

Lake Durango Water Authority
Minutes of the Special Meeting of the Board of Directors
June 29, 2009

1. Call to Order

The meeting was called to order at 6:05 p.m. by President Ward Holmes. Other Directors present were Vice President Jeff Wagner, Treasurer Tom Brossia, Secretary Sharon Rader and Directory Ron Borrego. Recording Secretary Jenna Hutt, Attorney Bud Smith, Charles Smith and former Board members Janet Anderson, Bob Woods and Peter Butler were also present.

2. Approval of Agenda

The agenda was approved with additions noted below.

3. Closing and acquisition updates and procedures

The Board reviewed Bud's closing check list. Jeff made a motion to set the closing and settlement date for July 15th and have an escrow account setup for \$20,000 to be refunded to Bob Johnson, owner of LDWC, within 30 days after closing. Tom seconded the motion. Motion carried.

4. Assignments for closing

- a. Site visit: Tom and Charlie will have a site visit of the system on July 7th, 2009.
- b. Inventory: Tom made a motion to have Charlie establish an inventory list totaling a minimum of \$500. Sharon seconded the motion. Motion carried.
- c. White board projects: The white board projects have been accomplished.
- d. Other: There were no other assignments for closing.

5. Title issue progress

The title issues have been resolved other than access to one reservoir which Johnson knows he needs to resolve.

6. CIF balance

The Board discussed the CIF balance and the PUC premium reported amounts will be the balance used at closing.

7. Water Use Ordinance

This issue was tabled to be discussed at another meeting.

8. Public comments or questions

There were no public comments or questions.

- Sharon made a motion to have Charlie review the County Health Plan insurance plan and have the Authority pay Charlie's premium for the month of July if necessary. Ron seconded the motion. Motion carried.

-Tom, Janet and Jenna are working on an updated reimbursement spreadsheet for the Districts and legal fees.

-Sharon made a motion to approve the minutes of the June 11, 2009 Special Meeting. Tom seconded the motion. Motion carried.

- Ron updated the Board on the Small System Training and Technical Grant. Ron has prepared all of the forms and will get the application mailed tomorrow.

-Bob reported that the workers compensation costs will be \$1962.00 for the two employees. The insurance company is offering an interest free installment payment plan of four quarterly payments of \$491.00 starting in July. Tom made a motion to make the quarterly payments of \$491.00 for worker's compensation insurance. Sharon seconded the motion. Motion carried.

-The next meeting was Monday, July 6th 2009

Tom made a motion to going into executive session C.R.S. 24-6-402 to (b) consult attorney on specific legal questions and (e) develop negotiating positions, strategy, or instruct negotiators to discuss issues relative to the royalty payment for Bob Johnson and financing. Sharon seconded the motion. Motion carried.

After properly voting to come out of executive session, Tom made a motion to ask Ron to work with Bud and other Board members to develop assumptions to quantify present value of the royalty payment owed to the Water Company to be reviewed by the Board. Jeff seconded the motion. Motion carried.

9. Adjourn

The meeting was adjourned at 9:28 p.m.

Sharon Rader
Secretary