

Lake Durango Water Authority
Minutes of the Regular Meeting of the Board of Directors
April 7, 2008

1. Call to Order

The meeting was called to order at 6 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 Tracy Pope and her replacement Jenna Hutt were also present. Attorney Bud Smith was out of town.

2. Approval of Agenda

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

3. Approval of Minutes

Ward made a motion to approve the minutes of the March 17, 2008 Regular Meeting. Janet seconded the motion. Motion carried.

4. Public comments/questions

There were no public comments.

5. Shenandoah pipeline agreement

Bob Woods informed the Board that a vote is coming up by the Shenandoah HOA to give permission to sell their water lines to the Authority for \$1, then after twenty years, the HOA will have the right to buy back the system for \$1, plus any capital improvements. Tom says Shenandoah Estates and Shenandoah Highlands will also look at taking a similar vote. Bud will be directed to write up these agreements.

6. DOLA grant

Ward reported on his trip to Denver. Randy Garroutte from the PUC came to the DOLA grant presentation to answer questions from the DOLA committee about the PUC process. One committee member was concerned about setting precedence in allowing grant money to be used for the acquisition of private water companies; therefore the committee recommended that grant money be approved only for emergency repairs, in the amount of \$212,000. We should hear the final decision soon.

7. SWCD grant

Peter and Janet made a presentation at the SWCD meeting last week. SWCD agreed to give the Authority \$45,000 for due diligence costs. Since the Amber water right seems adequate, the Authority did not ask for legal assistance on that subject as originally planned. It was also noted that the Roundtable is a funding option for future projects like Lightner Creek.

8. Insurance

The Board reviewed D&O insurance proposals from Rural Special Districts, Great American and the Special Districts Association Pool. Bob agreed to review the three proposals and report back at the next meeting.

9. Due diligence updates

The Board reviewed the due diligence matrix. Janet is talking to the fire department about flow testing within the Lake Durango water system. Bob looked into office furniture owned by

LDWC: there are a couple of computers, some furniture, including a cabinet for maps. Marsha owns the utility billing program used by LDWC.

Janet discussed Bob Johnson's refinancing a loan after the MOA was signed. As part of due diligence the Board will write a letter asking for clarification of the loans, timing, amounts, and collateral. Janet will draft a letter to be reviewed at the next meeting.

10. Other items that need to be addressed before closing

The Board will individually consider what other work needs to be done and send ideas to Peter via email, for inclusion on the next agenda.

- Additions to the Agenda

-Pine Ridge Ditch is open (slightly) and starting to run; a letter needs to go to Indian Shadows subdivision directing them not to pile snow in the ditch; Win Wright has been hired by the Pine Ridge Ditch Company to be the new ditch rider; Tom Brossia will represent the Authority at future Pine Ridge Ditch Company meetings.

-Peter reviewed the water right for Amber Reservoir: it covers stock water, commercial and domestic water and is therefore adequate. The decree does not allow La Plata River water to run through Amber Reservoir, so some work on the ditch around Amber needs to be completed.

-Tom Brossia reported that Gene Bradley and Gary Norton filed as interveners in the PUC proceedings.

-May 14th Rafter J has a public meeting at the Rec Center at 6 pm to discuss easements through their green space.

-Tom will open a checking account at Wells Fargo. All board members will be listed on the signature card.

-Peter will write a letter to Mark Ready thanking him for his letter and telling him the Authority takes his concerns seriously.

-The progress report was approved and will be mailed this week to all customers.

-Trapper's Crossing and Castle Ridge have asked the BOCC to review Resolution 2003-29 (the moratorium). The Board will consider the Resolution on May 8th.

-Next meeting of the Authority will be scheduled for April 28, 2008, since Peter will be out of town on the 21st, the regular meeting time.

11. Adjourn

The meeting was adjourned at 7:30 p.m.

Bob Woods
Secretary