

Lake Durango Water Authority  
Minutes of the Regular Meeting of the Board of Directors  
December 1, 2008

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 Janet Anderson. Recording Secretary Jenna Hutt and Attorney Bud Smith were also present.

2. Approval of Agenda

The agenda was approved.

3. Approval of Minutes

Tom made a motion to approve the minutes of the November 17, 2008 Regular Meeting with one change. Ward seconded the motion. Motion carried.

4. Financial Report

The bank account currently has \$10,578.94 minus \$2 for checking charges. Peter would like to have the pipe inspected under the dam. Bob made a motion to spend up to \$1500 to have the pipe under the dam inspected with a camera. Ward seconded the motion. Motion carried. Tom made a motion to pay the previous bill from Bud Smith for \$1917.16. Ward seconded the motion. Motion carried. Peter will write a letter to the DW2 Board requesting reimbursement for Bud's bill. The other bills for Bud Smith (\$1440) and Jeff Pearson (\$632) will be put on hold.

5. Budget Hearing on Draft 2009 Budget

The Board held their 2009 budget hearing. The base rates and the water rates are not going to change. There will be an addition to the water bills for the cost of the acquisition of the company of \$0.45 per thousand gallons and \$15.00 per month. There is a \$500,000 energy impact grant for due diligence and acquiring the system, but the majority of it will be used for system repair. The budget hearing will be continued at the next meeting.

6. Water Tank Inspections

All of the water tanks have been looked at as well as the gate valve at the end of the dam. All of the tanks have some corrosion but most are in decent shape. The company that inspected the tanks suggested putting an electric charge in the tanks to reduce corrosion.

7. Update on Draft Due Diligence Report

There are not many repairs needed that were not initially disclosed. Peter will work on a new progress report to go to the public for the next meeting.

8. Title Insurance Update

Bud wrote a letter to Bob Johnson, owner of LDWC, requesting Bob to get title work done on the parcels under the reservoirs, pump stations and tanks. The letter states there are only nine pumping stations. There is one more pumping station that was acquired in the middle of the November. Bud will revise the letter and add a request to have work back before the next meeting. Bud will make the pumping stations change, add a request to have work back before the next meeting and have Peter sign the letter so it can be sent out. Bob and Tom will meet with Bud to review the documents from the title company.

9. Next Steps Needed before Acquisition

The Board discussed the steps that need to be taken before acquisition of the Company which include: getting title insurance, selecting financing options, signing the DOLA contract, RFP for accounting consultant, beginning the search for a general manager, firming up policies and insurance.

10. Public comments or questions

There was a question about how Peter will be replaced. Shawn Nau and Victoria Schmitt from La Plata County will be working on finding a replacement from a water user and a non water user.

11. Adjourn

The meeting was adjourned at 7:35 p.m.

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Bob Woods  
Secretary