

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
JUNE 19, 2009

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 June, 2009, 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
Philip Madonna, Vice President
Vicki Matthews, Secretary/Treasurer
Lisa Cyriacks, Assistant Secretary
Parvin J. Johnson, Sr., Assistant Secretary

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

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

Steve Rogers and Boyd Hanzon; Brown and Caldwell - via speakerphone

Steven Harrell; District General Manager

Haven Wellman; District Administrator

McGreggor Gaines and Steven Carter; residents

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

RECORD OF PROCEEDINGS

with regard to any matters scheduled for discussion at this meeting.

ADMINISTRATIVE MATTERS

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

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

Minutes: The Board reviewed the minutes of the May 15, 2009 regular meeting, the May 21, 2009 special meeting and the May 29, 2009 special meeting.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the minutes from the May 15, 2009 regular meeting, the May 21, 2009 and May 29, 2009 special meetings were approved.

PUBLIC COMMENT

McGreggor Gaines requested that the Board consider waiving the tap fee for an additional service line to his residence. Mr. Gaines explained that he has paid for a line extension to service contiguous lots he owns and has paid numerous tap fees. He stated that he would be willing to pay all connection fees and costs but is requesting a waiver of the tap fee. The Board of Directors determined to discuss the matter in executive session.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims for the period ending June 19, 2009, as follows:

General Fund:	\$ 30,185.74
Capital Projects Fund:	5,568.89
Debt Service Fund:	29,110.36
Enterprise Fund:	60,245.53
Payroll:	18,363.74
Total Claims:	\$ 125,110.52

RECORD OF PROCEEDINGS

Mr. Beckman noted several payments that need to be re-coded as capital expenses.

Following review and discussion, upon motion duly made by Director Madonna, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending June 19, 2009.

Financial Statements and Schedule of Cash Position: Mr. Beckman reviewed the unaudited financial statements for the period ending May 31, 2009 and the schedule of cash position dated May 31, 2009.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Madonna and, upon vote, unanimously carried, the Board approved the unaudited financial statements for the period ending May 31, 2009 and the schedule of cash position dated May 31, 2009.

2008 Audit: Mr. Beckman reported that the 2008 Audit is expected to be ready for review at the next meeting.

Cost of Providing Water and Wastewater Service: Mr. Beckman reported there has been no recent progress. There was nothing new to report.

EQR research. Mr. Beckman reported there has been no recent progress. There was nothing new to report.

Notice and forms related to EQR research. Mr. Harrell requested permission to send the notice and forms with the June billing.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board authorized mailing the notice and forms for the EQR research with the June billing.

Drinking Water Revolving Fund and American Recovery and Reinvestment Act ("ARRA"): Mr. Beckman reported that he, Attorney Tanaka, and Mr. Harrell are working with Brown and Caldwell to submit the information needed by

RECORD OF PROCEEDINGS

the deadlines required by the state.

ARRA Small System Training and Technical Assistance Grant Application: Mr. Beckman reviewed the Application and reported that it has been submitted. If approved, it will provide \$25,000 in grant funding to help pay for engineering and other soft costs.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Madonna and, upon vote, unanimously carried, the Board ratified the ARRA Small System Training and Technical Assistance Grant Application.

Billing Matters: Ms. Wellman reviewed and discussed the June 15, 2009 memo. A copy of the memo is attached hereto and incorporated herein by this reference.

Accounting software: There was nothing new to report.

Section 6904 Funds: It was noted that a check in the amount of \$639.90 was received from Saguache County for the District's share of Payment in Lieu of Taxes for Federal land within the District.

Vectra Bank account: Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved opening a money market account with Vectra Bank using current fund balances.

Drop Box: Mr. Harrell reported that the Saguache County Credit Union has offered to allow the District to keep a drop box at the Credit Union at no charge. The District would be required to provide the drop box.

Following discussion, upon motion duly made by Director Madonna, seconded by Director Johnson and, upon vote, unanimously carried, the Board authorized a drop box at the Saguache County Credit Union for an amount not to exceed \$300 for the purchase at the drop box for the service.

Credit Cards: Administrative staff requested that the Board consider authorizing credit cards for staff as follows:

RECORD OF PROCEEDINGS

Steven Wade	\$ 600
Haven Wellman	\$1,500
Justin Debon	\$3,000

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved credit cards for staff, with maximum limits, as follows:

Steven Wade	\$ 600
Haven Wellman	\$1,500
Justin Debon	\$3,000

The Board further directed that the credit card for Ms. Coello be cancelled.

LEGAL MATTERS

Agreement for the Acquisition of Well Site 18 Easement and Access Road Easement: Attorney Tanaka reported that the title work recently performed revealed that the District has easements and inclusions on the property. She has requested that Pat Steinberg with Russell Surveyors provide an estimate to create an exhibit that would identify the locations of the easements on the property to determine whether the District has any existing easement which can be utilized. Attorney Tanaka has requested that the owners complete the expected closing on the property by July 31, 2009.

Rules and Regulations: Attorney Tanaka had nothing new to report.

Cottonwood Plant Property: The surveying work has been completed. The survey revealed that the improvements are not located in the recorded easement areas.

Cottonwood Plant and water line easements: Attorney Tanaka reported that the existing water line and road access are not located within the granted easement and, therefore, there are three easements needed to correct this. An easement is needed from Manitou, the Property Owner's Association ("POA") and a private property owner. The legal descriptions are being prepared and once prepared Attorney Tanaka will draft the easements and negotiate with the property owners.

RECORD OF PROCEEDINGS

Decommissioning of the discharge pit on Manitou property: Mr. Harrell reported that Manitou has requested that certain environmental conditions be met in conjunction with the decommissioning.

Records recommended for destruction: Mr. Harrell reported that the records review project will begin next week.

FairPoint Communications: Attorney Tanaka was directed to request that phone bills be included in the Telecommunications Services and Lease Agreement for the existing tower on District property. The revised agreement will be presented at the next regular meeting.

POA easements for Mobile Home Estates Force Main Project: Attorney Tanaka reported that she and the staff are working on getting legal descriptions and title work finalized. She has been in contact with the POA and expects that they will approve the proposed easements on July 16, 2009.

State requirements for septic and well service for residents within the District's service area: The Board discussed Guideline 2003-5 Regarding the Use of Wells Within Water Service Areas. The Board discussed this and other matters pending with the Manitou Foundation and directed Attorney Tanaka to summarize the Board's position in a letter to the Manitou Foundation.

Fire Hydrant Maintenance Agreement with POA: Attorney Tanaka drafted the agreement and sent it to the POA for review and comment. She has not heard back yet.

Resolution No. 2009-6-01 Rescinding Resolution 94-4: Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board adopted Resolution No. 2009-6-01 Rescinding Resolution 94-4 regarding the imposition and collection of tap fees for properties acquired by Treasurer's Deed. A copy of the Resolution is attached hereto and incorporated herein by this reference.

RECORD OF PROCEEDINGS

Resolution No. 2009-6-02 Regarding Payment of Tap Fees on Property Acquired by Treasurer's Deed: Following discussion, upon motion duly made by Director Matthews, seconded by Director Madonna and, upon vote, unanimously carried, the Board adopted Resolution No. 2009-6-02 Regarding Payment of Tap Fees on Property Acquired by Treasurer's Deed. A copy of the Resolution is attached hereto and incorporated herein by this reference.

Agreement for Performance of Work In Exchange for Outstanding Debts Owed to the District and Payment of Future Fees between the District and Steve Haines: Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board ratified the approval of the Agreement for Performance of Work In Exchange for Outstanding Debts Owed to the District and Payment of Future Fees between the District and Steve Haines.

Request for discontinuation of service by Account No. 420096.01: Steven Carter addressed the Board requesting discontinuation of service until construction of the residence being served can resume. The Board of Directors determined to discuss this matter in executive session.

Water shut-off policy: Mr. Harrell reviewed the rate information for other districts and recommended reducing the fee.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Madonna and, upon vote, unanimously carried, the Board revised the water shut-off policy to reduce the charge from \$50 to \$25 with 24 to 48 hours Notice required and no non-emergency shut-offs to be performed on weekends.

Waiver of Liability Agreement with Ramey Environmental for Glenn Jones' employment by District: Following discussion, upon motion duly made by Director Matthews, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved the Waiver of Liability Agreement with Ramey Environmental for Glenn Jones's employment by the District.

RECORD OF PROCEEDINGS

OPERATIONS

Operations Manager Report: Mr. Harrell distributed and reviewed his report. A copy of the report is attached hereto and incorporated herein by this reference.

Steve Rogers and Boyd Hanzon with Brown and Caldwell Engineering joined the meeting via speakerphone at this time.

Mobile Home Estates Wastewater Treatment Facility. Mr. Rogers reported that the lagoon was in compliance for the latest monthly testing. Sustained compliance, however, is not expected.

Aspen Wastewater Treatment Facility. Mr. Rogers reported that the facility was not in compliance. Glenn Jones is presently working at the plant 2 to 4 hours per day, approximately 12 hours a week.

Compliance Testing. Mr. Harrell reported that all testing equipment is operational and additional lab equipment has been purchased.

Maintenance proposal to the Town of Crestone. Director Cyriacks reported that she would attend a meeting to discuss shared operations with the Town.

Mr. Harrell reported on recent discussions with the Town regarding service and interconnection. Attorney Tanaka will develop a term sheet for presentation to the Town.

Staffing and recruitment efforts. *Level III Utility Maintenance Field Technician.* Mr. Harrell reported that Glenn Jones was hired on a part-time basis, 24 hours per week, Monday, Wednesday and Thursday. He will continue working for Ramey Environmental Compliance.

Summer help. Mr. Harrell reported that Mark Blustein was hired to work part-time, 30 hours per week.

Office Administrator. Mr. Harrell recommended hiring JoAnn Slivka as the District's receptionist. The Board of Directors determined to discuss this matter in

RECORD OF PROCEEDINGS

executive session.

Operator in Responsible Charge ("ORC"). Mr. Beckman discussed the long-term goal of qualifying Mr. Harrell as the ORC. He recommended keeping Mr. Rogers as ORC until such time as the District can operate independently.

Business hours. Mr. Harrell asked the Board to consider making the official business hours for the District office 9:00 a.m. to 4:30 p.m. He noted that staff will be in the office from 8:00 a.m. to 4:30 p.m.

Following discussion, upon motion duly made by Director Madonna, seconded by Director Johnson and, upon vote, unanimously carried the Board approved making the official business hours for the District office 9:00 a.m. to 4:30 p.m.

Leak detection services. Mr. Harrell distributed and reviewed the two proposals that were received. He reported that it may be more prudent to pursue meter repairs first. The Board deferred action.

Pressure Reducing Valve ("PRV"). Mr. Harrell reported that the valve controlling the pressure to the townhomes was ordered and will cost \$1,400. He expects that additional parts and fittings will cost an additional \$500.

Mr. Harrell then discussed the need to replace the line to the fire hydrants serving the Baca Town Homes.

The Board directed Mr. Harrell to solicit a proposal from Brown and Caldwell for engineering to replace the fire hydrant line.

Annual Compliance Calendar. The Board reviewed the Discharge Monitoring Reports to the CDOHE prepared by Brown and Caldwell.

Corrosion control study. Mr. Harrell reported that the corrosion control study has not been conducted as required by the State through the first quarter of 2009. Mr. Rogers reported in a letter to the State

RECORD OF PROCEEDINGS

that the District had no knowledge of the study requirement. The State requirements are presently being followed and the District is conducting the study as required.

Video teleconference equipment. Mr. Harrell reported that he and Director Canaly attended a demonstration of the equipment at WSB Computer Services. WSB will set up an additional demonstration at a time convenient for the Board.

Monthly bacteriological testing locations. Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the following locations for the monthly bacteriological testing:

- Homes of District employees;
- Homes of Board Members; and
- District facilities

Fifth Addendum to Master Services Agreement for Ongoing Consulting and Engineering Services with Brown and Caldwell for the asbestos task order: The Board determined not to continue pursuing the project.

Operations staff meetings: Mr. Harrell reported that Director Canaly attended the last staff meeting. He requested that one Board member attend at least one meeting per month and that Mr. Beckman also attend at least one meeting per month.

It was determined that a Board member will attend the operations staff meeting on the first Monday of each month and that Mr. Beckman will attend on the third Monday of each month. The meetings begin at 8:00 a.m.

Board Room furniture and air conditioner: Mr. Harrell asked the Board to consider approval the purchase of Board Room furniture and air conditioner for an amount not to exceed \$5,500.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the purchase of Board room furniture and air conditioner

RECORD OF PROCEEDINGS

for an amount not to exceed \$5,500.

Mobile Home Estates Water Tank: Mr. Harrell discussed the need to remove sand from the water tank. The Board discussed doing the work when related capital improvements are being undertaken. No action was taken.

Manitou Foundation's request for permission to install well: The Board discussed the request from the Manitou Foundation to install a well on its property in the Spanish Hills tract. The Board discussed this and other matters pending with the Manitou Foundation and directed Attorney Tanaka to summarize the Board's position in a letter to the Manitou Foundation.

Fire Safe: Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and upon vote, unanimously carried, the Board approved the purchase of a fire safe for an amount not to exceed \$300.

CAPITAL IMPROVEMENTS

Mobile Home Estates Forced Main Line; Well 18 Project; East Dream Way Project; Wagon Wheel Lift Station Project; Interconnection of Water Sources Project; and Telemetry and System Automation Project: Mr. Hanzon reported that the surveying is in process and they are working on aligning all water and sewer lines for all projects. He will have changes substantially complete by June 30th.

Project Status Summary: Mr. Beckman distributed and reviewed the draft report noting that once engineer's cost estimates are available the spreadsheet will be completed.

Website reconstruction and project status financial summary: Mr. Beckman distributed and reviewed the Capital Improvements Schedule spreadsheet. Director Cyriacks will update the presentation for inclusion on the website.

Project meetings and project management: Mr. Beckman reported that he and the project team including Mr. Hanzon, Mr. Rogers, Mr. Harrell and Attorney Tanaka

RECORD OF PROCEEDINGS

are meeting on a weekly basis to review the project status.

Independent Contractor Agreement (Surveying Services for Mobile Home Estates Line Extension Project) with AVS of Buena Vista, Inc., d/b/a Arkansas Valley Surveying: Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board ratified the approval of the Independent Contractor Agreement (Surveying Services for Mobile Home Estates Line Extension Project) with AVS of Buena Vista, Inc., d/b/a Arkansas Valley Surveying.

Independent Contractor Agreement Well 18 Project with Russell Surveyors & Associates, Inc.: Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board ratified the approval of the Independent Contractor Agreement Well 18 Project with Russell Surveyors & Associates, Inc.

OTHER BUSINESS

Crestone Music Festival: Mr. Harrell asked the Board to consider sponsorship support of the Festival. The Board determined not to sponsor the event but the individual directors agreed to consider personal contributions. No action was taken.

COGCC correspondence: Director Cyriacks reported there has been no decision on the request for public hearings. Three commissioners acknowledged the need to hear members of the public.

EXECUTIVE SESSION

Personnel issues and engagement of Water Attorney:
EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b) and (e) of the Colorado Revised Statutes, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 4:24 p.m. for the purposes of Discussing personnel matters as authorized by Section 24-6-402(4)(f) C.R.S., discussing legal matters as authorized by Section 24-6-402(4)(b) C.R.S. and discussing matters subject to negotiation pursuant to

RECORD OF PROCEEDINGS

Section 24-6-402(4)(e), C.R.S.

Furthermore, pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion 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 5:15 p.m.

Water Attorney: No action was taken at this time.

Employment of District Receptionist: Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Madonna and, upon vote, unanimously carried, the Board authorized hiring JoAnn Slivka at \$15.00 per hour as the District's Receptionist with a 90 day probationary period.

District Administrator: Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon vote, unanimously carried, the Board authorized promoting Haven Wellmen to the position of District Administrator with an increase of \$1.50 per hour retroactive to June 1, 2009. Mr. Harrell and Mr. Beckman will assess her progress in the position and establish mile stones for performance to be met.

McGreggor Gaines request: The Board discussed the request by McGregor Gaines to waive the fee for an additional tap connection.

Upon motion duly made by Director Madonna, seconded by Director Matthews and, upon vote, unanimously carried, the Board denied waiving the fee for an additional tap connection serving the lots owned by Mr. Gaines.

Request by Steven Carter for Discontinuation of Service: The Board discussed the request by Steven Carter for discontinuations of service.

Upon motion duly made by Director Matthews, seconded by Director Johnson and, upon vote, unanimously carried. The Board determined not to allow Steven Carter to discontinue his service with the District.

RESOLUTION NO. 2009-6-01

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

RESCINDING RESOLUTION 94-4**

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

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

WHEREAS, on August 19, 1994, the Board adopted Resolution 94-4 regarding the imposition and collection of tap fees for properties acquired by Treasurer's Deed; and

WHEREAS, the Board desires to rescind Resolution 94-4 effective immediately.

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

1. RESCISSION OF RESOLUTION 94-4. The Board hereby rescinds Resolution 94-4 in its entirety effective immediately.


APPROVED AND ADOPTED THIS 19th DAY OF JUNE 2009.

BACA GRANDE WATER AND
SANITATION DISTRICT



President

ATTEST:



Secretary

RESOLUTION NO. 2009-6-02

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

REGARDING PAYMENT OF TAP FEES ON PROPERTIES ACQUIRED BY TREASURER'S
DEED

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

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

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the Board is empowered to fix and from time to time increase or decrease fees, rates, tolls, penalties and charges for services, programs or facilities furnished by the District; and

WHEREAS, the District imposes certain water and sewer tap fees on each property within the District, which tap fees are a one-time fee for each water and sewer tap (with some properties having more than one water and/or sewer tap); and

WHEREAS, previous policy of the District was to impose a new water and sewer tap fee on properties acquired by treasurer's deed regardless of whether such water and sewer tap fee was paid by the previous property owner; and

WHEREAS, the Board desires to change the previous policy of the Board and to institute a new policy for the payment of water and sewer tap fees for properties acquired by treasurer's deed.

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

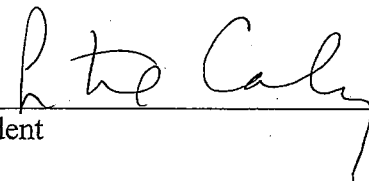
1. WATER AND SEWER TAP FEES. All properties within the District obtaining a water and/or sewer tap from the District shall pay the requisite water tap fee and sewer tap fee at the rates imposed by the District at the time of purchase. Once a water and/or sewer tap fee for a tap on the associated property is paid, no additional water and/or sewer tap fee shall be due or owing, regardless of whether that property is sold, transferred or otherwise conveyed to a subsequent property owner, specifically including, but not limited to, a conveyance by treasurer's deed. In the event a property requests or requires more than one water and/or sewer tap, then a tap fee shall be due for each additional water and/or sewer tap requested or required for that property at the rates then-currently charged by the District.

2. REFUNDS FOR CERTAIN WATER AND/OR SEWER TAP FEES. For properties: 1) acquired by treasurer's deed; 2) for which a water and/or sewer tap fee was paid for by a previous owner; and 3) for which the current property owner, on or after June 19, 2006, paid an additional water and/or sewer tap fee for the same property, shall be entitled to a refund of the additional water and/or sewer tap fee paid upon presentation by the current property owner of documentation satisfactory to the District evidencing the prior payment of such water and/or sewer tap fee by a previous owner and repayment by them of the additional water and/or sewer tap fee. No refunds shall be provided to current property owners who did not themselves pay for the additional water and/or sewer tap fee. No refunds shall be made by the District for any other water and/or sewer tap fees.

3. REFUNDS FOR PAYMENTS MADE UNDER TAP FEE AGREEMENTS ON PROPERTIES ACQUIRED BY TREASURER'S DEED. For properties: 1) acquired by treasurer's deed; 2) for which a water and/or sewer tap fee was paid for by a previous owner; and 3) for which the current property owner entered into a tap fee agreement on or after June 19, 2006 for the payment of the additional water and/or sewer tap fee, shall be entitled to a refund of any amounts paid for the additional water and/or sewer tap fee under the tap fee agreement upon presentation by the current property owner of documentation satisfactory to the District evidencing the prior payment of such water and/or sewer tap fee by a previous owner and repayment by them of the additional water and/or sewer tap fee. No refunds shall be provided to property owners who entered into a tap fee agreement prior to June 19, 2006 and any outstanding amounts due under any such agreements shall continue to be due and owing to the District pursuant to the terms of that agreement.

APPROVED AND ADOPTED THIS 19th DAY OF JUNE 2009.

BACA GRANDE WATER AND
SANITATION DISTRICT



President

ATTEST:



Secretary

Memo

Baca Grande Water & Sanitation District

PO Box 520
Crestone, CO 81131

To: Management & Board of Directors
From: Administration/Bookkeeping
CC:
Date: 6/15/09
Re: Monthly Update

Comments: **DISCONNECTION & SHUT OFF NOTICES**

June 2009 – Eight (8) notices totaling \$1,350.60 were sent out. All accounts, except one, were paid immediately. Four (4) shut off notices issued with two (2) accounts paid before disconnection took place.

TURN ON/OFF FEE

Some customer complaints were received regarding the new \$50 fee. Previous charge was only \$10. Steven will present a comparison of what other Districts are charging.

LATE CHARGE & PENALTIES

We coordinated with Caselle to have the system set up to charge only what is being billed without including interest or late fees, per new Resolution regarding collection of late fees adopted in the last meeting. We finished charging the max. 25% late charge in May for this current year. We will start charging ALL ACCOUNTS a flat fee of \$5 plus 1.5%/month in June.

BILLING MISCELLANEOUS

1. **Resolution No. 2005-01 concerning the adoption of fees and charges for line extensions.** Revision Pending.
2. **EQR's** – Copy of Revised Notice/Owner's Additional Unit Assessment, is attached for approval. Revisions made per suggestions received from the Board during last meeting.
3. **Town of Crestone billing rate revision** – During discussion with Legal Counsel, Jennifer Tanaka and District Manager, AJ Beckman, it was noted that there is a schedule for rate increases in the agreement signed with ToC. See copy of agreement attached. Any increases should refer to the established schedule.
4. **Caselle Training** – As part of the recently signed contract, training at their facility in Provo, UT needs to be scheduled by one of the office staff sometime in the summer. We'll make the final payment for the 3rd installment of about \$5,000 after training is completed, per the agreement.

Memo

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5. **Record Retention List** – Steven will give update.

MISCELLANEOUS OTHERS

6. **Fire & Water Resistant Safe** – Requesting Board approval to purchase a fire & water resistant safe to store back-up disks, USB flash drive, camera, etc. We have two prices: \$141.10 for protection up to 30 minutes & 1550°F and \$392.00 for fire protection up to 2 hrs & 1850°F/ water 24 hrs (see attached).
7. **Employee Handbook** – Revised handbook with new O/T and PTO Policy distributed to all staff, including the new members.
8. **2008 CCR** – Coordinated with Steve Rogers to have the 2008 CCR completed and distributed per State regulations before deadline of July 1, 2009. Because of violations incurred in 2008, CCR was mailed to all usage accounts with last billing statements, posted at the Post Office, published in the June edition of the Crestone Eagle and our website in order to comply with state requirements.
9. **Credit Card Approval for Haven Wellman and Stephen Wade** – Resolution is needed authorizing the issuance of credit cards for the following employees: Haven Wellman, with a credit limit of \$1,500 and Stephen Wade with a credit limit of \$600.
10. **Section 6904/PILT Payment from the County** – Check in the amount of \$639.90 received. Left message for Lynn Zimmer at the County Commissioners office to get breakdown of calculation at the request of Director Cyriacks.
-



**Baca Grande Water &
Sanitation District**

Please provide us with the current information regarding additional units in your property (excluding the main house). Kindly complete the reverse of this notice, only if you have any additional units, and mail back to BGWSD by July 31, 2009, otherwise please disregard this notice.

Contact Name & Phone:

Please note that an inspection will take place to verify the information provided is correct. A penalty of \$500 will apply if the information provided by the owner is not accurate.

Date: 06/30/09

Account No: _____

Service Address:

Please return to:
BGWSD
PO Box 520, Crestone, CO 81131

Phone: 719-256-4310

Fax: 719-256-4309

E-mail:

frontdesk@bacawater.com

MAILED



**Baca Grande Water &
Sanitation District**

Please provide us with the current information regarding additional units in your property (excluding the main house). Kindly complete the reverse of this notice, only if you have any additional units, and mail back to BGWSD by July 31, 2009, otherwise please disregard this notice.

Contact Name & Phone:

Please note that an inspection will take place to verify the information provided is correct. A penalty of \$500 will apply if the information provided by the owner is not accurate.

Date: 06/30/09

Account No: _____

Service Address:

Please return to:
BGWSD
PO Box 520, Crestone, CO 81131

Phone: 719-256-4310

Fax: 719-256-4309

E-mail:

frontdesk@bacawater.com

MAILED

ADD'L UNIT ASSESSMENT

Owner's Name: _____

or

Business Name: _____

Commercial: Y/N

Residential: Y/N

Tax Exempt: Y/N

Type of Business: B&B: Y/N

Retreat: Y/N

Other: _____

Duplex: Y/N

Detached Unit: Y/N

Other: _____



Date: _____

BGWSD

FIXTURES COUNT	HOW MANY?	COMMENTS
SINKS		
TOILET		
SHOWER	*	
BATH TUB		
URINALS		
DISHWASHER		
EXTERIOR HOSE BIBS OR SPIGOTS	*	
COMMERCIAL KITCHEN		
DORMITORY		
OTHER		

NOTE: Please complete this table *only* if you have additional units to report besides the main house. kindly return to BGWSD by 7/31/07.

Completed by: _____

Owner or Agent _____

PRINT NAME: _____

ADD'L UNIT ASSESSMENT

Owner's Name: _____

or

Business Name: _____

Commercial: Y/N

Residential: Y/N

Tax Exempt: Y/N

Type of Business: B&B: Y/N

Retreat: Y/N

Other: _____

Duplex: Y/N

Detached Unit: Y/N

Other: _____



Date: _____

BGWSD

FIXTURES COUNT	HOW MANY?	COMMENTS
SINKS		
TOILET		
SHOWER		
BATH TUB		
URINALS		
DISHWASHER		
EXTERIOR HOSE BIBS OR SPIGOTS		
COMMERCIAL KITCHEN		
DORMITORY		
OTHER		

NOTE: Please complete this table *only* if you have additional units to report besides the main house. kindly return to BGWSD by 7/31/07.

Completed by: _____

Owner or Agent _____

PRINT NAME: _____



21 Craft Dr.
Alamosa, CO 81101
Voice 719.589.8940
Fax 719.587.9704

Estimate

DATE	ESTIMATE #
6/9/2009	7469

Baca Grande Water and Sanitation District
BGWS Shop Baca Grant Way,
Crestone, CO 81131

			PROJECT
			SO 27988
DESCRIPTION	QTY	COST	TOTAL
Waterproof / fireproof file safe with key. UL listed for 30 minutes of fire protection up to 1550°F. 1070 cubic inch interior storage	1	116.10	116.10
Shipping Charges	1	25.00	25.00
Thank you for your interest.		TOTAL	\$141.10

SIGNATURE _____

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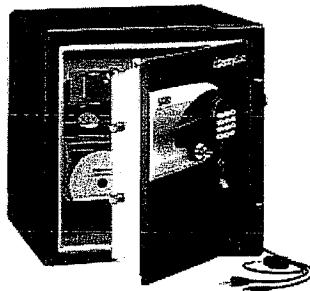
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Toll Free
1-877-933-7238

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Fire-Safe Water-Resistant Safe


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The world's first fire-resistant and water-resistant safes (offered in two sizes) to provide USB-powered connectivity for your existing storage devices (2 1/2" hard drives, USB flash drives). Also protects personal devices (MP3 players, small digital cameras, memory cards, iPods), as well as up to 72 CDs/DVDs in jewel cases (Storage devices, CDs/DVDs, audio/video devices, jewel cases, etc. sold separately.)

Key Features Include:

- 2-hour proven fire protection with impact, 30 ft. drop test
- ETL verified for 2-hour fire protection of CDs, DVDs, USB Drives and Memory Sticks up to 1850°F
- ETL verified for water resistance in up to 8" of water for up to 24 hours
- Advanced LCD electronic lock system with backlit key pad, programmable pin access and tubular key lock
- May be bolted to floor (hardware included)
- External USB 2.0 bus powered port (Y-cable included)
- Convenient door pocket stores 2 1/2" hard drive (sold separately) which connects to the internal USB port (cable included)
- Protects & Connects: Flash Drives, iPod, Memory Cards (CompactFlash, Memory Stick, SD and xD), MP3 Players, Small Digital Cameras
- CD/DVD organizer tray (stores up to 72 CD/DVDs in jewel cases)
- Holds A-4 size papers, folders and box files laid flat
- Key rack and compartment for small items

Standard Delivery Time: 10 - 14 Business Days

Item	Description	Dimensions	Our Price	
QE4531	FireSafe Home/Office Fire Safe	17 27/32"H x 16 11/32"W x 19 5 1/8"D 13 3/4"H x 12 9/16"W x 11 7/8"D Weight: 135 lbs.	\$392.00	1 ADD TO CART

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 See All [Fireproof Storage...](#)

Fire-Safe Water-Resistant Safe

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Tempe, AZ 85281

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Fax - 480-858-9777
Local - 480-858-0024
Email - sales@thefilestore.com

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Webmaster

11. The Town shall be obligated to pay the District a sewage treatment charge for all of the Town's incoming flow treated by the District. The treatment charge for the first three years of operation of the Town's sewage collection system shall be three dollars (\$3.00) per thousand gallons delivered to the District's sewage treatment plant, up to a monthly volume of 600,000 gallons. For wastewater flows above 600,000 gallons monthly, the treatment charge shall increase to three dollars and fifty cents (\$3.50) per thousand gallons.

Subsequent to the above described three year period a revised treatment charge shall be negotiated between the Town and the District with the revised treatment charge not exceeding one hundred twenty-five percent of the earlier treatment charge such that the resulting fee is no higher than \$3.75 per thousand gallons for flows below 600,000 gallons per month, and \$4.38 per thousand gallons for flows above 600,000 gallons per month. The District shall base the revised treatment charge on actual increased costs of treatment. Thereafter, the treatment charge shall be revised in June every (5) years. If the District and the Town cannot agree on an adjustment to the treatment charge, the treatment charge shall be increased to keep pace with inflation by multiplying the fee by an "index ratio" resulting in a fee payment to be recalculated every five years throughout the original term of this Agreement and any renewals thereof. The index ratio shall mean that ratio obtained by dividing the latest available consumer price index, all urban consumer (CPI-U), U.S. City annual average all items, published by the United States Bureau of Labor Statistics (hereafter the "index") that is available on June 1, 2010 (the first date upon which this inflator will be applicable) by the index for 2002. The index ratio, and the resulting fee, shall be recalculated every (5) five years throughout the original term of this agreement and any renewals thereof; i.e., it shall be recalculated in 2010, 2015, 2020, etc. The recalculated index ratio shall be obtained in the same manner described above. The latest available index available on June 1, 2015, shall be divided by the index for 2002, and then the latest available index available on June 1, 2020, by the index for 2002, and so forth, recalculating the index ratio and monthly payment in the same manner every five years during the term of this Agreement and any renewals thereof. By way of illustration, if 1980 were picked as the base year, rather than 2002, the index ratio calculated as of June 1990 would be the latest available index as of June 1, 1990 (which was the CPI-U all items annual average for 1980, 124.0) divided by the index for 1980, 82.4, resulting in an index ratio of 1.505 (by way of illustration assuming the treatment fee in 1980 was \$3.50 per thousand gallons, the treatment fee in 1990 would then be 1.505 times \$3.50 per thousand gallons or \$5.27 per thousand gallons). Any corrections or changes to the structure of the index (such as reference base

changes, changes in sample item, and others) shall be incorporated into this formula as soon as conversion factors are supplied by the Bureau of Labor Statistics. In the event that the U.S. Bureau of Labor Statistics ceases to publish the index, then the successor index or the nearest available index published by the Bureau of Labor Statistics or other successor governmental agency shall be used.

12. The Town will be billed quarterly (per calendar quarter) for sewage treatment charges. Bills shall be rendered to the Town promptly after the end of each quarter. All bills shall be paid by the Town within thirty days from the date of receipt of the bill.

13. MISCELLANEOUS

- a. The engineering firm selected by the District for design, inspection, and start up of the treatment facility will coordinate with Davis Engineering Service, Inc, (the engineering firm of the Town) to facilitate hookup and other engineering and construction issues as may be necessary.
- b. Construction of the Town's improvements needed to connect to the treatment facility will be done in conjunction with the District's Wastewater Treatment Facility Improvement Project.
- c. Any notice required or permitted to be given hereunder shall be in ~~writing and shall be personally delivered or mailed by Certified or Registered Mail, Return Receipt Requested, as follows:~~

If to Town: Town Manager, Town of Crestone
Elaine Davinroy, or her successor
P.O. Box 64
Crestone, CO 81131

Davis Engineering Services, Inc.
Attn: Allen Davey
P.O. Box 1840
Alamosa, CO 81101

with a copy to:
Eugene L. Farish
Attorney at Law
P.O. Box 430
Monte Vista, CO 81144



THE BACA GRANDE WATER & SANITATION DISTRICT

P.O. BOX 84 / P.O. BOX 520 • CRESTONE, CO 81131

(719) 256-4310

Fax: (719) 256-4309 • E-mail bacaws@ctelco.net

DATE: JUNE 19, 2009

TO: BOARD OF DIRECTORS

FROM: STEVEN HARRELL, GENERAL MANAGER

SUBJECT: REPORT ON DISTRICT OPERATIONS

REPORT TOPICS:

1. FACILITY OPERATIONS UPDATES

2. PROJECTS

3. CURRENT COMMITMENTS

4. DISTRICT POLICIES

5. COMPLIANCE AND TESTING

6 CUSTOMER BILLING

7 COMMUNITY UPDATE

FACILITY OPERATIONS UPDATES

- Chris Canaly attended the District operations staff meeting on June 1st, 2009. Board member attendance was appreciated by the District staff.
- District project site visits are scheduled for the afternoon of June 19th, 2009 for AJ Beckman, Jennifer Tanaka, and Board members are also invited.
- New Well 18 pump and pipe improvement project have increased the Districts capacity to deliver water in our peak water demand season June - September.
- Corrosion control study update - Stephen Rogers will report on the status of the CC study.
- Discuss plan for interim ORC.
- Plan for Steven Harrell as ORC - I will be eligible for testing on the wastewater level C certification in May 2010. I will also test for the water treatment level C certification by August 2010. Upon the successful completion of the wastewater and water treatment certifications I will work on the collections and distributions level 1 and take the test by the end of 2010 or the first quarter of 2011.
- The revised employee hand book has been distributed to the District staff.

PROJECTS

- Re-schedule the Cotton Wood backwash effluent pit reclamation; the Manitou Foundation Board of Directors has engaged Peter May to develop a reclamation plan for the area affected by the Districts backwash pit infrastructure. Manitou has requested the District re-schedule the project until the reclamation plan has been accepted by the Manitou Foundation Board of Directors.
- The fire hydrant repair project is proceeding on schedule. District operations will accomplish repairing the 50 non-operable fire hydrants by July 10th, 2009.
- Mobile Home Estates forced main project update - the initial surveying, and, geotechnical services are complete. Brown and Caldwell are in the design process at this time.

- Update on the utility access easements at the Cotton Wood plant - The additional surveying has been completed by Southern Colorado Surveying. I have attempted to obtain the documentation for the Greenway easement. This utility access easement provides the District access to the Cotton Wood Water Treatment Plant and water storage facilities. The Greenway's have not responded to my request for documentation; however, they will be in Crestone at the end of June for (2) two months. I will continue efforts to obtain the documentation of the easement granted by the Greenway's, to the District, which was never recorded.
- Review the leak detection proposal.
- The new board room conference table will cost \$450.00.
- Video conference equipment - Chris Canaly and I have reviewed the video conference equipment. We will report on our assessment of equipment at the Board meeting.
- Pressure reducing valve for the Baca Town Homes has been ordered.
- The new eyewash station has been delivered and is ready for installation at the Aspen WWTF.
- Fencing has been installed around the Golf course well with a locked gate. The new fences and locking gate are particularly important to prevent children from the charter school, soccer fields, or the Crestone Music Festival from tampering with or getting injured on District property.

CURRENT COMMITMENTS

- Fixed Asset Inventory- totals are attached for Board review.

DISTRICT POLICIES

- Review of District policy regarding domestic water wells allowed within the District boundaries. Memorandum regarding wells within a service area attached. What precedent will be set by allowing wells within the District boundaries?
- Discuss revision of the water shut/off turn/on policy. The immediate response to the new District policy regarding the \$50.00 fee from (3) customers and the

District employees was negative. Attached is a survey of water districts charges for their water shut off. I suggest amending the policy. The seasonal water shut/off and turn/on cost to \$25.00 each. The repair or maintenance of a residence requiring a shut off and turn on cost would be \$25.00 for both.

- The revised EQR notice is attached and ready for Board of Directors review and approval.
- District office business hours; the current business hours are 9:00am to 4:30pm. The administration staff starts their work day at 8:00am and ends their shift at 4:30pm. This allows the administration staff to get one hour of work done without interruption before opening the District office to the public at 9:00 am. I am requesting the Board of Directors approve permanent hours of operations before we order signage with our business hours for posting at front entry.

COMPLIANCE TESTING

Baca Grande Water and Sanitation District		
Monthly Operations Report	Month: MAY	2009
Baca Chalet		

Water	Well 18		
	gallons pumped: _____	4,561,920	
	Total for Year	17,270,103	
	Total Coliform Rule reporting		
	Total Coliform		Absent
	Free chlorine residual	0.22	mg/L

Wastewater	Aspen WWTF		
	Total influent flow, gallons: _____	2,456,926	
	Average daily influent flow: _____		90
	Maximum daily influent flow: _____		150
	Total effluent flow, gallons: _____	2,033,490	
	Average daily effluent flow: _____		58
	Maximum daily effluent flow: _____		67

Compliance

BOD5	yes	
Percent removal	yes	93.00%
TSS	yes	
Percent removal	yes	92.10%
Fecal Coliform	yes	21
Ammonia-N	no	10.4

Baca Grande Water and Sanitation District		
Monthly Operations Report	Month: MAY	2009
Casita Park		

Water	Well 1		
	gallons		
	pumped: _____	977,554	
	Total for Year	4,236,063	
	Total Coliform Rule reporting		
	Total Coliform		Absent
	Free chlorine residual	0.2	mg/L

Wastewater

MHE WWTF

Total influent flow, gallons: _____	255,785
Average daily influent	
flow: _____	15
Maximum daily influent	
flow: _____	17
Total effluent flow, gallons: _____	129,600
Average daily effluent	
flow: _____	3
Maximum daily effluent	
flow: _____	3

Compliance

BOD5	yes	
Percent removal	yes	89.00%
TSS	yes	
Percent removal	yes	93.50%
Fecal Coliform	yes	39

CUSTOMER BILLING

- Re: account # 420096.01 (96 Sky View Way). The customer will be attending the June 19th, 2009 board meeting; he intends to address the Board of Directors in an effort to have his agreement with the District dissolved (He appeared before the SLVREC Board of Directors and was successful in having his account terminated). The SLVREC contract is attached.

COMMUNITY UPDATE

- Saguache County Credit Union has offered the District an opportunity to have bills paid at the credit union or to have a drop box placed inside their lobby.
- The town of Crestone is interested in developing interconnectivity, emergency repair and water outage or fire suppression agreements with the District.

attach to Managers report

Water Turn on/off Rate Study						
	Turn On	Turn off	Sesonal	After Hours	# of Custmers	
Alamosa Water	1 Free a year	1 free a year	0		490	
San Luis Water	\$20	\$20			800	
Three Lakes Water	\$25	\$25			3200	
Mountian Water	\$25	\$25			388	
Grant Water	\$25	\$0			?	
Crestview water	\$25.00	\$0		\$50	?	
Roxbrorough Water	No Charge				?	
Upper eagle Water	No Charge		\$65.00		?	

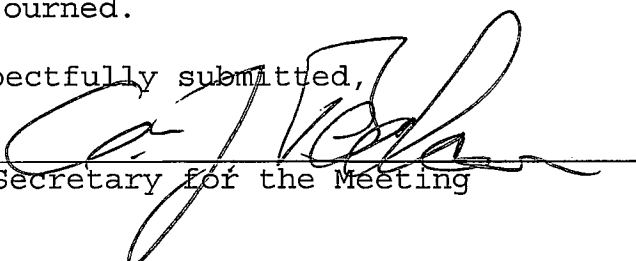
RECORD OF PROCEEDINGS

ADJOURNMENT

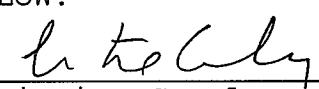
Upon motion duly made by Director Johnson, seconded by Director Cyriacks and, upon vote, unanimously carried, the meeting was adjourned.

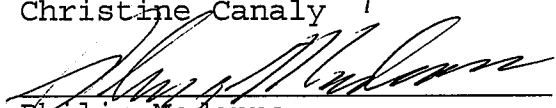
Respectfully submitted,


By

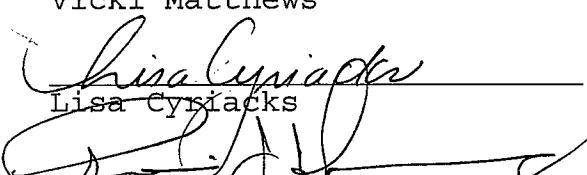

Secretary for the Meeting

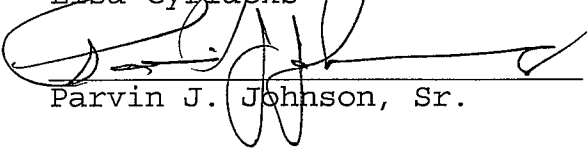
THESE MINUTES ARE APPROVED AS THE OFFICIAL JUNE 19, 2009 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Christine Canaly


Philip Madonna


Vicki Matthews


Lisa Cyriacks


Parvin J. Johnson, Sr.