

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING OF THE
LA PLATA ARCHULETA WATER DISTRICT
HELD
May 13, 2021

The regular meeting of the Board of Directors (“Board”) of the La Plata Archuleta Water District and Sundance/Farraday Subdistrict No. 1, La Plata County, Colorado, (“District”) was held on May 13, 2021, at 9:00 a.m. Due to public health concerns this meeting was held with no more than ten people in personal attendance in the District Office, all self-distanced due to the arrangement of the tables and chairs. Others called in to the meeting. Links and call-in information were provided.

ATTENDANCE:

Directors in Attendance Were:

Dick Lunceford
Dan Lynn
Mark Williams
Ron Dent
Gregg Johnson

Also in Attendance Were:

Ed Tolen, La Plata Archuleta Water District Manager
Yvonne Brunson, La Plata Archuleta Water District Customer Service Representative
Cheryl Lynn, Secretary to the Board
Steve Harris, Harris Water Engineering
Dave Henry, Harris Water Engineering

Also in Attendance via Telephone Were:

Karmen King, Grayling
Barb Prose, FredrickZink & Associates
David Greher, Collins Cockrel and Cole
Micki Mills, Collins Cockrel and Cole

CALL TO ORDER

Chairman Lunceford called the meeting to order at 9:00 a.m.

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 interests that may arise as new agenda items are introduced. District Directors who have disclosed potential conflicts of interest can vote as issues arise. Directors reported no conflicts of interest.

PUBLIC COMMENTS

No members of the public were present via telephone or in the District Office.

APPROVAL OF
MINUTES

Upon motion duly made by Director Williams, seconded by Director Dent, and unanimously carried, the Minutes of the April 8, 2021 Regular Board Meeting were approved.

FINANCIAL REPORT

Approval and Payment of Invoices – Directors reviewed the April 2021 Accounts Payable Report and April 2021 Accountant’s Compilation Report to Directors. 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 May 12, 2021.

FINANCE COMMITTEE
REPORT

2020 LAPLAWD Audit – Mr. Tolen advised the Board that he is anticipating completion and receipt of the 2020 District Audit by Beckstead and Associates.

New Truck – Mr. Tolen distributed copies of the invoice for the purchase of a 2021 Ford pickup to be used by Bill Frey. Upon motion duly made by Director Dent, seconded by Director Lynn, and unanimously carried the Board approved \$31,464.23 for the purchase of the 2021 Ford pickup. The old truck will be disposed of via auction.

PUBLIC RELATIONS
/COMMUNICATIONS
COMMITTEE REPORT

Mr. Tolen has been working with property owners who may wish to include their properties into the District via a subdistrict and with property owners who would like District service.

LEGAL REPORT

Counsel Greher and Paralegal Mills deferred their report involving the Bayfield Potential Service Area and the La Plata County Board of County Commissioners to Mr. Tolen.

ENGINEER REPORT

Updates – Mr. Harris met the new Southwest Water Conservation District Manager last week and is happy to know of his experience with Colorado River issues. Mr. Harris further reported that there will probably be no infrastructure legislation as he had hoped but that design work has been ongoing on other projects. Carrie Lile is close to completion of the Basin Implementation Plan to be included in the updated Colorado Water Plan initiated several years ago by then-Governor, John Hickenlooper. Mr. Harris noted that \$8 million of tax revenue received from sports betting will be allocated to the Colorado Water Conservation Board for use on water projects.

Phase 1H: - Please refer to Mr. Tolen's May 2021 General Manager's Report for detail regarding Phase 1H. Of note is that large boulders were found as part of the old frontage road construction in Gem Village which will ultimately lead to additional paving repair and expense as the District installs water lines in that area.

Phase 2C – Mr. Henry reported that design of Phase 2C is almost complete and are still finalizing some alignment issues. He thanked Ms. King for keeping close watch over the environmental aspects of the project.

ENVIRONMENTAL REPORT – Ms. King reconfirmed the alignment of Phase 2C. Environmental impacts of the project did not contribute to additional review by the State of Colorado. The State of Colorado Department of Public Health and Environment may begin processing Dredge & Fill permits for wetlands not covered by USCOE. Because the timelines for acceptance and review are federally mandated there should be little difference in the process.

GENERAL MANAGER
REPORT

County Approval re Service to Gem Village Area – Mr. Tolen will attend the La Plata County Board of County Commissioners meeting on Tuesday, May 18, 2021, at 10 a.m. at which time approval of the District providing water service to the Gem Village area will be considered.

Possible Subdistricts in Bayfield Potential Service Area – Mr. Tolen discussed in more detail the circumstances of each subdivision interested in possibly forming a Subdistrict or being served by the District.

Fox Fire – Sixteen (16) properties comprise the subdivision. Mr. Tolen currently has a Subdistrict petition with 10 signatures. Each lot is 30 to 35 acres in size; and half of the property owners haul water. Due to the increasing elevation, the project will need two pump stations to reach the farthest property along the water line. Construction costs of approximately \$750,000 would result in a tax levy of 50 mills per lot.

Sky View – Twelve (12) lots comprise the subdivision. Five or six (5 or 6) are interested in forming a subdistrict. Based on cost estimates the estimated tax levy would be 100 mills per lot. Other options such as taxes and fees and front-loading the project with capital funding could reduce the 100 mills cost. As a comparison, the Sundance subdistrict carries a tax levy of 24 mills.

Dry Creek – Dry Creek is another subdivision that may be interested in forming a subdistrict. Concho Subdivision and Heartwood Cohousing are included in the Bayfield Potential Service Area. Concho Subdivision may be interested in a Subdistrict if the District will build water lines from Highway 160 to County Road 506 at an estimated cost of \$460,000. Eight to ten (8 to 10) lots comprise the Concho Subdivision. Two or three (2 or 3) residences could also be served along the water line construction to get to the subdivision. Twenty-four (24) lots comprise the Heartwood Cohousing subdivision with another fourteen (14) planned lots.

Service to Homestead at Bayfield Subdivision – Mr. Tolen has discussed with Grant Richards, the developer of Homestead at Bayfield, the possibility of the District providing water to the Homestead at Bayfield development. Seventy-two (72) lots comprise the Homestead subdivision. The water for the subdivision is currently provided by a well; and the subdivision water storage is held in a 60,000-gallon tank. If Mr. Richards were able to obtain secondary access to the subdivision, additional future phases of the subdivision could be developed. According to Mr. Tolen's understanding of the development, the water lines were installed to District standards and each lot has a Neptune water meter. Mr. Tolen outlined two options for providing water to the Homestead subdivision. The first option is to install a master meter. The second option is to connect to their system. Mr. Richards would prefer Homestead to be served by the District. Negotiation of tap fees may be considered in this instance with an explanation as to why the District is differing from the Tap Fee Policy. Another option is a guarantee provided by the developer or a warranty fee in lieu of a tap fee. Property owners who do not include into the District would pay more for their water service.

Please refer to the May General Manager's Report for additional detail regarding District operations.

EXECUTIVE SESSION – An Executive Session was not conducted.


ANY OTHER MATTER
WHICH MAY COME
BEFORE THE BOARD

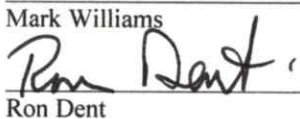
– Director Johnson asked if costs to build a District office building were ever pursued. Mr. Tolen said that building supplies are not always readily available and costs are very expensive now. An original estimate of the cost of site work and construction of a building was \$400,000. Directors generally expressed a desire to postpone office construction due to unavailability and costs of materials at the present time as well as the interest in building as much water line as possible.

ADJOURNMENT

The meeting adjourned at 9:33 a.m. The next regular District Board meeting is scheduled for Thursday, June 10, 2021, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado, unless it is necessary to meet in another matter to satisfy governmental requirements.

APPROVED


Richard T. Lunceford

Mark Williams

Ron Dent


Secretary for the Meeting


Gregg Johnson


Daniel R. Lynn, III