

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

NOTICE OF REGULAR MEETING

NOTICE IS HEREBY GIVEN that a Regular Meeting of the Board of Directors of the Pagosa Area Water and Sanitation District (PAWSD) has been scheduled for Thursday April 18, 2024 at 5:00 p.m. The Regular Meeting will be held at 100 Lyn Avenue, Pagosa Springs, Colorado.

Proposed Agenda is follows:

Regular Meeting

1. Call to Order
2. Roll Call
3. Consideration of Agenda
4. Approval of Minutes – 3/7/2024 Special Meeting and 3/14/2024 Regular Meeting
5. Public Comment
6. Consideration of Pagosa Springs Community Development Corporation Request
7. Consideration of Request for Shared Meter – 802 and 812 E. Condor Drive
8. Consideration of 2024 – 03 – Resolution for the Reduction of Capital Investment Fees for Low-Income, Workforce, and Other Types of Affordable Housing
9. Consideration of 2024 – 04 – Resolution Revising Low-Income, Workforce, and Other Types of Affordable Housing Water and Wastewater Surcharges
10. Running Iron Ranch Subcommittee Update
11. Manager Talking Points
12. Any other Business Brought before the Board will be Duly Considered

PAGOSA AREA WATER AND SANITATION DISTRICT

By /s/ Justin Ramsey
For the Board of Directors



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
MARCH 7, 2024 SPECIAL MEETING

Call to Order (not on recording)

The Special Board Meeting for the Pagosa Area Water and Sanitation District (PAWSD) was called to order by Chairman Jim Smith at 2:00 p.m.

Attendance (not on recording)

The following Directors were present: Jim Smith, Glenn Walsh, Bill Hudson, Paul Hansen, and Gene Tautges.

In attendance from staff: Justin Ramsey, Renee Lewis (virtual), and Aaron Burnes.

Also present: Candance Jones, Bill Nobles (virtual), Josh Pike (virtual) and Marcus Lock (virtual).

Consideration of Agenda (not on recording)

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

Consideration of potential Executive Session pursuant C.R.S. § 24-6-402(4)(a),(b), and (e)(I), which respectively concern the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest; conferences with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions; and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators. (0:11:08)

A motion was made by Director Hudson and seconded by Director Walsh to enter into Executive Session for the purposes cited above. The motion passed unanimously. The Board entered into Executive Session at 2:15 p.m.

A motion was made by Director Tautges and seconded by Director Walsh to exit Executive Session during which no decisions were made. The Board returned to Open Session at 3:49 p.m.

Consideration of SJWCD Response Letter (0:34:29)

A motion was made by Director Walsh and seconded by Director Hansen to approve the SJWCD Response Letter as created, revised, and discussed in Executive Session under attorney-client privilege. The motion passed unanimously.

Consideration of Running Iron Ranch Subcommittee (0:35:24)

Director Walsh stated it would be useful to have a subcommittee to attend meetings with San Juan Water Conservancy District to discuss matters related to Running Iron Ranch in a more frank manner and less formal environment. A motion was made by Director Walsh and seconded by Director Hudson to approve the formation of the Running Iron Ranch

52 Subcommittee with Directors Walsh and Hansen as the primary members and Director Hudson
53 as the alternate. The motion passed unanimously.

54

55 **Other Business**

56

57 There being no other business to come before the Board, the meeting was adjourned at 3:54
58 p.m.

59

60 Respectfully submitted,

61

62

63 Bill Hudson

64 Secretary

65

DRAFT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51

RECORD OF PROCEEDINGS
PAGOSA AREA WATER AND SANITATION DISTRICT
MARCH 14, 2024 REGULAR MEETING

Call to Order (0:28:04)

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

Attendance (0:28:12)

The following Directors were present: Jim Smith, Glenn Walsh, Bill Hudson, Paul Hansen (virtual), and Gene Tautges.

In attendance from staff: Justin Ramsey and Renee Lewis.

Also present: Derek Woodman, Mary Jo Coulehan, Kathleen McFadden, Warren Brown, Emily Lashbrooke, Jonathan Easling, Rosanna DuFour, David Harris, Chelle Keplinger, Candance Jones, Cobey Hampton, Christa Hampton, Jenneye Shugar, Jen Ott, Leah Ballard, Jim Garrett Debra Brown, George Brown, Brooks Lindner, Gary Williams, Kim Moore, Randi Pierce (virtual), Josh Pike (virtual), Pat Love (virtual), James Dickoff (virtual), Rick Holt (virtual), and Pam Flowers (virtual).

Consideration of Agenda (0:28:40)

Director Hudson requested the Consideration of Pagosa Springs Community Development Corporation Request and Consideration of Habitat for Humanity Request agenda items be moved to the beginning of the agenda. The Board agreed. A motion was made by Director Hudson and seconded by Director Walsh to accept the agenda as revised above. The motion passed unanimously.

Consideration of Approval of Minutes – 2/15/24 Regular Meeting (0:29:11)

A motion was made by Director Walsh and seconded by Director Hudson to approve the 2/15/24 minutes as presented (copy attached). The motion passed unanimously.

Public Comment (0:29:54)

Mary Jo Coulehan, Jim Garrett, Gary Williams, Warren Brown, Roseanna DuFour, Derek Woodman, David Harris, Kim Moore, Brooks Lindner, Chelle Keplinger, James Dickoff, and Rick Holt provided comments on the District's affordable housing policy, support for the Pagosa Springs Community Development Corporation projects, and support for the Habitat for Humanity projects. Jonathan Easling provided comments on 2024 rate increases.

Consideration of Pagosa Springs Community Development Corporation Request (0:45:51)

Emily Lashbrooke, Pagosa Springs Community Development Corporation Executive Director, presented the request for full waiver of the Capital Investment Fees for eight 2024 projects that will provide housing for applicants earning 80% of AMI or below (copy attached). The Board agreed that if the projects qualified as 80% of AMI or below upon completion, the Capital

52 Investment Fees would be waived as that would be consistent with proposed revisions to the
53 affordable housing policy.

54

55 **Consideration of Habitat for Humanity Request (1:52:34)**

56

57 Leah Ballard, Habitat for Humanity Executive Director, presented the request for full waiver of
58 Capital Investment Fees for three 2024 projects that will provide housing for applicants earning
59 80% of AMI or below (copy attached). The Board agreed that if the projects qualified as 80% of
60 AMI or below upon completion, the Capital Investment Fees would be waived as that would be
61 consistent with proposed revisions to the affordable housing policy.

62

63 **Consideration of Resolution to Amend the Current Affordable Housing Policy (2:18:47)**

64

65 Director Hudson presented the revisions he made to the affordable housing policy in Resolution
66 2024 – 03 – Resolution for the Reduction of Capital Investment Fees for Low-Income,
67 Workforce, and Other Types of Affordable Housing stating he proposes full waivers of Capital
68 Investment Fees for projects that qualify as 80% of AMI or below upon completion with a 15-
69 year deed restriction, a 50% waiver of Capital Investment Fees for projects that qualify as 81-
70 100% of AMI upon completion with a 15-year deed restriction, and the Board reserves the right
71 to grant full waivers for projects at 81-100% of AMI and have a 15-year deed restriction that
72 have broad community support. Director Walsh stated he would also like to add to the last
73 revision a preference/dedication for PAWSD employee housing. A motion was made by
74 Director Hudson and seconded by Director Walsh to approve the above-mentioned revisions to
75 the affordable housing policy. The motion passed 4-1 with Director Tautges opposed.

76

77 **Consideration of Resolution to Enact a Moratorium on Affordable Housing Rate
78 Reductions (3:33:49)**

79

80 A motion was made by Director Tautges and seconded by Director Hudson to approve
81 Resolution 2024 – 04 – Resolution to Enact a Moratorium on Affordable Housing Rate
82 Reductions. The motion failed 0-5 with all Directors opposed. A motion was made by Director
83 Hudson and seconded by Director Walsh to change the April 2024 meeting from 11th to the
84 18th to effectuate the 30-day rate change noticing requirements and to change and notice the
85 Affordable Housing Surcharges as follows:

86

87 **WATER CHARGES**

88 Monthly Affordable Housing Surcharge: decrease from \$0.77 to \$0.57

89

90 **WASTEWATER CHARGES**

91 Monthly Affordable Housing Surcharge: increase from \$0.24 to \$1.65

92

93 **CAPITAL INVESTMENT FEES**

94 Capital Investment Fees for Water increase from \$8,958.00 to \$9,276.04

95 Capital Investment Fees for Wastewater increase from \$15,697.00 to \$16,584.91

96

97 The motion passed unanimously.

98

99 **Consideration of Request for 2023 Connection Fees for 65 Settler Drive (3:44:48)**

100

101 Jonathan Easling presented the request for 2023 Wastewater Capital Investment Fees for 65
102 Settler Drive (copy attached). A motion was made by Director Walsh and seconded by Director
103 Hansen to deny the request. The motion passed unanimously.

104
105 **Consideration of Request for 2023 Connection Fees for Colorado Dream Homes (3:53:45)**
106

107 Debra Brown, President of Colorado Dream Homes, presented the request for 2023 Capital
108 Investment Fees on current projects (copy attached). Following a lengthy discussion, the Board
109 did not take action on this item.

110
111 **Consideration of Request for 2023 Connection Fees for San Juan Homes (4:24:03)**
112

113 The San Juan Homes representative withdrew the request.

114
115 **Consideration of Memorandum of Understanding for Exploration into the Future**
116 **Operations and Maintenance of Wastewater Systems in the Pagosa Springs Area**
117 **(4:24:18)**
118

119 David Harris, Town of Pagosa Springs/Pagosa Springs Sanitation General Improvement District
120 (PSSGID) Manager, provided an overview of efforts to date regarding the Consideration of
121 Memorandum of Understanding for Exploration into the Future Operations and Maintenance of
122 Wastewater Systems in the Pagosa Springs Area (MOU). Director Walsh requested a PAWSD
123 and PSSGID Board Member be added to the working groups for the respective District's and
124 nominated Director Tautges due to his years of experience with both wastewater systems. The
125 Board agreed. A motion was made by Director Hudson and seconded by Director Walsh to
126 approve the MOU as revised above. The motion passed unanimously.

127
128 **Manager Talking Points (4:27:18)**
129

130 District Manager Justin Ramsey stated the RFP for reversing the 7-mile wastewater pipeline
131 between the PSSGID and PAWSD collection systems has been advertised. He also stated
132 water loss has been increasing over the last two months, but has not yet found the source of the
133 increase. Mr. Ramsey also provided updates on projected construction in District 1 over the
134 next few years and the impacts on water resources, wastewater infrastructure, and infiltration
135 and inflow in the collection system. Renee Lewis, PAWSD Programs Manager, provided an
136 update regarding grant applications she planned to submit for the Vista Wastewater Treatment
137 Plant project to address nutrient reduction per CDPHE Regulation 85.

138
139 **Other Business**
140

141 There being no other business to come before the Board, the meeting was adjourned at 9:27
142 p.m.

143
144 Respectfully submitted,

145
146
147 Bill Hudson
148 Secretary
149

Board Agenda Summary Sheet

	To	Action	Signature, Date		To	Action	Signature, Date
1	Justin Ramsey	Review		6			
2	Board	Approve		7			
3				8			
4				9			
5				10			

Name of Action Official: Renee Lewis	Phone:	Board Meeting Date: 4-18-24	Priority <input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low
--	---------------	---------------------------------------	--

Subject: Consideration of Pagosa Springs Community Development Corporation Request

Emily Lashbrooke, Pagosa Springs Community Development Corporation (CDC), plans to request 100% waiver of the water and wastewater CIFs for the two CDC projects that will likely result in 81-100% AMI. Staff has not received any other materials for this request.

Board Agenda Summary Sheet

	To	Action	Signature, Date		To	Action	Signature, Date
1	Justin Ramsey	Review		6			
2	Board	Approve		7			
3				8			
4				9			
5				10			

Name of Action Official: Renee Lewis	Phone:	Board Meeting Date: 4-18-24	Priority <input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low
--	---------------	---------------------------------------	--

Subject: Consideration of Request for Shared Meter – 802 and 812 E. Condor Drive

Please see attached letter from the hangar owners of 802 and 812 E. Condor Drive. Staff does not object to this request as the account will be assessed two EUs for connection and monthly billing purposes.

March 8, 2024

Pagosa Area Water & Sanitation District
100 Lyn Avenue
Pagosa Springs, CO 81147

To Whom it May Concern:

We are hangar owners at Stevens Field who each own one-half of a 100' x 50' hangar and write to request a variance from the Board permitting us to have one water meter set for our hangar, providing service to both hangars within the building. We understand that other hangars at the airport have historically been permitted to branch water service to several hangars from one water meter in this manner.

The expected water usage for each of our hangars is *de minimis*. Each hangar has a bathroom, with a single sink and toilet, with a hose bibb on the outside of the bathroom. One of the hangars has plumbing roughed in for a shower but no shower built. We are infrequently at our hangars so the water usage will be insignificant.

Permitting us to share one water meter will conserve both our resources in connection and recurring costs and those of PAWSD. We understand that one of us will have the account with PAWSD and that we will be responsible for allocation of the monthly bill. Mustang Air LLC elects to be the account holder for water service.

We would appreciate your favorable response to this variance request.

Sincerely,



Barry K. Shelton
Mustang Air LLC
Service address: 802 E Condor Drive, Pagosa Springs, CO 81147
Billing address: 554 Blanca Place, Pagosa Springs, CO 81147
bshelton@p51d.com / 512-517-9998



Steve Ward
Service address: 812 E Condor Drive, Pagosa Springs, CO 81147
steve@mountainbayproperties.com / (303) 881-3296

Board Agenda Summary Sheet

	To	Action	Signature, Date		To	Action	Signature, Date
1	Justin Ramsey	Review		6			
2	Board	Approve		7			
3				8			
4				9			
5				10			

Name of Action Official: Renee Lewis	Phone:	Board Meeting Date: 4-18-24	Priority <input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low
--	---------------	---------------------------------------	--

Subject: Consideration of 2024 – 03 – Resolution for the Reduction of Capital Investment Fees for Low-Income, Workforce, and Other Types of Affordable Housing

Please see attached draft resolution 2024 – 03 – Resolution for the Reduction of Capital Investment Fees for Low-Income, Workforce, and Other Types of Affordable Housing for your ratification. The Board approved the changes to the resolution at the 3-14-24 meeting, but staff wanted to confirm the revisions.

PAGOSA AREA WATER AND SANITATION DISTRICT

**RESOLUTION FOR THE REDUCTION OF CAPITAL INVESTMENT FEES FOR
LOW-INCOME, WORKFORCE, AND OTHER TYPES OF AFFORDABLE HOUSING**

Resolution 2024 – 03

WHEREAS, the Pagosa Area Water and Sanitation District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes;

WHEREAS, Section 32-1-1001(1)(h), C.R.S. authorizes the District’s Board of Directors (“Board”) to have the management, control, and supervision of all of the business and affairs of the special district and all construction, installation, operation, and maintenance of special district improvements;

WHEREAS, Section 32-1-1001(1)(m), C.R.S. authorizes the Board to adopt, amend, and enforce bylaws and rules and regulations for carrying out the business, objects, and affairs of the Board and District;

WHEREAS, Section 32-1-1001(1)(n), C.R.S. authorizes the Board to have and exercise all rights and power necessary or incidental to or implied from the specific powers granted to special districts by this article and such specific powers shall not be considered as a limitation upon any power necessary or appropriate to carry out the purposes and intent of this article;

WHEREAS, Section 32-1-1001(1)(j)(I), C.R.S. authorizes the Board to fix and from time to time increase or decrease fees, rates, tolls, penalties, or charges for services, programs, and facilities furnished by the District;

WHEREAS, Section 32-1-1001(1)(j)(II), C.R.S. authorizes the Board to waive or amortize all or part of the Capital Investment Fees and connection fees or extend the time period for paying all or part of such fees for property within the District in order to facilitate the construction, ownership, and operation of affordable housing on such property, as such affordable housing is defined by resolution adopted by the Board;

WHEREAS, the Board has implemented and continues to implement Capital Investment Fee (“CIF”) policies to raise funds for the general improvements to the efficiency, capacity, reliability, and safety of its water treatment and distribution systems as necessary to serve existing and planned water demand;

WHEREAS, the Board has implemented and continues to implement CIF policies to raise funds for the general improvements to the efficiency, capacity, reliability, and safety of its wastewater collection and treatment systems as necessary to serve existing and planned wastewater demand;

WHEREAS, pursuant to the authority set forth in Section 32-1-1001(1)(j)(II), C.R.S., the Board, on March 12, 2020, passed Resolution 2020-03 providing for a full or partial waiver of the water and wastewater Capital Investment Fees and the Raw Water Acquisition Fee for Very Low-

Income Housing, Low-Income Housing, and Moderate-Income Housing (a/k/a Workforce Housing) in certain circumstances, and as more particularly set forth and defined in said resolution;

WHEREAS, the Board desires to continue to encourage development of low-income, workforce, and other types of affordable housing to address a serious shortage of available housing units within the District as it recognizes this as a determining factor in recruiting and retaining employees and contributes to the general economic health of the District; and

WHEREAS, the Board desires to continue to incentivize such development by allowing reductions and exemptions from payment of CIF(s) under certain circumstances for rental and for-sale housing units that meet the definitions herein.

NOW THEREFORE, be it resolved by the Board of Directors of the Pagosa Area Water and Sanitation District, that its water and wastewater CIF(s) calculation methodology and fee payment methodology are amended, clarified, and shall be implemented, as follows:

1. DEFINITIONS:

- a. **Affordable Housing.** Housing for which the occupant(s) is/are paying no more than thirty percent (30%) of their income for gross housing costs, including utilities.
 - b. **Annualized Mortgage Amount.** The sum of principal, interest, closing costs, mortgage insurance, down payment, and any other direct costs of acquiring the unit amortized over thirty (30) years based on annual payments.
 - c. **Area Median Income (AMI).** The median household income for Archuleta County, as estimated by the most recent published calculations from Colorado Housing and Finance Authority (CHFA). For rental housing, the AMI estimates may be adjusted according to household size. For for-sale housing, the AMI for a four-person household may be used, when appropriate.
 - d. **Low-Income Housing.** A housing unit with a rental amount or annualized mortgage amount that qualifies as affordable housing for households earning sixty percent (60%) or less of AMI.
 - e. **Workforce Housing.** A housing unit with a rental amount or annualized mortgage amount that qualifies as affordable housing for households earning eighty percent (80%) or less of AMI but more than sixty percent (60%) of AMI.
2. Upon presentation of preliminary project certification by CHFA or other approved third party that specializes in verifying applicants of low-income and workforce housing as defined above, the Board may grant a full waiver of water and wastewater CIF(s) whenever such housing is also deed restricted with the intent of preserving its affordability for a period of at least fifteen (15) years.
 3. Upon presentation of preliminary project certification by CHFA or other approved third party that specializes in verifying applicants earning 81-100% of AMI, the Board may grant a fifty percent (50%) waiver of the water and wastewater CIF(s) whenever such housing is

also deed restricted with the intent of preserving its affordability for a period of at least fifteen (15) years. The Board reserves the right to waive up to one hundred percent (100%) of the water and wastewater CIF(s) for projects that fall between eighty-one and one hundred percent (81-100%) AMI whenever such housing is also deed restricted with the intent of preserving its affordability for a period of at least fifteen (15) years and the project also has broad community support, a demonstrated economic benefit to PAWSD, and/or is dedicated as housing for PAWSD employees. All waivers for projects between 81-100% of AMI shall be at the complete discretion of the Board and no reliance on approval should be assumed by applicants.

4. Deed restriction and applicant income verification by CHFA or other approved third party that specializes in verifying applicants of low-income, workforce, and 81-100% AMI housing must be provided to the District in order for the CIF(s) fee waiver to be accomplished prior to scheduling any connection. If above-mentioned deed restriction and income verification cannot be accomplished prior to scheduling the connection, said requirements must be provided to the District's satisfaction by the end of the same connection season or the previously waived CIFs will be applied to the project's account.
5. APPLICABILITY. The intent of this Resolution is to keep all aspects of the District's existing fee policy intact, and to merely apply an incentive for the construction of affordable housing units which is perceived as a benefit for all District customers because it is a determining factor in the District's ability to recruit and retain employees. A waiver or reduction in CIF(s) shall in no way relieve the customer from paying all applicable District fees then in effect as provided in the District's Rules and Regulations.
6. SEVERABILITY. If any section, subsection, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or provision shall in no manner affect any remaining provisions of this Resolution, the intent being that the same are severable.
7. REPEALER. All orders, resolutions, bylaws, or rules and regulations of the District, or parts thereof, inconsistent with this Resolution are hereby repealed to the extent only of such inconsistency.

8. EFFECTIVE DATE. This resolution shall be enforced as effective on, and as of, April _____, 2024.

ADOPTED this _____ day of April, 2024, by a vote of ____ in favor and ____ opposed.

Jim Smith, President

(SEAL)

Attest:

Bill Hudson, Secretary

Board Agenda Summary Sheet

	To	Action	Signature, Date		To	Action	Signature, Date
1	Justin Ramsey	Review		6			
2	Board	Approve		7			
3				8			
4				9			
5				10			

Name of Action Official: Renee Lewis	Phone:	Board Meeting Date: 4-18-24	Priority <input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low
--	---------------	---------------------------------------	--

Subject: Consideration of 2024 – 04 – Resolution Revising Low-Income, Workforce, and Other Types of Affordable Water and Wastewater Surcharges

Please see attached draft resolution 2024 – 04 – Resolution Revising Low-Income, Workforce, and Other Types of Affordable Housing Water and Wastewater Surcharges. At the 3-14-24 meeting, it was determined by the Board the affordable housing surcharges would need to be revised for 2024.

PAGOSA AREA WATER AND SANITATION DISTRICT

RESOLUTION REVISING LOW-INCOME, WORKFORCE, AND OTHER TYPES OF AFFORDABLE HOUSING WATER AND WASTEWATER SURCHARGES

Resolution 2024 – 04

WHEREAS, the Pagosa Area Water and Sanitation District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes;

WHEREAS, Section 32-1-1001(1)(h), C.R.S. authorizes the District’s Board of Directors (“Board”) to have the management, control, and supervision of all the business and affairs of the special district and all construction, installation, operation, and maintenance of special district improvements;

WHEREAS, Section 32-1-1001(1)(m), C.R.S. authorizes the Board to adopt, amend, and enforce bylaws and rules and regulations for carrying out the business, objectives, and affairs of the Board and District;

WHEREAS, Section 32-1-1001(1)(n), C.R.S. authorizes the Board to have and exercise all rights and power necessary or incidental to or implied from the specific powers granted to special districts by this article and such specific powers shall not be considered as a limitation upon any power necessary or appropriate to carry out the purposes and intent of this article;

WHEREAS, Section 32-1-1001(1)(j)(I), C.R.S. authorizes the Board to fix and from time to time increase or decrease fees, rates, tolls, penalties, or charges for services, programs, and facilities furnished by the District;

WHEREAS, Section 32-1-1001(1)(j)(II), C.R.S. authorizes the Board to waive or amortize all or part of the Capital Investment Fees and connection fees or extend the time period for paying all or part of such fees for property within the District in order to facilitate the construction, ownership, and operation of affordable housing on such property, as such affordable housing is defined by resolution adopted by the Board;

WHEREAS, pursuant to the authority set forth in Section 32-1-1001(1)(j)(II), C.R.S., the Board, on March 12, 2020, passed Resolution 2020 – 03 providing for a full or partial waiver of the water and wastewater Capital Investment Fees and the Raw Water Acquisition Fee for very low-income housing, low-income housing, and moderate-income housing (a/k/a Workforce Housing) in certain circumstances, and as more particularly set forth and defined in said resolution;

WHEREAS, to offset the loss of revenue resulting from the implementation of Resolution 2020 – 03, the Board, at its May 14, 2020 Regular Meeting, adopted a water surcharge (the “Water Surcharge”) and wastewater surcharge (the “Wastewater Surcharge” and together with the Water Surcharge collectively the “Surcharges”) after a properly noticed public

meeting;

WHEREAS, the Surcharges are recalculated each year such that the current Water Surcharge is \$0.77 per month per Equivalent Unit (as defined in the District's Rules and Regulations) and the Wastewater Surcharge is \$0.24 per month per Equivalent Unit (as defined in the District's Rules and Regulations);

WHEREAS, the Board desires to continue encouraging the development of Workforce Housing to address the ongoing shortage of available housing units within the District, including for the District's own employees and employees in related businesses critical to the operation of the District; and

WHEREAS, the Board desires to clarify and expand the purposes for which the Surcharges can and will be used by the District.

NOW THEREFORE, be it resolved by the Board of Directors of the Pagosa Area Water and Sanitation District that its water and wastewater Capital Investment Fees calculation methodology and fee payment methodology are amended, clarified, and shall be implemented, as follows:

1. The Water Surcharge for 2024 is \$_____ per month per Equivalent Unit.
2. The Wastewater Surcharge for 2024 is \$_____ per month per Equivalent Unit.
3. The District can use the Surcharges for any or all of the following purposes:
 - a. The Surcharges may continue to be used to offset full or partial waivers of the water and wastewater Capital Investment Fees resulting from the implementation of Resolution 2024 – 03 in order to promote, facilitate, and assist the development of low-income, workforce, and other affordable housing as more particularly set forth and defined in Resolution 2024 – 03.
 - b. The Surcharges may also be used to plan, design, develop, permit, and build low-income, workforce, and other types of affordable housing (all as defined in Resolution 2024 – 03) on property owned by the District.
 - c. The Surcharges may also be used to provide a housing stipend/subsidy for employees of the District. The Board shall have complete discretion as to the AMI levels and amounts of such stipend or subsidy related to District employees.
4. APPLICABILITY. The intent of this Resolution is to keep all aspects of the District's existing fee policies intact, and to merely set the Water and Wastewater Surcharges for 2024 and clarify and expand the purposes for which the Surcharges can and will be used by the District.
5. SEVERABILITY. If any section, subsection, paragraph, clause, or provision of this

Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or provision shall in no manner affect any remaining provisions of this Resolution, the intent being that the same are severable.

6. REPEALER. All orders, resolutions, bylaws, or rules and regulations of the District, or parts thereof, inconsistent with this Resolution are hereby repealed to the extent only of such inconsistency.
7. EFFECTIVE DATE. This Resolution shall be enforced as effective on, and as of, _____, 2024.

ADOPTED this ____ day of _____, 2024, by a vote of ____ in favor and ____ opposed.

Jim Smith, President

(SEAL)

Attest:

Bill Hudson, Secretary