

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD APRIL 20, 2012

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 20<sup>th</sup> day of April, 2012, 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.

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#### ATTENDANCE

##### Directors In Attendance Were:

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

##### Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc. – Via speakerphone  
  
Lindsay Ross; Special District Management Services, Inc. –Via speakerphone  
  
Jennifer Tanaka, Esq.; White, Bear & Ankele P.C. – Via Speakerphone  
  
Kendall Burgemeister, Esq.; Bratton Hill Wilderson & Lock, LLC – Via speakerphone  
  
Steve Harrell; District General Manager  
  
See attached Sign-In Sheet of Additional Attendees

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#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**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. Director 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 this meeting. No further conflicts were disclosed.

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### ADMINISTRATIVE MATTERS

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

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

**Minutes:** The Board reviewed the Minutes of the March 16, 2012 Regular Meeting.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Madonna and, upon vote, unanimously carried, the Board approved the minutes of the March 16, 2012 Regular Meeting.

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### PUBLIC COMMENT

**Public Comment:** Members of the public requested updates as to the status of the District's Corrosion Control Analysis and status of the May 8, 2012 Election. These matters were addressed under the Corrosion Control Analysis and May 8, 2012 Election portions of these minutes.

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### WATER MATTERS

**Outstanding Water Matters with Water Counsel:** Attorney Burgemeister joined the meeting via speakerphone at this time.

**EXECUTIVE SESSION:** Pursuant to Sections 24-6-402(4) (b) and (e), C.R.S., upon motion duly made by Director Madonna, seconded by Director Macaulay and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 10:16 a.m. for the purpose of discussions relating to personnel matters, negotiations with third parties and receiving legal advice as authorized by Sections 24-6-402(4)(b) and (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 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 10:51 a.m.

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### OPERATIONS

**Operations Report:** Mr. Harrell reviewed the Operations Report with the Board.

**Corrosion Control Analysis:** Mr. Beckman reported that the District received a letter from the Colorado Department of Public Health and Environment

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(“CDPHE”) regarding the initial Corrosion Control Plan submitted by McLaughlin Water Engineers. Mr. Beckman, Mr. Harrell and Attorney Tanaka met with Ron McLaughlin of McLaughlin Water Engineers to discuss the findings of the State. Mr. Beckman reported that Mr. McLaughlin has been directed to proceed with the design of the Soda Ash treatment equipment simultaneous with responding to the CDPHE regarding the questions and concerns raised in their letter.

**Aspen Wastewater Treatment Facility:** Mr. Harrell reported that there were no discharge exceedences for March for the facility.

**Leak Protection Plan:** Mr. Harrell reported that he met with the Colorado Rural Water Association (“CRWA”) about leak detection but that the CRWA was unable to assist with leak detection.

### **CAPITAL IMPROVEMENTS**

**SCADA Control:** Mr. Harrell reported that he and Mr. Simons met with Farner Enterprises, Inc. approximately one month ago to determine the completion date for the project including the SCADA equipment. The Project Manager has since determined to engage Timber Line Electric & Control Corporation (“Timber Line”) to determine the work necessary to complete the capital projects. A price to complete the projects is expected from Timber Line in the near future. The District will subsequently settle with Farner Enterprises, Inc. for the final payment for the project less the amounts paid to Timber Line for the finalization of the project.

**Well 18 Replacement Well:** Mr. Harrell reported that TZA Water Engineers, Inc. is currently drilling the well, which is expected to be completed within the next few days. Mr. Harrell reported that he has ordered the equipment to tie the new water source into the distribution system. The District will perform the work to connect it to the system once the design is approved.

**Pump at Mobile Home Estates Lift Station:** Mr. Harrell reported that a pump failed at the Mobile Home Estates Lift Station. The pump is expected to be a warranty repair. He reported that the SCADA system was able to notify staff of the malfunction.

**Water Outage to Mobile Home Estates:** Mr. Harrell discussed a recent water outage to Mobile Home Estates. He reported that the outage was related to nighttime watering of the golf course. Director Matthews stated that she received a report that the answering service was not presenting customers with adequate information at the time of the outage. Mr. Harrell reported that he would follow up with the answering service about conveying the correct information when outages are encountered.

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### FINANCIAL MATTERS

**Claims:** Mr. Beckman reviewed the payment of claims with the Board through the period ending April 20, 2012 as follows:

General Fund	\$	25,998.02
Capital Projects Fund	\$	33,719.02
Enterprise Fund	\$	<u>49,897.74</u>
<b>Total Claims:</b>	\$	<b><u>109,614.78</u></b>

Following review and discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the payment of the claims for the period ending April 20, 2012.

Ms. Ross joined the meeting via speakerphone at this point.

**Financial Statements:** Ms. Ross reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, and budget analysis and accounts payable vouchers for the period ending March 31, 2012.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Macaulay and, upon vote, unanimously carried, the Board accepted the financial statements for the period ending March 31, 2012.

**Cash Flow Analysis:** Ms. Ross reviewed the cash flow analysis with the Board.

**Grant Funding Applications and Research:** Mr. Beckman reported that he has applied to the CDPHE for a Water Quality Improvement Fund Grant in the amount of \$50,000 for funding to decommission the Mobile Homes Estates Lagoon. He further reported that he has been in contact with the Colorado Water Conservation Board regarding Water Efficiency Grants and a potential Water Supply Reserve Account Grant to assist with procurement of water rights and system leakage.

**Colorado College PILOT Payment:** Attorney Tanaka reported that the District has received payment in full for the amount due from Colorado College bringing them current through 2012.

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### LEGAL MATTERS

**May 8, 2012 Election:** Attorney Tanaka reported that mail ballots have been mailed to all eligible electors. She explained that the District relies on data provided by the County to determine who should receive a ballot. She explained

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that in order to receive a ballot residents must be registered to vote in Colorado and must also either reside in the District for at least thirty days or own property located in the District or be the spouse of someone who owns property within the District. She further explained that persons that have not received a ballot but believe they are eligible to vote can request a mail ballot and will be required to complete a mail ballot application affirming that they are eligible to vote.

Candidates' Forum Facilitation: Director Canaly acknowledged the service of Kate Steichen as the facilitator of a candidates' forum, and inquired as to the District's ability to compensate Ms. Steichen. Attorney Tanaka advised against compensation due to fair campaign practices laws.

Canvass Board: Mr. Beckman discussed the need to appoint a Board of Canvassers. Following discussion, it was determined that Dom Spelane, Martin Macaulay and Mr. Beckman will be the members of the Canvass Board.

First Amendment to Well 18 Easement Agreement with Briseis Capital Corporation: Attorney Tanaka reported that she has been in contact with Mr. Ireland regarding approval of an amendment to the easement which will allow for the installation of a backup well within the easement area. She has received verbal approval from the property owner and expects to receive the executed document next week.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the First Amendment to Well 18 Easement Agreement with Briseis Capital Corporation.

Memorandum of Understanding ("MOU") with U.S. Forest Service ("USFS"): Director Macaulay reported that he has been in contact with the USFS and let them know that the District would not participate in funding for the installation of a portable toilet at the trailhead until the MOU is executed. He reported that the USFS will deliver the fully executed MOU within the next two weeks.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Johnson and, upon vote, unanimously carried, the Board authorized the District's participation in the funding of the installation of portable toilet at the trail head for an amount not to exceed \$150.00.

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### EXECUTIVE SESSION

**Personnel Matters, Consultant Contracts and Operation and Rates Charged for Golf Course Irrigation: EXECUTIVE SESSION:** Pursuant to Sections 24-6-402(4) (b), (e) and (f), C.R.S., upon motion duly made by Director Macaulay, seconded by Director Madonna and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 12:47 p.m. for the purpose of discussions relating to personnel matters, negotiations with third parties and receiving legal advice as authorized by Sections 24-6-402(4)(b), (e) and (f), 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 2:25 p.m.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the amendment to the Agreement between the District and Special District Management Services, Inc. and the amendment to the Agreement between the District and White, Bear & Ankele, P.C.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the amendment to the Agreement with Bratton Hill Wilderson & Lock, LLC.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Madonna and, upon vote, unanimously carried, the Board approved the revised irrigation rate of a \$1.25 per 1,000 gallons with no consumption charge for the first 100,000 gallons. The Board authorized Mr. Beckman to implement the new rule following further discussion with Mr. Harrell.

### OTHER BUSINESS

**Crestone Eagle Article for June 2012 Publication:** Director Canaly will provide a newsletter article for the June 2012 publication in the Crestone Eagle.

### ADJOURNMENT

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

Respectfully submitted,

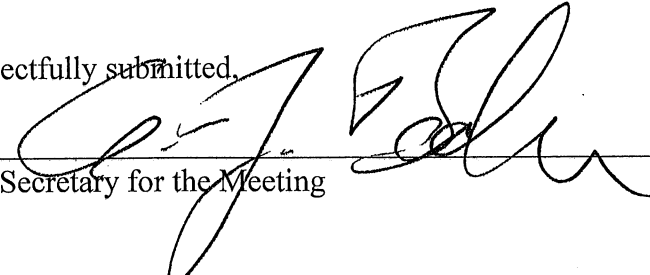
By \_\_\_\_\_

**RECORD OF PROCEEDINGS**

**ADJOURNMENT**

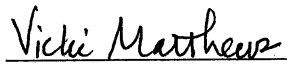
Upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.


Respectfully submitted,


By   
Secretary for the Meeting


THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 20, 2012 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
Parvin J. Johnson, Sr.

  
\_\_\_\_\_  
Vicki Matthews

  
\_\_\_\_\_  
Martin Macaulay

  
\_\_\_\_\_  
Cindy Reinhardt

  
\_\_\_\_\_  
Kyle Grote



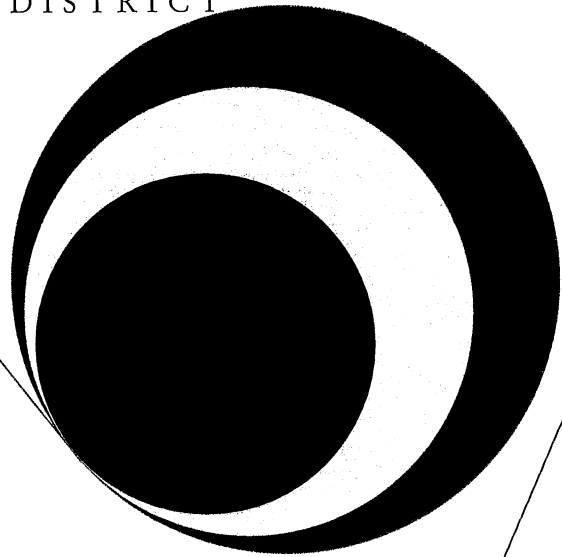
Baca Grande Water and Sanitation District  
 P.O. Box 520 | 57 Baca Grant Way S  
 Crestone, CO 81131-0520

April 20, 2012

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 issues to be addressed to speak?
Kayer Foyote	3732 Cordial Way	719-256 4522	
Don Allen	270 W. Chap.	719-256- 5305	
Cindy Reinhardt	104 Pinewood OL	5927	N
William Howell	#10 Baca Meadows Townhome Rd.		
F.J. Oltro	646 Rensley Lane W97	256 5653	
Dora SPILLANE	Box 579		
MATTAR ONERUNCE	"	"	





# REPORT ON DISTRICT OPERATIONS



## TO THE BOARD OF DIRECTORS

Facility Operations Updates.....2

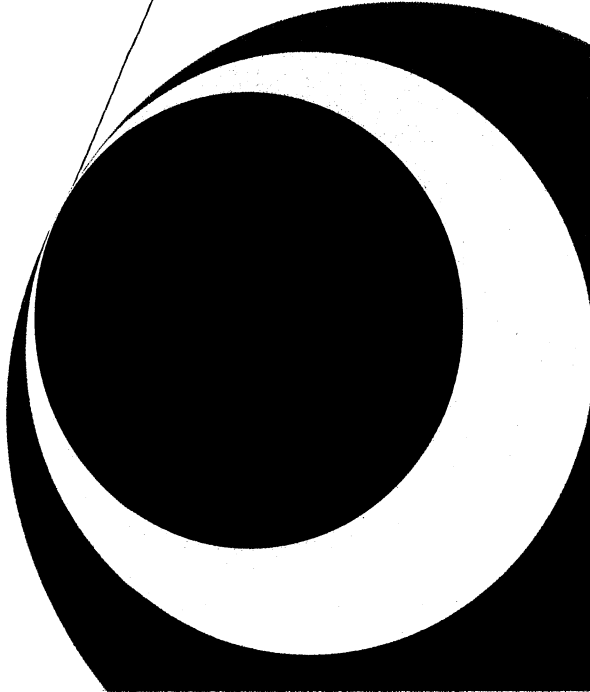
Projects .....2

Water Usage.....3

Compliance and Testing.....4

Administration and Budget.....5

**Steven Harrell**  
**4/20/2012**





**BACA GRANDE WATER AND SANITATION DISTRICT**  
**MONTHLY OPERATIONS REPORT**  
 APRIL 20, 2012

<b>ASPEN WASTEWATER TREATMENT FACILITY</b>			
Compliant	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	No discharge permit violations
<b>OPERATIONS</b>			
SSO-Sanitary Sewer Overflow	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	March 2012
Fire Hydrants Repair & Maintenance Total Hydrants = 277	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Operational= 274 Non-operational= 3
Water Main Repairs	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Mobile Home Estates
Water Leaks	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Unaccounted water: Estimated 93 gallons per minute
Infrastructure Installed	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
GPS/GIS	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>Infrastructure location 75% complete</li> <li>Spiritual Life Institute easement sent to North Line GIS for map inclusion.</li> </ul>
Water/Sewer Hookups	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	1 water & sewer tap installed in March
<b>BGWSID - INFRASTRUCTURE</b>			
<b>DISTRIBUTIONS</b>		<b>COLLECTIONS</b>	
Water Mains = 64 miles		Sewer Mains = 45 Miles	
Gate Valves = 510 Units		Manholes = 798	
Curb Stops = 707 Units		Lift Stations = 5	
Fire Hydrants = 277			
Well 18 Water Treatment Facility		Aspen Wastewater Treatment Facility	
MHE Motel Well Water Treatment Facility			
Water Transfer Stations = 4			
<b>PROJECTS</b>			
MHE Lagoon Decommissioning		(in progress)	
Final Grading for the New Well-18		Complete	
Water Meter MXU Upgrades		160 MXU's installed, 5 remaining	
<b>LEAK DETECTION</b>			
Action Plan		Contingent on budget development and authorization by District Board of Directors	
Proposals Received:		\$1000 per day + expenses per estimated 3 miles of leak detection per day	
<ul style="list-style-type: none"> <li>Free Leak Detection service</li> </ul>		<ul style="list-style-type: none"> <li>Colorado Rural Water Association visited the District on March 6 for approximately 2.5 hrs. They were unable to locate any leaks</li> <li>Need to revisit proposals</li> </ul>	
Schedule		TBD	
Leak Detection Training For District Staff		Training is available in March 2012, cost and authorization to be determined by District Board of Directors	
<b>CORROSION CONTROL</b>			
1 <sup>st</sup> Quarter Report submitted to Division		March 26, 2012	



**BACA GRANDE WATER AND SANITATION DISTRICT**  
**MONTHLY OPERATIONS REPORT**  
**APRIL 20, 2012**

<b>BACA GRANDE CHALET</b>			
<b>WATER – WELL 18</b>	<b>GALLONS PUMPED</b>	<b>COMPLIANT</b>	<b>RESULTS</b>
Gallons Pumped January 2012	4,561,914		
Gallons Pumped February 2012	4,236,063		
Gallons Pumped March 2012	5,231,616		
<b>Total for Year</b>	<b>14,029,593</b>		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Trace	0.25 mg/L

<b>CASITA PARK</b>			
<b>WATER – MOTEL WELL</b>	<b>GALLONS PUMPED</b>	<b>COMPLIANT</b>	<b>RESULTS</b>
Gallons Pumped January 2012	977,553		
Gallons Pumped February 2012	1,303,404		
Gallons Pumped March 2012	1,303,404		
<b>Total for Year</b>	<b>3,584,361</b>		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155300		Trace	0.17 mg/L

<b>ASPEN WWTF TOTAL WATER TREATED</b>			
<b>TOTAL TREATED WATER CHALET &amp; MHE</b>	<b>GALLONS PUMPED FINISHED WATER</b>	<b>WASTEWATER TREATED @ WWTF</b>	<b>ESTIMATED UNACCOUNTED WATER</b>
Gallons Pumped January 2012	5,539,467	1,814,992	3,724,475
Gallons Pumped February 2012	5,539,467	1,706,722	3,832,745
Gallons Pumped March 2012	6,535,020	1,920,775	4,614,245
<b>Total for Year</b>	<b>17,613,954</b>	<b>5,442,489</b>	<b>12,171,465</b>

**This concludes the wintertime (November – March) water loss study.**  
**Total estimated unaccounted water for the 2012 winter study period = 12,171,465 gallons.**  
**Irrigation season begins in April**

<b>COLLECTION SYSTEM</b>	
Lift Stations	4 of 5 cleaned
Jetting	650 linear feet and 1 manhole completed during the 1 <sup>st</sup> quarter of 2012



BACA GRANDE WATER AND SANITATION DISTRICT  
 MONTHLY OPERATIONS REPORT  
 APRIL 20, 2012

WASTEWATER - ASPEN WWTF			
MARCH	LIMIT	COMPLIANT	RESULT
Effluent BOD <sub>5</sub>	30/45mg/L 30DAY AVG/7DMAX	Yes	1.7mg/L
Percent Removal BOD <sub>5</sub>	85% or greater	Yes	98.3%
Effluent TSS	30/45mg/L 30DAY AVG/7DMAX	Yes	0.4mg/L
Percent Removal TSS	85% or greater	Yes	99.6%
Fecal Coliform	200/400 Colonies/100/mL 30DAY GEO.MEAN/7DMAX	Yes	2/100
TOTAL AMMONIA AS N, MG/L			
	LIMIT	COMPLIANT	RESULT
January	5.0 mg/l	Yes	January 0.2 mg/l
February	4.1 mg/l	Yes	February 0.2 mg/l
March	4.4 mg/l	Yes	March 0.1 mg/l
April	3.9 mg/l		
May	3.3 mg/l		
June	3.4 mg/l		
July	3.0 mg/l		
August	2.2 mg/l		
September	2.6 mg/l		
October	2.5 mg/l		
November	3.8 mg/l		
December	4.0 mg/l		
ADMINISTRATION			
Late Charges	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	131
Customer Complaints	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Resolved <input checked="" type="checkbox"/>
Monthly Safety Meetings	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Ladders & Falls
Agenda Items			



**BACA GRANDE WATER AND SANITATION DISTRICT**  
**MONTHLY OPERATIONS REPORT**  
**APRIL 20, 2012**

March Budget	Date	PO #	Vendor	Description	Cost	Subtotals	
<b>Office Supplies</b>							
<i>Administration</i>	3/5/12	1864	Quill	Kensington Monitor stand	\$19.79		
<i>Administration</i>	3/1/12	1847	Misc	3-section shelving for Board room	\$400.00		
	3/8/12	1866	Quill	Custom envelopes	\$78.29		
	3/16/12	1875	Quill	Checks	\$123.99		
	3/21/12	1876	Amazon.com	Suggestion box	\$67.94		
					<b>Office Supplies Subtotal</b>		<b>690</b>
<b>Shop &amp; Small Tools</b>							
<i>Small Tools</i>	3/2/12	1859	GJ Pipe & Supply	Wilkins PRV- water meters	\$580.80		
	3/5/12	1862	Misc	Northern Tool: Sledge hammer, wire & cable extension cord, storm torque wrench	\$98.47		
	3/5/12	1863	Amazon.com	Baldor Plexiglas eye shield	\$50.68		
	3/5/12	1863	Amazon.com	Channel mop & broom holders	\$31.28		
	3/5/12	1863	Amazon.com	Maglite, chop saw wheel	\$49.81		
	3/6/12	1865	Amazon.com	Adhesive	\$44.76		
	3/7/12	1858	USA Bluebook	DPD Dispenser	\$217.92		
	3/8/12	1868	Amazon.com	Car dollies, cordless grinder, 18V battery	\$310.30		
	3/8/12	1877	Poncha Lumber	Case sikaflacks	\$99.00		
<i>Shop</i>	3/8/12	1871	HD Supply	Pipe cradles	\$450.00		
	3/12/12	1873	Amazon.com	Sprinkler, water timer	\$161.39		
	3/12/12	1874	Misc	Sherwin Williams	\$73.00		
	3/12/12	1892	Misc	Alcon:screws / wall sheathing	\$105.00		
<b>Subtotal</b>					<b>Small Tools Subtotal</b>		<b>2,272</b>
<b>Facilities</b>							
<i>Well 18</i>	3/13/12	1870	Misc	MXU Project	\$117.91		
<i>Well 18</i>	3/22/12	1879	Misc	Well 18	\$266.34		
<i>Well 18</i>	3/6/11	1861	USA Bluebook	Well 18	\$190.25		
<i>Golf course Well</i>	3/22/12	1880	USA Bluebook	Golf Course Well	\$98.93		
<i>Golf course Well</i>	3/22/12	1878	Misc	Golf Course Well	\$101.44		
<b>Subtotal</b>					<b>Facilities Subtotal</b>		<b>775</b>
<b>Vehicles</b>							
<i>Truck 1</i>	3/1/12	1856	Misc	Industrial Ladder: truck box	\$491.20		
<i>ALL</i>	3/12/12	1872	Napa	2-cases Castrol 5W-20			
Backhoe							
<b>Subtotal</b>					<b>Vehicles Subtotal</b>		<b>491</b>
<i>Distribution System</i>	3/5/12	1860	Misc	Timberline: Moonlight	\$148.75		
<b>Subtotal</b>					<b>Distribution Subtotal</b>		<b>0</b>
					<b>IT-Computer Subtotal</b>		<b>149</b>
<b>Education</b>							
<i>Training</i>	3/1/12	1857	AWWA	3Book set, Secrets to Success	\$213.50		
	3/8/12	1867	Misc	CRWA: Mark Math course for operators	\$75.00		
					<b>Education Subtotal</b>		<b>289</b>
					<b>Total</b>	<b>\$4,665.74</b>	<b>\$4,665.74</b>
					<b>Balance</b>	<b>\$334.26</b>	