

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING OF THE
LA PLATA ARCHULETA WATER DISTRICT
HELD
July 14, 2016

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District ("District") was held on July 14, 2016, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

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

Director Absent Was:
Dan Lynn- Excused

Secretary to the Board Absent Was:
Cheryl Lynn

Also in Attendance Were:
Ed Tolen, Manager
Steve Harris, Harris Water Engineering, Inc.
Brett Sherman, Harris Water Engineering, Inc.
Karmen King, Grayling LLC
Barb Prose, FredrickZink & Associates

In Attendance by Telephone Were:
Evan Ela, Collins Cockrel and Cole
Eric Jorgenson, 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 and in attendance by telephone reported no conflicts of interest.

PUBLIC COMMENTS No members of the public were present.

APPROVAL OF
MINUTES

Upon motion duly made by Director Williams, seconded by Director Dent, and unanimously carried, the Minutes of the June 9, 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 upon motion duly made by Director Johnson, seconded by Director Dent, and unanimously carried, the Board approved the payment of invoices as shown on the attached Accounts Payable statement dated July 12, 2016.

FINANCE COMMITTEE
REPORT

No report was given.

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EXECUTIVE SESSION Upon motion duly made by Director Dent, seconded by Director Williams, and unanimously carried, the Board entered Executive Session at 9:30 a.m. pursuant to Section 24-6-402(4)(a), C.R.S., for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations, and instructing negotiators concerning an Agreement with the City of Durango, an Agreement with the Animas La Plata Water Conservancy District, and an Agreement with Los Pinos Ditch Company. The Board reconvened in regular session at 10:20 a.m.

PUBLIC RELATIONS/
COMMUNICATIONS
COMMITTEE REPORT

No report was given.

LEGAL REPORT

Issues Pertaining to Phase 1C – Legal Counsel gave an update on Phase 1C Pipeline issues and discussed the conclusions of the Expert Report prepared for Rundle Construction.

ENGINEER REPORT

Mr. Sherman advised the Board that TRC is at work on Phase 1E. Manager Tolen reported that difficulties with boring under an irrigation lateral have been overcome and work is proceeding. Mr. Sherman is waiting to hear from the County on the water fill station entry from County Road 311.

ENVIRONMENTAL
REPORT

Ms. King reported that she completed two more annual monitoring plans and has two more to do in order to complete this task for 2016.

GENERAL MANAGER
REPORT

Bulk Water– Manager Tolen opened the discussion. Manager Tolen suggested that since \$15 per 1,000 gallons is the rate that is currently set for bulk water, a rate less than that could be established without requiring public notice of a public meeting. Director Johnson reminded the Board that the water station will help us in having to flush less water. Consensus seemed to be to use the same rate as the Southern Ute Indian Tribe charges for bulk water for both residential and commercial water haulers. There was also discussion about providing up to 3,000 gallons per month free of charge for property owners that are in the District, but don't yet have access to the distribution system. It was agreed to modify the existing Policy to that effect.

Director Johnson suggested that rates should also attract commercial haulers, so as to move more water through the pipeline. The District will set rates comparable to the Tribe's commercial bulk water pricing.

Consideration of Purchase of ALP water -- After discussion and upon motion duly made by Director Johnson, seconded by Director Dent, and unanimously carried, the Board approved the purchase of an additional 60 acre feet of ALP water pursuant to the District's Agreement with the Colorado Water Conservation Board.

Crossing Tribal lands Control Policy – Manager Tolen was informed that the consent agreement concerning crossing of Tribal lands was approved by Tribal Council, but it still requires BIA approval. Manager Tolen is in communication with Germaine Ewing of the Tribe to keep this moving forward.

Lacey Act – Manager Tolen explained the significance of this Act where interstate waters are concerned. There is currently a Bill in Congress that may address the issues of concern, but it currently doesn't cover New Mexico or Colorado. Manager Tolen will write a letter to legislators about the amendment to this Bill.

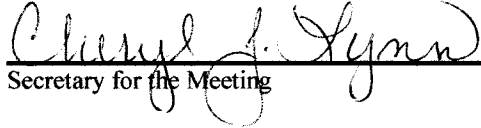
General Manager's Report - Please refer to Manager Tolen's July, 2016, General Manager's Report for detail of the District's overall work progress.

ANY OTHER MATTER
WHICH MAY COME
BEFORE THE BOARD

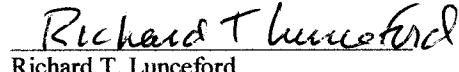
No other matters were introduced for discussion.


ADJOURNMENT

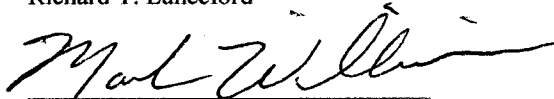
The meeting was adjourned at 11:05 a.m. The next regular meeting of LAPLAWD is scheduled for August 11, 2016, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

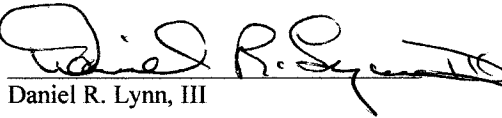

Secretary for the Meeting


APPROVED


Richard T. Lunceford


Gregg Johnson


Mark Williams


Daniel R. Lynn, III


Ron Dent