

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING OF THE
LA PLATA ARCHULETA WATER DISTRICT
HELD
October 13, 2016

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District ("District") was held on October 13, 2016, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

ATTENDANCE: Directors in Attendance Were:
Dick Lunceford
Ron Dent

Directors in Attendance by Telephone Were:
Dan Lynn
Gregg Johnson

Director Absent Was:
Mark Williams, 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.
Karmen King, Grayling LLC
Barb Prose, FredrickZink & Associates
Cheryl Lynn, Secretary of the Board

In Attendance by Telephone Were:
Eric Jorgenson, Collins Cockrel and Cole
Micki Wadhams, Collins Cockrel and Cole
Kyle C. Kreischer, Ciancio Ciancio Brown, PC

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 Dent, seconded by Director Lynn, and unanimously carried, the Minutes of the September 15, 2016, regular Board meeting were approved.

FINANCIAL REPORT

Ms. Prose distributed the October, 2016, Accounts Payable Report and October, 2016, Accountant's Compilation Report to the Board. After a thorough review and upon motion duly made by Director Dent, seconded by Director Lynn, and unanimously carried, the Board approved the payment of invoices as shown on the attached Accounts Payable statement dated October 12, 2016.

FINANCE COMMITTEE

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REPORT

Manager Tolen reminded the Board that an upcoming payment to Water and Power Authority is due November 1, 2016, and asked that a Director be available for signatory purposes the week of October 17, 2016.

EXECUTIVE SESSION

Upon motion duly made by Director Dent, seconded by Director Lynn, and unanimously carried, the Board entered Executive Session at 9:05 a.m. for the purpose of receiving advice from legal counsel (Kyle Kreischer and Eric Jorgenson) on specific legal questions related to the Phase 1C construction issues and mediation, as authorized by Section 24-6-402(4)(b), C.R.S. and pursuant to Section 24-6-402(4)e, C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators concerning obtaining capacity in the Ridges Basin 36" Valve and location of the water treatment plant. The Board reconvened in regular session at 10:21 a.m.

PUBLIC RELATIONS/
COMMUNICATIONS
COMMITTEE REPORT

Newsletter - Manager Tolen presented his draft of a Fall LAPLAWD newsletter to be released the week of October 17, 2016, when the list of names is complete at Basin Printing.

LEGAL REPORT

Public Hearing – Inclusion of Real Property – Chairman Lunceford opened a public hearing to consider a Petition for Inclusion filed by Grace A. Echeverria for property located at 252 Etta Place, Durango Colorado 81303 in Sundance Hills II Subdivision. No public comments were received or presented. The hearing was then closed. Upon discussion and motion duly made by Director Dent, seconded by Director Lynn, 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 inclusion with the La Plata District Court.

S and P Global Ratings Report – Mr. Jorgenson called the Board's attention to the S & P Global Ratings Report, noting that this report is related to the bonds issued by the District in 2013. David Greher, legal counsel with Collins Cockrel and Cole, has expressed the concern that S & P was not aware of additional debt incurred through the Water and Power Authority earlier this year. Mr. Greher's recommendation is that the District be proactive and self-disclose by providing a copy of the indebtedness documents to S & P. The Board accepted the recommendation and Mr. Greher will provide this information to S & P.

ENGINEER REPORT

Phase 1 Pipeline Project – Mr. Sherman reported that the bid for the water haul station and Phase 1E should advertise over the weekend. Due to costs of the site preparation for the water haul station at more than \$60,000, a public bid is required. Phase 1H is being considered by the Colorado Department of Transportation (CDOT). Phase 1F is the other fill station; CDOT is considering designation of the property on which the fill station will be located as excess property and may make it available to District. Manager Tolen will check to see if the District could acquire the property at no or little cost.

Facilities with City of Durango required for Joint Treatment Plant – The current project being considered is the 200 feet of pipe to get to the water treatment plant. Mr. Sherman and Ms. King met with the City of Durango to discuss related regulatory needs. The 200 feet of pipe, while it is in a disturbed area, is not included in the current Environmental Impact Statement which stops at the dam. Ms. King reported that two processes will run concurrently, which are: (1) The Programmatic Agreement which will take the Bureau of Reclamation six to eight months to develop; and (2) The NEPA analysis which Ms. King will begin which will lead to an Environmental Analysis. Ms. King is tasked with describing the segmented projects as well as possible. All involved parties must review the draft materials. Mr. Harris reported that in anticipation of the November 3, 2016, meeting, Mr. Sherman is completing the topographic survey.

ENVIRONMENTAL
REPORT

Please refer to the Engineer Report for Ms. King's Report.

GENERAL MANAGER
REPORT

Change Orders 27, 28, and 29 for the Bayfield Water Treatment Plant Expansion – Manager Tolen and the Board discussed the proposed change orders. Upon motion duly made by Director Dent, seconded by Director Lynn, and unanimously carried the Board approved Change Orders 27, 28, and 29 for the Bayfield Water Treatment Plant Expansion.

Crossing SUIT Lands on County Road 510 – Manager Tolen reported that the District's application for crossing Tribal lands along County Road 510 was submitted to the Bureau of Indian Affairs (BIA) on September 27, 2016. BIA has a month to process the related request and in the interim has requested copies of the District's organizational documents, a permit from the county, and bond and insurance. Due to construction timelines, the process continues to move forward with the understanding that a permit is required prior to commencement of construction.

Update on Obtaining Capacity in the Valve at Ridges Basin Dam – The District has sent a letter to the Southern Ute Indian Tribe and is awaiting a response.

Ribbon Cutting – The ribbon cutting for the Bayfield Water Treatment Plant Expansion completed by the District will be held at 4 p.m. on Tuesday, October 18, 2016. All interested are invited.


Please refer to Manager Tolen's October, 2016, General Manager's Report for a summary of the proposed Change Orders as well as detail of the District's overall work progress.

ANY OTHER MATTER
WHICH MAY COME
BEFORE THE BOARD

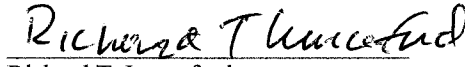
No other matters were introduced for discussion.


ADJOURNMENT

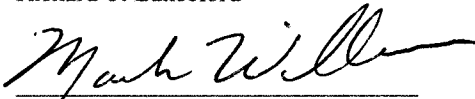
The meeting was adjourned at 10:55 a.m. The next regular meeting of LAPLAWD is scheduled for November 10, 2016, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

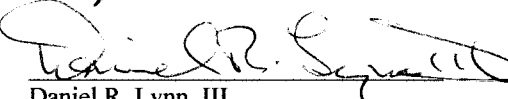

Secretary for the Meeting

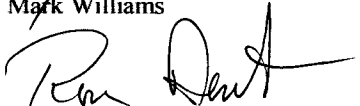
APPROVED


Richard T. Lunceford


Gregg Johnson


Mark Williams


Daniel R. Lynn, III


Ron Dent