

RECORD OF PROCEEDINGS  
MINUTES OF THE MEETING OF THE  
LA PLATA ARCHULETA WATER DISTRICT  
HELD  
March 10, 2016

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District ("District") was held on March 10, 2016, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

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

Director Absent Was:  
Dick Lunceford, whose absence was excused

Also in Attendance Were:  
Ed Tolen, Manager  
Nora Miller, Customer Service Representative  
Steve Harris, Harris Water Engineering, Inc.  
Brett Sherman, Harris Water Engineering, Inc.  
Barb Prose, Fredrick, Zink, and Associates  
Karmen King, Grayling  
Cheryl Lynn, Secretary of the Board

In Attendance by Telephone Were:  
Eric Jorgenson, Collins Cockrel and Cole  
Micki Wadhams, 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                    No members of the public were present.

APPROVAL OF  
MINUTES                                    Upon motion duly made by Director Dent, seconded by Director Johnson, and unanimously carried, the Minutes of the February 11, 2016, regular Board meeting were approved.

FINANCIAL REPORT                    Ms. Prose distributed the Accounts Payable Report and Accountant's Compilation Report to the Board. After a thorough review and clarifying questions and answers and upon motion duly made by Director Dent, seconded by Director Johnson, and unanimously carried, the Board approved the payment of invoices as shown on the attached Accounts Payable statement dated March 9, 2016. Ms. Prose advised the Board that field work has been completed for the 2015 District audit and the final audit report should be completed by May, 2016.

FINANCE COMMITTEE

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REPORT

Resolution No. 2016-04 – Upon motion duly made by Director Johnson, seconded by Director Dent, and unanimously carried the Board Adopted a Resolution Authorizing Closing Account at Community Banks of Colorado and Opening Accounts at First National Bank of Durango.

PUBLIC RELATIONS/  
COMMUNICATIONS  
COMMITTEE REPORT

No Public Relations report was given.

LEGAL REPORT

Petitions for Inclusion of Real Property into the District for the Coburn Property – Vice-Chairman Lynn opened a public hearing to consider Petition for Inclusion filed by Mark D. Coburn for property located on Cody Road in Sundance Hills 1 Subdivision, Lots 11 and 14A, Durango, Colorado, 81303. No public comments were received or presented. The hearing was then closed. Upon discussion and 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. Legal counsel will process the inclusions with the La Plata District Court. Once included, this property will be part of the 2017 property tax collection.

Tolling Agreement between Rundle Construction, North American Specialty Insurance, and the District – Upon motion made by Director Johnson, seconded by Director Dent, and unanimously carried the Board approved the Tolling Agreement and authorized Director Lynn to execute on behalf of the District. Legal Counsel Jorgenson advised the Board that the Tolling Agreement places the Statute of Limitations regarding filing a lawsuit on hold. Manager Tolen advised the Board that District representatives, including SBSA, will be present when the forensic engineer for the contractor and surety are inspecting the District's Phases 1C and 1B pipelines.

Election Cancelled – The scheduled May 3, 2016, District election was cancelled. There were not more candidates than offices to be filled at the election. Four year terms begin in May, 2016. At the May Board meeting, the newly re-elected Directors, Ron Dent, Gregg Johnson and Dick Lunceford, will take Oaths of Office and the Board will re-elect officers.

ENGINEER REPORT

Phase 1 Pipeline – Mr. Sherman reported that documentation has been submitted and the Phase 1E project is ready to be bid. He further reported that the alignment of Phase 1H may have to be changed to accommodate the Colorado Department of Transportation's future plans for the section of Highway 160 in the Gem Village/Homestead Subdivision/Highway 160 Business Route area. Changing the alignment to the other side of the highway results in more complicated construction but leaves more options open for the Colorado Department of Transportation until their plans are finalized. Mr. Tolen advised the Board that the Southern Ute Indian Tribe will conduct a work session to make decisions related to Phase 1E, where the pipeline would cross Tribal lands. The District will begin construction on the project in April, 2016, stopping short of Tribal land if a ROW agreement has not been approved by the Tribe by that time.

Joint Treatment Plant with Durango and Ridges Basin Pipeline – Mr. Harris advised the Board that he and Manager Tolen had recently met with representatives of the City of Durango, Animas La Plata Water Conservancy District, the Southern Ute Indian Tribe, the Bureau of Reclamation and ALPOMR Association. The purpose of that meeting was to determine where the pipeline from Ridges Basin dam could split the flow for tribal and nontribal entities. Harris Water Engineering will complete a sketch of the pipeline by April; no concrete metering vault will be included in the plans. Water measurement may be able to take place at the treatment plant.

ENVIRONMENTAL  
REPORT

Ms. King advised the Board that she has clarification in writing from the SUIT that Phase 1E carries no associated permits or environmental concerns. She recently attended a meeting of

the Army Corps of Engineers to discuss regulatory changes related to permits. Phases 1F through 1H are ready to be put out to bid. Ms. King advised the Board that she will not attend the April, 2016, Board meeting.

GENERAL MANAGER  
REPORT

Consider Approving Change Orders #3, 4, 5, & 6 to Integrated Water Systems contract for the Bayfield Water Treatment Plant Expansion - After thorough review and discussion and upon motion duly made by Director Dent, seconded by Director Johnson, and unanimously carried, the Board approved Change Orders 3, 4, 5, and 6 referenced above. The Board congratulated Manager Tolen on his acceptance to the Leaders Program through the Colorado Foundation for Water Education and thanked him for a particularly informative General Manager's Report.

Please refer to Manager Tolen's March, 2016, General Manager's Report for detail of the District's overall work progress.

EXECUTIVE  
SESSION


Upon motion duly made by Director Dent, seconded by Director Johnson and unanimously carried the Board moved that the regular meeting of the Board be temporarily adjourned and that the Board reconvene in Executive Session 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 to determine 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.). The motion carried unanimously. The Board reconvened in regular session at 10:18 a.m.

ANY OTHER MATTER  
WHICH MAY COME  
BEFORE THE BOARD

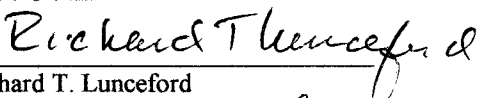
No other matters were presented.

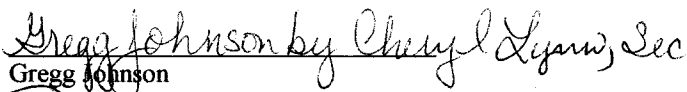
ADJOURNMENT

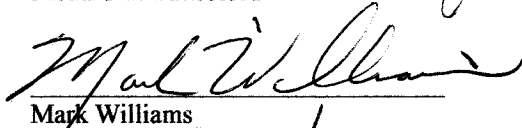
The meeting was adjourned at 10:20 a.m. The next regular meeting of the District is scheduled for April 14, 2016, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

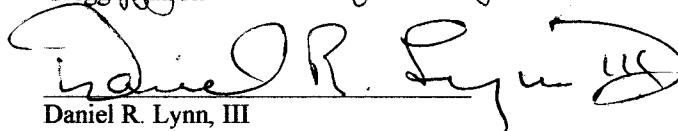
  
Secretary for the Meeting

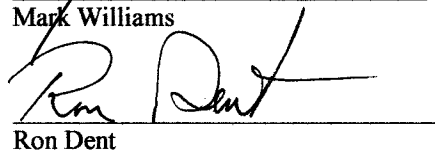
APPROVED

  
Richard T. Lunceford

  
Gregg Johnson

  
Mark Williams

  
Daniel R. Lynn, III

  
Ron Dent