

## RECORD OF PROCEEDINGS

---

### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD APRIL 1, 2011

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 1st day of April, 2011, at 1:00 p.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  
Martin Macaulay, Secretary/Treasurer  
Philip Madonna, Assistant Secretary  
Parvin Johnson, Sr., Assistant Secretary

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

##### Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc. – Via Speakerphone

Jennifer Tanaka, Esq.; White, Bear & Ankele P.C. – Via Speakerphone

Steven Harrell; District General Manager

Marcus Lock, Esq. and Kendall Burgemeister, Esq.; Bratton Hill Wilderson & Lock, LLC - 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. 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.

## RECORD OF PROCEEDINGS

---

### ADMINISTRATIVE MATTERS

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

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

---

### PUBLIC COMMENT

**Public Comment:** There was no public comment.

---

### WATER MATTERS

**Outstanding Water Matters with Water Counsel:** Attorney Lock discussed Well 17. He reported that he has contacted the State Engineer's Office regarding correction to clerical errors on the legal documents pertaining to the well.

**EXECUTIVE SESSION:** Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S. of the Colorado Revised Statutes, upon motion duly made by Director Johnson, 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 1:10 p.m. for the purpose of receiving legal advice from the Board's attorney 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 1:44 p.m.

---

### LEGAL MATTERS

**Transfer and Lot Consolidation Fees:** Mr. Beckman discussed the recent request by local realtors to waive the transfer fee recently imposed on lots currently under contract and to reduce the fee going forward. The Board reviewed the transfer fee and discussed the amount to be imposed.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Madonna and, upon vote, unanimously carried, the Board ratified the decision to waive fees on lots currently under contract with local realtors as requested through April 1, 2011 but re-confirmed the imposition of the fee for properties in the future.

## RECORD OF PROCEEDINGS

---

### OTHER BUSINESS

**Resignation by Mr. Wade:** Mr. Harrell reported that Mr. Wade resigned from District employment. Mr. Harrell advised the Board that, although he was specifically directed not to return to the District office without prior authorization, Mr. Wade returned to the District Office while on paid leave to clean out his desk and erase certain personal files from the computer he used while employed by the District.

**Board of County Commissioners Meeting:** Attorney Tanaka discussed the meeting with the County Commissioners scheduled for Tuesday, April 5<sup>th</sup>. She reported that staff is currently gathering information for use with the presentation.

---


### ADJOURNMENT

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

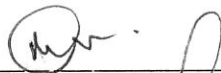
Respectfully submitted,

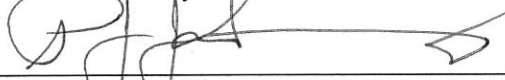
By \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 1, 2011  
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