

Lake Durango Water Authority
Minutes of the Regular Meeting of the Board of Directors
May 5, 2008

1. Call to Order

The meeting was called to order at 6:03 p.m. by President Peter Butler; other Directors present were Treasurer Tom Brossia, Secretary Bob Woods and Director Janet Anderson. Recording Secretary Jenna Hutt, Tracy Pope and Attorney Bud Smith were also present. Vice President Ward Holmes was not present, due to illness.

2. Approval of Agenda

The agenda was approved, with additional discussions added, as noted below.

3. Approval of Minutes

Janet made a motion to approve the minutes of the April 28, 2008 rescheduled Meeting. Tom seconded the motion. Motion carried.

4. Status of PUC Process

The Board discussed the progress of the PUC application and the three petitions to intervene. Bud will draw up a draft document outlining maintenance of the Shenandoah waterlines on a contractual basis. The election process in the Shenandoah subdivisions on the waterline ownership issue is still underway. The PUC process could be completed in June at the earliest, with a 30 day period for appeals.

5. Public comments/questions

An attendee had a question about how the Board decides to go into executive session and why the Board might go into executive session to discuss the tap moratorium. The Board explained executive session rules are dictated by Colorado Statute. One reason why executive session occurs is to discuss legal strategies with an attorney, as in the case of the tap moratorium discussion.

6. Request to BOCC to lift tap moratorium

The Board discussed their position that it is premature for the County to lift the tap moratorium. Per C.R.S. 24-6-402(4) Tom made a motion that the Board enter into Executive Session to (b) consult an attorney on specific legal strategies regarding the tap moratorium, contracting professional help for due diligence and fire hydrant testing. Bob seconded the motion. Motion carried.

After properly voting to come out of executive session, Bob made a motion to authorize the President to spend up to \$5,000 in engineering assistance as part of the Authority's due diligence. Janet seconded the motion. Motion carried. Tom made a motion that Peter sign up with Rural Water and have the system reviewed by their engineer, as well as have Peter set-up a meeting with engineers and consultants who have previously studied Lake Durango. Bob seconded the motion. Motion carried. Tom made a motion that the Authority should support having the County lift the moratorium after the Authority closes on the sale of LDWC. Bob seconded the motion. Motion carried, with one dissenting vote.

- Additions to the Agenda: updates

-There is a problem with the reservoir pumping system that Win reported to Peter, which will be added to the due diligence list. The lake should be full in 4-5 days.

- Some Board members still need to go to Wells Fargo to sign the signature card. The ColoTrust Resolution has been signed and Bud will send it in. As discussed last month, Janet made a motion that Tom and Bob be allowed to transfer money between the Wells Fargo account and ColoTrust. Peter seconded the motion. Motion carried.

- Bob has completed the D&O insurance application for the Authority, and the coverage is now active.

- There has been no progress with the DOLA grant contract, as Ken Charles has been out of town.

7. Adjourn

The meeting was adjourned at 7:50 p.m.

Bob Woods
Secretary