

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
APRIL 2, 2010

A special meeting of the Board of Directors of the Baca Grande Water and Sanitation District (referred to hereafter as "Board") was held on Friday the 2nd day of April, 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
Philip Madonna, Vice President
Vicki Matthews, Secretary/Treasurer
Lisa Cyriacks, Assistant Secretary

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

Also In Attendance Were:
AJ Beckman; Special District Management Services, Inc.
- via speakerphone

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

Steven Harrell; District General Manager

Michael Skully; Casita Park Action Committee

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest 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

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this meeting. No further conflicts were disclosed.

ADMINISTRATIVE MATTERS

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

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

PUBLIC COMMENT

Michael Skully: Mr. Skully inquired as to the water production of the Motel Well versus Well 18. Mr. Harrell explained that Well 18 is the primary water source for the District and that the use of the Motel Well is limited to the Casita Park area. Mr. Skully then asked about the costs and benefits of water meter relocation. Mr. Beckman explained that the District is currently offering to relocate meters for the cost of parts only. If the present location does not pose any risk to the property owner, the property owner can elect not to pursue the relocation.

CAPITAL IMPROVEMENTS

Award of Contracts: 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 Madonna and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 9:15 a.m. for the purposes of discussing legal matters as authorized by Section 24-6-402(4)(b) C.R.S. and discussing matters subject to negotiation with third parties pursuant to 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 10:09 a.m.

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Water and Wastewater Capital Projects Contract: Following discussion, upon motion duly made by Director Madonna, seconded by Director Matthews and, upon vote unanimously carried, the Board approved the Award of Contract to Farner Enterprises for an amount not to exceed \$1,797,364, subject to the receipt of bidder qualifications, revision of the scope of work to exclude bid items 1.07, 1.08 and 1.09, and final design approval by the Colorado Department of Public Health and Environment.

Project Management for Water and Wastewater Capital Projects Contract: Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Madonna and, upon vote unanimously carried, the Board approved the Award of Contract to Olsson Associates for an amount not to exceed \$189,444, subject to the reduction in costs to eliminate bid items 1.07, 1.08 and 1.09.

ADJOURNMENT

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

Respectfully submitted,

By _____

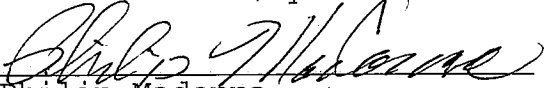
Secretary for the Meeting

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THESE MINUTES ARE APPROVED AS THE OFFICIAL
APRIL 2, 2010 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.