

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
JUNE 18, 2010

A regular meeting of the Board of Directors of the Baca Grande Water and Sanitation District (referred to hereafter as "Board") was held on Friday, the 18th day of June, 2010, at 9:00 a.m. at the offices of the District, BGWS&D Shop, 57 Baca Grant Way South, Crestone, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Christine Canaly, President
Vicki Matthews, Vice President
Martin Macaulay, Secretary/Treasurer
Philip Madonna, Assistant Secretary
Parvin J. Johnson, Sr., Assistant Secretary

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq.; White, Bear and Ankele Professional Corporation

Steven Harrell; District General Manager

Marcus Lock, Esq.; Bratton Hill Wilderson & Lock, LLC

Brad Simons; Olsson Associates

See attached sign-in sheet.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Tanaka noted that conflicts were filed for applicable Directors at least 72 hours prior to the meeting. President Canaly noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at

RECORD OF PROCEEDINGS

this meeting. No further conflicts were disclosed.

ADMINISTRATIVE MATTERS

Agenda: Mr. Beckman reviewed the proposed agenda for the District's Regular Board meeting.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Macaulay and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the minutes of the May 21, 2010 regular meeting.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the minutes of the May 21, 2010 regular meeting.

PUBLIC COMMENT

Bill Folk: Mr. Folk distributed a list of questions and requested that the Board respond to each in a subsequent communication.

Charles Grant: Mr. Grant addressed the Board regarding attendance by the District's Manager and Attorney at Board meetings. Director Canaly advised Mr. Grant that the Board is satisfied with the services provided and current direction of the District.

WATER MATTERS

Outstanding Water Matters with Water Counsel: EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b) and (e) of the Colorado Revised Statutes, upon motion duly made by Director Matthews, seconded by Director Johnson and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 9:20 a.m. for the purposes of discussing legal matters as authorized by Section 24-6-402(4)(b), C.R.S., and discussing matters subject to negotiation with third parties pursuant to Section 24-6-402(4)(e), C.R.S.

Furthermore, pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion

RECORD OF PROCEEDINGS

of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4), C.R.S.

The Board reconvened in regular session at 10:52 a.m.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon vote, unanimously carried, the Board directed Mr. Lock to proceed with written correspondence to the United States Fish and Wildlife Service ("USFWS") and to commence with negotiations for the acquisition of water rights.

Attorney Lock discussed the changing regulatory environment and requested permission to coordinate a public meeting to discuss the District's issues related to water with the public.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Madonna and, upon vote, unanimously carried, the Board directed Mr. Harrell to set up a meeting in August at the Colorado College or other appropriate venue for Attorney Lock to present such information to members of the public.

Strategy to Maximize Benefit of Water Rights: This matter was discussed in Executive Session.

Proposal from Water Counsel to Pursue Acquisition of Water Rights: This matter was discussed in Executive Session.

CAPITAL IMPROVEMENTS

Status of Capital Projects: Mr. Simons reported that all site approvals have been issued by the Colorado Department of Public Health and Environment ("CDPHE"). A preconstruction meeting was held yesterday with Farner Enterprises, Inc., the General Contractor for the capital improvements. Mr. Simons further reported that he will meet with the general contractor next week to address project specifics. The projects are expected to be substantially complete by the end of the year.

RECORD OF PROCEEDINGS

Project Status Summary: Mr. Beckman distributed and reviewed the Project Status Summary sheet with the Board. He noted that the information presented is incomplete and would be updated for presentation at the next meeting.

Project Timeline: Attorney Tanaka distributed and reviewed the Project Timeline with the Board. Attorney Tanaka noted that the timeline will be posted on the District's website for members of the public to view.

Agreement between the District and Olsson Associates regarding Feasibility Study for Hydroelectric Power: Mr. Simons discussed the work necessary to conduct the feasibility study and reported that the work is expected to start in July.

Following discussion, upon motion duly made by Director Madonna, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the Agreement between the District and Olsson Associates regarding Feasibility Study for Hydroelectric Power.

East Dream Way Options: Mr. Simons discussed design options and recommended a more thorough geological investigation before proceeding. Mr. Beckman recommended revisiting this project this later in the year once the current projects are underway. No action was taken.

FINANCIAL MATTERS

Claims: Mr. Beckman distributed and reviewed the payment of claims with the Board through the period ending June 18, 2010 as follows:

General Fund	\$ 43,374.53
Capital Projects Fund	2,200.20
Enterprise Fund	<u>123,122.83</u>
Total Claims:	<u>\$ 168,697.56</u>

Following review and discussion, upon motion duly made by Director Matthews, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the payment of the claims for the period ending June 18, 2010.

RECORD OF PROCEEDINGS

Financial Statements: Mr. Beckman reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending May 31, 2010.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board accepted the financial statements for the period ending May 31, 2010.

Cash Flow Analysis: Mr. Beckman reviewed the current cash flow analysis with the Board.

Online Customer Payment and Lockbox Services: Mr. Beckman reported that Mr. Lallier and Ms. Wellman have scheduled training with Vectra Bank for the online customer payment and lockbox service.

Rate Structure: Attorney Tanaka discussed the current Availability of Service ("AoS") fee, the current user group subject to such fees and the upper limit allowed by statute compared to the existing fee. Mr. Beckman discussed the rationale for setting user rates and suggested that the rate structure take into account tap size equivalency for the base rate and variable costs for consumption. No action was taken.

Credit Card Research: Mr. Harrell reported that Vectra Bank has the best rates and schedules for the District's employees' credit cards and advised that, pursuant to previous Board action and authorization, the credit cards will be obtained through Vectra Bank.

Research Regarding Funding Opportunities: Mr. Beckman reported that he has been in contact with the CDPHE and other funding agencies in pursuit of opportunities that will allow refunding of existing debt. He will continue to research the matter and explore other avenues available to the District.

2009 Audit: Discussion was deferred.

OPERATIONS

Mobile Home Estates Wastewater Treatment Facility: Mr. Harrell reported that the facility was not in

RECORD OF PROCEEDINGS

compliance this month.

Aspen Wastewater Treatment Facility: Mr. Harrell reported that the facility was in compliance this month.

Corrosion Control Study and Compliance Requirements: Mr. Harrell reported sampling is proceeding on schedule and the study is being conducted in compliance with all regulatory guidelines.

Community Outreach Related to Water Meter Relocation Policy: Mr. Harrell reported that the follow-up letter to residents will be sent out in the next few days. The Board requested that the deadline for response be extended to July 15th. Mr. Harrell will make this change to the letter and mail out as discussed.

Water Meter Multiplexer Unit ("MXU") Installation Plan: Mr. Harrell reported that the District has received the handheld "remote-read" MXU unit.

Digitalization of Water Rights Documents: Mr. Harrell reported that software has been installed and training will begin next week.

Decommissioning of the Discharge Pond on the Manitou Property: Mr. Harrell reported that the District will proceed with the decommissioning of the pond once the scope of work associated with possible hydro-electric improvements is known.

GIS Map by North Line GIS, LLC. Mr. Harrell reported that the staff would like to send GIS information on a regular basis to North Line for incorporation into the mapping system. Mr. Harrell is in the process of obtaining a proposal from North Line for these ongoing services for the Board's consideration.

Facilities Audit by Olsson Associates: Mr. Simons discussed the permit for operation of the Mobile Home Estates Lagoon. It was recently brought to the attention of the staff that the CDPHE had sent a revised permit to the wrong address and was not received by the District. Since the District is working toward the decommissioning of the lagoon this

RECORD OF PROCEEDINGS

is not expected to be an issue. He further reported that the District will need approval by the state for alkalinity adjustment processes at the Aspen Wastewater Treatment Facility. It appears that not all of the lift stations are properly permitted; however, he expects to be able to work with the CDPHE to obtain the necessary permitting.

First Addendum to the Independent Contractor Agreement with RMS Utilities, Inc. for Bio Solids Pumping at Aspen Wastewater Treatment Facility: Attorney Tanaka discussed the First Addendum to the Independent Contractor Agreement with RMS Utilities, Inc. for Bio Solids Pumping at Aspen Wastewater Treatment Facility. Mr. Harrell reported that the cost for sludge was in excess of the original quote of \$17,495 due to excessive weeds in the lagoon. Mr. Harrell requested approval of an additional \$1,000 to pay for the unexpected conditions.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the First Addendum to the Independent Contractor Agreement with RMS Utilities, Inc. for Bio Solids Pumping at Aspen Wastewater Treatment Facility in the amount of \$2,914.

Discussions with Chama Ling Spiritual Center Regarding Imposition of EQR : Mr. Harrell reported that the service lines to the individual buildings appear to have been constructed by the Spiritual Center, and that all of the buildings are being serviced by one meter. He reported that this configuration is not typical and recommended that situations such as this be considered in the rate structure.

Backup Pump for Aspen Wastewater Treatment Facility: Mr. Beckman reported that the expenditure can be capitalized.

Consumer Confidence Report: Mr. Harrell reviewed the Consumer Confidence Report with the Board and reported that it will be distributed with the monthly billing and published in the local newspaper.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Matthews, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the Consumer Confidence Report to be distributed with the monthly billing and published in the local newspaper.

LEGAL MATTERS

Cottonwood Creek Plant Waterline and Road Access Easements: Manitou Foundation Easement. Attorney Tanaka reported that recent research revealed the District's improvements are in an existing mine road easement. As a result, there is no need to pursue a separate easement from the Manitou Foundation because this easement is in place.

Legal Fees related to Manitou Easement.

The Board discussed ratifying approval of authorization to pay up to \$1,000 for Attorney's fees. Attorney Tanaka reported that due to the discovery of the Mine Road Easement the total cost should be less than \$1,000; however, Manitou has requested that its legal costs be covered in connection with this matter up to this capped amount.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board ratified approval of authorization to pay up to \$1,000 for Attorney's fees.

Greenway Easement. Director Macaulay reported that the property manager for Mr. Greenway recently reported that the Greenways are planning to meet with their neighbors to discuss the alignment of the existing road. Director Macaulay reported that he is expecting to hear from the Greenways or their property manager once the meeting has taken place. He will report any new information to the Board.

Property Owners' Association ("POA") Easement. Mr. Macaulay noted that his understanding in talking with the Greenways is that the POA is no longer concerned regarding the District's easement on the POA property due to the District no longer seeking to install a gate along the road. Attorney Tanaka asked Ms. Dunlop if she felt the POA was willing to grant the easement given the abandonment of the gate. Ms. Dunlop

RECORD OF PROCEEDINGS

suggested that the District request written confirmation from the Manager of the POA's position on the matter.

Legal Research Work for 16 Incomplete Easements: Attorney Tanaka reported that she will work with staff to determine what actions are necessary to resolve any outstanding matters.

Shumei International Institute: Attorney Tanaka reported that she, Mr. Beckman and Mr. Harrell met with Mr. Crowley to discuss the current usage and rate structure. At the meeting Mr. Crowley was advised that the Shumei Institute will likely be required to pay a higher rate in the near future that would be consistent with a uniform rate structure.

Request by Manitou Foundation, Inc. for Private Well on Spanish Hill Tract: Cindy Pearson, the Real Estate Broker representing a prospective purchaser of a parcel on the Spanish Hill Tract, requested clarification as to whether the prospective purchaser could tie into the District's system. Mr. Harrell reported that the property could be served by the District in accordance with the District's policies. Attorney Tanaka discussed a payment in lieu of taxes that would be required for tax exempt property and advised Ms. Pearson that if approved by the Board, a well could serve only one single family residence.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Johnson and, upon vote, unanimously carried, the Board authorized the Manitou Foundation, Inc. to drill a private well on the Spanish Hill Tract, subject to the conditions discussed.

Rules and Regulations: Attorney Tanaka reported that she and Mr. Beckman and Mr. Harrell are reviewing two draft articles every other week and are currently on articles 11 and 12.

Amendment to Intergovernmental Agreement with Town of Crestone and Fees for Treatment and Additional Customer Taps: Attorney Tanaka reported that the Town recently responded to the proposed term sheet; however, the response was unclear. She noted that she will follow up

RECORD OF PROCEEDINGS

with the Town Manager to clarify the position of the Town Council.

Amendment to Employee Handbook to Include Use of Service Truck by On-Call Employees: Attorney Tanaka reported that the amendment is still in process and will be presented for approval at the next meeting.

Amendments 60, 61 and Proposition 101: Attorney Tanaka discussed the potential impact of Amendments 60, 61 and Proposition 101. She discussed efforts by groups in opposition and noted that she will prepare a resolution in opposition of the ballot initiatives for consideration at the next meeting.

Request by Committee to Form Baca Crestone Fire District: Warren Stephen reported that the group is comprised of approximately 50 members seeking approval to form a Fire District. They have engaged their own attorney and have drafted a service plan. The group is hoping to put the matter of approval of the service plan to a vote of the electorate on the November ballot. Ms. Dunlop reported that a feasibility study commissioned by the POA will be forthcoming within the next two weeks. Mr. Stephen explained that the committee expects that residents within the service area to receive a decrease in POA dues that would offset the mill levy increase necessary to cover the cost of service. The Board discussed the matter of there being two groups simultaneously working toward the same goal. Mr. Beckman suggested that the District consider the adoption of a resolution in support of the formation of a fire district in general, but not specifically endorsing one group over the other.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Madonna and, upon vote, unanimously carried, the Board determined to adopt a resolution in support of the formation of Baca Crestone Fire District. A copy of the adopted Resolution No. 2010-06-01 is attached hereto and incorporated herein by this reference

Discussion with Hanne Strong Regarding Well 18 Water Line Easement: Attorney Tanaka reported that she is working with Ms. Strong regarding the easements.

RECORD OF PROCEEDINGS

Resolution No. 2010-06-02 Regarding Colorado Open Records Act Requests: The Board discussed Resolution No. 2010-06-02 Regarding Colorado Open Records Act Requests.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved Resolution No. 2010-06-02 Regarding Colorado Open Records Act Requests. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Resolution No. 2010-06-03 Regarding Colorado Open Records Act Requests: The Board discussed Resolution No. 2010-06-03 Adopting a Policy Regarding The Conduct and Recordation of Public and Executive Session Meetings.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved Resolution No. 2010-06-03 Adopting a Policy Regarding The Conduct and Recordation of Public and Executive Session Meetings. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Code of Conduct for Directors: Discussion was deferred.

OTHER MATTERS

Crestone Eagle Article for June Publication: Director Macaulay reported that he will draft an article for the Crestone Eagle regarding the status of construction. The Board discussed an article for August which would include notice to the public of the presentation by Attorney Lock addressing water matters affecting the District.

SDA 2010 Annual Conference: Mr. Beckman discussed having Board Members attend the SDA 2010 Annual Conference.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon vote, unanimously carried, the Board authorized three Board members and one staff member to attend the SDA 2010 Annual Conference.

RECORD OF PROCEEDINGS

EXECUTIVE SESSION

Personnel Matters: EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4) (b) and (f) of the Colorado Revised Statutes, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 3:25 p.m. for the purposes of discussing personnel matters as authorized by Section 24-6-402(4)(f) C.R.S., and receiving legal advice as authorized by Section 24-6-402(4) (b), C.R.S.

Furthermore, pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4) (b), C.R.S.

The Board reconvened in regular session at 3:53 p.m.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Johnson and, upon vote, unanimously carried, the Board authorized the increase of \$0.75 per hour to Justin Debon's salary effective as of July 1, 2010.

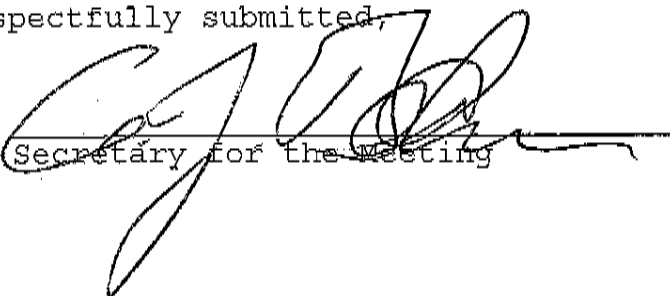
Following discussion, upon motion duly made by Director Matthews, seconded by Director Macaulay and, upon vote, unanimously carried, the Board ratified approval of repairs for Mr. McGreggor for extraordinary and unforeseen circumstances.

ADJOURNMENT

Upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By


Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL
JUNE 18, 2010 MINUTES OF THE BACA GRANDE WATER AND
SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING
BELOW:

Christine Canaly

Vicki Matthews

Vicki Matthews

mm.

Martin Macaulay

[Signature]

Parvin J. Johnson, Sr.

[Signature]

Philip Madonna



Baca Grande
Water And Sanitation
District

Baca Grande Water and Sanitation District
P.O. Box 520 | 57 Baca Grant Way S.
Crestone, CO 81131-0520

Please print your name, address and contact information along with any issues you are interested in addressing at today's Board Meeting.

Name	Address	Telephone/Email	Would you like to speak?	Issues to be addressed
MICHAEL SCOLLY	PO Box 952 CRESTONE	256-5728		
Bill Folk	Box 488	256 5798		
Chuck Grant	Box 718	256-5490		
Deanne Dunlop	Box 155	4871		
M. Esther Grant	Box 718	57490-		
Wanna Stepha	Box 704	4264		

RESOLUTION NO. 2010-06-01

RESOLUTION
OF THE BOARD OF DIRECTORS
OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
SUPPORTING THE CREATION OF A FIRE PROTECTION DISTRICT
IN BACA/CRESTONE AREA

WHEREAS, the Baca Grande Water and Sanitation District (the "District") was duly organized and validly exists pursuant to and in accordance with the Special District Act, §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, members of the community are petitioning for the creation of a fire protection and emergency services district within, *inter alia*, the Baca/Crestone area (the "Fire Protection District"); and

WHEREAS, the petitioners for the creation of a Fire Protection District have requested the support from the District; and


WHEREAS, the Board of Directors of the District (the "Board") desires to support the creation of a Fire Protection District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT AS FOLLOWS:


1. SUPPORT FOR FORMATION OF FIRE PROTECTION DISTRICT. The Board hereby supports the creation of a Fire Protection District serving the Baca/Crestone area.

APPROVED AND ADOPTED THIS 18th DAY OF JUNE 2010.

BACA GRANDE WATER AND
SANITATION DISTRICT


Vicki Matthews, Vice President

ATTEST:


Martin Macaulay, Secretary/Treasurer

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
Regarding Colorado Open Records Act Requests

WHEREAS, the Baca Grande Water and Sanitation District (the "District") maintains certain records that are available for inspection by the public under and in accordance with the laws of the State of Colorado; and

WHEREAS, records of the District available for inspection by the public are defined as "public records" under applicable Colorado law; and

WHEREAS, the District anticipates that from time to time members of the public may request the right to inspect and/or copy public records of the District; and

WHEREAS, pursuant to § 24-72-203(1)(a), C.R.S., the District is authorized to adopt certain rules with regard to the inspection and copying of public records of the District; and

WHEREAS, the District desires to set forth in this Resolution the rules it shall adopt with regard to the inspection and copying of its public records.

NOW, THEREFORE, it is hereby resolved by the Board of Directors of the District as follows:

1. The District Manager for the District is hereby designated as the "Official Custodian" of the public records of the District, as such term is defined in § 24-72-202(2), C.R.S.

2. The Official Custodian is authorized to charge the maximum amount permitted by statute per page for copies of the District's public records or the actual costs of reproducing and copying the District's public records, whichever is greater.

3. The Official Custodian is authorized to charge a reasonable fee for the cost of research and retrieval services associated with any public records request, including, at the discretion of the Official Custodian, the cost of hiring outside help to assist with the research and retrieval.

4. All requests for copies or inspection of public records of the District shall be submitted to the Official Custodian in writing on a Public Records Request Form, a copy of which is attached as **Exhibit A**, specifically detailing the exact public records being sought. The Public Records Request Form must be completed and submitted by email or hard copy with the name, address and telephone number of the individual submitting the request. Telephone

requests or electronic requests through means other than email (e.g. text messages) will not be honored.

5. Records requests may be delivered to the District's legal counsel for review and legal advice regarding the lawful availability of the records requested and other matters. The District shall have the authority to deny any request until such time as the Public Records Request Form has been completed and submitted to the District. The District may, from time to time, designate specific records for which written requests are not required and with respect to which review by legal counsel is not required, i.e., service plan, rules and regulations, minutes, etc. Such designations shall occur in minutes of meetings of the District.

6. All public records of the District copied and provided to interested persons shall be copied in duplicate by the Official Custodian. The Official Custodian shall retain the original record in the appropriate file, and shall retain the duplicate copies in a separate file bearing the name of the person to whom copies are provided and the date of such person's request for said copies of the public records of the District. Costs for duplicate copies of public records of the District shall not be charged to the person requesting the public records, but shall be maintained for record purposes by the Official Custodian.

7. All inspections of public records shall take place during regular business hours at the office of the Official Custodian. Additionally, public records requests may not preempt or take priority over previously scheduled official District related business activities.

8. No person shall be entitled to remove public records of the District from the Official Custodian's Office for inspection, copying or any other purpose or reason. Public records of the District shall be: 1) subject to inspection in the presence of the Official Custodian or the Official Custodian's designee; 2) appropriately marked by the person making the request; 3) copied after receipt of all required charges therefor; and 4) delivered to the person requesting such records at the office of the Official Custodian within the statutory timeframe and after all charges have been paid. Copies of public records of the District not picked up at the time set aside therefor by the Official Custodian may be destroyed. In the event a person renews the request for the same public records of the District after failing to pick up previously requested copies, they will be charged for the cost of both records requests.

9. Only the Official Custodian (or designee of the Official Custodian) may copy public records of the District.

10. On behalf of the District, the Official Custodian reserves the right to seek a declaratory judgment, pursuant to § 13-51-101, *et seq.*, C.R.S., to determine if a large public records request may be exempted from the statutorily required response time.

11. The Official Custodian may establish such other reasonable regulations as are not inconsistent with applicable Colorado law, as established from time to time.

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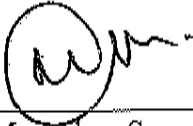
RESOLVED AND ADOPTED this 18th day of June 2010.

BACA GRANDE WATER AND SANITATION
DISTRICT



Christine Canaly, President

ATTEST:



Martin Macaulay, Secretary/Treasurer

EXHIBIT A

Public Records Request Form



BACA GRANDE WATER AND SANITATION DISTRICT
57 Baca Grant Way South, Crestone, Colorado 81131
(719) 256-4310, FAX (719) 256-4309

Public Records Request Form

Requester Name: _____	Date: _____
Mailing Address: _____ _____	
Signature: _____	Phone: _____

Detailed Description of Request (Please use additional sheets if necessary):

Fee Schedule:		
Copy (black & white) A page is defined as one side	8 1/2 x 11 # _____ @ \$.25 each 8 1/2 x 14 # _____ @ \$.35 each 11 x 17 # _____ @ \$.45 each	\$ _____ \$ _____ \$ _____
Copy (color) A page is defined as one side	8 1/2 x 11 # _____ @ \$.50 each 8 1/2 x 14 # _____ @ \$.65 each 11 x 17 # _____ @ \$.90 each	\$ _____ \$ _____ \$ _____
Research & Retrieval (First 1/4 hour is free)	# _____ hrs @ \$25.00 per hour (billed in 1/4 hour increments)	\$ _____
Information Transfer to Computer media if available	\$50.00 for first disk then \$10.00 each # of disks _____	\$ _____
Certified Letter Fee	\$2.80 per copy	\$ _____
Budget book or other large publication	Varies - Charge is based on District's cost to produce the publication	\$ _____
Postage & Packaging for mailing	Varies - Actual cost will be assessed	\$ _____
PDF copies sent by email	\$.15/C per file if prescanned \$.15 per file if scanning required	\$ _____

Please Note:

- a. Prior to making copies or providing access to other information requested, the District must receive: (1) a copy of this form completed by the requester or its authorized agent; and (2) Payment of all charges incurred as part of the request.
- b. Inspection of the District's records and documents is permitted. Such inspection must take place during regular business hours at the office of the Official Custodian for the District. All hourly Research and Compilation Fees and other costs incurred as a result of said inspection shall be charged to the requester.
- c. Public records requests shall not preempt or take priority over previously scheduled official District related business activities. As required by § 24-72-101, *et seq.*, C.R.S., requests shall be handled with Seventy-Two (72) hours unless extenuating circumstances exist. The District reserves the right to seek a declaratory judgment, pursuant to § 13-51-101, *et seq.*, C.R.S. to determine if a large or otherwise difficult public records request may be exempted from the statutorily required response time.

For Internal Office Use:	
Date request completed: _____	Amount prepaid: \$ _____
Approved: _____ Denied: _____	Balance due before release: \$ _____
If denied, provide reason(s): _____	Total Amount paid: \$ _____

I hereby acknowledge that I have seen or received the information or documents I requested in the form requested and within the required statutory time limits.

Requester's Signature: _____ **Date:** _____

RESOLUTION NO. 2010-06-03

RESOLUTION
OF THE BOARD OF DIRECTORS
OF THE
BACA GRANDE WATER AND SANITATION DISTRICT

ADOPTING A POLICY REGARDING THE CONDUCT AND RECORDATION OF PUBLIC
AND EXECUTIVE SESSION MEETINGS

WHEREAS, the Baca Grande Water and Sanitation District (the "District") was duly organized and validly exists pursuant to and in accordance with the Special District Act, §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Board of Directors of the District (the "District") is empowered to adopt, amend and enforce bylaws and rules and regulations not in conflict with the Colorado Constitution for the purpose of carrying on the business, objects and affairs of the Board and of the District; and

WHEREAS, as a governmental entity, the District is subject to and desires to comply with the provisions of § 24-6-401, *et seq.*, C.R.S. (the "Open Meetings Law"), which provides, *inter alia*, that formation of public policy is public business and may not be conducted in secret; and

WHEREAS, the 65th Colorado General Assembly passed and the Governor signed Senate Bill 06-009 which, *inter alia*, amended the Open Meetings Law by establishing new requirements for the recordation of executive session meetings as authorized by § 24-6-402(4), C.R.S., which bill became effective on August 9, 2006; and

WHEREAS, the Board desires to adopt a policy regarding the conduct and recordation of public and executive session meetings.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT AS FOLLOWS:

1. WRITTEN MINUTES FOR PUBLIC MEETINGS. The Board shall use written summary minutes as the manner and media for recording its regular and special public meetings.

2. EXECUTIVE SESSION MINUTES. To the extent required by § 24-6-402(2)(d.5)(II)(A), C.R.S., the Board shall electronically record executive session meetings by use of a cassette tape recorder. All business conducted in executive session shall remain in executive session unless otherwise required by law. No discussions or privileges afforded to the executive session proceedings, including, but not limited to, attorney-client privileged communications, shall be waived by any Board member, consultant or other person in attendance at the executive session proceedings and it shall take an action of a majority of the Board to

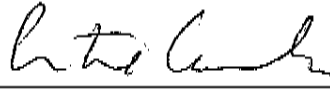
waive any confidentiality or privileges of the executive session, which action of the Board shall be made in the public session of a regular or special meeting of the Board.

3. RETENTION AND DESTRUCTION OF EXECUTIVE SESSION MINUTES.
Pursuant to and in accordance with § 24-6-402(2)(d.5)(II)(E), C.R.S., the Board shall retain executive session meeting records for ninety (90) days after the date of the applicable executive session. The custodian of the District's records shall destroy such executive session meeting records upon the expiration of the ninety (90) day retention period.

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APPROVED AND ADOPTED THIS 18th DAY OF JUNE 2010.

BACA GRANDE WATER AND
SANITATION DISTRICT



Christine Canaly, President

ATTEST:



Martin Macaulay, Secretary/Treasurer