

# **RECORD OF PROCEEDINGS MINUTES OF THE MEETING OF THE LA PLATA ARCHULETA WATER DISTRICT HELD OCTOBER 10, 2024**

The regular meeting of the Board of Directors (“Board”) of the La Plata Archuleta Water District, Sundance/Farraday Subdistrict, and Fox Fire Subdistrict, La Plata County, Colorado, (“District”) was held on October 10, 2024, at 9:00 a.m., at 255 Ute Street, Ignacio Colorado 81137.

## **ATTENDANCE**

### **Directors in Attendance**

Kent Curtis

Ron Dent

Dan Lynn

Mark Williams

### **Director In Attendance by Telephone**

Dick Lunceford

### **Also In Attendance**

Ed Tolen, La Plata Archuleta Water District Manager

Dave Henry, Harris Water Engineering

Cheryl Lynn, Secretary to the Board

### **In Attendance via Telephone**

David Greher, Cockrel Ela Glesne Greher & Ruhland

Micki Mills, Cockrel Ela Glesne Greher & Ruhland

Karmen King, Grayling

Michelle Sainio, MBE CPAs

## **CALL TO ORDER**

Vice Chairman Lynn called the meeting to order at 9:03 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 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 present and present via telephone reported no conflicts of interest.

## **PUBLIC COMMENTS**

There were no public comments.

## **APPROVAL OF MINUTES**

Upon motion duly made by Director Dent, seconded by Director Williams, and unanimously carried, the Minutes of the September 12, 2024, Regular Board Meeting were approved as submitted.

## **FINANCIAL REPORT**

Ms Sainio reported that FredrickZink and Associates has merged with MBE CPAs, a national accounting firm that will be able to provide them with resources that weren't available to the firm previously. Going forward the name of the firm will be MBE CPAs.

### **Approval and Payment of Invoices**

Due to the departure of Taryn Centerbar, MBE CPAs, on October 4, 2024, the monthly financial reports and accounts payable were not available to review at the meeting. Ms. Sainio, FredrickZink and Associates, reported that she and her staff are in the process of bringing the financial documents of the District to current status. In order to avoid having a Special Meeting to approve the financials and accounts payable for September, Counsel Greher advised the Board that an appropriate course of action under the circumstance would be approve two people to sign checks for payments due, withholding questionable payments as necessary, and to ratify October 2024 payments at the November 2024 Board meeting. Upon motion duly made by Director Williams, seconded by Director Curtis, and unanimously carried, payment of current invoices will be made by Mr. Tolen and Director Dent signing checks for payments due, withholding checks about which they have questions or concerns, and ratifying October 2024 payments at the November, 2024, District Board meeting.

## **FINANCE COMMITTEE REPORT**

### **La Plata Archuleta Water District 2023 Audited Financial Statement**

Mr. Tolen reported that there were no material findings in the District Audit and, therefore, the 2023 La Plata Archuleta Water District Audited Financial Statement was submitted on September 27, 2024, thereby meeting the acceptable date by which the District Audit was required to be filed without ramifications. Ms. Sainio advised the Board that she has taken note of the lateness of the audit due to personnel transitions and expects to meet future deadlines with no extensions. Director Lynn questioned the part of the audit related to the deficiency in internal control related to the recommendation that a reporting process be put in place around subdivision lines and unissued tap fee credits, noting that it was a finding communicated in 2022 but not implemented in the District's financial documents by the beginning of the information that would be used in the 2023 audit. Ms. Sainio is working with her staff to develop the spreadsheet, they have implemented a process and expect to be able to move forward with no problems related to this reported deficiency.

### **La Plata Archuleta Water District Draft 2025 Budget - Highlights**

Mr. Tolen reminded the Board that revenues for 2025 will be \$500,000 less than for 2024.

Also, he budgeted in 2025 for a fourth employee, though he has yet to have a qualified potential employee come forth for hire in 2024. While it is necessary to hire this person, there is a certain level of knowledge and skills qualifications that the candidate must possess upon hiring. This is necessary because the small number of LAPLAWD staff does not allow for overlap in duties or on the job training of the new employee.

Having just purchased Animas La Plata water in 2024, Mr. Tolen did not budget in 2025 for purchase of Animas La Plata Water. The District may need to address water purchase issues in the future if future revenues continue to decrease drastically and the District is unable to purchase Animas La Plata Water on a timely basis as they have in the past.

Mr. Tolen has budgeted \$1,200,000.00 for construction of Phase 2D in 2025.

Mr. Tolen did not budget for a new District truck in 2025 because he was able to keep a potential trade-in truck when the last truck was purchased and this truck is available for use by the 4<sup>th</sup> employee.

And, finally, Mr. Tolen reduced the budget for contingency reserves from one million dollars in 2024 to \$650,000 in 2025.

## **PUBLIC RELATIONS/COMMUNICATIONS COMMITTEE REPORT**

Mr. Tolen continues to work with customers on a service line inventory to ensure that drinking water lines from the District's main water lines to the customers' homes do not contain lead and are safe to transport water for human consumption.

## **LEGAL REPORT**

Neither Ms. Mills nor Counsel Greher had specific issues to report to or discuss with the Board.

## **ENGINEER REPORT**

### **Fox Fire Pipeline/ Fox Fire Distribution System**

Mr. Henry advised the Board that drawings are mostly complete and that contract documents are complete. Easements from the surveyor are needed. Mr. Tolen explained that the complexity of this particular work is that the existing road doesn't always follow the original plat so it becomes necessary at that point to request easements.

### **Phase 2D Pipeline**

Mr. Henry reported that he anticipates the Phase 2D pipeline to be somewhat more straightforward and simpler than Phase 2C.

### **Phase 2E Pipeline**

Mr. Henry advised the Board that this phase is being mapped in anticipation of future work to be undertaken.

## **ENVIRONMENTAL REPORT**

Ms. King said that she awaits final plans for Phase 2D so that she can complete any gaps in field work. Permit requirements are the same for Phase 2D as Phase 2C. As soon as Phase 2D design is completely finalized she will be able to know what environmental gaps are necessary for her to complete.

## **GENERAL MANAGER REPORT**

### **Tree Removal at 60 Oxford Place**

To place a water pipeline as part of the Sundance/Farraday project it was necessary to obtain an easement at 60 Oxford Place. Three trees have died and the cost to have them removed is \$1,050. The reason the District is being asked to pay the bill is that the property owner states the deaths of the three trees is a direct result of the placement of the pipeline. Mr. Tolen will request a copy of the invoice for the work that was done for the property owner. Upon motion duly made by Director Williams, seconded by Director Dent, and unanimously carried the Board approved payment of the \$1,050.

### **Phase 2C Pipeline Project**

Mr. Tolen reported that approximately 2,500 linear feet of mainline pipe remains to be installed.

### **County Road 311 Storage Building Project**

Mr. Tolen reported that he expects an inspection for the stem wall on October 10, 2024, followed by pouring on concrete on October 11, 2024, or October 14, 2024, after which time erection of the building will proceed.

### **Loan Payments Are Due**

Director Lynn and Mr. Tolen will meet at TBK Bank on October 16, 2024, to sign paperwork to complete these loan payments.

Please see Mr. Tolen's October 2024 General Manager Report for additional information.

### **EXECUTIVE SESSION**

No Executive Session was conducted.

### **ANY OTHER MATTER WHICH MAY COME BEFORE THE BOARD**

Appropriate documents will be forwarded to Directors to use between now and the Board meeting on November 14, 2024, at which time Mr. Tolen's annual performance evaluation will take place along with a discussion of his compensation.

### **ADJOURNMENT**

The meeting was adjourned at 9:32 a.m. The next regular meeting of LAPLAWD is scheduled for November 14, 2024.

### **PREPARED BY**

Cheryl Lynn  
Secretary for the Meeting

### **APPROVED**

Richard T. Lunceford

Daniel R. Lynn, III

Mark Williams

Ron Dent

Kent Curtis