

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING OF THE
LA PLATA ARCHULETA WATER DISTRICT
HELD
March 9, 2017

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

ATTENDANCE: Directors in Attendance Were:
Dick Lunceford
Ron Dent
Dan Lynn
Gregg Johnson
Mark Williams

Also in Attendance Were:
Ed Tolen, Manager
Yvonne Brunson, Customer Service Representative
Karmen King, Grayling LLC
Brett Sherman, Harris Water Engineering
Barb Prose, Fredrick, Zink, and Associates
Eric Jorgenson, Collins Cockrel and Cole
Micki Mills, Collins Cockrel and Cole
Cheryl Lynn, Secretary of the Board
Blake Knoll, Customer of LAPLAWD

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

Mr. Knoll introduced himself, saying he is a satisfied customer who hooked up to the water system as soon as he could. He is attending the meeting to learn more about the District, noting that he is surprised more taps haven't been sold.

APPROVAL OF
MINUTES

Upon motion duly made by Director Dent, seconded by Director Johnson, and unanimously carried, the Minutes of the February 9, 2017, regular Board meeting were approved.

FINANCIAL REPORT

Ms. Prose distributed the March, 2017, Accounts Payable Report and March 8, 2017, Accountant's Compilation Report to the Board. After review and upon motion duly made by Director Johnson, seconded by Director Dent, and unanimously carried, the Board approved payment of invoices as shown on the attached Accounts Payable statement dated March 8, 2017.

Ms. Prose reported that the field work of the audit has been completed. She further advised the Board that the last of the bond funds have been used. No special reporting is required to close the bond fund account. The first draw on the CWRPDA loan in the amount of \$500,000 will be made on March 9, 2017.

FINANCE COMMITTEE
REPORT

Consider A Water Rate Increase --Upon motion duly made by Director Lynn, seconded by Director Dent, and unanimously carried, the Board approved a ten percent (10%) water rate increase, noting that the increase is necessary due to increased water costs from the Town of Bayfield. . The increase will result in the following rates:

	Old Rate (per Month)	New Rate (per Month)
Base Rate (up to 2,000 Gals)	\$30.00	\$33.00
2,001 to 5,000 Gals	\$6.00	\$6.60
5,001 to 8,000 Gals	\$10.00	\$11.00
8,001 Gals and Greater	\$15.00	\$16.50

PUBLIC RELATIONS/COMMUNICATIONS

COMMITTEE REPORT Manager Tolen reported that notices of a potential rate increase were sent to customers with the previous month's bills.

LEGAL REPORT

Legal Counsel Jorgenson has filed with District Court, La Plata County, his Notice of Withdrawal as Counsel for LAPLAWD effective March 31, 2017. His successor will be David A. Greher.

Phase 1B and 1C Litigation – Mr. Jorgenson discussed this litigation in Executive Session.

ENGINEER REPORT

Phase 1 Pipeline – Mr. Sherman advised the Board that pipeline continues to be installed. A Change Order will be forthcoming to open cut County Road 225A with replacement paving. The change order is necessary because there appears to be a shelf of rock under the road that doesn't allow the Contactor to bore deep enough under the road. Following a meeting with the Colorado Department of Transportation Phase 1F is almost ready to be advertised. LAPLAWD construction will be in a zone with a wildlife detection area. The use of the corner of County Road 225 and Highway 160 for a water fill station is uncertain.

Water Haul Station – Mr. Sherman reported that work will recommence on the water haul station within the next week, pending clear weather. The contractor will also prepare a quote for LAPLAWD for security cameras

Ridges Basin Dam Pipeline – Mr. Harris discussed this in Executive Session.

Colorado Water Conservation Board – Mr. Harris has applied for a position on the Board. Three positions are currently open. Mr. Harris has been advised that the three current Board members will remain on the Board for the May meeting. Appointments to the Colorado Water Conservation Board must be confirmed by the Senate in May.

ENVIRONMENTAL
REPORT

Ms. King reported that ensuring safe and undisturbed habitat for endangered species could impact projects. We should have minimal disturbance on County Road 510 if we bore under the Long Hollow. However, if we have to dig we could affect habitat of the New Mexico Jumping Mouse. Prairie dogs inhabit the drilling platform on County Road 225A and the immediate area. Remediation of prairie dog towns depends on numbers of acres disturbed in our pipeline construction process.

GENERAL MANAGER

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REPORT

Article 6 of the District's Rules and Regulations Concerning Extension of Mainlines into Existing Subdivisions, Cost Sharing and the Use of Subdistricts to Finance Subdivision Improvements – Manager Tolen reminded the Board that Article 6.3 of the Rules and Regulations mentioned above were approved at last month's meeting. Since that time numerous changes have been made. Manager Tolen outlined the changes, their impacts on the District's infrastructure, and the timeframes involved. The Board questioned and discussed these impacts to ensure a working understanding. Upon motion duly made by Director Lynn, seconded by Director Johnson, and unanimously carried, the Board approved a revision of Article 6.3 of the District's Rules and Regulations Concerning Extension of Mainlines into Existing Subdivisions, Cost Sharing and the Use of Subdistricts to Finance Subdivision Improvements dated March 6, 2017.

District Customer Service Representative Position – Manager Tolen introduced Yvonne Brunson to the Board. She is the new Customer Service Representative and described by Manager Tolen as a quick learner. Please refer to Manager Tolen's February, 2017, General Manager's Report for detail of the District's overall work progress.

CONSIDER ADOPTION OF A RESOLUTION DIVIDING THE DISTRICT INTO A SUBDISTRICT AREA CONSISTENT WITH THE SERVICES AND FACILITIES TO BE FURNISHED THEREIN, AND AUTHORIZING THE LEVY OF TAXES IN ACCORDANCE WITH THE SERVICES AND FACILITIES FURNISHED TO SUCH AREA; REPEALING ALL RESOLUTIONS IN CONFLICT THEREWITH; AND PROVIDING OTHER MATTERS RELATING THERETO (SUNDANCE/FARRADAY SUBDISTRICT NO. 1)

The Board, Manager Tolen, and legal counsel discussed at length the establishment of a subdistrict as part of the District, its financial implications and financing options, timelines, construction timeframe, and election requirements. Upon motion duly made by Director Dent, seconded by Director Williams, and unanimously carried the Board adopted a Resolution Dividing the District Into a Subdistrict Area Consistent With the Services and Facilities to be Furnished Therein, and Authorizing the Levy of Taxes in Accordance with the Services and Facilities Furnished to Such Area; Repealing All Resolutions in Conflict Therewith; and Providing Other Matters Relating Thereto (Sundance/Farraday Subdistrict No. 1) subject to map completion no later than June 30, 2017. Upon motion duly made by Director Johnson, seconded by Director Lynn, and unanimously carried the Board approved funding to initiate development of the subdistrict. This funding is to be accounted for separately and reimbursement is expected upon establishment of the subdistrict.

RESCHEDULE MAY MEETING

Due to staff availability, the regular meeting of the District Board of Directors scheduled for Thursday, May 11, 2017, at 9 a.m. has been rescheduled for Monday, May 15, 2017 at 9 a.m. at 255 Ute Street, Ignacio, CO.

EXECUTIVE SESSION

Upon motion duly made by Director Dent, seconded by Director Lynn, and unanimously carried, the Board entered Executive session at 10:30 a.m. to confer with an attorney for purposes of receiving legal advice on specific legal questions (Section 24-6-402(4)(b), C.R.S.); and/or to determine positions relative to matters that may be subject to negotiations, developing strategies for negotiations, and instructing negotiators (Section 24-6-402(4)(c), C.R.S.). Issues to be discussed include Phases 1B and 1 C Pipeline Issues and the Ridges Basin Dam Pipeline. The Board reconvened in regular session at 10:55 a.m.

ANY OTHER MATTER WHICH MAY COME


BEFORE THE BOARD

Manager Tolen advised the Board that Roy Horvath and two Board members of the La Plata West Water Authority would like to meet with him and two LAPLAWD Board members to discuss fill stations. Manager Tolen will invite them to the April or May meeting of LAPLAWD.


Meeting attendees and spouses were invited to a retirement party for Mr. Jorgenson to be held March 9th at the home of Steve and Lourdes Harris.

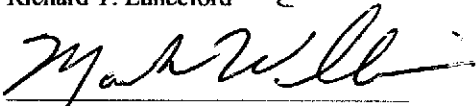
ADJOURNMENT

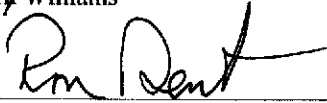
The meeting was adjourned at 11:00 a.m. The next regular meeting of LAPLAWD is scheduled for April 13, 2017, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado. Director Lynn notified those present it was almost a certainty he would attend that meeting via telephone.

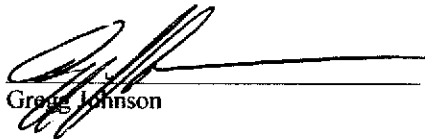

Secretary for the Meeting

APPROVED


Richard T. Lunceford


Mark Williams


Ron Dent


Greg Johnson


Daniel R. Lynn, III Secretary for Meeting