

September 18, 2014- **LPWWA public meeting notes**

There were 30 people in attendance at this meeting not including board members. The meeting started at 6:35pm.

Roy Horvath introduced himself and the other board members present. Roy Horvath, Barb McCall, JT Coyne, Suzanne Wilhelm, Paul Gray, Mardi Gebhardt, and Frank Smith were the Directors present at this meeting.

Roy gave a history of the intake structure, and past work done since 2007. Roy then covered the raw water project highlights and the agreements that have been made with Lake Durango as well as the Ute Mountain Ute Tribe and Southern Ute Indian Tribe. Roy explained that the money for the raw water line and the intake structure are costs that are not a part of phase 1. Phase 1 costs are only for the infrastructure that will go into phase 1.

Roy then explained that we still need to develop operating agreements with our partners for the intake structure as well as the raw water pipeline.

Roy showed a map of the potential service phases. Roy covered the easement process, the reason for requesting blanket easements, and how purchasing easements drives up the costs for everyone.

Roy showed a slide of when the collection of tap fees will happen. The design and construction timeline was also discussed. Roy covered the number of additional taps we need to sell before August of next year in order to have the basis for our application to USDA.

Damian Peduto the Director of the La Plata County Planning Department-He stated that the county recognizes the need for the lot sizes to be flexible in areas such as Kline, Marvel, and Hesperus. Damian also discussed the 35 acre minimum lot size. If you can prove water up for a new parcel of land you can subdivide it up. The County implemented a code for guest houses, mother in law quarters or accessory dwelling units on one parcel. When you have the accessory taps you can have the accessory dwelling units. The rest of the county has been able to utilize this provision. Water prove up must be other than a hauled water situation.

Lee Campbell got up and stated that he hasn't always liked dealing with the county because they would hand things down and pretty much say this is what you are gonna live with. Lee has met with Damian on several occasions and he is happy with the information that he has talked through with Damian and Lee stated that Damian is willing to listen and work through the issues with you.

Roy covered the costs and next steps. Easement letters will be going out in November.

Questions- Russell- asked if he purchased a tap in phase 2 can he transfer it to phase 3. Is there additional cost for setting the meter at a later date if the tap is reserved and not installed? Roy believed that the 2000 cost associated with the activating the tap would cover that cost for an extended period of time for the meter set.

One person asked if the base rate has been established? Roy stated the debt service portion of the base rate for phase 1 is around \$65. He also explained that the rate for water would be near \$7/ 100 gallons of water.

Can I buy a tap in phase 4 at this price? Roy, this price is only good for phase 1. You will need to wait until phase 4 to buy your tap.

Marilyn asked if the other phases have been scheduled out and if there is some kind of timeline? Roy stated there is not a definite timeline established but know that we will pursue the next phase as the first phase design is completed, so on and so forth.

Has Lake Durango improved their water quality? Roy stated they are regulated and they have had to make improvements.

Roy explained the water dock will be moved as the phases are constructed.

If I am in phase 5 can I get my deposit back? Yes, we would hope that you will stay with us and have the advantage that we will offer at that time phase 5 is established.

If a property owner pays to have a service line into their property and another nearby property owner wants to tap into their line how will this be handled? We have not contemplated this scenario.

Is there going to be a place for people to fill their tanks? Yes that is what we are talking about with the treated water dock station that will be at blue hill and then moved to Kline. Will the people be charged for getting water from the docking station? Yes there will probably be a key card system that is tied to an account and the rate per gallon will be established.

How do you know what size lines to run for trunk line if you are only considering phase 1? The engineering has looked at the commitments we have to date and has designed the pipe sizes taking those commitments into consideration.

Les asked if there is enough houses existing in phase 1 to get to the 200 mark? Roy stated there are 300 existing parcels and we believe that of those parcels we may be able to get 2/3 of those to purchase the taps.

What happens if you don't get 200? We may have to scale down again.

Is LPWWA only responsible for the raw water line to 210? No we are overseeing the entire pipeline.

Have you considered trying to utilize the old railroad row? In may be a consideration for future raw waterline route.

LPWWA Public Meeting September 23, 2014
Meeting Notes

There were 31 community members in attendance. Please see attached sign in sheet.
LPWWA Board members in attendance were- Roy Horvath, Barb McCall, Mardi Gebhardt, Paul Gray, and Frank Smith

Roy started the meeting at 6:35pm- Roy asked that Damian Peduto be allowed to speak first because he had other commitments this evening.

Damian Peduto with La Plata County planning department was in attendance. Roy introduced Damian Peduto. Damian gave a brief overview of how the planning department views the existing town sites such as Marvel, Red Mesa, and how the lot sizes would be considered once water is available, as well as the 35 acre minimum lot size and proving up water to smaller lot sizes. There would have to be an amendment to the current planning document. Applications are available at the county for what is called the Class 1 process. One question was asked- if we come in and fill out the form you could tell us if the property can be split? Damian stated that by filling out form you will basically be able to determine for yourself whether the property can be subdivided or will qualify for an accessory dwelling.

Roy Horvath gave the presentation- -went over the power point presentation he put together for these meetings. Roy covered a little bit of the history of the Authority. The construction of the intake structure was covered. Roy spoke of the 2010 drive to get commitments and the impetus behind that drive (ARRA funding). Roy talked about the phased approach to the new PER. Roy talked about the agreements with LDWA and Both Ute Tribes.

Question-

Will the delivery system out to the mesa have the capacity to deliver water to the community as well as the tribes? No, it will only serve LPWWA customers.

Roy went on with the presentation-

The cost of the water from LDWA is roughly estimated at \$7/ 1000 gallons.

The base rate of the tap will be about \$65/ month for phase 1.

Consider that we do not currently have any customers or the ability to sell water. It is similar to you going to the bank for a loan and you don't have a job. The USDA is the primary funding option that we have.

The raw waterline funding agreement and the scope of the line. The complexities of the project and compliance issues with dealing with the BOR were covered.

The LDWA treatment plant was talked about and the excess capacity that they currently have.

The water dock concept was talked about first happening at Blue Hill until phase one is constructed. We will have the ability to move it as phase 1 is completed to bring the treated water source closer to the people of the community possibly at Kline.

Roy covered the phase 1 timeline. He spoke of the numbers of taps we need to sell to make phase 1 feasible. Tap sizes, primary, accessory, and reserve taps were discussed. Cross Connection Control Program was covered to let everyone know what is feasible within the program.

Roy covered the chart that is in the FAQ's. The tap price was covered for phase 1 only.

Questions-

There are no estimated costs for future phases at this point? No there are too many variables.

If the phase doesn't get built, will the money get returned? Or will some of it go to the engineering? Roy stated that we will do our best to return all of their money if this doesn't go.

Chris asked if there is a low income USDA grant program? Yes, there are fairly well defined constraints listed to qualify for that program.

A suggestion was made to have us establish a program to take payments.

Becca asked-Is there enough of a population base in phase 1 to get to 200? We looked at the number of parcels and determined that we believe there are enough in phase one to meet our goal.

Lori Wickes asked if there is a backup plan if phase 1 doesn't go? Will phases 2,3,4 be able to be constructed?

Are there other sources of funding being sought? Yes we are on the eligibility list for the State revolving fund especially considering the water dock.

Easements were discussed. Blanket easements and the reason for this approach were discussed. The county road right of ways are really not an option as they are largely prescriptive easements and the costs for constructing in the county road right of ways is higher than getting out of the public traffic.

Danny Huntington-Will there be an automatic expiration on the blanket easement if you are or are not going to use. May need to add an if/then clause to the easement agreement. I have a good water supply and I paid my \$500 – how long will my reserve tap be good for? We have not set a sunset date on those reserve taps.

Danny- can you do the reserve subscription without the primary subscription? Yes, it locks the price in and you don't pay the \$2000 balance until the meter is set. You do have to pay the base rate monthly which goes toward debt service.

Will there be sufficient water for fire flow? We cannot specifically design for those under USDA, but there may be some areas in trunk lines that may accommodate fire flow but we cannot specifically design for it..

Has anyone asked for commercial taps? Yes we have a few, the Hesperus trailer park, whispering pines trailer park, the school.

Danny-Will the water dock be available to commercial water haulers? We have to be cautious with our agreements with the tribes, but if it is used for domestic water it should be permissible.

Chris encouraged everyone to spread the positive message of the project to their neighbors. Don't believe everything the naysayers are saying, find out for yourselves by asking questions to the board members.

Pat Greer- If you buy a primary subscription and you are in another phase would you be able to just pay the difference when the newer phase is established? We don't have that clearly defined at this point. But we were asked a similar question last week and realize it is something that we need to start working on.

If people in other phases want to invest in the project at this point would they get a discount consideration in the future? Would you benefit from having the additional funds available? Yes and no because the money helps demonstrate interest but we are not

comfortable with spending any of that money until we are certain that the project will get built.

_You would like me to sign a commitment contract today but you don't expect any money from me until next April? Roy- yes; that is basically what we are saying.

Clyde offered an additional dry side perspective- if he goes to the spring and there is no water, then he has to go to town to get water, it costs a minimum of \$37 to haul 400 gallons of water.

In addition to the other comments made wouldn't it benefit you to have collected other phase money as evidence to the funding agencies that we have collateral?

The meeting ended at 8:20pm.