

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING OF THE
LA PLATA ARCHULETA WATER DISTRICT

HELD

January 12, 2012

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District ("District") was held on January 12, 2012, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

ATTENDANCE:

Directors in Attendance Were:

Dick Lunceford
Daniel R. Lynn, III
Marvin Conrad
Mark Williams

Director Absent Was:

Gregg Johnson, whose absence was excused

Also in Attendance Were:

Ed Tolen, General Manager
Steve Harris, Harris Water Engineering, Inc.
Brett Sherman, Harris Water Engineering, Inc.
Cheryl Lynn, Secretary of the Board
Barb Prose, FredrickZink & Associates
Karmen King, Grayling
Don Diones, George K. Baum and Associates

In Attendance by Telephone Were:

Eric Jorgenson, Collins Cockrel & Cole
Micki Wadhams, Collins Cockrel & 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.

MINUTES

Upon motion duly made by Director Williams, seconded by Director Conrad, and unanimously carried, the Minutes of the December 8, 2011, regular Board meeting were approved as amended.

FINANCIAL REPORT

Upon review and motion duly made by Director Williams, seconded by Director Conrad, and unanimously carried, the Board approved the payment of invoices as shown on the attached Accounts Payable statement.

FINANCE COMMITTEE
REPORT

Upon motion duly made by Director Conrad, seconded by Director Williams, and unanimously carried, the Board approved the engagement of Clark, White & Associates to conduct the District's 2011 Audit and authorized Chairman Lunceford to sign the engagement letter from Clark, White & Associates.

PUBLIC RELATIONS/
COMMUNICATIONS
COMMITTEE REPORT

Distribution of a newsletter will be delayed pending gathering of additional information. Director Lynn reported that Charlie McCoy and John Ey have asked to be added to the newsletter distribution list.

LEGAL REPORT

Upon motion made by Director Williams, seconded by Director Lynn and unanimously carried, the Resolution Designating Location to Post Notice was adopted, designating 255 Ute Street, Ignacio, Colorado as the location to post the 24-hour notices.

Ms. Wadhams then summarized the election proceedings and deadlines for the upcoming May 8, 2012 regular Board of Directors election. Ms. Wadhams advised that the Self-Nomination and Acceptance forms must be filed with the District's Designated Election Official no later than March 2, 2012. Thereupon, Ms. Wadhams presented the Election Resolution calling for a polling place election; designating Edward Tolen as the District's Designated Election Official, and Micki L. Wadhams as the Assistant Designated Election Official, for conducting the election; and providing authorization for the District's Designated Election Official to proceed with the conduct of the election as required by the Uniform Election Code, including the authority to cancel the election on or after March 6, 2012, if there are no more candidates than positions to be filled. Upon motion duly made by Director Williams, seconded by Director Conrad, and unanimously carried, the Board adopted the Election Resolution, a copy of which is attached hereto and incorporated herein by this reference.

Upon motion duly made and amended by Director Lynn, seconded by Director Conrad, and unanimously carried, the Board approved the engagement of Sherman & Howard to serve as Bond Counsel for the District's upcoming bond issuance, and authorized Eric Jorgenson to sign the engagement letter on behalf of the District.

Mr. Diones discussed with the Board the bond issuance process. Mr. Tolen will provide Mr. Diones with a timetable of District expenses for Mr. Diones to establish a timeline for the sale of bonds by the District.

ENGINEER REPORT

Another rate setting workshop will be conducted on Wednesday, January 18, 2012. This workshop may conclude the process.

Mr. Sherman continues work on the pipeline, sizing being the current issue. A fourteen inch (14") pipe is proposed through Bayfield and along Highway 160; a twelve inch (12") pipe is proposed along County Roads 509 and 510.

Mr. Harris reported no new developments related to CWCB.

ENVIRONMENTAL
REPORT

Ms. King reported that the cultural resources inventory have been completed for the Phase IA portion of the pipeline construction. Some irrigation ditches are considered historic; it would be best to avoid them in design plans. In addition the status of the Southwest Willow Flycatcher will be reviewed; the District and PRID letters will be reviewed, and comments posted on the website.

GENERAL MANAGER
REPORT

Mr. Tolen advised the Board that he has contacted Mark Dalsasso to perform a review of oil and gas wells added to the District since the 2008 election.

Upon discussion and motion duly made by Director Lynn, seconded by Director Conrad, and unanimously carried the Board adopted the 401(a) Retirement Plan Association Membership Resolution and the 457 Deferred Compensation Plan Association Membership Resolution, copies of which are attached hereto and incorporated herein by this reference.

EXECUTIVE SESSION

Upon motion made by Mr. Conrad, seconded by Director Williams, and unanimously carried, the Board convened in executive session to determine 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.). The Board reconvened in regular session at 11:10 a.m.

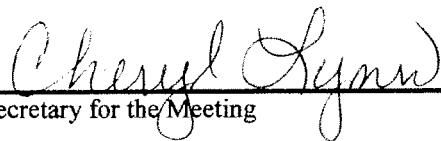
OTHER MATTERS

Director Williams received approval from the Board for the Spring Creek Ditch Company to meet at the District office in the evening as necessary.

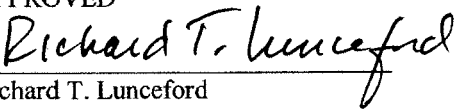
Director Williams asked if the District is considering hiring a land man in the immediate future. Mr. Tolen advised the Board that the District is not ready for that step at this time.

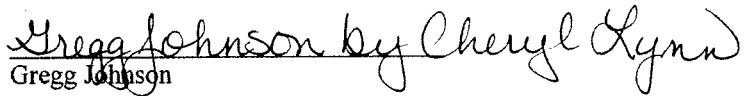
ADJOURNMENT

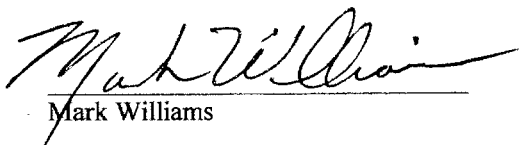
The meeting was adjourned at 11:15 a.m.

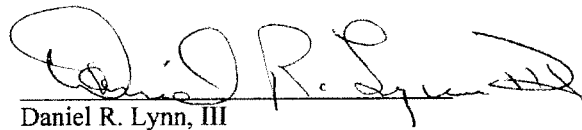

Secretary for the Meeting

APPROVED


Richard T. Lunceford


Gregg Johnson


Mark Williams


Daniel R. Lynn, III


Marvin Conrad