

RECORD OF PROCEEDINGS  
MINUTES OF THE MEETING OF THE  
LA PLATA ARCHULETA WATER DISTRICT  
HELD  
September 14, 2017

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District ("District") was held on September 14, 2017, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

ATTENDANCE:

Directors in Attendance Were:

Dick Lunceford  
Mark Williams  
Dan Lynn  
Gregg Johnson

Director in Attendance by Telephone Was:

Ron Dent

Also in Attendance Were:

Ed Tolen, Manager  
Yvonne Brunson, Customer Service Representative  
Barb Prose, FredrickZink & Associates  
Karmen King, Grayling LLC  
Brett Sherman, Harris Water Engineering  
Steve Harris, Harris Water Engineering  
Cheryl Lynn, Secretary of the Board

In Attendance by Telephone Was:

David Greher, Collins Cockrel and Cole

DISCLOSURE OF  
POTENTIAL CONFLICTS  
OF INTEREST

Disclosure of potential conflicts of interest will be a topic of discussion at every Board meeting to address potential conflicts of interest that may arise as new agenda items are introduced. District Directors who have disclosed potential conflicts of interest can vote as issues arise. Directors in attendance reported no conflicts of interest.

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF  
MINUTES

Upon motion duly made by Director Williams, seconded by Director Lynn, and unanimously carried, the Minutes of the August 10, 2017, Regular Board Meeting were approved.

FINANCE COMMITTEE  
REPORT

Ms. Prose advised the Board of current local interest rates and the interest rate available through CSAFE of 1.17%. The Board discussed redeeming the two (2) Certificates of Deposit at First Southwest Bank and transferring such funds to CSAFE. Upon discussion and motion duly made by Director Lynn, seconded by Director Johnson, and unanimously carried the Board adopted the Resolution Authorizing the Redemption of Certificates of Deposit at First Southwest Bank, which authorizes the Manager Tolen and one (1) Board member to arrange for the redemption and transfer of such funds. A copy of such Resolution is attached hereto and incorporated herein by this reference. The PILT (Payment in Lieu of Taxes) bank account will remain open at First Southwest Bank.

PUBLIC RELATIONS/  
COMMUNICATIONS  
COMMITTEE REPORT

Manager Tolen reported that subject matter is being compiled for a District newsletter. Topics to be covered in the newsletter are: 1) a report detailing where pipe has been installed and where it will be installed next; 2) the fill station; and 3) a report outlining the process used to flush water lines. Other stories of interest will be included as they happen.

LEGAL REPORT

Public Hearing – Inclusion of Real Property – Chairman Lunceford opened a public hearing to consider a Petition for Inclusion filed by Edward A. Gervais, III, and Erin K. Gervais for property located at 3066 County Road 311, Ignacio, CO 81137. No public comments were received or presented. The hearing was then closed. Upon motion duly made by Director Dent, seconded by Director Johnson, and unanimously carried the Board approved the inclusion and adopted the Order for Inclusion of Real Property, a copy of which is attached hereto and incorporated herein by this reference. Mr. Greher will process the inclusion with the La Plata District Court. This property as included in the District will be part of the 2019 property tax collection.

Change Order, Phase 1F – Upon motion duly made by Director Lynn, seconded by Director Dent, and unanimously carried, the Board approved a change order submitted by TRC Construction in the amount of \$43,630.00 to pay for unanticipated rental of equipment and operator time to bore through rock which was not included in the original engineering cost estimate.

Anticipated Tax Revenues – Manager Tolen reported that estimated 2018 tax revenue for the District and assessed value for the Sundance Hills/Farraday Subdistrict No. 1 (“Subdistrict”) are \$1.6 million and \$1.2 million respectively.

Phase 1B and 1C Litigation – Counsel Greher reported that with the failure of another section of pipe, this pipe manufactured by Diamond instead of Eagle, the experts want to conduct additional testing which will cost approximately \$9,100.00. The Board’s recommendation is to continue with the testing.

November 7, 2017 Election – Manager Tolen advised the Board that he will send letters to residents of the Subdistrict advising of the deadline for submitting a pro or con statement for inclusion in the TABOR Notice which will be mailed to each household in the Subdistrict. Such statements must be submitted by an eligible elector within the Subdistrict.

ENGINEER REPORT

Pine River Decree – Mr. Harris reported that the diligence for the Pine River conditional water rights has been finalized and is effective until December 2023. This completes water rights issues



Subdistrict Report – Mr. Sherman reported that a survey has been completed, that maps have been developed, and that Ms. King is detailing locations of any potential environmental issues.

Phase I Pipeline – Mr. Sherman advised the Board that Phase 1F involves boring under the highway in two spots. In addition, hydrants have been installed by the Fire Station and by the Park and Ride at County Road 225A. Efforts continue to get the next phase underway. Recent hurricane activity in Texas has increased the cost of pipe. Time will determine if pipe costs stabilize or continue to increase.

#### ENVIRONMENTAL REPORT

Ms. King reported that she has sent Phase 1G environmental paperwork to the Army Corps of Engineers for their review. She has learned that a preconstruction notice will be necessary due to project wetlands. She has approximately half of the Environmental Analysis completed for the Subdistrict pipelines. Ms. King reminded those present that she will not attend the Board meeting in October, 2017.

#### GENERAL MANAGER REPORT

General Manager's Report – Manager Tolen reviewed his September 2017 report in depth.

Tap Fee Credits in Exchange for Constructing a Water Line - Upon motion duly made by Director Lynn, seconded by Director Williams, and unanimously carried, the Board approved a Request from Ben and Krysta Neil for Tap Fee Credits in Exchange for Constructing a Water Line. Please refer to the General Manager's September 2017, Report for additional detail.

New Rates and Charges Schedule with Changes to the Capital Investment Fees – Upon motion duly made by Director Lynn, seconded by Director Johnson, and unanimously carried, the Board approved a New Rates and Charges Schedule that lowers the Capital Investment Fees for customers requesting 1", 1 ½ " and 2" water tap sizes.

Fill Station – County Road 225A – Construction of the fill station is contingent upon which property will be used to house the fill station.

Farview Subdivision – Manager Tolen confirmed with the Board that the Farview Subdivision, 14 lots with 13 lots currently being served, will follow the "Narrow Gauge Mobile Home Park Plan" with a monthly fee plus each block rate based on the number of lots being served. Water use above that allotted amount will result in additional charges.

City of Durango Comprehensive Plan – Manager Tolen advised the Board that he reviewed the new Comprehensive Plan, particularly in regards to the County Road 229, and sent comments to the City reminding them that the District can and plans to provide water delivery services in that area in a way that would meet or exceed their needs.

Matt Lederer indicated a desire to receive water service on the north side of Hwy 160 just east of CR 225A. Manager Tolen will discuss associated water costs with Mr. Lederer.

Economic Roundtable – Mr. Tolen attended the Economic Roundtable that was conducted by La Plata County and found out that County Planning Department restrictions may render certain properties available for a water treatment plant that heretofore had not been possible for consideration.

Cheryl Lynn  
Secretary for the Meeting

APPROVED

Richard T Lunceford  
Richard T. Lunceford

Gregg Johnson, by Cheryl Lynn  
Gregg Johnson Secretary for Meeting

Mark Williams, by Cheryl Lynn  
Mark Williams Secretary for Meeting Daniel R. Lynn, III

Ron Dent  
Ron Dent