

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD DECEMBER 13, 2013

A regular meeting of the Board of Directors (referred to hereafter as "Board") of the Baca Grande Water and Sanitation District (referred to hereafter as "District") was held on Friday, the 13<sup>th</sup> day of December, 2013, at 8:00 a.m. at the offices of the District, BGWSD Shop, 57 Baca Grant Way South, Crestone, Colorado. The meeting was open to the public.

#### ATTENDANCE

#### Directors In Attendance Were:

Vicki Matthews  
Martin Macaulay  
Cindy Reinhardt  
Kyle Grote

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the absence of Parvin J. Johnson, Sr. was excused.

#### Also In Attendance Were:

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

Jennifer Gruber Tanaka, Esq.; White, Bear & Ankele, P.C. (via speakerphone)

Steven Harrell; District General Manager

Brad Simons; TST Inc. of Denver (for a portion of the meeting) (via speakerphone)

Marcus Lock, Esq.; Law of the Rockies (via speakerphone)

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Tanaka noted that conflicts were filed for applicable Directors at least 72-hours prior to the meeting. Mr. Beckman noted that a quorum was present and requested members of the Board

## RECORD OF PROCEEDINGS

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Regulations be amended by a resolution to clarify the non-refundable status of these fees. She will prepare a resolution for consideration at the next Board meeting.

**Corrosion Control Study:** Mr. Beckman reported that Ron McLaughlin, the District's Water Engineer, has been in contact with the Colorado Department of Health and Environment ("CDPHE"); however, the use of Soda Ash has not yet been approved by the CDPHE as the optimal corrosion control technique.

**Operational Follow-Up:**

**Tea Kettle Testing Update:** Mr. Beckman reported that both he and Mr. Harrell have been in contact with the resident that reported observing mineral deposits in in an electric tea kettle. Mr. Beckman reported that the resident would like additional testing as the substance in question is different in appearance than what was originally reported to the District's Water Engineer. Mr. Beckman will follow up further with the resident and the District's Water Engineer and report back to the Board.

**Sewer Collections Jetting:** Mr. Harrell reported that the Vactor truck has been cleaned and put away for the season following the annual sewer cleaning that was done over the summer and fall.

**Water Main Breaks:** Mr. Harrell reported that there have been three water main breaks recently. He noted this was due to the failure of a PRV north of the Dessert Sage from the Well 17/18 complex. He reported that the mains have been repaired and noted that the process took the staff two and-one-half days to complete.

**Discharge Permit for the Aspen Institute Wastewater Treatment Facility:** Mr. Harrell reported that Mr. Simons has been in contact with the CDPHE to make refinements to the permit language. Mr. Harrell expects the permit to be active by January 1, 2014.

**Third Addendum to Independent Contractor Agreement for Ongoing GIS Services between the District and North Line GIS, LLC ("Third Addendum"):** Mr. Harrell reviewed the Third Addendum with the Board. Mr. Beckman noted that, pursuant to a conversation he previously had with the District's Engineer, the scope should be expanded to include the water and wastewater treatment facilities and wells. The Board directed Mr. Harrell to request an updated scope of work and resubmit it at the next Board meeting.

## RECORD OF PROCEEDINGS

---

Purchase of Backhoe: Mr. Harrell discussed with the Board the need to purchase a backhoe. He explained that the backhoe is one of the most critical pieces of equipment required for daily operations and emergency responses. He explained that he would like to keep the current backhoe for training purposes and loading trucks. He has requested a revised proposal but has not yet received the information needed for presentation to the Board. Mr. Harrell reported that the staff will perform routine maintenance on the machine, to the extent that they are qualified.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board authorized the purchase of a backhoe for an amount not to exceed \$108,000, subject to approval of the General Manager and District Manager.

**Grant Funding and Revolving Fund Pre-loan Planning/Design Assistance Grant Agreement between the District and the Colorado Water Resources and Power Development Authority**: Mr. Beckman reviewed with the Board the Revolving Fund Pre-loan Planning/Design Assistance Grant Agreement between the District and the Colorado Water Resources and Power Development Authority, as approved by the Water Quality Control Division. Mr. Beckman explained that the agreement is for grant funding for design of a flow equalization basin at the Aspen Wastewater Treatment Plant.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the Revolving Fund Pre-loan Planning/Design Assistance Grant Agreement between the District and the Colorado Water Resources and Power Development Authority, as approved by the Water Quality Control Division.

First Addendum to the Independent Contractor Agreement (Domestic Wastewater Facilities Support Engineering Services) between the District and TST Inc. of Denver for the Design Grant Preliminary Engineering Report ("First Addendum"): Mr. Beckman reviewed the First Addendum with Board and explained that it would cover the preliminary engineering associated with the flow equalization basin, the majority of which will be funded with the Design Assistance Grant.

Following discussion, upon motion duly made by Director Grote, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the First Addendum to the Independent Contractor Agreement (Domestic Wastewater Facilities Support Engineering Services) between the District and TST Inc. of Denver for the design grant preliminary engineering report.

## RECORD OF PROCEEDINGS

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### **Resolution regarding Regular Special District Election on May 6, 2014:**

Attorney Tanaka discussed with the Board the upcoming election and reviewed the Resolution regarding the Regular Special District Election on May 6, 2014 (“Election Resolution”).

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board adopted the Election Resolution and appointed AJ Beckman as the Designated Election Official and authorized him to perform all tasks required for the May 6, 2014 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**Renewed Engagement Letter for General Counsel Services with White, Bear & Ankele, PC and Termination of First Amendment to Original Engagement Letter:** Attorney Tanaka reviewed with the Board the renewed Engagement Letter with White, Bear and Ankele, PC for general counsel services and discussed the termination of the First Amendment to the original Engagement Letter.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the Board approved the renewed Engagement Letter with White, Bear & Ankele, PC for general counsel services and termination of the First Amendment to the original Engagement Letter.

**Engagement Letter and Termination of Addendum between the District and Special District Management Services, Inc. (“SDMS”):** Mr. Beckman discussed with the Board the Engagement Letter and termination of the Addendum between the District and SDMS.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Reinhardt and, upon vote, unanimously carried, the Board approved the Engagement Letter and termination of the Addendum between the District and SDMS.

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### **EXECUTIVE SESSION**

### **EXECUTIVE SESSIONS:**

**Water Matters:** Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Reinhardt, 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 12:01 p.m. for the purpose of discussing

**RECORD OF PROCEEDINGS**

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**Casselle Purchase Order.** Mr. Harrell presented the Board with a purchase order from Casselle for the updated software for billing.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the Casselle purchase order.

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**ADJOURNMENT**


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


Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL DECEMBER 13 2013 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

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

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

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

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

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