

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 October 15, 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 an executive session to discuss (1) loan agreement with the Pagosa Springs Sanitation General Improvement District; (2) draft settlement agreement with San Juan Water Conservancy District; and (3) easement negotiations for the Hatcher Pipeline (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. Public Comment
- 5. Consideration of 2027 Draft Budget Public Dissemination
- 6. Consideration of Scheduling Public Hearing – 2027 Draft Budget
- 7. Consideration of Scheduling November 12, 2026 Special Meeting
- 8. Consideration of Rescheduling December 10, 2026 Regular Meeting to December 14, 2026
- 9. Consideration of Settlement Agreement – San Juan Water Conservancy District
- 10. Consideration of Repayment Agreement – Pagosa Springs Sanitation and General Improvement District
- 11. Consideration of District Manager Evaluation
- 12. Consideration of District Manager Employment Agreement Short-term Extension and Future Negotiations
- 13. Manager’s Talking Points
- 14. 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



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: Jack Dossett	Phone:	Board Meeting Date: October 15, 2026	Priority ☐ High ☒ Medium ☐ Low
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Subject: Consideration of 2027 Draft Budget Public Dissemination

Please find attached the 2027 Draft Budget for public dissemination. This version is different from the files sent on October 7, 2026 in the following ways:

-Board version #5 should be very similar to Board version #4. However, there are 3 line items that were updated. All 3 were on the General Fund tab. General Property Tax for Water and Wastewater (10-03-381 & 10-03-385) were both reduced. Root cause of the change was an error noticed with the inflation rate which is utilized to calculate these funds. The inflation rate was reduced which reduced the General Property Tax - Water -\$11,719 from version #4 and the General Property Tax – Wastewater -\$13,976 from version #4. This also impacted our estimate for the County Treasurers fees, which reduced our estimate \$835.09.

All other line items are believed to be the same as version #4.

Staff proposed recommendations re rate increases:

- Water Service Rate increase of 15%
- Water volume charge 15% per volume grouping
- Fill Stations 15%
- Irrigation 15%
- Wastewater Service increase 15%
- Waste haulers 15%
- Availability – Water and Wastewater 15%
- CIF - Water and Wastewater 3%

Changes from the prior board presentation: Addition of the Contingency to each enterprise fund.

Removed CIP projects –

- Capricio Waterline replace/830 ft 8"pvc
- Jenkins Booster 2170 ft 6" PVC, HDPE replacement, tie-in and blow off
- N. Pagosa/Antelope to Lake Forest, 2200ft 16", HDPE replacement, 3 connections 1 hydrant
- River pond cleaning
- LS 15 rehab- Cut pre 2026 final budget
- F-350
- Campus Asphalt Replacement
- LS S 15 upgrade

		Audited 2025	Adopted 2025	Adopted 2026	Anticipated 2026	Proposed 2027
General Fund						
Revenue						
10-03-187	Other Interest Income	67,176.58	70,000.00	50,000.00	55,000.00	50,000.00
10-03-381	General Property Taxes - Water	587,674.49	582,091.00	562,461.00	554,500.00	581,274.00
10-03-385	General Property Taxes - WW	591,936.48	593,731.00	661,096.00	659,523.42	686,622.00
10-03-388	Delinquent Tax	5,559.47	5,000.00	5,000.00	500.00	2,500.00
10-03-389	Specific Ownership Taxes	91,534.48	90,000.00	85,000.00	94,292.29	95,500.00
10-03-390	Other Revenue	3,108.14	5,000.00	5,000.00	-	-
Total Revenue		1,346,989.64	1,345,822.00	1,368,557.00	1,363,815.71	1,363,815.71
Expenditures						
<u>Administration</u>						
10-90-019	Emergency Fund		31,744.00	33,670.00	33,670.00	35,000.00
10-90-020	Audit	29,478.00	26,503.00	28,713.00	30,000.00	32,500.00
10-90-060	County Treasurers Fee	34,384.06	38,000.00	38,000.00	39,593.90	41,206.62
10-90-070	Election Expense	43,650.04	70,000.00			75,000.00
10-90-080	Board Expense	229.24	1,000.00	1,000.00	-	1,000.00
10-90-081	Employee Misc	1,063.27	3,500.00	3,500.00	1,500.00	3,500.00
10-90-090	Health Insurance	57,122.99	62,020.00	75,071.00	60,229.53	69,263.96
10-90-092	Retirement	32,681.59	29,728.00	34,235.00	37,646.99	36,608.29
10-90-110	Insurance - General	37,353.10	15,709.00	17,902.00	20,801.87	23,922.15
10-90-130	Legal Services	29,966.10	50,000.00	37,500.00	48,995.83	51,445.62
10-90-160	Office Supplies	61,427.13	46,000.00	48,000.00	62,120.81	70,835.68
10-90-180	Outside Services	10,633.07	16,000.00	125,000.00	40,377.46	77,877.46
10-90-190	Publications	4,431.29	5,000.00	5,000.00	2,746.03	3,580.87
10-90-220	Maintenance of Office Building	14,579.42	15,000.00	15,000.00	14,485.38	29,655
10-90-221	Landscaping	2,687.50	3,000.00	3,500.00	1,612.50	
10-90-230	Administrative Salaries	410,362.21	504,058.00	576,848.00	441,607.56	461,770.59
10-90-232	Allocated Administrative	115,621.82		-	112,820.31	121,169.27
10-90-240	Payroll Exp - FICA/Unemployment	41,322.20	38,723.00	43,956.00	44,939.68	45,556.35
10-90-241	Payroll Exp - Vacation Pay	17,983.52				
10-90-260	Telephone	17,156.32	15,000.00	17,000.00	17,381.45	18,419.51
10-90-290	Utilities	6,365.45	10,000.00	9,000.00	10,342.05	9,505.67
10-90-291	Trash Removal	4,496.48	5,000.00	5,000.00	4,473.94	4,675.27
10-90-310	Vehicle Maintenance	2,510.83	6,030.00	6,030.00	6,971.17	9,694.32
10-90-410	Dues and Permits	14,443.81	13,000.00	13,000.00	11,281.03	11,845.08
10-90-440	Training	4,981.31	13,335.00	22,091.00	3,500.00	5,851.00
Total Administration		994,930.75	1,018,350.00	1,159,016.00	1,047,097.51	1,239,882.49
10-95-100	Water Conservation Program	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
10-95-110	Computer Support	81,259.94	105,439.00	129,290.00	110,000.00	142,345.00
10-95-115	Computer Upgrades	18,556.45	17,600.00	18,350.00	18,000.00	10,400.00
10-95-468	Administrative Building		2,500.00	2,500.00	2,500.00	5,000.00
10-98-040	Fiscal Agent Fees		300.00	300.00	300.00	300.00
10-98-500	Transfer to Enterprise Fund	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00
Total Capital / Program Expenditures /Debt Retirement & Transfers		602,816.39	628,839.00	653,440.00	633,800.00	661,045.00
Total Fund Expenditures		1,597,747.14	1,647,189.00	1,812,456.00	1,680,897.51	1,900,927.49

		Audited 2025	Adopted 2025	Adopted 2026	Anticipated 2026	Proposed 2027
Water Enterprise Fund						
<u>Revenue</u>						
50-03-007	Raw Water Acquisition Fee	1,065.95			-	-
50-03-009	Capital Investment Fee	762,894.17	1,000,000.00	1,030,000.00	688,693.75	699,922.08
50-03-040	Affordable Housing Surcharge	193,195.27	197,823.00		16,127.37	-
50-03-041	Affordable Housing Waivers	(27,681.00)	-		(38,016.00)	-
50-03-010	Service Fees	5,636,058.74	5,609,336.00	5,871,000.00	5,653,146.74	6,851,118.75
50-03-012	Drought Surcharge	326,650.50		-	350,000.00	-
50-03-015	Contributed Assets					-
50-03-020	Other Water Sales	299,808.63	300,000.00	309,000.00	246,761.52	293,250.00
50-03-030	Irrigation Water Sales	60,088.21	66,150.00	60,000.00	83,521.25	80,500.00
50-03-100	Availability Charges	394,245.94	450,000.00	412,000.00	401,696.55	455,653.58
50-03-120	Tap Fees - Main Line Extension					-
50-03-154	Inclusion Fee	7,739.00	5,000.00	5,000.00	-	2,500.00
50-03-170	Customer Hookups	185,065.00	250,000.00	215,000.00	168,607.50	168,000.00
50-03-187	Interest Income - Other	116,953.88	300,000.00	100,000.00	13,456.58	10,092.44
50-03-188	Interest Income - WRF					-
50-03-189	Interest Income - CIF	81,618.00	50,000.00	60,000.00	73,596.06	66,236.45
50-03-190	Interest on Delinquent Taxes	1.62	500.00	500.00	0.25	-
50-03-191	Interest from Cert - Treas				-	-
50-03-200	Penalty & Interest Deliq Accts	16,337.01	16,538.00	17,000.00	18,836.48	17,000.00
50-03-387	Current Tax Interest	2,077.10	4,961.00	2,000.00	2,000.00	2,000.00
50-03-389	Other Revenue	88,925.33	200,000.00	200,000.00	50,000.00	51,250.00
	Grant Revenue	1,000,000.00	-			-
50-03-961	Water Bond Proceeds	0.73	25,000,000.00	1,389,600.00		-
50-03-991	Gain or Loss on Asset Disposal					-
50-09-001	Transfer from General Fund	20,904.31		500,000.00	20,000.00	
Total Revenues		9,165,948.39	33,450,308.00	10,171,100.00	7,748,428.05	8,697,523.30
<u>Work In Progress</u>						
50-21-170	Connections	177,626.75	200,000.00	172,000.00	225,000.00	475,000.00
50-21-401	Water Rights		2,000.00	2,000.00		2,000.00
50-21-403	Reservoirs/Watershed					76,350.00
50-21-411	Raw Water Line - Jackson Mt			165,600.00		-
50-21-414	Water Model	1,437.53	-	1,000.00		500.00
50-21-418	Water SCADA System		91,392.00	107,550.00		82,450.00
50-21-450	Water Treatment Plant Upgrades		5,561,500.00	509,600.00		189,300.00
50-21-451	Shared Buildings & Improvement	13,536.39	296,820.00	290,877.00		3,400.00
50-21-455	Distribution System Upgrades		124,500.00	355,000.00		1,729,372.00
50-21-463	Shared Capital Equipment					13,600.00
50-21-464	Capital Equipment		183,644.00	111,520.00		69,341.00
50-21-465	Transportation Equipment		154,251.00	246,022.00		21,001.80
Total Work In Progress		192,600.67	6,614,107.00	1,961,169.00	225,000.00	2,662,314.80
<u>Water - CIF Projects</u>						
50-23-403	CIF - Reservoirs/Watershed		310,000.00	328,000.00		
50-23-414	CIF - Water Model		1,000.00	1,000.00		500.00
50-23-418	CIF - Water SCADA System	0.41	22,848.00	26,887.00		82,450.00
50-23-450	CIF - WTP Upgrades		20,800,000.00	880,000.00		189,300.00
50-23-455	CIF - Distribution Sys Upgrade		645,563.00	1,069,000.00		432,343.00
Total Water - CIF Projects		0.41	21,779,411.00	2,304,887.00	-	704,593.00

<u>Source of Supply</u>						
50-41-007	Depreciation	378,529.50	-		380,000.00	-
50-41-402	Ditches	4,833.58	2,000.00	4,000.00	3,861.00	4,000.00
50-41-403	Reservoirs - Watershed	84,658.40	105,000.00	16,000.00	16,000.00	93,000.00
50-41-411	Raw Water Line - Jackson MT - Snowball	10,000.00	20,000.00	180,600.00	65,600.00	20,000.00
50-41-511	Raw Water Line - San Juan	38,769.05	80,000.00	42,000.00	27,518.78	10,000.00
50-41-512	Power Trujillo Booster	87,223.08	59,000.00	87,000.00	67,000.00	75,000.00
50-41-513	Power SJ River Booster	59,500.79	44,000.00	65,000.00	45,000.00	65,000.00
50-41-514	Power Forest Lake	1,306.80	1,750.00	1,500.00	1,500.00	1,500.00
50-41-515	Power Running Iron Ranch	935.67	3,500.00	3,500.00	3,500.00	2,500.00
50-41-516	Power Dutton Ditch	607.07	800.00	800.00	800.00	800.00
Total Source of Supply		666,363.94	316,050.00	400,400.00	610,779.78	271,800.00

<u>Water Treatment</u>						
50-43-007	Depreciation	975,894.66	-	-	1,000,000.00	
50-43-090	Health Insurance	72,029.60	75,598.00	79,899.00	69,629.75	80,074.21
50-43-092	Retirement	24,656.91	22,820.00	26,684.00	26,684.00	25,834.82
50-43-110	Insurance - General	20,135.23	19,148.00	24,699.00	22,883.68	26,316.23
50-43-131	Operating Salaries	399,187.78	392,212.00	459,662.00	423,763.93	413,188.41
50-43-140	Training	1,757.94	5,107.00	10,431.00	5,869.52	4,788.00
50-43-180	Vehicle Maintenance	4,268.39	13,746.00	15,294.00	15,294.00	24,587.87
50-43-200	Hatcher WTP Fuel & Power	151,566.40	206,500.00	175,000.00	175,000.00	175,000.00
50-43-205	Hatcher WTP Chemicals/Lab	249,949.37	230,000.00	200,000.00	200,000.00	200,000.00
50-43-220	Hatcher WTP Maintenance	168,490.96	230,000.00	200,000.00	150,000.00	100,000.00
50-43-240	Payroll Exp - FICA/Unemployment	30,788.84	29,863.00	35,205.00	35,205.10	32,315.92
50-43-400	Snowball WTP Fuel & Power	57,032.71	35,500.00	40,000.00	95,171.70	125,000.00
50-43-405	Snowball WTP Chemicals/Lab	61,055.60	100,000.00	200,000.00	200,000.00	150,000.00
50-43-420	Snowball WTP Maintenance	39,049.33	46,500.00	150,000.00	75,000.00	50,000.00
50-43-500	San Juan WTP Fuel & Power	59,093.39	52,000.00	56,000.00	60,000.00	65,000.00
50-43-505	San Juan WTP Chemicals/Lab	75,575.47	140,000.00	140,000.00	100,000.00	150,000.00
50-43-520	San Juan WTP Maintenance	67,885.42	74,000.00	100,000.00	100,000.00	85,000.00
Total Water Treatment		2,458,418.00	1,672,994.00	1,912,874.00	2,754,501.68	1,707,105.46

<u>Water Distribution</u>						
50-44-007	Depreciation	1,052,727.90	-		1,050,000.00	
50-44-090	Health Insurance	116,358.59	107,398.00	118,449.00	107,882.10	124,064.42
50-44-091	Uniforms	18,426.04	18,000.00	20,000.00	18,529.65	20,000.00
50-44-092	Retirement	47,041.32	39,772.00	44,033.00	52,357.28	49,139.54
50-44-099	Fuel & Power Mission Booster	-	750.00	750.00	750.00	750.00
50-44-100	Fuel & Power Pump Stations	37,107.41	44,000.00	42,000.00	38,690.77	40,625.31
50-44-101	Town Fill Station - Fuel & Power	779.68	1,350.00	1,000.00	1,205.47	1,235.61
50-44-102	Town Fill Station - Maint	882.52	1,500.00	1,500.00	1,500.00	1,500.00
50-44-110	Insurance - General	34,729.41	33,372.00	40,757.00	42,193.69	48,522.74
50-44-201	Trails Fill Station - Fuel & Power	335.60	1,250.00	1,000.00	1,000.00	1,250.00
50-44-202	Trails & Lyn Fill Stations - Maint	1,364.28	1,500.00	1,500.00	4,470.00	2,525.00
50-44-219	Water Tank Maintenance	57,540.90	51,000.00	39,500.00	1,000.00	45,000.00
50-44-220	Water Line Maintenance	661,222.19	580,500.00	540,000.00	550,000.00	500,000.00
50-44-231	Fire Hydrant Maintenance	3,141.35	10,000.00	10,000.00	-	10,000.00
50-44-232	Distributions Salaries	783,530.09	701,840.00	773,133.00	801,904.92	816,995.53
50-44-240	Payroll Exp - FICA/Unemployment	62,002.92	53,953.00	59,620.00	65,000.00	63,820.98
50-44-310	Vehicle Maintenance	16,365.39	21,306.00	22,952.00	22,952.00	36,899.50
50-44-440	Training	5,357.19	21,562.00	15,615.00	7,000.00	8,244.00
Total Water Distribution		2,898,912.78	1,689,053.00	1,731,809.00	2,766,435.88	1,770,572.62

Maintenance						
50-60-090	Health Insurance	6,187.64	12,401.00	12,399.00	11,784.17	13,551.79
50-60-092	Retirement	3,362.25	4,905.00	5,111.00	5,111.20	3,570.38
50-60-110	Insurance - General	3,770.72	3,734.00	4,297.00	4,319.16	4,967.03
50-60-170	Operating Supplies	28,199.59	27,000.00	28,000.00	31,775.94	33,364.74
50-60-220	Building Maintenance	803.63	10,000.00	6,800.00	3,187.50	4,250.00
50-60-231	Maintenance Salaries	54,526.82	83,548.00	86,825.00	54,661.34	59,506.39
50-60-240	Payroll Exp - FICA/Unemployment	4,413.68	6,642.00	6,903.00	6,902.62	6,825.73
50-60-290	Utilities - Maintenance Building	2,324.67	5,500.00	3,500.00	2,903.37	4,500.00
50-60-312	Vehicle Maintenance	2,067.06	3,291.00	3,291.00	3,291.00	5,290.88
50-60-331	Equipment Maintenance	16,067.16	33,000.00	30,600.00	12,919.28	20,000.00
50-60-418	Water SCADA				-	48,960.00
50-60-430	Gasoline & Oil	51,052.74	75,000.00	65,000.00	74,018.84	85,611.10
50-60-440	Training	-	1,306.00	1,306.00	306.00	612.00
50-60-460	Tools and Small Equipment	13,346.23	23,120.00	23,375.00	13,900.77	25,224.77
Total Maintenance		186,122.19	289,447.00	277,407.00	225,081.17	316,234.82

Administration						
50-90-020	Audit	3,468.00	3,118.00	3,376.00	3,529.41	3,824.00
50-90-081	Employee Miscellaneous	855.86	2,380.00	3,000.00	3,000.00	3,000.00
50-90-090	Health Insurance	32,725.24	34,442.00	43,348.00	24,850.32	45,923.09
50-90-092	Retirement	17,040.47	15,605.00	18,427.00	18,427.00	18,840.24
50-90-110	Insurance - General	128,930.95	130,329.00	144,792.00	164,107.16	188,723.23
50-90-130	Legal Services	20,376.94	34,000.00	25,500.00	33,317.12	34,982.97
50-90-160	Office Supplies	41,770.34	29,240.00	35,000.00	42,267.18	46,468.14
50-90-180	Outside Services	7,569.33	19,080.00	85,000.00	26,727.02	52,227.02
50-90-190	Publications	2,333.24	4,000.00	3,500.00	1,867.29	2,308.41
50-90-220	Maintenance of Office Building	8,011.69	13,000.00	13,000.00	7,748.36	17,318.14
50-90-221	Landscaping	1,827.50	3,500.00	3,000.00	797.00	-
50-90-230	Administrative Salaries	273,971.53	261,073.00	308,078.00	274,361.87	314,004.00
50-90-240	Payroll Exp - FICA/Unemployment	21,464.67	20,090.00	23,450.00	23,450.49	24,492.31
50-90-241	Payroll Exp - Vacation Pay	25,571.31				
50-90-260	Telephone	13,937.29	15,000.00	15,000.00	13,517.97	14,193.87
50-90-290	Utilities	4,201.48	5,500.00	6,000.00	6,000.00	6,439.98
50-90-291	Trash Removal	4,245.90	5,000.00	5,000.00	4,583.53	4,789.79
50-90-310	Vehicle Maintenance	895.17	2,468.00	2,468.00	2,468.00	3,967.76
50-90-410	Dues and Permits	5,940.01	7,000.00	7,000.00	8,758.15	9,196.06
50-90-440	Training	2,669.83	9,067.00	9,650.00	1,730.89	5,202.00
50-90-442	Inclusion Expense	-	1,000.00	1,000.00		1,000.00
50-90-443	Computer Support & Upgrades	108,226.19	83,667.00	100,395.00	100,395.00	103,866.60
50-90-500	Enterprise contingency					264,766.88
Total Administration		726,032.94	698,559.00	855,984.00	761,903.74	1,165,534.50

Billing and Personnel Expense						
50-91-001	Bad Debts	77,476.10	50,000.00	50,000.00	52,413.35	10,000.00
50-91-090	Health Insurance	53,034.94	27,674.00	35,658.00	39,783.61	45,751.15
50-91-092	Retirement	13,896.63	14,258.00	10,902.00	12,500.00	9,878.52
50-91-110	Insurance - General	1,177.76	720.00	699.00	1,071.07	1,231.73
50-91-180	Data Processing	20,997.20	20,000.00	22,000.00	21,074.67	28,928.40
50-91-230	Data Processing Salaries	226,065.26	241,098.00	184,722.00	210,915.18	161,894.84
50-91-240	Payroll Exp - FICA/Unemployment	16,988.07	17,790.00	13,658.00	15,265.49	12,627.80
50-91-440	Training	-	4,991.00	4,338.00	2,169.00	3,060.00
50-91-450	Postage	24,345.42	23,000.00	24,000.00	23,123.54	24,279.72
Total Billing and Personnel Expense		433,981.38	399,531.00	345,977.00	378,315.92	297,652.17

<u>Debt Retirement and Transfers</u>						
50-98-117	Principal - CWCB Loan	0.01	215,337.00	219,105.00	219,104.95	222,940.00
50-98-118	Interest - CWCB Loan	40,903.81	40,794.32	37,026.00	37,025.94	33,192.00
50-98-121	Interest - CWPDA Loan	24,247.43	24,000.00	4,695.00	4,695.00	-
50-98-122	Admin Fee - CWPDA Loan	89,485.88	89,486.00	84,117.00	84,116.72	75,169.00
50-98-126	Principal - CWPDA Loan		419,793.00	439,384.00	439,383.34	999,108.00
50-98-127	Interest - 2023 CWRPDA Loan	888,097.93	879,237.00	857,764.00	857,421.28	835,491.87
50-98-128	Principal - 2023 CWRPDA Loan	(5,295.02)	775,480.00	796,953.00	796,988.16	813,917.57
		534.09				
		1,037,974.13	2,444,127.32	2,439,044.00	2,438,735.39	2,979,818.44

		Audited 2025	Adopted 2025	Adopted 2026	Anticipated 2026	Proposed 2027
Wastewater Enterprise Fund						
	<u>Revenue</u>					
60-03-009	Capital Investment Fee	858,970.67	1,250,000.00	1,250,000.00	849,817.75	857,681.00
60-03-110	Affordable Housing Surcharge	212,570.72	174,998.00	-	18,424.98	-
60-03-120	Affordable Housing Waivers	(48,504.00)		-	(66,616.00)	-
60-03-010	Service Fees	2,840,162.28	2,982,227.00	3,135,000.00	3,086,833.47	3,549,858.49
60-03-014	Municipal Wastewater Treatment	210,495.76	200,000.00	200,000.00	219,499.99	224,987.49
60-03-015	Contributed Assets				-	-
60-03-021	Waste Hauler Revenue	149,841.23	182,000.00	165,000.00	150,648.65	173,245.95
60-03-100	Availability Charges	363,431.66	446,918.00	440,000.00	399,927.91	460,566.46
60-03-121	Short Term Rental Service Fees	74,419.48	70,000.00	82,500.00	79,363.74	79,363.74
60-03-154	Inclusion Fee	5,378.00			-	-
60-03-170	Customer Hookups	32,205.20	35,000.00	36,000.00	28,266.00	29,080.00
60-03-187	Interest Income - Other	543,864.03	120,000.00	250,000.00	240,042.79	180,032.09
60-03-189	Interest Income - CIF	95,834.27	50,000.00	70,000.00	57,035.55	45,628.44
60-03-190	Interest on Delinquent Taxes	0.28	250.00	250.00	0.12	-
60-03-195	Interest Income - PSSGID	20,023.68	20,024.00	18,546.00	18,546.00	17,037.18
60-03-197	Interest Income CIF - PSSGID	20,023.68	20,024.00	18,546.00	18,546.00	17,037.18
60-03-200	Penalty & Interest Delinq Accts	2,510.35	1,800.00	3,000.00	3,000.00	2,500.00
60-03-387	Current Tax Interest	732.95	1,250.00	1,000.00	1,000.00	750.00
60-03-389	Other Revenue	14,750.69	7,000.00	750,000.00	1,000.00	1,010.00
60-03-500	Grant Revenue	338,666.14	-		874,274.71	-
60-03-863	2024 Revenue Bonds	-	12,000,000.00			-
60-03-991	Gain or Loss on Asset Disposal					
60-03-001	Transfer from General Fund	479,095.69	500,000.00			
	Total Wastewater Revenue	6,214,472.76	18,061,491.00	6,419,842.00	5,979,611.66	5,638,778.02
<u>Work in Progress</u>						
60-22-170	Connections	6,630.00	9,000.00	9,000.00	25,000.00	55,000.00
60-22-415	Wastewater Model		5,000.00	5,000.00		5,000.00
60-22-418	WW SCADA System		43,008.00	50,611.00		38,800.00
60-22-451	Shared Building & Improvements		139,680.00	136,883.00		96,660.00
60-22-464	Capital Equipment		144,656.00	52,480.00		105,584.00
60-22-463	Shared Building & Improvements					6,400.00
60-22-465	Transportation Equipment		72,589.00	115,775.00		9,883.20
60-22-502	Wastewater Treatment Plant		2,499,800.00	1,159,268.00		60,000.00
60-22-505	Collections System Upgrades		1,394,500.00	712,538.00		1,387,132.00
	Total Work in Progress	6,630.00	4,308,233.00	2,241,555.00	25,000.00	1,764,459.20
<u>Wastewater CIF Projects</u>						
60-24-418	CIF - SCADA System		10,752.00	12,653.00		38,800.00
60-24-502	CIF - Wastewater Treatment Plant		8,480,000.00	2,960,000.00		60,000.00
60-24-505	CIF - Collections System Upgrades		1,317,500.00	712,538.00		652,768.00
	Total WW CIF Projects	-	9,808,252.00	3,685,191.00	-	751,568.00
<u>Wastewater Collections</u>						
60-51-007	Depreciation	672,408.10	-	-	675,000.00	
60-51-090	Health Insurance	62,020.76	61,192.00	66,480.00	66,480.00	71,323.87
60-51-091	Uniforms	9,267.62	9,500.00	10,000.00	10,941.75	11,000.00
60-51-092	Retirement	27,333.30	24,692.00	27,128.00	27,127.86	30,067.62
60-51-100	Fuel & Power Lift Stations	56,623.66	73,000.00	70,000.00	64,170.10	67,378.61
60-51-110	Insurance - General	14,138.35	13,250.00	16,058.00	16,803.67	19,324.22
60-51-220	Wastewater Line Maint / Repairs	357,955.16	520,000.00	500,000.00	408,296.54	454,866.03
60-51-230	Generators and Pumps Lift Stations	21,297.28	60,000.00	120,000.00	103,784.45	130,370.73
60-51-232	Collections Salaries	441,219.01	435,824.00	473,171.00	397,994.45	501,127.06
60-51-240	Payroll Exp - FICA/Unemployment	34,953.79	33,563.00	36,532.00	36,531.58	39,087.91
60-51-314	Vehicle Maintenance	9,592.13	12,594.00	13,368.00	13,368.00	21,491.48
60-51-440	Training	4,563.85	17,088.00	8,995.00	4,271.77	4,356.00
	Total Wastewater Collections	1,711,373.01	1,260,703.00	1,341,732.00	1,824,770.16	1,350,393.53

Wastewater Treatment

60-53-007	Depreciation	313,175.01	-		315,000.00	
60-53-090	Health Insurance	62,603.56	73,941.00	80,809.00	53,591.47	82,878.94
60-53-092	Retirement	22,387.91	23,281.00	25,144.00	25,144.25	26,377.91
60-53-110	Insurance - General	13,247.86	12,493.00	14,884.00	14,154.95	16,278.19
60-53-131	Operator Salaries	367,348.45	400,178.00	440,069.00	352,901.53	435,559.95
60-53-170	Lab Supplies & Testing	103,068.04	130,000.00	150,000.00	136,065.39	150,000.00
60-53-200	Fuel, Power & Water Vista WWTP	224,714.25	293,000.00	255,000.00	264,791.66	278,031.24
60-53-220	Maintenance Vista WWTP	139,076.72	203,000.00	403,702.00	212,761.62	200,000.00
60-53-223	Sludge Removal / Processing	115,357.48	90,000.00	120,000.00	123,796.00	287,981.88
60-53-240	Payroll Exp - FICA / Unemployment	28,427.81	30,603.00	33,715.00	33,714.60	33,973.68
60-53-318	Vehicle Maintenance	4,019.89	12,874.00	16,166.00	16,166.00	25,989.77
60-53-440	Training	1,070.44	5,453.00	10,061.00	5,112.00	5,112.00
Total Wastewater Treatment		1,394,497.42	1,274,823.00	1,549,550.00	1,553,199.48	1,542,183.56

Maintenance

60-60-090	Health Insurance	2,911.89	5,836.00	5,835.00	5,545.47	6,377.29
60-60-092	Retirement	1,582.27	2,308.00	2,405.00	1,905.27	1,680.18
60-60-110	Insurance - General	1,265.46	1,237.00	1,424.00	1,402.40	1,612.76
60-60-170	Operating Supplies	13,650.44	13,000.00	14,000.00	15,304.16	16,069.36
60-60-220	Building Maintenance	1,974.43	7,500.00	3,200.00	1,500.00	2,000.00
60-60-231	Maintenance Salaries	25,659.60	39,317.00	40,859.00	25,722.90	28,003.01
60-60-240	Payroll Exp - FICA/Unemployment	2,077.02	3,126.00	3,248.00	3,248.29	2,306.68
60-60-290	Utilities - Maintenance Bldg	9,041.56	3,600.00	3,000.00	1,964.90	3,500.00
60-60-312	Vehicle Maintenance	964.28	1,549.00	1,549.00	1,549.00	2,490.30
60-60-331	Equipment Maintenance	8,833.72	20,000.00	14,400.00	6,080.13	10,500.00
60-60-418	Wastewater SCADA system					23,040.00
60-60-430	Gasoline & Oil	21,875.18	35,000.00	35,000.00	34,468.19	40,287.58
60-60-440	Training	-	614.00	614.00	144.00	288.00
60-60-460	Tools and Small Equipment	8,562.96	10,880.00	11,000.00	6,819.99	23,795.99
Total Wastewater Maintenance		98,398.81	143,967.00	136,534.00	105,654.69	161,951.15

Administration

60-90-020	Audit	1,734.00	1,559.00	1,690.00	1,764.71	1,912.00
60-90-081	Employee Miscellaneous	340.11	1,120.00	1,000.00	1,000.00	1,000.00
60-90-090	Health Insurance	15,400.49	16,208.00	20,399.00	15,000.00	19,918.39
60-90-092	Retirement	8,018.77	7,344.00	8,671.00	8,671.00	9,108.48
60-90-110	Insurance - General	59,169.16	59,069.00	65,629.00	65,936.34	75,826.79
60-90-130	Legal Services	9,589.17	14,000.00	12,000.00	16,723.96	17,560.16
60-90-160	Office Supplies	19,656.86	13,760.00	16,000.00	19,932.30	21,867.59
60-90-180	Outside Services	7,231.93	16,920.00	40,000.00	14,939.72	26,939.72
60-90-190	Publications	1,097.99	2,500.00	2,500.00	878.75	1,086.31
60-90-220	Maintenance of Office Building	3,770.49	6,350.00	6,500.00	3,352.63	7,623.89
60-90-221	Landscaping	860.00	1,870.00	1,870.00	288.00	
60-90-230	Administrative Salaries	128,927.82	122,858.00	144,978.00	106,327.00	147,766.59
60-90-240	Payroll Exp - FICA/Unemployment	10,100.54	9,454.00	11,036.00	11,035.52	11,525.79
60-90-241	Payroll Exp - Vacation Pay	951.99	-	-		
60-90-260	Telephone	7,376.87	8,000.00	8,000.00	7,161.96	7,520.06
60-90-290	Utilities	1,747.02	2,500.00	2,500.00	3,000.00	2,849.77
60-90-291	Trash Removal	1,219.32	1,000.00	1,200.00	1,270.58	1,327.76
60-90-310	Vehicle Maintenance	421.31	1,162.00	1,162.00	989.03	1,868.13
60-90-410	Dues and Permits	9,406.14	9,000.00	9,500.00	10,571.98	11,100.57
60-90-440	Training	1,256.43	4,267.00	4,541.00	800.07	2,448.00
60-90-442	Inclusion Expense	-	1,000.00	1,000.00	-	1,500.00
60-90-443	Computer Support & Upgrades	48,711.45	39,372.00	47,245.00	47,245.00	48,878.40
60-90-500	Enterprise contingency					124,596.18
Total Wastewater Administration		336,987.86	339,313.00	407,421.00	336,888.53	544,224.59

<u>Personnel & Billing</u>						
60-91-001	Bad Debts	57,036.26	50,000.00	50,000.00	52,227.28	10,000.00
60-91-090	Health Insurance	23,968.88	-	16,780.00	15,232.01	27,564.21
60-91-092	Retirement	6,292.73	6,710.00	5,130.00	5,130.37	4,630.28
60-91-110	Insurance - General	554.43	339.00	329.00	480.19	552.22
60-91-180	Data Processing	5,130.61	6,000.00	6,000.00	6,225.93	9,737.23
60-91-230	Data Processing Salaries	102,263.19	113,458.00	86,928.00	82,219.33	87,152.49
60-91-240	Payroll Exp - FICA/Unemployment	7,676.11	8,372.00	6,427.00	6,427.06	5,942.49
60-91-440	Training	-	2,349.00	2,042.00	1,021.00	1,440.00
60-91-450	Postage	11,456.77	10,500.00	11,000.00	11,655.28	12,238.04
Total Wastewater Personnel & Billings		214,378.98	197,728.00	184,636.00	180,618.45	159,256.96
<u>Debt Retirement & Transfers</u>						
60-98-132	Principal - 2024 Revenue Bonds	175,000.00	175,000.00	520,400.00	520,400.00	510,900.00
60-98-133	Interest - 2024 Revenue Bonds	532,364.33	505,632.00	190,000.00	190,000.00	200,000.00
60-98-136	Principal - 09 Base Loan	48,826.50	48,827.00	48,827.00	48,826.50	48,827.00
60-98-137	Principal - 09 ARRA Loan	(48,826.50)	351,828.00	351,828.00	351,827.06	351,828.00
Total Debt Retirement and Transfers		707,364.33	1,081,287.00	1,111,055.00	1,111,053.56	1,111,555.00

Water Capital Projects

2027

Capricio Waterline replace/830 ft 8"pvc	Removed
4th St Alley, 1000ft 8", 19 Connections, 1 Hyd, Relocate inside meter locations	\$300,000
Freeze Mation, meter pit	\$6,000
Jenkins Booster 2170 ft 6" PVC, HDPE replacement, tie-in and blow off- last years quote	Removed
West McCabe, 3200 ft HDPE, 5 connections 4 hyd	\$300,000
Hatcher Tank, repaint inside and outside	\$250,000
N. Pagosa/Antelope to Lake Forest, 2200ft 16", HDPE replacement, 3 connections 1 hyd	Removed
Waterline Replace Snowball WTP, HDPE, focus on steep sections, Last yr quote	\$185,000
phousrous treatment pagosa lakes / plpoa last 10 years	\$54,000
opti-view replace	\$18,900
Infared Camera - Amazon	\$5,250
Cholorine Vaccuum Regulators - State complaince	\$16,800
Sample Stations - State complaince	\$5,565
Caustic pumps, chemical resistive	\$12,600
Chemical Transfer pump	\$5,000
Micro filtration Modules , 25	\$75,000
GAC	\$60,000
Fence	\$25,000
Fountains - Pond Aeration	\$7,350
V10K chorinator	\$11,000
LMI/Peristalic chemical pumps	\$12,600
River pond cleaning	Removed
Actuators and valves/air system	\$5,250
Bank re-enforcement/discharge ponds	\$15,000
Phase 1 - Sensus / SMART Solutions / FlexNet Implementation	\$825,000
Fill station critical spare (hardware update kit)	\$11,000
San Juan xfer switch	\$33,000
PRV	\$150,000
Meter Phase Project - install	\$129,150
Number #1 clearwell pump and motor assimby for San Juan WTP plant	\$132,300
	\$2,650,765

Wastewater Capital Projects

2027

A-1 Diffuser replacement	\$120,000
Oxygest remover	\$300,000
Hoffman rebuild - Large air compressor	\$54,000
Veh/pipe storage barn 35/60ft pole barn, estimate from contractor	\$80,000
50 sewer spot repairs	\$500,000
Line jetting/CCTV	\$250,000
64 Fortune line repair/rollover, last yr quote	\$172,500
Lakeside DR line replacement- last yr quote	\$227,700
LS 15 rehab-1st yr quote. Cut pre 2026 final budget	Removed
2026 the completion of UV upgrade	\$35,000
#2-Mockingbird	\$183,750
Snow Cr line replacement 400ft - TRC	\$405,950
WW/collections pipe storage electrical install	\$7,500
Amiad Filter	\$7,560
	\$2,343,960

New / Used Capital Equipment**2027**

PLATE TRAILER	\$ 9,135.00
DUMP TRAILER	\$ 15,750.00
JUMPING JACK	\$ 3,675.00
INVENTORY FORKLIFT	\$ 34,650.00
TPMS/HD DIAGNOSTIC TOOLS	\$ 6,000.00
F-350	Removed
Eng and Transfer case for Jeep	\$ 6,000.00
Campus Asphalt Replacement	Removed
SCADA upgrades	\$ 181,000.00
LS 15 upgrade	Removed
Stevens Tankcontrol valve, pressure transmitter, piping and vault	\$ 45,000.00
Log Park Tank/removed from 2026	\$ 13,500.00
Log Park BPS/removed from 2026	\$ 3,000.00
Pole barn pipe rack	\$ 5,000.00
surge protection devises/district wide	\$ 7,500.00
Vista WIFI enhancement	\$ 10,000.00
GPS EQUIPMENT & software	\$ 10,000.00

\$ 350,210.00

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:

October 15, 2026

Priority

☐ High

☒ Medium

☐ Low

Subject:

Consideration of Scheduling Public Hearing – 2027 Draft Budget

The Notice of Budget will be provided to the Pagosa Sun on October 16, 2026 and published on October 22, 2026. As such, the subsequent public hearing re the 2027 Draft Budget will need to be scheduled the week of November 23, 2026 to allow for the required 30-day notice.

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:

October 15, 2026

Priority

☐ High

☒ Medium

☐ Low

Subject: Consideration of Rescheduling December 10, 2026 Regular Meeting to December 14, 2026

The final assessed values from Archuleta County are not due until December 10, 2026. To allow staff to make adjustments to the budget following receipt, it may be necessary to reschedule the December 10, 2026 regular meeting to December 14, 2026.

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:

October 15, 2026

Priority

☐ High

☒ Medium

☐ Low

Subject: Consideration of District Manager Employment Agreement Short-Term Extension and Future Negotiations

Please find attached the District Manager Employment Agreement (Agreement). It may be necessary to direct the District's attorneys to draft a brief short-term extension of the Agreement as it expires on November 13, 2026. Also, it may be necessary to appoint a representative for the Board for any future negotiations regarding the Agreement. The attorneys have been briefed and are prepared.

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into this 13th day of November, 2025 by and between the Pagosa Area Water and Sanitation District ("PAWSD" or "District"), acting by and through its Board of Directors, hereinafter called "Employer" and Andrew Connor, hereinafter called "Employee." Employer and Employee are individually "party" and collectively "parties."

WHEREAS, the District desires to employ Employee as District Manager of PAWSD; and

WHEREAS, it is the desire of the District to provide certain benefits, establish certain conditions of employment, and to set working conditions of the Employee; and

WHEREAS, the Employee desires to accept employment as the District Manager of PAWSD on the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the mutual promises contained herein, the parties agree as follows:

1. **DUTIES.** Employee shall be employed by the District as its District Manager, and shall professionally perform all duties necessary for effective management of the District's facilities and personnel, and ensure effective operations and provision of District services to its customers. No actions of the Employee shall diminish the vested power or authority of the Board of Directors to direct the duties of the Employee.
2. **TERM.** The term of employment shall begin November 13, 2025, and shall extend through November 13, 2026, and then shall thereafter be subject to renewal upon mutual agreement of the parties herein, all subject to the suspension, termination, and resignation provisions hereof. Employee may resign his position upon giving written notice to the Board of Directors at least thirty (30) days prior to the effective date of his resignation.
3. **SUSPENSION AND TERMINATION.** Employer can terminate Employee "for cause" or "without cause." In the event that Employer terminates the Employee for cause, Employee will be entitled to receive only accrued pay and accrued benefits to the date of termination. In the event Employer terminates Employee without cause, Employee shall be entitled to two (2) months' severance pay. Such severance pay, if applicable, shall constitute the total liquidated damages arising out of the termination of Employee's employment. Employee, upon receipt of such severance pay, shall be deemed to have waived any and all demands, claims, suits, causes of action, or any legal proceedings against PAWSD, its Board of Directors, or any of its officers, agents, employees or assigns.
4. **FOR CAUSE.** For purposes of this Agreement, suspension or termination "for cause" is defined as material non-performance of Employee's duties, a material violation of Employer's rules or Employee Handbook as amended from time to time, theft, conviction of a felony or a crime of dishonesty, engaging in conduct that jeopardizes Employer's image or operations, or dereliction of duty. Prior to taking final action to terminate Employee for cause, the Board of Directors shall hold a meeting, either special or regular, for the purpose of discussing the existence of cause. Prior to the meeting, Employee shall be informed in writing of the date and time of the meeting and the cause alleged. At the meeting, Employee shall have an opportunity to rebut the allegations of cause prior to the final vote by the Board of Directors regarding the existence of cause.
5. **SALARY.** Employer agrees to pay Employee, for services rendered, an annual salary of One Hundred Forty Thousand and 0/100ths Dollars (\$140,000.00), payable in installments at the same time as other employees of the Employer are paid. Upon the resignation of Justin Ramsey, Employer agrees to pay Employee a salary of One Hundred Forty-Five Thousand and 0/100ths Dollars (\$145,000.00), effective the first day of the month after Mr. Ramsey's resignation. If this Agreement is renewed in subsequent years at the discretion of Employer, Employer agrees to consider increases in salary and/or other benefits for the District Manager on

the basis of performance reviews of the District Manager and not based upon the salary increases that may be provided to the rest of the PAWSD's employees. Normal withholding of FICA, medical, federal and state taxes shall be deducted from Employee's gross salary by Employer.

6. **RESIDENCY.** Employee must reside within the boundaries of PAWSD during his term of employment.
7. **HOURS OF WORK.** It is recognized that the District Manager must devote a considerable amount of time outside normal office hours for that position (from 6:30 a.m. to 5:00 p.m. Monday through Thursday and as needed all other days) in excess of Forty (40) hours per week to PAWSD business. As an FLSA exempt Employee, the District Manager shall not be eligible for overtime or compensatory pay. The District Manager will be eligible for Administrative Leave, as prescribed by the PAWSD Employee Handbook and as amended from time to time. Employee shall not engage in any non-PAWSD connected business during the hours of work without the expressed prior approval of the Board of Directors.
8. **BENEFITS.** Employee shall be entitled to all the benefits applicable to PAWSD employees as are incident to their employment relationship with PAWSD, including, but not limited to Four Hundred Sixty Four (464) hours of Paid Time Off (PTO) carried over and capped in accordance with the Personnel Handbook and as amended from time to time, Three (3) days of Reserve Sick Bank, any other forms of life insurance protection, retirement program, disability insurance, and other employee benefits as provided in the PAWSD Employee Handbook and as amended from time to time. He shall also be entitled to such other benefits as agreed to in this Agreement.
 - a. PAWSD shall pay the Employee's fees to the proper licensing authority of the State and national certification in which he is employed and other professional groups in which the Employee feels it is necessary to maintain and improve his professional skills, as permitted by State law.
 - b. PAWSD shall pay dues, membership fees, and related expenses for membership in professional and civic organizations up to an annual maximum of Eight Hundred and 0/100th Dollars (\$800.00). For such expenses that, in aggregate with other such expenses, would exceed this annual cap, the Employee shall obtain consent of the Board of Directors prior to such expenditure.
 - c. As allowed by Colorado law and provided for in the Personnel Handbook as amended from time to time, the Employee shall be credited with accumulated and unused PTO at the termination of this Agreement.
9. **EXPENSES.** PAWSD shall pay or reimburse Employee for reasonable expenses that have been budgeted by PAWSD and subsequently incurred by Employee in the continuing performance of his duties under this employment contract. Employee must provide documentation of all expenses prior to payment or reimbursement.
10. **PROFESSIONAL GROWTH OF DISTRICT MANAGER.** PAWSD encourages the professional growth of Employee through his participation in educational programs as he recommends to the Board of Directors in light of his responsibilities as Employee. The District Manager will seek the professional ratings of Class A Water and Class B Wastewater through his participation in educational programs. Employee may participate in the activities listed below in his discretion so long as the expense to the PAWSD does not exceed Two Thousand Five Hundred and 0/100th Dollars (\$2500.00) per year in travel, registration fees, and related expenses. For activities that would, in aggregate with other activities, exceed the annual cap herein, Employee shall obtain consent of the Board of Directors prior to such expenditure. Such professional growth may include:
 - a. Seminars and courses offered by public or private educational institutions.
 - b. Programs and activities conducted or sponsored by local, state, and national managers' organizations or Districts.

- c. Informational meetings with other persons whose particular skills and backgrounds would serve to improve the capacity of the Employee to perform his professional responsibilities for the District.
- d. Visits to other Districts.

Employer shall permit a reasonable amount of release time for Employee as he deems appropriate to attend to such matters and will pay the necessary fees for continuing education necessary to keep Employee's license valid or professional accreditation.

11. **PERFORMANCE EVALUATION.** The Board of Directors shall endeavor to conduct a performance evaluation with the District Manager within the last month of employment under this Agreement. The evaluation shall be on the basis of mutually agreed performance indicators and standards that reflect the specific job duties of the position. The purposes of the evaluation shall be:
 - a. To determine mutually acceptable goals for the next twelve months;
 - b. To review the performance of the District Manager based on the previously agreed job indicators; and
 - c. To use as the basis for determining the compensation of the District Manager for the succeeding year.
12. **DISABILITY.** If Employee is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental capacity, or health for a period of four successive weeks beyond any accrued PTO or Reserve Sick Bank, the Board of Directors shall have the option to terminate this Agreement immediately. The amount of salary associated with any unused PTO existing as of the last day upon which Employee performed the duties of District Manager shall be computed and paid to Employee in a lump sum settlement.
13. **RETIREMENT.** Employee shall be eligible for the District's retirement plan and Employer agrees to contribute as provided for in the Personnel Handbook and as amended from time to time. The Employee shall be vested in the PAWSD contribution amount according to the vesting schedule per the Employee Handbook.
14. **AUTOMOBILE.** Employer shall provide Employee a PAWSD vehicle to be used for District business and moderate personal use. Employee or other PAWSD employees are the only permitted vehicle operators, and Employee shall maintain a valid Colorado driver's license.
15. **PAWSD EMPLOYEE HANDBOOK.** Employee's employment is also governed by the provisions of the PAWSD Employee Handbook as amended from time to time. Where the provisions of this Agreement conflict with the PAWSD Employee Handbook, this Agreement shall govern.
16. **GENERAL PROVISIONS.**
 - a. The text herein shall constitute the entire agreement between the parties and supersedes any and all negotiations relating to the subject matter hereof.
 - b. This Agreement shall become effective commencing on the date first above written.
 - c. If any provision, or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement shall be deemed severable, shall not be affected, and shall remain in full force and effect.
 - d. A waiver by PAWSD of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the Employee.

- e. Financial obligations of PAWSD payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.
- f. No change, modification, or amendment of any provision of this Agreement shall be valid unless made in writing and signed by both parties.
- g. This Agreement may be executed in counterparts. The parties agree to accept electronic or facsimile signatures as original signatures.
- h. The parties agree that in the event of any dispute between Employer and Employee arising under this Agreement, Colorado law shall exclusively control to the extent that it is not superseded by any applicable federal law. Venue for such a dispute shall lie exclusively in the courts of the State of Colorado located in Archuleta County, Colorado.

**PAGOSA AREA WATER AND
SANITATION DISTRICT**

DISTRICT MANAGER

By: 
Gene Tautges, Chairman Board of Directors


Andrew Connor

Attest:


Bill Hudson, Secretary Board of Directors

DONE and SIGNED this 13th day of November 2025