

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
NOVEMBER 19, 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 19th day of November, 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
Parvin J. Johnson, Sr., Assistant Secretary

Following discussion, upon motion duly made by Director Macaulay seconded by Director Matthews and, upon vote, unanimously carried, the absence of Philip Madonna was excused.

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

Meric Lallier; Special District Management Services, Inc. - Via speakerphone

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

Steven Harrell; District General Manager

Brad Simons; Olsson Associates

Kendall Burgmeister, Esq.; Bratton Hill Wilderson & Lock, LLC - Via speakerphone

Michael Scully; Casita Park Action Committee

Nanda Zipp; Dharma Ocean Foundation

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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 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 Madonna, seconded by Director Matthews and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the minutes of the October 15, 2010 regular meeting minutes and the November 5, 2010 special meeting.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the minutes of the October 15, 2010 regular meeting and the November 5, 2010 special meeting, as amended.

PUBLIC COMMENT

There were no comments made by members of the public.

WATER MATTERS

Outstanding Water Matters with Water Counsel: Attorney Burgemeister reported that HRS Water Consultants is proceeding with a report that will provide information necessary for the District's negotiations with the USFWS for purchase of water rights.

OPERATIONS

Mobile Home Estates Wastewater Treatment Facility: Steven Harrell distributed the November Operations Report. He discussed one minor violation for insufficient BOD removal at the Mobile Home Estates Wastewater Treatment Facility.

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Aspen Wastewater Treatment Facility: Mr. Harrell reported that there were no violations for the month of November. One of the jet pumps for the facility was repaired in the last month.

Corrosion Control Study and Compliance Requirements: Mr. Harrell reported that seventeen of the twenty samples have been completed. The final three samples will be taken on Monday. He expects completion of the study by the end of November.

Liner for Sludge Settling Pond: Mr. Harrell reported that he has met with and is awaiting a proposal from Colorado Lining Company.

Vactor Truck: Mr. Harrell reported that he has located a used Vactor Truck for a purchase price of approximately \$100,000; however, the vehicle will not be available until the spring of 2011. He highlighted the importance of this piece of equipment for maintenance of the District's wastewater system. Mr. Harrell further reported that the heavy equipment brokerage company he is working with can also arrange for the sale of the truck the District is currently using.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Macaulay and, upon vote, unanimously carried, the Board authorized the purchase of the Vactor Truck for an amount not to exceed \$100,000 and authorized Mr. Harrell to work with Mr. Beckman to negotiate a lease for an interim Vactor Truck and for the sale of the District's existing Vactor Truck.

Service Truck: The Board discussed the purchase of an additional service truck.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board authorized the purchase of an additional service truck in amount not to exceed \$25,200, subject to delivery in March unless funds are available earlier.

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EXECUTIVE
SESSION

Personnel Matters and Request by Dharma Ocean Foundation for Tap Fee Credit: 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 12:00 p.m. for the purpose of discussions relating to third party negotiations and determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators as authorized by Section 24-6-402(4)(e), C.R.S. and receiving from the Board's attorney legal advice on specific legal questions 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 12:36 p.m.

FINANCIAL
MATTERS

Claims: Mr. Lallier reviewed the payment of claims with the Board through the period ending November 19, 2010 as follows:

General Fund	\$ 23,762.36
Capital Projects Fund	331,997.85
Enterprise Fund	58,053.36
Debt Service Fund	778,311.66
Total Claims:	<u>\$ 1,197,929.23</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 November 19, 2010.

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

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ending October 31, 2010.

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

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

Lockbox Services and Accounting Software: Mr. Harrell reported that the software has been installed; however there are some formatting issues with the software. Ms. Wellman is working with Mr. Lallier to resolve. Mr. Beckman discussed the lockbox service and the turn-around time for distribution of monthly billing. The Board directed staff to continue to monitor to determine if adjustments to the billing period are necessary.

Resolution No. 2010-11-01 Regarding Establishment of 2011 Fees and Rates: Mr. Beckman presented a proposed base rate and consumption schedule based on the equivalency ratio ("EQR") of each customer in relation to that of a single family residence. Attorney Tanaka reviewed and discussed the resolution with the Board.

Following discussion upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board adopted Resolution No. 2010-11-01 Regarding Establishment of 2011 fees and rates and directed the District Manager and Attorney to draft a letter notifying members of the public of the new rates taking effect January 1, 2011. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Recent Bond Refunding and Use of New Money: Mr. Beckman reported that with the recent refunding the District realized a savings of approximately \$700,000 which is a net present value savings of approximately 18%. The interest rate on the refunded debt is 4.8% as well as the new money portion of approximately \$1,400,000.

Resolution authorizing the creation of 2010 General Obligation Bond Fund Account and Capital Projects Fund

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with ColoTrust. The Board reviewed Resolution No. 2010-11-02 authorizing the creation of 2010 General Obligation Bond Fund Accounts and Capital Projects Fund with ColoTrust.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews, and upon vote, unanimously carried, the Board approved Resolution No. 2010-11-02 authorizing the creation of 2010 General Obligation Bond Fund Accounts and Capital Projects Fund with ColoTrust. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2010 Audit: The Board reviewed the proposals from McMahan & Associates, Wagner Barnes, P.C. and Dazzio and Plutt, LLC to perform the 2010 audit. Discussion ensued regarding the service received from the companies which had provided proposals.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved the engagement of Wager Barnes, P.C. to perform the 2010 Audit, for an amount not to exceed \$7,950, subject to the Audit deadline of July 31, 2011 or filing with State Auditor.

2010 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2010 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2010 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following review and discussion, Director Macaulay moved to adopt the Resolution to Amend 2010 Budget, Director Matthews seconded the motion and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2010 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein

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by this reference.

2011 Budget: The President opened the public hearing to consider the proposed 2010 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2010 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Mr. Lallier reviewed the estimated 2010 expenditures and the proposed 2011 expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2011 Budget, Set Mill Levies, for the General Fund at 46.000 mills for a total mill levy of 46.000 mills and Appropriate Sums of Money. Upon motion duly made by Director Matthews, seconded by Director Macaulay and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2010. Mr. Beckman was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Saguache County and the Division of Local Government, not later than December 15, 2010. Mr. Beckman was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2011. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

LEGAL MATTERS

Water and Sewer Tap Requests by Dharma Ocean: Mr. Zipp addressed the Board regarding the Dharma Ocean Cost Share Agreement. He requested that Dharma Ocean not be charged any additional sewer tap fees for the connection of the second building on the Dharma Ocean Retreat site. He reference a letter dated November 5, 2007 from the District in which the District offered to

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waive the sewer tap fees in the amount of \$25,000 for a total tap equivalency of 10 "EQR" (Residential Equivalency Ratio). Mr. Zipp assured the Board that Dharma Ocean is interested in paying for its fair share of rates and fees; however, in his opinion the September 15, 2008 Cost Share Agreement between the District and Dharma Ocean ("the Agreement") does not accurately incorporate the terms of the November 5, 2007 letter. He requested that the Board review the letter and consider honoring the terms set forth therein and waive all tap fees associated with the connection to the second facility.

Attorney Tanaka reviewed the Agreement with the Board. She advised the Board and Mr. Zipp that the Agreement supersedes and replaces all prior agreements. The Board determined to discuss this matter further in Executive Session.

2011 Annual Administrative Resolution: Attorney Tanaka distributed and discussed the 2011 Annual Administrative Resolution. She explained that the resolution sets forth the annual Statutory Compliance requirements for the District.

Following discussion by Director Matthews, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved the 2011 Annual Administrative Resolution. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

County Assessor and Current Valuations: Attorney Tanaka reported that there appear to be inconsistencies in the valuations of some of the properties within the District. The Board directed Mr. Harrell to look for the assessment report that was paid for by the District a few years ago. Members of the Board will set up a meeting with the Board of County Commissioners to request that the properties within the District be reviewed and appropriately assessed.

CAPITAL IMPROVEMENTS

Status of Capital Projects: Mr. Simons reported that construction on the Well 18 Building will begin next week. He further reported that the Sky View Way

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Waterline is complete. The Mobile Home Estates Force Main is approximately 90% complete. He discussed the need to modify the design to the Well 18 water tank, and he is checking on a new liner for the tank. He discussed the need to consider a secondary tank for redundancy and is checking on pricing.

Ultra Violet Disinfection at Aspen Wastewater Treatment Facility: Mr. Simons reported that Olsson has reviewed the current ultra violet disinfection installation and is in the process of designing a redundant system.

Contract Change Orders: Change Order No. 11 to the Contract with Farner Enterprises, Inc. for the Well 18 Project. Mr. Simons discussed the additional work and associated with the Sky View project including inaccurate surface location mapping and the installation of additional valves. He reported that Olsson Associates has reviewed the proposed change order and recommends approval. The Board considered approval of Change Order No. 11 with Farner Enterprises, Inc. for an increase to the contract value in the amount of \$30,603.73 for additional services to Bid Schedule No. 3 for the Sky View Way Water Line.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved Change Order No. 11 with Farner Enterprises, Inc. for an increase to the contract value in the amount of \$30,603.73 for additional services to Bid Schedule No. 3 for the Sky View Way Water Line

Application for Payment No. 4 to the contract with Farner Enterprises, Inc. for the Water and Wastewater System Improvements Project: The Board discussed Application for Payment for No. 4 to the contract with Farner Enterprises, Inc. for the Water and Wastewater System Improvement Project.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved Application for Payment for No. 4 to the contract with Farner Enterprises, Inc. for the Water and Wastewater System Improvement Project.

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Solids Handling: The Board discussed adding a centrifugal separator to the wastewater treatment system for solids handling. Following discussion, the Board requested that that Olsson research further to determine specifications and pricing.

OTHER MATTERS

Crestone Eagle Article for December Publication: Director Canaly volunteered to write an article highlighting the District's accomplishments in 2010.

§32-1-809, C.R.S. reporting requirements, mode of eligible elector notification for 2011: The Board discussed §32-1-809 reporting requirements and mode of eligible elector notification for 2011.

Following discussion, the Board determined to post the required information to the District website.

Board Retreat: The Board scheduled a retreat for January 22, 2011 and directed staff to research and reserve a townhome.

Personnel Matters and Request by Dharma Ocean Foundation for Tap Fee Credit: 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 3:30 p.m. for the purpose of discussions relating to third party negotiations and determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators as authorized by Section 24-6-402(4)(e), C.R.S. and receiving from the Board's attorney legal advice on specific legal questions 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.

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The Board reconvened in regular session at 4:17 p.m.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Macaulay and, upon vote, unanimously carried, the Board determined to impose the current tap fee with a credit of 13 EQR and directed staff to draft a letter notifying Dharma Ocean of the amount due based on the current Tap Fee Schedule less the credit of 13 EQR.

ADJOURNMENT

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

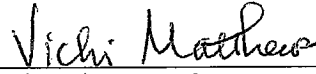
Respectfully submitted,

By



Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 19, 2010 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

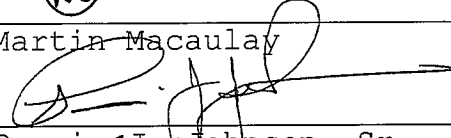
Christine Canaly



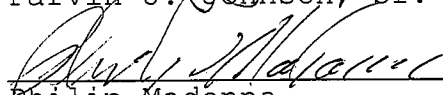
Vicki Matthews



Martin Macaulay



Parvin J. Johnson, Sr.



Philip Madonna

2010-11-02
MODEL RESOLUTION

**COLORADO LOCAL GOVERNMENT
LIQUID ASSET TRUST**

A resolution authorizing Baca Grande Water and Sanitation District to join with other Local Governments as a Participant in the Colorado Local Government Liquid Asset Trust (the "Trust") in order to pool funds for investment.

WHEREAS, pursuant to Part 7, Article 24 (C.R.S.), it is lawful for any Local Government to pool any moneys in its treasury, which are not immediately required to be disbursed, with the same such moneys in the treasury of any other Local Government in order to take advantage of short-term investments and maximize net interest earnings; and

WHEREAS, the Trust is a statutory trust formed under the laws of the State of Colorado in accordance with the provisions of Parts 6 and 7, Article 24 and Articles 10.5 and 47 of Title 11 of the Colorado Revised Statutes regarding the investing, pooling for investment and protection of public funds; and

WHEREAS, Baca Grande Water and Sanitation District desires to become a Participant in the Trust.

NOW, THEREFORE, it is hereby RESOLVED as follows:

1. Baca Grande Water and Sanitation District hereby approves and adopts, and thereby joins as a Participant with other Local Governments pursuant to Part 7, Article 75, Title 24 of the Colorado Revised Statutes, that certain Amended and Restated Indenture of Trust entitled the Colorado Liquid Government Asset Trust dated October 3, 2003 as amended from time to time, the terms of which are incorporated herein by this reference and a copy of which shall be filed with the minutes of the meeting at which this Resolution was adopted; and
2. The Designee and Authorized Signatories are those persons listed on the Trust Registration Form attached hereto and incorporated herein. The Authorized Signatories are authorized by the Participant to direct the investment of such Participants' investment funds.
3. The Designee and Authorized Signatories may be changed from time to time by written notice to COLOTRUST; and
4. The Trust has two investment portfolios; COLOTRUST PRIME comprised of U.S. Treasury securities and COLOTRUST PLUS+ comprised of U.S. Treasury Securities, U.S. Agency Securities, and the highest rated commercial paper. The Designee is hereby authorized to invest in:

COLOTRUST PRIME COLOTRUST PLUS+

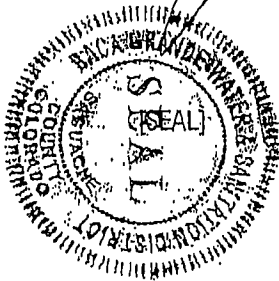
The undersigned hereby certifies that: Baca Grande Water and Sanitation District has enacted:
(Name of Local Government)

This Resolution, or

Another form of Resolution, a copy of which is enclosed and that such Resolution is a true and correct copy of the original which is in my possession.

Secretary or Clerk

Date



TRUST REGISTRATION



COLOTRUST
1700 Broadway, Suite 2050
Denver, CO 80290
303-864-7474 • 877-311-0219
877-311-0220 FAX
www.colotrust.com

LOCAL GOVERNMENT NAME (Participant): Baca Grande Water and Sanitation District

MAILING ADDRESS: 141 Union Blvd, Ste 150

CITY: Lakewood ZIP: 80228

TELEPHONE: 303-987-0835 FAX: 303-987-2032

ENTITY TYPE: City/Town Special District County Other (Specify) _____

PARTICIPANT'S COUNTY Saguache Tax ID#: 84-1102388 Fiscal Year (Month/Day): 12/31

The Colorado Local Government Liquid Asset Trust is hereby authorized to honor any written, telephone, faxed or electronic request, believed to be authentic, for withdrawal of funds from the Trust. The withdrawal proceeds can be sent only to the commercial bank indicated below or mailed to the name and address in which the account is registered, unless changed by written instructions to the Trust. Each local government is responsible for notifying the Trust of any changes to its account.

BANK NAME: Vectra Bank Colorado

BANK ROUTING NUMBER (ABA): 102003154

ACCOUNT TITLE: Baca Grande Water and Sanitation District

ACCOUNT NUMBER: 4253901252

DESIGNEE: (FOR VOTING ONLY)

NAME Philip Madonna

PHONE 719-256-4704 FAX _____

SIGNATURE Philip Madonna

Director Assistant Secretary
TITLE

Philip.Madonna@gmail.com
E-MAIL ADDRESS

Authorized PIN Request Monthly Statements

KEY CONTACT:

NAME AJ Beckman

PHONE 303-987-0835 FAX 303-987-2032

SIGNATURE AJ Beckman

District Manager
TITLE

abeckman@sdmsi.com
E-MAIL ADDRESS

Authorized PIN Request Monthly Statements

AUTHORIZED INDIVIDUALS: (FOR FUNDS TRANSFER)

NAME Meric Lallier

PHONE 303-987-0835 FAX 303-987-2032

SIGNATURE Meric Lallier

Senior Accountant
TITLE

mlallier@sdmsi.com
E-MAIL ADDRESS

NAME George Turtle

PHONE 303-987-0835 FAX 303-987-2032

SIGNATURE George Turtle

Finance Manager
TITLE

gturtle@sdmsi.com
E-MAIL ADDRESS

2010-11-03
RESOLUTION TO AMEND 2010 BUDGET
BACA GRANDE WATER AND SANITATION DISTRICT

WHEREAS, the Board of Directors of the Baca Grande Water and Sanitation District adopted a budget and appropriated funds for the fiscal year 2010 as follows:

General Fund	\$	917,835
Capital Projects Fund	\$	2,959,611
Enterprise Fund	\$	981,165
Debt Service Fund	\$	163,073

WHEREAS, the necessity has arisen for additional expenditures in the Capital Projects Fund, Enterprise Fund and Debt Service Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2010; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the amended budget; and

WHEREAS, funds are available for such expenditures in the Capital Projects Fund from grants, loan proceeds, bond proceeds and interest earnings.

WHEREAS, funds are available for such expenditures in the Enterprise Fund from usage fees, interfund transfers, interest earnings and rental income.

WHEREAS, funds are available for such expenditures in Debt Service Fund from property taxes, specific ownership taxes, interfund transfers and interest earnings.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Baca Grande Water and Sanitation District shall and hereby does amend the adopted amended Budget for the fiscal year 2010 and adopts a supplemental budget and appropriation for the Capital Projects Fund, Enterprise Fund and Debt Service Fund for the fiscal year 2010, as follows:

Capital Projects Fund:	\$	7,097,575
Enterprise Fund:	\$	1,800,000
Debt Service Fund:	\$	3,685,000

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 19th day of November, 2010.

BACA GRANDE WATER AND SANITATION
DISTRICT

By: 

Secretary

Elise LoSasso

From: Elise LoSasso
Sent: Tuesday, December 28, 2010 12:20 PM
To: dlg-filing@state.co.us
Cc: AJ Beckman; Jennifer Gruber Tanaka (jtanaka@wbapc.com)
Subject: Baca Grande Water and Sanitation District; 2010 Budget Amendment
Attachments: Baca_Grande_Water_and_Sanitation_District(55001)2010_Budget_Amendment.pdf

To Whom It May Concern at the Department of Local Government,

Please see the attached Baca Grande Water and Sanitation District 2010 Budget Amendment Resolution.

Thanks!

Elise LoSasso

Special District Management Services, Inc.

141 Union Boulevard | Suite 150

Lakewood | CO | 80228

elosasso@sdmsi.com

DID: 303.987.0835

Fax: 303.987.2032

Elise LoSasso

From: dlq-filing dlq-filing <dlq-filing@state.co.us>
Sent: Tuesday, December 28, 2010 12:21 PM
To: Elise LoSasso
Subject: Re: Baca Grande Water and Sanitation District; 2010 Budget Amendment

Thank you for your submission to DLG. This is your confirmation email notifying you that your filing reached our email box. We will review your submission and contact you with any problems or issues if necessary.

Please do not reply to this email as it is auto-generated.

Thank you,

DLG Staff
>>> Elise LoSasso <elosasso@sdmsi.com> 12/28/10 12:20 >>>

To Whom It May Concern at the Department of Local Government,

Please see the attached Baca Grande Water and Sanitation District 2010 Budget Amendment Resolution.

Thanks!

Elise LoSasso

Special District Management Services, Inc.

141 Union Boulevard | Suite 150

Lakewood | CO | 80228

elosasso@sdmsi.com<<mailto:elosasso@sdmsi.com>>

DID: 303.987.0835

Fax: 303.987.2032

Resolution No. 2010-11-07

BACA GRANDE WATER AND SANITATION DISTRICT
ANNUAL ADMINISTRATIVE RESOLUTION
(2011)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF SAGUACHE)

At a regular meeting of the Board of Directors (the "Board") of the Baca Grande Water and Sanitation District (the "District") held at 9:00 A.M., on Friday, November 19, 2010, at 57 Baca Grant Way South, Crestone, Colorado, it was moved to adopt the following Resolution:

WHEREAS, the District was organized as a special district pursuant to an Order and Decree of the District Court in and for the County of Saguache, Colorado (the "County") and is located entirely within the County; and

WHEREAS, the Board has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, § 32-1-306, C.R.S., requires the District to file a current, accurate map of its boundaries with the Division of Local Government (the "Division"), the County Clerk and Recorder, and the County Assessor on or before January 1 of each year; and

WHEREAS, § 32-1-104(2), C.R.S., requires that the District, on or before January 15, notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder and the Division of the name of the chairman of the Board, the contact person, the telephone number and the business address of the District; and

WHEREAS, § 29-1-205, C.R.S., requires the District to prepare an updated informational list of all contracts in effect with other political subdivisions and to submit the list to the Division on or before February 1 of each year; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities must file an annual report with the Department of Local Affairs within sixty (60) days of the close of the fiscal year; and

WHEREAS, pursuant to and in accordance with § 29-1-603(1), C.R.S., the Board shall cause to be made an annual audit of the financial statements of the District and, in accordance with § 29-1-606, C.R.S., the audit report shall be completed within six (6) months after the close of the District's fiscal year, unless otherwise extended in accordance with the provisions thereof; and

WHEREAS, pursuant to § 29-1-606(7), C.R.S., a special district that has authorized but unissued general obligation debt as of the end of the fiscal year shall submit its audit report or a copy of its application for exemption from audit to the Board of County Commissioners; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101, *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budget resolutions and to file copies of the budgets and budget messages, and amendments thereto, with the Division; and

WHEREAS, the Unclaimed Property Act, § 38-13-110, C.R.S., requires that political subdivisions file an annual report listing unclaimed property with the State Treasurer by November 1, if applicable; and

WHEREAS, § 39-5-128, C.R.S., requires the District to certify its mill levy with the Board of County Commissioners on or before December 15; and

WHEREAS, § 32-1-103(15), C.R.S., requires the District to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, pursuant to §§ 32-1-902(3)(a)(I) & (II), C.R.S., directors may receive compensation for their services subject to the limitations set forth therein; and

WHEREAS, pursuant to § 32-1-902(1), C.R.S., the Board shall elect one of its members as chairman of the Board and president of the District, one of its members as treasurer of the Board and of the District and a secretary who may be a member of the Board; and

WHEREAS, § 32-1-902(3)(b), C.R.S., requires a director to disqualify himself or herself from voting on any issue in which s/he has a conflict of interest, unless the director has properly disclosed such conflict in compliance with § 18-8-308, C.R.S., and files said conflict disclosure statement with the Board and the Colorado Secretary of State's Office at least seventy-two (72) hours prior to any regular or special meeting of the District; and

WHEREAS, pursuant to § 24-10-110(1), C.R.S., the District shall defend and indemnify its public employees, which, by definition, includes elected and appointed officers; and

WHEREAS, pursuant to §§ 24-72-202, *et seq.*, C.R.S., the District may designate an official custodian for the maintenance, care and keeping of public records; and

WHEREAS, pursuant to § 24-6-402(2)(c), C.R.S., the Board shall designate a posting place for notices of meetings and such posting shall include specific agenda information where possible; and

WHEREAS, § 32-1-903, C.R.S., requires that the Board meet regularly at a time and in a place to be designated by the Board and requires that notice of such meetings be posted in at least three (3) public places within the boundaries of the District and in the County Clerk and Recorder's Office and remain posted; and

WHEREAS, elections may be held pursuant to the Special District Act, §§ 32-1-101, *et seq.*, C.R.S., and the Uniform Election Code of 1992, §§ 1-1-101, *et seq.*, C.R.S., for the purpose of: 1) electing members of the District's Board; 2) presenting certain ballot issues to the eligible electors of the District as required by Article X Section 20 of the Colorado Constitution; and 3) presenting certain ballot issues and questions to the eligible electors of the District; and

WHEREAS, § 1-7.5-104, C.R.S., permits the Board to determine to conduct elections by mail ballot; and

WHEREAS, § 1-1-111, C.R.S., empowers the Board to supervise the conduct of regular and special elections which it is authorized or required to call and all powers and authority granted to the Board may be exercised by an election official designated by the Board; and

WHEREAS, § 1-11-103(3), C.R.S., requires the District to certify the results of an election to the Division within thirty (30) days after an election and § 32-1-1101.5(1), C.R.S., requires the District to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners; and

WHEREAS, §§ 32-1-1604, C.R.S., requires the District to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring said indebtedness; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., the Board of County Commissioners may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, pursuant to § 32-1-207(3)(c), C.R.S., and/or the District's Service Plan, the District, if requested by the Board of County Commissioners, may be required to file an annual report with the Board of County Commissioners, the Division, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S.; and

WHEREAS, pursuant to §§ 24-10-115, *et seq.*, C.R.S., the Board is authorized to obtain insurance; and

WHEREAS, pursuant to § 8-40-202, C.R.S., the District is required to obtain and maintain workers' compensation coverage unless such coverage is waived pursuant to § 8-40-202(1)(a)(I)(B), C.R.S.

WHEREAS, pursuant to § 32-1-809, C.R.S., the District is required to present certain information to the electors of the District pursuant to the provisions thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. The Board directs the District's manager to cause an accurate map of the District's boundaries to be prepared in accordance with the standards specified by the Division, in accordance with § 32-1-306, C.R.S.
2. The Board directs the District's manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder and the Division of the name of the chairman of the Board, the contact person, telephone number and business address of the District, as required by § 32-1-104(2), C.R.S.
3. The Board directs the District's manager to prepare and file with the Division on or before February 1 an informational listing of all contracts in effect with other political subdivisions on or before February 1, in accordance with § 29-1-205, C.R.S. Such list shall contain the names of the contracting political subdivisions, the nature of the contract and the expiration date thereof.
4. The Board directs the District's accountant to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, *et seq.*, C.R.S.
5. The Board directs the District's accountant to: 1) obtain proposals for auditors to be presented to the Board; 2) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and 3) to cause the audit to be filed with the State Auditor by July 31, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S.
6. The Board directs the District's manager, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners, the District's audit report or a copy of its application for exemption from audit.
7. The Board directs the District's accountant to submit a proposed budget to the Board by October 15, to prepare a final budget and budget message, including any amendments thereto, if necessary, and directs the District's manager to schedule a public hearing on the proposed budget and/or amendment, and to post or publish notice thereof, to prepare all budget resolutions and to file the budget and budget message with the Division on or before January 30, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.
8. The Board directs the District's manager to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with § 38-13-110, C.R.S.

9. The Board directs the District's accountant to prepare the mill levy certification form and directs legal counsel to file the mill levy certification form with the Board of County Commissioners on or before December 15, in accordance with § 39-5-128, C.R.S.
10. The Board designates the Saguache Crescent as a newspaper of general circulation within the boundaries of the District and directs that all legal notices shall be published in accordance with § 32-1-103(15), C.R.S., in the Saguache Crescent, unless otherwise designated by the Board or legal counsel.
11. The Board determines that each director shall receive compensation for their services as directors subject to the limitations set forth in §§ 32-1-902(3)(a)(I) & (II), C.R.S.
12. The District hereby elects, in accordance with § 32-1-902, C.R.S., the following officers for the District:

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

13. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board, in accordance with §§ 32-1-902(3)(b) and 18-8-308, C.R.S. Additionally, at the beginning of each year, each Board member shall submit information to legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections or deletions to said conflicts of interest disclosures.
14. The Board confirms its obligations under § 24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.
15. The Board hereby appoints the District's manager as the official custodian for the maintenance, care and keeping of all public records of the District, in accordance with § 24-72-202, *et seq.*, C.R.S.
16. Pursuant to § 24-6-402(2)(c), C.R.S., the Board hereby designates the District's Shop at 57 Baca Grant Way South, Crestone, Colorado as the District's 24-hour posting place for notices of meetings. Where possible, specific agenda

information shall be posted with the meeting notice or, alternatively, on the District's website at www.bacawater.com. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in § 24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

17. The Board determines to hold regular meetings on the third Friday of each month at 9:00 A.M. at 57 Baca Grant Way South, Crestone, Colorado. In addition, regular and special meeting notices shall be posted in three (3) locations within the District's boundaries, as more particularly set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, and at the County Clerk and Recorder's Office at least seventy-two (72) hours prior to said meeting, in accordance with § 32-1-903, C.R.S. The Board directs legal counsel to cause the preparation of the notices for posting at the specified locations prior to every regular and special meeting of the Board, together with the agenda for such meeting.
18. For the convenience of the electors of the District, and pursuant to its authority set forth in § 1-7.5-104, C.R.S., the Board hereby deems that all regular and special elections of the District be conducted by mail ballot unless a polling place election is deemed necessary and expressed in a separate election resolution adopted by the Board.
19. Pursuant to its authority set forth in § 1-1-111, C.R.S., the Board hereby appoints AJ Beckman, the District's manager, as the "Designated Election Official" of the District for any elections to be held. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, the power to call an election on behalf of the District, to approve the final form of ballot issues and questions, to prepare the TABOR notice, to appoint election judges and a canvass board and to cancel, if applicable, the election.
20. In accordance with § 1-11-103(3), C.R.S., the Board hereby directs the Designated Election Official to certify to the Division the results of any elections held by the District and, pursuant to § 32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners.
21. The Board directs the District's manager to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.
22. The Board directs the District's manager to cause the preparation of and filing with the Board of County Commissioners, if requested, the application for

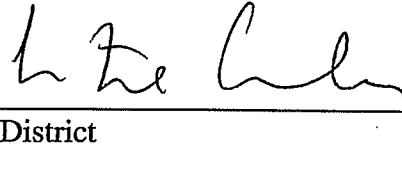
quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

23. The Board directs the District's manager to cause the preparation of and the filing with the Board of County Commissioners, the Division, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S., an annual report, if requested, in accordance with § 32-1-207(3)(c), C.R.S.
24. The Board directs the District's manager to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District's accountant to pay the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner, as applicable. The Board and legal counsel will annually review all insurance policies and coverage in effect to ensure appropriate insurance coverage is maintained.
25. The Board hereby opts to include elected or appointed officials as employees within the meaning of § 8-40-202(1)(a)(I)(A), C.R.S., and hereby directs legal counsel to obtain workers' compensation coverage for the District.
26. The Board hereby directs the District's manager to prepare the disclosure notice required by § 32-1-809, C.R.S., and to disseminate the information to the District's electors accordingly. Further, the Board hereby designates the following website as the District's official website for the purposes thereof: www.bacawater.com.

[Remainder of page intentionally left blank].

RESOLUTION APPROVED AND ADOPTED THIS 19th DAY OF NOVEMBER 2010.

BACA GRANDE WATER AND SANITATION
DISTRICT



Officer of District

ATTEST:



CERTIFICATION OF RESOLUTION

STATE OF COLORADO
COUNTY OF SAGUACHE
BACA GRANDE WATER AND SANITATION DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a District meeting held on Friday, November 19, 2010, at 57 Baca Grant Way South, Crestone, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 19th day of November 2010.



EXHIBIT A

The notices of regular and special meetings required to be posted at three public places within the District at least seventy-two hours prior to said meeting and shall be made at the following locations (in addition to the 24-hour posting location set forth herein):

Professional Building
46 Camino Baca Grande
Crestone, Colorado 81131

Baca Grande Library
67000 County Road T
Crestone, Colorado 81131

A notice shall also be posted at the following location:

United States Post Office (Outside District Location)
166 S. Alder Avenue
Crestone, Colorado 81131