

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

HELD

September 8, 2011

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District ("District") was held on September 8, 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

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
Ann Harold, Public Relations
Gary Gerber, Exclusion Petitioner
Denise Rue-Pastin, Water Information Program Coordinator

In Attendance by Telephone Were:

Micki Wadhams, Collins Cockrel & Cole
Evan Ela, Collins Cockrel & Cole
Don Diones, 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 Williams, seconded by Director Conrad, and unanimously carried, the Minutes of the August 11, 2011, regular 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. After a brief discussion of current interest rates, Directors concluded that the District's funds should remain as currently invested.

Upon motion duly made by Director Lynn, seconded by Director Johnson, and unanimously carried, the Board authorized Barb Prose and Ed Tolen to be added as signators on the District's bank accounts as a second signer with one other Board member for checks \$500 and over, and as a single signator on checks under \$500.

FINANCE COMMITTEE
REPORT

Mr. Tolen, Mr. Harris, Mr. Sherman, Ms. Prose and Ms. Wadhams will prepare a draft 2012 Budget for review by the Board at the October 13, 2011 regular meeting. The Board scheduled the public hearing to adopt the 2012 Budget for December 8, 2011.

The Board then reviewed the proposal received from Clark, White & Associates for preparation of the 2011 Audit of the District's financial statements. Upon motion duly made by Director Lynn, seconded by Director Williams, and unanimously carried, the Board engaged Clark, White & Associates to conduct the 2011 Audit. Ms. Prose will conduct the preparatory work and will ensure the Audit is available prior to the June 30, 2012.

PUBLIC RELATIONS/
COMMUNICATIONS
COMMITTEE REPORT

Ms. Rue-Pastin provided the Board with information regarding the Water Information Program. This program provides water information to a nine county region in southwestern Colorado. Upon discussion and motion duly made by Director Conrad, seconded by Director Williams, and unanimously carried, the Board agreed to allocate \$2,000 for the program in the 2012 Budget.

Mr. Harris advised the Board that on October 7, 2011, in Pagosa Springs, a Water 101 Seminar will be conducted with Colorado Supreme Court Justice Gregory Hobbs as the keynote speaker.

Ms. Harold reported that the website is currently being updated. Ms. Harold distributed the proposed District newsletter and information regarding the improved website. It is expected that the newsletter will be mailed out by mid-September.

Chairman Lunceford and Ed Tolen will meet with the County Commissioners on October 11, 2011, at 9 a.m. to bring them up to date on the hiring of a Manager, the IGA with Bayfield, and the resolution with the Southern Ute Indian Tribe. Information to be included is due to the County Commissioners' office by October 4, 2011.

LEGAL REPORT

Ms. Wadhams reported on the status of the election proceedings. Ballots are to be mailed to all active electors between October 11, 2011, and October 14, 2011. The property owners list has been received from the County Assessor. Ms. Wadhams and Ms. Lile will be reviewing the property owners list and determining the property owner electors for the County Clerk to mail ballots. Pro and con statements are due to Ms. Wadhams by September 16th in order for them to be included in the District's TABOR Notice.

Mr. Ela reported on various water rights issues.

EXCLUSION HEARING

Chairman Lunceford opened the continued public hearing to consider the Petition for Exclusion filed with the Board on behalf of Gary Gerber, Candy L. Gerber, and Dylan Gerber. Upon discussion and motion duly made by Director Conrad, seconded by Director Williams, and carried with a vote of three in favor and one against, the Board approved such exclusion and approved the Order for Exclusion of Real Property, a copy of which is attached hereto and incorporated herein by this reference. The Board directed Ms. Wadhams to process the exclusion with the La Plata County District Court. Thereupon, Chairman Lunceford closed the public hearing

ENGINEER REPORT

Mr. Harris reported that personal Director email accounts have been discontinued due to the cost and lack of need at the time.

Beginning with October agenda, a General Manager report will be added at the end of the meeting. Mr. Tolen and the Directors will establish goals for the Manager and the District. Public comments will be moved to the beginning of the meeting. Mr. Tolen will post the meeting notices.

The first rate setting work session is scheduled for Wednesday, September 21, 2011, at the District office from 6:30 p.m. to 8:30 p.m. A light supper will be served. Directors need to invite people who have expressed an interest in the District and who can attend five to six work sessions over the course of the winter months.

ENVIRONMENTAL REPORT

Ms. King reported to the Board that she continues to work with federal and state agencies to delineate wetlands, build maps, gain NEPA clearance, and conduct inventories. Some work will need to be validated in the Spring, 2012, when plants are in a growth pattern.

PUBLIC COMMENTS

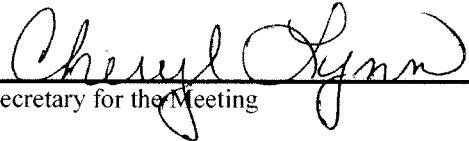
There were no public comments.

EXECUTIVE SESSION

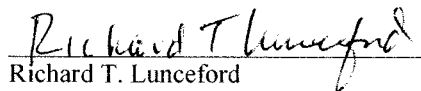
Upon motion duly made by Director Conrad, seconded by Director Lynn, and unanimously carried, the Board adjourned to Executive Session for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations, and instructing negotiators (Section 24-6-402(4)(e), C.R.S.). Following discussion the Board reconvened in regular session.

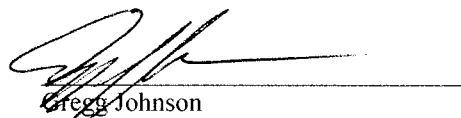
ADJOURNMENT

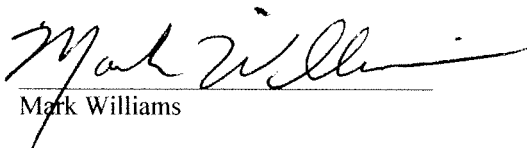
The meeting was adjourned at 11:32 a.m.

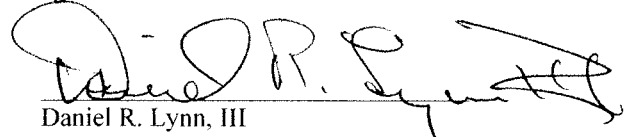

Secretary for the Meeting

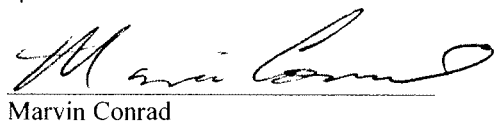
APPROVED


Richard T. Lunceford


Gregg Johnson


Mark Williams


Daniel R. Lynn, III


Marvin Conrad