

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

HELD

August 11, 2011

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District ("District") was held on August 11, 2011, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado.

ATTENDANCE

Directors in Attendance Were:

Richard T. Lunceford, Chairman  
Daniel R. Lynn, III  
Marvin Conrad  
Mark Williams  
Gregg Johnson, via telephone

Also in Attendance Were:

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  
Patrick O'Brien, Brilliam Engineering  
Don Diones, George K. Baum and Associates  
Ann Harold, Public Relations  
Ed Tolen, General Manager  
Chris LaMay, Town of Bayfield  
Ron Saba, Town of Bayfield

In Attendance by Telephone Were:

David Greher, Collins Cockrell & Cole  
Micki Wadhams, Collins Cockrell & Cole  
Paul Hanley, George K. Baum and Associates

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.

MINUTES

Upon motion duly made by Director Johnson, seconded by Director Williams, and unanimously carried, the Minutes of the July 14, 2011, regular Board meeting were approved. Upon motion duly made by Director Lynn, seconded by Director Johnson, and unanimously carried, the Minutes of the July 25, 2011 special Board meeting were approved.

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. Ms. Prose will open a separate checking account at First Southwest Bank into which the PILT funds will be deposited. Directors Williams and Conrad will be signers on the account.

FINANCE COMMITTEE  
REPORT

Mr. Tolen will review 2010 and year to date 2011 financials with Mr. Harris in order to present a draft 2012 budget to the Board at the October 13, 2011, regular meeting. The 2012 budget hearing will be held December 8, 2011. Ms. Prose advised the Board that an audit of the District's 2011 financial statements will be required, since the revenue and expenditures exceeded the \$500,000 limit for audit exemptions. The Board directed Ms. Prose to obtain a proposal from Karla White to prepare such audit.

PUBLIC RELATIONS/  
COMMUNICATIONS  
COMMITTEE REPORT

Ms. Harold reported that the website is being updated. Directors expressed an interest in having the new website format up and running by September 1, 2011. Ms. Harold requested that, at the next meeting, the Board members be prepared to have their pictures taken for website posting.

Chairman Lunceford reported that he was scheduled to attend a Planning Commission meeting the evening of August 11, 2011, but the La Plata County Planning Staff requested a later meeting date.

LEGAL REPORT

Mr. Greher reported that the District Court has issued the Order and Final Disposition of the SUIT Appeal. This issue is now finalized.

Mr. Greher reported that Collins Cockrel & Cole drafted a letter to be sent to Ms. Swanemyr regarding locating the dumpster for her business on the District office property. Upon motion duly made by Director Conrad, seconded by Director Williams, and unanimously carried the Board approved the letter and authorized Director Lynn to execute the letter and provide to Ms. Swanemyr.

Mr. Greher then suggested that the Board table the review and discussion of the Term Sheet for the IGA with the Town of Bayfield until the September 8, 2011, Board meeting. Mr. Tolen was scheduled to meet with the Town of Bayfield the afternoon of August 11, 2011.

Mr. Greher summarized the Election Resolution and proposed ballot issue language. Upon discussion and motion duly made by Director Conrad, seconded by Director Lynn, and unanimously carried, the Board adopted the Election Resolution for the November 1, 2011, to be held in coordination with the La Plata County Clerk and Recorder. A committee will be formed to assist in election education efforts.

EXCLUSION HEARING Chairman Lunceford opened the public hearing to consider the Petition for Exclusion filed with the Board on behalf of Gary Gerber, Candy L. Gerber and Dylon Gerber. Upon discussion, the Board determined to continue the public hearing to September 8, 2011, in order to discuss the issue with Eric Jorgenson. The Board directed Ms. Wadhams to notify the property owners by letter that the decision has been tabled until the September 8, 2011, meeting.

ENGINEER REPORT

Mr. Harris reported that there is no new information related to the Animas La Plata Board and water allocation status. Mr. Harris further reported that the work session for the rate setting process has been changed to Wednesday, September 21<sup>st</sup> from 6:30 p.m. to 8:30 p.m. at the District office. Ms. Wadhams will prepare the notice to be posted 24 hours prior to the work session. Board members are urged to invite people to the work session who can assist in the process.

Mr. O'Brien presented an Executive Summary of the District/Town of Bayfield Feasibility Study. With expansion of the Bayfield water treatment plant it appears that there would be enough capacity for the next 20 years. It also appears that with economies of scale a cooperative agreement would be good for all involved. Town of Bayfield representatives, Mr. LaMay and Mr. Saba, agreed. Upon motion duly made by Director Conrad, seconded by

Director Lynn, and unanimously carried, the Board approved an additional payment of \$2,870 to Brilliam Engineering for the additional time and work it took to complete the feasibility study.

Mr. Harris reported that he had received no information from the SUIT related to a grant from their Economic Development Fund.

ENVIRONMENTAL  
REPORT


Ms. King reported that she continues T and E species work in coordination with the Army Corps of Engineers, with the goal in mind that engineering designs do not encounter state issues. She expects to begin gathering field data within another month.

ADJOURNMENT


The meeting was adjourned at 11:10 a.m.

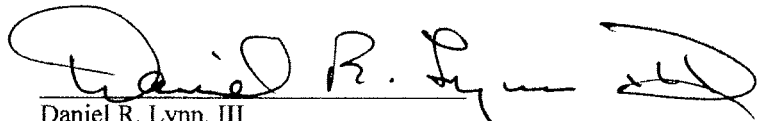
  
Secretary for the Meeting


APPROVED

  
Richard T. Lunceford

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Gregg Johnson

  
Mark Williams

  
Daniel R. Lynn, III

  
Marvin Conrad