

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING OF THE
LA PLATA ARCHULETA WATER DISTRICT
HELD
February 8, 2018

The regular meeting of the Board of Directors (“Board”) of the La Plata Archuleta Water District (“District”) was held on February 8, 2018, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

ATTENDANCE: Directors in Attendance Were:

Dan Lynn
Ron Dent
Gregg Johnson
Mark Williams

Director Absent Was:

Dick Lunceford, whose absence was excused

Also in Attendance Were:

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

In Attendance by Telephone Were:

David Greher, Collins Cockrel and Cole
Micki Mills, 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 Dent, seconded by Director Johnson, and unanimously carried, the Minutes of the January 11, 2018, regular Board Meeting were approved.

FINANCIAL REPORT

Reports - Ms. Prose distributed the January, 2018 Accounts Payable Report and January, 2018 Accountant’s Compilation Report to the Board. Manager Tolen advised the Board that the \$34,000 payment to the Town of Bayfield was a one-time fee to pay for 30% of the Bayfield Water Treatment Plant’s plant investment fee for the wastewater treatment plant because the new plant was using capacity in that facility. Ms. Prose advised the Board that, due to the early meeting date of the LAPLAWD Board this month, the payments to the Town of Ignacio for office utilities as well as the benefits amount are estimates, though they are the same amounts on a monthly basis. After review and upon motion duly made by Director Dent, seconded by Director Johnson, and unanimously carried, the Board approved payment of invoices as shown on the attached Accounts Payable statement dated February 7, 2018.

FINANCE COMMITTEE
REPORT

Consider Approving a Resolution to Establish a Bank Account for Sundance/Farraday Subdistrict No. 1 – Upon motion duly made by Director Johnson, seconded by Director Dent, and unanimously carried the Board adopted the Resolution to Establish a Bank Account for Sundance/Farraday Subdistrict No. 1. The Resolution provides the authority to open a bank account. When the bank account is opened Board members will be asked to sign signature cards for that account in order that they may be signers on the account.

PUBLIC RELATIONS/
COMMUNICATIONS
COMMITTEE REPORT

Manager Tolen said there was nothing to report in the public relations/communications arena.

LEGAL REPORT

Phase 1B and 1C Litigation – Counsel Greher reported that Counsel Kreischer is attending to a family emergency and will be unable to participate in this morning’s meeting. He will provide a status report to the Board during the March 8, 2018, meeting. Counsel Greher advised the Board that questions, if any, relative to Phase 1B and 1C litigation can be discussed in Executive Session , if necessary. Further, the April dates proposed for negotiations among parties have been changed from April, 2018 to mid-May through mid-June, 2018.

Election Status Report – Ms. Mills reported that self-nomination forms are due March 2, 2018, for Directors seeking a seat on the LAPLAWD Board at the May 8, 2018 election. Manager Tolen has received self-nomination forms from Director Lynn and Director Williams, Board members whose terms expire in 2018. The deadline for write-in candidates is March 5, 2018. If only the two self-nomination forms are received the election may be cancelled.

ENGINEER REPORT

City of Durango – Manager Tolen reported that, per his February, 2018 General Manager Report, he, Steve Harris, Ron LeBlanc, Durango City Manager, and Dirk Nelson, Durango City Attorney, met on January 24, 2018, to discuss the agreement for the 200 feet of pipe out of Ridges Basin Dam. Mr. Nelson will review the agreement and propose appropriate revisions.

Water Hauling Station CR 225/Hwy 160 - Mr. Sherman and Manager Tolen met with representatives of the Colorado Department of Transportation on February 1, 2018, regarding the proposed water hauling station property. Good progress is being made on the engineering plans and the District should be able to advertise the project for bids soon.

Phase 1-G-2 – Mr. Sherman said he is planning for a bid opening prior to the April 12, 2018, LAPLAWD meeting.

Phase 1-H – Mr. Sherman reported that they are in the process of finalizing alignments for this phase of the project.

Phase 1-G-1 – Mr. Sherman reported that a pre-construction meeting was held with TRC, construction company for this phase of the project.

Sundance/Farraday Subdistrict No. 1 – Mr. Sherman advised the Board that the design plans are close to being finalized.

County Road 223 – Manager Tolen reported that he had received calls from 6 residents of the County Road 223 area requesting access to LAPLAWD water. Were they to be able to receive LAPLAWD water, the District would be responsible for infrastructure along County Road 223 and adjacent subdivisions would be responsible for infrastructure within their subdivisions. Manager Tolen said that a small pump station will be located at the Highway 160 tank site adjacent to Lon’s Automotive and that another pump station would be necessary for water to be delivered to residents in areas past the Lion’s Club gun range on County Road 223.

ENVIRONMENTAL
REPORT

Ms. King advised the Board that the site walk through with the Colorado Department of Transportation (CDOT) and TRC Construction related to Phase 1-G-1 was very revealing in terms of processes required by CDOT, as the agency has requested ongoing monitoring for the phase. Ms. King is anticipating what will be required for Phase 1-G-2 in order that the contractor for that phase will know more prior to the inception of construction what will be required. She reminded the Board of the required meeting for the Environmental Assessment as part of the Sundance/Farraday Subdistrict No. 1 which will be held on Thursday, February 22, 2018, at the LAPLAWD Office. Board members are not required to attend.

GENERAL MANAGER
REPORT

Sundance/Farraday Subdistrict No. 1 Progress – Manager Tolen reinforced the importance of the upcoming February 22, 2018, 6:30 p.m. public meeting to receive comments related to the Project Needs Assessment for the Drinking Water Revolving Fund Loan, a meeting required as part of the loan process. Manager Tolen posted notice of the meeting on the Sundance/Farraday Subdistrict No. 1 common mailbox to ensure as many people in the Subdistrict as possible were aware of the meeting and have a chance to involve themselves and comment. Because some properties have changed ownership since the prior owners opted out of the District and/or Subdistrict it is possible that new owners may want to include their properties and be able to receive District water. In his discussions with the Regional Manager of the Department of Local Affairs, Patrick Rondinelli, Manager Tolen has learned that it would be advisable to have any necessary property easements prior to the grant hearing at which the LAPLAWD grant to fund a portion of design and construction of the Sundance/Farraday Subdistrict No. 1 will be considered. The grant hearing will be the week of March 12, 2018 in Denver. Manager Tolen indicated that he had sent employment surveys to the residents of the Subdistrict to determine the level of employment by energy sector companies or companies that support the energy sector. Of the 20 responses he has had to date, only two have indicated a connection to the energy sector. A nexus to energy production is one item considered by DOLA when evaluating the grant application.

Sundance/Farraday Subdistrict No. 1 Easements for Distribution System – Manager Tolen reported that discussion will take place during the Executive Session,

CR 225A Fill Station Location – Manager Tolen advised the Board that a Locations and Extents review process will be required through the County and that it will provide an opportunity for any comments and concerns La Plata County Planning Commission may have.

Consider Retaining the Services of a Consultant Property Management Service for the Acquisition of the CR 225A/Hwy 160 Property from CDOT – Executive Session

Matt Leeder Tap – Manager Tolen requested input and direction from the Board. At issue is whether to bore a separate service lines under Highway 160 for each individual tap or to run a parallel line on the north side of the highway. After discussion and clarification the Board decided that running a parallel line would be advantageous from the perspective of construction and also from the perspective of acquiring additional water customers and so advised Manager Tolen.

Consider Amending Article 6, Paragraph 6.4 of the Rules and Regulations, Water Main Extensions by Developers – Manager Tolen distributed information received from Counsel Greher who advised that issues related to tap and construction fees may be subject to bargaining, but cannot be waived. Directors asked questions related to time frames and inflation issues. Manager Tolen advised the Board that each instance will require a separate and individual agreement in which matters of time and inflation as well as additional specifics will be addressed. Upon motion duly made by Director Johnson, seconded by Director Dent, and unanimously carried, the Board accepted the changes to Article 6, Paragraph 6.4 Water Main Extension by Developers policy and procedure as proposed by Manager Tolen and amended by legal counsel Greher.


EXECUTIVE SESSION – Upon motion duly made by Director Johnson, seconded by Director Williams, and unanimously carried, the Board entered into Executive Session at 9:39 a.m. to confer with an attorney for purpose of receiving legal advice on specific legal questions (Section 24-6-402(4)(b), C.R.S.); and for determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations, and instructing negotiators (Section 24-6-402(4)(e), C.R.S.). Issues to be discussed are Sundance/Farraday Subdistrict No. 1 Easements for Distribution System and Consideration of Retaining the Services of a Consultant Property Management Service for the Acquisition of the CR225A/Hwy 160 Property from CDOT. The Board adjourned to its regular meeting at 9:56 a.m.

ANY OTHER MATTER WHICH MAY COME BEFORE THE BOARD


Upon motion duly made by Director Dent, seconded by Director Williams, and unanimously carried, the Board accepted the proposal from Atkins to provide Consultant Property Management Services for the Acquisition of the CR225A/Hwy 160 Property from CDOT.

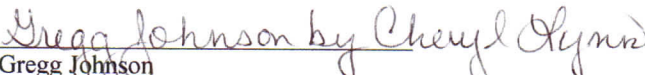
LAPLAWD Easement – Manager Tolen met with four of six property owners to the north of LAPLAWD property on Highway 160 regarding access to District water. Gary Dawson, was the only property owner present who expressed an interest in receiving District water. The Dawson property is closer to the District property than to the road and adjacent property owners. Counsel Greher advised that there were no related legal issues to Mr. Dawson’s request for an easement across LAPLAWD property. Upon motion duly made by Director Johnson, seconded by Director Dent, and unanimously carried, the Board approved an easement across LAPLAWD property for a service line from District facilities to the Dawson property for the purpose of providing water to the Dawson property.


ADJOURNMENT The meeting was adjourned at 10:02 a.m. The next regular meeting of LAPLAWD is scheduled for March 8, 2018, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

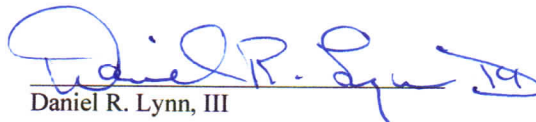

Secretary for the Meeting

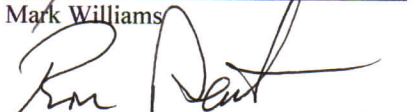
APPROVED


Richard T. Lunceford


Gregg Johnson


Mark Williams


Daniel R. Lynn, III


Ron Dent

Pursuant to Section 24-6-402(2)(d.5)(I)(B), C.R.S., I hereby attest that I am the attorney of the District, that I was in attendance during the Executive Session of the Board convened on February 8, 2018, and that the discussion during the Executive Session constituted a privileged attorney-client communication for which no record is required to be kept by law.

David A. Greher, General Counsel