

Lake Durango Water Authority  
Minutes of the Special Meeting of the Board of Directors  
July 14, 2009

1. Call to Order

President Ward Holmes called the meeting to order at 5:10 p.m. Other Directors present were Vice President Jeff Wagner, Treasurer Tom Brossia and Director Ron Borrego. Secretary Sharon Rader was present via telephone. Recording Secretary Jenna Hutt, Attorney Bud Smith, Charles Smith, Fred Owen and former Board members Janet Anderson and Bob Woods were also present.

2. Approval of Agenda

The agenda was approved with additions noted below.

3. Minutes and Treasurers report

Tom made a motion to approve the minutes of the June 29, 2009 Special meeting. Ron seconded the motion. Motion carried. Tom made a motion to approve the minutes of the July 6, 2009 Special meeting with one correction. Jeff seconded the motion. Motion carried.

Tom reported that there was no new activity for the bank account. Tom will be moving the remaining balance at Wells Fargo to Alpine Bank.

4. Closing and acquisition updates and procedures

Tom made a motion to adopt the LDWA seal Bud brought to the meeting as the official seal. Jeff seconded the motion. Motion carried.

Tom made a motion to adopt resolution 2009-08 to approve the Alpine bank bond at \$500,000, 8.35%, 12 year term, and appoint Ron Borrego as the assistant secretary. Jeff seconded the motion. Motion carried.

Tom made a motion to adopt resolution 2009-09 to approve the bond agreement with the Colorado Power and Water resource authority, 2 million dollars, 2% interest, 20 year term. Ron seconded the motion. Motion carried.

Tom mad a motion to adopt resolution 2009-10 authorizing the acquisition of the Company and authorizing Ward as President or Jeff as Vice President to sign the closing documents on behalf of the Authority. Jeff seconded the motion. Motion carried.

Ron made a motion to pay the following legal bills and reimburse the Districts at closing: Jeff Pearson \$1,652.40; Bud Smith \$35,453.49; Durango West 1 \$28080.36; Durango West 2 \$44,841.14. Tom seconded the motion. Motion carried.

Tom made a motion to add to the closing documents the monies owed to the bond councils not to exceed \$35,000 (\$10,000 for Alpine Bank Bond Council, Kutak Rock, and \$25,000 for the Authority's Bond Council, Sherman and Howard). Jeff seconded the motion. Motion carried with Sharon abstaining.

Jeff made a motion to ask for \$5000 to be escrowed at closing for the repairs of the leak in Trapper's Crossing line. Ron seconded the motion. Motion carried.

Tom made a motion to adopt resolution 2009-11 Rules and Regulations and 2009-12 Rate Structure. Jeff seconded the motion. Motion carried with Sharon abstaining.

The County approved the establishment agreement today, and all things are in place for closing tomorrow.

5. General Managers Update

Charlie gave a managers update. Sharon made a motion to hire Jenna Hutt as Recording Secretary for \$250/month to attend the meetings and record the minutes. Jeff seconded the motion. Motion carried.

6. Public comments or questions

There were no comments/questions.

- Insurance: Charlie is still waiting for quotes from CTSI for health insurance coverage.

7. Adjourn

The meeting was adjourned at 6:57 p.m.

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Sharon Rader  
Secretary