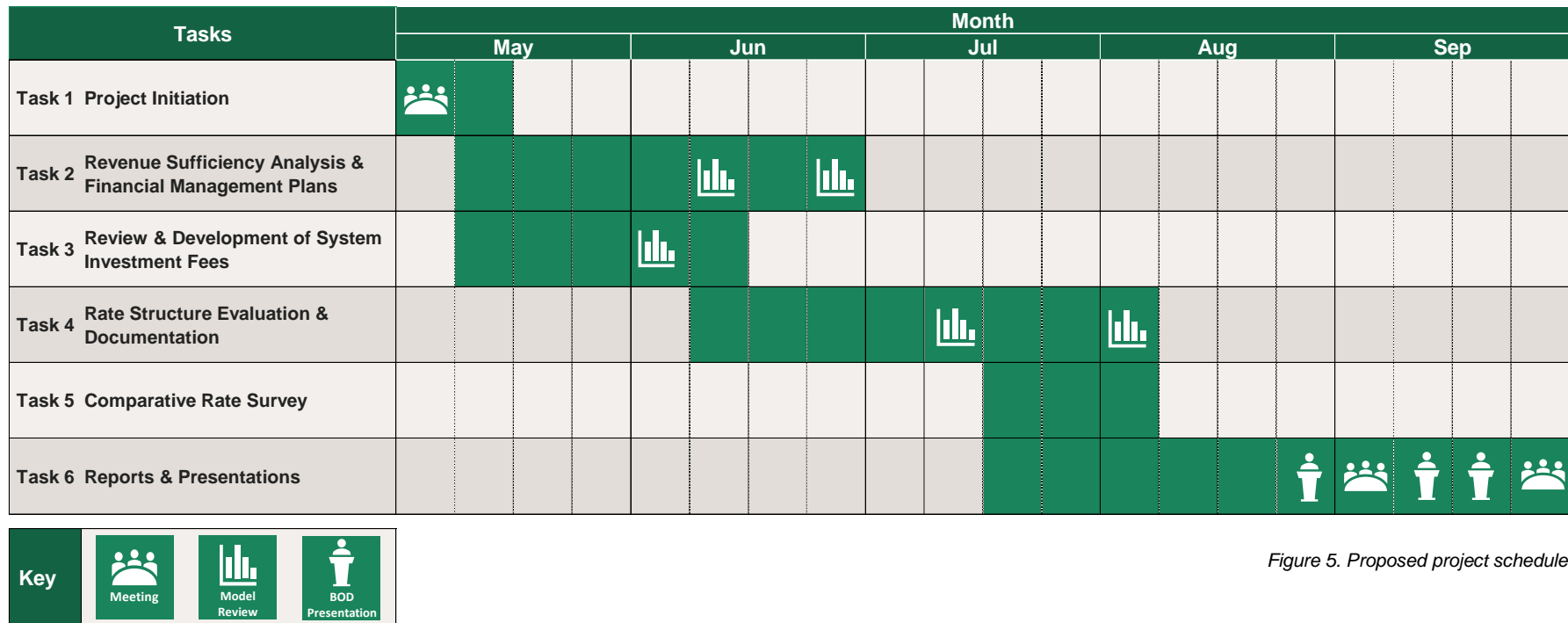


Figure 5. Proposed project schedule.

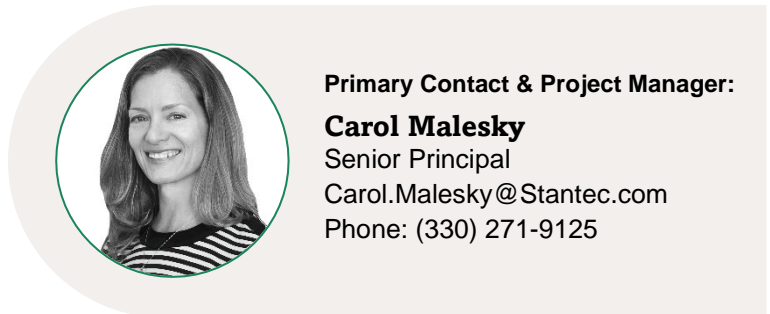
Project Team

Stantec is home to an impressive amount of experience and knowledge on utility rate and fee matters. Our practice leaders have authored hundreds of articles for industry trade journals and have authored or co-authored most of the standards that serve as industry guidelines for setting utility rates and charges. We aspire to provide our clients with financial guidance that makes a difference in their organizations, their performance, and in their communities. We have carefully selected our proposed project team with members that are experienced in each service requested by the District, including:

- **Development of Multi-Year Financial Management Plans and Rate Programs**, for systems of similar size operated by local government agencies, including capital and operations & maintenance expense budgeting, grant funding, and ensuring finance best practices
- **Cost of Service Allocations According to AWWA and WEF Guidelines**, with the expertise to analyze system configurations, facilities, plans, design criteria, usage characteristics, and others in the context of allocating costs in order to establish fair and equitable rates for all customer classes
- **Retail and Wholesale Rate Structure Concepts** and their practical application to address specific local policy objectives (such as affordability, conservation, fixed cost recovery/revenue stability) while conforming to accepted industry practice and legal precedent (both nationally and locally)
- **Financial Policy Review** including the development of specific targets relative to various types of reserves, capital spending, debt levels, affordability, and other metrics
- **Development of Specific Fees and Charges**, including development of tap fees, connection fees, and system development charges
- **Preparation of Public Education and Outreach Initiatives**, including special purpose public engagement meetings and presentation of information about the rate study process, identification of key system issues/challenges, necessity of any rate adjustments, national trends and local benchmarking, as well as customer impacts

Key Personnel

Our project team is composed of specialized experts with a full commitment to meeting the City's financial consulting needs. Providing these services for government clients across North America is what we do every day. We have structured our team with a focus on knowledgeable staff who are experienced in addressing the services the City seeks.



Primary Contact & Project Manager:

Carol Malesky

Senior Principal

Carol.Malesky@Stantec.com

Phone: (330) 271-9125

The Stantec project team brings unmatched knowledge and experience to serve the District with Water and Wastewater Rate Study services. **Project Manager Carol Malesky** brings 28 years of experience in utility financial planning and rate setting.

An organization chart is presented on the following page, along with an overview of our team and descriptions of their responsibilities for the District's project. Resumes are presented in Appendix B and include project examples for each team member.

Organizational Chart

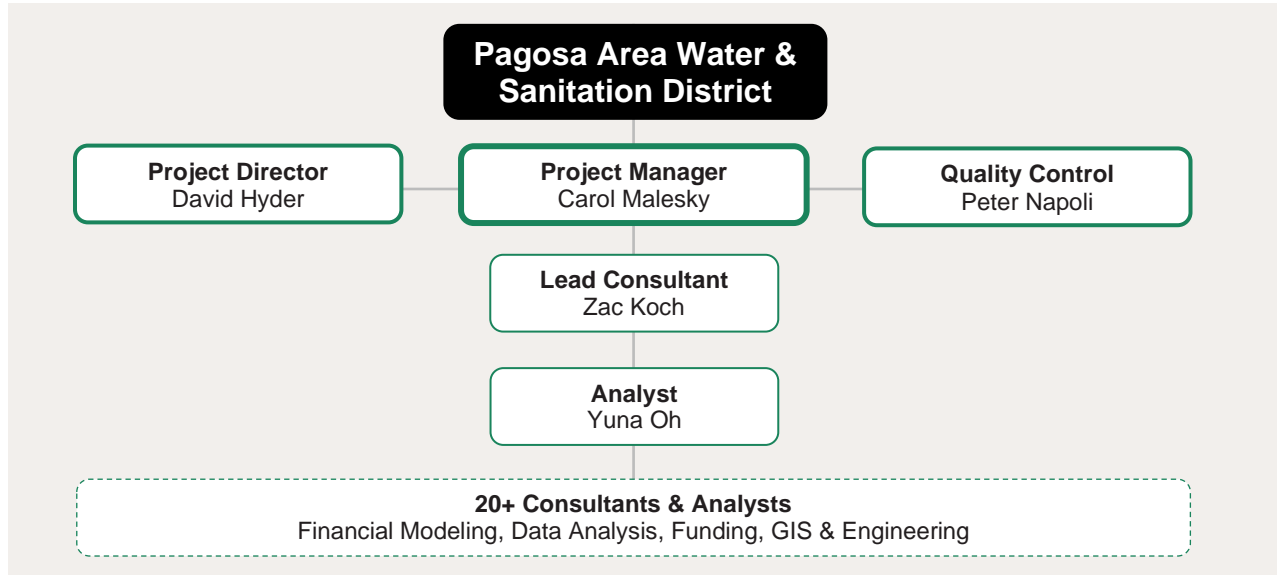


Figure 6. Project team Organizational Chart.



David Hyder

Project Role: Project Director
Office: Washington D.C.

As Project Director, Dave brings 27 years of experience in proving financial services for local governments and utilities. He will offer strategic guidance, high-level oversight, and quality assurance throughout the project. Dave will support key decisions and contribute guidance



Carol Malesky

Project Role: Project Manager
Office: Cleveland, Ohio

As Project Manager, Carol will lead the day-to-day execution of the project, maintaining our team’s focus and alignment with the District’s objectives. She will oversee technical work, project scheduling and serve as the primary point of contact. Carol will participate in all meetings and presentations, providing consistent leadership and clear communication.



Peter Napoli

Project Role: Quality Control
Office: Tampa, Florida

As Quality Control, Pete will review all data, models, and work products for accuracy, consistency, completeness and alignment with project requirements. Pete’s review process safeguards quality, strengthens deliverables, and supports clear, defensible technical and financial analyses.



Zac Koch

Project Role: Consultant
Office: Denver, Colorado

As Lead Consultant, Zac will apply his experience assisting in financial planning, analysis, and rate studies for water, wastewater, and stormwater utilities. Zac will develop custom financial models and generate data-driven recommendations to support sustainable operations and informed decision-making.



Yuna Oh

Project Role: Analyst
Office: Denver, Colorado

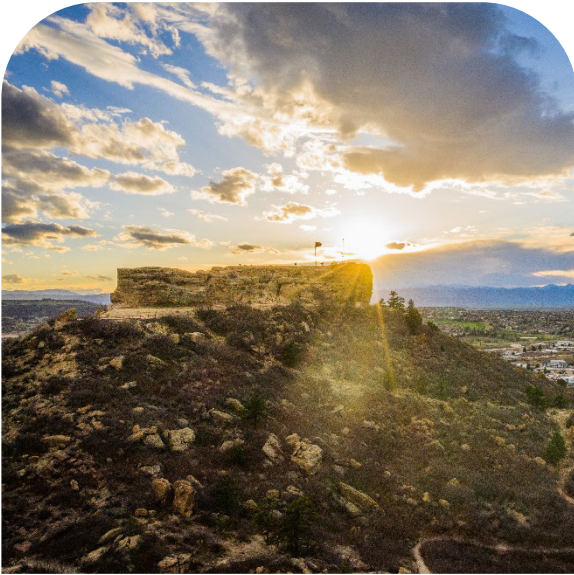
As Analyst, Yuna will evaluate data, forecast revenue requirements, calculate miscellaneous charges, and model rate recommendations to meet coverage requirements. Yuna has years of experience assisting local government clients with the development of financial models including rate design, impact fees, revenue sufficiency analysis, and cost-of-service.

References

Our team has completed over 1,500 similar financial and rate related studies for clients around the country. In this section, we present a list of clients to show our depth and breadth of our experience, as well as detailed descriptions of 5 of the most recent and relevant to the District. Within each project description, we have included contact information for the District's reference.

| State | Client | Revenue Requirements | Cost of Service Analysis | Rate Structure Development | Wholesale/Bulk Rate Analysis | Capacity Charges/Impact Fees | Miscellaneous Fees & Charges | Affordability Analysis/WARI™ | Debt Issuance Support | Capital Project Funding | Custom Model & Tool Development | Financial Policies & Benchmarking | Regional Cost Allocation | Financial Sustainability Analysis | Ordinance/Agreement Assistance |
|-------|--|----------------------|--------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------------|-------------------------|---------------------------------|-----------------------------------|--------------------------|-----------------------------------|--------------------------------|
| CA | Casitas Municipal Water District | ● | ● | ● | ● | | | | | ● | ● | ● | ● | | ● |
| CA | City of Auburn | ● | ● | ● | | | | | | ● | ● | ● | | | ● |
| CA | City of Greenfield | ● | ● | ● | | ● | | | | ● | ● | ● | | | ● |
| CA | City of Jackson | ● | ● | ● | | | | | | ● | ● | ● | | | ● |
| CA | City of Norco | ● | ● | ● | ● | | ● | | | ● | ● | ● | | | ● |
| CA | City of Palm Springs | ● | ● | ● | | ● | | | | ● | ● | ● | | | |
| CA | Foresthill Public Utility District | ● | ● | ● | | | | | | ● | ● | ● | | | ● |
| CA | Needles Public Utility Authority | ● | ● | ● | | | | | ● | ● | ● | ● | | | |
| CA | San Andreas Sanitary District | ● | ● | ● | | ● | | | | ● | ● | ● | | | |
| CA | Soquel Creek Water District | ● | ● | ● | ● | ● | ● | | | ● | ● | ● | | | ● |
| CO | Castle Rock Water | ● | ● | ● | | ● | | | | ● | ● | ● | | | ● |
| CO | City of Aurora | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | | ● |
| CO | City of Brighton | ● | ● | ● | | ● | | | ● | ● | ● | ● | | ● | ● |
| CO | City of Centennial | | | | | | | | | ● | ● | | | ● | |
| CO | City of Englewood | ● | ● | ● | | ● | ● | | ● | ● | ● | ● | ● | ● | ● |
| CO | City of Loveland | ● | ● | ● | ● | ● | ● | | | ● | ● | ● | | | ● |
| CO | City of Montrose | ● | ● | | ● | | | | | ● | ● | ● | | | |
| CO | City of Northglenn | ● | ● | | | | | | | ● | ● | ● | | | |
| CO | Cucharas Water District | ● | | ● | | | | | | ● | ● | ● | | | |
| CO | Pagosa Area Water and Sewer District | ● | | | ● | | | | | ● | ● | ● | | | |
| CO | Pagosa Springs Sanitation General Improvement District | ● | | | ● | ● | | | | ● | ● | ● | | | |
| CO | Parker Water and Sanitation District | ● | ● | ● | ● | ● | ● | | | ● | ● | ● | | | ● |
| CO | Pinery Water and Wastewater District | ● | ● | ● | ● | ● | ● | | | ● | ● | ● | | | ● |
| CO | Plum Creek Water Reclamation Authority | ● | ● | ● | ● | ● | | | ● | ● | ● | ● | ● | | |
| CO | South Platte Renew | ● | ● | | ● | ● | ● | | | ● | ● | ● | ● | | ● |
| CO | Town of Eaton | ● | | | | ● | | | | ● | ● | ● | | ● | ● |
| CO | Town of Windsor | ● | ● | ● | | ● | | | | ● | ● | ● | | | |
| NM | City of Jal | ● | | | | | | | | | | | | | |
| NM | City of Las Vegas | ● | ● | ● | ● | ● | ● | | | ● | ● | ● | | | ● |
| NM | City of Rio Rancho | ● | ● | ● | ● | | ● | | | ● | ● | ● | | | ● |

References



Rates & Fees Studies, Financial Review Services

Location: Castle Rock, Colorado

Client Name: Castle Rock Water

Client Contact:

Mark Marlowe, Director
(720) 733-6000
mmarlowe@crgov.com

175 Kellogg Ct.
Castle Rock, CO 80109

Castle Rock Water (CRW) provides utility services to the Town of Castle Rock, Colorado, a growing community south of Denver. As part of its last five Rates and Fees Studies, CRW has engaged Stantec as a third-party reviewer of methodology and findings. The intent of our review was to provide an outside perspective of CRW's work products and models, as well as financial policies, based on our experience and best practices in the industry.

In recent years due to staffing limitations, CRW has asked Stantec to provide model update services as well as review services. Members of Stantec's consulting team were part of the original team who developed the models and conducted a full cost-of-service analysis for CRW's water, water resources, stormwater, and wastewater systems. Our team helped evaluate and implement a water budget-based rate structure for CRW's water fund. Part of that original analysis was a revision of CRW's stormwater rates by land use type, which more appropriately represented cost recovery based on impervious area. Given that land use information and capital improvements for its stormwater system, Stantec updated CRW's stormwater development impact fees.

Stantec's annual reviews verified CRW's efforts to optimize capital project funding while maintaining reserves, meeting targets, minimizing rate increases, and to keep these efforts in line with industry best practices. By funding growth-related capital projects with impact and development fee revenue, CRW is making efforts to ensure "growth pays for growth," and is adhering to the industry standard of allocating costs to beneficiary parties. CRW had not issued debt since the original rate study in 2006. However, during the 2019 study, management proposed a bond issue to fund needed improvements for CRW's stormwater system. Stantec also works with CRW staff to update billable units (single family equivalents) and recalculate the stormwater rates sufficient to sustain the stormwater enterprise fund both now and in the future.

Our team continues to assist CRW with its financial planning and rate reviews to allow for any required rate and fee adjustments that align with current customer characteristics and dynamic cost changes.



Water & Sewer Funds Rates and Fees Study

Location: Englewood, Colorado

Client Name: City of Englewood

Client Contact:

Pieter Van Ry, Utilities Director
(303) 762-2602
pvanry@englewood.gov

2900 S. Platte River Drive
Englewood, CO 80110

The City of Englewood (City) serves approximately 11,000 water service connections. The City participates with the City of Littleton, Colorado in a joint venture for the ownership and operation of the South Platte Renew (SPR) wastewater treatment facility and serves about 11,000 inside City customers and over 50,000 outside City customers (connector districts).

The City had not completed a rate study for more than five years. With the water and sewer master plans completed in 2020, the City engaged Stantec to perform a holistic rate study, which consists of financial planning analyses, cost-of-service analyses, rate development, review and development of connector agreements, review and development of connection fees, comparative rate surveys, miscellaneous service charge reviews, and customer assistance program development for both the water and sewer funds.

Stantec prepared a dynamic 20-year financial planning model that forecasts operations and maintenance costs and capital improvement projects determined in the master plans. The master plans indicated large capital needs for both water and sewer funds. We worked with City staff to refine the capital needs forecast through an iterative process, balancing between rate adjustments and project priorities.

Stantec's consulting team evaluated connection fees for water, water supply, sewer treatment, and sewer collection systems. Furthermore, our team prepared a connection fee survey to compare the City's connection fees with other neighboring communities. In the cost-of-service analysis, our team evaluated industrial sewer surcharges as well as outside City multipliers. Stantec then prepared bill impacts for typical inside and outside City residential customers.

The City engaged our team to continue assistance with implementation of the study findings, including developing a customer assistance program and evaluating alternative capital improvement funding sources, such as State Revolving Fund loans.

Stantec led the development and submittal of a Letter of Interest to the Federal Water Infrastructure Finance and Innovation Act (WIFIA) program, to which the City was invited to apply. We prepared pro forma and facilitated the development of other required documents. We assisted the City in its negotiations with EPA to execute separate water and sewer WIFIA loans, the first WIFIA loans in Colorado.

We continue to provide financial services for the City's utilities, currently evaluating its water and sewer rate structures.



Water, Wastewater & Stormwater Rates and Fess

Location: Windsor, Colorado

Client Name: Town of Windsor

Duration: 2025

Client Contact:

Karl Gannon
(970) 674-2442
kgannon@windsorgov.com

301 Walnut Street
Windsor, CO 80550

The Town of Windsor, Colorado operates water, wastewater, and stormwater utilities that support a rapidly growing community in northern Colorado. For multiple years, Windsor has engaged Stantec to provide ongoing financial and rate support services, including annual revenue sufficiency analyses, stormwater impact fee updates, and water and wastewater rate design. The intent of this recurring engagement is to enhance the Town's utility rates and fees ability to remain financially sustainable, equitable, and aligned with industry best practices as system demands and capital needs evolve.

Stantec serves as both a technical advisor and model developer, assisting Town staff with maintaining and updating long-range financial models for Windsor's water, wastewater, and stormwater utility funds. These models are used annually to evaluate revenue adequacy, operating and capital funding requirements, reserve targets, and the potential need for rate or fee adjustments. By incorporating updated expenditure forecasts, capital improvement plans, customer growth assumptions, and financial policies, Stantec helps Windsor proactively plan for future system needs while minimizing rate volatility.

In addition to revenue sufficiency analysis, Stantec supports the Town with stormwater impact fee evaluations to allow for growth-related capital costs to be appropriately allocated to new development. This work includes reviewing land use assumptions, impervious area characteristics, and planned stormwater infrastructure investments to confirm that impact fees reflect current conditions and maintain legal and methodological defensibility. These efforts support the principle that growth pays for growth while protecting existing customers from subsidizing expansion-related costs.

Stantec also assists Windsor with water and wastewater rate design, evaluating rate structures and bill impacts to balance revenue stability, cost recovery, conservation objectives, regulatory requirements, and affordability considerations. Through periodic updates and refinements, Stantec ensures that Windsor's rates reflect changing customer characteristics, demand patterns, treatment and conveyance cost drivers, and regulatory obligations while remaining consistent with accepted utility rate-setting practices.

Through this ongoing partnership, Stantec provides continuity, institutional knowledge, and technical rigor to Windsor's utility financial planning efforts. Our annual support enables the Town to make informed decisions, respond to changing conditions, and maintain financially resilient water, wastewater, and stormwater systems that can reliably serve the community today and into the future.



Cost-of-Service Rate Study & Annual Updates

Location: Parker, Colorado

Client Name: Parker Water & Sanitation District

Client Contact:

Jason Leslie, Chief Financial Officer
(720) 842-4219
jleslie@pwsd.org

13939 Ancestry Drive
Parker, CO 80134

Parker Water and Sanitation District (District) serves approximately 18,000 customers in the Town of Parker, Town of Lone Tree, Town of Castle Pines, and portions of Douglas County. The District's rate structure had been in place since before 2009 and they were interested in simplifying the water rate structure into fewer tiers. In addition, tap fees or system development charges required review. We completed comprehensive rate studies in 2014, 2017, 2020, 2022 and most recently updated in 2025 that included the consolidation of tap fees, annual revenue requirement projections in separate financial plans for water and wastewater, rates calculated based on costs of service, and rate structure modifications.

The primary objective of these studies was to provide the District with different rate design options to recover annual revenue requirements by customer class based on costs of service. We continue to assist the District with annual evaluations of its rates, so the schedule is adequate to recover revenue requirements given changes in budget and recent trends in water consumption.

Updates have included the evaluation of the cost-of-service findings after a year of unusual water use patterns to assess if adjustments to the rates was needed. Using our rate design model and the District's billing data, we were able to evaluate the effects of reduced water consumption due to weather. We also used our models to evaluate rate increases based on the resulting significant increases in the District's capital improvement program.



Water & Wastewater Rate Studies

Location: Parker, Colorado

Client Name: Pinery Water & Wastewater District

Client Contact:

Heather Beasley
(303) 841-2797 ext. 218
hbeasley@pinerywater.com

5242 Old Schoolhouse Rd.
Parker, CO 80134

Pinery Water and Wastewater District (District) serves approximately 4,500 connections in northeast Douglas County and updates its water and wastewater rate schedules every three years. Our team completed comprehensive rate studies in 2014, 2017, and 2020 that included several components.

Each study requires a review of the District's tap fees, financial plans, and rate structures as the District's capital improvement programs (CIPs) have been evolving with emphasis on bolstering the District's long-term water supply as well as improving its wastewater treatment to meet increasing regulations.

We evaluated tap fees addressing both water supply and water system infrastructure. Annual revenue requirements were projected in separate financial plans for water and wastewater. We determined costs of service by customer class and proposals to phase in rates that more closely represent the true costs of serving the District's customers, particularly large irrigators and golf courses.

We then made rate structure revisions that better address the Board's objectives of revenue stability and conservation. Finally, we hosted Board workshops that clearly presented the rate design elements and allowed for Board input.

Appendix

- Appendix A – Certification of Statement of Qualifications
- Appendix B – Key Personnel Resumes
- Appendix C – Detailed Work Plan
- Appendix D – Independent Municipal Advisor Exemption



Appendix A

Certification of Statement of Qualifications



APPENDIX A

CERTIFICATION OF STATEMENT OF QUALIFICATIONS

RFQ Title: RFQ-26-01 Rate Study
Due Date: March 4, 2026 10:00 a.m.

I, the undersigned, having carefully examined the above referenced RFQ document and all other related materials and information, including addenda number _____ to _____, agree to furnish services to the Pagosa Area Water and Sanitation District (District) as per this Request for Qualifications and my Statement of Qualifications. This Statement of Qualifications (SOQ) to provide services related to RFQ-26-01 will remain in effect for a period of not less than ninety (90) days from the date that SOQ's are due.

I further agree that I will at all times protect the District's information and not make it available to any other source than the District, unless so directed by the District in writing.

If this SOQ, or a portion thereof, is accepted by the District, I agree to enter into negotiations with the District to develop a Scope of Work and Budget for the services being requested in this RFQ.

I hereby certify that this SOQ is genuine, and that I have not entered into collusion with any other proposer(s), engineering firm(s), or any other person(s).

| | |
|---|-------------------------------------|
|  <p style="font-size: small; margin-left: 100px;">Digitally signed by Malesky, Carol Date: 2026.02.27 09:16:07 -05'00'</p> | <p>February 27, 2026</p> |
| _____ Authorized Signer | _____ Date |
| _____ Carol Malesky | _____ (330) 274-9125 |
| _____ Printed Name | _____ Phone Number |
| _____ Senior Principal | _____ 11-2167170 |
| _____ Title | _____ Tax Identification/SS |
| _____ Stantec Consulting Services Inc. | _____ 410 17th Street Suite 1400 |
| _____ Company Name | _____ Address |
| | _____ Denver, CO 80202 |
| | _____ City, State, Zip Code |

Appendix B

Key Personnel Resumes





David Hyder

Washington D.C. | 27 years experience

Project Role: Project Director

Education:

MBA, Finance, Johns Hopkins University, Baltimore, MD, 2002

BS, Civil Engineering, Michigan State University, East Lansing, MI, 1998

Memberships:

Rates and Charges Committee, American Water Works Association

Dave is a Senior Principal with Stantec, applying engineering, environmental and financial expertise to a broad range of projects for clients. Dave has 22 years of professional experience, and he specializes in assisting public sector clients with the financial and managerial aspects of environmental infrastructure. He has served as a project manager for over 400 cost of service and rate studies for water, wastewater, storm water, reclaimed water and solid waste utilities, including development of financial plans, cost of service analysis, rate structure design and evaluation, customer affordability, total utility cost of ownership analysis and project reporting. He has also assisted several communities around the country with the establishment of storm water utilities. Dave is currently serving on the AWWA Rates and Charges Committee and served as a contributing author for the recent editions of the AWWA Manual M1 – Principles of Water Rates, Fees and Charges.

Relevant Experience

Stormwater Utility Formation | Collier County | Collier County, FL | Project Manager

Dave served as the project manager for the establishment of a county-wide stormwater utility for the largest (land area) county in Florida. The Study was used to establish an appropriate level of service to meet the operational and capital needs of the County's stormwater system, a stormwater fee structure based on impervious area, development of a master account billing file and creation of a stormwater fee credit program to recognize onsite stormwater management. Dave assisted with an extensive public engagement effort as part of the study.

Sustainable Rate Structure Analysis | New York City DEP | New York, NY | Project Manager

David served as the project manager for a sustainable rate structure analysis for the New York City DEP. The study included the development of alternative water and sewer rate structures and a stormwater fee and utility to support the City's management and improvements within the City's stormwater system. The study also included the development of a credit program and implementation plan for phasing the stormwater fee in over a period of time.

Water and Wastewater Rate Study Update | Athens-Clarke County, GA | Project Manager

Dave served as the project manager for a comprehensive stormwater rate study for the Athens-Clarke County (ACC). The study included the evaluation of ACC's extent and level of service policy, development of a financial plan to address funding challenges facing the stormwater system, evaluation of the current fee structure and review of the current stormwater fee credit program. ACC maintains one of the more complex stormwater fee structures in the country consisting of separate customer, quality and quantity charges. The current study evaluated the ability to continue to maintain customer equity while potentially simplifying the fee structure. The study included significant public engagement efforts to solicit input from the community in regard to level of service expectations and fee structure equity.

Stormwater Utility Program Development & Implementation | City of Bonita Springs, FL | Financial Project Manager

Dave served as the project manager for the establishment of a stormwater utility for the City of Bonita Springs. The Study was used to assist in the establishment of an appropriate level of service to meet the operational and capital needs of the City's stormwater system. A stormwater fee structure was developed based on impervious area and land development characteristics. The Study included the development of a master account billing file and creation of a stormwater fee credit program to recognize onsite stormwater management. Dave also assisted with an extensive public engagement effort.

Stormwater Utility Feasibility and Rate Study | City of Peoria | Peoria, AZ | Project Manager

Dave served as project manager for a storm water financial plan and rate design study for the City. The study included the development of various storm water levels of service and the corresponding financial plans necessary to fund each level. In addition, the study evaluated the current structure of the City's storm water fees (a flat fee per utility account) and included the development of alternative fee assessment approaches to more equitably recover the cost of providing storm water service throughout the City. Dave facilitated several briefings with City staff, management and Council.

Stormwater Utility Feasibility Study | City of Portsmouth | Portsmouth, NH | Project Manager

Dave served as project manager for a stormwater utility feasibility study for the City of Portsmouth. The City of Portsmouth is a coastal community with significant aging stormwater infrastructure. Dave reviewed the City's existing and future level of service requirements, the various funding strategies that could be supported within a utility, the quality of data available to support the utility, and implementation requirements for the utility. At the completion of the study the City decided to wait to move forward with the utility until the City received its new MS4 permit.



Carol Malesky

Cleveland, Ohio | 28 years experience

Project Role: Project Manager

Education:

MS, Economics, Colorado State University, Fort Collins, CO, 1995

BS, Economics & Business Management, Cornell University, Ithaca, NY, 1992

Memberships:

Member, American Water Works Association

Member, Water Environment Federation

Carol has over 28 years of expertise assisting water, wastewater, and stormwater utilities with financial analyses. She has managed dozens of utility financial planning, impact fee, and rate studies for utilities ranging from small water companies to large municipalities. She's also successfully facilitated workshops with multiple stakeholder groups. Carol has presented before numerous utility boards and city councils and has contributed to various rate manuals produced by the American Water Works Association (AWWA) and Water Environment Foundation (WEF) rate committees, including the WEF green infrastructure implementation manual and is currently a chapter lead for the new AWWA system development charge manual. As an economist, Carol strives to apply sound economic principles to management and financial consulting challenges for her water and wastewater industry clients.

Relevant Experience

Cost-of-Service Rate Study & Annual Update | Parker Water & Sanitation District | Parker, CO | Project Manager

Carol completed water and wastewater system development fee analyses, financial planning, and cost-of-service rate studies for the District. She evaluated alternative rate structures to simplify and improve equity of the District's user rates. Since 2014, she has managed multiple updates of financial planning projections and rate forecasts for the District. She manages ongoing analyses of the District's rates to adjust for changes in costs, consumption, and revenues.

Water & Wastewater Rate Study | City of Englewood, CO | Project Manager

Carol managed the first rate study for the City's water and wastewater funds in nearly 10 years. Tasks included developing long-term financial planning models, costs of service by customer class, and recommended rate increase schedules to support the City's operating and capital needs. As one strategy to fund significant capital improvements was needed for the regional South Platte Renew wastewater treatment facility, and to lead service line replacements and other water and sewer needs, Carol assisted the team in the financial elements of applying to the Federal WIFIA program. She continues to provide as-needed financial services to the City.

Water & Wastewater Rates and Fees Study | Pinery Water & Wastewater District | Parker, CO | Project Manager

As Project Manager, Carol led comprehensive water and wastewater tap fee analyses and cost-of-service rate studies for the District, providing strategic oversight from project initiation through final recommendations. Her work included evaluating existing fee methodologies, assessing system costs and growth assumptions, and developing defensible tap fee structures aligned with industry best practices and District policy objectives. She assisted with reimbursement agreements and the development of a pre-paid tap philosophy for future development.

Wastewater Rate Design | Plum Creek Water Reclamation Authority | Castle Rock, CO | Project Manager

Past assistance for the Authority included a wastewater rate design analysis to determine the cost sharing approach for the regional wastewater authority. Carol also revised the Authority's capital replacement planning model to estimate annual replacement costs and determine annual deposits to the capital replacement fund from user charges. Ongoing services include providing as-needed services regarding the Authority's rate models and rates, including reuse rates for golf courses.

Water, Reclaimed Water, & Wastewater Cost-of-Service, Rates and Fees Study | City of Flagstaff, AZ | Project Manager

Stantec completed a comprehensive financial planning, cost of service, and rate design study for the City of Flagstaff Water Services. Carol served as the project manager for the 18-month study. Work included workshops with Water Services, the Water Commission, and City Council. Numerous alternative rate scenarios were evaluated with Staff and City Council. Carol also facilitated rate review sessions with the City's largest utility customers to assist in communicating the methodologies and results to those users most impacted by the results.

Cost-of-Service Rate Study & Affordability Analysis | Northeast Ohio Regional Sewer District | Cleveland, OH | Project Manager

Carol managed the development of strategies to eliminate, mitigate, and/or avoid the impediments to a plan of continuous future rate adjustments. While user rates were evaluated from a cost-of-service perspective, the largest task was to develop strategies to directly confront the issue of affordability. Carol presented results before numerous senior staff meetings as well as Board workshops to assist the District in its understanding of affordability in tandem with rates. Carol assisted with public focus groups and surveys soliciting customer feedback on preferences for services. She managed the analysis and compilation of observations regarding the research on a better understanding of affordability of wastewater service in Northeast Ohio and the greater Cleveland area.



Peter Napoli

Tampa, Florida | 10 years experience

Project Role: Quality Control

Education:

BA, Business Administration - Finance,
University of North Florida, Jacksonville,
FL, 2015

Pete is a Senior Consultant with the Stantec Financial Services team and has over six years of municipal financial consulting experience. He has become one of the leaders of our General Government Practice with a focus on general fund financial sustainability modeling, and the development of fair and legally defensible impact fee studies. Peter has served as Consultant in the development of financial forecasts, impact fee programs, and special assessments using our interactive, decision support modeling process for various public agencies.

He has strong, adaptive financial modeling skills and experience interpreting large data for our clients. He's demonstrated the ability to customize financial analyses to meet client needs and leverage our modeling platform as a powerful consulting tool.

He has strong Excel modeling skills and has experience working with large data sets and financial models, including our proprietary interactive FAMS-XL model and specific property data, billing data and assessment modules.

Relevant Experience

Financial Modeling & Smart City Initiatives | City of Centennial, CO | Consultant

Pete served as Senior Consultant and was tasked with developing the subscription based Financial Analysis & Management System (FAMS) model that enabled the City to evaluate the financial impacts of numerous "Next Generation", or "Smart City" programs. The FAMS model also provided the City with a baseline financial sustainability outlook that included detailed 10-year projections of revenues and expenses. Pete customized the FAMS model to include scenarios involving the estimated costs and revenues associated with smart city investments. Pete trained members of the City finance staff on how to properly utilize and leverage the FAMS tool for decision-making.

Stormwater Revenue Sufficiency Analysis | City of Cocoa, FL | Project Manager

Pete served as Project Manager for the City's Stormwater Enterprise Fund revenue sufficiency analysis. He evaluates the long-term financial capacity of the stormwater program to support operational needs, capital improvements, and regulatory requirements. Pete develops a multiyear financial forecast, assesses the adequacy of existing rates, and identifies strategies to strengthen financial stability and ensure ongoing compliance with the City's stormwater management objectives. In addition to the financial analysis, he leads the update of the City's stormwater non ad valorem tax roll, ensuring all parcels are accurately classified and billed based on their property characteristics.

Financial Sustainability Analysis Annual Updates | City of Cape Coral, FL | Consultant

Pete has served as Consultant for the City for several years. Annually, he assists in updating the City's General Fund financial sustainability analysis using our FAMS modeling system to ensure that the General Fund will adequately support City needs over a multi-year forecast period.

Cost-of-Service Rate Study & Annual Updates | Parker Water & Sanitation District | Parker, CO | Quality Control

Pete served in a quality control role for the District's cost-of-service rate study and annual updates, providing oversight of the financial analyses and supporting materials prepared for the District. In this role, he focused on ensuring the accuracy, consistency, and reliability of analytical outputs, reviewing assumptions, calculations, and documentation to confirm they aligned with project objectives and professional standards. His quality control efforts helped support dependable financial results that the District could rely on for ongoing planning and decision-making.

Stormwater Revenue Sufficiency Analysis | City of Titusville, FL | Project Manager

Pete served as Project Manager for the City's Stormwater Enterprise Fund revenue sufficiency analysis. He evaluates the long-term financial capacity of the stormwater program to support operating needs, planned capital improvements, and regulatory compliance. Pete develops a multi-year financial forecast, assesses the adequacy of existing rates, and identifies strategies to ensure the Fund remains financially sustainable. His work provides City staff and elected officials with a clear understanding of future funding requirements and supports informed decision-making for the stormwater utility.

Impact Fee Development | City of Palmetto, FL | Project Manager

Pete served as the project manager for Stantec's impact fee study for the City. He directed the update of six impact fees—Police, Roads, General Government, Parks, Water, and Wastewater—ensuring that each fee was calculated using methodologies consistent with Florida Statutes and reflective of the City's infrastructure needs. Peter oversaw the development of the technical report, coordinated with City staff throughout the project, and ensured the fee structures were equitable, defensible, and aligned with future growth projections. His leadership helped deliver a comprehensive analysis that supports the City's efforts to implement a sustainable funding strategy for essential public services and capital improvements.



Zac Koch

Denver, Colorado | 7 years experience

Project Role: Consultant

Education:

MA, Economics, Colorado State University, Fort Collins, CO, 2019

BS, Colorado State University, Fort Collins, CO, 2017

Certifications:

Certified IMPLAN Economist, IMPLAN Certified Regional Economic Impact Training, Charlotte, NC, 2023

Zac's role is focused on the economics and finance of water and related utility services. His work is largely focused on financial forecasting and rate consulting, economic impact analyses, cost-benefit analyses, and socioeconomic research. Zac has a background in economics and has over 6 years of experience in consulting and strategic decision making for state, local, and federal governments and utilities. Modelling revenue sufficiency, cost-of-service analyses, rate structures, and more is a large part of helping utility services recover costs in an equitable and sustainable way.

Relevant Experience

Water & Wastewater Rate Studies | City of Castle Rock, CO | Consultant

As Consultant for the City's water and wastewater rate studies over the last several years, Zac's responsibilities include interacting with the client to collect data for revenue sufficiency, cost allocation, and affordability tracking. Additionally, Zac assists with updating system development fees as client systems expand. This typically involves modeling multiple scenarios using asset data and capital plans.

Water, Wastewater, & Solid Waste Rates | City of Tempe, AZ | Consultant

In his role as Consultant for the City, Zac is responsible for working closely with the client to collect and validate data, develop revenue sufficiency models, and perform cost-of-service and rate design analyses. In addition to his analytical responsibilities, Zac prepares comprehensive annual reports for the City that clearly document the rate-setting process, supporting transparency and ensuring compliance with the Arizona Revised Statutes.

Rate Study | Town of Queen Creek, AZ | Consultant

As Consultant, Zac is responsible for guiding analysts in collecting, reviewing, and implementing the necessary data to our models to accomplish revenue sufficiency, cost of service, and rate design. Modeled scenarios are discussed with the client and implemented by the Town. Zac is responsible for writing reports describing the proposed action by the utility, helping to comply with the Arizona Revised Statutes.

Rate Study | City of Surprise, AZ | Technical Lead

Zac served as the Technical Lead on a rate study for the City, playing a key role in the project's successful completion. In this capacity, he guided a team of analysts through the collection, review, and implementation of critical datasets, ensuring accurate integration into financial models. His work supported comprehensive revenue sufficiency analyses, cost-of-service evaluations, and the development of well-structured and defensible rate designs.

Wastewater Rate Study | Pagosa Area Water & Sanitation District | Pagosa Springs, CO | Consultant

As Consultant Zac was responsible for collecting, reviewing, and implementing the necessary data to our models to accomplish revenue sufficiency, cost of service, and rate design. Additionally, Zac helped the District implement a wastewater rate for short-term rentals to address concerns about residential equivalency related to short-term rentals in the service area. Zac, along with District staff, presented the short-term rental rates and analysis at the Rocky Mountain Water Conference in Keystone, Colorado in 2024.

Water, Reclaimed Water, & Wastewater Cost-of-Service, Rates and Fees Study | City of Flagstaff, AZ | Consultant

As Consultant, Zac supported the completion of a comprehensive rate study for the City encompassing water, wastewater, and reclaimed water services. His responsibilities included conducting detailed revenue sufficiency analyses for each fund, as well as performing cost-of-service analyses for the water and wastewater utilities. In addition, Zac developed and evaluated multiple rate design scenarios to support the City's objectives related to equity, affordability, and long-term revenue stability.

Water Asset-Risk Management Data Gap Analysis & Improvement Plan | JXN Water | Jackson, MS | Consultant

As Consultant, Zac was responsible for building and maintaining a revenue estimation model using billing datasets during an ongoing meter replacement program to verify revenue estimates for JXN Water and completing a financial feasibility study and a financial capability assessment required for the Mississippi Department of Environmental Quality (MDEQ). This involved collecting and cleaning billing data throughout the meter replacement program process, estimating billed volumes and associated billed revenue for non-functioning meters, implementing reasonable assumptions to estimate billed versus collected revenue based on incomplete usage information, and using those data and analyses to support the financial feasibility analysis and financial capability assessment for funding.



Yuna Oh

Denver, Colorado | 1 year experience

Project Role: Analyst

Education:

BA, Environmental Sciences & Policy,
Duke University, Durham, NC, 2024

With a background in environmental science and policy, Yuna brings a nuanced understanding of the complexities surrounding environmental issues and their socioeconomic impacts. Her expertise lies in financial forecasting, economic modeling, and grant writing. She has assisted with many water, wastewater, and stormwater utilities and has conducted comprehensive rate studies and cost of service analyses. Through collaboration and a results-driven approach, she works to develop sustainable and equitable financial strategies that align with each client's needs.

Relevant Experience

Water & Wastewater Rate Study | City of Englewood, CO | Data Analyst

As Data Analyst, Yuna supported the analysis of a comprehensive water and sewer financial forecast by evaluating projected rates and fees to assess revenue sufficiency and long-term financial sustainability. Contributed to the development and review of financial forecasts used to inform utility rate-setting decisions, ensuring alignment with historical data, projected costs, and policy objectives.

Industrial Pretreatment Analysis & Surcharge Fees | South Platte Renew | Englewood, CO | Data Analyst

As Data Analyst, Yuna supported an industrial pretreatment analysis by contributing to the evaluation of surcharge fee structures and associated financial impacts. Yuna also assisted with modeling surcharge fees to help assess cost recovery and inform utility decision making related to industrial wastewater contributions.

Water & Wastewater Rate Study | Las Virgenes Municipal Water District | Calabasas, CA | Data Analyst

As Data Analyst, for the District's water and wastewater rate study, Yuna was responsible for supporting the development of a comprehensive financial forecast of water and sewer rates and fees. She analyzed historical billing data and evaluated projected impacts from system changes to build and maintain financial models estimating potential revenue collections. Her work supported the evaluation of rate scenarios, assessment of revenue sufficiency, and informed long term utility financial planning and rate setting decisions.

Water & Wastewater Rate Study | City of Greenville, MS | Data Analyst

As primary Data Analyst for the City's water and wastewater rate study, Yuna supported the development of a comprehensive financial forecast of sewer rates and fees. She also built and maintained financial models to estimate potential revenue collections using historical billing data and projected impacts from new meters, providing analytical support for rate evaluation and long-term financial planning.

Cost-of-Service Rate Study & Annual Updates | Pinery Water & Wastewater District | Parker, CO | Data Analyst

As Data Analyst, for the District's cost-of-service rate study, Yuna was responsible for supporting the development and ongoing evaluation of the utility's cost-of-service framework. She assisted with data analysis and financial modeling to assess the allocation of costs across customer classes and support revenue alignment. Yuna also contributed to annual updates by maintaining and refining analytical inputs to reflect updated data, providing continued support for rate evaluation, long-term financial planning, and informed utility decision-making.

Water & Wastewater Rate Study | City of Flagstaff, AZ | Data Analyst

As Data Analyst, for the City's water and wastewater rate study, Yuna was responsible for supporting the development of a comprehensive financial forecast of water and sewer rates and fees. She analyzed historical billing data and projected impacts from new meters to build and maintain financial models estimating potential revenue collections. Her work provided analytical support for evaluating rate scenarios, assessing revenue sufficiency, and informing long term utility financial planning and rate setting decisions.

Cost-of-Service-Rate Study | City of Lancaster, PA | Data Analyst

As Data Analyst, for the City's cost-of-service study, Yuna was responsible for supporting the development of analytical inputs used to evaluate the distribution of utility costs across customer classes. She assisted with data analysis and financial modeling to support assessment of cost responsibility and revenue alignment, providing analytical support to inform rate-setting and long-term utility financial planning.

Appendix C

Detailed Work Plan



Detailed Work Plan

| Task # | Project Task & Description | Director Hourly Rates \$375 | Project Manager \$375 | QC \$275 | Consultant \$200 | Analyst \$150 | Admin \$100 | Total |
|----------------|---|-----------------------------------|--------------------------|-------------|---------------------|------------------|----------------|-----------|
| Phase 1 | | | | | | | | |
| Task 1 | Project Initiation | | | | | | | |
| 1.1 | Prepare preliminary work plan, timeline for tasks, and initial data request list prior to kick-off meeting. | 1 | 1 | 0 | 1 | 2 | 4 | 9 |
| 1.2 | Conduct kick-off meeting via conference call to review project objectives, schedule, key issues, approach, available data, and key assumptions. | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 1.3 | Review initial data/documentation provided by staff and submit supplemental requests and/or clarifications. | 0 | 1 | 0 | 2 | 2 | 0 | 5 |
| 1.4 | Biweekly meetings | 2 | 10 | 0 | 10 | 10 | 0 | 32 |
| Task 2 | Revenue Sufficiency Analysis & Financial Management Plans | | | | | | | |
| 2.1 | Update water and sewer customer and demand analysis to determine projected growth, trends in usage patterns, identify peak demands and the demands placed on the system, and total projected water and sewer system customers, equivalent residential units (ERUs) and usage. | 0 | 1 | 0 | 4 | 8 | 0 | 13 |
| 2.2 | Input and update financial and billing data into our FAMS financial planning model, run the model, and produce preliminary output, including a 10-year financial management program that will include the following: <ul style="list-style-type: none"> • Examination of historical and projected expenses (operating, capital improvement and capital equipment) and revenue requirements • Capital Improvements Program and Capital Financing Plan <ul style="list-style-type: none"> ○ Project listing by year, including integration of specific scenarios as required ○ Alternative funding sources for capital projects ○ Development of a capital financing plan, including identification of timing and amount of borrowing requirements • Borrowing Program | 0 | 9 | 0 | 8 | 16 | 0 | 33 |

| Task # | Project Task & Description | Director | Project Manager | QC | Consultant | Analyst | Admin | Total |
|--------------|---|----------|-----------------|-------|------------|---------|-------|-------|
| Hourly Rates | | \$375 | \$375 | \$275 | \$200 | \$150 | \$100 | |
| | <ul style="list-style-type: none"> ○ Borrowing required (by source) to fund CIP projects not funded by other sources to include but not necessarily be limited to revenue bonds, State or other programs or bank loans ○ Timing of bond issue(s)/loan(s) to provide required borrowed funds ○ Annual debt service of bond issue(s)/loan(s) ● Revenue Sufficiency Analysis, including Cash Flows <ul style="list-style-type: none"> ○ Annual revenue projections, include a breakdown of revenues from sale of services, connection fees, and other revenues ○ Annual operations and maintenance expense projections ○ All other annual revenue requirements such as R&R, minor capital, transfers to other funds, current debt service/loan payments, replenishment of reserves, etc. ● Sources and Uses of Funds Analysis ● Financial Policy Review <ul style="list-style-type: none"> ○ Reserve Levels (Minimum Fund Balance Policies) for each fund ○ Beginning and ending funds balances by fund by year | | | | | | | |
| 2.3 | Review results with consulting team, make required adjustments, and prepare alternative scenarios. | 2 | 1 | 4 | 2 | 2 | 0 | 11 |
| 2.4 | Meet with District staff in an interactive work session [web-based meeting #1] to review preliminary results. | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 2.5 | Make adjustments per input from District staff in the prior sub-task and distribute workbook of assumptions, inputs, and preliminary results for staff review. | 0 | 1 | 0 | 2 | 4 | 0 | 7 |
| 2.6 | Meet with District staff in second interactive work session [web-based meeting #2] to review adjusted results. | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 2.7 | Perform adjustments per input from District staff and determine plan of rate annual revenue adjustments and revenue requirements for the test year for rate making. | 0 | 0 | 0 | 1 | 2 | 0 | 3 |

| Task # | Project Task & Description | Director | Project Manager | QC | Consultant | Analyst | Admin | Total |
|---------------|--|----------|-----------------|-------|------------|---------|-------|-------|
| Hourly Rates | | \$375 | \$375 | \$275 | \$200 | \$150 | \$100 | |
| Task 3 | Review & Development of System Investment Fees | | | | | | | |
| 3.1 | Obtain and review all ordinances, master plan, capital improvement information, capacity reports, and system GIS data. | 0 | 1 | 0 | 2 | 4 | 0 | 7 |
| 3.2 | Obtain and review fixed asset records for all major system components. | 0 | 1 | 0 | 1 | 2 | 0 | 4 |
| 3.3 | Prepare reproduction cost schedule of fixed assets by major system component. | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| 3.4 | Review CIP with District staff to determine portion of projects for expanded capacity and portions associated with renewal and rehabilitation. | 0 | 1 | 0 | 1 | 1 | 0 | 3 |
| 3.5 | Allocate fixed assets and CIP among major facility components of supply, treatment, transmission/distribution, and others. | 0 | 1 | 0 | 1 | 2 | 0 | 4 |
| 3.6 | Load appropriate data into our connection fee model, adjust and calibrate, and produce preliminary results. | 0 | 1 | 0 | 1 | 2 | 0 | 4 |
| 3.7 | Link connection fee model with the financial forecast model of Task 2 to evaluate the effects of changes in the connection fees in the capital projects funding plan and the effects upon user fee rate revenue requirements and the overall financial plan. | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| 3.8 | Review completed cost computation templates with consulting team and adjust as required. | 2 | 1 | 2 | 2 | 2 | 0 | 9 |
| 3.9 | Meet with District staff in an interactive work session [web-based meeting #3] to review results of connection fees. | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 3.10 | Perform adjustments based upon input from District staff to finalize fee analysis. | 0 | 0 | 0 | 2 | 2 | 0 | 4 |
| Task 4 | Rate Structure Evaluation & Documentation | | | | | | | |
| 4.1 | Identify all test year costs/ revenue requirements associated with the provision of water and sewer service from the preferred financial forecast alternative identified in Task 2 into the cost allocation model. | 0 | 1 | 0 | 2 | 4 | 0 | 7 |
| 4.2 | Analyze the District's billing consumption records, service area, existing agreements, and existing customer classes to determine recommended customer classes for cost allocation and rate design. | 0 | 1 | 0 | 2 | 4 | 0 | 7 |

| Task # | Project Task & Description | Director | Project Manager | QC | Consultant | Analyst | Admin | Total |
|--------------|--|----------|-----------------|-------|------------|---------|-------|-------|
| Hourly Rates | | \$375 | \$375 | \$275 | \$200 | \$150 | \$100 | |
| 4.3 | Allocate costs/revenue requirements to identified functional cost components and identified customer classes and determine unit costs. | 0 | 1 | 0 | 2 | 4 | 0 | 7 |
| 4.4 | Compare allocated costs/revenue requirements by customer class to revenue generated by existing rates. | 0 | 0 | 0 | 1 | 2 | 0 | 3 |
| 4.5 | Develop User Fees: a. Load billing history data into our rate model and create a bill frequency analysis. | 0 | 0 | 0 | 4 | 8 | 0 | 12 |
| | b. Conduct a revenue test to ensure accuracy of billing data. | 0 | 0 | 0 | 2 | 4 | 0 | 6 |
| | c. Set up the rate model in conformance with the existing rate design and cost allocation results of Task 4.3. | 0 | 0 | 0 | 2 | 2 | 0 | 4 |
| | d. Run the model to calculate proposed rates with the following: o Recovery of appropriate amount and types of costs in fixed monthly charges and variable rates by class of customer o Current capital fee o Minimum charge review | 0 | 2 | 0 | 4 | 6 | 0 | 12 |
| | e. Prepare a customer impact analysis to compare existing and proposed water and sewer rates for each customer class. | 0 | 1 | 0 | 4 | 4 | 0 | 9 |
| 4.6 | Review results with consulting team, make required adjustments and identify key discussion points for review with District staff. | 2 | 1 | 4 | 2 | 2 | 0 | 11 |
| 4.7 | Meet with District staff in an interactive work session [web-based meeting #4] to review preliminary results. | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 4.8 | Make adjustments as required based upon input from District staff and distribute workbooks of preliminary results. | 0 | 1 | 0 | 2 | 2 | 0 | 5 |
| 4.9 | Meet with District staff in second interactive work session [web-based meeting #5] to review adjusted results. | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 4.10 | Perform adjustments as required based upon input provided by District staff and finalize cost allocation analysis and proposed water and sewer rate alternatives for 2026. | 0 | 0 | 0 | 2 | 2 | 0 | 4 |
| 4.11 | Documentation and presentation of recommendations to Staff and BOD | 0 | 2 | 1 | 2 | 6 | 0 | 11 |

| Task # | Project Task & Description | Director | Project Manager | QC | Consultant | Analyst | Admin | Total |
|---|--|--------------------------|-----------------|----------------|-----------------|-----------------|--------------|-----------------|
| | Hourly Rates | \$375 | \$375 | \$275 | \$200 | \$150 | \$100 | |
| Task 5 Comparative Rate Survey | | | | | | | | |
| 5.1 | Prepare rate surveys of the existing and proposed rates, rate structures, as well as utilization fees and compare with up to 10 neighboring communities. | 0 | 0 | 1 | 2 | 8 | 0 | 11 |
| 5.2 | Review results with District staff during interactive work session [web-based meeting #5]. | -- Included in Task 4 -- | | | | | | |
| Task 6 Reports & Presentations | | | | | | | | |
| 6.1 | Prepare a Draft Report and summary presentation of the initial results and recommendations of the Study for staff review/comment. | 2 | 4 | 6 | 8 | 12 | 0 | 32 |
| 6.2 | Meet with District Board of Directors (BOD) and staff in an interactive work session to review Preliminary Report/results (Staff/BOD Meeting #1). | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 6.3 | Incorporate BOD and staff comments, adjust analysis (if necessary) and prepare Draft Final Report. | 0 | 1 | 0 | 2 | 4 | 0 | 7 |
| 6.4 | Meet with District BOD and staff in an interactive work session to review Draft Final Report/results (Staff/BOD Meeting #2). | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 6.5 | Integrate final staff comments and prepare Final Report and summary presentation of the Study. | 0 | 1 | 1 | 2 | 4 | 0 | 8 |
| 6.6 | Meet with District BOD and staff in an interactive work session to review Final Report/results (Staff/BOD Meeting #3). | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 6.7 | Deliver Final Report to District BOD and staff. | 0 | 1 | 0 | 2 | 2 | 2 | 7 |
| 6.8 | Attend up to 2 virtual public meetings | 0 | 4 | 0 | 4 | 4 | 0 | 12 |
| Total Estimated Hours: | | 11 | 69 | 19 | 109 | 166 | 6 | 380 |
| Total Estimated Cost: | | \$4,125 | \$25,875 | \$5,225 | \$21,800 | \$24,900 | \$600 | \$82,525 |
| Total Estimated Expenses: | | | | | | | | \$125 |
| Phase 1 - Total Estimated Cost: | | | | | | | | \$82,650 |

| Task # | Project Task & Description | Director | Project Manager | QC | Consultant | Analyst | Admin | Total |
|---|---|----------------|-----------------|--------------|----------------|----------------|------------|-----------------|
| | Hourly Rates | \$375 | \$375 | \$275 | \$200 | \$150 | \$100 | |
| Phase 2 – As-Needed Financial Services | | | | | | | | |
| Task 7 | Short-Term Rental Wastewater Rate & Fee Evaluation | | | | | | | |
| 7.1 | Identify short-term rental (STR) units for a multi-year period including PAWSD account numbers and water billing data for multiple years. | 0 | 1 | 0 | 1 | 2 | 0 | 4 |
| 7.2 | Literature review/research survey to gather data on methodologies for STRs, characteristics of STRs including occupancy rates, people per unit, and flow per person per unit. | 0 | 1 | 0 | 2 | 4 | 0 | 7 |
| 7.3 | Evaluate usage characteristics of STRs compared to PAWSD' typical Equivalent Residential Unit (ERU) level of service to calculate an ERU factor. | 0 | 1 | 0 | 4 | 8 | 0 | 13 |
| 7.4 | Evaluate monthly user charge rate design to implement an adjustment for STR impacts. | 0 | 1 | 0 | 2 | 2 | 0 | 5 |
| 7.5 | Calculate impact on wastewater capital investment fee (CIF) for one ERU vs one STR and determine additional capital buy-in, if necessary. | 0 | 0 | 0 | 1 | 1 | 0 | 2 |
| 7.6 | Review results with consulting team, make required adjustments and identify key discussion points for review with District staff. | 2 | 1 | 1 | 1 | 2 | 0 | 7 |
| 7.7 | Meet with District staff in an interactive work session [web-based meeting] to review preliminary results. | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 7.8 | Make adjustments as required based upon input from District staff and distribute material of preliminary results. | 0 | 0 | 0 | 1 | 2 | 0 | 3 |
| 7.9 | Meet with District staff in second interactive work session [web-based meeting] to review adjusted results. | 0 | 2 | 0 | 2 | 2 | 0 | 6 |
| 7.10 | Perform adjustments as required based upon input provided by District staff and finalize STR rate approach for 2026. | 0 | 0 | 0 | 1 | 2 | 0 | 3 |
| 7.11 | Document and present of recommendations to Staff and BOD. | 1 | 1 | 1 | 1 | 6 | 0 | 10 |
| Total Estimated Hours: | | 3 | 10 | 2 | 18 | 33 | 0 | 66 |
| Total Estimated Cost: | | \$1,125 | \$3,750 | \$550 | \$3,600 | \$4,950 | \$0 | \$14,000 |
| Phase 2 - Total Estimated Cost: | | | | | | | | \$14,000 |

Appendix D

Independent Municipal Advisor Exemption



Attachment

Independent Municipal Advisor Exemption

[Date of Certificate]

[Insert name of issuer] is aware of the “Municipal Advisor Rule” of the Securities and Exchange Commission and the “independent municipal advisor” exemption from the definition of “advice.” [Issuer] hereby notifies Stantec Consulting Services Inc. that it wishes them to continue to provide recommendations on user fees and financial forecasting related to the issuance of municipal securities. [Issuer] is represented by the firm of [insert name of municipal advisor], which it has retained to, among other things, assist [Issuer] in evaluating any and all of such recommendations. [Issuer] will rely on [municipal advisor] for advice. **Therefore, [Issuer] understands that Stantec Consulting Services Inc. is not a municipal advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Securities and Exchange Act.** This certificate may be relied upon until [insert date]. Stantec Consulting Services Inc. understands that it must also send a copy of this certificate to the [municipal advisor].

With every community, we redefine what's possible.

Stantec is a global leader in sustainable engineering, architecture, and environmental consulting. The diverse perspectives of our partners and interested parties drive us to think beyond what's previously been done on critical issues like climate change, digital transformation, and future-proofing our cities and infrastructure. We innovate at the intersection of community, creativity, and client relationships to advance communities everywhere, so that together we can redefine what's possible.



Stantec Consulting Services Inc.
410 17th St, Suite 1400
Denver CO 80202
stantec.com

Board Agenda Summary Sheet

| | To | Action | Signature, Date | | To | Action | Signature, Date |
|---|---------------|---------|-----------------|----|----|--------|-----------------|
| 1 | Andrew Connor | Review | | 6 | | | |
| 2 | Board | Approve | | 7 | | | |
| 3 | | | | 8 | | | |
| 4 | | | | 9 | | | |
| 5 | | | | 10 | | | |

| | | | |
|--|---------------|---|--|
| Name of Action Official: Justin Ramsey | Phone: | Board Meeting Date: April 9, 2026 | Priority <input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low |
|--|---------------|---|--|

Subject: 2026 Revisions to Drought Management Plan

Please find attached a presentation Justin Ramsey gave to the Drought Management Plan Committee on April 6, 2026. Justin also plans to provide proposed revisions to the Drought Management Plan that he discussed with the Committee. I will disseminate the revisions as soon as possible.

2026 Drought Management Plan



2020 Drought Management Plan Recap

- Drought Management Plan
 - Drought Stages
 - Trigger Points
 - Drought Surcharges/Water Rate Adjustments



| Drought Stages | Demand Reduction Goal | Demand Reduction Focus Option | Focus |
|---------------------|-----------------------|--|--|
| Voluntary | 00 - 10% | Public education and awareness | Encourage responsible water use |
| Level 1 Low | 10 - 20% | Irrigation allowed from 6 PM – 9 AM | Keep all landscapes elements alive |
| Level 2 Moderate | 20 - 30% | Irrigation allowed from 6 PM to 9 AM Odd/Even watering days based upon address Tier charge multipliers shall be applied. | Preserve landscape elements such as trees, shrubs, gardens, and turf grass |
| Level 3 Serious | 30 - 40% | Irrigation allowed from 6 PM to 9 AM 1 day per week based upon address Drought Surcharge shall be applied Tier charge multipliers shall be applied | Sustain certain landscapes elements such as trees, shrubs, and gardens while allowing turf grass to go dormant |
| Level 4 Severe | 40 - 50% | No irrigation of outside landscapes Drought Surcharge shall be applied Tier charge multipliers shall be applied. | Recognize that landscape die-off may occur |



| Trigger Point | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|--|-----|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Snotel Water Equivalency Reaches 0 ¹ | When do we hit an SWE of “ as a percentage of the median date hitting 0 (May 31) | | | | | | | | | | | |
| Call Date on Four Mile Creek ² | When is the call as a percentage of the median date of the call (June 15) | | | | | | | | | | | |
| Hatcher Reservoir Level ³ | Based on Lake Level as compared to the median Lake Level for that specific day | | | | | | | | | | | |
| San Juan River Flow ¹ | Based on the river flow as compared to the median flow for that specific day | | | | | | | | | | | |
| Drought Stages | | | Four state stages (Abnormally Dry, Moderate, Severe, Extreme, Exceptional) | | | | | | | | | |



Residential

| Gallons/EU | Voluntary | Level 1 | Level 2 | Level 3 | Level 4 |
|------------|-----------|---------|---------------------------|---|------------------------------------|
| 0 - 4000 | n/a | n/a | n/a | surcharge | surcharge |
| 4,001 + | n/a | n/a | 2x standard tier rate fee | surcharge and 3x standard tier rate fee | surcharge and 4x standard rate fee |

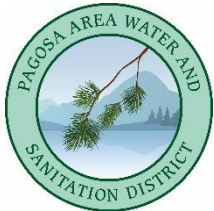
Commercial

| Gallons/EU | Voluntary | Level 1 | Level 2 | Level 3 | Level 4 |
|------------|-----------|---------|---------|------------------------------------|------------------------------------|
| 0 - 6,000 | n/a | n/a | n/a | surcharge | surcharge |
| 6,001 + | n/a | n/a | n/a | surcharge and 2x standard rate fee | surcharge and 3x standard rate fee |



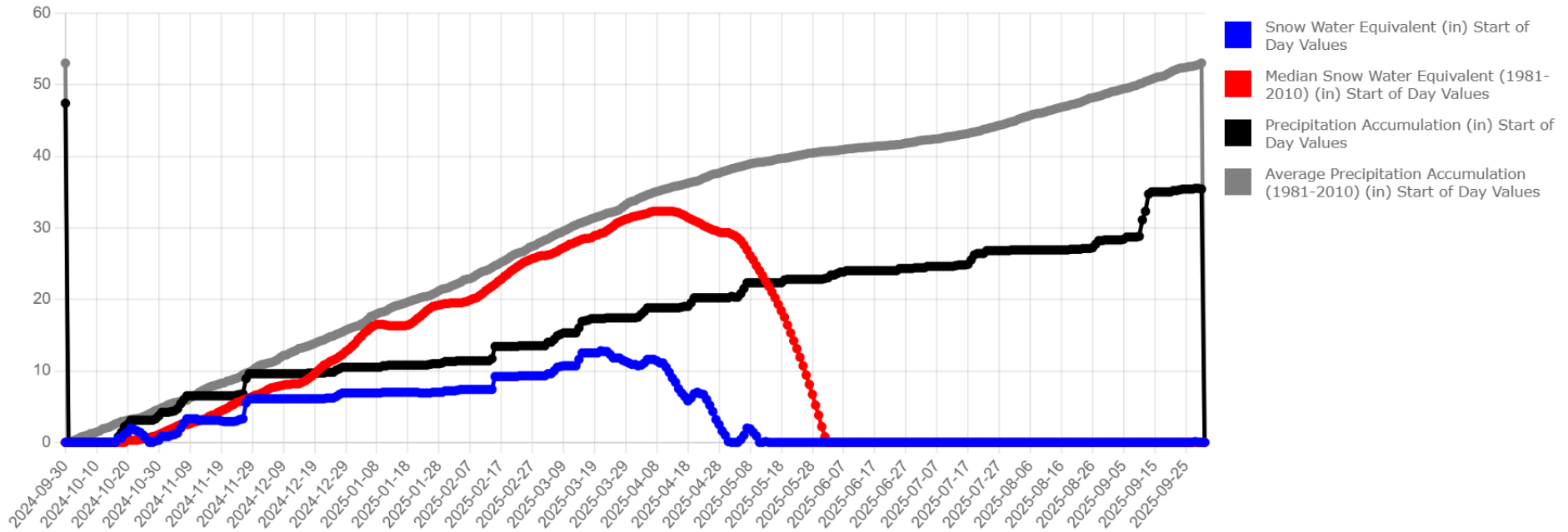
Surcharge

| Drought Stage | Surcharge |
|---------------|----------------------------|
| 3 | \$17.23. to \$20.98 |
| 4 | \$21.53 to \$26.23 |



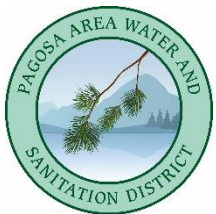
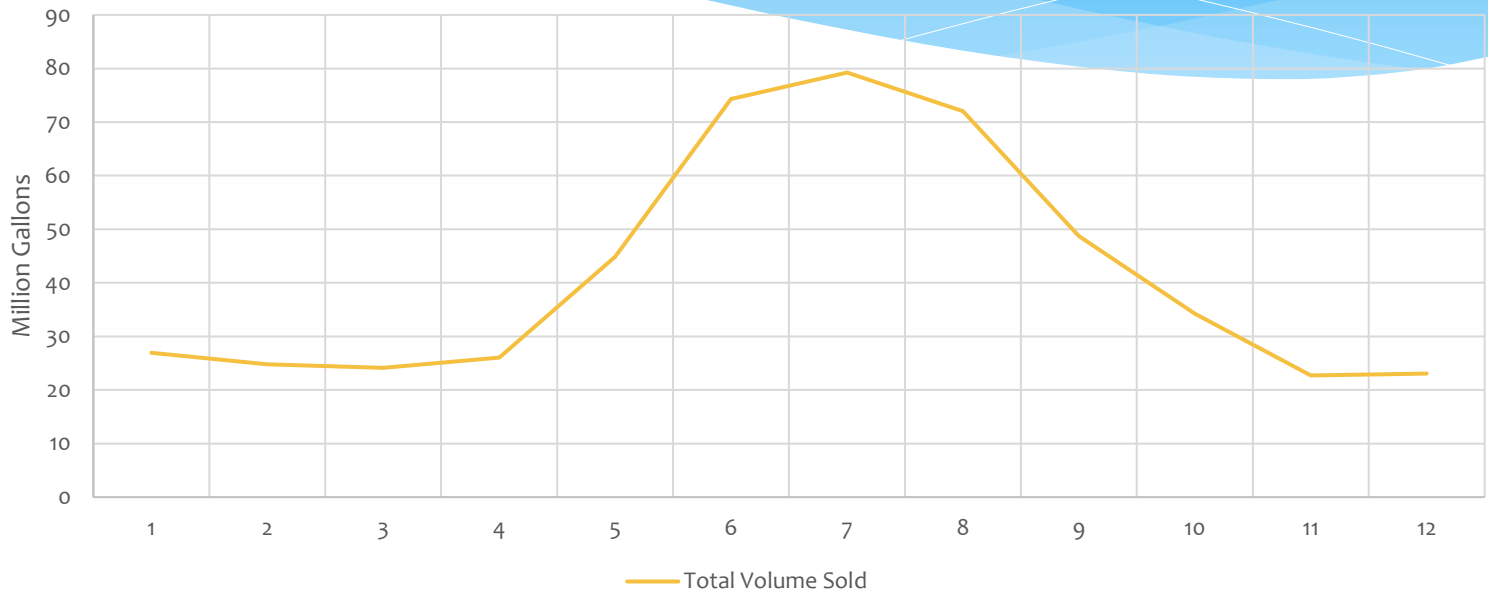
What Worked

Upper San Juan (840) Colorado SNOTEL Site - 10140 ft
Reporting Frequency: Daily; Date Range: 2024-09-30 to 2025-10-01



What Worked

2025 Water Sold



What Didn't

- Moved early drought stage trigger
- Need Rate Multiplier for Stage 1
- Better community communication
- Description of Billing Timing
- Fee waiver requests



Complaints

| Complaint | No. |
|---|-----|
| Didn't know about rate multipliers and/or drought | 11 |
| Just not fair | 8 |
| Support the drought program but I should be exempt | 6 |
| Why don't commercial users have multipliers? | 3 |
| Request agricultural exemption | 2 |
| Can't use less than 4,000 gallons | 1 |
| Prorate billing schedule based on bill and board decision | 1 |
| Didn't give enough time to curtail water use | 1 |



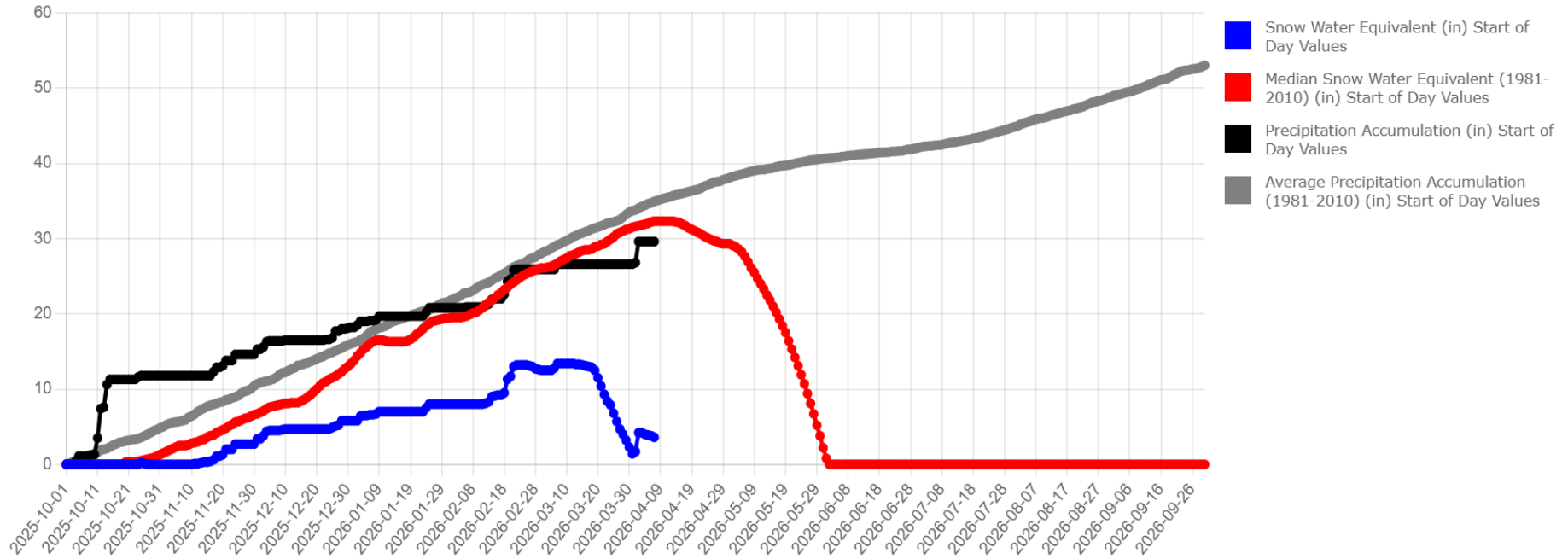
Updates to Report

- Moved early stage drought trigger up one week for each drought stage
- Add 1.25 Rate Multiplier for Stage 1
 - Trigger at 5,000 gallons
- Better community communication
 - Weekly press release
 - Contact schools
 - Apt owners
- Description of Billing Timing for rate multiplier
- Waiver Request
- Update tables and graphs
- Make minor corrections



SNOTEL Data

Upper San Juan (840) Colorado SNOTEL Site - 10140 ft
Reporting Frequency: Daily; Date Range: 2025-10-01 to 2026-09-30





2026
Drought Management Plan

Pagosa Area Water and Sanitation District
100 Lyn Avenue
Pagosa Springs, CO 81147
970 731-2691

4/2/2026



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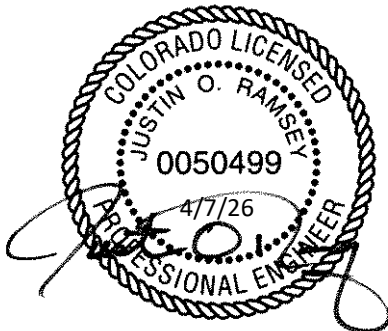
| | |
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|-----------|---|

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I. INTRODUCTION

I.1. PROFILE OF EXISTING SYSTEM

The Pagosa Area Water and Sanitation District (PAWSD) was established by general election in July of 1971 to provide water and wastewater service within the Archuleta County, Colorado area. In 1992 the Archuleta Water Company and Town of Pagosa Springs water was included into the PAWSD district. With the inclusion, PAWSD became owner of the Snowball Water Treatment Plant and the West Fork Diversion. The current PAWSD service area consists of approximately 6,000 water connections and operates approximately 300 miles of water line. A map of the PAWSD service area is included as **Appendix A**.

PAWSD’s raw water supply consists of surface water from three river diversions, the West Fork, the main stem of the San Juan River and Fourmile Creek. PAWSD’s service area encompasses approximately 41,428 acres. A source water map of the raw water supply is included as **Appendix B**.

Table I PAWSD Raw Water Diversions

| Location | Type |
|----------------------------|------|
| San Juan River (West Fork) | Box |
| San Juan River (Main Stem) | Box |
| Fourmile Creek | Weir |

PAWSD currently has 4,070 acre-feet (AF) of usable raw water storage. Storage includes the following five reservoirs: Hatcher, Stevens, Pagosa, Village, and Forest. Hatcher Reservoir receives its water supply from Fourmile Creek through the Dutton Pipeline. The Four Mile Creek diversion can divert water to Hatcher Reservoir, Stevens Reservoir, or both. When Hatcher Reservoir is full, water is diverted to Stevens Reservoir. The lower reservoirs of Stevens, Pagosa, Village, and Forest are operated in series; when an upstream reservoir is full it spills into the downstream reservoir. For instance, when Stevens Reservoir is full it spills to Lake Pagosa through the Linn and Clark Ditch. When Lake Pagosa is full it flows through a series of golf course ponds and is conveyed to Village Lake. Village Lake spills into Lake Forest, where overflow then spills into Stevens Draw, upstream of the Martinez and Stollsteimer confluence. Stollsteimer Creek feeds into the Piedra River prior to its confluence with the San Juan River at Navajo Lake. PAWSD can also pump raw water from the San Juan River through the San Juan Pipeline to the San Juan Water Treatment Plant, Lake Forest or Village Lake via the San Juan diversion.

Table 2 PAWSD Primary Water Supply Sources

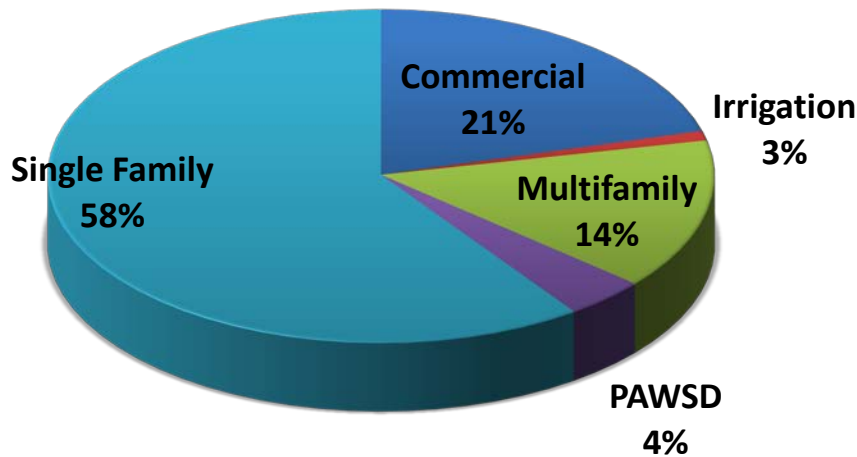
| Reservoir | Usable Capacity (Acre Feet) | Primary Diversion | Diversion Rate (cfs) |
|-------------|-----------------------------|----------------------------|----------------------|
| Hatcher | 880 | San Juan River (West Fork) | 5.0 |
| Lake Pagosa | 920 | San Juan River (Main Stem) | 8.0 |
| Lake Forest | 269 | Four Mile Creek | 12.8 |
| Stevens | 1730 | | |
| Village | 228 | | |

Table 3 provides PAWSD retail water deliveries by customer sector from 2019 to 2025 while **Figure 1** illustrates average customer sector use based on 2013 through 2025 water deliveries.

Table 3 PAWSD Retail Water Deliveries in Acre Feet (2019-2025)

| Location | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Commercial | 226 | 250 | 254 | 267 | 261 | 237 | 288 |
| Irrigation | 16 | 22 | 22 | 23 | 21 | 19 | 28 |
| Multi-Family | 137 | 152 | 169 | 160 | 153 | 151 | 205 |
| PAWSD | 56 | 58 | 57 | 60 | 64 | 61 | 73 |
| Single Family | 712 | 781 | 797 | 715 | 819 | 783 | 945 |
| TOTAL | 1147 | 1263 | 1298 | 1225 | 1318 | 1251 | 1538 |

Figure 1 - PAWSD Customer Water Use by Sector (2013 - 2025)



The San Juan Water Treatment Plant went back into service in 2017. Since water taken from Fourmile Creek, the San Juan River, and the area reservoirs constitutes a draw on available raw water supplies, PAWSD has determined that readings from the production meters on the water treatment plants (WTP) would be used to calculate annual water demand. PAWSD has a contractual

obligation with the Pagosa Springs Golf Club to provide raw water from Village and Pinon lakes for the purpose of irrigation. The required annual supply under this contract is 300 AF. Raw water is also provided to various condominium communities. Raw water is pumped into Pinon Lake from Village Lake. PAWSD also allows homeowners along Hatcher, Lake Pagosa, Lake Forest or Village Lake to pull water directly from the reservoir for irrigation purposes. PAWSD is unable to track this water drawn from lakeside residences.

Table 4 PAWSD Water Treatment Plant Production (in Acre Feet)

| | 2022 | 2023 | 2024 | 2025 |
|----------|----------|----------|----------|----------|
| Snowball | 584.87 | 632.16 | 613.78 | 620.75 |
| Hatcher | 1,215.05 | 1,212.53 | 1,274.64 | 1,277.16 |
| San Juan | 255.28 | 483.07 | 483.07 | 497.74 |
| Raw | 450.01 | 478.56 | 448.98 | 497.63 |

The PAWSD service area encompasses the Town of Pagosa Springs as well as areas of unincorporated Archuleta County. It is estimated that 75% of the population of Archuleta County lives within the PAWSD service area. The PAWSD service area population is estimated by multiplying the current population for Archuleta County by 75% (0.75). This methodology was supported in 2011 by a community Water Supply Work Group (WSWG) that assisted PAWSD in efforts to understand water use within its service area.

Population projection methods were analyzed by PAWSD for the 2018 Fee Study. The analysis indicated EU growth was occurring at approximately 1% annually and cumulative connections were increasing at approximately 3% annually. In 2019 the Upper San Juan Watershed Enhancement Program contracted RPI Consultants to develop a report on Archuleta County population growth. The report estimated the likely average annual growth would be from 1.6% to 1.9% (Appendix H). The PAWSD Board of Directors agreed to use a 2% increase for estimated population growth. **Table 5** summarizes this methodology showing population estimates and existing and projected annual EU increases.

Table 5 Past, Current, and Predicted Population and Equivalent Units (EU's) served by PAWSD

| Year | Archuleta County Population Estimates | Archuleta County Population Estimate 75% | Equivalent Units | Residential Equivalent Units (85%) | Commercial Equivalent Units (15%) |
|------|---------------------------------------|--|------------------|------------------------------------|-----------------------------------|
| 2008 | 12,497 | 9,373 | 7362.0 | | |
| 2009 | 12,430 | 9,323 | 7177.0 | 6,100.5 | 1,076.6 |
| 2010 | 12,056 | 9,042 | 7148.5 | 6,076.2 | 1,072.3 |
| 2011 | 12,010 | 9,008 | 7194.0 | 6,114.9 | 1,079.1 |
| 2012 | 12,114 | 9,086 | 7231.0 | 6,146.4 | 1,084.7 |
| 2013 | 12,184 | 9,138 | 7278.0 | 6,186.3 | 1,091.7 |
| 2014 | 12,210 | 9,158 | 7347.5 | 6,245.4 | 1,102.1 |
| 2015 | 12,325 | 9,244 | 7475.5 | 6,354.2 | 1,121.3 |
| 2016 | 12,572 | 9,429 | 7585.0 | 6,447.3 | 1,137.8 |
| 2017 | 12,823 | 9,617 | 7703.0 | 6,547.6 | 1,155.5 |
| 2018 | 13,079 | 9,809 | 7818.5 | 6,645.7 | 1,172.8 |
| 2019 | 13,341 | 10,006 | 7924.0 | 6,735.4 | 1,188.6 |
| 2020 | 13,359 | 10,019 | 8044.0 | 6,837.4 | 1,206.6 |
| 2021 | 13,809 | 10,357 | 8211.5 | 6,979.8 | 1,231.7 |
| 2022 | 13,987 | 10,490 | 8327.0 | 7,078.0 | 1,249.1 |
| 2023 | 14,189 | 10,642 | 8429.5 | 7,165.1 | 1,264.4 |
| 2024 | 14,112 | 10,584 | 8630.5 | 7,335.9 | 1,294.6 |
| 2025 | 14,306 | 10,730 | 8712.0 | 7,405.2 | 1,306.8 |
| 2026 | 14,592 | 10,944 | 9023.0 | 7,669.6 | 1,353.5 |
| 2027 | 14,884 | 11,163 | 9203.0 | 7,822.6 | 1,380.5 |
| 2028 | 15,182 | 11,386 | 9387.0 | 7,979.0 | 1,408.1 |
| 2029 | 15,485 | 11,614 | 9575.0 | 8,138.8 | 1,436.3 |
| 2030 | 15,795 | 11,846 | 9767.0 | 8,302.0 | 1,465.1 |

*2026 to 2030 are estimates

So as to better understand and quantify PAWSD’s current raw water supply and its ability to meet customer demands, PAWSD’s firm yield report is provided in **Appendix D**. It factors the current average annual customer demand (2,247 AF) and summer use in million gallons per day (MGD) against the raw water supplies available to PAWSD via the San Juan River, Fourmile Creek, and the five reservoirs. The report estimates that PAWSD has “approximately a two-year water supply”.

1.2. DROUGHT MITIGATION AND RESPONSE PLANNING

For this plan, drought is defined and understood to be an extended period of time (months/years/decades) when a region is deficient in the delivery of its natural water supply. Generally, this occurs when a region receives consistently below average precipitation for a given period; thus, resulting in a strain on the existing water supplies to meet the external demands placed upon it. Drought is a combination of naturally dry conditions that stress human water needs and result in water supply shortages.

PAWSD is fully reliant on surface water supplies that originate as snowfall and rain in the Upper San Juan Watershed Basin. As mentioned previously (see Table 1), PAWSD diverts surface water from the West Fork of the San Juan, the San Juan River and Fourmile Creek. PAWSD holds some senior water rights on the West Fork of the San Juan and the San Juan River; however, water rights on Fourmile Creek are junior to others. This results in the water supply from Fourmile Creek being “turned off” for most of the summer months as senior users draw their allotments primarily for irrigation. Fortunately, the senior rights on the West Fork of the San Juan and San Juan River allow PAWSD to draw their current facility maximums at both the San Juan Water Treatment Plant and Snowball Water Treatment Plant. Additionally, PAWSD has five reservoirs containing a total of approximately 4,027 AF of usable water. Water from all reservoirs except Hatcher are only used for raw water irrigation. PAWSD is currently developing a pipeline and pump station to allow water in Stevens Reservoir to be moved as necessary to Hatcher where it would be available for potable use..

The purpose of this document is to understand how the effects of drought can stress the water supply and the ways in which PAWSD can proactively deal with those stresses to fulfill its mission of providing safe drinking water to the Pagosa Springs community.

Drought response is comprised of the temporary actions required to maximize the existing water supplies due to anticipated water shortages caused by lack of precipitation.

The PAWSD Drought Management Plan has been constructed in compliance with the guidelines established by the Colorado Water Conservation Board (CWCB) Office of Water Conservation and Drought.

A copy of this plan is on file with Colorado Water Conservation Board as well as the Archuleta County Sheriff’s Department Office of Emergency Management.

I.3. DROUGHT PLANNING AND WATER CONSERVATION

The main objective of a water conservation plan is to achieve and realize long-term improvements in overall water use efficiency while simultaneously achieving a reduction in overall per capita water demand.

A Drought Management Plan, by contrast, focuses on dealing with the effects of drought in such a way as to provide short-term reprieve from temporary water supply shortages. Demand reductions are often achieved through voluntary and/or mandated water use restrictions designed to temporarily decrease water demand.

Drought mitigation is a concerted effort to use all water wisely to eliminate unnecessary waste. This not only promotes responsible stewardship within the community, but it also enables PAWSD to develop a thorough understanding of the service area’s water needs. Drought mitigation efforts are

generally precautionary steps or actions taken prior to a drought situation to avoid or reduce the potential impacts. Water conservation is considered a form of drought mitigation.

2. STAKEHOLDERS, OBJECTIVES, AND PRINCIPLES

Since a drought event and the actions taken by PAWSD to combat the effects of drought affect the entire community, PAWSD believes that incorporating a variety of perspectives from within the community will produce a Drought Management Plan that will accurately and efficiently deal with the effects of drought in the most beneficial way. This includes operating principles that reflect the values of PAWSD as well as the community.

In preparation of this Drought Management Plan a committee of volunteers was organized to aid the District in the development of this plan. The following members of the community were on the committee and provided recommendations and insight on the improvement of this document.

Mary Jo Coulehan – Pagosa Springs Chamber of Commerce (retired)

Allan Pfister – Upper San Juan Water Enhancement Program

Bruce Jones – PAWSD Board Member and Business Owner

Peter Hurley –Business Owner

Joshua Kurz – Hydrologist

2.1. OBJECTIVES OF THE DROUGHT MANAGEMENT PLAN

The following objective and operating principles were developed.

2.1.1. Objectives of the Drought Management Plan

The objective of the Drought Management Plan is to effectively address the needs of the community during times of water supply shortage while systematically enacting efforts to reduce demand to maximize current available water supplies without undue economic hardship on the community.

2.1.2. Principles of the Drought Management Plan

The operating principles of the Drought Management Plan are as follows:

- PAWSD’s top priority is to ensure essential public water service to the community during any level of drought severity.
- Consideration of the actions taken to ensure essential public water service will minimize adverse drought related impacts on public health and safety, economic vitality, and environmental resources.

- Provide a comprehensive yet flexible framework to guide PAWSD staff through drought mitigation and monitoring efforts as well as pre-scripted procedures to follow for communicating drought severity and implementing the actions required within the various drought stages.
- Effective communication of drought awareness, drought conditions, and response information to the community.
- Provide an efficient means to monitor and improve the effectiveness of the Plan over time.
- Provide sufficient contextual information in the Plan to convey the importance of drought preparedness and management to the public and how the actions set forth in this Plan are necessary to reduce drought-related impacts and ensure the health and safety of the community.

2.1.3. Water Priorities

Water use priorities are the ranking of the uses of water such that they ensure the welfare of the people and reflect the beliefs of the community. All water use restrictions and actions taken to secure the water supply will be managed according to the priorities listed below.

1. Health and Safety – Water uses essential to the public health and safety of the community. These include indoor water use, and community fire suppression.
2. Commercial / Industrial – water use necessary to ensure economic stability and/or prevent an unfair burden from befalling a narrow segment of businesses.
3. New Construction – intended to encompass practices such as dust mitigation and water intensive materials such as concrete.
4. Outdoor Irrigation of Landscapes – includes all outdoor water use such as water for ornamental gardens, turf grass, and water fountains and features.

All water use can be grouped into at least one of three categories: Essential, Social/Economic, and Non-essential. Essential water use priorities are just that, essential for the health and safety of people. Social/Economic water use priorities are essential for the health of the business community as well as the social fabric of the community. Non-essential water use is comprised of activities that can temporarily be reduced or stopped without significantly affecting public health and safety or economic/social priorities.

3. DROUGHT VULNERABILITY ASSESSMENT

3.1. WATER SUPPLY AND DROUGHT MANAGEMENT PLANNING

When surface water supplies decrease due to abnormal, below average precipitation events (short or long term) more water must be taken from storage to meet demand. The reliability of the water supply is a function of how well the available supplies will meet demand over time and under various hydrologic conditions.

Water supply reliability is defined as the ability of the provider's raw water supply system to meet the demands placed upon it. Water supply reliability planning differs from drought planning in that drought management planning is the exercise of short-term water demand reduction activities implemented by the provider to extend usable water supplies and lessen drought impacts.

Short-term water supply reliability planning looks at the total available water supply expected for the year (based upon winter snowpack, San Juan River flows, and reservoir levels) and contrasts it to the forecasted demand for that year. Should there be a concern whether anticipated supply will meet the demand, drought planning efforts will begin internally prior to an official public declaration of drought.

Long-term water supply reliability efforts consist of actions to secure and hold as much water as possible. Doing so will ensure that PAWSD will have adequate supplies to meet demand during times of drought.

4. DROUGHT MITIGATION AND RESPONSE STRATEGIES

Drought mitigation efforts are both short and long-term actions taken to ensure, to the greatest extent possible, the reliability of the water supply. Drought mitigation differs from drought response mostly in timing and implementation requirements. Mitigation efforts are generally voluntary long-term water use modifications to improve water supply reliability while drought response efforts may be more reactive to an observed reduction in water supplies.

4.1. DROUGHT MITIGATION MEASURES

The drought mitigation measures to be employed by PAWSD are as follows:

- Regular monitoring of early drought indicators such as winter snowpack and current stream flow.
- Ensure the reservoirs remain as full as possible.
- Installation of additional Solar Bees¹ and maintenance of current Solar Bees will continue to increase or maintain water quality.

- Ensure the integrity of the water distribution system through a vigilant maintenance and repair program.
- Encourage use of water efficient retrofitting in residential and commercial structures.
- Encourage regionally appropriate plants and landscaping.
- Encourage water conservation.

Note 1 A Solar Bee is a solar operated mechanical device which mixes water in the reservoir to minimize stratification and algae growth.

Water conservation efforts apply to both the provider and the customer and are generally long-term efforts to firm up water demand. There will come a time when existing water supplies and treatment facilities will need to be expanded to meet demand. Through water conservation it is possible to prolong the usability of existing water supplies and facilities which represents a cost savings to both the provider and customer. Expanding the usability of water resources is a form of drought preparedness and mitigation.

4.2. SUPPLY-SIDE RESPONSE STRATEGIES

Drought response strategies are generally short-term actions to reduce demand and prolong the available water supply. PAWSD response strategies can be grouped into six distinct fields: Elements of a Drought Plan, Emergency Response, Public Education and Community Relations, Water Supply Security, Water Rights Management and Cooperative Agreements, and Water Distribution System Efficiency.

Elements of a Drought Plan

- Continue monitoring drought indicators such as lake levels, remaining snowpack, current stream flows, and precipitation.
- Track public perception and effectiveness of enacted drought measures to gauge community sentiment and overall plan effectiveness.

Emergency Response

- In case of a drought emergency, PAWSD will make an official declaration of drought prior to enacting any drought level requiring mandatory water-use restrictions.
- The installation of new taps may be prohibited.
- Should the drought situation warrant, PAWSD may look to the State and Federal Government for assistance.

Public Education and Community Relations

- Develop education and awareness campaigns specific to the needs of our community
- Track public perception and response to drought materials and the efforts of the education and awareness campaign.

Water Supply Security

- Ensure maximum and reliable raw water supply by ensuring all reservoirs are as full as possible for as long as possible.

- Develop a contingency plan should diversions by senior right holders affect PAWSD's ability to meet demand.
- Ensure water treatment plant technology can efficiently treat water of low quality.

Water Rights Management and Cooperative Agreements

- Compensate senior water right holders to NOT place a curtailment order that would affect PAWSD's supply.
- Lease irrigation rights from agricultural users.
- Purchase additional water rights.
- Renegotiate contractual water delivery obligations.
- Compensate upstream users to allow more water to flow downstream.

Water Distribution System Efficiency

- Conduct distribution system audits to identify areas of potential water loss.
- Identify and repair distribution system leaks.
- Reduce system pressure to decrease water loss.
- Evaluate current facility and equipment operations to optimize efficiency and distribution of water supplies

4.3. DEMAND-SIDE RESPONSE STRATEGIES

The following demand-side response strategies involve actions to be taken by PAWSD, both internally and externally, to encourage water conservation and temporarily reduce water demand.

- PAWSD

- Develop education and awareness campaigns specific to the needs of our community that address the need for short-term water reductions
- Implement a drought surcharge and/or a temporarily modified billing structure to ensure financial stability during times of decreased revenues related to drought.
- Enact mandatory water use restrictions per the Plan.
- Limit fire hydrant flushing.

- Residential

- Limit outdoor watering of landscapes to certain times/days per the level of drought severity.
- Ensure all lawn and landscape watering restrictions are known (see 4.4 Public Information Campaign).
- In times of serious drought, the application of water to landscapes and gardens (e.g., edible and ornamental) will be limited to hand watering only.
- Use the AMI system to identify potential leaks and initiate customer contact.
- Encourage efficient irrigation practices.
- Discourage water waste.
- Continue water conservation and education efforts.

- **Commercial / Industrial**

- o Ensure any water restrictions impacting this sector are known.
- o Discourage any waste of construction water.
- o Limit outdoor watering of landscapes to certain times/days per the level of drought severity.
- o Promote the installation of water efficient technologies where applicable.
- o Promote the serving of water in restaurants only upon request.
- o Use the AMI system to identify potential leaks and initiate customer contact.
- o Continue water conservation and education efforts.

4.4. PUBLIC INFORMATION CAMPAIGN

PAWSD recognizes the power of public education and awareness. A public drought campaign raises community awareness of the drought situation and paves the way for responsive demand reduction.

The goal of the Public Information Campaign is to ensure that the community is made fully aware of the water supply situation and any associated water use restrictions that may occur during the drought event and why the restrictions being imposed are necessary.

The general components of the Campaign will include:

- Timely and reoccurring media releases notifying the public of current drought conditions and encouraging short-term reductions in water use.
- Direct mailings to customers advising them of the current level of water use restrictions and what water use restrictions are entailed in the current drought level.
- The use of the Dropcounter customer portal advising customers of current water use restrictions and drought levels.

Examples of the components of the Public Information Campaign can be found in **Appendix F** and **G**.

5. DROUGHT STAGES, TRIGGER POINTS, AND RESPONSE TARGETS

5.1. DROUGHT STAGES, TRIGGER POINTS, AND RESPONSE TARGETS

Appropriate drought indicators used by the District to understand and/or forecast drought periods will be snow water equivalency, call date on Four Mile Creek, Hatcher Reservoir levels, San Juan River flows and drought stages as defined by the National Drought Mitigation Center. This information will be gathered primarily from the [National Resource Conservation Service](#) (NRCS), State Engineer, and the [NIDIS US Drought Portal](#).

The date at which the Snow Water Equivalency reaches 0 and the date that the State Engineer places a curtailment order on Four Mile Creek (the call date) will be early indicators of coming drought conditions.

After June 5th a scoring method based on the usable volume of water in Hatcher Reservoir, San Juan River flows and the listed Regional Drought Stage from the National Drought Mitigation Center will be used to determine the drought stage. The scoring tool weights the three triggers differently, i.e. the usable volume in Hatcher Reservoir is weighted at two times the San Juan River Flows and three times the Regional Drought Stage.

Observed changes in water supply availability (e.g., reservoir levels, stream flows) are indicative of potential drought. The importance of pairing these observables changes with precipitation data cannot be overstated.

Trigger points serve as thresholds for action. Once the requirements set for a trigger point have been met or exceeded, the actions outlined in the corresponding drought stage are followed to achieve a water reduction goal intended to extend current water supplies. The primary trigger points established by PAWSD are based upon median values for those five trigger points.

The tables below show the drought stages, their corresponding trigger point thresholds and dates of those thresholds.

The water demand reduction goals were determined by a Drought Committee in 2012 as well as through the reading of other Colorado municipal Drought Management Plans. It was determined that in the most severe of drought scenarios, a 50% reduction goal in demand would be required. The water industry has long held that approximately 50% of residential summer water use is the irrigation of lawns and landscapes. Therefore, were PAWSD customers to simply stop all outdoor irrigation, demand would decrease by the desired 50%. The water use restrictions associated with each drought stages are specifically targeted towards irrigation activities and ways in which those can be reduced and/or monitored for compliance.

Table 6 Voluntary Drought Stage Trigger Points

| Trigger Point | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
|--|---------------------|-----|-----|-----|-----|----------------|-----|-----|-----|-----|-----|-----|--|
| SNOTEL Water Equivalency Reaches 0”¹ | On or Before May 15 | | | | | | | | | | | | |
| Call Date on Four Mile Creek² | On or Before May 22 | | | | | | | | | | | | |
| Hatcher Reservoir Level³ | 714 | 757 | 802 | 828 | 834 | 755 | 666 | 515 | 397 | 369 | 505 | 621 | |
| San Juan River Flow¹ | 39 | 44 | 113 | 382 | 849 | 845 | 241 | 118 | 103 | 103 | 64 | 45 | |
| Drought Stages | | | | | | Abnormally Dry | | | | | | | |

Notes:

1. SNOTEL SWE
 - a. Upper San Juan Colorado SNOTEL Site
 - b. Based on date SWE hits 0”, average and median date is June 2
 - c. Based on 90% of average date from 1978 through 2020 (42 data points)
2. Four Mile Creek Call Date
 - a. The average Call Date is 6/9.
 - b. Based on 85% of average date from 2006 through 2020 (15 data points)
3. Hatcher Reservoir Level
 - a. Volume measured in Acre Feet
 - b. Useable water volume from bathometric survey provided by Harris Engineering
 - c. Monitored at dam
 - d. Based on 95% of average monthly usable volume from Aug 2014 to June 2020 (67 data points)
4. San Juan River Flows
 - a. Flows measured in cubic feet per second (CFS)
 - b. Measured at USGS gage station at Pagosa Springs (USGS 09432500)
 - c. Based on 67% of average monthly flow from 1935 through 2019 (1,008 data points)
5. Drought Stage
 - a. From the NOAA National Integrated Drought Information System
 - b. <https://www.drought.gov/states/colorado/county/archuleta>

Voluntary water reduction is intended to give the community advance notice of developing drought conditions and begin to foster water conservation and voluntary water use reduction. It is intended

that water demand should decline by 0-10% based upon the average of three previous years' water demand.

Table 7 – Drought Stage I Trigger Points

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
|--|-----------------------|-----|-----|-----|-----|------------------|-----|-----|-----|-----|-----|-----|--|
| SNOTEL Water Equivalency Reaches 0”¹ | On or Before April 30 | | | | | | | | | | | | |
| Call Date on Four Mile Creek² | On or Before May 7 | | | | | | | | | | | | |
| Hatcher Reservoir Level³ | 594 | 629 | 667 | 689 | 694 | 628 | 554 | 429 | 330 | 306 | 420 | 516 | |
| San Juan River Flow¹ | 31 | 35 | 89 | 302 | 672 | 669 | 191 | 93 | 82 | 81 | 51 | 36 | |
| Drought Stages⁵ | | | | | | Moderate Drought | | | | | | | |

Notes:

1. SNOTEL SWE
 - a. Upper San Juan Colorado SNOTEL Site
 - b. Based on date SWE hits 0”, average and median date is May 31
 - c. Based on 80% of average date from 1978 through 2020 (42 data points)
2. Four Mile Creek Call Date
 - a. The average Call Date is 6/9. The median call date is 6/15
 - b. Based on 76% of average date from 2006 through 2020 (15 data points)
3. Hatcher Reservoir Level
 - a. Volume measured in Acre Feet
 - b. Useable water volume from bathometric survey provided by Harris Engineering
 - c. Monitored at dam
 - d. Based on 79% of average monthly usable volume from Aug 2014 to June 2020 (67 data points)
4. San Juan River Flows
 - a. Flows measured in cubic feet per second (CFS)
 - b. Measured at USGS gage station at Pagosa Springs (USGS 09432500)
 - c. Based on 53% of average monthly flow from 1935 through 2019 (1,008 data points)
5. Drought Stage
 - a. From the NOAA National Integrated Drought Information System
 - b. <https://www.drought.gov/states/colorado/county/archuleta>

Level 1 – Low

This stage builds upon the efforts of Voluntary Reduction stage while incorporating basic mandatory water use restrictions aimed mostly at curbing excessive outdoor irrigation of lawns and landscapes. A declaration of Level One will be accompanied by an increased community outreach and awareness campaign. This stage will not include surcharges or modifications to rate structures but penalties for non-compliance could be issued. It is intended that water demand should decline by 10-20% based upon the average of three previous years’ water demand.

Table 8 – Drought Stage 2 Trigger Points

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|--|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| SNOTEL Water Equivalency Reaches 0”¹ | On or Before April 15 | | | | | | | | | | | |
| Call Date on Four Mile Creek² | On or Before April 22 | | | | | | | | | | | |
| Hatcher Reservoir Level³ | 451 | 478 | 507 | 523 | 527 | 477 | 420 | 325 | 251 | 233 | 319 | 392 |
| San Juan River Flow¹ | 22 | 25 | 64 | 217 | 482 | 480 | 137 | 67 | 58 | 58 | 36 | 26 |
| Drought Stages⁵ | Severe Drought | | | | | | | | | | | |

Notes:

1. SNOTEL SWE
 - a. Upper San Juan Colorado SNOTEL Site
 - b. Based on date SWE hits 0”, average and median date is May 31
 - c. Based on 70% of average date from 1978 through 2020 (42 data points)
2. Four Mile Creek Call Date
 - a. The average Call Cate is 6/9. The median call date is 6/15
 - b. Based on 67% of average date from 2006 through 2020 (15 data points)
3. Hatcher Reservoir Level
 - a. Volume measured in Acre Feet
 - b. Useable water volume from bathometric survey provided by Harris Engineering
 - c. Monitored at dam
 - d. Based on 60% of average monthly usable volume from Aug 2014 to June 2020 (67 data points)
4. San Juan River Flows

- a. Flows measured in cubic feet per second (CFS)
- b. Measured at USGS gage station at Pagosa Springs (USGS 09432500)
- c. Based on 38% of average monthly flow from 1935 through 2019 (1,008 data points)
- 5. Drought Stage
 - a. From the NOAA National Integrated Drought Information System
 - b. <https://www.drought.gov/states/colorado/county/archuleta>

Level 2 – Moderate

This stage is an advance notice of severe drought conditions. Mandatory water use restrictions are amplified to promote water conservation and curb water consumption. A declaration of Level Two will be accompanied by a more aggressive community outreach and awareness campaign. This stage will include a modified water use rate structure for residential users. It is intended that water demand should decline by 20-30% based upon the average of three previous years’ water demand.

Table 9 – Drought Stage 3 Trigger Points

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
|--|----------------------|-----|-----|-----|-----|-----------------|-----|-----|-----|-----|-----|-----|--|
| SNOTEL Water Equivalency Reaches 0”¹ | On or Before April 1 | | | | | | | | | | | | |
| Call Date on Four Mile Creek² | On or Before April 8 | | | | | | | | | | | | |
| Hatcher Reservoir Level³ | 368 | 390 | 414 | 427 | 430 | 390 | 343 | 266 | 205 | 190 | 261 | 320 | |
| San Juan River Flow¹ | 16 | 18 | 47 | 160 | 355 | 353 | 101 | 49 | 43 | 43 | 27 | 19 | |
| Drought Stages⁵ | | | | | | Extreme Drought | | | | | | | |

Notes:

1. SNOTEL SWE
 - a. Upper San Juan Colorado SNOTEL Site
 - b. Based on date SWE hits 0”, average and median date is May 31
 - c. Based on 60% of average date from 1978 through 2020 (42 data points)
2. Four Mile Creek Call Date
 - a. The average Call Cate is 6/9. The median call date is 6/15
 - b. Based on 67% of average date from 2006 through 2020 (15 data points)
3. Hatcher Reservoir Level
 - a. Volume measured in Acre Feet

- b. Useable water volume from bathometric survey provided by Harris Engineering
- c. Monitored at dam
- d. Based on 49% of average monthly usable volume from Aug 2014 to June 2020 (67 data points)
- 4. San Juan River Flows
 - a. Flows measured in cubic feet per second (CFS)
 - b. Measured at USGS gage station at Pagosa Springs (USGS 09432500)
 - c. Based on 28% of average monthly flow from 1935 through 2019 (1,008 data points)
- 5. Drought Stage
 - a. From the NOAA National Integrated Drought Information System
 - b. <https://www.drought.gov/states/colorado/county/archuleta>

Level 3 – Serious

This stage serves as notification of severe drought conditions that threaten water availability. Mandatory water use restrictions are further amplified to curb water consumption and extend the usability of current water supplies. A drought surcharge will be implemented on both residential and commercial customers, and the water use rate structure will be implemented for commercial customers and be further modified for residential customers. A declaration of Level Three will be accompanied by an even more aggressive community outreach and awareness campaign. It is intended that water demand should decline by 30-40% based upon the average of three previous years’ water demand.

Table 10 – Drought Stage 4 Trigger Points

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|-----------------------|-----|-----|-----|---------------------|-----|-----|-----|-----|-----|-----|-----|
| SNOTEL Water Equivalency¹ | On or Before March 15 | | | | | | | | | | | |
| Call Date on Four Mile Creek² | On or Before March 22 | | | | | | | | | | | |
| Hatcher Reservoir Level³ | 263 | 279 | 296 | 305 | 307 | 278 | 245 | 190 | 146 | 136 | 186 | 229 |
| San Juan River Flow¹ | 9 | 10 | 25 | 86 | 190 | 189 | 54 | 26 | 23 | 23 | 14 | 10 |
| Drought Stages⁵ | | | | | Exceptional Drought | | | | | | | |

Notes:

1. SNOTEL SWE
 - a. Upper San Juan Colorado SNOTEL Site
 - b. Based on date SWE hits 0", average and median date is May 31
 - c. Based on 50% of average date from 1978 through 2020 (42 data points)
2. Four Mile Creek Call Date
 - a. The average Call Date is 6/9. The median call date is 6/15
 - b. Based on 48% of average date from 2006 through 2020 (15 data points)
3. Hatcher Reservoir Level
 - a. Volume measured in Acre Feet
 - b. Useable water volume from bathometric survey provided by Harris Engineering
 - c. Monitored at dam
 - d. Based on 35% of average monthly usable volume from Aug 2014 to June 2020 (67 data points)
4. San Juan River Flows
 - a. Flows measured in cubic feet per second (CFS)
 - b. Measured at USGS gage station at Pagosa Springs (USGS 09432500)
 - c. Based on 15% of average monthly flow from 1935 through 2019 (1,008 data points)
5. Drought Stage
 - a. From the NOAA National Integrated Drought Information System
 - b. <https://www.drought.gov/states/colorado/county/archuleta>

Level 4 –Severe

This stage is the most severe, indicating dangerously low water supply levels that could affect PAWSD's ability to provide essential water service. The drought surcharge will remain, and the water use rate structure will be further modified. It is intended that water demand should decline by 40-50% based on the average of three previous years' water demand.

5.2. DROUGHT DECLARATION AND PREDICTABILITY

As a headwater's locale, PAWSD is entirely dependent upon surface water. The amount of water available as well as when that water is available is subject to the patterns of nature. A winter of record snowfall followed by a spring of record heat can be just as devastating on the water supply as a winter of below average snowfall. Annual monsoon rain events, which generally occur in mid-July, serve to bolster stream flows and decrease demand (due to less irrigation) but these too can be unreliable. Also, the monsoon rains, though serving to decrease demand temporarily, do little to raise reservoir levels.

5.3. DROUGHT INDICATORS

1. Snow Water Equivalent (SWE)

Definition - a measurement of the amount of water contained within the snowpack. It can be thought of as the depth of water that would theoretically result if you melted the entire snowpack instantaneously.

Operation – SWE will be monitored beginning March 1 of each year. Current SWE conditions will be judged based upon the median date SWE hits 0”. The median date is June 1st.

2. Curtailment Order on Four Mile Creek

Definition – The date the State Engineer’s Office places an Administrative Call on Four Mile Creek.

Operation – The curtailment cuts off the flow of water into Hatcher and Stevens Reservoirs. Current Curtailment will be based upon the median call date of June 15th.

The two monitoring efforts above will be used to determine early season (spring) drought concerns.

3. Hatcher Reservoir Level

Definition – measurement of the level of the surface of a reservoir as it relates to its usable capacity of 880-acre feet.

Operation – Water levels of the reservoir will be gathered weekly and compared to the median level for each given month.

4. San Juan River Flows

Definition – River flows measured from the USGS flow gage located in Pagosa Springs.

Operation – Flows will be gathered and compared to the median level for each given month.

5. United States Drought Monitor

Definition – The regional drought stage as defined by the National Drought Mitigation Center.

Operation – The U.S. Drought Monitor is a map released every Thursday, showing parts of the U.S. that are in drought. The map uses five classifications: abnormally dry, moderate; severe; extreme and exceptional.

The three monitoring efforts listed above (three through five) will be entered into a scoring spreadsheet that will serve to catalog the dynamic activity of current water supply and the anticipated water availability. The effort to monitor water supply conditions is ultimately a mechanism for PAWSD to better understand the water supply system as well as predict the potential severity of a drought.

See Section 7.2 for additional information on the monitoring of drought indicators.

6. STAGED DROUGHT RESPONSE PROGRAM

PAWSD will make every effort to ensure that the maximum amount of water available is being captured. In 2002, 2018 and 2020, this commitment amounted to placing sandbags in the West Fork of the San Juan River and the main stem of San Juan River to increase the water level and direct maximum water flow into the diversion structures. It is worth mentioning that in July of 2002 when the USGS gauging station located in downtown Pagosa Springs was registering San Juan stream flows as low as 16 cfs, PAWSD was still able to draw its full facility maximums from the West fork and San Juan Diversions. However, senior water rights exist on the San Juan River that may affect the amount of water PAWSD is able to draw in a future drought event.

The majority of PAWSD's water demands occur during the summer months when the effects of drought are most pronounced. PAWSD has chosen to focus demand reduction efforts on irrigation and outdoor water use. PAWSD also seeks to reduce water use through its public education and water conservation efforts.

Within each drought stage there is a targeted demand reduction goal, the actions to be taken to achieve that goal, and the preservation focus. As shown in Table 13, mandatory water use restrictions do not go into effect until Level 1 where irrigation is limited to evening, night, and morning hours, but is permitted seven days per week. Level 2 reduces irrigation days to every other, allowing for 2-3 watering days per week (irrigation is not allowed on weekends). Level 3 permits irrigation only one day per week to sustain landscapes. Level 4, being the most severe stage, prohibits outdoor watering of landscapes all together.

An overview of irrigation-specific water use restrictions is shown below.

Table 11 – Demand Reduction Goals, Options, and Focus

| Drought Stages | Demand Reduction Goal | Demand Reduction Focus Option | Focus |
|---------------------|-----------------------|---|--|
| Voluntary | 00 - 10% | Public education and awareness | Encourage responsible water use |
| Level 1 Low | 10 - 20% | Irrigation allowed from 6 PM – 9 AM | Keep all landscapes elements alive |
| Level 2 Moderate | 20 - 30% | Irrigation allowed from 6 PM to 9 AM Odd/Even watering days based upon address Tier charge multipliers shall be applied. | Preserve landscape elements such as trees, shrubs, gardens, and turf grass |
| Level 3 Serious | 30 - 40% | Irrigation allowed from 6 PM to 9 AM 1 day per week based upon address Drought Surcharge shall be applied Tier charge multipliers shall be applied | Sustain certain landscapes elements such as trees, shrubs, and gardens while allowing turf grass to go dormant |
| Level 4 Severe | 40 - 50% | No irrigation of outside landscapes Drought Surcharge shall be applied Tier charge multipliers shall be applied. | Recognize that landscape die-off may occur |

Table 14 highlights the drought stages, response targets, and summarizes the drought response measures to be implemented.

Table 12 – Mandatory Water Use Restrictions

| Drought Stages | Demand Reduction Goal | Mandatory Water Use Restrictions |
|---------------------|-----------------------|---|
| Voluntary | 00 - 10% | None |
| Level 1 Low | 10 - 20% | Irrigation is permitted only between 9 PM – 9 AM Gardens (edible and ornamental) may be hand watered using a hose or drip irrigation Restaurants encouraged to serve water only upon the request of customers. Hotels encouraged to replace towels and bed linens for new guests and at the request of existing guests. |
| Level 2 Moderate | 20 - 30% | Irrigation permitted only between 9 PM to 9 AM based upon address Odd numbered addresses may irrigate on odd numbered calendar days while even numbered address may irrigate on even numbered days Irrigation is permitted Monday – Friday Only. Weekend watering is prohibited. Gardens (edible and ornamental) may be hand watered using a hose or drip irrigation. Restaurants shall serve water only upon the request of customers. Hotels encouraged to replace towels and bed linens for new guests and at the request of existing guests. |
| Level 3 Serious | 30 - 40% | Irrigation permitted only between 9 PM to 9 AM based upon address Irrigation is permitted Monday or Thursday only depending on address. Watering on other days is prohibited. Gardens (edible and ornamental) may be hand watered using a hose or drip irrigation. Restaurants shall serve water only upon the request of customers. Hotels encouraged to replace towels and bed linens for new guests and at the request of existing guests. |
| Level 4 Severe | 40 - 50% | Irrigation of all landscape elements is prohibited, including gardens (edible and ornamental). |

PAWSD will make every effort and utilizes resources that ensure the public is regularly made aware of the severity of the current drought situation. The steps required to achieve this goal are redundant for levels 1 – 4. The Voluntary level does not necessitate more costly outreach efforts, such as direct mailings, because there are no mandated water use restriction measures being imposed.

The Public Drought Campaign is to be monitored by the District Manager and reported to the Board of Directors.

Table 13 – Public Information Campaign Components and Tools

| Public Information Campaign Components | Dissemination Tools | | | | | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Web | Water Bill | Newspaper | Direct Mailing | Radio | Public Meeting | Email | Dropcounter |
| Status of current water supply and drought conditions | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | | | <input checked="" type="checkbox"/> | | |
| Demand reduction goals | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | | |
| Current drought stage and water use restrictions | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Measures/impacts customers can expect if drought continues or | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Explanation of modified rate structure/drought surcharge | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Water conservation tips and suggestions | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Water reuse education | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Promote xeriscaping | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | | | | <input checked="" type="checkbox"/> | |
| Promote efficient irrigation practices | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | |

7. IMPLEMENTATION AND MONITORING

7.1. DROUGHT MITIGATION ACTION PLAN

Table 16 shows current actions and projects that PAWSD is engaged in to increase the security and understanding of the water supply system and provide mitigation of the effects of drought.

Table 14 – Drought Mitigation Actions, Steps, Milestones, and Administration

| List of Drought Mitigation Actions | Steps to Implementation | Milestone Deadlines | Entities/Staff Responsible for Administration |
|---|------------------------------|---------------------|---|
| Water Conservation Plan | follow plan | to be updated 2023 | District Manager |
| Transfer of water from Stevens to Hatcher | Design & Construction | Winter 2026/2027 | Operation Manager/Project Manager |
| Fourmile Creek stream access | purchase senior water rights | On-going | District Manager |
| Infrastructure Leak Detection | field time | On-going | Utility Infrastructure Superintendent |
| Demand side Leak Detections | Utilize AMI system | On-going | Utility Infrastructure Superintendent |

7.2. MONITORING OF DROUGHT INDICATORS

As described in Section 6.1, the monitoring and recording of the water supply is critical in understanding the dynamics of the water supply as well as in predicting the potential and severity of drought.

Table 17 provides an overview of drought indicators, sources, monitoring frequency and PAWSD staff responsible for these tasks.

Table 15 – Drought Indicators, Resources, Information Locations, Monitoring, and Administration

| Drought Indicators | Information Resources | Information Locations | Monitoring Frequency | Entities/Staff Responsible for Administration |
|-----------------------------|-------------------------------|---|---------------------------------------|---|
| San Juan Stream Flow | USGS | http://waterdata.usgs.gov | October 1 – September 30 | Operations Manager |
| Hatcher Reservoir Level | PAWSD Staff | S://Water Plant Production/Historical Lake Levels.xls | Utility Infrastructure Superintendent | Utility System Operator/Superintendent |
| Snow Water Equivalent (SWE) | NRCS | www.wcc.nrcs.usda.gov | October 1 – September 30 | District Manager |
| Fourmile Creek Call Date | Not Available | Not Available | NA | Operations Manager |
| State Drought Stage | United States Drought Monitor | Droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?CO | NA | District Manager |

It is important that knowledge and insights gained through conditions monitoring be cataloged and shared. Beginning April 1 of each year, the District Manager shall begin collecting and recording current water supply conditions, the main components of which are highlighted below.

Table 18 provides an overview of the calendar schedule for drought monitoring tasks for PAWSD staff.

Table 16 – Conditions Monitoring Schedule

| Conditions Monitoring Schedule | |
|--------------------------------|---|
| April | <p>Water Supply Availability Forecast</p> <ul style="list-style-type: none"> • Call Date on Four Mile Creek • Snow Water Equivalent reaches 0” • Reservoir levels • San Juan stream flow (% of average) • Drought Stage <p>Use mountain snowpack conditions to begin forming relevant press release</p> |
| May | <p>Continue Water Supply Availability Monitoring</p> <ul style="list-style-type: none"> • Call Date on Four Mile Creek • Snow Water Equivalent reaches 0” • Reservoir levels • San Juan stream flow (% of average) • Drought Stage <p>Use current conditions to promote water conservation Communicate current observed water supply conditions to the Board of Directors Appropriate and timely press releases</p> |
| June | <p>Continue Water Supply Availability Monitoring</p> <ul style="list-style-type: none"> • Call Date on Four Mile Creek • Snow Water Equivalent reaches 0” • Reservoir levels • San Juan stream flow (% of average) • Drought Stage <p>Use current conditions to promote water conservation Communicate current observed water supply conditions to the Board of Directors Begin discussions about potential implementation of the appropriate drought stage based upon Trigger Points Begin efficient irrigation community awareness campaign Continue appropriate and timely press release and radio adds</p> |
| July | <p>Continue Water Supply Availability Monitoring</p> <ul style="list-style-type: none"> • Reservoir levels • San Juan stream flow (% of average) • Drought Stage <p>Use current conditions to promote water conservation Communicate current observed water supply conditions to the Board of Directors Implementation of appropriate drought stage based upon Trigger Points (if applicable) Continue efficient irrigation community awareness campaign Continue appropriate and timely press release and radio ads</p> |
| August - December | <p>Continue with the efforts shown above until such a time as concerns of drought and water supply availability have past</p> |

7.3. DROUGHT DECLARATIONS

It is the role of the District Manager to ensure that the above-mentioned drought indicators are monitored and formally recorded beginning April 1 and concluding November 1 of each year.

A worksheet has been developed that allows PAWSD staff to enter current reservoir levels and water inflow from the Fourmile Creek and San Juan River diversions as well as estimated demand through the water year. With these data sets in place the worksheet will calculate the amount of water available and will prompt the user when a trigger point threshold has been crossed.

Once a trigger point threshold has been crossed, the District Manager will present these findings to the PAWSD Board of Directors.

Voluntary measures can be implemented by the District Manager however it is the responsibility of the PAWSD Board of Directors to formally declare a drought thereby allowing the District to begin efforts to reduce water demand using penalties and/or tier rate multipliers. This announcement should be made at the next scheduled public Board meeting. A special meeting may be called should the current situation warrant such immediacy.

7.4. IMPLEMENTATION OF THE STAGED DROUGHT RESPONSE PLAN

The District Manager is responsible for recommending to the Board of Directors the current drought status and any accompanying water use restrictions. The final determination of the Board of Directors will be made public by utilizing the local media outlets, direct customer mailing and statement inserts and use of the Dropcounter system when applicable. It is the role of the District Manager to implement the staged drought response plan. Once the elements of the Plan are put into motion following a formal determination by the Board of Directors of the current drought level, an “all hands-on deck” approach is to be employed by all PAWSD staff wherein each staff member will have a role in implementing the Plan. Administrative and field staff will be briefed on the current situation and how their responsibilities and duties may be modified to achieve the demand reduction goal stated within each level of drought severity. At the outset of each drought stage, the District Manager shall provide PAWSD staff with a handout detailing the current drought stage and the water use restrictions therein to ensure everyone understands the details and all public communication is accurate and consistent.

7.5. ENFORCEMENT OF THE STAGED DROUGHT RESPONSE PLAN

PAWSD customers will be made aware of the current drought situation and any corresponding mandatory water use restrictions as described in Section 6.0. Repeated failure to comply with mandatory watering restrictions and/or watering days could result in PAWSD imposing penalties as specified in the District’s Rules and Regulations. These violation charges will be added to the property

owner’s monthly water bill and if not paid in a timely manner, could result in the disconnection of service.

With each violation, it is the duty of the Customer Accounts Supervisor to notify the property owner in writing of the violation, the date of the occurrence, as well as any resulting fine. All notifications will be sent to the address on record.

Table 17 – Non-Compliance

| Non-Compliance Violations | Level 1 | Level 2 |
|---------------------------|----------------|--|
| | Voluntary | Low to Severe |
| First | Not Applicable | Written warning and Water Conservation Level Notification Sheet delivered. |
| Second | Not Applicable | \$100 fine, Water Conservation Level notification sheet delivered. |
| Third | Not Applicable | \$250 fine Water Conservation Level Notification Sheet delivered. |
| Fourth | Not Applicable | \$500 fine Water Conservation Level Notification Sheet delivered. |

NOTE: The fees for non-compliance are subject to change.

7.6. REVENUE IMPLICATIONS AND FINANCIAL BUDGETING PLAN

It is commonly understood that a reduction in water demand is generally followed by a reduction in revenue. It is also true that there is a relationship between price and demand in that as the price increases, the demand generally decreases. Considering this, PAWSD may impose a drought surcharge or modified rate structure to accomplish two things –

1. Reduce water demand.
2. Ensure financial stability during times of decreased water deliveries.

It is PAWSD’s goal to avoid undue hardship or unfair restrictions upon those already working to conserve water. For this reason, each residential water customer will be allowed up to 5,000 gallons per month (per EU) before the Stage 1 multiplier is implemented and 4,000 gallons per month (per EU) tier rate increases for subsequent stages (surcharge will apply as applicable). Commercial water users will not be assessed tier multipliers until the District goes into a Level 3 or 4 drought stage. At that time commercial users will be allowed up to 6,000 gallons per month (per EU) free of tier rate

increases related to drought stage (surcharge will apply). A customer who uses above those volumes within a billing period will be subject to structured water rate increases as detailed below.

Table 18 – Drought Surcharge/Water Rate Adjustment (Residential)

| Gallons/EU | Voluntary | Level 1 | Level 2 | Level 3 | Level 4 |
|------------|-----------|------------------------------|---------------------------|---|---|
| 0 - 4000 | n/a | n/a | n/a | surcharge | surcharge |
| 4,001 + | n/a | 1.25x standard tier rate fee | 2x standard tier rate fee | surcharge and 3x standard tier rate fee | surcharge and 4x standard tier rate fee |

Table 19 – Drought Surcharge/Water Rate Adjustment (Commercial)

| Gallons/EU | Voluntary | Level 1 | Level 2 | Level 3 | Level 4 |
|------------|-----------|---------|---------|---|------------------------------------|
| 0 - 6,000 | n/a | n/a | n/a | surcharge | surcharge |
| 6,001 + | n/a | n/a | n/a | surcharge and 2x standard tier rate fee | surcharge and 3x standard rate fee |

The tier rate multipliers will be implemented starting on the first day of the new billing cycle after the board votes to enter a drought stage. The watering schedule will be implemented immediately upon the board vote. When the board votes to go out of a drought stage the rate multiplier will end at the beginning of the current billing cycle.

The surcharge is calculated to recoup lost water sales for Drought Stages 3 and 4. As previously stated Drought Stage 3 and 4 have a goal of reducing water production by 40% and 50%. The surcharge has been calculated by taking the average water sales for 2024 and 2025 then multiplying by the reduction goals of 40% and 50% and dividing by the average number of EU’s for 2024 and 2025 and then dividing by 12.

Table 20 – Non-Compliance

| Drought Stage | Surcharge |
|---------------|-----------|
| 3 | \$20.98 |
| 4 | \$26.23 |

Financial incentive for water conservation

Voluntary: Standard rate structure applies. No surcharge will be added.

Level 1 - Low: Standard rate structure applies with no surcharge, however non-compliance penalties will apply.

Level 2 - Moderate: The standard rate structure applies per 1,000 gallons of use up to 4,000 gallons (per EU) for residential. Two times the standard rate structure will apply to gallons used over 4,000 gallons (per EU) residential. A multiplier will not be applied to commercial accounts. No surcharge will be added. Non-compliance penalties will apply to residential and commercial.

Level 3 - Serious: Surcharges will be added to both residential and commercial accounts. Three times the standard rate structure will apply to the gallons used in excess of 4,000 (per EU) residential. Two times the standard rate structure will apply the gallons used in excess of 6,000 (per EU) gallons for commercial or non-residential within a single billing period. Non-compliance penalties will apply to residential and commercial.

Level 4 - Severe: Four times the standard rate structure will apply to the gallons used in excess of 4,000 (per EU) residential. Three times the standard rate structure will apply the gallons used in excess of 6,000 (per EU) gallons for commercial or non-residential within a single billing period. The Drought Surcharge remains in place. Non-compliance penalties will apply to residential and commercial.

Businesses wherein the control of water use is not regulated by the owner (i.e., Hotels, Car Washes, etc.) may appeal to PAWSD for a reduction or waiver of drought surcharge increases so long as the business can show that it is doing everything within its power to encourage water conservation at all levels.

The funding to implement, monitor, and manage the numerous components of the Drought Management Plan will come from the PAWSD general fund for operations. It is not anticipated that revenue shortfalls due to the effectiveness of community water demand reductions during a time of drought should ever result in permanent water rate increases.

7.7. MONITORING OF PLAN EFFECTIVENESS

Should the Drought Management Plan be employed in a time of water scarcity, the overall effectiveness of the Plan will be gauged by whether the demand reduction goals were achieved. This will be determined by comparing the most current monthly water sold to historic averages from the same month. The public outreach and clear and timely messaging are the key components to ensure community support. PAWSD is committed to ensuring that all customers will be well informed of the drought stage, the accompanying water use restrictions, the demand reduction goal, and why these steps are necessary.

Under the direction of the District Manager, following a drought event where water use restrictions were mandated, PAWSD will host a public forum to solicit comments to gauge the perception of the overall effectiveness of the plan and the way in which it was employed. Community feedback from this meeting will be used to strengthen the Plan.

8. FORMAL PLAN APPROVAL AND UPDATES

8.1. PUBLIC REVIEW PROCESS

A drought committee consisting of district residential and commercial customers along with District Staff and Board members was formed to aid in the development of this plan. The committee reviewed and commented on the Drought Management Plan on April 6, 2026. Recommendations to the plan by the committee were provided to the PAWSD Board on the April 9, 2026, Regular Meeting.

The draft Drought Management Plan was available to the public from the PAWSD website (www.pawsd.org), PAWSD office and at the public hearing.

8.2. ADOPTION OF RESOLUTION AND OFFICIAL AGREEMENTS

It is the sole responsibility of the PAWSD Board of Directors to declare a drought wherein the elements of the Drought Management Plan will begin to take effect.

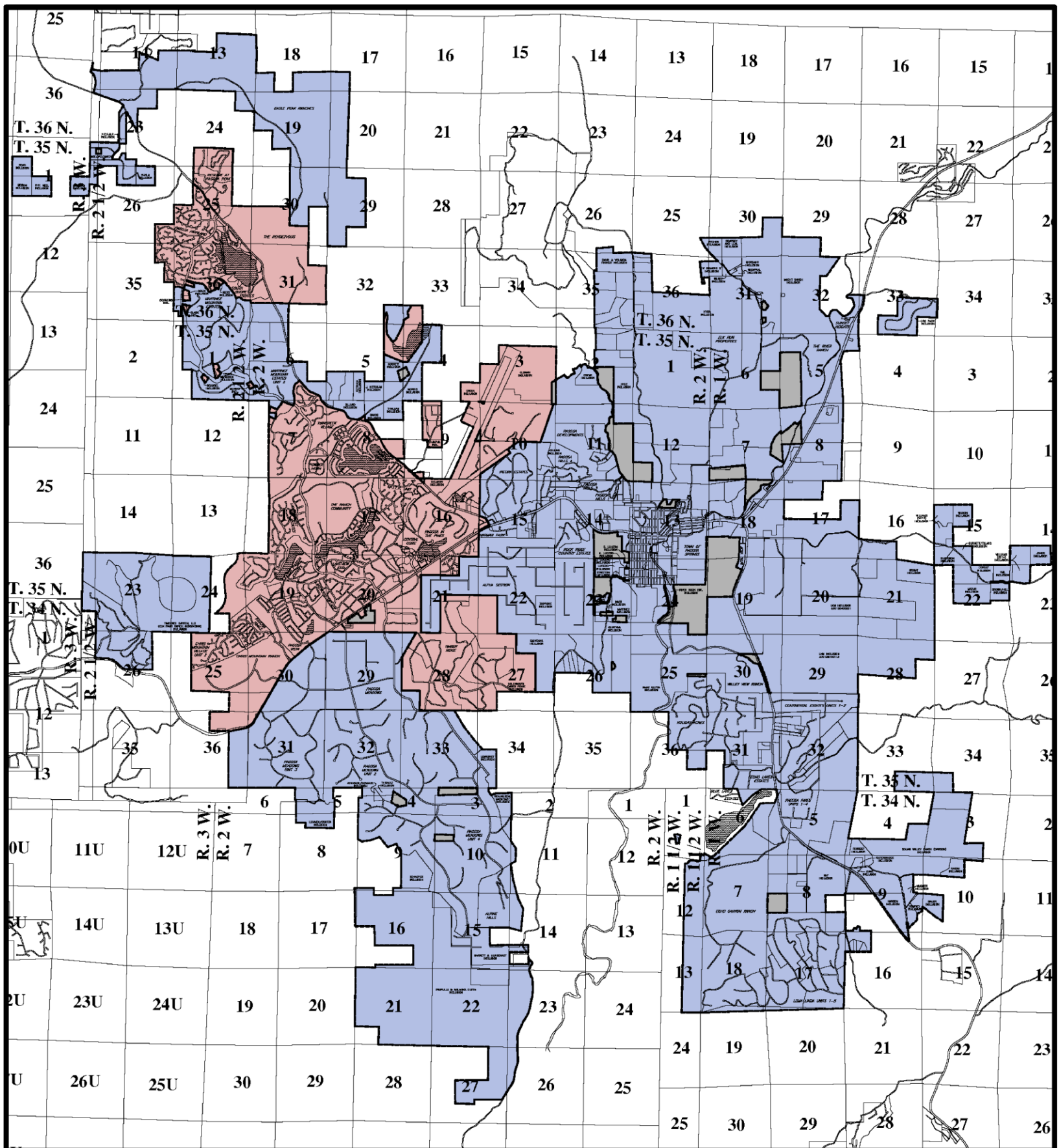
8.3. DROUGHT MANAGEMENT PLAN APPROVAL

The PAWSD 2020 Drought Management Plan was approved by the Board of Directors on May 17, 2020. Per the Plan requirements, a review of the 2020 plan was conducted by the Drought Management Plan Committee on April 6, 2026. The District Board approved recommended revisions to the plan on the April 9, 2026, Regular Board Meeting.

8.4. PERIODIC REVIEW AND UPDATE

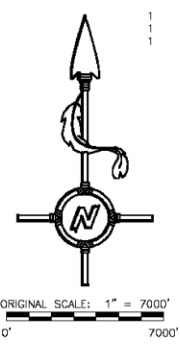
This Plan is scheduled to be revisited and updated every five years or with major changes to the Districts water system with the next scheduled revision to occur in 2031. Should a drought event occur, and elements of the Plan put into place, an update would follow based upon the monitoring objectives laid out in Section 8.7.

APPENDIX A
Service Area



| YEAR ADDED | INCLUSION NAME | EQUIVALENT UNITS | YEAR ADDED | INCLUSION NAME | EQUIVALENT UNITS | YEAR ADDED | INCLUSION NAME | EQUIVALENT UNITS | YEAR ADDED | INCLUSION NAME | EQUIVALENT UNITS |
|------------|--|------------------|------------|--|------------------|------------|--|------------------|------------|---|------------------|
| 1994 | Beaugureau & MacKenzie | 2 | | Lucero | 1 | 2004 | Hurne Society of Pagosa Springs | 2 | 2014 | Vall Jones | 1 |
| | Echo Canyon Ranch | 25 | | Stratton | 1 | | Hockett | 1 | | Williams | 1 |
| | Clorman | 20 | | Frazier (Valley View Ranch, Tr. 1) | 1 | 2005 | Jimmy Lucero | 2 | | Log Park | 42 |
| | Collins | 2 | | Victory Mgmt. (Valley View Ranch, Tr. 2) | 2 | | Bernardo Lucero | 1 | 2016 | Schabel (Wastewater Mtz. Mtn. 2, Lot 1) | 1 |
| | Dempsey & Laal | 2 | | Clare (Valley View Ranch, Tr. 3) | 1 | | Madaline Lucero | 2 | 2017 | Brown/Hill | 1 |
| | Eagle Peak Ranches | 12 | | Frazier (Valley View Ranch, Tr. 4) | 1 | | Knudson (Wastewater Lot 59 Mtz. Mtn.) | 1 | 2018 | Rizzo (Wastewater Mtz. Mtn., Lot 103) | 1 |
| | Giordano | 1 | | Brown (Valley View Ranch, Tr. 5) | 2 | 2006 | Dillard (Wastewater for 2 lot subdivision) | 2 | | | |
| | P. & M. Gupta | 4 | | Pond | 1 | | Knudson (Wastewater Lot 59 Mtz. Mtn.) | 1 | 2018 | Zappone | 1 |
| | R. Gupta | 13 | | Gibson | 1 | 2007 | Thibault (Portion Lot 266X Meadows 4) | 0 | | Black (Wastewater Mtz. Mtn. Lot 54) | 1 |
| | Hyde | 19 | | Phy. Med. (Barker) | 1 | | Hurne Soc. of P.S. (2 add. W & WW) | 2 | | LKM, Ltd. (for 570129100115) | 1 |
| | Quintana | 10 | 1998 | Tholman | 2 | 2010 | Cecka Family Living Trust | 1 | 2020 | Murray (Wastewater Mtz. Mtn. 2 Lot 11) | 1 |
| | Wisley | 1 | | Ketchum | 2 | | N.C.F.R.P., Inc. (Wildflower, Lot 45) | 1 | | Scoggins (Wastewater Mtz. Mtn. Lot 56) | 1 |
| 1995 | Martinez | 1 | | Colorado's Timber Ridge (Machock) | 260 | 2012 | Blackmon | 1 | 2022 | J. Ketchum | 1 |
| | Sands | 1 | | Belmar | 14 | | Mazzur | 1 | | Tyson/Murdoch (W.W. Mtz. Mtn. Lot 20X) | 1 |
| 1996 | Alpine Hills Subdivision | 12 | | Moas | 1 | 2013 | Corley | 1 | | W Diamond X | 1 |
| | Dawson | 23 | 1999 | Macht Ranch | 2 | | Soriat | 1 | | | |
| | Farrest | 4 | | Timbered Canyon, LLC (Elk Park) | 119 | | Williams | 2 | | | |
| | Leske | 2 | | David and Yolanda Parker | 4 | | Wilson | 1 | | | |
| | Mazz | 3 | | | | | Burnett/Toland | 1 | | | |
| | Outerbridge | 1 | 2002 | Lunnen/Carter (Hidden Meadows) | 5 | | | | | | |
| | Schaeper | 2 | | Atkinson/Donhart | 0 | | | | | | |
| 1997 | Ray | 6 | | Wienpahl | 1 | | | | | | |
| | Wagner | 3 | | Hansen | 0 | | | | | | |
| | Dillard | 3 | 2003 | Lamasney | 1 | | | | | | |
| | Downey | 1 | | Payne | 1 | | | | | | |
| | Bauer | 1 | | Morris | 1 | | | | | | |
| | Wildflower Sub. (ex. lots 27, 35, 42-45) | 45 | | | | | | | | | |
| | Kukla | 1 | | | | | | | | | |
| | Teisman | 1 | | | | | | | | | |
| | The River Ranch (S.J.R.E., LLC) | 8 | | | | | | | | | |

P.A.W.S.D.
PAGOSA AREA WATER AND SANITATION DISTRICT



- INCLUDED IN DISTRICT WATER AND SEWER SERVICE
- INCLUDED IN DISTRICT WATER SERVICE ONLY
- EXCLUDED FROM DISTRICT

MAP OF
PAGOSA AREA WATER AND SANITATION DISTRICT
ARCHULETA COUNTY, COLORADO

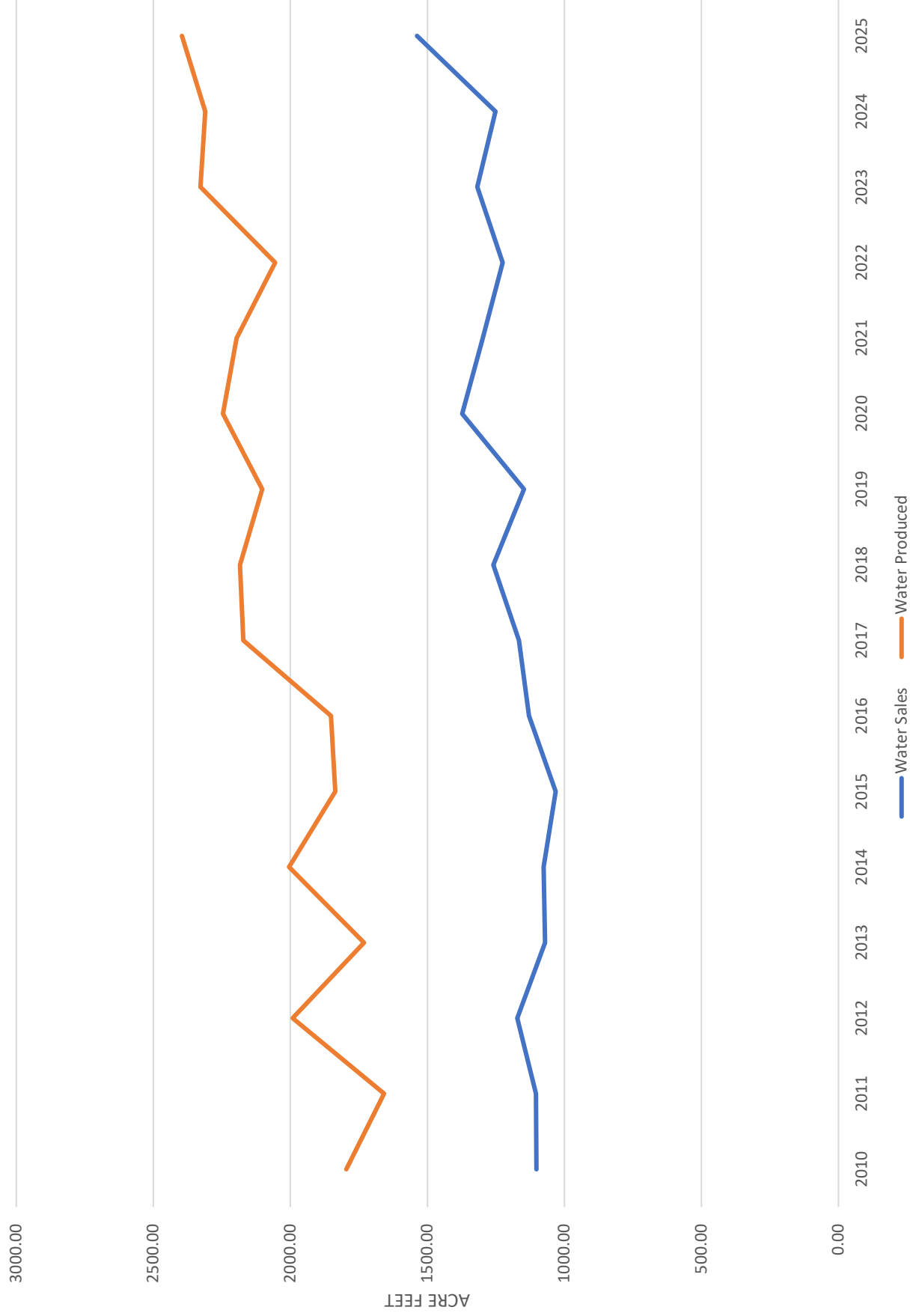
PREPARED BY
DAVIS ENGINEERING SERVICE, INC.
188 S. 8th STREET - P.O. BOX 1208
PAGOSA SPRINGS, COLORADO 81147

REVISED JANUARY 25, 2023

APPNDIX B
Source Water
Map

APPENDIX C
Water Treatment
Plant Production
And Raw Water
Sales

Water Sold vs. Produced (AF)



APPENDIX D
2026 Firm Yield

Appendix D – 2026 Firm Yield Report

Existing Capacity Operation

| | | AF | Summer/MGD |
|------------------|-----------|----------|------------|
| Water Production | | | |
| | Treated | 2,396.64 | 2.63 |
| | Raw | 523.70 | 1.41 |
| | TOTAL | 2,920.34 | 4.04 |
| Usable Storage | | | |
| | Hatcher | 880.0 | |
| | Stevens | 1,730.0 | |
| | Pagosa | 920.0 | |
| | Village | 228.0 | |
| | Forest | 269.0 | |
| | TOTAL | 4,027.0 | |
| Diversions | | | Summer/MGD |
| | West Fork | 1194 | 0.57 |
| | Main Stem | 934 | 1.78 |
| | Four Mile | 301 | 2.28 |
| | TOTAL | 2,430 | 4.63 |

- Note(s):
1. Summer flows are typically 3 X average flows.
 2. The San Juan WTP ran from May 8 to October 26, that is what was used for summer flows
 3. Table based on 2025 flows.

Snowball pipeline and treatment plant are used to supply the District area from Putt Hill through town and down Highway 84 to Loma Linda. During the drought of 2002 the supply provided to the treatment plant from the West Fork Diversion was approximately 720 AF. The demand in this area is approximately 573 AF so there is adequate supply for current demand. It is assumed that no water from the Hatcher or San Juan WTP is necessary to meet this areas demand.

Fourmile Creek flow is diverted into the Dutton Ditch Pipeline whenever in priority. During the winter much of the Fourmile creek flow is contained in snow and ice, in the summer months a call on the river by senior water right holders stop all diversions into the Dutton Pipeline. Thus, PAWSD has access to average flows in the Dutton Ditch of approximately 1.5 cfs for an average of seven months per year

Flows in the Dutton Pipeline are first delivered to Hatcher Reservoir. Once Hatcher is full the flows can be totally or partially diverted to Stevens Reservoir.

Hatcher Reservoir and treatment plant are used first to meet demands, then if the demand exceeds the treatment plant capacity or the reservoir is low, then San Juan treatment plant can treat water from the

San Juan Diversion and pump station can move San Juan water to Village Lake, Lake Forest or directly to the treatment plant.

The San Juan Water Treatment Plant can operate year-round but cost constraints minimize the use of the plant for peaking only.

In addition to flows from the San Juan Diversion as described above, Lake Forest is also fed from the chain of upstream reservoirs of Village Lake, Lake Pagosa and Stevens Reservoir.

The water rights at the San Juan diversion are complicated but generally are:

- a. A 6.5 cfs senior water right but the decree limits PAWSD to 105 AF per year.
- b. A 0.8 cfs conditional right. The 0.8 priority date is equal to a competing Alpine Cascade water right located about one mile downstream.
- c. A 12.0 cfs conditional fill right. This right is for storage in the river intake Forebay, Lake Forest, Village Lake, Pinon Lake, Lake Pagosa, Martinez Dam, Stevens Reservoir and Hatcher Reservoir. Currently this right can only be conveyed to Lake Forest and Village Lake. This right is decreed for municipal and other purposes.
- d. A 12.0 cfs conditional fill right. This right is for storage in the river intake Forebay, Lake Forest, Village Lake, Pinon Lake, Lake Pagosa, Martinez Dam, Stevens Reservoir and Hatcher Reservoir. Currently this right can only be conveyed to Lake Forest and Village Lake. This right is decreed for recreational purposes.
- e. A 1.52 cfs senior water right.
- f. A 15.06 cfs conditional right.
- g. Current pumping limitations allow for approximately 4 cfs.

PAWSD is contracted to provide the Golf Course with an annual guarantee of 300-acre feet of water.

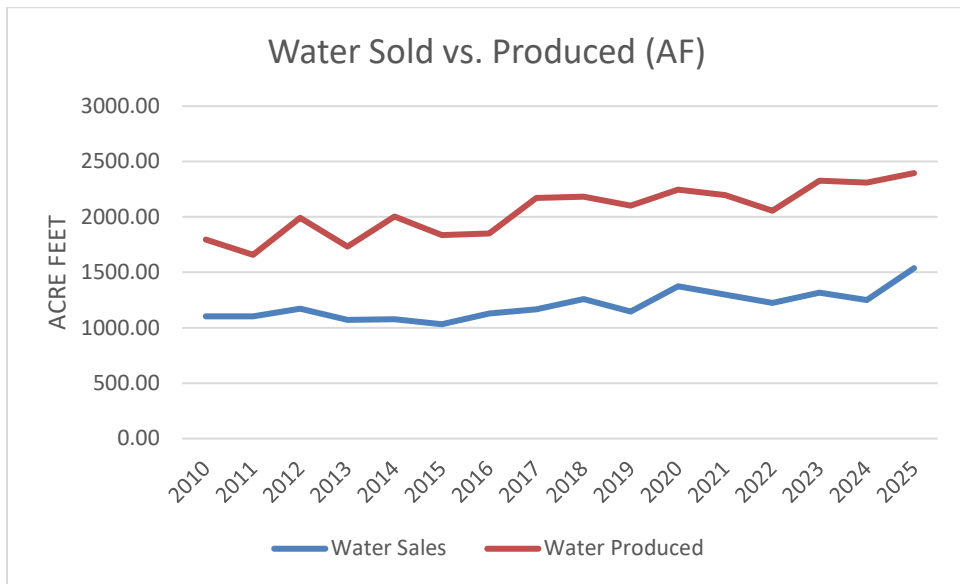
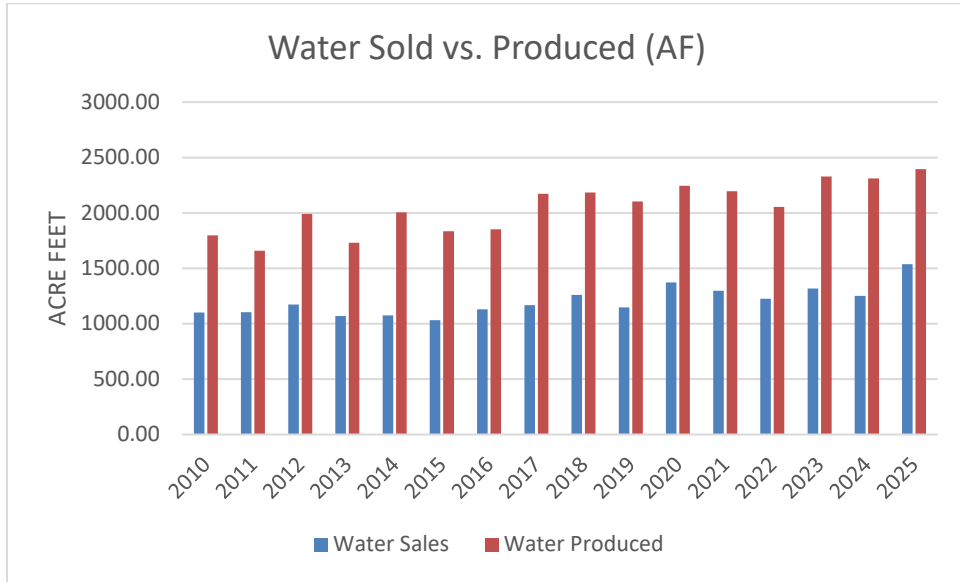
Multiple condominium communities and single-family homes located on the banks of the reservoirs use raw water for irrigation.

Reservoir evaporation is not included in this report.

Hatcher reservoir has a usable capacity of 880-acre feet. In 2025 1,455-acre feet of water was diverted from Fourmile creek into Hatcher or Stevens reservoirs. In 2025 the Hatcher plant generated 1,277-acre feet of water. Stevens Reservoir could provide 1,730-acre feet of water to Hatcher if a pipeline and pump station were developed. Between the two reservoirs they could provide approximately 2,610-acre feet or two years' worth of flow needs.

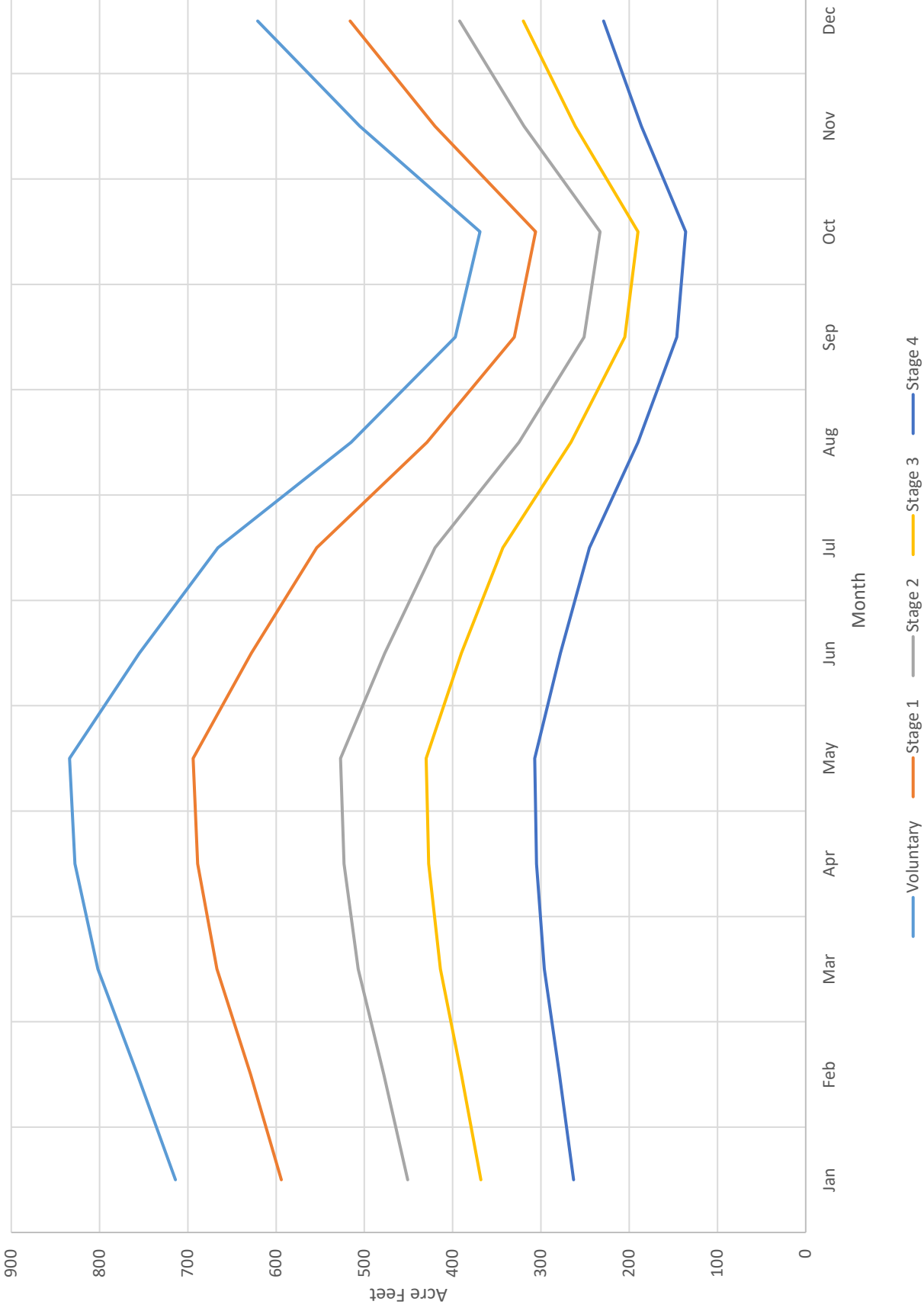
It should be noted that as water levels in reservoirs drop the quality of the water drops. This decrease in water quality impacts the efficiency of treatment facilities, reducing the actual treated volume from the treatment plants as well as increasing the cost per gallon. There is also an esthetic degradation as lake levels drop with lake shore receding from surrounding residences and existing boat docks and public access points.

Water production has increased an average of 1.46% and water sales have increased an average of 1.82% between 2010 and 2025. This includes a steep increase between 2024 and 2025 which was likely caused by the drought conditions experienced in 2025.



APPENDIX E
Hatcher Drought
Trigger Stages

Hatcher Usable Volume Triggers



APPENDIX F
Media Release

Gene Tautges, President/Chairman
Alex Boehmer, Vice President/Treasurer
Bill Hudson, Secretary



Glenn Walsh, Director
Bruce Jones, Director

PRESS RELEASE

Due to current drought conditions and decreasing water supply levels, the Pagosa Area Water and Sanitation District (PAWSD) will begin implementation of Level ___ water use restrictions beginning _____.

Below is an abridged summary of the levels of water use restrictions. A full and detailed explanation of forthcoming water use restrictions will be mailed to all PAWSD customers. It is expected that all affected customers will become familiar with the requirements and employ the demand reduction mandates so as to preserve the current water supply. Copies of the PAWSD Drought Management Plan are available at the www.pawsd.org or at the PAWSD office located at 100 Lyn Avenue.

Voluntary – Drought conditions are such that PAWSD is encouraging customers to voluntarily reduce the amount of water they use. There are no mandatory water use restrictions in place. There will be no modifications to the standard rate structure.

Level 1 – Low – Irrigation of landscapes may occur only from 6 pm to 9 am. Gardens (edible and ornamental) may be hand watered or watered through drip irrigation. Restaurants will serve water to customers only when requested. Hotels should only change bedding and wash towels during client turnover or upon request. Acts of water wastefulness are discouraged. The standard rate structure will increase by 1.25x for residential flows over 5,000.

Level 2 – Moderate – Includes all the water conservation measures found in Level Two with some modifications. Odd numbered addresses may irrigate on odd numbered calendar days while even numbered addresses may irrigate on even numbered days. Irrigation is permitted Monday through Fridays Only. Weekend watering is prohibited. The standard rate structure will increase by 2x for residential flows over 4,000.

Level 3 – Serious – Includes all of the water conservation measures found in Level 1 and 2 with some modifications. Irrigation is permitted on Mondays for even numbered addresses and Thursday for odd numbered addresses. The standard rate structure will increase by 2x for residential flows over 4,000 and commercial flows over 6,000 gallons. The addition of a drought surcharge of \$20.98 per equivalent unit (EU) shall be applied.

Level 4 – Severe – This is the most critical stage and includes all of the water conservation measures found in Level 3 with some modifications. Watering of landscapes which include trees, shrubs, vegetables, flowers, turf, lawn and sod is strictly prohibited. All non-essential uses of water is prohibited (i.e. car washing) except in cases of health and safety. The standard rate structure will increase by 3x for residential flows over 4,000 and commercial flows over 6,000 gallons. The drought surcharge will increase to \$26.23 per equivalent unit.

100 Lyn Avenue
Pagosa springs, Colorado 81147

www.pawsd.org

(970) 731-2691
FAX (970) 731-2693

APPENDIX G
Press Release

Gene Tautges, President/Chairman
Alex Boehmer, Vice President/Treasurer
Bill Hudson, Secretary



Glenn Walsh, Director
Bruce Jones, Director

MEMORANDUM

Below is the PAWSD Drought Stage Trigger worksheet.

Pagosa Area Water and Sanitation District
Drought Stage Trigger Points
Data Entry Sheet

| | | |
|-------------------------|---|---------------|
| Today's Date | : | 4/6/2026 |
| Date of SWE at 0" | : | NA |
| Four Mile Call: | : | NA |
| Early Drought Stage | = | |
| Hatcher Reservoir Level | : | 7,739.40 Feet |
| San Juan River Flow | : | 507.0 CFS |
| CO Drought Monitor | : | D3 |
| Drought Stage | = | Voluntary |

Hatcher reservoir is currently full, and the San Juan River is flowing at 507 cubic feet per second (CFS). The NOAA National Integrated Drought Information System has recently upgraded all of Archuleta County from Severe Drought to Extreme Drought. These conditions place us in the Voluntary Drought Stage. Drought conditions are such that PAWSD is encouraging customers to voluntarily reduce the amount of water they use. There are no mandatory water use restrictions in place.

The current Snow Water Equivalency (SWE) is 3.8", the median SWE on this day is 32.2". The recent snow in the upper watershed delayed the SWE from dropping to zero, however it is still likely

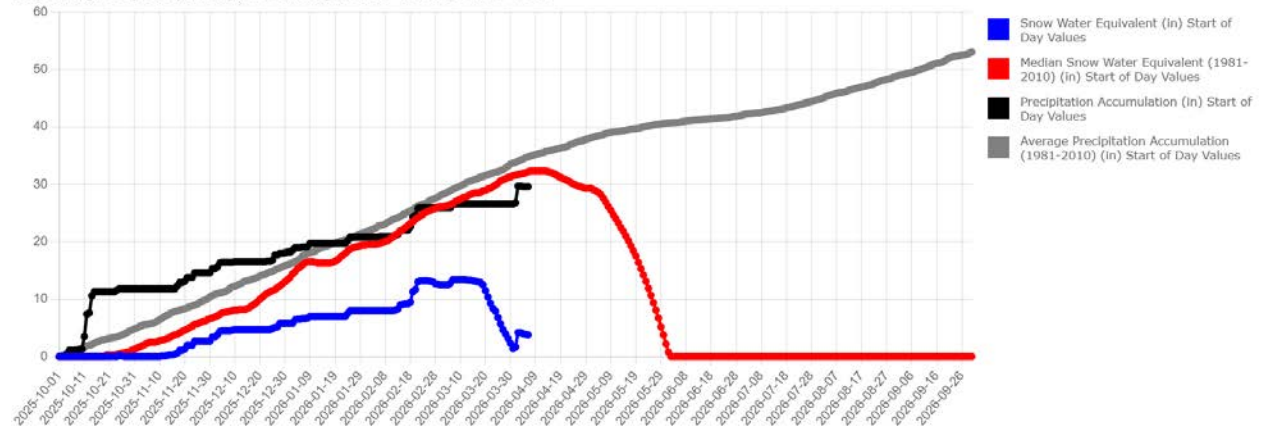
100 Lyn Avenue
Pagosa Springs, Colorado 81147

www.pawsd.org

(970) 731-2691

the SWE will drop to zero and the District will go into a higher level drought stage within the next two weeks. This is due to a very light snowpack this season and warmer than normal late winter and spring temperatures.

Upper San Juan (840) Colorado SNOTEL Site - 10140 ft
Reporting Frequency: Daily; Date Range: 2025-10-01 to 2026-09-30



The District greatly appreciates everyone’s continued diligence in conserving water. If you have any questions regarding the current Drought Management Plan, it can be found on the website at <https://www.pawsd.org/water-service/water-conservation/>.

**APPENDIX H
RPI Growth
Trends and
Projections**

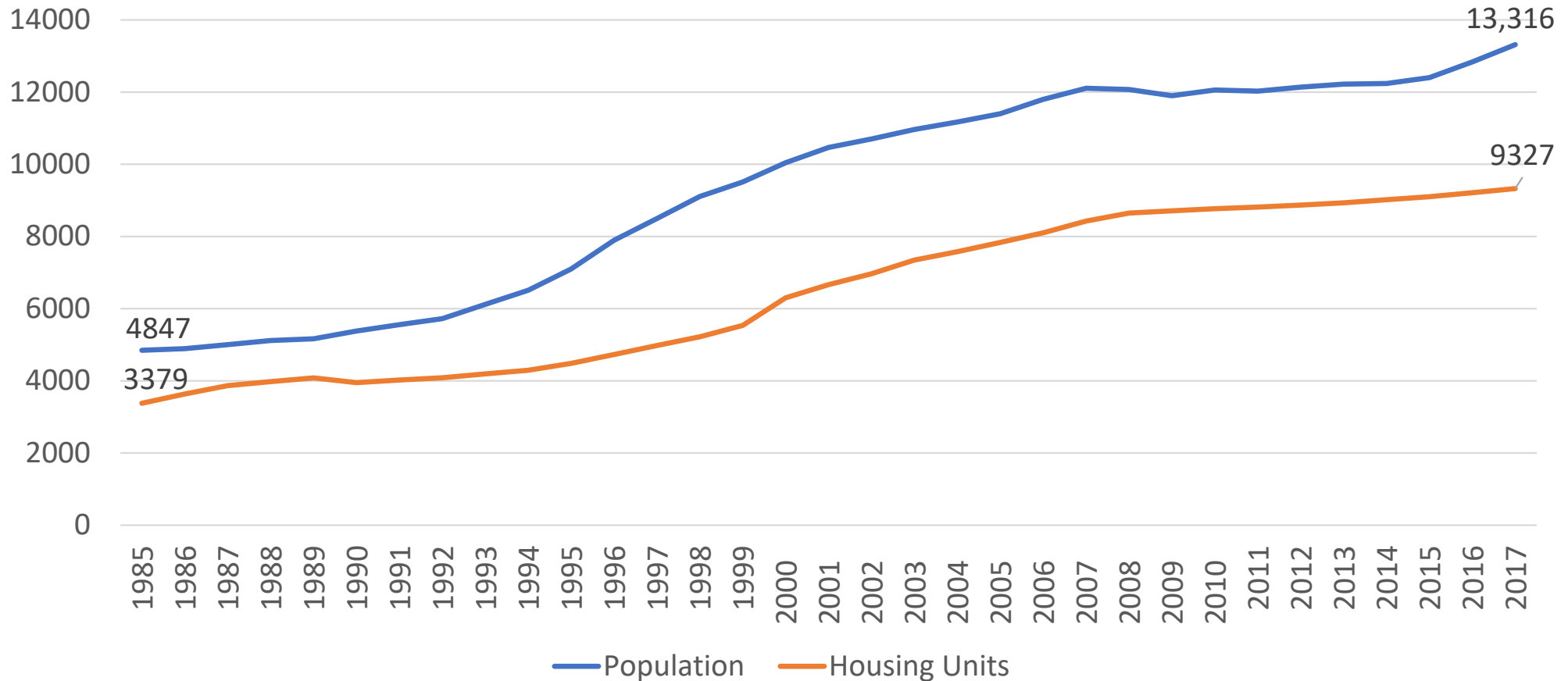
Growth Trends and Projections

Archuleta County Growing Water Smart

January 28, 2019



Archuleta County Housing Units & Population 1985 - 2017



Sources: US Census, DOLA

- Housing unit trend mirrors population trend
- Two periods of slowed growth (late 80s and 2008-2012)
- Almost 2 decades of high growth (1991-2008)
- Steady moderate growth since 2013

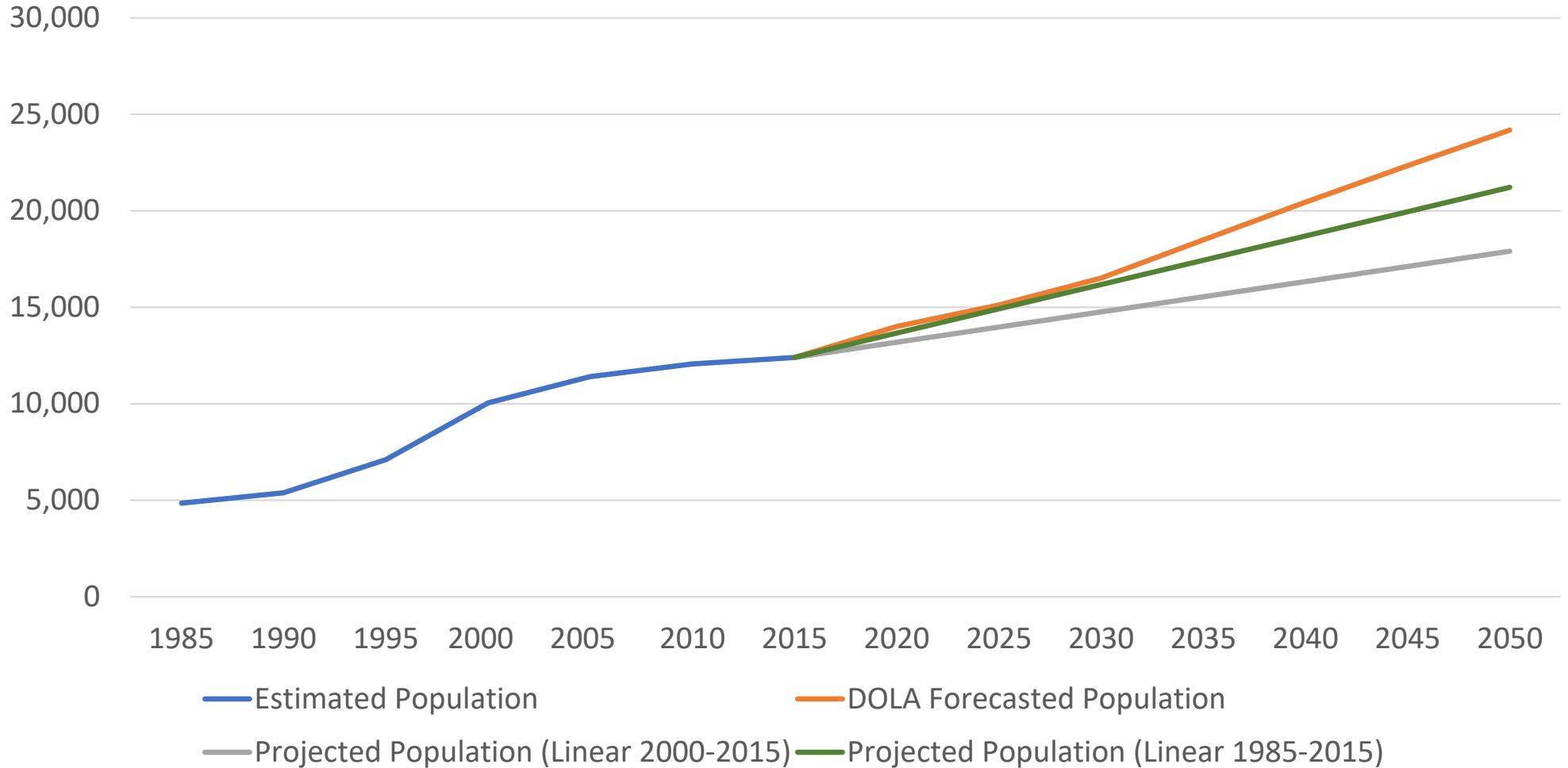
Rate of Change – Archuleta Housing Units and Population

| | 1985 | 1990 | 1995 | 2000 | 2005 | 2010 | 2015 | 2017 |
|--|-------|-------|-------|--------|--------|--------|--------|--------|
| Population | 4,847 | 5,382 | 7,098 | 10,042 | 11,402 | 12,060 | 12,401 | 13,316 |
| Average Annual Percent Change for 5 Year Period | | 2.21% | 6.38% | 8.30% | 2.71% | 1.15% | 0.57% | 3.69% |
| Housing Units | 3,379 | 3,951 | 4,483 | 6,302 | 7,836 | 8,772 | 9,100 | 9,327 |
| Average Annual Percent Change for 5 Year Period | | 3.39% | 2.69% | 8.12% | 4.87% | 2.39% | 0.75% | 1.25% |

Sources: US Census, DOLA

- Housing units grew faster than population 85-90, 2000-05, 2005-10
- Population grew faster than housing units 1990-1995, 2015-2017
- Total growth for both housing units and population since 1985 = 175%
- Trends suggest a cycle of residential construction and absorption.

Archuleta County Historic Population and Future Population



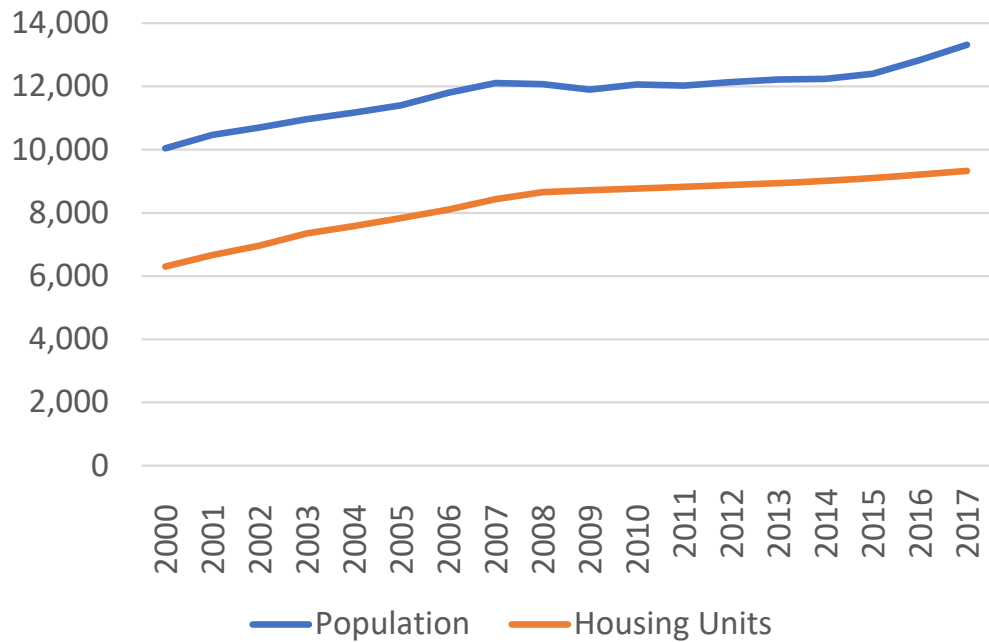
Sources: US Census, DOLA, RPI Projections

- DOLA forecasts exceed projected population based on 1985-2015, which include the unprecedented growth in the 1990s

2000 to Most Current: The Reference Period

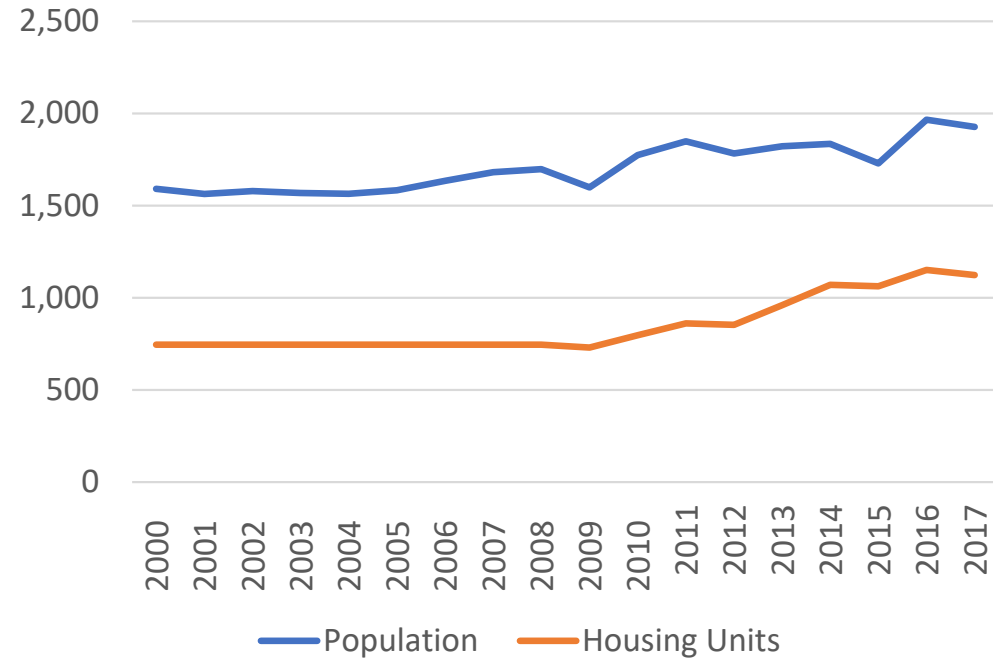
- 2000 to current had all the ingredients:
 - Dot com bust (2001)
 - 2000s growth
 - Great Recession
 - Recovery
- Recent history matters when projecting forward
- Recent data is more complete and accurate

Archuleta County Housing Units & Population (2000 - 2017)



Sources: US Census, DOLA

Town of Pagosa Springs (TOPS) Housing Units & Population (2000 - 2017)



| Indicator | Geography | Start Year | End Year | Start Value | End Value | Percent Change 2000 - 2017 | Average New Annually | Average Annual Change |
|---------------|------------------------|------------|----------|-------------|-----------|----------------------------|----------------------|-----------------------|
| Housing Units | Archuleta County | 2000 | 2017 | 6,302 | 9,327 | 48.00% | 178 | 2.82% |
| Housing Units | Town of Pagosa Springs | 2000 | 2017 | 746 | 1,124 | 50.67% | 22 | 2.98% |
| Population | Archuleta County | 2000 | 2017 | 10,042 | 13,316 | 32.60% | 193 | 1.92% |
| Population | Town of Pagosa Springs | 2000 | 2017 | 1,591 | 1,927 | 21.12% | 20 | 1.24% |

- Housing units grew more quickly than population 2000-2017 because of construction pace in 2000-2008.

Housing Occupancy Trends

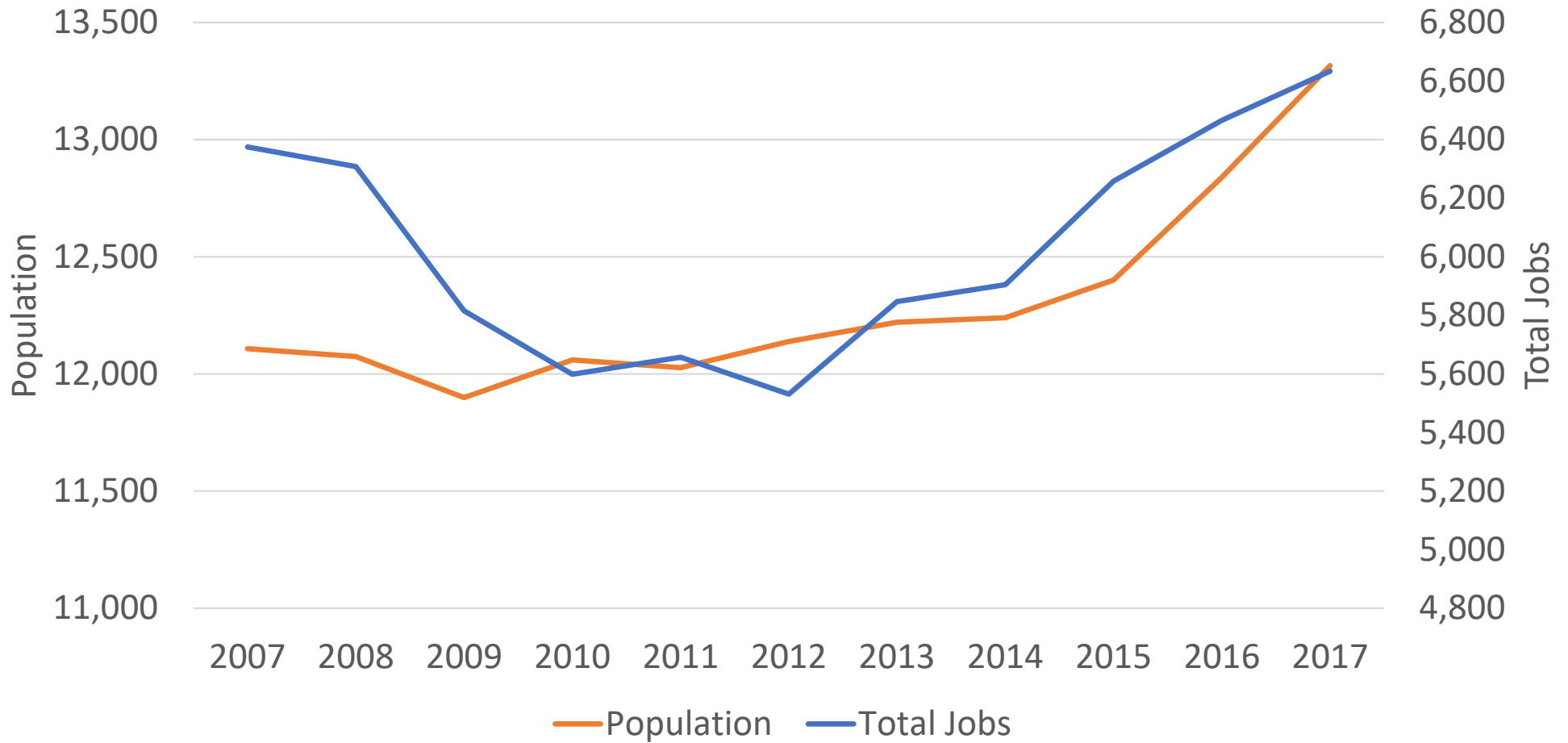
| Archuleta County Occupancy Status | 2000 | 2010 | 2012 | 2017 |
|--|-------------|-------------|-------------|-------------|
| Occupied | 3,980 | 5,267 | 4,536 | 5,553 |
| Vacant | 2,232 | 3,495 | 4,206 | 3,568 |
| Surveyed Housing Units | 6,212 | 8,762 | 8,742 | 9,121 |
| Percent Occupied | 64.07% | 60.11% | 51.89% | 60.88% |

| Archuleta County Average Household Size | 2000 | 2010 | 2012 | 2017 |
|--|-------------|-------------|-------------|-------------|
| Household Size (Total) | 2.47 | 2.27 | 2.64 | 2.24 |

Source: US Census

- Vacancy hovers around 40%, includes vacation homes
- Tight housing market in 2017 points towards vacation homes as most of the vacant units.
- Household size fell between 2000-2010 (decennial census).

Archuleta County Total Jobs & Population (2007 - 2017)

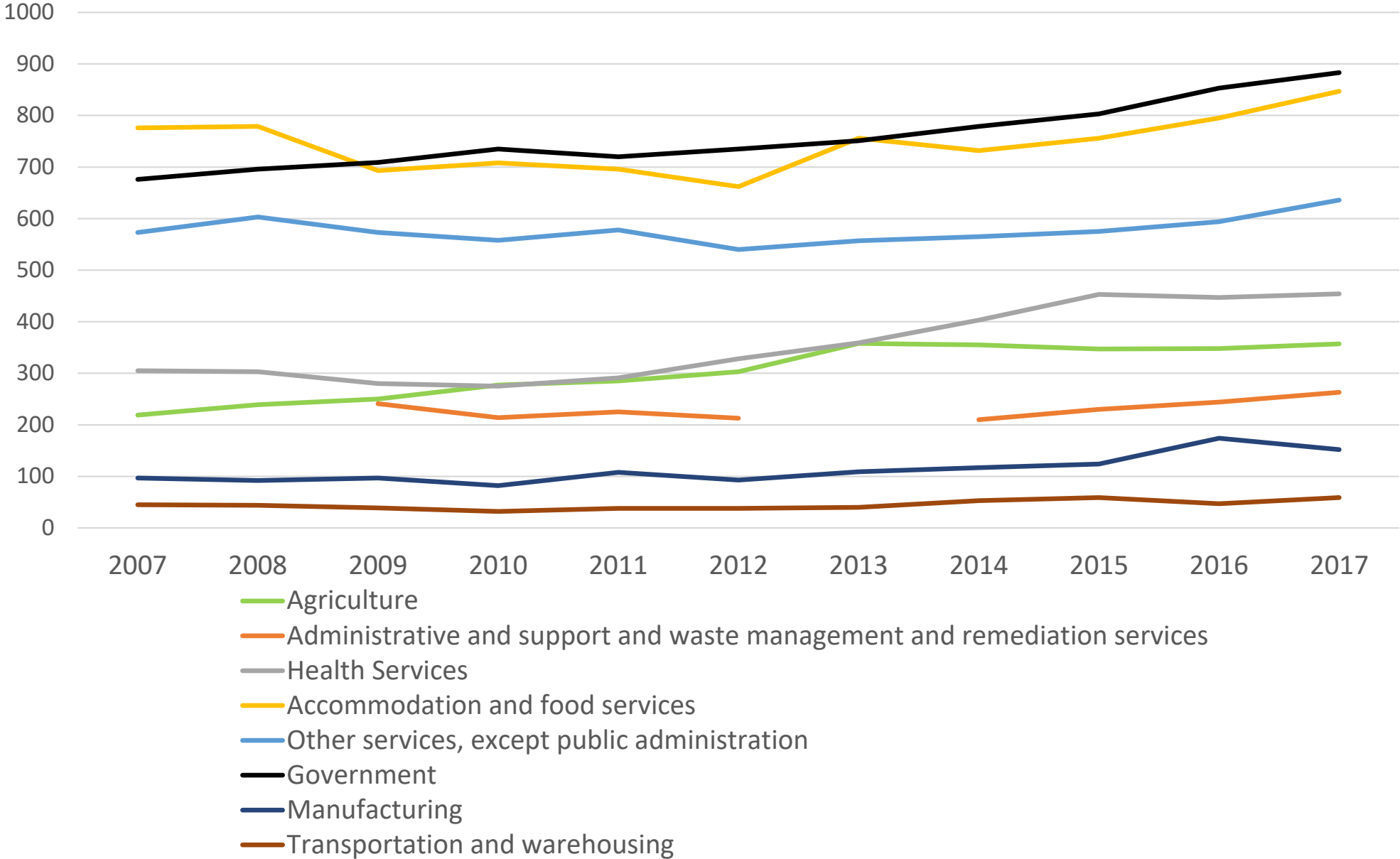


Source: DOLA

- Population has grown with jobs during recovery
- Population was in decline 2000-2011

Job Growth Prospects

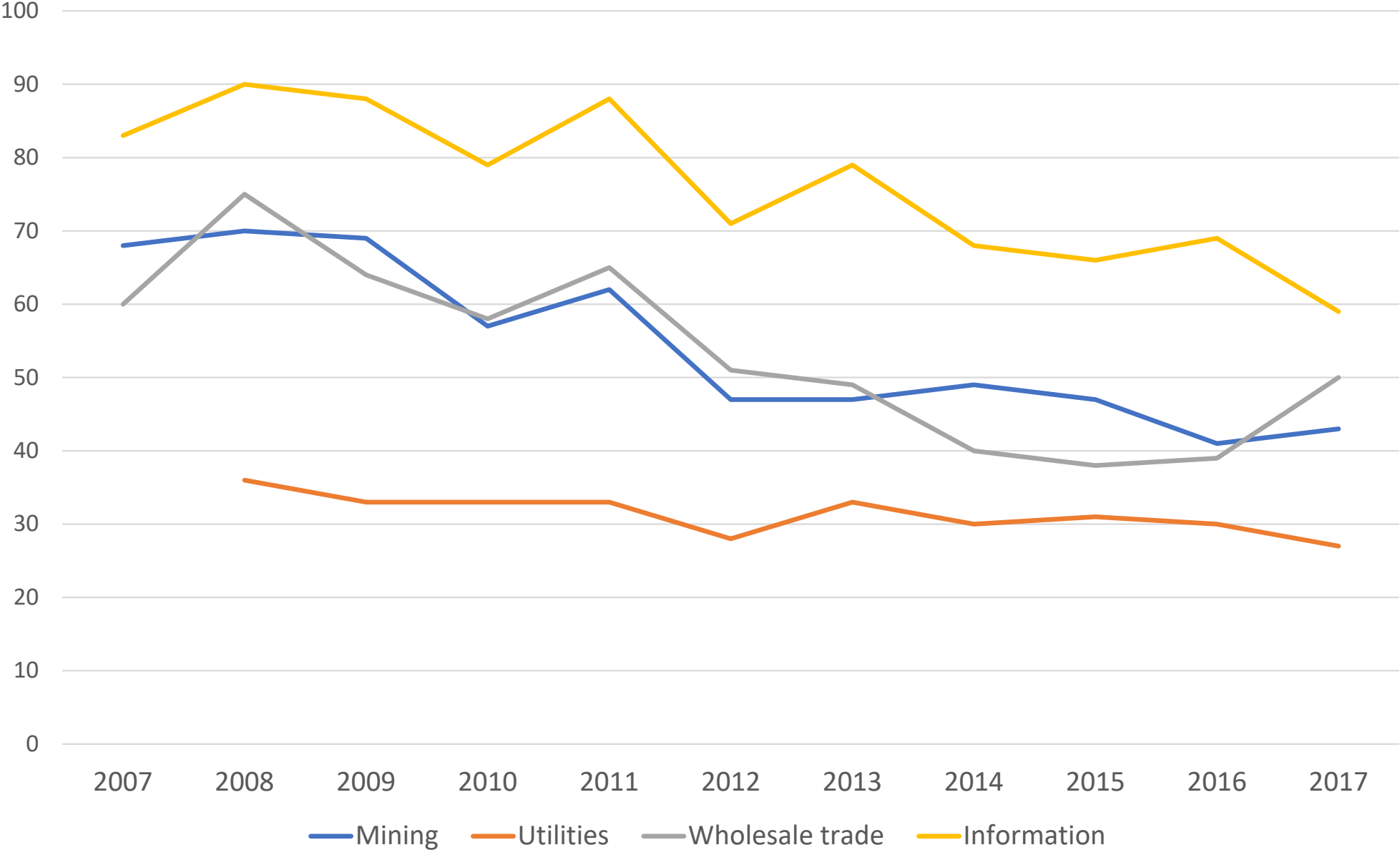
Archuleta County Growing Sectors



Source: US Bureau of Economic Analysis

Steady losses in smaller sectors

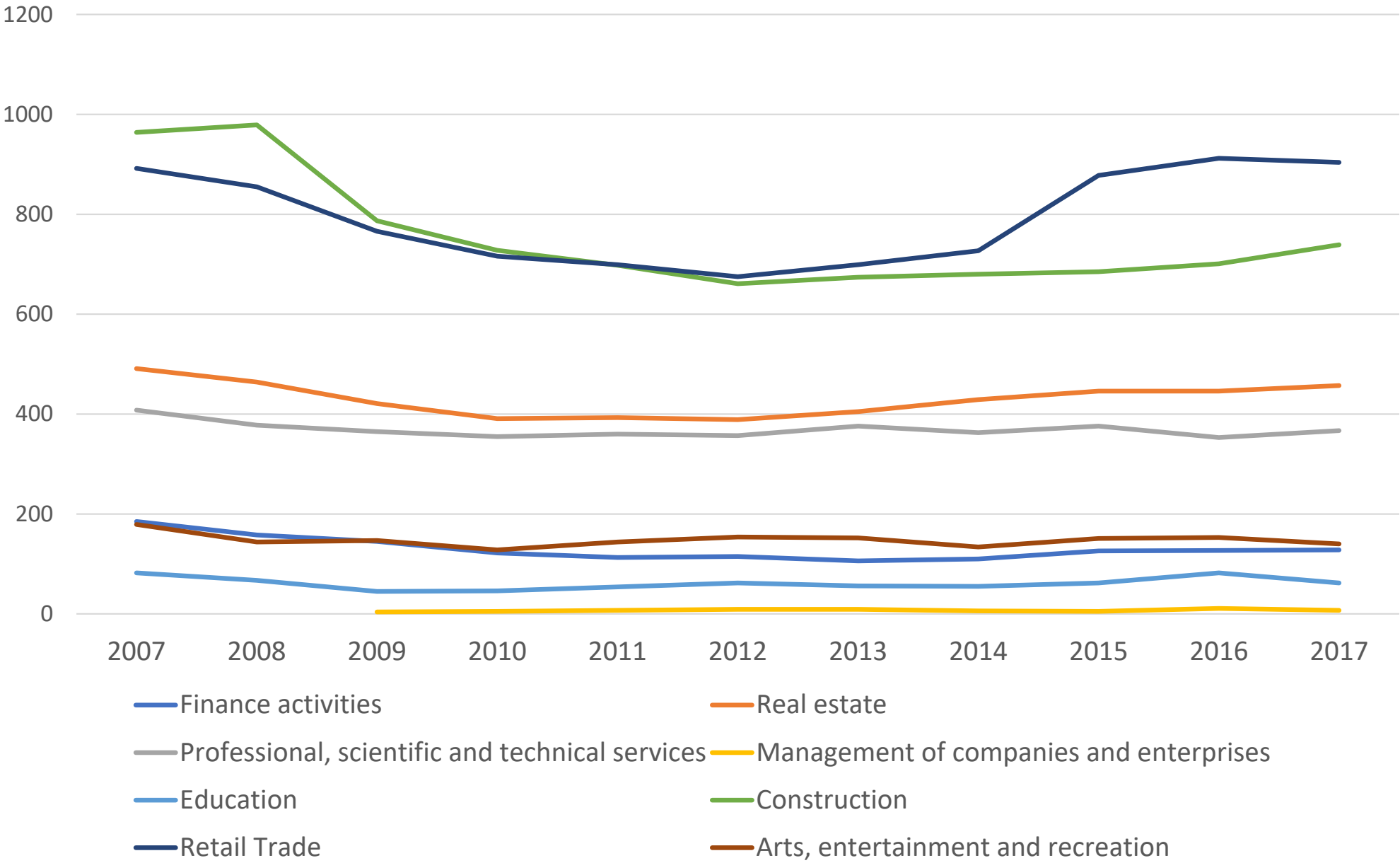
Archuleta County Declining Job Sectors



Source: US Bureau of Economic Analysis

Some key sectors are flat

Archuleta County Stagnant Job Sectors



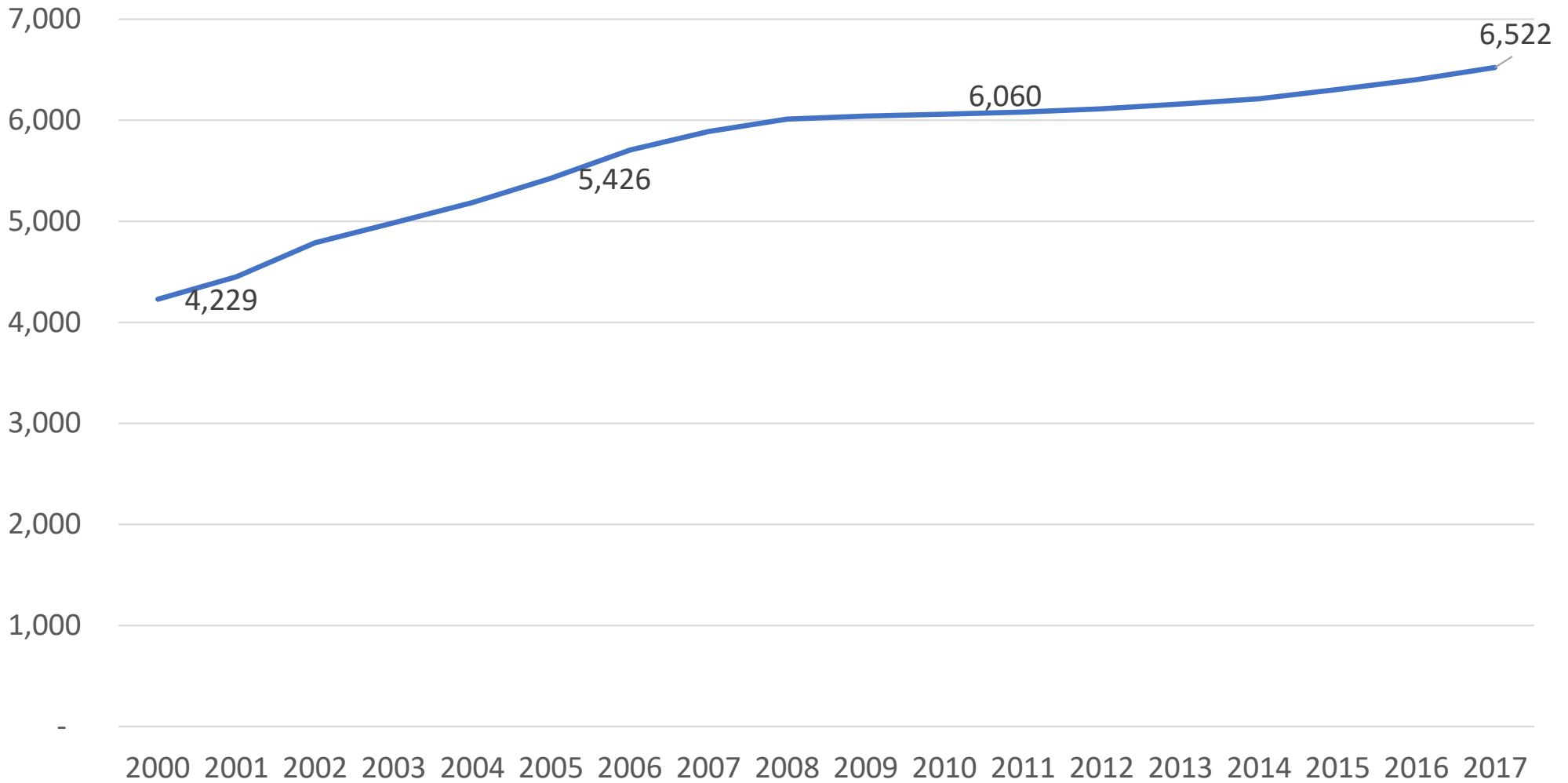
Source: US Bureau of Economic Analysis

What do we know so far?

- DOLA population forecasts > projections of past trends
- Growth–flat cycles, not boom-bust
- Cycles of housing construction and absorption
- Housing vacancy around 40% since 2000 \approx 2nd homes
- Jobs can go away but most people stay here
- Jobs and population grow concurrently
- Positive trend in some sectors, some key sectors flat

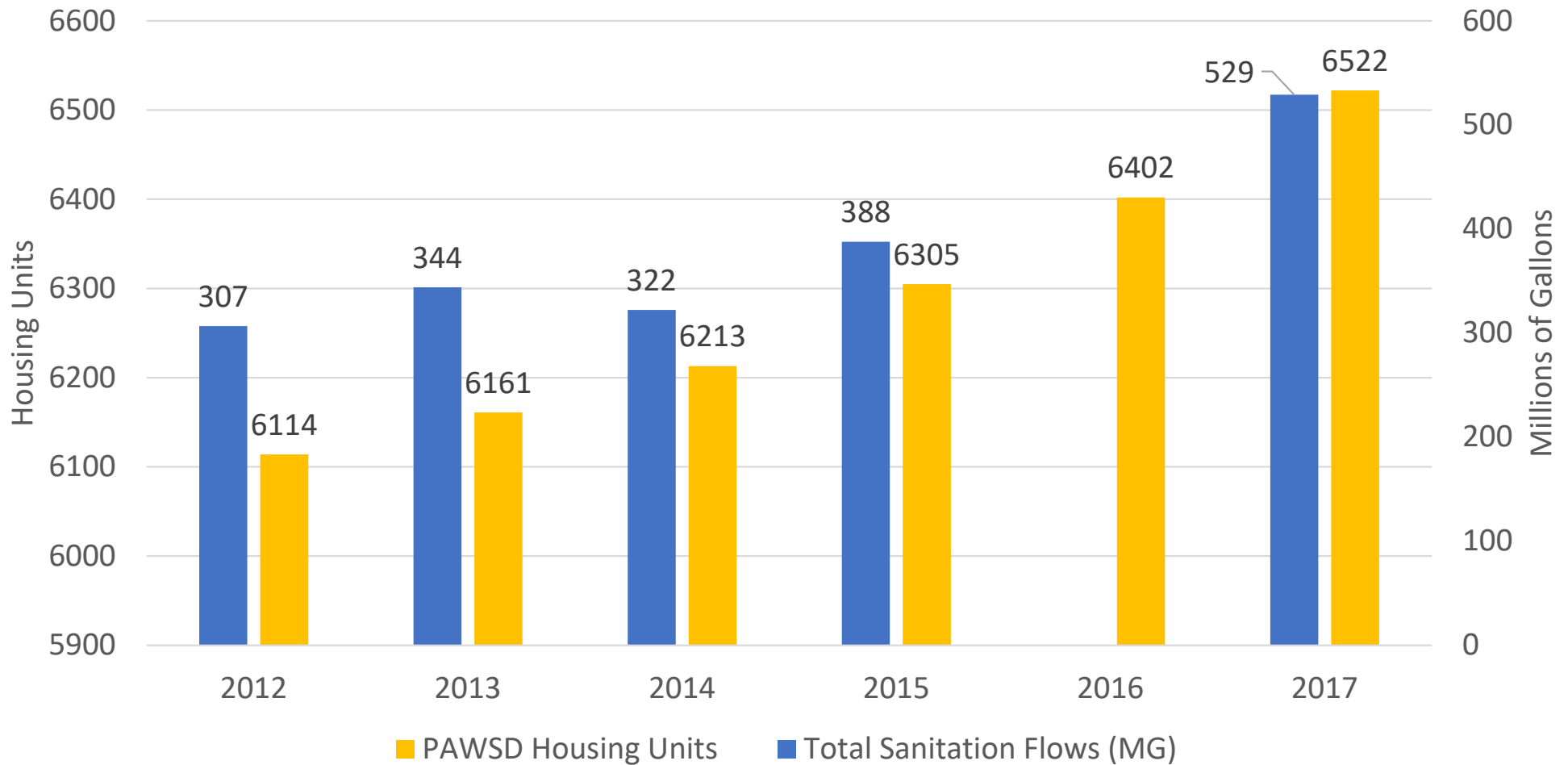
PAWSD & Town of Pagosa Springs (TOPS) Trend Analysis

PAWSD & TOPS Total Housing Units



Source: Archuleta County Assessor

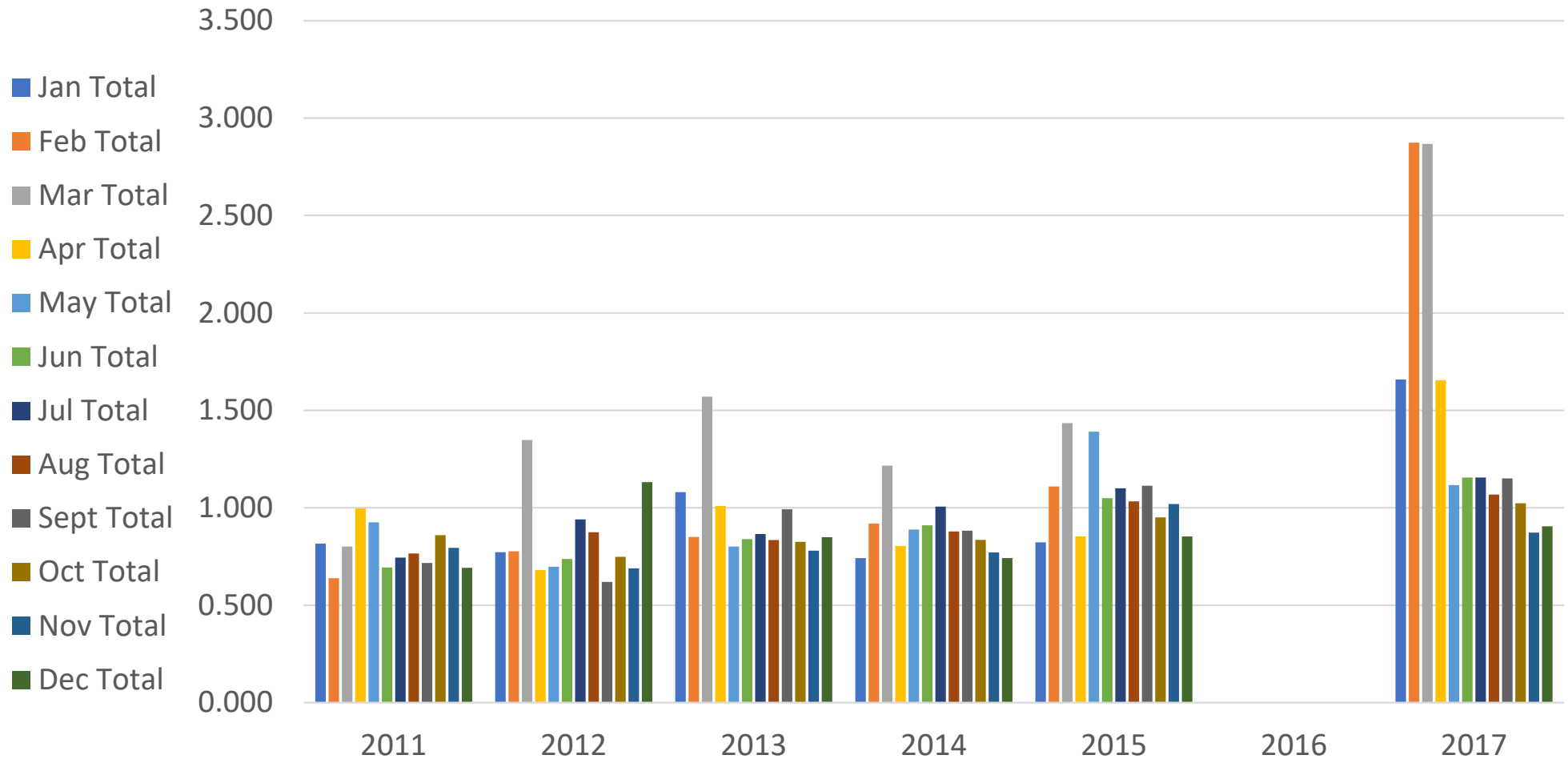
PAWSD & TOPS Sanitation Flows and PAWSD & TOPS Housing Units



Sources: Archuleta County Assessor, PAWSD, Town of Pagosa Springs

- Sanitation flows are an indicator of activity
- Housing units and flows have grown concurrently since 2014
- Includes both treatment plants, 2016 data incomplete
- Spike in 2017 sanitation flows is related to pumping activities

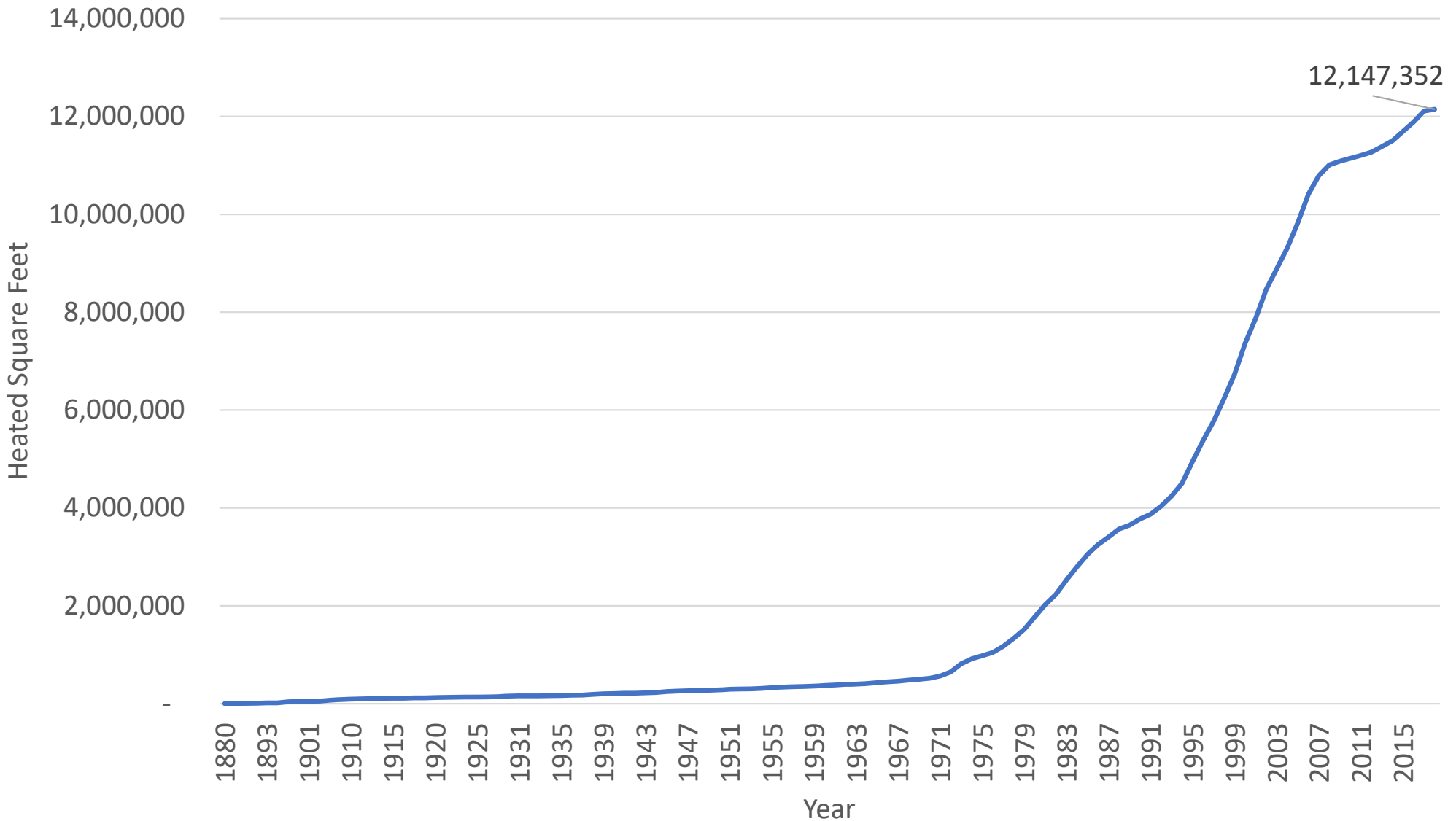
Monthly Sanitation Flows (MGD) PAWSD & TOPS



Sources: PAWSD, Town of Pagosa Springs

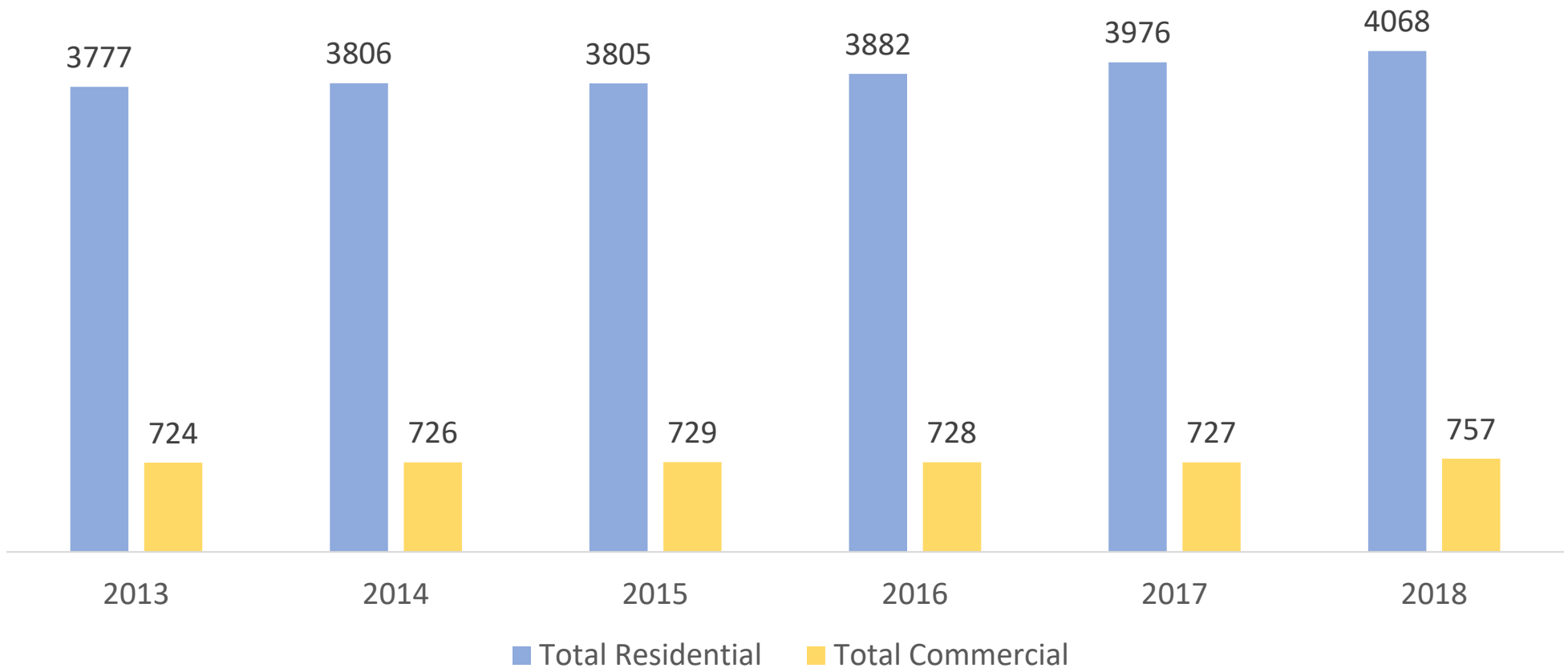
- Big spikes in early-mid spring likely infiltration.
- Obvious peak in July/August/September.
- Abnormally high infiltration/spike in Feb. and March 2017 due to pumping activities associated with pond maintenance

Cumulative Total Residential Square Feet – PAWSD & TOPS



Sources: Archuleta County Assessor

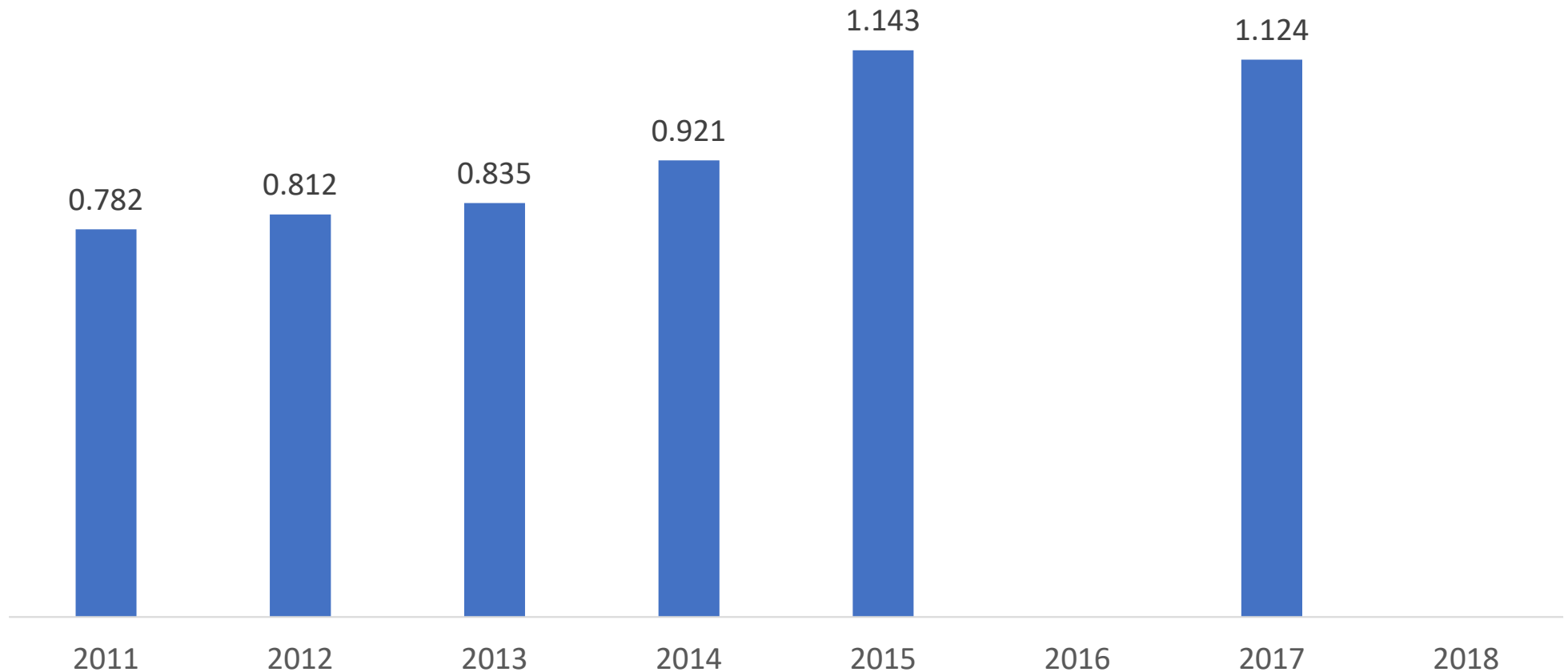
PAWSD & TOPS Total Sanitation Accounts by Type



Sources: PAWSD, Town of Pagosa Springs

- Modest increase in residential accounts
- Recent growth (2018) in previously flat commercial accounts
- All sanitation flows from TOPS register as 1 account

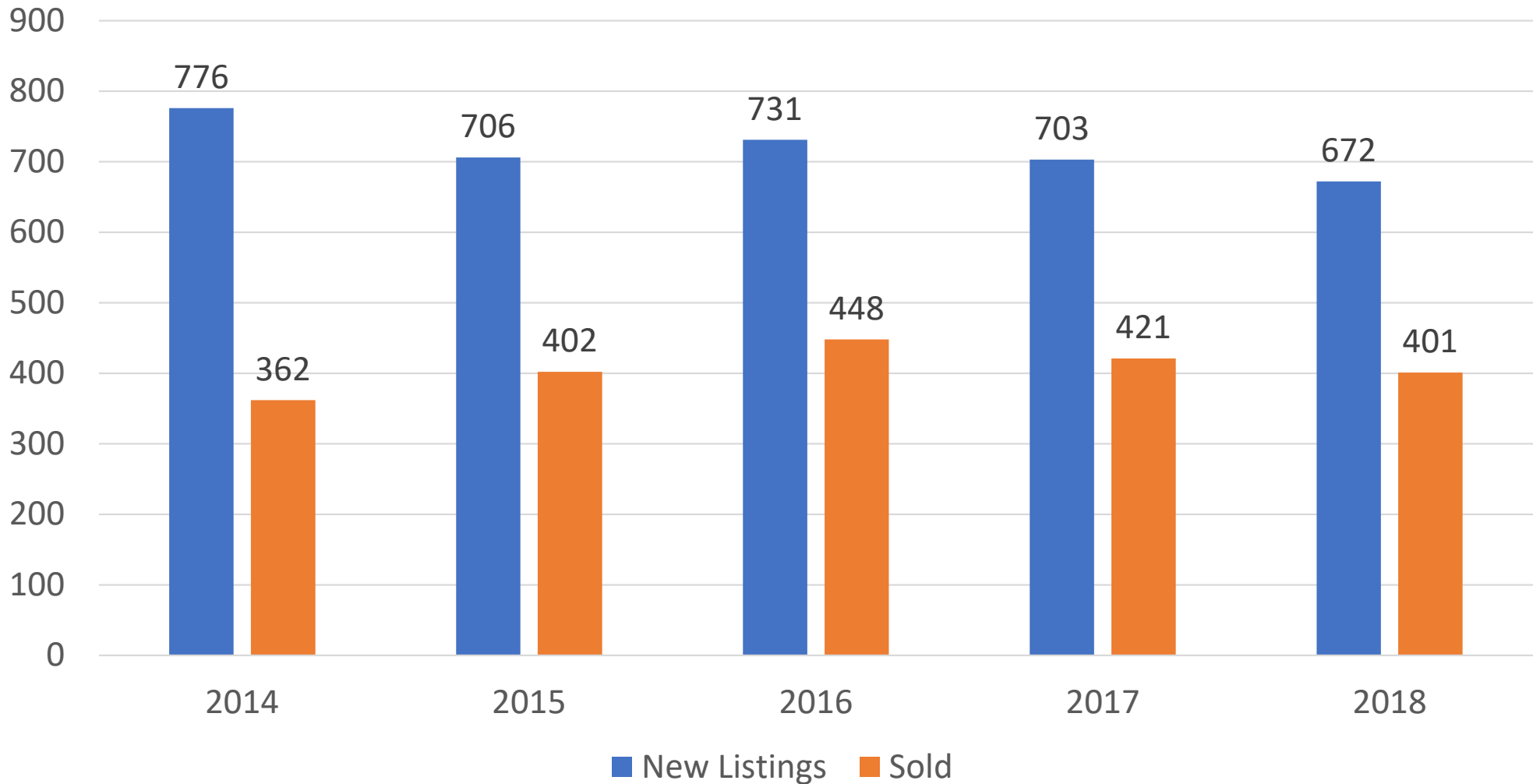
PAWSD & TOPS Peak Season Average Sanitation Flows (MGD, May - August)



Sources: PAWSD, Town of Pagosa Springs

- Peak season flows have steadily increased since 2011
- Peak season flows include less infiltration
- Peak season is a better indication of flow trends because infiltration and 2017 pumping activities are not included

Residential Listings and Sales – Archuleta County



Sources: Colorado Real Estate Network

- Listings and sales steady since 2014
- Indicates that supply is holding in the for sale market
- Downward trend for listings beginning in 2017?

PAWSD & TOPS Recent Trend Analysis

| Indicator | Geography | Start Year | End Year | Start Value | End Value | Percent Change 2012 - 2017 | Average New Annually | Average Annual Change |
|---|------------------|------------|----------|-------------|-----------|----------------------------|----------------------|-----------------------|
| Housing Units | PAWSD & TOPS | 2012 | 2017 | 6,114 | 6,522 | 6.7% | 82 | 1.3% |
| Sanitation Flows (Annual MG) | PAWSD & TOPS | 2012 | 2017 | 307 | 529 | 72.5% | 44 | 14.5% |
| Sanitation Flows (Peak Season MGD) | PAWSD & TOPS | 2012 | 2017 | 0.812 | 1.124 | 38.4% | 0.062 | 7.7% |
| Total Sanitation Accounts | PAWSD & TOPS | 2013 | 2017 | 4,501 | 4,703 | N/A | 50.5 | 1.1% |
| Jobs | Archuleta County | 2012 | 2017 | 5,531 | 6,634 | 19.9% | 221 | 4.0% |
| Total Personal Income | Archuleta County | 2012 | 2017 | 409,227 | 531,858 | 30.0% | 24,526 | 6.0% |
| Room Nights | Archuleta County | 2012 | 2017 | 41,754 | 66,680 | 59.7% | 4,985 | 11.9% |

Sources: Archuleta County Assessor, PAWSD, Town of Pagosa Springs, DOLA, US Census, Visit Pagosa Springs

- Increase in peak season sanitation flows (MGD) exceeds most indicators
- Sanitation accounts and housing units increasing at about the same rate
- Note- all sanitation flows from TOPS register as 1 sanitation account
- Existing housing units are being further activated/utilized

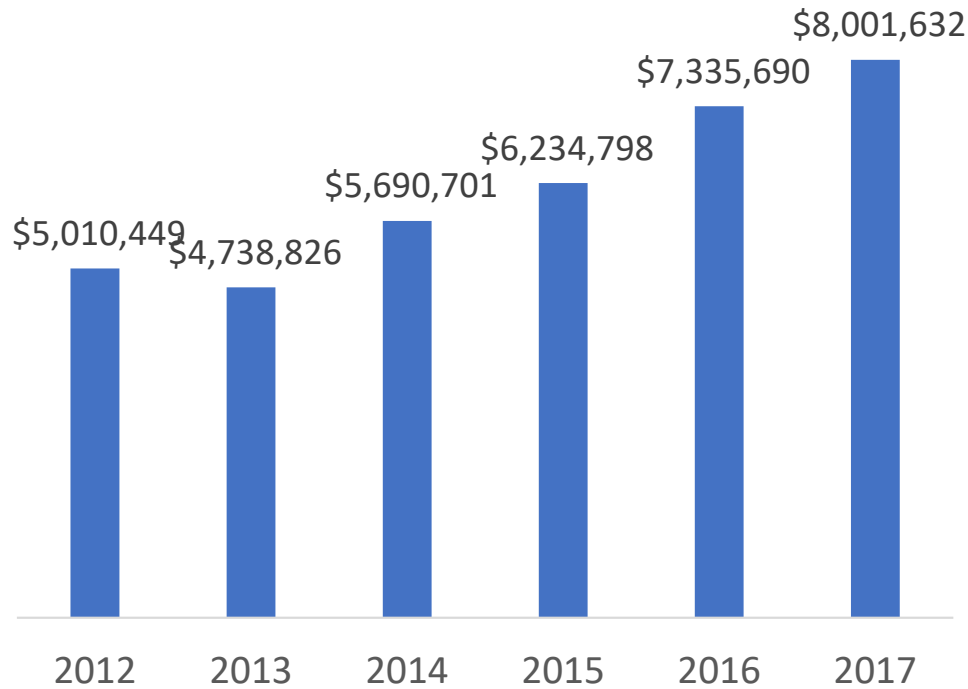
Estimated Lodging Units 2017

| | Town | Unincorporated County | Entire County |
|-------------------------|------|-----------------------|---------------|
| Hotel / Motel | 375 | 166 | 541 |
| B&B's | 0 | 19 | 19 |
| Cabins | 37 | 15 | 52 |
| Vacation Rentals | 100 | 500 | 600 |
| Total | 512 | 700 | 1,212 |

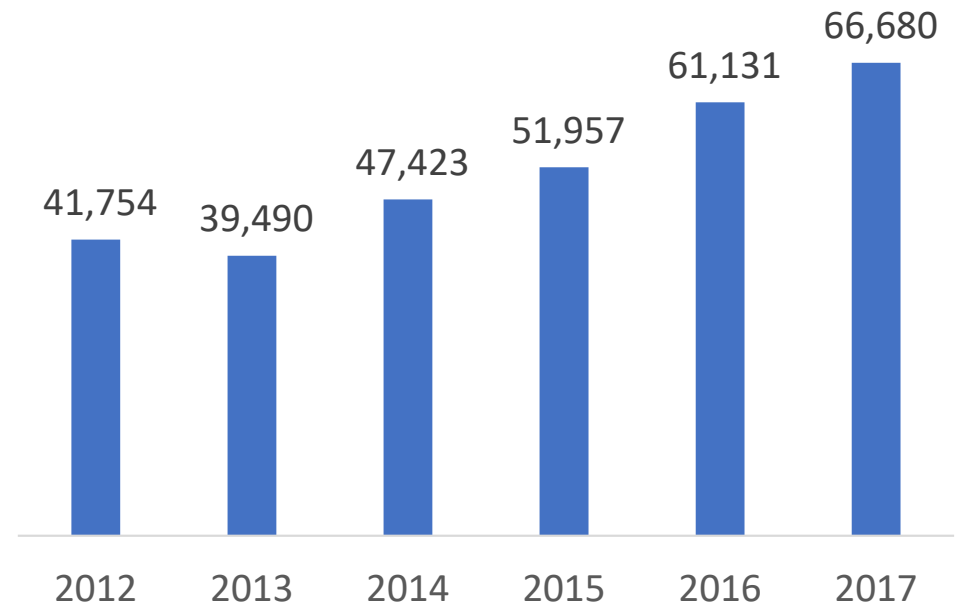
Sources: Pagosa Springs Area Tourism Board

- About 600 traditional lodging units, most are in TOPS
- Estimated 600 vacation rentals, most in the uninc. county.
- Assessor search showed no new lodging structures in recent years

Total Lodging Sales Archuleta County



Archuleta County Calculated Room Nights



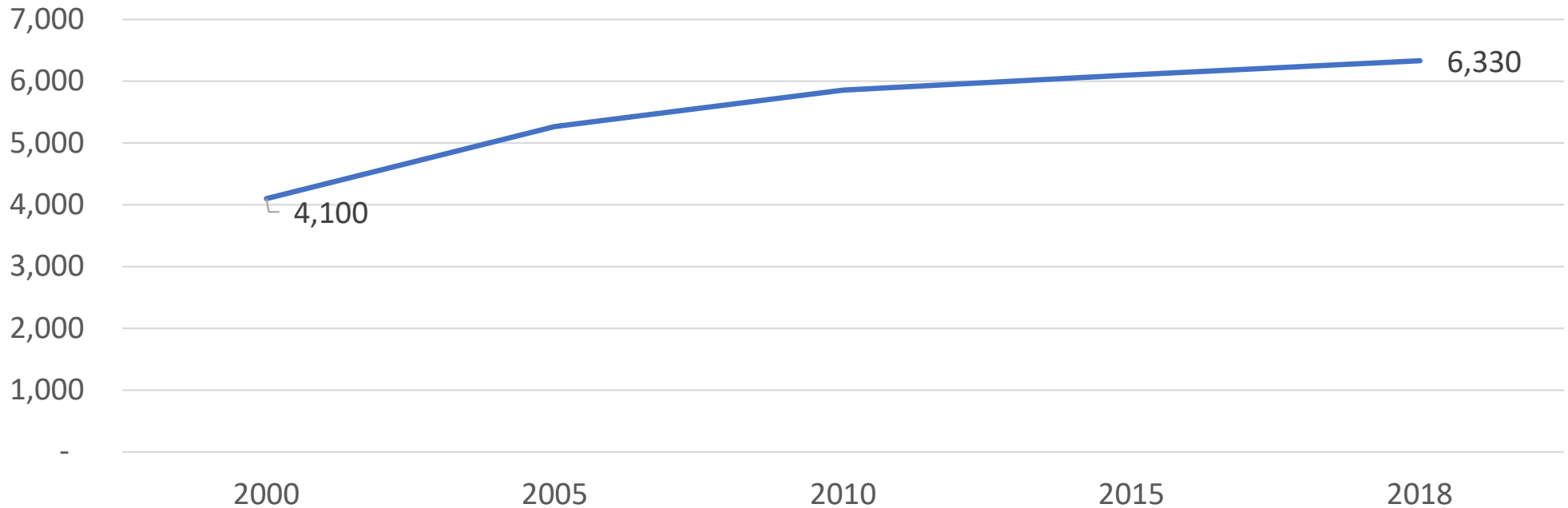
Sources: Pagosa Springs Area Tourism Board

- (Calculated) room nights increased 60% since 2012
- About 5,000 room nights added each year or approximately 9,000 overnight guest stays.
- Visitor's center sees over 80,000 guests each year
- Existing lodging base is being further activated, RBOs growing

Projection inputs and observations

- Trends during 2000-2017 make it a reasonable projection period
- PAWSD sanitation flows exceed housing unit growth 2012-2017
- County housing unit growth exceeded population growth 2000-2008
- Existing capacity in housing stock is being absorbed
- Room nights have grown far more than lodging base
- Visitors are filling existing lodging capacity, new capacity in RBOs
- County pop. and housing increased the same % between 1985-2017
- Occupancy rates remained stable between 2000-2017
- New PAWSD accounts 2013-2018 were mostly residential accounts
- All flows from TOPS register as one (1) sanitation account
- PAWSD & TOPS housing units = primary basis for growth projections

PAWSD & TOPS Residential Units



| Indicator | Geography | Start Year | End Year | Start Value | End Value | Percent Change for Period | Average New Annually |
|---------------|------------------------|------------|----------|-------------|-----------|---------------------------|----------------------|
| Population | Archuleta County | 1985 | 2017 | 4,847 | 13,316 | 174.73% | 265 |
| Housing Units | Archuleta County | 1985 | 2017 | 3,379 | 9,327 | 176.03% | 186 |
| Housing Units | Archuleta County | 2000 | 2017 | 6,302 | 9,327 | 48.00% | 178 |
| Housing Units | PAWSD | 2000 | 2018 | 4,100 | 6,330 | 54.39% | 124 |
| Housing Units | Town of Pagosa Springs | 2000 | 2017 | 746 | 1,124 | 50.67% | 22 |
| Population | Archuleta County | 2000 | 2017 | 10,042 | 13,316 | 32.60% | 193 |

Sources: Archuleta County Assessor, PAWSD, Town of Pagosa Springs, DOLA, US Census

- Housing unit growth in PAWSD & TOPS @ 124 units/year
- County housing units and PAWSD & TOPS units grew at similar rates

PAWSD & TOPS Housing Unit Projections

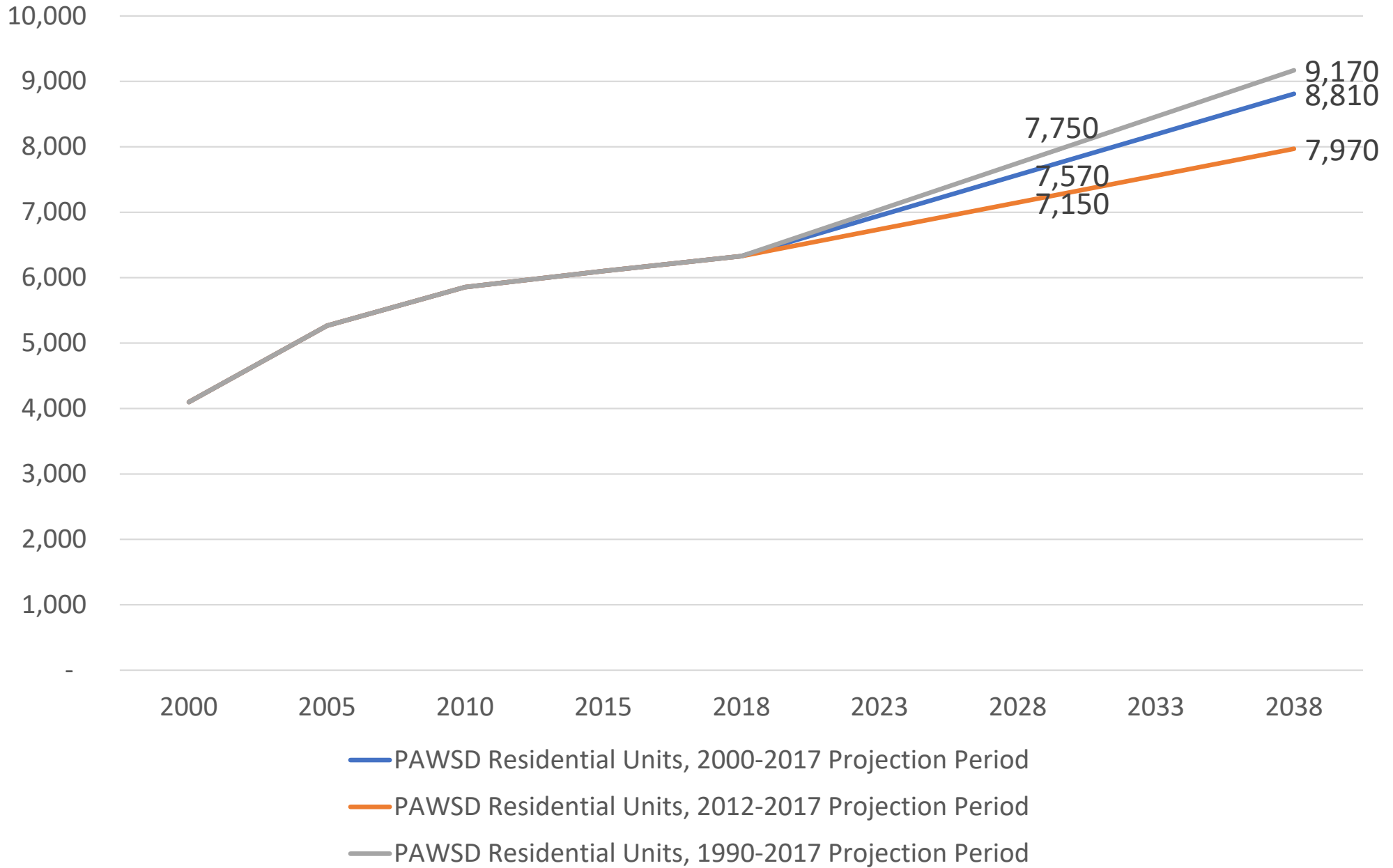
| Year | PAWSD Residential Units, 2000-2017 Projection Period | PAWSD Residential Units, 2012-2017 Projection Period | PAWSD Residential Units, 1990-2017 Projection Period |
|------------------------|--|--|--|
| 2000 | 4,100 | 4,100 | 4,100 |
| 2005 | 5,266 | 5,266 | 5,266 |
| 2010 | 5,856 | 5,856 | 5,856 |
| 2015 | 6,101 | 6,101 | 6,101 |
| 2018 | 6,330 | 6,330 | 6,330 |
| 2023 | 6,950 | 6,740 | 7,040 |
| 2028 | 7,570 | 7,150 | 7,750 |
| 2033 | 8,190 | 7,560 | 8,460 |
| 2038 | 8,810 | 7,970 | 9,170 |
| Projected New per Year | 124 | 82 | 141 |

| Projection Years | PAWSD Residential Units, 2000-2017 Projection Period | PAWSD Residential Units, 2012-2017 Projection Period | PAWSD Residential Units, 1990-2017 Projection Period |
|--------------------|--|--|--|
| % Change 2019-2023 | 10% | 6% | 11% |
| % Change 2024-2028 | 9% | 6% | 10% |
| % Change 2029-2033 | 8% | 6% | 9% |
| % Change 2034-2038 | 8% | 5% | 8% |

| Projection Years | PAWSD Residential Units, 2000-2017 Projection Period | PAWSD Residential Units, 2012-2017 Projection Period | PAWSD Residential Units, 1990-2017 Projection Period |
|-----------------------------------|--|--|--|
| % Average Annual Change 2019-2023 | 2.0% | 1.3% | 2.2% |
| % Average Annual Change 2024-2028 | 1.8% | 1.2% | 2.0% |
| % Average Annual Change 2029-2033 | 1.6% | 1.1% | 1.8% |
| % Average Annual Change 2034-2038 | 1.5% | 1.1% | 1.7% |

Sources: Archuleta County Assessor, PAWSD, Town of Pagosa Springs, DOLA, US Census

PAWSD & TOPS Housing Unit Projection Scenarios



Sources: Archuleta County Assessor

Comparing Forecasts and Projections

| Projection Years | PAWSD Residential Units, 2000-2017 Projection Period | PAWSD Residential Units, 2012-2017 Projection Period | Linear Projection of County Population 1985-2015 | Linear Projection of County Population 2000-2015 | DOLA County Population Forecasts |
|-----------------------------------|--|--|--|--|----------------------------------|
| % Average Annual Change 2016-2020 | 1.6% | 1.3% | 2.0% | 1.3% | 2.6% |
| % Average Annual Change 2021-2025 | 1.9% | 1.3% | 1.8% | 1.2% | 1.6% |
| % Average Annual Change 2026-2030 | 1.7% | 1.2% | 1.7% | 1.1% | 1.8% |
| % Average Annual Change 2031-2035 | 1.6% | 1.1% | 1.6% | 1.1% | 2.4% |

Sources: Archuleta County Assessor, DOLA, US Census

- **Low-end:** 1.1-1.3% average annual growth
- **Likely:** 1.6% - 1.9% average annual growth
- **High-end:** up to 2.6% average annual growth

Conclusions and Considerations

- On-going trend of activation of underutilized housing stock has a limit.
- Projections assume supply will balance with demand as it has historically: cycles of development and absorption.
- Will the job market perform as needed to drive this projected demand?
- Need to explore how these projections would play out from a land use and infrastructure perspective.
- Need for improved visitor data collection.
- Opportunity to track additional metric from PAWSD (connections, availability accounts vs active accounts, etc.)
- Revisit trends and growth rate assumptions every two or three years.

**APPENDIX I
Drought
Mitigation
Waiver Request**

Gene Tautges, President/Chairman
Alex Boehmer, Vice President/Treasurer
Bill Hudson, Secretary



Glenn Walsh, Director
Bruce Jomes, Director

SCHEDULE WAIVER REQUEST FORM

APPLICANT: _____ METER NO: _____
ACCOUNT NO: _____ DATE: _____
ADDRESS: _____ PHONE NO: _____

I understand the Pagosa Area Water and Sanitation District (District) Board of Directors has implemented Drought Stage ___ Water restrictions per the Districts 2026 Drought Management Plan. The District Board implemented these restrictions due to current drought conditions and decreasing water supply levels. Due to specific property demands or hardships, as stated below, I request a schedule waiver from the District Drought Management Plan Restrictions for the following: **(Please Initial)**

- ___ Irrigation allowed from 6 PM to 9 AM
- ___ Odd/Even water days
- ___ Prohibition on weekend watering
- ___ 1 day a week watering only
- ___ No irrigation of outside landscaping

Location: (Provide the location and description of where the waiver will take place)

Justification: (Explain why the account requires a waiver)

100 Lyn Avenue
Pagosa springs, Colorado 81147

www.pawsd.org

(970) 731-2691
FAX (970) 731-2693

DROUGHT MEASURES WAIVER REQUEST

April 8, 2026

Page 2

Conservation: (List additional water conservation efforts you have or will be implementing)

Acknowledgements: **(Please Initial)**

_____ We are requesting relief from the specific demand reduction action(s) mentioned above, and if granted, we will comply with all other applicable requirements of the Drought Management Plan and District Rules and Regulations.

_____ I understand that even if the waiver is granted my account will be charged and I will be responsible to pay for water use tier multipliers and Drought Surcharges per the Drought Management Plan Drought Stage the District is in currently or in the future.

_____ This waiver request pertains only to the specific customer account, address and meter number listed above.

_____ This waiver will expire on: _____.

_____ We understand that, if the waiver is granted by the District and we do not continue to meet or exceed the conservation efforts listed above the waiver will be cancelled.

_____ As the drought intensifies and water supply becomes scarcer, the District may adopt future restrictions not covered by this waiver. The District reserves the right to revoke the waiver at any time should drought conditions worsen or if water usage exceeds acceptable limits.

_____ In granting a waiver, the District does not guarantee the right to any future waiver.

_____ Additional documentation in support of this waiver request is attached (photographs, invoices, receipts, etc...).

APPLICANT SIGNATURE: _____

| | |
|--|--|
| <input type="checkbox"/> APPROVED: _____ | <input type="checkbox"/> DENIED: _____ |
| PAWSD SIGNATURE: _____ | |