

Lake Durango Water Authority  
Minutes of the Regular Meeting of the Board of Directors  
September 29, 2008

1. Call to Order

The meeting was called to order at 6:03 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 with additions as noted below.

3. Approval of Minutes

Approval of the minutes of the August 18, 2008 meeting was postponed until the next meeting.

4. Financial Report

Tom stated that there is currently \$16,452.02 in the bank account. Tom made a motion to pay the following attorney bills: Jeff Pearson invoice number 10455 for \$2,948.62 and Bud Smith's bill through July for \$2,922.50. Ward seconded the motion. Motion carried. Bob made a motion to adopt the resolution to apply for an exemption to prepare a 2007 audit. Janet seconded the motion. Motion carried. The Board signed an application provided by Bud for an exemption to file an audit for 2007.

5. County Supplemental Fund request

The Authority requested supplemental funding from La Plata County due to the fact that the process of buying the Company taking longer than expected. The County decided not to provide any funding to the Authority.

6. State Drinking Water Revolving Fund

Peter stated that he will put the Authority on the list to possibly receive funding in the future from the State Drinking Water Revolving Fund.

7. Status of Rafter J letter

The Rafter J letter was signed and has been sent to the PUC.

8. Shenandoah interventions

The Shenandoah interventions have not been withdrawn yet because one intervener wants to the issues with the Johnson family resolved first.

9. Public comments/questions

There was a question as to where things are in the process with the PUC and closing. Peter answered that aside from the Johnson family issues, all interventions have been resolved. The sale has to be approved by the PUC, and there may be a hearing with the ALJ.

A resident was concerned about the quality of work on the new development at Trappers Crossing. The resident was directed to ask the County since the Authority does not currently own the Company.

10. Response to Johnson – siblings stipulation

Per C.R.S. 24-6-402(4) Ward made a motion that the Board enter into Executive Session to (b) consult an attorney on specific legal questions and (e) develop negotiating positions, strategy, or instruct negotiators regarding: the response to the Johnson siblings' stipulation. Janet seconded the motion. Motion carried.

After properly voting to come out of executive session, Tom made a motion to have Bud write a letter that the Authority will not oppose the transfer of the Lightner Creek taps to Bob Johnson's brothers provided that the taps remain with their property, and have the Board review the letter before it is sent out. Ward seconded the motion. Motion carried with Janet casting a dissenting vote.

- Additions to the Agenda
  - The engineers from the State that spent time going through the system with Janet and Bob sent a letter last week with their findings. There was not much detail in the letter, so Peter will email them a formal request for more information from the engineers.
  - The next meeting was scheduled for October 20, 2008.

#### 11. Adjourn

The meeting was adjourned at 7:46 p.m.

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Bob Woods  
Secretary