

**1215 Cloud Cap Ave.  
Pagosa Springs CO 81147**

Dear friends and especially PAWSD customers,

At a recent “meet the PAWS candidates” night several questions came up that relate to PAWS and why I want to serve on the PAWS board. I told the group that ‘I would find out’. The following briefly says why I am willing to serve and answers questions posed by participants at the meeting

I have lived here for 15 years; my kids graduated from PS High School, graduated from college and are doing well. I want to give back something to our Pagosa community. I also have been a builder in my capacity of Executive Director of Colorado Housing Inc where we processed, financed, and built affordable homes for over 140 families in 8 years. I have been a Century 21 realtor since 2004, so I have extensive experience in real estate as a Realtor and in negotiating for land for CHI homes. All of that said, I unlike some, do not blame PAWS for the intense slow down in construction and home sales. The current recession in the US and world economy is hitting Pagosa and everyone else very hard.

One person said that we cannot build or sell homes because the current tap fees amount to over \$33,000 for a single family home. Currently there are approximately 120 single family building sites ready for construction that have tap fees paid. A new home of 4 full baths or less would pay PAWS water and wastewater fees of \$15,148; that breaks out to a \$1,700 connection fee, \$7,831 Capital Investment Fee (for wastewater and treated water), \$5,617 Water Resource Fee (for raw water acquisition and storage, dry gulch etc.). The same home with water service only would pay PAWS connection fees of \$10,466.

The big sore point is the CIF and WRF that a new home would have to pay if it was built on a new lot not covered by the 120 lots mentioned above. If this 4 bathroom home cost \$600,000 the \$15,000 PAWS fees would be 2.5% of the development cost, probably not a deal killer. In my mind new development needs to pay a fair share to “buy into” the existing system and help fund future needs.

Another concern was the \$44 million of indebtedness that PAWS has. PAWS does owe approximately \$44 Million but some of that is the maximum that can be borrowed for a particular project, not what currently is borrowed. PAWS has \$14 million in the bank, -a portion of which is reserves to make sure that the \$44 million is paid on time. After looking at various PAWS financial reports I am impressed that PAWS loans vary in interest from 4.75% interest (currently about 1.5 million, the last payment in 2013) to over \$8 million at 0% interest over 20 years ( final payment in 2030).

We in the USA take for granted clean drinking water and well managed sanitation systems. That is not the case for most of the people in the world not even the richest. I feel that we are blessed

by a well managed solvent system, a legacy of good management over the past 30 years (also very strict oversight by State and Federal regulations and bond counsel).

Another question that came up was why should investors and builders have to pay an availability fee? The current fee is \$252 per year for water and sewer. Unfortunately this is another “base tax” need to give an overall income stream to support the work of PAWS. Vacant lot owners pay property taxes at 29% of assessed value, homes pay 9.7%; vacant lots in PLPOA pay \$200 per year, the same as occupied homes large or small. It is expensive to hold a developed lot in Archuleta County and especially in the PLPOA or areas served by PAWS. If anything the incentive is to develop your lot or sell it to someone who will. In a strange way this makes sense because every utility runs by a vacant lot, the police, fire and snow plow all pass by a vacant developed lot. We need to think about infill as well as trophy homes on 35 acre lots.

If I have a problem with PAWS it is that there is/was a lack of communication on the part of PAWS and the San Juan Water Conservancy District (an agency with 9 board members but no staff) concerning the need for expanded raw water resources and especially the Dry Gulch project. When elected I will work to have better communication with the public and especially the customers whose water and sewer payments pay the bills and keep the district running. I will re-visit the Dry Gulch project to see what if anything needs to be done to make this a more affordable project. I will also work to make sure that PAWS is run efficiently so we do not waste the income dollars that are needed to maintain and upgrade the system and work with the current and future customers on water conservation which will extend the useful life of any raw water project.

There are other issues that I have researched but this letter is long enough for now. Please feel free to contact me if you have specific questions or concerns. I want to work for common sense and the good of our community. I am an independent candidate. I have not received any funds from any special interest groups. I will appreciate your vote on May 4<sup>th</sup>.

Sincerely,

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