

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING OF THE
LA PLATA ARCHULETA WATER DISTRICT
HELD
April 12, 2018

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District ("District") was held on April 12, 2018, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

ATTENDANCE:

Directors in Attendance Were:

Dick Lunceford
Dan Lynn
Ron Dent
Mark Williams
Gregg Johnson

Attendance by Telephone Was:

Cheryl Lynn, Secretary of the Board

Also in Attendance Were:

Ed Tolen, Manager
Yvonne Brunson, Customer Service Representative
Steve Harris, Harris Water Engineering
Brett Sherman, Harris Water Engineering
Barb Prose, Fredrick, Zink, and Associates
Karmen King, Grayling, LLC

In Attendance by Telephone Were:

David Greher, Collins Cockrel and Cole

Public in Attendance

Chuck Winniki, Farraday Subdivision
Michael Young, Vice President Farraday Subdivision HOA

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 in person and by telephone reported no conflicts of interest.

PUBLIC COMMENTS

Mr. Winniki and Mr. Young expressed their concern with the potential financial impact of not receiving the Energy Impact Grant for the Sundance/Farraday Subdistrict No. 1 Project. They believe that if the current mill levy of 23.798 almost doubles, because of not receiving the grant, there will be many residents who are no longer in favor of moving forward with the project. Mr. Young discussed the subdivisions are planning on redoing the subdivision roads in May 2019 and they would like to have the waterline project done prior to that if it moves forward. Mr. Young would like to setup a meeting

between the subdivision HOA Boards and Manager Tolen so they can get a better idea of the potential cost impacts of not receiving the grant.

APPROVAL OF MINUTES

Upon motion duly made by Director Williams, seconded by Director Lynn, and unanimously carried, the Minutes of the March 08, 2018, regular Board Meeting were approved.

FINANCIAL REPORT

Reports - Ms. Prose distributed the March, 2018, Accounts Payable Report and March, 2018, Accountant's Compilation Report to the Board. After review and upon motion duly made by Director Williams, seconded by Director Dent, and unanimously carried, the Board approved payment of invoices as shown on the attached Accounts Payable statement dated April 11, 2018.

FINANCE COMMITTEE REPORT

Audit – Ms. Prose advised the Board that the 2017 LAPLAWD Audit will probably be completed by the end of April 2018.

PUBLIC RELATIONS/COMMUNICATIONS

COMMITTEE REPORT

Manager Tolen reported that he has received a number of phone calls from residents asking when the waterlines will be to their properties because they are concerned with their wells going dry.

LEGAL REPORT

Public Hearing – Inclusion of Real Property - Chairman Lunceford opened a public hearing to consider a Petition for Inclusion filed by Matthew Mathers for property located at 29 CR 520, Bayfield, CO 81122, Parcel No. 5901-093-00-336. No public comments were received or presented. The hearing was then closed. Upon discussion and motion duly made by Director Lynn, seconded by Director Dent, 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. Counsel Greher will process the inclusion with the La Plata District Court. This property as included in the District will be part of the 2018 property tax collection.

Phase 1B and 1C Litigation (Executive Session) – Counsel Greher indicated that there was nothing to report.

ENGINEER REPORT

Consider Awarding a Contract for the Phase 1G-2 Project – Mr. Sherman advised the Board that we had received three bids for the Phase 1G-2 Project. TRC Construction had the low bid of \$513,435 and Mr. Sherman recommended that the contract be awarded to them. Upon discussion and a motion made by Director Johnson, seconded by Director Lynn, and unanimously carried, the Board awarded the contract to TRC Construction.

City of Durango – Mr. Harris reported that he and Manager Tolen saw Dirk Nelson, City Attorney for the City of Durango, Colorado, at a social function and asked him about the progress of the contract between the City and District for the Ridges Basin Dam Pipeline Project. Mr. Nelson indicated that he has a couple minor tweaks to the contract and then will give it to Mr. LeBlanc, the City Manager, for review.

Phase 1 Pipeline – Mr. Sherman advised the Board that Phase 1G-1 is complete. He further stated that Phase 1G-2 had to have approximately 2,500 feet removed from it because of some last minute concerns by CDOT. The current Phase 1G-2 will only

extend from where Phase 1G-1 ended to the east side of Jan Neleigh's property. The 2,500 feet that was removed from the project will be added to the Phase 1H Project.

ENVIRONMENTAL
REPORT

Ms. King advised the Board that she had visited the Phase 1G-1 project and she was impressed with the restoration done by TRC Construction on the project.

GENERAL MANAGER
REPORT

Establish Connection Fee for the Sundance/Farraday Subdistrict No. 1 – Manager Tolen informed the Board that the average tax paid by the property owners in the Sundance/Farraday Subdistrict No. 1 for 2017 was \$556. Director Dent moved that the subdistrict adopt a tap fee of \$556 for those properties that included their properties into the subdistrict after the 2017 taxes were established as being a reasonable and equitable tap fee. Director Lynn seconded and it passed unanimously. (Micki, we may need some help with this paragraph)

Consider a Resolution for Inclusion of Real Property into the Sundance/Farraday Subdistrict No. 1 for the Kelley/Burman Property - Chairman Lunceford opened a public hearing to consider a Resolution including the Kelley/Burman property into the Sundance/Farraday Subdistrict No. 1 filed by Kimberly Kelley/Gregg Burman for property located at 1576 Sundance Hills Road, Durango, CO 81303, Parcel Nos. 5903-034-01-808 and 5673-133-04-802. No public comments were received or presented. The hearing was then closed. Upon discussion and motion duly made by Director Johnson, seconded by Director Dent, and unanimously carried the Board approved the inclusion and adopted the Resolution for Inclusion of Real Property, a copy of which is attached hereto and incorporated herein by this reference.

Sundance Hills/Farraday Subdistrict No. 1 Progress – Manager Tolen reported that the District was not awarded the Energy Impact Assistance Fund Grant. He will meet with the residents of the subdivisions and determine a plan of action.

CR 225A Fill Station – Manager Tolen reported that the transfer of the property from CDOT to the District will be considered at the April 19, 2018, Colorado Transportation Commission meeting in Denver, Colorado.

Phase I Easements (Executive Session)-

EXECUTIVE SESSION – Upon motion duly made by Director Lynn, seconded by Director Dent, and unanimously carried, the Board entered into Executive Session at 9:36 a.m. to confer with an attorney for the 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)(c), C.R.S.). Issues discussed were easements required for the Phase I Project.

The Board adjourned to its regular meeting at 10:15 a.m.

ANY OTHER MATTER WHICH MAY COME
BEFORE THE BOARD

No additional matters requiring Board discussion or approval were introduced.

ADJOURNMENT

The meeting was adjourned at 10:18 a.m. The next regular meeting of LAPLAWD is scheduled for May 10, 2018, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

Cheryl Lynn
Secretary for the Meeting

APPROVED

Richard T. Lunceford
Richard T. Lunceford

Gregg Johnson
Gregg Johnson

Mark Williams
Mark Williams

Daniel R. Lynn, III
Daniel R. Lynn, III

Ron Dent
Ron Dent

Pursuant to Section 24-6-402(2)(d.5)(II)(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 April 12, 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