

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING OF THE
LA PLATA ARCHULETA WATER DISTRICT
HELD
January 11, 2018

The regular meeting of the Board of Directors (“Board”) of the La Plata Archuleta Water District (“District”) was held on January 11, 2018, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

ATTENDANCE: Directors in Attendance Were:
Dick Lunceford
Dan Lynn
Ron Dent
Gregg Johnson
Mark Williams

Also in Attendance Were:
Ed Tolen, Manager
Steve Harris, Harris Water Engineering
Brett Sherman, Harris Water Engineering
Barb Prose, FredrickZink & Associates
Karmen King, Grayling, LLC
Cheryl Lynn, Secretary of the Board
Ann McCoy Harold

In Attendance by Telephone Were:
David Greher, Collins Cockrel and Cole
Micki Mills, Collins Cockrel and Cole

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 There were no public comments.

APPROVAL OF
MINUTES

Upon motion duly made by Director Williams, seconded by Director Johnson, and unanimously carried, the Minutes of the December 14, 2017, regular Board Meeting were approved.

FINANCIAL REPORT

Reports - Ms. Prose distributed the December, 2017, Accounts Payable Report and December, 2017, Accountant’s Compilation Report to the Board. After review and 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 January 10, 2018.

FINANCE COMMITTEE
REPORT

Engagement Letter with FredrickZink & Associates – Ms. Prose advised the Board that Sidney Zink is inching closer to retirement and will assume more of a consultant position with FredrickZink & Associates from now forward. Michelle Sainio will assume many of the duties

previously completed by Ms. Zink. Upon motion duly made by Director Lynn, seconded by Director Johnson, and unanimously carried the Board approved the Engagement Letter with FredrickZink & Associates to provide accounting services to the District for the year 2018.

PUBLIC RELATIONS/
COMMUNICATIONS
COMMITTEE REPORT

Manager Tolen advised the Board that the District newsletter was distributed shortly following the December, 2017, Board meeting. He noted that distribution of the newsletter was followed by an increase in the number of customers who use the water hauling station. He also noted that, with the low precipitation we have been experiencing, he has gotten a few calls with people indicating that their wells are starting to go dry .

LEGAL REPORT

Phase 1B and 1C Litigation – Counsel Greher advised the Board that questions, if any, relative to Phase 1B and 1C litigation will be discussed in Executive Session. Anticipating the need for Board participation in litigation away from the Durango area, Counsel Greher asked for volunteers to help in the mid to late April timeframe. Director Lynn volunteered his services.

Public Hearing – Inclusion of Real Property – Chairman Lunceford opened a public hearing to consider a Petition for Inclusion filed by Michael T. Price and Tammy S. Price for property located at 33517 E. Highway 160, Durango, CO 81301. No public comments were received or presented. The hearing was then closed. Upon motion duly made by Director Lynn, seconded by Director Johnson, 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 2019 property tax collection.

Resolution Calling for the 2018 Regular District Election and Appointing a Designated Election Official – Upon motion duly made by Director Johnson, seconded by Director Dent, and unanimously carried, the Board adopted the Election Resolution, calling the May 8, 2018 regular election of the District and designated Micki Mills as the Designated Election Official for the conduct of the election on behalf of the District, a copy of which Election Resolution is attached hereto.

Resolution Designating A Location To Post Notice – Upon motion duly made by Director Lynn, seconded by Director Dent, and unanimously carried the Board adopted the Resolution, designating the posting location at 255 Ute Street, Ignacio, Colorado, a copy of which Resolution is attached hereto.

ENGINEER REPORT

City of Durango – Those Board Members present at the study session with the Durango City Council on Tuesday, January 9, 2018, commented and agreed that pertinent information was exchanged between the two entities and there is a genuine willingness to collaborate and move forward post haste to fund and construct two hundred (200) feet of pipeline from Lake Nighthorse to serve a new Ridges Basin Water Treatment Plant to be developed in the future.

Basin Roundtable – Mr. Harris reported that four area projects in amounts of \$40,000 to \$50,000 each were approved as follows: A project in the Town of Ignacio to distribute raw water for landscape irrigation, an upgrade to the wetland system at the Sambrito Wetlands near Navajo Reservoir, funding to design a diversion structure on the Florida River for the Florida Water Conservancy District, and funding to build 1,500 feet of 8 inch water pipe in the Animas Air Park.

Phase 1 G 1 – Mr. Sherman told the Board that this phase of the project is waiting for one more clearance from the Colorado Department of Transportation before moving forward.

ENVIRONMENTAL

REPORT

Ms. King reported that she awaits approval of the Environmental Assessment for Sundance/Farraday Subdistrict No. 1 which was provided to the Health Department in December.

GENERAL MANAGER REPORT

Sundance/Farraday Subdistrict No. 1 Progress – Manager Tolen advised the Board that the project needs approval by the Department of Health. Further, he has a meeting with the Department of Local Affairs this afternoon to discuss the grant application. Manager Tolen has been asked to attend an HOA meeting of the three subdivisions to provide an update of the project. The La Plata County Treasurer has advised the District that a bank account will need to be established for the Subdistrict in order to receive ACH payments for taxes collected. A Tax Identification Number must be obtained for the Subdistrict in order to open a bank account.

District Representation at Ditch Meetings – Upon motion duly made by Director Lynn, seconded by Director Dent, and unanimously carried, the Board approved that Director Johnson will represent the District at the Morrison Ditch meeting to be held on Saturday, January 13, 2018. Upon motion duly made by Director Johnson, seconded by Director Lynn, and unanimously carried the Board approved that Director Williams will represent the District at the Pine River Irrigation Meeting to be held on Saturday, January 20, 2018.

Mike Smith Pipeline –Counsel Greher offered his advice after researching the potential use of Reclamation water or facilities for the production of marijuana. Manager Tolen provided the Board with a copy of the Reclamation Manual Policy regarding Use of Reclamation Water or Facilities for Activities Prohibited by the Controlled Substances Act of 1970, Expiration Date May 16, 2018. After much related discussion the Board confirmed that their role in the process is to follow federal guidelines as outlined in the above-referenced policy. On a separate, but related, matter, Manager Tolen will develop a policy suggested by Director Johnson addressing a structured plan for those who pay prior to construction of a water line and specifics of reimbursement of that person/entity at a later date.

Consider Establishing Inclusion/Exclusion Fees for Sundance Hills/Farraday Subdistrict No. 1 – Following a discussion of inclusion and exclusion costs presented by Ms. Mills and upon motion duly made by Director Lynn, seconded by Director Dent, and unanimously carried, the Board approved keeping the Inclusion/Exclusion fees the same (\$500 for Inclusion and \$1,000 for Exclusion) and processing inclusion in or exclusion from the District and/or Subdistrict paperwork simultaneously to keep costs to a minimum.

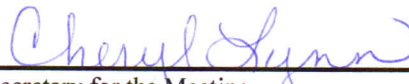
EXECUTIVE SESSION No Executive Session was conducted.

ANY OTHER MATTER WHICH MAY COME BEFORE THE BOARD

Manager Tolen urged the two Directors whose terms will expire this year, Director Lynn and Director Williams, to complete and return self nomination forms to him at their earliest convenience.


ADJOURNMENT


The meeting was adjourned at 9:50 a.m. The next regular meeting of LAPLAWD is scheduled for February 8, 2018, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.


Secretary for the Meeting

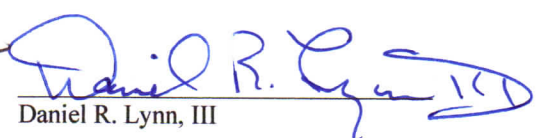
APPROVED

Richard T. Lunceford

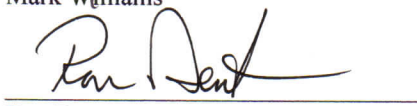

Gregg Johnson



Mark Williams



Daniel R. Lynn, III



Ron Dent