

RECORD OF PROCEEDINGS  
MINUTES OF THE MEETING OF THE  
LA PLATA ARCHULETA WATER DISTRICT  
HELD  
August 9, 2018

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District ("District") was held on August 9, 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

Also in Attendance Were:

Ed Tolen, La Plata Archuleta Water District Manager  
Yvonne Brunson, La Plata Archuleta Water District Customer Service Representative  
Steve Harris, Harris Water Engineering  
Brett Sherman, Harris Water Engineering  
Barb Prose, FredrickZink & Associates  
Karmen King, Grayling, LLC  
Cheryl Lynn, Secretary of the Board, La Plata Archuleta Water District

In Attendance by Telephone Were:

David Greher, Collins Cockrel and Cole  
Leslee Balten, Ciancio, Ciancio, and Brown (Executive Session Only)

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 public comments were received.

APPROVAL OF  
MINUTES

Upon motion duly made by Director Dent, seconded by Director Williams, and unanimously carried, the Minutes of the July 12, 2018, Regular Board Meeting were approved with the incorporation of Director Johnson's addendum to the last sentence of the Lead and Copper Sampling Incentives portion of the General Manager Report. The last sentence will now read: "Upon motion duly made by Director Lynn, seconded by Director Johnson, and unanimously carried, the Board approved a \$25.00 credit to water bills for those customers who provide these timely test samples to the District.

FINANCIAL REPORT

Reports - Ms. Prose distributed the July, 2018, Accounts Payable Report and July, 2018, Accountant's Compilation Report to the Board. After review questions related to specific transactions and upon motion duly made by Director Williams, seconded by Director Johnson, and unanimously carried, the Board approved payment of invoices as shown on the attached Accounts Payable statement dated August 8, 2018.

FINANCE COMMITTEE  
REPORT

Manager Tolen reported that he awaits the County Treasurer projected preliminary Certification of Valuation for 2018 for the District at which time he and Ms. Prose will initiate the first draft of the 2019 District budget.

PUBLIC RELATIONS/  
COMMUNICATIONS  
COMMITTEE REPORT

No formal Public Relations/Communications Committee Report was presented though Director Williams lead a discussion regarding the need for a District fact sheet for use in discussing water consumption issues with those interested in District operations. After a discussion about helping people develop a deeper understanding of how the District benefits the community as a whole as well as specific water users, it was determined that Mr. Harris would develop that fact sheet.

LEGAL REPORT

Public Hearing – Inclusion of Real Property – Kerr Property – Chairman Lunceford opened a public hearing to consider a Petition for Inclusion into La Plata Archuleta Water District and the Sundance/Farraday Subdistrict No. 1 filed by Walter D. Kerr and Bonny L. Kerr for property located at 121 Cody Road, Durango, Colorado, 81303. No public comments were received or presented. The hearing was then closed. Upon 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. Mr. Greher will process the inclusion with the La Plata District Court. This property as included in the District will be part of the 2020 tax collection.

Resolution Approving the Inclusion of Real Property into the Sundance/Farraday Subdistrict No. 1 of the La Plata Archuleta Water District – Kerr Property – Upon motion duly made by Director Lynn, seconded by Director Johnson, and unanimously carried the Board adopted the Resolution Approving Inclusion of Real Property into the Sundance/Farraday Subdistrict No. 1 of the La Plata Archuleta Water District.

Phase 1B and 1C Litigation was discussed in Executive Session.

ENGINEER REPORT

City of Durango – The Board agreed with Mr. Harris' suggestion that now is an appropriate time to send the formerly proposed letter from the District to Ron LeBlanc, City Manager for the City of Durango, Colorado, regarding the draft contract between the District and the City of Durango regarding a shared Lake Nighthorse water delivery structure. This letter will request that the contract be reviewed and suggested revisions provided to the District in a timely fashion.

Phase 1 Pipeline – Mr. Sherman advised the Board that Phase 1G-2 has progressed through the Neleigh property and under the highway, almost to the Strohecker property. Another bore under the highway will be required in the Dry Creek area for which the Colorado Department of Transportation will provide an estimated \$70,000 in funding to allow the bore to be made deeper so as not to interfere with the County Road 223 connection.

Booster Pump Station - The electricians continue work on the booster pump station near Lon's Automotive. While there is no backup generator to provide electricity during power outages, users will still have enough pressure to run small amounts of water.

Bulk Water Station – Mr. Sherman told the Board that the station will go to bid soon. Local contractors have indicated an interest and will continue to bid on District projects as they have the time and skill set to complete the work.

Mr. Sherman's Schedule – Though his family has relocated to Denver, Mr. Sherman will continue his association with Harris Water Engineering for the foreseeable future, though he will not always be available in Durango. His plans include one week a month in Durango, the week of the District Board meeting, to facilitate his current work load and serve his clients.

Legislative Assistance Request to Representative Barbara McLachlan – Mr. Harris will contact Representative McLachlan requesting time to meet with her to emphasize the importance of the District in providing rural water to the area and asking for her support of the request to DOLA for funding for pipeline infrastructure of the Sundance/Farraday Subdistrict No. 1.

## ENVIRONMENTAL REPORT

Phase 1H Permits - Ms. King advised the Board that Phase 1H permits are on the cusp. TRC Construction has been working diligently to comply with the environmental requirements for the Phase 1G-2 Project.

Army Corps of Engineers 404 Permits – Though the Environmental Protection Agency issued a permit giving states a chance to take the lead on the 404 permitting process, Colorado will not be one of the states that takes the lead. The 404 permitting process will remain under the purview of Kara Helig, of the area Army Corps of Engineers, which will streamline the process and shorten the time involved from submission of documentation to clearance for project readiness.

## GENERAL MANAGER REPORT

Phase 1H Easement was discussed in Executive Session.

Phase 1G-1 Progress – This topic was thoroughly reported by Mr. Sherman.

Sundance/Farraday Subdistrict No. 1 Progress – Manager Tolen will present the loan request for Sundance/Farraday Subdistrict No. 1 pipeline infrastructure to the Water and Power Authority Board who will meet August 23, 2018. Further, Manager Tolen has submitted a second grant application to DOLA requesting assistance to fund this pipeline infrastructure. He will request support from Representative McLachlan and from Joanne Spina, La Plata County Manager.

CR 225A Fill Station – Manager Tolen reported that he received the corrected Quit Claim Deed from CDOT and he is currently applying to La Plata Electric Association for electricity to the site. Manager Tolen will attend the La Plata County Planning Commission meeting the evening of August 9, 2018, to verify the approval of the Location and Extents request.

CR 223 Direct Bore – Manager Tolen is requesting permission from CDOT to allow an open cut to the frontage road rather than the direct bore currently required. The direct bore is logistically challenging, and may be impossible, due to area elevations on which equipment would be placed to make that direct bore.

Construction Direction Following Completion of Phase 1 – Directors discussed the possibility of constructing water line to service the La Plata County Airport when Phase 1H is complete and the Phase 1 water loop is complete. With no water loop to serve the airport initially, possible pipeline breaks could be addressed by incorporating the 144,000 gallon airport storage tank into the design to ensure that water to the airport is never interrupted. Counsel Greher suggested that charts showing the timing, costs, pros, and cons of building airport infrastructure or the pipeline loop could assist in quantifying a decision regarding the next phase of development.

Please refer to Manager Tolen's August, 2018, General Manager's Report for additional detail regarding District operations.

EXECUTIVE SESSION – Upon motion duly made by Director Dent, seconded by Director Lynn, and unanimously carried, the Board entered into Executive Session at 9:48 a.m. to confer with an attorney for 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)(e), C.R.S.). Issues discussed were Phase 1B and Phase 1C Litigation and Phase 1H Easement. The Board exited Executive Session and returned to its regular meeting at 10:45 a.m.

ANY OTHER MATTER  
WHICH MAY COME  
BEFORE THE BOARD

Chairman Lunceford and Mr. Harris will not attend the September 13, 2018, LAPLAWD meeting in Ignacio. They may decide to attend via telephone or by going to legal counsel's office in Denver.

ADJOURNMENT

The meeting was adjourned at 10:53 a.m. The next regular meeting of LAPLAWD is scheduled for September 13, 2018, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

Cheryl Lynn  
Secretary for the Meeting

APPROVED

Richard T. Lunceford by Cheryl Lynn  
Richard T. Lunceford

Gregg Johnson by Cheryl Lynn  
Gregg Johnson

Mark Williams  
Mark Williams

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

Ron Dent by Cheryl Lynn  
Ron Dent

Pursuant to Section 24-6-402(2)(d.5)(I)(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 August 9, 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