

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING OF THE
LA PLATA ARCHULETA WATER DISTRICT
HELD
November 13, 2018

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District ("District") was held on November 13, 2018, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

ATTENDANCE: Directors in Attendance Were:

Dick Lunceford
Dan Lynn
Mark Williams
Gregg Johnson
Ron Dent

Also in Attendance Were:

Ed Tolen, La Plata Archuleta Water District Manager
Yvonne Brunson, La Plata Archuleta Water District Customer Service Representative
Carrie Lile, Harris Water Engineering
Dave Henry, Harris Water Engineering
Barb Prose, FredrickZink & Associates
Cheryl Lynn, Secretary of the Board, La Plata Archuleta Water District

In Attendance by Telephone Were:

David Greher, Collins Cockrel and Cole
Micki Mills, Collins Cockrel and Cole

Public in Attendance

Terry Simmons, Bank of Colorado
Brandon Hatter, Bank of Colorado
Melissa Jackson, Bank of Colorado

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

Representatives of Bank of Colorado located in Durango presented information regarding the bank and its interest in and ability to serve the District. Manager Tolen will investigate and compare service criteria as they relate to current District financial institutions.

APPROVAL OF
MINUTES

Upon motion duly made by Director Williams, seconded by Director Lynn, and unanimously carried, the Minutes of the October 11, 2018 Regular Board Meeting and Special Meeting of the Board of the Sundance/Farraday Subdistrict No. 1 were approved.

FINANCIAL REPORT

Reports - Ms. Prose distributed the October, 2018, Accounts Payable Report and October, 2018, Accountant's Compilation Report to the Board. Upon motion duly made by Director Lynn,

seconded by Director Johnson, and unanimously carried, the Board approved payment of invoices as shown on the attached Accounts Payable statement dated November 12, 2018.

FINANCE COMMITTEE
REPORT

Manager Tolen reported that minor changes continue to be made to the 2019 District Budget in anticipation of its passage at the December, 2018, District meeting.

PUBLIC RELATIONS/
COMMUNICATIONS
COMMITTEE REPORT

No report was given.

LEGAL REPORT

Phase 1B and 1C Litigation - Counsel Greher advised Directors that a Motion to Bifurcate requested by NAS was denied by the court. No executive session discussion will be necessary.

ENGINEER REPORT

City of Durango – Mr. Tolen advised the Board that no information has been received from Ron LeBlanc, Durango City Manager, regarding lack of progress on a District/City of Durango water treatment plant agreement. Mr. Henry reported that he has also placed calls to the City of Durango regarding cooperative water service efforts at Animas Air Park.

Phase 1-H Pipeline – Mr. Henry advised the Board of adjustments to easements and alignment as well as changes to hydraulics. Installation to the system of valves and pressure monitoring will be considered to accommodate a potential drop in pressure in the event of a water line failure.

Sundance/Farraday Subdistrict No. 1 – Mr. Henry continues his review of water lines, particularly valve numbers and locations, to ensure there are enough for construction and maintenance.

As-Built Plans – Mr. Henry’s initial assessment is that the process of receiving As-Built plans from contractors can be improved.

Drought Contingency Plan – Ms. Lile updated the Board regarding progress related to Colorado’s progress on a Drought Contingency Plan.

ENVIRONMENTAL
REPORT

Please refer to Ms. King’s Environmental Report for District project status.

GENERAL MANAGER
REPORT

Sundance/Farraday Subdistrict No. 1 Grant Hearing – Manager Tolen reported that he and Ken Brott, Sundance/Farraday Subdistrict No. 1 resident, attended the Department of Local Affairs (DOLA) hearing last Wednesday in Burlington, Colorado, where the EIAF Grant Committee considered grant funding of \$410,814 for the \$1,000,000 pipeline infrastructure project for Sundance/Farraday Subdistrict No. 1. Approximately \$25 million in requests were made against a \$17.5 million grant budget. It is possible that the project could be awarded a lesser amount of funding. Funding status should be available by the first week of December and will be incorporated into the 2019 Sundance/Farraday Subdistrict No. 1 Budget which is a part of the 2019 District Budget. Counsel Greher suggested that if no word is forthcoming regarding the grant funding that the 2019 District and Subdistrict No. 1 budgets be developed showing that the full amount is borrowed.

Counsel Greher then left the meeting.

District Meeting Schedule – 2019 – Manager Tolen requested that the District’s March, 2019, meeting be changed from March 14th to the week of March 4th or the week of March 18th.

Pine River Irrigation District Rates – Manager Tolen advised the Board that Pine River Irrigation District water rates for Firm Water and Standby Water are increasing. Rates for Firm water will increase from the current \$287.50 to \$402.50 and Standby water rate will increase from \$46 to \$59.80. In addition, water users will pay a 15% Bureau of Reclamation fee.

Bureau of Reclamation – Manager Tolen advised the Board that final cost allocations for Lake Nighthorse will be discussed at a meeting on Monday, November 19th. He estimates that the District will pay an additional \$74/acre foot.

Please refer to Manager Tolen’s November, 2018, General Manager’s Report for additional detail regarding District Operations.

EXECUTIVE SESSION – Upon motion made by Director Dent, seconded by Director Lynn, and unanimously carried, the Board entered into Executive Session at 10:08 a.m. for the purpose of discussing personnel matters, except if the employee who is the subject of the session has requested an open meeting, (Section 24-6-402(4)(f), C.R.S.). Issue discussed was the annual performance review for the District’s General Manager. The Board adjourned to its regular meeting at 10:47 a.m.

ANY OTHER MATTER
WHICH MAY COME
BEFORE THE BOARD

The Board advised Manager Tolen of his contract extension to four (4) years and his monetary compensation to reflect an inflation increase as well as a bonus, noting that they greatly appreciate his and his staff’s work for the District.

ADJOURNMENT


The meeting was adjourned at 10:50 a.m. The next regular meeting of District is scheduled for Thursday, December 13, 2018, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

Secretary for the Meeting


APPROVED



Richard T. Lunceford

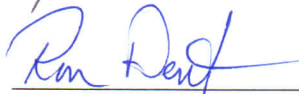


Gregg Johnson



Mark Williams

Daniel R. Lynn, III



Ron Dent