

**RECORD OF PROCEEDINGS  
MINUTES OF THE MEETING OF THE LA PLATA ARCHULETA WATER  
DISTRICT  
HELD FEBRUARY 13, 2025**

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 February 13, 2025, at 9:00 a.m., at 255 Ute Street, Ignacio Colorado 81137.

**ATTENDANCE**

**Directors in Attendance**

Dan Lynn  
Ron Dent  
Mark Williams  
Kent Curtis

**Director In Attendance by Telephone**

Dick Lunceford

**Also In Attendance**

Ed Tolen, La Plata Archuleta Water District Manager  
Trish Candelaria, Customer Service Representative  
Steve Harris, Harris Water Engineering  
Dave Henry, Harris Water Engineering  
Michelle Sainio, MBE CPAs  
Cheryl Lynn, Secretary to the Board

**In Attendance via Telephone**

David Greher, Cockrel Ela Glesne Greher & Ruhland  
Micki Mills, Cockrel Ela Glesne Greher & Ruhland

**CALL TO ORDER**

Vice Chairman Lynn called the meeting to order at 9:00 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 January 9, 2025 Regular Board Meeting were approved as submitted.

## **FINANCIAL REPORT**

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

Ms. Sainio distributed and discussed the January Accounts Payable Report dated February 13, 2025. District Income was \$650,641, of which approximately \$608,000 was January and February tax revenue from La Plata County which included a SIMCO gas company catch up amount. \$39,672 is in the Tap Fee account; \$173,601 is available in the PILT (Payment in Lieu of Taxes) account. The Sundance/Farraday Subdistrict account and the Foxfire Subdistrict account balances are \$18,310 and \$95,700 respectively. The Flowpoint Environmental, GIS Elevated, and Harris Water Engineering balances shown on the Accounts Payable Aging summary dated February 12, 2025, should be added to the Accounts Payable report as they will be paid. Higher than usual CEGR Legal fees reflect two months of invoices as well as legal work related to water rights issues. The Ferguson Plumbing and Heating account includes water meter registers and replacements for installed water meters that have failed. Neils Excavation includes work as they complete the storage facility on County Road 311. The final invoice should be approximately \$30,000 and will include contract retainage. The TRC invoice is for a leak repair on New Year's Eve on Highway 160 when a two-inch stub out broke at the main water line.

Upon motion duly made by Director Williams, seconded by Director Curtis, and unanimously carried the financial reports were approved and invoices signed and processed.

## **FINANCE COMMITTEE REPORT**

### **Consider Approving an Engagement Letter with MBE CPAs to Provide Fiscal Year 2025 Accounting Services**

Ms. Sainio referred Board members to the proposed MBE CPAs engagement letter which was distributed with the February Board Packets. Board members expressed significant disappointment with the delayed and erratic financial reporting since October 2024. Ms. Sainio apologized again and explained that she is completing audit work papers simultaneously with monthly financial reports in anticipation of the 2024 La Plata Archuleta Water District Audit. Upon motion made by Director Williams, seconded by Director Curtis, and unanimously carried the Board tabled discussion and approval of the MBE CPAs engagement letter until the March 13, 2025, Board meeting while accounting work progresses. Ms. Sainio will provide the complete final financial statements for November and December 2024, as well as the January, 2025, final financial statement, and a draft of the February, 2025, financial statements. Ms. Sainio will continue work to support the 2024 District Audit as well as monthly financial statements. Due to the scope of her work she is not working outside of prior FZE engagement letter agreement limits. The Board anticipates that all and complete financial statements will be provided and the Board will be able to sign the engagement letter at the March 13, 2025 Board meeting.

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

Mr. Tolen received a call from a property owner on County Road 509 who requested a tax refund for the District property taxes he has paid to date. Mr. Tolen advised him that a tax refund will not be forthcoming from the District as there is no tax refund, the benefit being a financial credit in the amount of District taxes paid when the residential water meter is connected to the District. As this person has no interest in receiving water from the District his anticipated benefit will not be available to him.

## **LEGAL REPORT**

### **Board Nominations**

Ms. Mills asked Mr. Tolen if he had received self nominations for Board of Director positions for the District. Mr. Tolen has received nominations from Director Lynn and Director Williams and will forward them to Ms. Mills.

## **ENGINEER REPORT**

### **Durango City Water**

Mr. Harris reported that he, Mr. Tolen, and Mr. Henry met with Gilda Yazzie, a member of the Durango City Council, who will begin her term as mayor in April, 2025. The subject of the meeting was how the City of Durango and LAPLAWD could coordinate and cooperate in their efforts to use Lake Nighthorse water.

### **Phase 2D Pipeline**

Mr. Henry advised the Board that utilities were placed on the side of the road most advantageous to the project as necessary following his and Ms. King's discussions with the Colorado Department of Transportation (CDOT). Further, he and Excel representatives are meeting on February 19, 2025, at 2 p.m. to discuss utility placement on Phase 2D. This meeting will be followed by another meeting with CDOT if necessary. When Ms. King returns to work following family leave she will update her current work related to this project

### **Phase 2E Pipeline**

Mr. Henry restated that the basic route of this project has been laid out and the route walked by him, Mr. Dempsey, the drafter, and Mr. Tolen. The 811 call for engineering locates has been initiated. They are looking at utilities placement on both sides of the road in the event that situation arises.

## **ENVIRONMENTAL REPORT**

No report was given.

## **GENERAL MANAGER REPORT**

### **Fox Fire Subdistrict Distribution System**

Mr. Tolen has not heard from Patrick Rondinelli, local Department of Local Affairs (DOLA) Regional Manager, regarding a meeting to discuss the potential grant application in the amount of \$250,000 Mr. Tolen has submitted. Further, Mr. Tolen has been in touch with Colorado Water Resources and Power Development Authority to discuss the loan application that was submitted. They have indicated that it would be necessary to have the approved grant in hand when submitting the loan application. The timing is such that the grant would be approved in July and the loan then submitted in August which will delay contracting for the project until January 2026 and construction of the project until 2026. The grant is necessary to provide additional financial assistance due to increased costs resulting from delays from COVID and inflation. The Board discussed potential alternatives that involve input from the property owners to either keep the project on its current schedule or should the Energy Impact Assistance grant not be approved. Mr. Tolen is planning to setup a meeting with the property owners to discuss the alternatives with them.

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

Mr. Tolen advised the Board that the tubular radiant heaters and garage doors have been installed in the building. He still needs to address any issues on a final construction checklist.

### **EXECUTIVE SESSION**

An Executive Session was not conducted.

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

#### **Durango City Service Area**

Director Dent asked if the City of Durango has ever finalized its service area in the Three Springs vicinity. Mr. Tolen reported that there has been much discussion but no final decision made, at least in part because it would be necessary to install a pump station to get water to the entire service area.

#### **Mil Levy**

Director Lynn asked those present if, with impending drought conditions due to an exceedingly dry winter, they thought a mill levy increase request dedicated to construction costs would be a reasonable request at this time. The November, 2025, election would be an off-year, coordinated election that would allow time for research, information gathering, discussion with electors, and communication prior to bringing the issue to the vote of District electors.

### **ADJOURNMENT**

The meeting was adjourned at 10:10 a.m. The next regular meeting of LAPLAWD is scheduled for March 13, 2025.

### **PREPARED BY**

Cheryl Lynn  
Secretary for the Meeting

### **APPROVED**

Richard T. Lunceford

Daniel R. Lynn, III

Mark Williams

Ron Dent

Kent Curtis