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

NOTICE OF SPECIAL 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 or District) have been scheduled for Thursday August 13, 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 Agenda
4. Consideration of executive session to discuss the matters described below pursuant to C.R.S. § 24-6-402(4)(b) for the purpose of receiving legal advice on specific legal questions from the District's general counsel, and C.R.S. § 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.
    1. The following Applications for Findings of Reasonable Diligence:
        a. San Juan River Intake, originally decreed in 83CW145, most recent diligence in 17CW3014;
        b. Dry Gulch Project water rights; and
        c. Dutton Ditch 2nd Enlargement, most recent diligence in 17CW3030.
    2. Archuleta County case nos. 26CV30037 and 26CV30038.
    3. Alleged damage to 103 Dayspring Place; property owner Kenny Beck.
    4. Archuleta County case no. 24CV30069.
    5. County legal relationship to PAWSD.

Regular Meeting

1. Call to Order
2. Roll Call
3. Consideration of Agenda
4. Approval of Minutes – 6/11/26 Special and Regular Meetings and 7/30/26 Special Meeting
5. Public Comment
6. Consideration of Comments Regarding Proposed Pagosa West Project – Randall Davis
5. Consideration of authorization to file the following Applications for Finding of Reasonable Diligence:
    a. San Juan River Intake, originally decreed in 83CW145, most recent diligence in 17CW3014;
    b. Dry Gulch Project water rights; and
    c. Dutton Ditch 2nd Enlargement, most recent diligence in 17CW3030.
7. Consideration of Presentation of Q2 Financial Statements and Debt Service Update
8. Consideration of Draft 2027 Budget Schedule
9. 2026 Drought Management Plan Update and Proposed Violation Letters
10. Manager's 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

PAGOSA AREA WATER AND SANITATION DISTRICT ARCHULETA COUNTY, COLORADO SEAL

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
JUNE 11, 2026 SPECIAL MEETING

<u>Call to Order (0:31:33)</u>

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

<u>Attendance (0:31:34)</u>

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

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

Also present: Marcus Lock (virtual), Veronica Medina (virtual), and Carl Young (virtual).

<u>Consideration of Agenda (0:32:03)</u>

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

<u>Consideration of an executive session to discuss (1) Running Iron Ranch and litigation related to the same, as well as the management of Running Iron Ranch; (2) Intergovernmental Agreement By and Between the Pagosa Springs Sanitation General Improvement District and the Pagosa Area Water and Sanitation District; and (3) Proposed Surcharge(s) to Meet Budget Deficiencies (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. (0:33:20)</u>

A motion was made by Director Hudson and seconded by Director Boehmer to enter into Executive Session for the purposes cited above. The motion passed unanimously. The Board entered into Executive Session at 4:06 p.m.

The Board exited Executive Session at 4:48 p.m. during which negotiators were instructed but no decisions were made.

<u>Consideration of 2026 Adopted Budget and Proposed Surcharge(s) to Meet Budget Deficiencies (Not on Recording)</u>

The Board did not consider this agenda item.

There being no other business to come before the Board, the meeting was adjourned at 4:49 p.m.

Respectfully submitted,

Bill Hudson
Secretary

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
JUNE 11, 2026 REGULAR MEETING

Call to Order (0:36:33)

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 (0:36:40)

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

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

Also present: Linda Lee, Amber Gill, Kenny Beck, Kirk Bliss, Carl Young (virtual), and Micheal Miller (virtual), and Terri House (virtual).

Consideration of Agenda (0:36:59)

The Board agreed to remove the second Public Comment – agenda item #6 as it was a typo. A motion was made by Director Hudson and seconded by Director Boehmer to approve the agenda as revised above. The motion passed unanimously.

Public Comment (0:37:49)

Linda Lee provided comments regarding water restrictions on PAWSD website. Amber Gill provided comments on recent wastewater treatment plant odors. Kenny Beck provided comments regarding water in the crawl space of his property.

Approval of Minutes – 5/14/26 Regular Meeting (0:51:29)

A motion was made by Director Hudson and seconded by Director Boehmer to approve the 5/14/26 Regular Meeting minutes as presented. The motion passed unanimously.

Consideration of Back Availability Fees – 445 Saddle Circle (0:52:15)

Kirk Bliss presented Consideration of Back Availability Fees – 445 Saddle Circle requesting a waiver for back Availability of Service fees incurred due to an uncombining of the two lots at 445 Saddle Circle (Lot 761 and 762 Pagosa Highlands Estates). A motion was made by Director Boehmer and seconded by Director Walsh to deny the request. The motion passed 3 – 1 with Director Hudson opposed.

Consideration of Drought Stage 2 Designation (1:10:10)

Justin Ramsey presented Consideration of Drought Stage 2 Designation providing the current water supply conditions that will likely necessitate the declaration of Drought Stage 2. He recommended the Board authorize the District Manager to enter Drought Stage 2 once those water supply conditions are reached. A motion was made by Director Hudson and seconded by Director

Boehmer to authorize the District Manager to declare Drought Stage 2 once the water supply conditions dictated by the Drought Management Plan are reached and to begin public information campaign for media and customers. The motion passed unanimously.

Consideration of Intergovernmental Agreement By and Between the Pagosa Springs Sanitation General Improvement District and the Pagosa Area Water and Sanitation District (1:19:16)

A motion was made by Director Boehmer and seconded by Director Hudson to table this agenda item. The motion passed unanimously.

Consideration of 2026 Adopted Budget and Proposed Surcharge(s) to Meet Budget Deficiencies (1:20:13)

The Board agreed to schedule a 6/25/26 work session to discuss strategies to address potential revenue shortfalls in 2026 and future years due to the slowing of the local economy particularly in new connections.

Manager's Talking Points (1:33:27)

Andrew Connor provided updates on Vista Wastewater Treatment Plant upgrades and odor complaints, San Juan Water Treatment Plant water production, Hatcher Water Treatment Plant production, Snowball Water Treatment Plant construction, CDOT project in Town of Pagosa Springs, drought updates, spot repairs to the wastewater collection system, water meter testing program, water loss, LPEA proposed blackout program, and fire hydrant maintenance program.

There being no other business to come before the Board, the meeting was adjourned at 6:09 p.m.

Respectfully submitted,

Bill Hudson
Secretary

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
JULY 30, 2026 SPECIAL MEETING

<u>Call to Order (0:00:01)</u>

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

<u>Attendance (0:00:05)</u>

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

In attendance from staff: Andrew Connor, Renee Lewis (virtual), Jack Dossett, Cyndi Foster, and Justin Ramsey (virtual).

Also present: Ronny Farmer (virtual) and Shane Prince.

<u>Consideration of Proposed Revisions to 2026 PAWSD Drought Management Plan (0:01:30)</u>

The Board agreed to move this item on the agenda to accommodate the auditor's schedule. Renee Lewis presented Consideration of Proposed Revisions to 2026 PAWSD Drought Management Plan. A motion was made by Director Hudson and seconded by Director Walsh to approve the revisions as presented. The Board also directed staff to add 2026 Drought Management Plan violations implementation to the 8/13/26 meeting agenda.

<u>Consideration of 2024 Audited Financial Statements – Ronny Farmer (0:16:00)</u>

The Board agreed to move this item on the agenda to accommodate the auditor's schedule. Ronny Farmer, RFarmer, LLC, presented the 2025 Audited Financial Statements. Following a few questions, the Board thanked Mr. Farmer and staff for their work.

<u>Proposed Response to July 10, 2026 Letter from Archuleta County Assessor(0:41:47)</u>

The Board agreed to move this item on the agenda to accommodate the auditor's schedule. Renee Lewis presented Proposed Response to July 10, 2026 Letter from Archuleta County Assessor. Director Walsh requested a sentence or two be added to the response to reflect the District's willingness to discuss a customer's account and water usage to determine if the account designation is appropriate or consider any requested change in use. The response was revised to include "The District welcomes any account holder interested in changing a residential account to commercial or adding a commercial account to contact the Business Services Manager, Cyndi Foster, at cyndi@PAWSD.org or 970-731-7657." A motion was made by Director Walsh and seconded by Director Hudson to approve the response as revised above. The motion passed unanimously.

There being no other business to come before the Board, the meeting was adjourned at 5:57 p.m.

Respectfully submitted,

Bill Hudson

Secretary

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:	Phone:	Board Meeting Date:	Priority
Renee Lewis		August 13, 2026	☐High ☒Medium ☐Low

Subject: Randall Davis Comments Re Pagosa West Project

Please find attached an email from Randall Davis requesting time to speak with the Board regarding the Pagosa West project. It is my understanding Mr. Davis plans to attend the meeting in person.

Archived: Tuesday, August 11, 2026 2:13:29 PM
From: Randall Davis
Sent: Mon, 3 Aug 2026 09:16:38
To: Renee Lewis
Subject: Re: August 13, 2026 PAWSD Board Meeting
Importance: Normal
Sensitivity: None
Attachments:
image001.png

Hi Renee
Thanks for getting back to me!
I have been a resident in Pagosa for 52 years (summers since 1962!) , so have seen many changes here. Dentist for 28 1/2 years, school board 24 years, school bus driver 24 years, on the original Hospital District Board.
My main concern I would like to bring before the board concerns future water demands and availability.
I hope you have been following the dire straits the Colorado River Basin is experiencing with the severe historic drought, and confident that you are aware of the worsening effects of drought and increasing water and sewer demands locally.
After investigating the Town of Pagosa Springs and PAWS's role in regards to the 100 acre development proposal east of the hospital it seems to me that you all are limiting your concerns to the developers following established codes and design requirements. I feel that it is critical to consider broader consequences of major development proposals as well.
I would really welcome some assurance that you are anticipating the possible eventuality of having to deal with significant water restrictions from the San Juan River becoming a sobering reality.
I would hope you can consider downgrading the scope and impact of this development based on the ongoing needs and requirements of those who are already here. Developers know what to present to entice local decision makers into thinking their money-making ideas are what we really need.
It seems we are struggling already just to meet and deal with current demands.
I would strongly encourage board members to watch two segments of programming entitled "10 Colorado Towns in Total Collapse", subtitle- . "10 Colorado Mountain Towns in Total Freefall" (8 months ago and another 2026)Pagosa Springs is included in these two videos. Even if you take the claims with some degree of skepticism and consider the truth to be "in the middle " it makes the point that there are real limits to responsible growth.
Thank you for allowing me to discuss this at the board meeting. This letter provides pretty much everything I want to bring up; I am not expecting to take up additional time with this.
Sincerely,
Randall Davis

On Fri, Jul 31, 2026 at 2:21 'a0PM Renee Lewis <renee@pawsd.org> wrote:

> Hi Mr. Davis,
>
> Shelley Raymond relayed your request to be on the agenda for the August 13, 2026 meeting. Please email me a summary of your concerns regarding the Pagosa West project so I can include that in the meeting materials, and I will add you to the agenda. You will have an actual agenda item so as to speak with the board beyond the typical 3-minute public comment period. The regular portion of the meeting will begin at 5:00 p.m. I will try to schedule your item as close to 5:00 as possible. Please let me know if you have any questions.

Thank you,

Renee

Renee Lewis

Policy and Compliance Manager

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:	Phone:	Board Meeting Date:	Priority
Renee Lewis		August 13, 2026	☐High ☒Medium ☐Low

Subject: 2026 Applications for Findings of Reasonable Diligence

The District's attorneys have requested the Board direct the following Applications for Findings of Reasonable Diligence be filed:

a. San Juan River Intake, originally decreed in 83CW145, most recent diligence in 17CW3014;
b. Dry Gulch Project water rights; and
c. Dutton Ditch 2nd Enlargement, most recent diligence in 17CW3030.

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:	Phone:	Board Meeting Date:	Priority
Jack Dossett		August 13, 2026	☐High ☒Medium ☐Low

Subject: Qtr 2 2026 Financial Results & Debt Coverage

Qtr 2 revenues continue to track below budget, helping to solidify headwinds discussed in Qtr1.

While net operating expenses remain within budgeted thresholds, Management has proactively executed targeted expense reductions to ensure ongoing compliance with PAWSD Debt Service Coverage Ratio.

The primary shift from Qtr 1 to Qtr 2 is the clarification of our debt covenant basis. Correcting the benchmark calculation to a 1.10 coverage requirement versus the historical 1.25 assumption. Additionally, utilizing current 2026 debt obligations also relieves covenant pressure discussed in Qtr 1 analysis.

Based on current trends and proactive cost controls, PAWSD is forecasting compliance with debt covenant requirements for 2026.

PAGOSA AREA WATER & SANITATION
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 6 MONTHS ENDING JUNE 30, 2026

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	REVENUES					
10-03-187	OTHER INTEREST INCOME	4,070.35	28,480.75	50,000.00	21,519.25	57.0
10-03-381	GENERAL PROPERTY TAXES - WATER	30,612.96	410,213.36	562,461.00	152,247.64	72.9
10-03-385	GENERAL PROPERTY TAXES - WW	33,847.62	503,331.99	661,096.00	157,764.01	76.1
10-03-388	DELINQUENT TAX	.00	4.11	5,000.00	4,995.89	.1
10-03-389	SPECIFIC OWNERSHIP TAXES	10,085.40	46,492.84	85,000.00	38,507.16	54.7
10-03-390	OTHER REVENUE	.00	.00	5,000.00	5,000.00	.0
	TOTAL REVENUES	78,616.33	988,523.05	1,368,557.00	380,033.95	72.2
	TOTAL FUND REVENUE	78,616.33	988,523.05	1,368,557.00	380,033.95	72.2

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	EXPENDITURES					
	ADMINISTRATION					
10-90-019	EMERGENCY FUND	.00	.00	33,670.00	33,670.00	.0
10-90-020	AUDIT	.00	.00	28,713.00	28,713.00	.0
10-90-060	COUNTY TREASURERS FEE	1,938.72	27,578.61	38,000.00	10,421.39	72.6
10-90-080	BOARD EXPENSE	.00	.00	1,000.00	1,000.00	.0
10-90-081	EMPLOYEE MISCELLANEOUS	.00	605.91	3,500.00	2,894.09	17.3
10-90-090	HEALTH INSURANCE	4,886.42	31,928.88	75,071.00	43,142.12	42.5
10-90-092	RETIREMENT	2,442.85	18,069.49	34,235.00	16,165.51	52.8
10-90-110	INSURANCE - GENERAL	262.64	19,226.10	17,902.00	(1,324.10)	107.4
10-90-130	LEGAL SERVICES	1,545.00	23,322.93	37,500.00	14,177.07	62.2
10-90-160	OFFICE SUPPLIES	4,722.68	31,418.39	48,000.00	16,581.61	65.5
10-90-180	OUTSIDE SERVICES	4,430.77	19,959.34	125,000.00	105,040.66	16.0
10-90-190	PUBLICATIONS	1,010.18	1,381.72	5,000.00	3,618.28	27.6
10-90-220	MAINTENANCE OF OFFICE BUILDING	1,961.15	3,298.92	15,000.00	11,701.08	22.0
10-90-221	LANDSCAPING	387.50	662.50	3,500.00	2,837.50	18.9
10-90-230	ADMINISTRATIVE SALARIES	30,238.01	235,646.42	576,848.00	341,201.58	40.9
10-90-232	ALLOCATED ADMINISTRATIVE	8,992.11	57,629.56	.00	(57,629.56)	.0
10-90-240	PAYROLL EXP - FICA/UNEMPLOYMNT	3,037.72	22,840.64	43,956.00	21,115.36	52.0
10-90-260	TELEPHONE	1,128.63	8,315.23	17,000.00	8,684.77	48.9
10-90-290	UTILITIES	337.07	5,734.07	9,000.00	3,265.93	63.7
10-90-291	TRASH REMOVAL	795.63	2,239.15	5,000.00	2,760.85	44.8
10-90-310	VEHICLE MAINTENANCE	(1.42)	3,737.79	6,030.00	2,292.21	62.0
10-90-410	DUES AND PERMITS	193.28	5,178.24	13,000.00	7,821.76	39.8
10-90-440	TRAINING	.00	1,308.83	22,091.00	20,782.17	5.9
	TOTAL ADMINISTRATION	68,308.94	520,082.72	1,159,016.00	638,933.28	44.9

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	CAPITAL / PROGRAM EXPENDITURES					
10-95-100	WATER CONSERVATION PROGRAM	.00	3,000.00	3,000.00	.00	100.0
10-95-110	COMPUTER SUPPORT	2,019.74	58,969.71	129,290.00	70,320.29	45.6
10-95-115	COMPUTER UPGRADES	515.87	3,877.85	18,350.00	14,472.15	21.1
10-95-468	ADMINISTRATIVE BUILDING	.00	.00	2,500.00	2,500.00	.0
	TOTAL CAPITAL / PROGRAM EXPENDITURES	2,535.61	65,847.56	153,140.00	87,292.44	43.0
	DEBT RETIREMENT AND TRANSFERS					
10-98-040	FISCAL AGENT FEES	.00	.00	300.00	300.00	.0
10-98-500	TRANSFER TO ENTERPRISE FUND	.00	.00	500,000.00	500,000.00	.0
	TOTAL DEBT RETIREMENT AND TRANSFERS	.00	.00	500,300.00	500,300.00	.0
	TOTAL FUND EXPENDITURES	70,844.55	585,930.28	1,812,456.00	1,226,525.72	32.3
	NET REVENUE OVER EXPENDITURES	7,771.78	402,592.77	(443,899.00)	(846,491.77)	90.7

Revenue:

I believe the storyline is reasonably the same as the prior report. YTD General Fund revenues stand at $988,523 (72.2% of the annual budget). Property Tax revenues are front loaded in the first half of the year as expected and will taper off through Qtr 3 and Qtr 4.

Expenses & Outlook:

Total General Fund Expenditures total $585,930 (32.3% of budget). As mentioned last quarter, General Insurance exceeds line-item budgets early in the year due to annual policy renewals paid in January. The General Fund remains fiscally healthy and operates independently from the Enterprise Funds and is not included in the DSCR calculation.

DSCR (debt service coverage ratio) is a measurement of PAWSD ability to pay annual debt obligations using net operating revenues.

PAGOSA AREA WATER & SANITATION
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 6 MONTHS ENDING JUNE 30, 2026

WATER FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	REVENUES					
50-03-009	CAPITAL INVESTMENT FEE	76,032.00	398,891.00	1,030,000.00	631,109.00	38.7
50-03-010	SERVICE FEES	607,635.77	2,623,097.61	5,871,000.00	3,247,902.39	44.7
50-03-012	DROUGHT SURCHARGE	42,380.00	57,793.78	.00	(57,793.78)	.0
50-03-020	OTHER WATER SALES	29,441.21	120,859.76	309,000.00	188,140.24	39.1
50-03-030	IRRIGATION WATER SALES	24,080.39	20,142.53	60,000.00	39,857.47	33.6
50-03-040	AFFORDABLE HOUSING SURCHARGE	.00	16,127.37	.00	(16,127.37)	.0
50-03-041	AFFORDABLE HOUSING WAIVERS	.00	(38,016.00)	.00	38,016.00	.0
50-03-100	AVAILABILITY CHARGES	(234.45)	196,287.09	412,000.00	215,712.91	47.6
50-03-154	INCLUSION FEE	.00	.00	5,000.00	5,000.00	.0
50-03-170	CUSTOMER HOOKUPS	19,112.00	97,630.00	215,000.00	117,370.00	45.4
50-03-187	OTHER INTEREST INCOME	(1,368.68)	1,812.80	100,000.00	98,187.20	1.8
50-03-189	INTEREST INCOME - CIF	6,498.93	38,948.57	60,000.00	21,051.43	64.9
50-03-190	INTEREST ON DELINQUENT TAXES	.00	.25	500.00	499.75	.1
50-03-200	PENALTY & INTEREST DELIN ACCTS	1,355.86	9,599.11	17,000.00	7,400.89	56.5
50-03-387	CURRENT TAX INTEREST	.00	20.69	2,000.00	1,979.31	1.0
50-03-389	OTHER REVENUE	7,409.56	28,909.67	200,000.00	171,090.33	14.5
50-03-500	GRANT REVENUE	.00	123,020.22	.00	(123,020.22)	.0
50-03-961	WATER BOND PROCEEDS	.00	.00	1,389,600.00	1,389,600.00	.0
	TOTAL REVENUES	812,342.59	3,695,124.45	9,671,100.00	5,975,975.55	38.2
	TRANSFERS IN					
50-09-001	TRANSFER FROM GENERAL FUND	.00	.00	500,000.00	500,000.00	.0
	TOTAL TRANSFERS IN	.00	.00	500,000.00	500,000.00	.0
	TOTAL FUND REVENUE	812,342.59	3,695,124.45	10,171,100.00	6,475,975.55	36.3

EXPENDITURES

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	WORK IN PROGRESS					
50-21-170	CONNECTIONS	29,426.65	197,948.26	172,000.00	(25,948.26)	115.1
50-21-401	WATER RIGHTS	.00	.00	2,000.00	2,000.00	.0
50-21-403	RESERVOIRS/WATERSHED	.00	2,166.00	.00	(2,166.00)	.0
50-21-411	RAW WATER LINE - JACKSON MT.	.00	.00	165,600.00	165,600.00	.0
50-21-414	WATER MODEL	.00	.00	1,000.00	1,000.00	.0
50-21-415	WATER TANK UPGRADES	(513.41)	.00	.00	.00	.0
50-21-418	WATER SCADA SYSTEM	7,974.21	16,494.31	107,550.00	91,055.69	15.3
50-21-450	WATER TREATMENT PLANT UPGRADES	(48,909.18)	156,414.07	509,600.00	353,185.93	30.7
50-21-451	SHARED BUILDINGS & IMPROVEMENT	.00	.00	290,877.00	290,877.00	.0
50-21-455	DISTRIBUTION SYSTEM UPGRADES	24,774.52	121,934.78	355,000.00	233,065.22	34.4
50-21-464	CAPITAL EQUIPMENT	.00	43,861.90	111,520.00	67,658.10	39.3
50-21-465	TRANSPORTATION EQUIPMENT	15,310.50	169,199.94	246,022.00	76,822.06	68.8
	TOTAL WORK IN PROGRESS	28,063.29	708,019.26	1,961,169.00	1,253,149.74	36.1

	WATER - CIF PROJECTS					
50-23-403	CIF - RESERVOIRS/WATERSHED	5,556.00	32,106.16	328,000.00	295,893.84	9.8
50-23-414	CIF - WATER MODEL	.00	.00	1,000.00	1,000.00	.0
50-23-418	CIF - WATER SCADA SYSTEM	1,993.56	4,124.19	26,887.00	22,762.81	15.3
50-23-450	CIF - WTP UPGRADES	103,101.11	148,305.58	880,000.00	731,694.42	16.9
50-23-455	CIF - DISTRIBUTION SYS UPGRADE	.00	.00	1,069,000.00	1,069,000.00	.0
	TOTAL WATER - CIF PROJECTS	110,650.67	184,535.93	2,304,887.00	2,120,351.07	8.0
	SOURCE OF SUPPLY					
50-41-402	DITCHES	2,376.00	2,376.00	4,000.00	1,624.00	59.4
50-41-403	RESERVOIRS - WATERSHED	870.06	1,987.77	16,000.00	14,012.23	12.4
50-41-411	RAW WATER LINE - JACKSON MT	.00	.00	180,600.00	180,600.00	.0
50-41-511	RAW WATER LINE - SAN JUAN	.00	13,639.39	42,000.00	28,360.61	32.5
50-41-512	POWER TRUJILLO BOOSTER	10,365.74	15,822.39	87,000.00	71,177.61	18.2
50-41-513	POWER SJ RIVER BOOSTER	6,455.04	10,335.99	65,000.00	54,664.01	15.9
50-41-514	POWER FOREST LAKE	121.08	735.62	1,500.00	764.38	49.0
50-41-515	POWER RUNNING IRON RANCH	.00	.00	3,500.00	3,500.00	.0
50-41-516	POWER DUTTON DITCH	25.30	308.99	800.00	491.01	38.6
	TOTAL SOURCE OF SUPPLY	20,213.22	45,206.15	400,400.00	355,193.85	11.3

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	WATER TREATMENT					
50-43-090	HEALTH INSURANCE	6,119.55	35,972.67	79,899.00	43,926.33	45.0
50-43-092	RETIREMENT	2,256.21	14,375.12	26,684.00	12,308.88	53.9
50-43-110	INSURANCE - GENERAL	67.51	22,468.66	24,699.00	2,230.34	91.0
50-43-131	OPERATOR SALARIES	36,385.25	231,855.54	459,662.00	227,806.46	50.4
50-43-140	TRAINING	381.44	3,386.26	10,431.00	7,044.74	32.5
50-43-180	VEHICLE MAINTENANCE	11.98	2,474.95	15,294.00	12,819.05	16.2
50-43-200	HATCHER WTP FUEL & POWER	8,625.57	83,312.89	175,000.00	91,687.11	47.6
50-43-205	HATCHER WTP CHEMICALS/LAB	1,763.74	37,019.90	200,000.00	162,980.10	18.5
50-43-220	HATCHER WTP MAINTENANCE	22,172.60	50,734.85	200,000.00	149,265.15	25.4
50-43-240	PAYROLL EXP - FICA/UNEMPLOYMNT	2,780.20	17,777.27	35,205.00	17,427.73	50.5
50-43-400	SNOWBALL WTP FUEL & POWER	8,377.25	47,228.26	40,000.00	(7,228.26)	118.1
50-43-405	SNOWBALL WTP CHEMICALS/LAB	399.98	20,665.81	200,000.00	179,334.19	10.3
50-43-420	SNOWBALL WTP MAINTENANCE	.00	4,089.13	150,000.00	145,910.87	2.7
50-43-500	SAN JUAN WTP FUEL & POWER	4,779.34	8,612.78	56,000.00	47,387.22	15.4
50-43-505	SAN JUAN WTP CHEMICALS/LAB	769.46	8,624.24	140,000.00	131,375.76	6.2
50-43-520	SAN JUAN WTP MAINTENANCE	9,349.30	28,398.75	100,000.00	71,601.25	28.4
	TOTAL WATER TREATMENT	104,239.38	616,997.08	1,912,874.00	1,295,876.92	32.3

WATER DISTRIBUTION

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
50-44-090	HEALTH INSURANCE	9,723.07	55,325.85	118,449.00	63,123.15	46.7
50-44-091	UNIFORMS	1,068.17	10,095.86	20,000.00	9,904.14	50.5
50-44-092	RETIREMENT	4,134.47	25,353.83	44,033.00	18,679.17	57.6
50-44-099	FUEL & POWER MISSION BOOSTER	.00	.00	750.00	750.00	.0
50-44-100	FUEL & POWER PUMP STATIONS	2,694.69	19,832.03	42,000.00	22,167.97	47.2
50-44-101	MILL CREEK STATION - FUEL & P	101.82	645.57	1,000.00	354.43	64.6
50-44-102	MILL CREEK STATION - MAINT	.00	.00	1,500.00	1,500.00	.0
50-44-110	INSURANCE - GENERAL	117.77	41,358.15	40,757.00	(601.15)	101.5
50-44-201	TRAILS FILL STATION - FUEL & P	45.32	316.63	1,000.00	683.37	31.7
50-44-202	TRAILS FILL STATION - MAINT	.00	.00	1,500.00	1,500.00	.0
50-44-219	WATER TANK MAINTENANCE	513.41	327.99	39,500.00	39,172.01	.8
50-44-220	WATER LINE MAINTENANCE	14,489.10	148,904.33	540,000.00	391,095.67	27.6
50-44-231	FIRE HYDRANT MAINTENANCE	.00	.00	10,000.00	10,000.00	.0
50-44-232	DISTRIBUTION SALARIES	66,619.63	408,524.34	773,133.00	364,608.66	52.8
50-44-240	PAYROLL EXP - FICA/UNEMPLOYMNT	5,216.47	32,099.42	59,620.00	27,520.58	53.8
50-44-310	VEHICLE MAINTENANCE	(3,846.45)	13,134.63	22,952.00	9,817.37	57.2
50-44-440	TRAINING	323.00	3,824.02	15,615.00	11,790.98	24.5
	TOTAL WATER DISTRIBUTION	101,200.47	759,742.65	1,731,809.00	972,066.35	43.9

MAINTENANCE

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
50-60-090	HEALTH INSURANCE	1,020.48	6,122.90	12,399.00	6,276.10	49.4
50-60-092	RETIREMENT	262.47	1,681.99	5,111.00	3,429.01	32.9
50-60-110	INSURANCE - GENERAL	8.92	4,251.32	4,297.00	45.68	98.9
50-60-170	OPERATING SUPPLIES	981.18	15,046.90	28,000.00	12,953.10	53.7
50-60-220	BUILDING MAINTENANCE	.00	.00	6,800.00	6,800.00	.0
50-60-231	MAINTENANCE SALARIES	4,241.95	27,183.69	86,825.00	59,641.31	31.3
50-60-240	PAYROLL EXP - FICA/UNEMPLOYMNT	305.24	1,971.59	6,903.00	4,931.41	28.6
50-60-290	UTILITIES - MAINTENANCE BLDG	162.94	1,489.61	3,500.00	2,010.39	42.6
50-60-312	VEHICLE MAINTENANCE	.00	.00	3,291.00	3,291.00	.0
50-60-331	EQUIPMENT MAINTENANCE	621.05	5,678.08	30,600.00	24,921.92	18.6
50-60-430	GASOLINE & OIL	5,826.40	30,934.15	65,000.00	34,065.85	47.6
50-60-440	TRAINING	.00	.00	1,306.00	1,306.00	.0
50-60-460	TOOLS AND SMALL EQUIPMENT	151.85	7,686.42	23,375.00	15,688.58	32.9
	TOTAL MAINTENANCE	13,582.48	102,046.65	277,407.00	175,360.35	36.8

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	ADMINISTRATION					
50-90-020	AUDIT	.00	.00	3,376.00	3,376.00	.0
50-90-081	EMPLOYEE MISCELLANEOUS	.00	348.20	3,000.00	2,651.80	11.6
50-90-090	HEALTH INSURANCE	2,005.59	13,173.16	43,348.00	30,174.84	30.4
50-90-092	RETIREMENT	876.19	7,483.90	18,427.00	10,943.10	40.6
50-90-110	INSURANCE - GENERAL	34.69	145,196.78	144,792.00	(404.78)	100.3
50-90-130	LEGAL SERVICES	1,050.60	15,859.58	25,500.00	9,640.42	62.2
50-90-160	OFFICE SUPPLIES	3,211.42	21,379.93	35,000.00	13,620.07	61.1
50-90-180	OUTSIDE SERVICES	3,012.92	13,684.91	85,000.00	71,315.09	16.1
50-90-190	PUBLICATIONS	686.92	939.56	3,500.00	2,560.44	26.8
50-90-220	MAINTENANCE OF OFFICE BUILDING	1,333.53	2,864.59	13,000.00	10,135.41	22.0
50-90-221	LANDSCAPING	263.50	450.50	3,000.00	2,549.50	15.0
50-90-230	ADMINISTRATIVE SALARIES	14,033.93	122,065.60	308,078.00	186,012.40	39.6
50-90-240	PAYROLL EXP - FICA/UNEMPLOYMNT	1,082.71	9,511.58	23,450.00	13,938.42	40.6
50-90-260	TELEPHONE	898.44	6,440.19	15,000.00	8,559.81	42.9
50-90-290	UTILITIES	192.27	3,702.68	6,000.00	2,297.32	61.7
50-90-291	TRASH REMOVAL	830.16	2,251.79	5,000.00	2,748.21	45.0
50-90-310	VEHICLE MAINTENANCE	.00	1,326.07	2,468.00	1,141.93	53.7
50-90-410	DUES AND PERMITS	131.42	3,856.78	7,000.00	3,143.22	55.1
50-90-440	TRAINING	5.10	862.93	9,650.00	8,787.07	8.9
50-90-442	INCLUSION EXPENSE	.00	.00	1,000.00	1,000.00	.0
50-90-443	COMPUTER SUPPORT & UPGRADES	2,006.64	43,255.52	100,395.00	57,139.48	43.1
	TOTAL ADMINISTRATION	31,656.03	414,654.25	855,984.00	441,329.75	48.4

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	BILLING AND PERSONNEL EXPENSE					
50-91-001	BAD DEBTS	.00	2,413.35	50,000.00	47,586.65	4.8
50-91-090	HEALTH INSURANCE	2,802.46	20,459.11	35,658.00	15,198.89	57.4
50-91-092	RETIREMENT	889.93	6,540.32	10,902.00	4,361.68	60.0
50-91-110	INSURANCE - GENERAL	26.67	829.03	699.00	(130.03)	118.6
50-91-180	DATA PROCESSING	844.04	7,531.12	22,000.00	14,468.88	34.2
50-91-230	DATA PROCESSING SALARIES	14,830.79	106,531.49	184,722.00	78,190.51	57.7
50-91-240	PAYROLL EXP - FICA/UNEMPLOYMNT	1,097.45	7,870.17	13,658.00	5,787.83	57.6
50-91-440	TRAINING	.00	.00	4,338.00	4,338.00	.0
50-91-450	POSTAGE	1,630.57	9,115.95	24,000.00	14,884.05	38.0
	TOTAL BILLING AND PERSONNEL EXPENSE	22,121.91	161,290.54	345,977.00	184,686.46	46.6
	DEBT RETIREMENT AND TRANSFERS					
50-98-117	PRINCIPAL - CWCB LOAN	.00	.00	219,105.00	219,105.00	.0
50-98-118	INTEREST - CWCB LOAN	.00	.00	37,026.00	37,026.00	.0
50-98-121	INTEREST - CWPDA LOAN	8,835.00	8,835.00	4,695.00	(4,140.00)	188.2
50-98-122	ADMIN FEE - CWPDA LOAN	44,742.94	44,742.94	84,117.00	39,374.06	53.2
50-98-126	PRINCIPAL - CWPDA LOAN	338,633.02	338,633.02	439,384.00	100,750.98	77.1
50-98-127	INTEREST - 2023 CWRPDA LOAN	.00	431,602.80	857,764.00	426,161.20	50.3
50-98-128	PRINCIPAL - 2023 CWRPDA LOAN	.00	395,755.22	796,953.00	401,197.78	49.7
	TOTAL DEBT RETIREMENT AND TRANSFERS	392,210.96	1,219,568.98	2,439,044.00	1,219,475.02	50.0
	TOTAL FUND EXPENDITURES	823,938.41	4,212,061.49	12,229,551.00	8,017,489.51	34.4
	NET REVENUE OVER EXPENDITURES	(11,595.82)	(516,937.04)	(2,058,451.00)	(1,541,513.96)	(25.1)

Revenue Challenges: Capital Investment Fees (CIF): YTD revenue is $398,891 (38.7% of budget), down 15% from $471K for the same period last year. Slowing growth and utilizing a rate study that over estimated growth is on track to contribute to a CIF budget deficit for 2026 that I am estimating near $300K.

Service Revenues & Drought Surcharge: Core service fees are tracking at 44.7% of budget ($2.62MM). Assuming the second half of the year continues this trend we are projecting a 10% annual shortfall versus budget ($587K), which is partially offset by an estimated $326K in Drought Surcharge collections. This leaves an estimated net revenue deficit of ~$260K.

Cost Mitigation actions: Management is committed to reducing expenses of $115K in Raw Water Line projects, $20K in Power Trujillo Booster, $20K Power SJ River Booster, $50K in Hatcher WTP maintenance, $75K Snowball WTP maintenance, $40K in San Juan WTP Chemicals, $40K from Water Line Maintenance, and $10K from Fire Hydrant maintenance.

PAGOSA AREA WATER & SANITATION
REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 6 MONTHS ENDING JUNE 30, 2026

WASTEWATER FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	REVENUES					
60-03-009	CAPITAL INVESTMENT FEE	83,270.00	532,442.00	1,250,000.00	717,558.00	42.6
60-03-010	SERVICE FEES	260,057.85	1,537,321.66	3,135,000.00	1,597,678.34	49.0
60-03-014	MUNICIPAL WASTEWATER TREATMENT	19,593.00	113,887.07	200,000.00	86,112.93	56.9
60-03-021	WASTE HAULER REVENUE	12,105.59	59,248.52	165,000.00	105,751.48	35.9
60-03-100	AVAILABLILITY CHARGES	158.27	192,481.16	440,000.00	247,518.84	43.8
60-03-110	AFFORDABLE HOUSING SURCHARGE	.00	18,424.98	.00	(18,424.98)	.0
60-03-120	AFFORDABLE HOUSING WAIVERS	.00	(66,616.00)	.00	66,616.00	.0
60-03-121	SHORT TERM RENTAL SERVICE FEES	7,632.85	40,081.24	82,500.00	42,418.76	48.6
60-03-170	CUSTOMER HOOKUPS	2,019.00	18,333.00	36,000.00	17,667.00	50.9
60-03-187	OTHER INTEREST INCOME	22,108.61	149,412.85	250,000.00	100,587.15	59.8
60-03-189	INTEREST INCOME - CIF	5,221.52	31,292.95	70,000.00	38,707.05	44.7
60-03-190	INTEREST ON DELINQUENT TAXES	.00	.12	250.00	249.88	.1
60-03-195	INTEREST INCOME - PSSGID	.00	.00	18,546.00	18,546.00	.0
60-03-197	INTEREST INCOME CIF - PSSGID	.00	.00	18,546.00	18,546.00	.0
60-03-200	PENALTY & INTEREST DELIN ACCTS	215.39	1,909.02	3,000.00	1,090.98	63.6
60-03-387	CURRENT TAX INTEREST	162.40	188.80	1,000.00	811.20	18.9
60-03-389	OTHER REVENUE	.00	307.18	750,000.00	749,692.82	.0
60-03-500	GRANT REVENUE	.00	245,978.10	.00	(245,978.10)	.0
	TOTAL REVENUES	412,544.48	2,874,692.65	6,419,842.00	3,545,149.35	44.8
	TOTAL FUND REVENUE	412,544.48	2,874,692.65	6,419,842.00	3,545,149.35	44.8
	EXPENDITURES					
	WORK IN PROGRESS					
60-22-170	CONNECTIONS	2,064.04	13,544.67	9,000.00	(4,544.67)	150.5
60-22-415	WASTEWATER MODEL	.00	1,975.79	5,000.00	3,024.21	39.5
60-22-418	WASTEWATER SCADA SYSTEM	3,752.57	7,762.09	50,611.00	42,848.91	15.3
60-22-451	SHARED BUILDINGS & IMPROVEMENT	.00	.00	136,883.00	136,883.00	.0
60-22-464	CAPITAL EQUIPMENT	.00	19,110.01	52,480.00	33,369.99	36.4
60-22-465	TRANSPORTATION EQUIPMENT	7,204.95	79,623.51	115,775.00	36,151.49	68.8
60-22-502	WASTEWATER TREATMENT PLANTS	423,882.95	904,741.71	1,159,268.00	254,526.29	78.0
60-22-505	COLLECTION SYSTEM UPGRADES	78,764.67	115,860.46	712,538.00	596,677.54	16.3
	TOTAL WORK IN PROGRESS	515,669.18	1,142,618.24	2,241,555.00	1,098,936.76	51.0
	WASTEWATER - CIF PROJECTS					
60-24-418	CIF - WASTEWATER SCADA SYSTEMS	938.14	1,940.61	12,653.00	10,712.39	15.3
60-24-502	CIF - WW TREATMENT PLANTS	623,059.54	2,496,761.37	2,960,000.00	463,238.63	84.4
60-24-505	CIF - COLLECTION SYS UPGRADES	78,776.00	131,926.31	712,538.00	580,611.69	18.5
	TOTAL WASTEWATER - CIF PROJECTS	702,773.68	2,630,628.29	3,685,191.00	1,054,562.71	71.4

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	WASTEWATER COLLECTION					
60-51-090	HEALTH INSURANCE	3,930.99	23,803.00	66,480.00	42,677.00	35.8
60-51-091	UNIFORMS	502.71	5,280.08	10,000.00	4,719.92	52.8
60-51-092	RETIREMENT	1,987.60	12,694.47	27,128.00	14,433.53	46.8
60-51-100	FUEL & POWER LIFT STATIONS	5,007.23	34,587.88	70,000.00	35,412.12	49.4
60-51-110	INSURANCE - GENERAL	64.14	16,350.39	16,058.00	(292.39)	101.8
60-51-220	WASTEWATER LINE MAINT / REPAIR	17,576.50	230,135.98	500,000.00	269,864.02	46.0
60-51-230	GEN. & PUMPS LIFT STATIONS	8,801.78	62,082.54	120,000.00	57,917.46	51.7
60-51-232	COLLECTION SALARIES	31,991.04	204,354.56	473,171.00	268,816.44	43.2
60-51-240	PAYROLL EXP - FICA/UNEMPLOYMNT	2,512.18	16,059.65	36,532.00	20,472.35	44.0
60-51-314	VEHICLE MAINTENANCE	(1,739.42)	7,199.07	13,368.00	6,168.93	53.9
60-51-440	TRAINING	152.00	2,090.00	8,995.00	6,905.00	23.2
	TOTAL WASTEWATER COLLECTION	70,786.75	614,637.62	1,341,732.00	727,094.38	45.8
	WASTEWATER TREATMENT					
60-53-090	HEALTH INSURANCE	4,636.60	27,819.78	80,809.00	52,989.22	34.4
60-53-092	RETIREMENT	1,734.47	11,275.57	25,144.00	13,868.43	44.8
60-53-110	INSURANCE - GENERAL	55.04	14,044.87	14,884.00	839.13	94.4
60-53-131	OPERATORS SALARIES	27,942.82	181,696.27	440,069.00	258,372.73	41.3
60-53-170	LAB SUPPLY & TESTING	10,851.95	76,672.20	150,000.00	73,327.80	51.1
60-53-200	VISTA WWTP FUEL & POWER	11,842.26	114,893.05	255,000.00	140,106.95	45.1
60-53-220	VISTA WWTP MAINTENANCE	52,583.45	111,096.92	403,702.00	292,605.08	27.5
60-53-223	SLUDGE REMOVAL/PROCESSING	(29,214.52)	61,061.20	120,000.00	58,938.80	50.9
60-53-240	PAYROLL EXP - FICA/UNEMPLOYMNT	2,127.23	13,899.64	33,715.00	19,815.36	41.2
60-53-318	VEHICLE MAINTENANCE	5.65	2,124.99	16,166.00	14,041.01	13.1
60-53-440	TRAINING	234.56	2,528.75	10,061.00	7,532.25	25.1
	TOTAL WASTEWATER TREATMENT	82,799.51	617,113.24	1,549,550.00	932,436.76	39.8
	MAINTENANCE					
60-60-090	HEALTH INSURANCE	480.23	2,881.36	5,835.00	2,953.64	49.4
60-60-092	RETIREMENT	123.52	791.54	2,405.00	1,613.46	32.9
60-60-110	INSURANCE - GENERAL	4.20	1,394.00	1,424.00	30.00	97.9
60-60-170	OPERATING SUPPLIES	394.63	7,314.43	14,000.00	6,685.57	52.3
60-60-220	BUILDING MAINTENANCE	.00	.00	3,200.00	3,200.00	.0
60-60-231	MAINTENANCE SALARIES	1,996.22	12,792.26	40,859.00	28,066.74	31.3
60-60-240	PAYROLL EXP - FICA/UNEMPLOYMNT	143.65	927.84	3,248.00	2,320.16	28.6
60-60-290	UTILITIES - MAINTENANCE BLDG	108.63	993.06	3,000.00	2,006.94	33.1
60-60-312	VEHICLE MAINTENANCE	.00	.00	1,549.00	1,549.00	.0
60-60-331	EQUIPMENT MAINTENANCE	292.27	2,672.23	14,400.00	11,727.77	18.6
60-60-430	GASOLINE & OIL	2,741.83	14,565.25	35,000.00	20,434.75	41.6
60-60-440	TRAINING	.00	.00	614.00	614.00	.0
60-60-460	TOOLS AND SMALL EQUIPMENT	71.49	3,617.37	11,000.00	7,382.63	32.9
	TOTAL MAINTENANCE	6,356.67	47,949.34	136,534.00	88,584.66	35.1

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	ADMINISTRATION					
60-90-020	AUDIT	.00	.00	1,690.00	1,690.00	.0
60-90-081	EMPLOYEE MISCELLANEOUS	.00	163.91	1,000.00	836.09	16.4
60-90-090	HEALTH INSURANCE	943.85	6,509.28	20,399.00	13,889.72	31.9
60-90-092	RETIREMENT	412.34	3,522.02	8,671.00	5,148.98	40.6
60-90-110	INSURANCE - GENERAL	16.34	65,818.66	65,629.00	(189.66)	100.3
60-90-130	LEGAL SERVICES	494.40	7,463.36	12,000.00	4,536.64	62.2
60-90-160	OFFICE SUPPLIES	1,511.28	10,086.87	16,000.00	5,913.13	63.0
60-90-180	OUTSIDE SERVICES	1,417.85	8,239.95	40,000.00	31,760.05	20.6
60-90-190	PUBLICATIONS	323.26	442.16	2,500.00	2,057.84	17.7
60-90-220	MAINTENANCE OF OFFICE BUILDING	627.62	1,038.26	6,500.00	5,461.74	16.0
60-90-221	LANDSCAPING	124.00	212.00	1,870.00	1,658.00	11.3
60-90-230	ADMINISTRATIVE SALARIES	6,604.20	57,442.63	144,978.00	87,535.37	39.6
60-90-240	PAYROLL EXP - FICA/UNEMPLOYMNT	509.47	4,475.71	11,036.00	6,560.29	40.6
60-90-260	TELEPHONE	488.77	3,426.56	8,000.00	4,573.44	42.8
60-90-290	UTILITIES	90.48	1,546.07	2,500.00	953.93	61.8
60-90-291	TRASH REMOVAL	237.81	619.70	1,200.00	580.30	51.6
60-90-310	VEHICLE MAINTENANCE	.00	624.08	1,162.00	537.92	53.7
60-90-410	DUES AND PERMITS	61.84	1,990.55	9,500.00	7,509.45	21.0
60-90-440	TRAINING	2.40	398.24	4,541.00	4,142.76	8.8
60-90-442	INCLUSION EXPENSE	.00	.00	1,000.00	1,000.00	.0
60-90-443	COMPUTER SUPPORT & UPGRADES	697.99	21,609.32	47,245.00	25,635.68	45.7
	TOTAL ADMINISTRATION	14,563.90	195,629.33	407,421.00	211,791.67	48.0
	BILLING AND PERSONNEL EXPENSE					
60-91-001	BAD DEBTS	.00	2,227.28	50,000.00	47,772.72	4.5
60-91-090	HEALTH INSURANCE	1,318.84	7,912.97	16,780.00	8,867.03	47.2
60-91-092	RETIREMENT	418.79	2,602.32	5,130.00	2,527.68	50.7
60-91-110	INSURANCE - GENERAL	12.56	390.07	329.00	(61.07)	118.6
60-91-180	DATA PROCESSING	397.22	3,544.18	6,000.00	2,455.82	59.1
60-91-230	DATA PROCESSING SALARIES	6,767.41	42,057.42	86,928.00	44,870.58	48.4
60-91-240	PAYROLL EXP - FICA/UNEMPLOYMNT	501.66	3,127.23	6,427.00	3,299.77	48.7
60-91-440	TRAINING	.00	.00	2,042.00	2,042.00	.0
60-91-450	POSTAGE	767.33	4,373.51	11,000.00	6,626.49	39.8
	TOTAL BILLING AND PERSONNEL EXPENSE	10,183.81	66,234.98	184,636.00	118,401.02	35.9
	DEBT RETIREMENT AND TRANSFERS					
60-98-132	PRINCIPAL - 24 REVENUE BOND	.00	.00	520,400.00	520,400.00	.0
60-98-133	INTEREST - 24 REVENUE BOND	.00	260,200.00	190,000.00	(70,200.00)	137.0
60-98-136	PRINCIPAL - 09 BASE LOAN	.00	24,413.25	48,827.00	24,413.75	50.0
60-98-137	PRINCIPAL - 09 ARRA LOAN	.00	175,913.53	351,828.00	175,914.47	50.0
	TOTAL DEBT RETIREMENT AND TRANSFERS	.00	460,526.78	1,111,055.00	650,528.22	41.5
	TOTAL FUND EXPENDITURES	1,403,133.50	5,775,337.82	10,657,674.00	4,882,336.18	54.2

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
NET REVENUE OVER EXPENDITURES	(990,589.02)	(2,900,645.17)	(4,237,832.00)	(1,337,186.83)	(68.5)

Revenue Challenges: The story line is a Revenue shortfall that for the most part aligns with Water. The significant difference is the amount of Grant Revenue that was included as part of the DSCR was roughly $750K deficit to budget. While PASWD will continue to receive the Grant Revenue it is not apart of the DSCR calculation. Estimated CIF fees are a $300K deficit, and estimated Services Fees are a $135K deficit. There was another $66K for affordable housing waivers distributed that were not budgeted, and the availability revenue decline faster than we are realizing additional service revenues.

Cost Mitigation Actions: Management identified $295,000 in immediate expense reductions, including wastewater line maintenance deferrals ($200K), Vista WWTP maintenance reductions of ($50K), and outside service reductions ($45K split across enterprise funds).

Actuals versus total Budget versus the DSCR calculation:

As we learned last Board meeting, PAWSD has increased Capital Assets including two very large projects, Snowball WTP and Vista WWTP. Along with the large capital projects came increased debt, which was planned and to be expected. Additionally, and however, the rate study believed to be utilized for this budget forecasted continued growth for the District that has not materialized.

Historically, my predecessor used the maximum annualized debt liability for the DSCR calculations. I am unaware of a current debt covenant requiring future maximum liability. I am forecasting a DSCR of 1.15, which relies heavily on utilizing 2026 debt liability instead of the future maximum debt liability and relies on the net $665K of cost cuts and project deferrals measures mentioned above.

PAGOSA AREA WATER AND SANITATION DISTRICT (PAWSD)

FY 2027 Budget Preparation Calendar & Governance Master Plan

I. Overview & Statutory Framework

This Master Budget Schedule outlines the structured timeline, operational milestones, technical deliverables, and legal public notice requirements for finalizing the Pagosa Area Water and Sanitation District (PAWSD) Fiscal Year 2027 Operating and Capital Budget.

As public stewards of municipal water infrastructure, the district operates under fiscal and legal guidelines. As a newly formed executive leadership team, this schedule was created to ensure operational alignment, Board oversight, and transparency for our taxpayers and stakeholders. While we believe it is grounded in statutory deadlines, this schedule is intended to be a living tool that will evolve as the team works through the budget process.

Key Governance Milestones

Milestone	Target Date	Statutory Reference / Mandate	Responsible Lead	Target Audience	Status
Distribute Board Budget Schedule	August Board Meeting	Local Governance Transparency	Comptroller & General Manager	Board & Public	Pending
Formally Submit Proposed 2027 Budget	October Board Meeting	C.R.S. § 29-1-105 Mandate	Comptroller	Board of Directors & Public	Pending
Post Public Hearing Notice	Nov / Early Dec	C.R.S. § 29-1-106 Notice Requirement	Comptroller & Staff	Public	Pending
Public Hearing on 2027 Budget & Mill Levy	December Board Meeting	C.R.S. § 29-1-108 Public Input	Board & Comptroller	Public & Board	Pending
Final Budget Adoption & Mill Levy Resolution	December 15, 2026	C.R.S. § 29-1-108 Adoption Mandate	Board of Directors	Board & Public	Pending
File Certified Budget with DOLA	January 15, 2027	C.R.S. § 29-1-113 Statutory Filing	Comptroller	Colorado DOLA	Pending

PAWSD FY 2027 Master Budget Development Schedule

Detailed Task Breakdown, Ownership, Target Timelines, and Governance Focus

Phase & ID	Budget Task / Milestone Description	Target Timeline	Lead Owner	Audience / Stakeholders	Status
Phase 1: Foundation & Initial Scoping					
1.1	Controller and Sr Leadership financial review	Week of Aug 3	Comptroller (JD)	Internal Leadership	Completed
1.2	Develop a living Master Budget calendar	Week of Aug 10	Comptroller (JD)	Internal Leadership	In Progress
1.3	Distribution to Department leadership Operational CapEx request	Week of Aug 10	Operations Leadership (JS)	Department Heads	In Progress
1.4	Distribute Board budget schedule	August Board Meeting	Comptroller & GM (Andy)	Board & Public	Pending
1.5	Incorporate Board feedback and refine schedule	Following August Board Meeting	Comptroller (JD)	Internal Leadership	Pending
1.6	Controller and Sr Leadership to review FY 2026 forecast	Week of Aug 17	Comptroller (JD)	Senior Leadership	Pending
1.7	Create a consolidated budget preparation template	Weeks of Aug 17 & Aug 24	Comptroller (JD)	Department Heads	Pending
1.8					
Phase 2: Operational Submissions, Modeling & Risk Review					
2.1	Operations to submit Capital Improvement Plan (CIP) Request	Week of Sept 7	Operations Leadership	Finance Team	Pending
2.2	Complete Insurance and Risk expense modeling	Week of Sept 14	Comptroller & Finance Team	Senior Leadership	Pending
2.3	Sr Leadership review of CIP request	Week of Sept 7	Comptroller & Senior Leaders	Senior Leadership	Pending
2.4	Update Board on budget preparation progress	Sept Board Meeting	Board Secretary & Staff	Board & Public	Pending
2.5	Incorporate Board feedback and refine schedule	Following Sept Board Meeting	Comptroller & Finance Team	Internal Leadership	Pending
2.6	Finance to consolidate CapEx Request and allocate preliminary budgets	Week of Sept 14	Comptroller & Finance Team	Senior Leadership	Pending
2.7	Revenue First-Pass Projections & Water/Wastewater Revenue Modeling	Week of Sept 14	Comptroller & Finance Team	Senior Leadership	Pending
2.8	Personnel compensation modeling & staffing impact analysis	Week of Sept 21	Comptroller & Finance Team	Senior Leadership	Pending
2.9	Benefits average & healthcare cost modeling spreadsheet	Week of Sept 21	Comptroller & Finance Team	Senior Leadership	Pending
2.10	Rate Parity Calculation & Analysis (Initial Pass)	Week of Sept 21	Comptroller & Finance Team	Board & Senior Leadership	Pending
2.11	Debt Service & Payment Schedule Analysis	Week of Sept 21	Comptroller & Finance Team	Senior Leadership	Pending
2.12	Receive preliminary assessed valuation from Archuleta County Assessor	Late Aug / September (TBD)	Archuleta County Assessor	Finance Team	Pending
2.13					
Phase 3: Statutory Draft Submission & Refinement					
3.1	Formally submit Proposed 2027 Budget to Board (C.R.S. § 29-1-105)	October Board Meeting	Comptroller (JD)	Board & Public	Pending
3.2	Incorporate Board feedback and refine schedule / estimates	Following Oct Board Meeting	Comptroller & Finance Team	Board & Senior Leadership	Pending
3.3	Secondary Rate Parity Calculation & Coverage Analysis	Week of Oct 12	Comptroller & Finance Team	Board & Senior Leadership	Pending
3.4					
Phase 4: Public Notice, Hearing & Formal Board Adoption					
4.1	Post notice of Public Hearing (Date/Time/Location) & Mill Levy	Nov / Early Dec (Pre-Hearing)	Comptroller & Staff	Public	Pending
4.2	Post proposed budget notice and document to PAWSD website	Nov / Early Dec	District Web Administrator	Public	Pending
4.3	Public Hearing on 2027 Budget & Board Review of Feedback	December Board Meeting	Board of Directors & Comptroller	Public & Board	Pending
4.4	Finalize & formally adopt 2027 Operating & Capital Budget	December 15, 2026	Board of Directors	Board & Public	Pending
4.5	Finalize & certify Mill Levy resolution	December 15, 2026	Board of Directors	Board & Public	Pending
4.6					
Phase 5: Statutory Filing & Post-Adoption Compliance					
5.1	File certified budget & ordinance with Colorado DOLA (C.R.S. § 29-1-113)	January 15, 2027	Comptroller	Colorado DOLA	Pending
5.2					

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:	Phone:	Board Meeting Date:	Priority
Renee Lewis		August 13, 2026	☐High ☒Medium ☐Low

Subject: 2026 Drought Management Plan Updates and Violation Letters

Please find below the Drought Management Plan violation structure. A potential violation is always initially responded to with a phone call by staff to the property owner/resident. No further action is taken without adequate documentation that provides clear evidence of a violation. The revised proposed violation letters are also attached.

Non-Compliance Violations	Level I	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.

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

Glenn Walsh, Director
Bruce Jones, Director

DROUGHT MANAGEMENT PLAN IRRIGATION VIOLATION

PROPERTY OWNER/RESIDENT: Name

SERVICE ADDRESS: Street Address

ACCOUNT NO: Acct No

DATE: June 8, 2026

REGARDING: Violation of PAWSD Drought Management Plan – Stage 1 Restrictions

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Dear Property Owner/Resident,

This letter serves as an official warning that a violation of the Pagosa Area Water and Sanitation District (PAWSD) Drought Management Plan Stage 1 water-use restrictions has been observed at the above-referenced property.

Date of Incident ____

Time of Incident ____

Observed Violation:

____

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Current Stage 1 Drought Restrictions

PAWSD is currently operating under Drought Stage 1 (Low Drought Restrictions). Under Stage 1:

- Irrigation is permitted only between 9:00 PM and 9:00 AM.
- Gardens (edible and ornamental) may be hand-watered using a hose or drip irrigation system.
- Water conservation measures are mandatory for all customers.

The purpose of these restrictions is to reduce overall water consumption and help preserve the community's water supply during drought conditions.

Potential Fines and Penalties

Failure to comply with PAWSD's mandatory drought restrictions may result in enforcement actions, including:

- Written warning notices.
- Monetary fines and penalties of up to $500 per violation.
- Additional penalties for repeated violations.
- Violation charges added to the water account.
- Possible disconnection of water service for continued non-compliance.

This notice serves as a warning and an opportunity to immediately correct the violation. Future violations may result in enforcement actions without additional warning.

If you believe this notice was issued in error or if you have questions regarding the drought restrictions, please contact Justin Stone, PAWSD Operations Manager, at stone@PAWSD.org or (970) 731-2691.

Thank you for your cooperation in conserving water and helping protect our community's water resources.

DROUGHT MANAGEMENT PLAN IRRIGATION VIOLATION

PROPERTY OWNER/RESIDENT: Name

SERVICE ADDRESS: Street Address

ACCOUNT NO: Acct No

DATE: June 8, 2026

REGARDING: Violation of PAWSD Drought Management Plan – Stage 2 Restrictions

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Dear Property Owner/Resident,

This letter serves as an official warning that a violation of the Pagosa Area Water and Sanitation District (PAWSD) Drought Management Plan Stage 2 water-use restrictions has been observed at the above-referenced property.

Date of Incident ______________________________

Time of Incident ______________________________

Observed Violation:

____

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____

____

100 Lyn Avenue
Pagosa Springs, Colorado 81147

www.pawsd.org

(970) 731-2691

Current Stage 2 Drought Restrictions

PAWSD is currently operating under Drought Stage 2 (Moderate Drought Restrictions). Under Stage 2:

- Irrigation is permitted only between 9:00 PM and 9:00 AM.
- Odd-numbered addresses may irrigate only on odd-numbered calendar days.
- Even-numbered addresses may irrigate only on even-numbered calendar days.
- Irrigation is prohibited on Saturdays and Sundays.
- Edible and ornamental gardens may be hand-watered using a hose or drip irrigation system.

The purpose of these restrictions is to reduce overall water consumption and help preserve the community's water supply during drought conditions.

Potential Fines and Penalties

Failure to comply with PAWSD's mandatory drought restrictions may result in enforcement actions, including:

- Written warning notices.
- Monetary fines and penalties of up to $500 per violation.
- Additional penalties for repeated violations.
- Violation charges added to the water account.
- Possible disconnection of water service for continued non-compliance.

This notice serves as a warning and an opportunity to immediately correct the violation. Future violations may result in enforcement actions without additional warning.

If you believe this notice was issued in error or if you have questions regarding the drought restrictions, please contact Justin Stone, PAWSD Operations Manager, at stone@PAWSD.org or (970) 731-2691.

Thank you for your cooperation in conserving water and helping protect our community's water resources.

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

Glenn Walsh, Director
Bruce Jones, Director

DROUGHT MANAGEMENT PLAN IRRIGATION VIOLATION

PROPERTY OWNER/RESIDENT:	Name
SERVICE ADDRESS:	Street Address
ACCOUNT NO:	Acct No
DATE:	June 8, 2026
REGARDING:	Violation of PAWSD Drought Management Plan – Stage 3 Restrictions

Dear Property Owner/Resident,

The Pagosa Area Water and Sanitation District (PAWSD) is currently operating under Stage 3 Drought Restrictions. These restrictions have been implemented to significantly reduce water consumption and preserve the District's water supply during severe drought conditions. This letter serves as an official warning that a violation of the Pagosa Area Water and Sanitation District (PAWSD) Drought Management Plan Stage 3 water-use restrictions has been observed at the above-referenced property.

Date of Incident ______________________________

Time of Incident ______________________________

Observed Violation:

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____

____

100 Lyn Avenue
Pagosa Springs, Colorado 81147

www.pawsd.org

(970) 731-2691

Current Stage 3 Drought Restrictions

PAWSD is currently operating under Drought Stage 3 (Serious Drought Restrictions). Under Stage 3:

- Irrigation is permitted only between 9:00 PM and 9:00 AM.
- Landscape irrigation is limited to one (1) designated day per week - Monday (odd address) or Thursday (even addresses).
- Customers are expected to minimize all non-essential outdoor water use.
- Hand watering of edible and ornamental gardens may be permitted as authorized under the Drought Management Plan.

The purpose of Stage 3 restrictions is to achieve substantial reductions in water demand and protect essential water supplies for the community.

This letter serves as an Official Warning for violation of the PAWSD Stage 3 Drought Restrictions. Immediate compliance is required.

Potential Fines and Penalties

Failure to comply with PAWSD's mandatory drought restrictions may result in enforcement actions, including:

- Written warning notices.
- Monetary fines and penalties of up to $500 per violation.
- Additional penalties for repeated violations.
- Violation charges added to the water account.
- Possible disconnection of water service for continued non-compliance.

This notice serves as a warning and an opportunity to immediately correct the violation. Future violations may result in enforcement actions without additional warning.

If you believe this notice was issued in error or if you have questions regarding the drought restrictions, please contact Justin Stone, PAWSD Operations Manager, at stone@PAWSD.org or (970) 731-2691.

Thank you for your cooperation in conserving water and helping protect our community's water resources.

DROUGHT MANAGEMENT PLAN IRRIGATION VIOLATION

PROPERTY OWNER/RESIDENT:	Name
SERVICE ADDRESS:	Street Address
ACCOUNT NO:	Acct No.
DATE:	June 8, 2026
REGARDING:	Violation of PAWSD Drought Management Plan – Stage 4 Restrictions

Dear Property Owner/Resident,

The Pagosa Area Water and Sanitation District (PAWSD) is currently operating under Stage 4 Drought Restrictions. These restrictions have been implemented to significantly reduce water consumption and preserve the District's water supply during severe drought conditions. This letter serves as an official warning that a violation of the Pagosa Area Water and Sanitation District (PAWSD) Drought Management Plan Stage 4 water-use restrictions has been observed at the above-referenced property.

Date of Incident ______________________________

Time of Incident ______________________________

Observed Violation:

____

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____

____

100 Lyn Avenue
Pagosa Springs, Colorado 81147

www.pawsd.org

(970) 731-2691

Current Stage 4 Drought Restrictions

PAWSD is currently operating under Drought Stage 4 (Severe Drought Restrictions). Under Stage 4:

- Irrigation of all landscape elements is prohibited.
- Irrigation of lawns, turf, trees, shrubs, flower beds, edible gardens, and ornamental gardens is prohibited.
- All customers are required to eliminate non-essential outdoor water use and comply with all mandatory conservation measures established by PAWSD.

The purpose of Stage 4 restrictions is to achieve substantial reductions in water demand and protect essential water supplies for the community.

This letter serves as an Official Warning for violation of the PAWSD Stage 3 Drought Restrictions. Immediate compliance is required.

Potential Fines and Penalties

Failure to comply with PAWSD's mandatory drought restrictions may result in enforcement actions, including:

- Written warning notices.
- Monetary fines and penalties of up to $500 per violation.
- Additional penalties for repeated violations.
- Violation charges added to the water account.
- Possible disconnection of water service for continued non-compliance.

This notice serves as a warning and an opportunity to immediately correct the violation. Future violations may result in enforcement actions without additional warning.

If you believe this notice was issued in error or if you have questions regarding the drought restrictions, please contact Justin Stone, PAWSD Operations Manager, at justin@PAWSD.org or (970) 731-2691.

Thank you for your cooperation in conserving water and helping protect our community's water resources.