

## LA PLATA ARCHULETA WATER DISTRICT

### REIMBURSEMENT RESOLUTION

**WHEREAS**, the La Plata Archuleta Water District, La Plata County, Colorado (“District”), acting by and through its duly elected Board of Directors, has acknowledged that the District has immediate financial needs that cannot be funded from its present sources of grant revenue available in 2010, but that it is in the best interests of the District, its residents and taxpayers that a search be conducted for a qualified District Manager as soon as possible and that a District Manager be hired for the District on or after September 1, 2010, if funding can be obtained to pay the salary and benefits of a District Manager through March 31, 2011; thereafter the District reasonably expects that revenue from property taxes pursuant to voter authorization obtained at the May 4, 2010 election will be sufficient to pay the salary and benefits of the District Manager and to reimburse any party that may advance funds to the District for these purposes; and

**WHEREAS**, the Board of Directors estimates that commencing July 1, 2010, monthly advances to the District may need to be as much as \$15,000.00 per month, to pay District’s expenses, including but not limited to the salary and benefits of a District Manager, and that such advances may total as much as \$135,000.00 through March 1, 2011; and

**WHEREAS**, the Board of Directors of the District reasonably expects and intends to reimburse any third party that may make such advances to the District in a lump sum or in periodic payments commencing as funds become available in 2011.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the La Plata Archuleta Water District as follows:

1. That the District hereby declares its “official intent” to reimburse any party that advances funds to the District to be used to pay the salary and benefits of a District Manager in the full amount of any such advances, commencing as funds become available in 2011.
2. That all such reimbursement paid by the District shall first be applied to any advances made in 2010 and thereafter payments shall be applied to advances made in 2011 until all reimbursement is paid in full.
3. Such advances shall not be considered a loan to the District and no reimbursement shall be required unless and until funds become available in 2011.

No interest shall be due on such advances. If no funds are available to the District to reimburse the advances in whole or in part, the District shall have no legal obligation to reimburse any third party that has so advanced funds to the District. Any reimbursements to be made in 2011 would be subject to appropriation by the Board of Directors as part of the District's 2011 Budget.

**APPROVED AND ADOPTED** this 13<sup>th</sup> day of May, 2010.

**LA PLATA ARCHULETA WATER  
DISTRICT**

By: Richard T. Lunceford  
Richard T. Lunceford, Chairman