

LPWWA BOARD of DIRECTORS
MEETING MINUTES FOR JULY 13, 2016

1. Meeting was called to order at 6:30pm by Paul Gray. Board members in attendance were: Roy Horvath, Paul Gray, Mardi Gebhardt, Jeanette Haas, Kevin Mallow, Ken Spence, Priscilla Blackhawk-Rentz. Others attendees were Kayla Patterson, Pat Storey, Jeff Fink and Michelle Rowe, Diana Boland, Marilyn and Gene Campbell, Tom Hartnett of the ALP Board, Deb Flick, Kristi Bruner of Bartlett and West and Bobby Hadden.
2. Meeting agenda- motion to approve by Kevin, seconded by Mardi and approved
3. Meeting Minutes- motion to approve made by Mardi, seconded by Ken and approved. Correspondence and Communications-Mardi shared mail from a funding group offering funding, Swift Capital and the SDA magazine.
4. Treasurer's report- Mardi reported that we received invoices from Bartlett & West; Phase 1 completion of PER \$4,050. As PER is complete Mardi made a motion to approve payment and Kevin seconded. Mardi received an invoice from Colorado Water and Land, for LPWWA operating expenses, Amy Huff dated June 16, 2016 in the amount of \$262.50. Mardi motioned to pay and Roy Seconded. Amy also reviewed and suggested red lines towards the repayment agreement, to her concern: When payment begins 90 day after we become a going-concern. Cathy and Peter are currently reviewing the Agreement. Bank reconciliations are available for review.

Committee Reports

1. Financial Budget and Audit – Mardi spoke with Todd Beckstead re: audit. There were several journal entries as to our share vs. Lake Durango share of 210 and 125 pipelines.
2. Legal and Negotiations- Kevin reported there was not a meeting this month. Through the tribes – Cathy and Peter discussed raw water pipeline for cost saving ideas. Private easement issue – at an impasse re: Sovereignty and ingress and egress issues.
3. Phase 0- Bids received at 425K are approximately 125K over.
4. Private easement discussion deferred till later in the meeting
5. Reduce costs – Bartlett & West is working with Canyon construction who is the apparent low bidder. Above ground electric on pad, eliminated booster building, underground Cans to be added at the site. Tribal needs SUIT, security, not grading simply secure the site. Pumps are read only. Fencing is needed around the pad to protect panel. Over 182K on 125 pipeline less maybe 75K from CWCB. Canyon Construction deducted 30K. Mardi brought up legal costs. The leach fields are still in question. Kevin suggests that we ask for 200K, CWCB 30K in question. Kevin had questions regarding line items. Bernadette brought the contingency funds up and suggested that we ask for more than 200K. Ken asked about the traffic control was part of the 30K deduction – about \$3. per foot. Ease and convenience in ROW and not hauling material. Kevin brought up that Canyon has done a great job at eliminating \$200K from their \$1.8M portion. Ken asked if there was low interest in bidding. Kevin says to talk to industry. Lien on intake structure as collateral. We'll look to LPWCD and SWCD for ideas and we have lots of friends.
6. Roy reminded us there is a meeting with Lake Durango to discuss Operating Agreement set for 10:30 AM, July 25th with Charlie Smith and the Operating Agreement Committee.

7. Mardi wondered if we could utilize deposits through approval of Commitment holders the use of 234K from other accounts to bridge the gap. Deb Flick like the creative financing idea to keep tap costs low. Ken commented that people in Phase IV are on board but are concerned about the time line. We must award the contract by August 16 – that is our drop dead date.
8. Kevin brought up Phase 0 – 210 section that tribes contribute 1M each – give up ability to Pig the line, and remove gate valves as they may not be as necessary as previously thought. The bid for the screens is significantly less than estimated. It does include divers for both top and bottom screens 95K – they'll use floating bags, labor and materials included. Bernadette to obtain tribal approval.
9. Roy provided an update about the meeting today with Charlie Smith and Kirk Russell of CWCB. We need both 8 inch and 16 inch numbers costs for CWCB. Roy says we have a solid shot at funds. Need to know details by August 16. Mardi said Phase I and operating accounts have 25k to redirect to construction. 25K from ALP. Roy says we need solid numbers for the Financial Committee. Tom Hartnett said funds drying up – Roy stated payments/royalties from oil and gas settlement is likely depleting roundtable funds. There may be no additional funding. Roy spoke with Tom Brossia with the LDWA Board who agreed we should contact Bob Wolfe with ALP District, John Porter with the Southwestern Water Conservancy District and Mike Brod with the Colorado Water Resources and Power Development Authority to update them about project progress and let them know about a potential need for additional funding to complete the project. The entities will need for current numbers.

Phase 1 – Roy updated us on emails between Duane Dale and Roy, with additional items Duane wanted added to the application including a letter from our attorney to Duane. Roy asked Kristi with Bartlett & West if we could get a quad map per the USDA definition to go with the letter to La Plata County.

Alternatives for tank on Blue Hill – second lot west. Metering options could be delayed. Need clarification from Ute Mountain Ute Tribe for submittal to USDA. Offered meeting in Towaoc. Need to get clarification for USDA funding for Tribal collaboration. Need easement and capacity info too.

We submitted application to Duane Dale on June 16 and he reviewed it late last week. Next tier will take 45 day. Deb wanted to know if we have feedback or not. Final design with Phase 1 – contact SW Council of Governments – pony up with fiber – Dave Whitsot – branch of LPEA laying fiber optics when trench is open – lay them simultaneously. Jeff Fink – additional users of the trench will need verbiage in the easement specs for water lines – need permission from each easement holder. LPWWA could be the user of the fiber optic for our SCADA, System Control and Data Acquisitions. Kevin suggested a Phase 0 Committee meeting – Bernadette to attempt to clear afternoon of July 20.

Phase 1 PER – Kristi disturbed hardcopy PER and Environmental Report to Roy, which he will take to Amy to add to our archive files. She presented the summary of the PER – See PER summary report. Purpose and need of Kline, Marvel and Red Mesa.

Future Phases are not developed yet. Tom Hartnett wanted to know if Lake Durango is bumping up price of water – we have allocation from ALP – cost of OM & treatment is

\$7/1000gal. Kevin commented that his costs are estimated at \$17.00/1000 at the Durango water dock.

Roy spoke with Duane Dale with USDA – Pending addition of items Duane requested, application package will go on for review by engineering review Bob Scarpa and environmental review by Tom Sacada. Mardi spoke with SWCA and helped notify property owners where SWCA needs to finish field work. They will report by August

Roy – Grants and Fundraising – Water and Wastewater Eligibility Survey for 2017 due to CDPHE by July 30. Roy will send draft of survey submission as soon as he can, with emphasis on funding for water dock.

Ken suggest we send post cards to current subscribers re update.

Deb to look into lists from LPEA for 81326, 81329 and 81328.

ALP postage discounts.

Meeting Adjourned-9:12pm

Meeting minutes as reported by Jeannette Hass, substituting for Frank Smith, LPWWA Secretary, for the July 13, 2016 meeting

Approved on November 9, 2016

