

Lake Durango Water Authority
Minutes of the Regular Meeting of the Board of Directors
February 2, 2009

1. Call to Order

The meeting was called to order at 6:05 p.m. by President Peter Butler. Other Directors present were Vice President Ward Holmes, Treasurer Tom Brossia, Secretary Bob Woods and Director Sharon Rader. Recording Secretary Jenna Hutt and Attorney Bud Smith were also present.

2. Approval of Agenda

The agenda was approved with additions noted below.

3. Approval of Minutes

Tom made a motion to approve the minutes of the January 19, 2009 Regular Meeting. Sharon seconded the motion. Motion carried.

4. PUC update

There is no update on the PUC proceedings.

5. Title Documents Update

Land Title Guarantee is now doing all of the title work. Bud has received a two year old title commitment that contains information on four tracts. Tract one is amber reservoir; tract two is Johnson reservoir; tract three is Bob Johnson's house; tract four is Johnson Reservoir 2 and 3. There is no easement that gives access to Amber Reservoir. Bud sent a detailed email to Land Title Guarantee and copied Bob Johnson on the email. Bob made a motion to get confirmation within two days that the title work detailed in Bud's email has been approved by Johnson and will be executed by the title company, or the Board will order the title work done and have the cost of the work come out at closing. Tom seconded the motion. Motion carried.

6. Progress on acquisition funding

The Authority is applying for a loan which requires a long term capital improvement plan, so Wright Water is going to do a study of the water system and provide an evaluation of the system. Peter applied for a \$10,000 grant from the Water Quality Control Division to cover some of the costs of the study, but the total cost will be closer to \$27,000. Ward and Sharon will check with their Boards about the Districts potentially paying for the remainder of the cost. SW Water Conservation could potentially be an option for another grant. Peter and Tom will talk to SW Water Conservation later in the week to see if they would be willing to fund some money. Janet will send an email to the Board with the cost differential of borrowing money at different percentage rates. Ward will check with Ken Charles about using DOLA money for the study.

7. Trapper's Crossing additional lots

Trapper's Crossing wants to develop four to five more lots that do not require a new tank, and the infrastructure plans show putting in a six inch line. Currently Bob Johnson provides comments to La Plata County Planning on any lots being added with taps, but once the Authority owns the company, the general manager will review and comment on the applications.

8. Safe Yield Analysis

The Division of Water Resources commented that there is not adequate water for all of the taps on the list. The County will make the actual recommendation but does not have good

documentation that there is adequate water to service all the taps on the list. The County will not fund a study on safe yield analysis that will benefit only some County residents.

9. Insurance Update

The insurance agent visited the water company and said everything looks fine and the cost will most likely vary only by a couple hundred dollars.

10. Accounting Firm Update

Janet Anderson has received information from various accountants and will get a couple more bids to be reviewed with two Board members.

11. General Manager Update

The Board has started to receive resumes. Sharon has human resources and managerial experience and will be able to help at the next meeting lay out a procedure for the selection process and put together an interview team.

12. Review Repair and Improvements List

This will be discussed at the next meeting.

13. Public comments or questions

There was a question about the substandard tank in Trapper's Crossing. The tank should probably be replaced in a few years. The roof is flat and not as strong as it should be. The cost of replacing the tank will be reviewed later.

- There are three recorders on the Pine Ridge Ditch, and the PUC has a regulation to have the recorders in the ditch. One of the recorders works fine. One of the recorders has a short in it which Win Wright thinks he can repair quickly. One recorder is beyond repair, and they cost about \$2,000. Tom will discuss with Bob Johnson his responsibility to have the ditch recorders in place, and the County will be notifying the PUC if he does not get them fixed.
- Tom made a motion to approve paying the yearly post office box fees. Sharon seconded the motion. Motion carried.
- Janet will work on getting the audit exemption paperwork started.

14. Adjourn

The meeting was adjourned at 7:43 p.m.

Bob Woods
Secretary