



qualifications and past experience that qualify them to provide these services and discussed with the Board their expected level of involvement at Board meetings. Upon motion duly made by Director Lynn, seconded by Director Williams and unanimously carried the Board authorized the engagement of FredrickZink & Associates through an engagement letter on the terms of the proposal they submitted. The audit portion of the accounting services will continue to be provided by Clark, White, & Associates, Inc.

Ms. Wadhams has begun preliminary work on the 2011 Budget. Work on the budget will continue in anticipation of final budget adoption by December 15, 2010.

FINANCE  
COMMITTEE REPORT

Upon motion duly made by Director Lynn, seconded by Director Conrad and carried by a vote of four (4) in favor and one (1) against, the Board approved the acceptance of a \$25,000 grant from the CWBC to be used to pay Brown and Caldwell for Phase 2C of the ALP Marketing and Demand Study and authorized Chairman Lunceford to sign the letter agreement with Brown and Caldwell to conduct Phase 2C.

Ms. Kraft reported that she and Chairman Lunceford had met with the Town of Bayfield and discussed submitting a joint grant application to the State Department of Local Affairs (“DOLA”). She will continue to work on the DOLA application though applications were suspended in 2009 due to State budget issues. There has been no contact or information forthcoming from Rural Development.

PUBLIC RELATIONS/  
COMMUNICATIONS  
COMMITTEE REPORT

Ms. Harold reminded those present to read the story carried in the August 6, 2010, Durango Herald regarding a potential cooperative water treatment facility with Bayfield.

LEGAL REPORT

Exclusion Petitions. Ms. Wadhams reported the status of the filing of the Petitions for Exclusion to be considered by the Board at the September 9<sup>th</sup> Board meeting. To be considered at that time, the Petitions must be returned to her by August 27<sup>th</sup> so she can prepare the notice of the public hearing for publication on September 3<sup>rd</sup>. Mr. and Mrs. Tucker addressed the Board asking for more specifics regarding costs involved for individual property owners in hooking on to the water lines when they are built, and expressing concern about the fairness of the exclusion process. Specifics regarding costs to individual property owners are dependent on each property owner’s particular situation but are generally expected to be in the range of \$4,500 for a tap fee plus the cost to get the water line to the house after which point there will be a monthly fee.

Inclusion Policy. Upon discussion and motion duly made by Director Johnson, seconded by Director Williams and unanimously approved the Board adopted the Inclusion Policy as presented, a copy of which is attached hereto.

Resolution Advocating Voter Opposition to Amendment 60, Amendment 61, and Proposition 101. Upon discussion and motion duly made by Director Conrad, seconded by Director Lynn and carried by a vote of four (4) in favor and one (1) against, the Board adopted the Resolution Advocating Voter Opposition to Amendment 60, Amendment 61, and Proposition 101.

Resolution Approving the Job Search Goals Recommended by the Search Committee for a General Manager. Upon discussion and motion duly made by Director Johnson, seconded by Director Lynn, and unanimously carried the Board adopted the Resolution Approving the Job Search Goals Recommended by the Search Committee for a General Manager, including the Job Description, the requirements for the position, the deadline for Applications, selection procedures, and the estimated timeline for an employment decision by the Board of Directors.

Directors' Fees. Upon discussion and motion duly made by Director Lynn, seconded by Director Johnson, and unanimously carried the Board adopted the Resolution Regarding Directors' fees effective August 12, 2010 for this meeting and future meetings, in an amount of \$100 per meeting not to exceed \$1,600 per year. Payment of these amounts will commence when revenue is received.

The Board further discussed compensating Ms. Lynn for her services as the Recording Secretary.

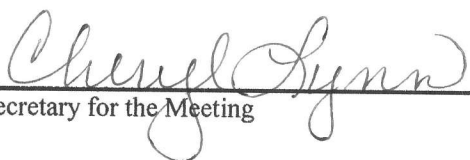
ENGINEER REPORT

Joint Treatment Plant with the Town of Bayfield – The Bayfield Town Board is interested in meeting with the Board to discuss the possibility of a joint water treatment plant. The two entities may partner in submitting a DOLA grant application by December 1, 2010. A work session between the two entities regarding this issue will be scheduled.

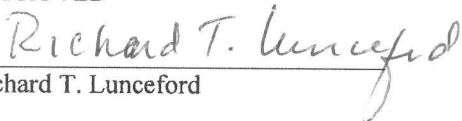
Interview Environmental Firms for 404 Permit. The Board then interviewed four Environmental firms for the 404 permitting process. Upon motion duly made by Director Lynn, seconded by Director Conrad, and unanimously carried, the Board determined to hire Grayling as the firm to provide environmental services for the District.

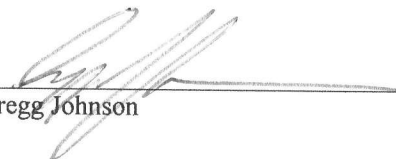
ADJOURNMENT

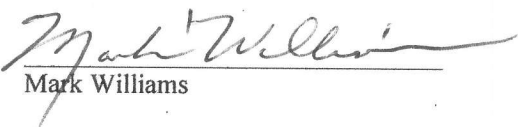
There being no further business to come before the Board, the meeting was adjourned.

  
Secretary for the Meeting

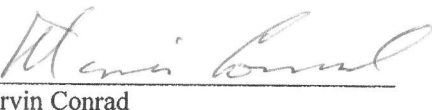
APPROVED

  
Richard T. Lunceford

  
Gregg Johnson

  
Mark Williams

  
Daniel R. Lynn, III

  
Marvin Conrad