

Lake Durango Water Authority  
Minutes of the Special Meeting of the Board of Directors  
July 6, 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 Director Ron Borrego. Attorney Bud Smith, Charles Smith and former Board member Janet Anderson, and one system user were also present.

2. Approval of Agenda

The agenda was approved with additions noted below. Future meeting agendas will include a General Managers report.

3. Closing and acquisition updates and procedures

The Water and Power Authority Loan has been signed but will need to be formally approved by the Board prior to closing. A special meeting will be held on Tuesday July 14 at 5:00 pm for this purpose. The agreement with La Plata County will need to be completed at their July 13<sup>th</sup> meeting. A settlement statement will be created prior to closing which will address: The CIF Balance (see agenda item 5), Accounts Receivable and Payable, and taxes. The 'Customer Deposits' listed in the 12/31/2008 Balance Sheet will be explained and certified by a CPA. A full disclosure of known contracts will be provided by LDWC. The water company will prepare a response to the Technical Capacity 1.a and 1.b requirements in the Water Quality Control Division letter of May 26, 2009.

Sharon Rader motioned to approve the Notice to Lake Durango Water Customers as drafted by Bud Smith with the addition of language explaining the difference between LDWA and LDWC. Tom Brossia seconded the motion. Motion Carried.

Tom Brossia motioned to have Ron Borrego calculate a Water Royalty buyout starting in 2013 based on 50,780,000 gallons sold in 2008, an increase of 7.4 taps/year, 2% inflation, 8% discount rate and for an offer to be made to Bob Johnson. 2<sup>nd</sup> Sharon Rader [seconded the motion.](#) Motion carried. It was noted that repayment of a royalty buyout would retain the current formula based on water sales.

4. Assignments for closing

- a. Site visit: Tom, Ron and Charlie will have a site visit on Tuesday July 7, [2009](#).
- b. Inventory: Inventory will be checked during the site visit.
- c. White board projects: [No projects were discussed.](#)
- d. Loan authorizing ordinance and a copy of the bond ordinance
- e. Other: Sharon moved to adjourn to executive session (CRS 24-6-402(4)(f) to discuss personnel issues. 2<sup>nd</sup>-Tom [seconded the motion.](#) Motion carried.

Tom motioned that the Board authorize Charlie to tell employees that LDWA will continue as best as it can at this time with their current contracts in accordance with

government rules and regulations subject to review no later than Nov. 1, 2009. 2<sup>nd</sup> by Jeff [seconded the motion](#). Motion carried.

5. CIF balance

Rocky Mountain Escrow needs PUC approval to release the CIF account. A credit to LDWA and debit to the Seller of the total amount of the CIF account will be reflected on the LTG settlement statement.

6. Water Use Ordinance

[This item was moved to a later agenda.](#)

7. Public comments or questions

A question was made regarding current leaks and issues at Rafter J. Ward Holmes said that old issues will become LDWA responsibility.

▬

- A meeting with Ken Charles at DOLA will be made after closing to draw up a contract.
- Tom said that of the 280 committed taps 210 have never been under moratorium; they are all held by individuals. At this time all taps will stay assigned to the current property.
- A special meeting of the Board will be held Tuesday, July 14, [2009](#) at 5:00 pm
- The next regular meeting of the board of Directors will be held -Thursday July 23, [2009](#) at 6:00 pm

8. Adjourn

The meeting was adjourned at 8:00 p.m.

---

Sharon Rader  
Secretary