

Lake Durango Water Authority
Minutes of the Regular Meeting of the Board of Directors
February 11, 2008 (re-scheduled from Feb 4th due to snow storm)

1. Call to Order

The meeting was called to order at 6:10 p.m. by President Peter Butler; other Directors present were Janet Anderson, Treasurer Tom Brossia, and Secretary Bob Woods. Vice President Ward Holmes was absent due to illness.

2. Approval of Minutes

Bob made a motion to approve the minutes of the January 22, 2008 Regular Meeting. Tom seconded the motion. Motion carried.

3. Personnel for Taking Meeting Notes

Tracy Pope will continue to take minutes of the meetings for the next few months. Bob made a motion to appoint Tracy Pope as Assistant Secretary. Tom seconded the motion. Motion carried.

4. Meeting Resolution Changes (location)

The Board's annual Resolution 2008-01 was amended to reflect a location change from the County Courthouse to the Fairgrounds Extension Building, with regular meetings still scheduled for the first and third Monday of each month. Tom made a motion to adopt Resolution 2008-02. Janet seconded the motion. Motion carried.

5. Bylaws

The Board reviewed a proposed draft of the bylaws. Clarifying language was added. Bob made a motion to adopt the Bylaws as amended. Tom seconded the motion. Motion carried.

6. Best way to utilize public comment

The Board discussed the best way to deal with public comment. There will be an agenda item at each meeting to deal with questions from the public.

7. Public comments/questions

Win Wright handed out a CD-Rom that included his reports, spreadsheets, maps, etc. that he completed while working for LDWC for the past 4 years. Janet will review mapping issues with Win. Water rights and easements were also discussed.

Jeff Titus from the Division of Water Resource reported that the waste gate has not yet been installed, and no new water will be allowed into the Lake until that gate is installed. Amber Reservoir was also discussed. A diversion structure above Amber is needed; filing a decree on Amber should also be considered at a later date. Pine Ridge Ditch was also discussed, which creates maintenance and staffing issues for the LDWA. Bud will try to get copies of LDWC water decrees from Jim Anesi. The dam maintenance was also discussed.

8. PUC Application

The Board reviewed the latest draft of the PUC application, asking for approval of the transfer of assets from LDWC to LDWA, and asking for a finding that the Authority will not be subject to PUC regulation. Attachments to the application were also discussed. Janet expressed concern with the commitment of 1,435 taps, citing capacity issues. Tom disagreed with Janet's assessment of the capacity of the system. Tom made a motion to approve the application for

submission to the PUC. Tom withdrew his motion. Bud will provide the final application, including attachments, for approval at the next meeting on February 18, 2008.

9. PUC Attorney

The Board discussed the role of the Authority's PUC attorney; the attorney would oversee the application through the PUC proceedings. Tom expressed concern over hiring Jeff Pearson. Bob made a motion to retain Jeff Pearson as the Authority's PUC attorney. Janet seconded the motion. Motion carried.

10. Review initial draft budget – not for public comment

Tom wanted to clarify that the budget information used as an attachment to the PUC application would not be the official budget that will be adopted later by the Authority. Tom Brossia will form a financial committee to review financial questions facing the Board. The Budget hearing for Feb. 18th was postponed.

11. Due diligence issues – prioritization

The Board reviewed Peter's priority list:

- Contracts: Bud will provide a list of contracts and ask LDWC if there are any other contracts outstanding. Bud will also send a letter to Ed Lyons explaining the timing of the PUC application and the closing of the sale of LDWC assets to LDWA.
- Easements: Bud will complete an initial review of the easements. Later, someone other than Bud should review in more detail.
- Water system treatment and distribution: Peter will review what's been completed and suggest a plan of action.

- Additions to the Agenda

- Establishing Members reimbursement: La Plata County paid upfront costs of the mediation. Some assistance in the formation of the Authority was provided by salaried employees (in-kind) and other costs were independent contractors (legal invoices). At some point the County will submit a bill to LDWA. Durango West #2 provided a spreadsheet of costs incurred to-date, totally \$36,445.63.
- D&O Liability Insurance: discussion was tabled until later.
- Lightner Creek demand from Twin Buttes subdivision: discussion was tabled until later.

12. Adjourn

The meeting was adjourned at 9:05 p.m.

Bob Woods
Secretary