

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD DECEMBER 12, 2014

A regular meeting of the Board of Directors (referred to hereafter as "Board") of the Baca Grande Water and Sanitation District (referred to hereafter as "District") was held on Friday, the 12th day of December, 2014, at 8:00 a.m. at the offices of the District, BGWSD Shop, 57 Baca Grant Way South, Crestone, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Cindy Reinhardt
Martin Macaulay
Michael Scully
Kyle Grote
Judy DeLuca

Also In Attendance Were:

Lisa A. Johnson, and Lindsay Ross (for a portion of the meeting); Special District Management Services, Inc., via speakerphone

Jennifer Gruber Tanaka, Esq.; White Bear Ankele Tanaka & Waldron, via speakerphone

Steven Harrell; District General Manager

JoAnn Slivka; District Administrative Manager

Brad Simons; TZA Water Engineers (for a portion of the meeting), via speakerphone

See attached list for other attendees

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to Colorado law 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 Reinhardt noted that a quorum was present and requested members of the Board to disclose

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any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No further conflicts were disclosed.

ADMINISTRATIVE MATTERS

Agenda: Director Reinhardt reviewed the proposed Agenda for the District's regular meeting with the Board.

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

ADMINISTRATIVE MATTERS CONT'D

Consent Agenda: The Board considered the following actions:

- Approve Minutes from the November 21, 2014 regular meeting.
- Review and accept unaudited financial statements for the period ending November 30, 2014, current schedule of cash position and financial graphs.
- Consider approval of an Independent Contractor Agreement with RMS Utilities, Inc. for General (water and sewer utility line) Services.
- Consider approval of an Independent Contractor Agreement with North Line GIS, LLC for Ongoing GIS Services
- Consider approval of an Independent Contractor Agreement with North Line GIS, LLC for Property Interest Mapping Services.
- Consider approval of an Independent Contractor Agreement with Fluid Technology, LLC for Diagnosis and Repair of Chemical Dose Pump.

President Reinhardt asked that consideration of the approval of an Independent Contractor Agreement with Canon Fire Equipment Co. for Fire Extinguisher Testing and Maintenance Services be removed from the consent agenda.

Following discussion, upon motion duly made by Director Scully, seconded by Director Macaulay and, upon vote, unanimously carried, the Board reviewed, approved and accepted the Consent Agenda items.

Independent Contractor Agreement with Canon Fire Equipment Co. for Fire Extinguisher Testing and Maintenance Services: President Reinhardt would like to spend some time working with staff to understand the services

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required and research options. The Board deferred any action until the January meeting.

Board and Staff Reports: The Board reviewed the board and staff reports.

Mr. Harrell explained the information included in the report related to fire hydrant replacement for the benefit of the public.

Mr. Harrell updated the Board on the draft report on the Well 18 pump/motor failure repairs and the status of the MXU water meter transmitter replacement project.

Ms. Slivka updated the Board on the status of the Caselle/Clarity conversion.

Administration of Management and Legal Contracts: President Reinhardt commented that recent actions to transition certain responsibilities to employee staff from consulting staff is underway. President Reinhardt asked the Board if they wanted to be more involved in the oversight of the consultant contracts and a detailed review of the consultant invoices.

Director Scully suggested the possibility of scheduling work sessions to discuss current and future issues and making a determination to direct staff to perform services. This suggestion will be discussed in more detail at the January meeting.

President Reinhardt also commented on the need for contracts. She posed the question as to whether the Board should determine when a contract is needed prior to consulting staff drafting the agreement. She asked that Ms. Johnson to add this to the January agenda for further discussion.

PUBLIC COMMENT

Lisa Cyriacks, resident, transmitted an email to the Board. Her concerns and comments are as follows:

-Review legal fees. As I mentioned at the budget hearing, Jennifer Tanaka's current rate is \$325 per hour. At \$80,000 per year in the budget that equals approx. 246 hours. The other law firm used by the District, Bratton Hill Wilderson & Lock, also represents Special Districts. By contrast their highest fee is \$225.00. There are also two junior attorneys who currently work for the District at \$125.00 per hour. If you take 246 hours x \$225 that is \$55,350 - an almost \$25,000 savings on legal fees. Clearly there is an opportunity for cost savings if the District were to put legal services out to bid. It has been a number of years since this was last done.

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Lynn Drake, resident, commented that she encourages the Board to solicit proposals for legal services.

The Board summarized their policy to have the attorney attend the Board meetings. The Board determined to discuss the desired criteria for legal services at their January meeting.

Lisa Cyriacks wrote:

-Health insurance costs. The District, with 7 employees, is not required under the ACA to provide insurance, although I think there are arguments for making it as available as possible. As I mentioned at the meeting, the library district saved money by their 3 employees enrolling directly through the Colorado system; then the District reimbursed up to a certain amount for each employee. There are also tax advantages to employees for handling it this way. Below is the schedule for renewals. Even though the District has paid its premium for this year, insurance policies can be cancelled and refunded, especially in the first 30-60 days. Regardless, if the legwork is not done before the next renewal date, then the District will again default to the existing insurance plan.

December 15, 2014: The last date to enroll for coverage that starts January 1, 2015

December 31, 2014: Date when all 2014 Marketplace coverage ends, no matter when you enrolled

January 1, 2015: The date 2015 coverage can start if you apply by December 15, 2014, or if you accept automatic enrollment in your 2014 plan or a similar plan

February 15, 2015: The last day to enroll in 2015 coverage. If you miss this deadline, you can't sign up for a health plan inside or outside the Marketplace for the rest of 2015. The only exception is if you qualify for a Special Enrollment Period.

The Board determined to add this issue to the agenda in February and research this in more detail for a possible change in health insurance for 2016.

Lisa Cyriacks wrote:

-The 2015 budget does not show the increase in Specific Ownership Tax that the District should be getting every year now that the county has found and corrected their error. According to estimates I have received from the county administrator the increase should be about 1/3 of the payment for 2011-2103 or \$44,000.

-I am also still interested in an answer to my question at the Public Hearing regarding a Reserves Policy. If I recall correctly, there is

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currently no policy about what that money can be spent on and who decides how to spend it. As I mentioned at the hearing, there is some concern that the District will emulate the POA and just create an ever-increasing fund. Evaluating and comparing the benefits of holding that money and investing it vs. using it at some point to retire debt – possibly early; seems to be a necessary part of that upcoming discussion.

The Board determined to discuss a reserve policy to the 2015 list of goals and discuss in January 2015.

Lynn Drake, resident, asked about the mill levy and will it continue to increase and if property values increase would the mill levy decrease?

Director Macaulay responded that yes, the mill levy can decrease as property values increase if the District's needs are met.

Susan Wolfrey, resident, is concerned about water rights in the Valley and has the District been invited to get involved.

Director Macaulay and President Reinhardt commented that the District's water attorney is responsible for these issues and is actively involved in water rights issues affecting the District.

OFFICE ADMINISTRATION

Ms. Slivka commented that she will coordinate a presentation of Xpress Bill Pay Services at the January meeting.

OPERATIONS

Operations Follow-Ups:

Staff Resignation: Mr. Harrell reported that Gary Potter resigned his position and his last day will be December 26th. Mr. Harrell will post the job opening on the District website, Crestone Eagle website, Colorado Rural Water Association website and the SDA website and an advertisement in the Crestone Eagle newspaper.

Well 18 Update – Mr. Harrell informed the Board that two invoices received from Royal Electric related to the Well 18 repairs that the Board had directed to be held until further notice was mistakenly released to the vendor.

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Pump Failures: Mr. Harrell reported that there was a failure of a pump at the Aspen Institute facility and the Wagon Wheel lift station. Pumps were sent to Denver Electric for repair.

Mr. Harrell gave a brief explanation of the water system. Members of the public had questions regarding the treatment process. Mr. Harrell explained the process and invited residents to make an appointment to tour the facilities should they want a better understanding of how the system functions.

CAPITAL IMPROVEMENTS

Capital Funding Sources and Uses: Ms. Ross presented and the Board reviewed the Capital Funding Sources and Uses updates.

Re-prioritizing Capital Projects: Mr. Harrell summarized the capital projects recommended for 2015 and approved as part of the 2015 budget. Four projects are recommended. They are:

- Aspen Institute Wastewater Treatment Plant Flow Equalization Basin
- Stables Lift Station Improvements
- Aspen Institute Wastewater Treatment Plant and Lift Station SCADA Upgrades
- Well 18 to Casita Park Interconnect

The Board deferred discussion on re-prioritizing the remaining capital projects to allow Mr. Harrell and Mr. Simons time to review the remaining projects and recommend a priority.

2014 Water Distribution System Improvements Project: Mr. Simons summarized for the Board the status of the project. The project is complete, final walk through was completed and notice of final payment was published. Final payment will be released if no claims are received at 2 pm on December 24, 2014.

Final Payment to RMS Utilities Contract: Mr. Simons recommended final payment to the RMS Utilities Contract in the amount of \$11,628.77.

Following discussion, upon motion duly made by Director Scully, seconded by Director DeLuca and, upon vote, unanimously carried, the Board approved final payment to the RMS Utilities Contract in the amount of \$11,628.77 subject to no claims filed by the deadline of 2 pm on December 24, 2014.

Status of MXU Project Grant: Ms. Johnson informed the Board that staff recently submitted a request to amend the grant agreement with the Department of

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Local Affairs (“DOLA”) regarding the water meter transmitter replacement project to allow for remaining grant funds to be used to purchase related meter parts and to extend the agreement to expire on June 30, 2015. DOLA has approved our request and transmitted the documents to the District for execution.

FINANCIAL MATTERS

Check Register: The Board considered approval of the check register through the period ending December 12, 2014, as follows:

General Fund	\$	16,610.27
Debt Service Fund	\$	200.00
Capital Projects Fund	\$	47,826.66
Enterprise Fund	\$	92,045.14
Total Claims:	\$	156,682.07

Following discussion, upon motion duly made by Director Grote, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the check register for the period ending December 12, 2014.

LEGAL MATTERS

Resolution No. 2014-11-05, Adopting a Marijuana Policy: Attorney Tanaka presented a memo and draft resolution adopting a marijuana policy. The memo discussed the impact of Amendment 64 to the Colorado Constitution on special districts and what options are available to special districts to regulate the possession, use, display, transfer, distribution, sale, transportation or growing of marijuana on special district property.

The Board discussed the memorandum and asked if certain scenarios would be applicable to this policy.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote with Directors Macaulay and Grote voting yes and Directors Reinhardt, DeLuca and Scully voting no, the approval of a resolution adopting a marijuana policy was not approved.

Third Party Fidelity Bond and Designated Agent Endorsement: Ms. Johnson discussed with the Board the current crime coverage in the District’s policy. She explained to the Board that there have been instances in the distant and recent past of embezzlement by ex-employees of the District and in other districts. The District’s current crime coverage is limited to \$25,000 per occurrence. She asked Ms. Slivka to explain the current cash handling process by employees. She will ask Ms. Ross to summarize the bank reconciliation process and wiring procedures

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at the next meeting. In addition, she and Attorney Tanaka will confirm information related to additional insurance coverage offered and present this information at a future meeting.

The Board determined to defer action on this agenda item to a future meeting.

EXECUTIVE SESSION

EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Scully, seconded by Director Grote and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:21 a.m. for the purpose of discussing personnel matters and receiving legal advice, as authorized by Sections 24-6-402(4)(b) and (e), C.R.S.

Pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of the remaining portion of this executive session that, in the opinion of the Board's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 11:39 a.m.

The Board commended Mr. Harrell and Ms. Slivka for a job very well done in 2014.

OTHER BUSINESS

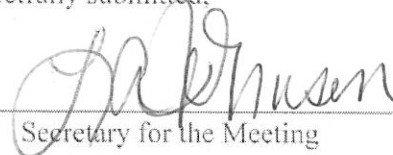
January Meeting: The Board determined that there will not be a quorum for the regular meeting scheduled for January 16, 2015 and scheduled a special meeting to be held on January 23, 2015 at 8 am at the offices of the District.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and upon vote, unanimously carried the meeting was adjourned.


Respectfully submitted,

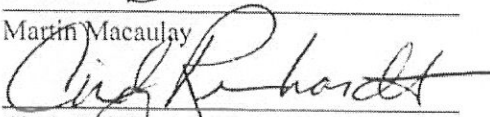
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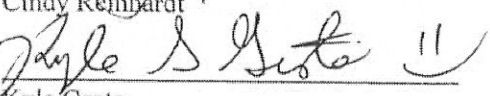

Secretary for the Meeting

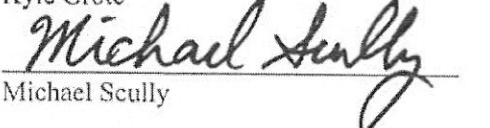
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THESE MINUTES ARE APPROVED AS THE OFFICIAL DECEMBER 12, 2014 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Martin Macaulay


Cindy Reinhardt


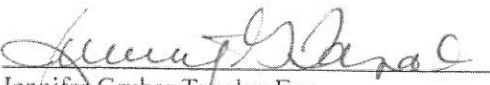
Kyle Grote


Michael Scully

Judy DeLuca

**Attorney Statement
Regarding Privileged Attorney-Client Communication**

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Baca Grande Water and Sanitation District, I attended the executive session on December 12, 2014, for the sole purpose of discussing personnel matters, as authorized by §§24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required by be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.



Jennifer Gruber Tanaka, Esq.
General Counsel
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

December 12, 2014

Board of Directors Sign-in

Cindy Reinhardt	<i>Cindy Reinhardt</i>	
Martin Macaulay	<i>(M)</i>	
Kyle Grote	<i>Kyle Grote</i>	
Michael Scully	<i>Michael Scully</i>	
Judy Deluca	<i>Judy De Luca</i>	



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

December 12, 2014

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
Judith Smith	1468 Budget Rd	256-4084		
Kynn Dink	3385 Genial	256-4770		
Susan W. Foley	182 La Paz	496-6001		
Richard FRANZEN	4246 Serene Way	480-7394		



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

Date: December 5, 2014
To: Baca Grande Water and Sanitation District, Board of Directors
From: Lisa A. Johnson, District Manager
Re: December 12, 2014 Manager's Report

Agenda Action Items

I.C. Consent Agenda

1. Approve Minutes from the November 21, 2014 regular meeting.
2. Review and accept unaudited financial statements for the period ending November 30, 2014, current schedule of cash position and financial graphs.
3. Consider approval of an Independent Contractor Agreement with RMS Utilities, Inc. for General (water and sewer utility line) Services.
4. Consider approval of an Independent Contractor Agreement with Canon Fire Equipment Co. for Fire Extinguisher Testing and Maintenance Services.
5. Consider approval of an Independent Contractor Agreement with North Line GIS, LLC for Ongoing GIS Services.
6. Consider approval of an Independent Contractor Agreement with North Line GIS, LLC for Property Interest Mapping Services.
7. Consider approval of an Independent Contractor Agreement with Fluid Technology, LLC for Diagnosis and Repair of Chemical Dose Pump.

In consideration of recommendations from Mr. Harrell on contract renewals, I recommend approval of the consent agenda items.

V.B.1. RMS Utilities, Inc. Final Payment

TTG Corp. has provided a project close-out letter and recommends approval of the final payment to RMS Utilities, Inc. in the amount of \$11,628.77. Notice of final payment was published on December 3 and December 10, 2014.

I recommend approval of the final payment to RMS Utilities, Inc. in the amount of \$11,628.77 on December 24, 2014 after 2 pm. if no claims are filed by December 24, 2014 by 2pm.

VI.A. December 2014 Check Register

Mr. Harrell will review and approve the invoices for December and will recommend approval at the board meeting.

Updates on Other District Related Items

Water Meter Transmitter Replacement Grant – Staff prepared a progress report and reimbursement request for expenses incurred and a request to extend the grant to June 30, 2014 and submitted to DOLA. As of the writing of this report, a response has not been received on the extension request.

Energy and Mineral Impact Assistance Grant – Staff prepared a grant application for the Well 18 to Casita Park Interconnect project and submitted the application to DOLA on December 1, 2014. Grant monies will be awarded in January 2015.

Small Communities Water and Wastewater Grant – Starr prepared a grant application for the Aspen Institute Wastewater Treatment Plant Flow Equalization Basin project and submitted the application to CDPHE on December 4, 2014. Grant monies will be awarded in January 2015.



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

GENERAL MANAGER'S REPORT

To: Board of Directors, Baca Grande Water and Sanitation District
From: Steven Harrell, General Manager
Date: December 12, 2014

MXU-M Replacement Project: District operations staff continues to work on the final phase of MXUM project. Based on the detailed review of the water meter services the total number has been reduced from 412 to 408. The reduction is a result of. 1) One service being terminated. 2) The POA Ambulance bay which does not have a water meter installed and uses very little water intermittently for one bathroom. 3) A duplicate account correction and 4) one lost water meter service that is not hooked up to a residence. District staff will continue efforts to locate the lost service in the spring of 2015. Of the 408 water meter services the District staff has installed 394 MXUM units and activated 363 MXUM units. Five of the remaining MXUM installations are scheduled for 2015. The original project scope as a whole will be completed December 19, 2014 with the exception of 5 MXUM installations scheduled for 2015.

Saguache County Fire Hydrant Grant: District operations staff completed the installation of 3 new fire hydrants partially funded by the Saguache County Specific Owner Ship Tax Fire Hydrant Grant. In addition the operations staff removed and replaced a non-draining fire hydrant on Badger Road with a District refurbished fire hydrant. The District's fire hydrant inventory is 99% operational.

Well-18 Booster Pumps: The District has not received final reports from Denver Electrical Motor. The current operating status of the booster pump/motors in the 310 and 320 position are fully operational and seem to be performing correctly. The twice daily District operator inspections are taking place and the data is being recorded.

Pepsi Soft Drinks: The final order of Pepsi soft drinks was made on November 15, 2014 one month earlier than planned in order reduce District expenditures. The District staff has not elected to have a soft drink vending machine installed.

Winterization: The District operations staff has completed the many task specified for winterization of the District facilities. They include covering all facility fresh air vents to save on heating cost, turning on heat at the lowest setting to prevent freezing and setting up running water on East Dream Way to prevent the sewer main from freezing.

New Water and Sewer Services In 2014: The District sold 14 new water and sewer services in 2014 and Installed 11 of the 14 services.



Baca Grande Water And Sanitation District

Water is Life ~ Water is Our Business

Report on District Operations

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Operations Staff rebuilding fire hydrant

Steven Harrell
General Manager
Baca Grande Water and Sanitation District
December 12, 2014

DISTRICT OPERATIONS

SSO-Sanitary Sewer Overflow	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Fire Hydrant Maintenance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	3 new fire hydrants have been installed in the system
Water Main Repairs	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Collection System Cleaning	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	60,000 linear feet of collections system cleaning completed
GPS/GIS	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	11 new water and sewer services GPS data collected YTD
Water/Sewer Hookups	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	1 new water service hook-up
Accidents	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	

* Water Main Breaks - Cracks or burst in the PVC water mains

* Lateral Service Line Breaks – In service line or brass fittings

* Other – Road grader or broken facility due to accidental impact on fire hydrants or flushing hydrants

TOTAL WATER TREATED

	Finished Water Combined Well-18 & Motel Well	Wastewater Treated	Estimated Unaccounted Water
Gallons Pumped January 2014	7,168,722	2,464,000	4,704,722
Gallons Pumped February 2014	5,213,616	2,091,000	3,122,616
Gallons Pumped March 2014	6,842,871	2,182,000	4,660,871
Gallons Pumped April 2014	7,494,573	1,997,000	5,497,573
<i>Start of Irrigation Season: Irrigation water will not be used for calculating unaccounted for water or water loss within the distribution system</i>			
Gallons Pumped May 2014	10,753,083	2,441,000	8,312,083
Gallons Pumped June 2014	11,730,636	3,550,000	8,180,636
Gallons Pumped July 2014	12,056,487	2,326,000	9,730,487
Gallons Pumped August 2014	9,449,679	2,269,000	7,180,679
Gallons Pumped September 2014	12,708,189	2,145,000	10,563,189
Gallons Pumped October 2014	10,427,232	2,107,000	8,320,232
Gallons Pumped November 2014	7,168,722	1,979,000	5,189,722
Gallons Pumped December 2014			
Total Gallons Pumped In 2014	101,013,810	25,551,000	75,462,810

Golf Course Well	Irrigation Water
Gallons pumped April 2014	1,955,106
Gallons Pumped May 2014	7,820,424
Gallons Pumped June 2014	9,123,828
Gallons Pumped July 2014	7,820,424
Gallons Pumped August 2014	6,517,020
Gallons Pumped September 2014	5,865,318
Gallons Pumped October 2014	4,561,914
Total Gallons Pumped In 2014	43,664,034

BACA GRANDE CHALET

Water – Well 17/18	Gallons Pumped	Compliant	Result
Gallons Pumped January 2014	6,842,871		
Total Coliform Reporting	21 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.27 mg/L
Gallons Pumped February 2014	4,561,914		
Total Coliform Reporting	14 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.25 mg/L
Gallons Pumped March 2014	5,539,467		
Total Coliform Reporting	17 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.16 mg/L
Gallons Pumped April 2014	6,191,169		
Total Coliform Reporting	19 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.16 mg/L
Gallons Pumped May 2014	8,472,126		
Total Coliform Reporting	26 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.21 mg/L
Gallons Pumped June 2014	9,123,828		
Total Coliform Reporting	28 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.21 mg/L
Gallons Pumped July 2014	8,797,977		
Total Coliform Reporting	27 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.25 mg/L
Gallons Pumped August 2014	7,168,722		
Total Coliform Reporting	22 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.12 mg/L
Gallons Pumped September 2014	9,775,530		
Total Coliform Reporting	30 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.27 mg/L
Gallons Pumped October 2014	8,472,126		
Total Coliform Reporting	26 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.20 mg/L
Gallons Pumped November 2014	6,517,020		
Total Coliform Reporting	20 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.32 mg/L
Gallons Pumped December 2014			
Total Coliform Reporting	Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L

CASITA PARK

Water – Motel Well	Gallons Pumped	Compliant	Result
Gallons Pumped January 2014	1,303,404		
Total Coliform Reporting	4 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.26 mg/L
Gallons Pumped February 2014	651,702		
Total Coliform Reporting	2 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.26 mg/L
Gallons Pumped March 2014	1,303,404		
Total Coliform Reporting	4 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.25 mg/L
Gallons Pumped April 2014	1,303,404		
Total Coliform Reporting	4 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.26 mg/L
Gallons Pumped May 2014	2,280,957		
Total Coliform Reporting	7 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.26 mg/L
Gallons Pumped June 2014	2,606,808		
Total Coliform Reporting	8 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.26 mg/L
Gallons Pumped July 2014	3,258,510		
Total Coliform Reporting	10 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.10 mg/L
Gallons Pumped August 2014	2,280,957		
Total Coliform Reporting	7 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.30 mg/L
Gallons Pumped September 2014	2,932,659		
Total Coliform Reporting	9 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.32 mg/L
Gallons Pumped October 2014	1,955,106		
Total Coliform Reporting	6 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.29 mg/L
Gallons Pumped November 2014	651,702		
Total Coliform Reporting	2 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.32 mg/L
Gallons Pumped December 2014			
Total Coliform Reporting	Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L

WASTEWATER DISCHARGE SAMPLE RESULTS

November	Limit	Compliant	Result
Effluent BOD ₅	30/45 mg/L 30 DAY AVG/7DMAX	Yes	2.6.0 mg/L
Percent Removal BOD ₅	85% or greater	Yes	99%
E-coli	200/400 Colonies/100/mL 30 DAY GEO.MEAN/7DMAX	Yes	2/100 mg/L

Aspen Wastewater Treatment Plant Has No Discharge Permit Violations for November

TOTAL AMMONIA AS N, MG/L

Month	Limit	Compliant	Result
January	5.0 mg/L	Yes	January 2.3 mg/L
February	4.1 mg/L	Yes	February 1.8 mg/L
March	4.4 mg/L	Yes	March 1.8 mg/L
April	3.9 mg/L	Yes	April 2.1 mg/L
May	3.3 mg/L	Yes	May 0.7 mg/L
June	3.4 mg/L	Yes	June 0.5 mg/L
July	3.0 mg/L	Yes	July 0.5 mg/L
August	2.2 mg/L	Yes	August 1.1 mg/L
September	2.6 mg/L	Yes	September 0.9 mg/L
October	2.5 mg/L	Yes	October 0.9 mg/L
November	3.8 mg/L	Yes	November 1.1 mg/L
December	4.0 mg/L		December 0.0 mg/L

BIO SOLIDS REPORTING

Reporting/Permits	Status
Annual Bio Solid Land Application Reporting	Completed
Annual General Permit	Completed
Disposal Permit	In process
Sampling Analysis Plan	Submitted
Bio Solids	Quantity
Stored Bio Solids – Aspen Storage Lagoon (estimated)	140,000 gal
Stored Bio Solids – MHE Lagoon Dry Bio Solids (estimated)	475 cubic yds.
Bio Solids pumped and applied to land application site in YTD 11/12/14.	22,800 gallons
Bio Solids pumped into storage lagoon YTD 11/12/14.	29,000 gallons

OTHER REPORTING

Customer Complaints	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Monthly Safety Meetings	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Road Side Work Safety and Traffic Control

BGWSD – INFRASTRUCTURE FIXED ASSETS

Drinking Water Distribution System	Wastewater Collection System
Water Mains = 64 miles	Sewer Mains = 45 Miles
Gate Valves = 517 Units	Manholes = 798
Service Accounts = 673	
Curb Stops = 673 Units	Lift Stations = 5
Fire Hydrants = 278	MHE LS – <i>Operational-in float mode only (PSI 90 November)</i>
Well 17/18 Water Treatment Plant – <i>Booster Pump Motor Operational Plant Capacity - 0.4 MGD* Well/18 level transducer failed 10/8/2014 Chlorine pump # 2 failed 11/5/2014</i>	Stables LS – <i>Operational</i>
MHE Motel Well Water Treatment Facility Plant Capacity - 1 MGD* <i>Operational</i>	Wagon Wheel LS pump 1&2 <i>Operational-in float mode only.</i>
Water Transfer Stations = 3	Dharma Ocean LS – <i>Operational</i>
Booster Stations = 4	Aspen LS – <i>Pump # 2 failed 11/26/2014 Pump # 1 operational</i>
	Aspen Wastewater Treatment Facility - 0.15 MGD* Plant Capacity - Average loading on plant for August – 61,000 gallons/day - <i>Plant Operational</i>
* MGD = MILLION GALLONS PER DAY	

Transfer Stations	Booster Stations
Fallen Tree Transfer Station – <i>Operational reduced gpm</i>	Pine Cone Booster Station - <i>Operational</i>
Ridge View Transfer Station – <i>Operational</i>	Shumei Booster Station – <i>Pump/VFD # 1 Not Operational Pump/VFD # 2 Operational</i>
Moonlight Transfer Station - <i>Operational</i>	Motel Well Booster Station – <i>Operational</i>

CERTIFICATION CORNER

Steven Harrell General Manager	Class C Water Operator Class C Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator	Renewal Date: 03/15/15 Renewal Date: 07/26/17 Renewal Date: 05/16/16 Renewal Date: 05/16/16
Justin DeBon Operator	Class C Water Operator Class C Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator Nationally Certified Heavy Equipment Operator Level 1	Renewal Date: 09/18/16 Renewal Date: 07/19/16 Renewal Date: 11/04/15 Renewal Date: 11/04/15
Gary Potter Operator	Class S Water Operator Class S Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator	Renewal Date: 11/29/16 Renewal Date: 11/29/16 Renewal Date: 11/29/16 Renewal Date: 11/29/16
Chad Tate Operator	Class S Water Operator Class S Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator	Renewal Date: 11/29/16 Renewal Date: 11/29/16 Renewal Date: 11/29/16 Renewal Date: 11/29/16

Administrative Report

December 12, 2014

<ul style="list-style-type: none"> Utility Billing 	<p>Meters:</p> <ul style="list-style-type: none"> Total Customers billed: <ul style="list-style-type: none"> November 30, 2014 = 1275 MXU Replacement Project - First New Route 3 Meter Read <ul style="list-style-type: none"> Total Number of accounts in Route 3 = 380 Successfully read = 344 Not read = 36 <ul style="list-style-type: none"> MXU not activated - Known wiring or register issues = 27 Bad reads - cause to be determined = 8 Missed = 1 <p>Delinquent account summary:</p> <ul style="list-style-type: none"> November 2014 <ul style="list-style-type: none"> Delinquent notices mailed: 12 primary account holders (+ 2 tenants) 1 - Shut off Payment plan customers: 5 up to date on monthly payments, 9 - paid in full in October Tap Fees Billed: = 38 customers billed, \$1873.98 <ul style="list-style-type: none"> 1 termination of contract letter sent for non-payment
<ul style="list-style-type: none"> Property Transfers 	<ul style="list-style-type: none"> Transferred (Sold) Properties in Late November <ul style="list-style-type: none"> 2 - Lots: 1239 Brookview Way, 2145 Indian Well Way 3 - SFR: 1234 Brookview Way, 2681C Happy Hollow Way, 4246 Serene Way
<ul style="list-style-type: none"> Consolidations 	<ul style="list-style-type: none"> 1 - Application submitted in December: 1297-1298 Moonlight Way 1 - Consolidation final approval received: 2139C Big Ranch OL
<ul style="list-style-type: none"> Water Sewer Applications 	<ul style="list-style-type: none"> 11 - New hookups complete in 2014
<ul style="list-style-type: none"> Projects 	<ul style="list-style-type: none"> Billing: <ul style="list-style-type: none"> Recorded Resolution 2014-11-06 concerning rate changes received, posted info on web site; inserted memo in December billing statement notifying residential and AOS customers of rate changes and holiday hours. Will send 8 special letters notifying property owners of larger than ¼" of changes. Clarity Upgrade <ul style="list-style-type: none"> SQL Server installation complete 11/23/14. The Clarity installation is scheduled for Monday, 12/8/14 and will be with blank shells. Once the install is completed we will receive the mock data back for review and training. There is a series of group trainings coming up the week of Dec 15th which will be the last series for this year. Other group trainings will continue again in January but training dates have not been scheduled as of yet. Xpress Billpay <ul style="list-style-type: none"> We will schedule a demonstration with Xpress Bill Pay for the January Board meeting.

Holiday Hours:

Happy Holidays! The Baca Grande Water and Sanitation District will be closed on the following days for the Holiday Season: December 25-26, 2014 and January 1-2, 2015. We will resume normal business hours 9:00 A.M. – 4:30 P.M. on Monday, January 5, 2015.

Notice of Intent to Fix or Increase Fees, Rates, Tolls, Penalties or Charges for Water and/or Sanitary Sewer Service

Per Resolution No. 2014-11-06, the Baca Grande Water and Sanitation District will increase fees effective January 1, 2015. The following increases that will effect most of our customers are:

- Late Fees = \$15 (\$10 increase)
- ¾" Residential water line (up to 4000 gallons of water)- Water = \$26 Sewer (\$1 increase), \$26 (\$1 increase)
- Annual Availability of Services imposed on vacant lots = \$150 (\$10 increase)

Please visit our web site www.bacawater.com for the complete listing of the new Schedule of Fees and Charges.



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

December 4, 2014

*Customer
 Name
 Address*

Dear Valued Customer,

This is to notify you that the Board of Directors approved a rate and fee increase for 2015 during the November board meeting (Resolution No. 2014-11-06). The key rate and fee changes are listed below.

2015 Late Fee = \$ 15.00, an increase of \$10.00
 2015 Availability of Service Fee = \$150.00 annual fee, an increase of \$10.00.

2015 Water and Sewer Rates:

Tap or Meter Size	EQR	Sewer Monthly Base Rate (increase)	Water Monthly Base Rate (increase)	Water Unbilled Usage Allowance	Water Consumption Charge (\$1.50/1000)	Water Consumption Charge (\$3.00/1000)
¾"	1	\$26 (\$1)	\$26 (\$1)	4,000	10,000	>10,000
1"	2	\$52 (\$2)	\$52 (\$2)	8,000	20,000	>20,000
1 ½"	5	\$130 (\$5)	\$130 (\$5)	20,000	50,000	>50,000
2"	8	\$208 (\$8)	\$208 (\$8)	32,000	80,000	>80,000
3"	16	\$416 (\$16)	\$416 (\$16)	64,000	160,000	>160,000
4"	36	\$936 (\$36)	\$936 (\$36)	144,000	360,000	>360,000

For the complete listing of the new Schedule of Fees and Charges please visit our web site at www.bacawater.com.

Please contact us at (719) 256-4310 if you have any questions.

Sincerely,

Steven Harrell
 General Manager
 Baca Grande Water and Sanitation District

cc: Lisa Johnson, District Manager

**BACA GRANDE WATER AND SANITATION DISTRICT
ENGINEER'S REPORT
DECEMBER 4, 2014**

2014 Water Distribution System Improvement Project

TZA Water Engineers is processing the final paperwork associated with the project, including Notice of Final Payment publication, lien waiver, and final application for payment.

Water Meter Transmitter Replacement Project

No recent activity by TZA Water Engineers except for providing feedback to the District staff on the request to the Department of Local Affairs for reallocation of excess project funds to support the overall water meter program effort.

Flow Equalization Basin

TTG Engineers has indicated it will issue the Preliminary Engineering Report (PER) for the proposed flow equalization basin at the Aspen Institute Wastewater Treatment Facility on December 5, 2014. TZA Water Engineers used the information contained within the PER as the basis for a capital project summary for the 2015 budget as well as the "Small Communities Water and Wastewater Grant Application" submitted to the Water Quality Control Division's Grants and Loans Unit.

Compliance Evaluation Inspection (Dharma Ocean and Stables Lift Station)

TZA Water Engineers has mapped the existing service taps and prepared a spreadsheet model of each basin's contributions to the respective lift stations and the Aspen Institute Wastewater Treatment Facility. TZA has been in communication with the Division's review engineer and is developing a formal response. Additional field data regarding the Aspen Institute WWTF, the Stables lift station facility, and the Wagon Wheel lift station facility has been collected and will be verified with the operations staff.

Biosolids Removal

RMS Utilities continues to conduct removal events as requested by District operations staff. A total of five (5) events resulting in 28,600 gallons of biosolids have been hauled off-site in 2014. TZA Water Engineers will work with the operations staff and RMS to compile the data necessary to produce the annual report due in February of 2015.

LAMP RYNEARSON COMPANIES



Engineer's Report
December 4, 2014
Page Two

Sanitary Survey and Well 17 Approval

TZA Water Engineers has drafted a response to the Water Quality Control Division's October 24, 2014 request for additional information. The response includes raw water sampling results from Well No. 17, as well as updated virus log inactivation calculations. The response will be sent to the Division upon receipt of the radiological sample results.

Well 18 Booster Pump Station Problems

Activities associated with this topic will be addressed separately due to attorney-client privileges.

Other Activities

Grant Applications – TZA Water Engineers supported the District Manager in drafting applications for grant funds from the Department of Local Affairs (Energy and Mineral Impact Assistance Fund) and the Water Quality Control Division (Small Communities Water and Wastewater Fund).

Funding Opportunities – TZA Water Engineers will be working with the District's management team on applications for other funds for planning, design, and construction monies, including the Colorado Water Conservation Board Water Efficiency Grant Program.

Draft Storage Tank Rule – The Water Quality Control Division has drafted a Storage Tank Rule (<https://docs.google.com/file/d/0B0tmPQ67k3NVUzAyd2dEekt5Tnc/edit>) that will be considered by the Water Quality Control Commission in January of 2015 and will become effective January of 2016. In addition to quarterly periodic (visual) inspections, this rule will require comprehensive inspections to be scheduled at least every five years.

Fallen Tree Pump Station – TZA Water Engineers has been asked by the General Manager to review the Fallen Tree Pump Station pump specifications. Based upon our review, we have asked the General Manager to verify the existing pump impeller diameters.