

RECORD OF PROCEEDINGS
MINUTES OF THE MEETING OF THE
LA PLATA ARCHULETA WATER DISTRICT
HELD
July 14, 2022

The regular meeting of the Board of Directors ("Board") of the La Plata Archuleta Water District and Sundance/Farraday Subdistrict No. 1, La Plata County, Colorado, ("District") was held on July 14, 2022, at 9:00 a.m.

ATTENDANCE:

Directors in Attendance Were:

Ron Dent
Dick Lunceford
Mark Williams
Kent Curtis

Director In Attendance by Telephone Was:

Dan Lynn

In Attendance, Also, Were:

Ed Tolen, La Plata Archuleta Water District Manager
Yvonne Brunson, La Plata Archuleta Water District Customer Service Representative
Dave Henry, Harris Water Engineering
Barb Prose, FredrickZink & Associates
Karmen King, Grayling LLC

In Attendance, Also, via Telephone, Were:

David Greher, Cockrel Ela Glesne Greher & Ruhland
Micki Mills, Cockrel Ela Glesne Greher & Ruhland
Cheryl Lynn, Secretary to the Board

CALL TO ORDER

Chairman Lunceford 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 interests 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 in person and by telephone reported no conflicts of interest.

PUBLIC COMMENTS

No public comments were received.

APPROVAL OF
MINUTES

Upon motion duly made by Director Dent, seconded by Director Lynn, and unanimously carried, the Minutes of the June 9, 2022, Regular Board Meeting were approved as submitted. Mr. Tolen clarified for Director Williams that the Drinking Water Revolving Fund provides loan funds to the District at an interest rate of 2.5% and that the District has paid for 460 acre feet of the 2,500 acre feet of water the Board agreed to purchase from the Animas La Plata Project.

FINANCIAL REPORT

Approval and Payment of Invoices – Directors reviewed the July 2022 Accounts Payable Report and July 2022 Accountant’s Compilation Report. Directors clarified expenditures as necessary. Upon motion duly made by Director Dent, seconded by Director Lynn, and unanimously carried the Board approved payment of invoices as shown on the attached Accounts Payable statement dated July 13, 2022.

Ms. Prose noted that we usually receive the PILT (Payment in Lieu of Taxes) funds by this time, but the District has received none. The District has allocated these funds to purchase Animas La Plata Water. Mr. Tolen will contact the La Plata County Treasurer to confirm status of the PILT funding.

Mr. Tolen clarified for Director Williams that in the early years of a special district it is necessary to use tax monies to pay for operations until the water system is built out enough that the customer base, in this case estimated at 1,000 customers, can provide the funding to pay for operations.

FINANCE COMMITTEE REPORT

2021 District Audit – Mr. Tolen clarified for Director Curtis that the 2021 property tax receipts were indeed lower than the 2020 receipts. An official marketing plan has not been considered necessary as Mr. Tolen contacts property owners as a water main project, that will be constructed in their area, is in the bidding phase. This provides them the opportunity to consider whether they want to connect to the water system. Frequently the decision depends on the ability of the property owner to pay a tap fee and provide any necessary infrastructure on their property. While the tap fee is substantially less than in many areas of Colorado it still surpasses the ability of some people to pay. Director Curtis is also interested in the average percentage of hookups as the project is built out.

Upon motion duly made by Director Dent, seconded by Director Curtis and unanimously carried the Board accepted the 2021 District Audited Financial Statements.

PUBLIC RELATIONS / COMMUNICATIONS COMMITTEE REPORT

Mr. Tolen told the Board that people are generally pleased with the services the District provides, especially in the bulk water and customer service areas. With vandalism to the City of Durango water dock located on South Camino del Rio, the District has been getting customers from the City of Durango. Receipt of replacement parts may delay repair of the equipment until late July.

LEGAL REPORT

Discussion of Family and Medical Leave Insurance Program – Counsel Greher lead the discussion of the Colorado Family and Medical Leave Insurance Program (FAMLI) approved by Colorado voters in November 2020 via Proposition 118. This program provides a state-run Paid Family and Medical Leave Insurance program which is intended to provide access to paid leave to all eligible employees who are compensated at or above \$2,500 annually for reasons such as birth or adoption of a child, caring for a family member with a serious health condition, a serious health condition of the employee, and the need for immediate or safe leave. Participation in this program is mandatory for private companies and optional for governmental entities. Cost of this program for the District is estimated at \$1,200 for 2023. Mr. Tolen recommended that the District avail themselves of the program. Upon motion duly made by Director Lynn, seconded by Director Dent, and unanimously carried the Board decided to participate in the FAMLI program.

Consider a Petition for Inclusion for the Thomas Lee and Dione Lee Property located at 9570 State Highway 151, Ignacio, Colorado 81137 - Chairman Lunceford opened the Public Hearing to hear comments for consideration regarding the inclusion of the Lee Property. There being no public present the hearing was closed. Upon motion duly made by Director Lynn, seconded by Director Dent, and unanimously carried the Board approved Inclusion of the Thomas Lee and Dione Lee property at 9570 State Highway 151, Ignacio, Colorado 81137.

ENGINEER REPORT

County Road 223/Holman Canyon Road Pipeline – Mr. Henry reported that an easement has been negotiated with the property owner and the 811 locate request called in. Required locates will be completed by July 14, 2022. The location of electric, gas, and phone lines can then be identified and a route for the water line identified.

Fox Fire Distribution System – Mr. Henry reported that most utilities are located and sites for the power/pump stations have been identified. He recommends that purchase of a large pump that would last 20 to 25 years would be most cost effective through its life cycle. While a solar pump would look good for a grant application the attendant batteries do not usually pay for themselves. With solar rules and laws changing it could be that a solar pump is a possibility. Mr. Henry and Mr. Tolen will explore the possibilities of solar infrastructure.

ENVIRONMENTAL REPORT –

Ms. King advised the Board that Fox Fire will require two environmental NEPA processes and a lesser Environmental Assessment. She has a working draft and is in the process of contacting agencies. Of the eight agencies she has contacted, she has two responses and both have retracted their involvement. Mr. Tolen and Ms. King are conducting a public hearing on Tuesday, July 19, 2022, at 6:30 p.m. at the Pine River Library in Bayfield to discuss the Fox Fire Distribution Project and the findings of the Environmental Assessment. Ms. King reported that Fox Fire is approximately 30% complete.

GENERAL MANAGER REPORT

Consider Approving an Agreement Between the Statewide Internet Portal Authority and the District – Mr. Tolen advised the Board that, per his General Manager's Report, the District website needs to be updated so it is ADA compliant. He has researched vendors and costs and will apply for a micro-grant from the Colorado Statewide Internet Portal Authority (SIPA) to develop the website. Annual costs increase from the use of GoDaddy but District documents must meet ADA requirements. Upon motion duly made by Director Lynn, seconded by Director Dent, and unanimously carried the Board approved an Agreement Between the Statewide Internet Portal Authority and the District.

Phase 2C Easements – Mr. Tolen advised the Board that one of the property owners is selling his property with a closing date of July 15, 2022. An agreement will need to be renegotiated with the new owner. He also received the certified mail returned from California. Thoughts and discussions continue about how to handle this particular easement in a way that satisfies future needs of the District. Counsel Greher will provide guidance. Mr. Tolen has also met with two other property owners. It appears that La Plata County may realign one of the roads in the future, the timing of which is unknown. The plan is to possibly move the pipe line alignment so that it is in the county road easement instead of an easement on private property.

EXECUTIVE SESSION – Upon motion made by Director Dent, seconded by Director Lynn, and unanimously carried the Board convened in Executive Session at 9:59 a.m. for purposes 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.). Issue to be discussed is confidential information related to Phase 2 Easements. The Board adjourned to its regular meeting at 10:12 a.m.

ANY OTHER MATTER
WHICH MAY COME

BEFORE THE BOARD – No other matter was presented to the Board.

ADJOURNMENT

The meeting adjourned at 10:13 a.m. The next regular meeting of LAPLAWD is scheduled for Thursday, August 11, 2022, at 9:00 a.m. at 255 Ute Street, Ignacio, Colorado, unless it is necessary to meet in another matter to satisfy governmental requirements.

APPROVED

Richard T. Lunceford
Richard T. Lunceford

Mark Williams by Cheryl Lynn
Mark Williams

Ron Dent
Ron Dent

Cheryl Lynn
Secretary for the Meeting

Kent Curtis
Kent Curtis

Daniel R. Lynn, III
Daniel R. Lynn, III