

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD APRIL 17, 2015

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 17th day of April, 2015, 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:

Cindy Reinhardt
Martin Macaulay
Michael Scully
Judy DeLuca
Kyle Grote

Also In Attendance Were:

Lisa A. Johnson; Special District Management Services, Inc., via speakerphone

Zachary White, Esq.; White Bear Ankele Tanaka & Waldron, via speakerphone

JoAnn Slivka; District Administrative Services Manager

Justin DeBon; Operations Manager

Brad Simons; TZA Water Engineers; via speakerphone for a portion of the meeting.

Marcus Lock; Law of the Rockies via speakerphone for a portion of the meeting.

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DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to Colorado law 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 White noted that conflicts were filed for applicable Directors at least 72-hours prior to the meeting. Director Reinhardt 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. Director Grote disclosed that he is considering engaging Law of the Rockies and, in particular, Marcus Lock to provide water rights legal services to him on a personal matter. Director Grote also notified the Board that he is starting a new business in the cultivation of marijuana industry.

ADMINISTRATIVE MATTERS

Agenda: Director Reinhardt reviewed the proposed Agenda for the District's regular meeting with the Board.

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

Consent Agenda: The Board considered the following actions:

- Approve Minutes from the March 20, 2015 regular meeting.
- Approve an Independent Contractor Agreement with Valley Electric for Electronic Diagnostics, Repair and Maintenance Services at Aspen Waste Water Treatment Facility.
- Approve an Independent Contractor Agreement with Q.A. Balance Services, Inc. for 2015 Meter Calibration Services.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Scully and, upon vote, unanimously carried, the Board reviewed, approved, and accepted the Consent Agenda items.

Board and Staff Reports: The Board reviewed and discussed the staff reports, which are attached hereto and incorporated herein by this reference.

Review of Intergovernmental Agreement with Town of Crestone:

President Reinhardt asked Attorney White whether the current agreement is an appropriate agreement for amendment or, as an option, should the District consider drafting a new agreement. Attorney White suggested that he draft a new agreement which would bring all terms in the agreement current and would allow

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for language regarding rate structure information be included in the new agreement. The Board directed Attorney White to draft a new agreement and present at the May meeting.

Water and Sewer Rate Study: Mr. Simons and Ms. Johnson gave an update to the Board on the water and sewer rate study efforts and the process for presentation of the study once complete.

Public Education/Crestone Eagle Articles: Director DeLuca presented the next monthly article intended to provide information and education about the District to the community. The Board reviewed and approved the article for inclusion in the newspaper.

2015 Board Retreat: Ms. Johnson discussed the timing of the Board retreat to be held in June or July of each year beginning in 2015. She asked the Board to begin thinking about issues, concerns and requests for items to be discussed at the Board retreat and to transmit those ideas to her when convenient. The Board discussed and approved scheduling the retreat for July 23, 2015 and moving the regular meeting in July from July 17, 2015 to July 24, 2015.

Status of Request from Saguache County to deed a 60' wide piece of property to the County: President Reinhardt asked the Board if they have reviewed the County's project to construct a new road. In her opinion, she feels the project is unnecessary and potentially a waste of tax payers dollars. She asked the Board to authorize her to work with Attorney White and Tanaka and Saguache County to understand the project in more detail and discuss potential options. The Board gave her such authorization.

PUBLIC COMMENT

No public comment was received.

OFFICE ADMINISTRATION

Ms. Slivka informed the Board that she and Ms. Skibinski have been working on a new format to the water and sewer bill statement. She shared a draft of the revised statement for the Board. The Board reviewed and approved the draft.

OPERATIONS

Mr. DeBon updated the Board that the manhole repair project has been completed.

Mr. DeBon suggested the Board consider preparing a Facebook page to allow for more timely notification of water emergencies, etc. Ms. Johnson suggested as another option a Reverse 911 system could be instituted. The Board discussed the

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ideas and directed Attorney White to research the Facebook idea and provide legal input. If a positive response is received from Attorney White, Ms. Slivka and Mr. DeBon will research the Facebook possibility as well as a Reverse 911 system and prepare a recommendation to the Board at a future meeting.

Status of Well 18 Pump/Motor Failure Demand Letter: Attorney White reported that the letter has been drafted and reviewed by Attorney Tanaka and Ms. Johnson. Staff needs to provide Attorney White with the final costs associated with staff and consultant time regarding the issue to include in the letter to Royal Electric prior to finalization. The Board directed staff to transmit the necessary information to Attorney White in order to complete the letter and once complete, Attorney White is directed to transmit the letter to Royal Electric.

CAPITAL IMPROVEMENTS

Capital Funding Sources and Uses: Ms. Johnson presented the capital funding sources and uses report.

Status of 2015 Capital Project:

Casita Park Interconnect: Mr. Simons and Mr. DeBon presented information contained in their memos regarding the project. Upon completion of the project, the motel well would be reclassified as a water source for emergency or back-up supply purposes only. Mr. Simons and Mr. DeBon both recommend going forward with the project. The Board discussed in detail and asked questions to staff regarding the project.

Following discussion, upon motion duly made by Director DeLuca, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved moving forward with the Casita Park Interconnect Project.

FINANCIAL MATTERS

Check Register: The Board considered approval of the check register through the period ending April 17, 2015, as follows:

General Fund	\$	6,992.99
Debt Service Fund	\$	-0-
Capital Projects Fund	\$	27,437.42
Enterprise Fund	\$	<u>70,523.47</u>
Total Claims:	\$	104,953.88

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the Board approved the

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check register for the period ending April 17, 2015.

March 31, 2015 Financial Statements: Ms. Johnson presented and the Board reviewed the March 31, 2015 financial statements.

Following discussion, upon motion duly made by Director Grote, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the March 31, 2015 financial statements.

LEGAL MATTERS

Policy Related to Regulating Water Use to Marijuana Growers: Director Reinhardt addressed the Board regarding this agenda item. She recently received a call regarding concerns related to growing of marijuana in the area. The conversation spurred some thought about this issue and how it might affect the District. She asked the Board if they see this issue as a concern and they agreed with her concern. The previous General Manager had suggested that the District require new customers to connect both water and sewer at the same time as a way to help mitigate the issue. The Board directed legal counsel to draft a resolution regarding this policy and present for approval at the May meeting. The Board chose to continue this discussion in an executive session to receive advice from their attorney's on this issue.

OTHER BUSINESS

No other business was presented.

EXECUTIVE SESSION

EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b)(e) and (f), C.R.S., upon motion duly made by Director Macaulay, seconded by Director DeLuca and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:11 a.m. for the purpose of receiving legal advice, as authorized by Sections 24-6-402(4)(b) and (f), C.R.S.

Pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of the remaining portion of this executive session that, in the opinion of the Board's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 12:10 p.m.

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Policy Related to Regulating Water Use to Marijuana Growers:

Upon motion duly made by President Reinhardt, seconded by Director DeLuca and, upon vote, with Directors Reinhardt, Macaulay and DeLuca voting yes and Directors Grote and Scully voting no, the Board directed legal counsel to prepare a brief summary memo of tools the District might have available to regulate growing marijuana within the boundaries of the District.

Refund of EQR Fee on Account #42003501:

Following discussion, upon motion duly made by Director Macaulay, seconded by Director DeLuca and, upon vote, unanimously carried, the Board approved a refund of EQR fees charged on account # 42003501 from May 2009 to present.

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

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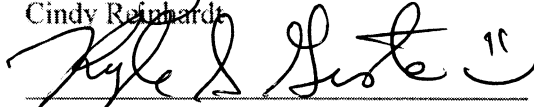
THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 17, 2015
MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT
BY THE BOARD OF DIRECTORS SIGNING BELOW:



Martin Macaulay



Cindy Reinhardt



Kyle Grote



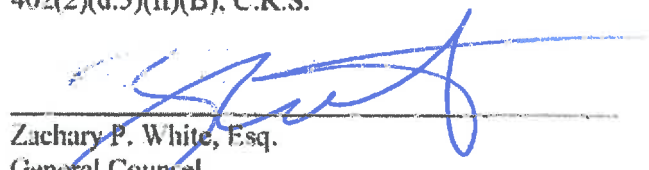
Michael Scully

Judy DeLuca

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Attorney Statement Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Baca Grande Water and Sanitation District, I attended the executive session on April 17, 2015, for the sole purpose of providing legal advice and developing strategy for negotiations, as authorized by §§24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required by be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.



Zachary P. White, Esq.
General Counsel
Baca Grande Water and Sanitation District



Baca Grande
Water And Sanitation
District

Baca Grande Water and Sanitation District
P.O. Box 520 | 57 Baca Grant Way S
Crestone, CO 81131-0520

April 17, 2015

Board of Directors Sign-in

Cindy Reinhardt	<i>Cindy Reinhardt</i>	
Martin MacCarty	<i>Mr.</i>	
Kyle Grote	<i>Kyle Grote</i>	
Michael Scully	<i>Michael Scully</i>	
Judy Deluca	<i>Judy Deluca</i>	



Baca Grande Water and Sanitation District
P.O. Box 520 | 57 Baca Grant Way S
Crestone, CO 81131-0520

Date: April 9, 2015
To: Baca Grande Water and Sanitation District, Board of Directors
From: Lisa A. Johnson, District Manager
Re: April 17, 2015 District Manager's Report

Agenda Action Items

I.C. Consent Agenda

1. Approve Minutes from the March 20, 2015 regular meeting.
2. ICA with Valley Electric for Electronic Diagnostics, Repair and Maintenance Services at Aspen Waste Water Treatment Facility
3. ICA with Q.A. Balance Services, Inc. for 2015 Meter Calibration Services.

I recommend approval of the consent agenda items.

I.E.1. Status of water and sewer rate study

Mr. Simons has prepared a list of information needed from staff in order to begin working on the water and sewer rate study. Staff has confirmed the tasks requested are appropriately assigned and will work to gather the information requested.

IV.C. ICA with Alcon Construction, Inc. for Roof Leak Repairs

Shortly after the last board meeting, it was brought to my attention that staff had received a proposal to repair the roof at the office. The roof has many leaks at this point and is in much need of repair. I shared the proposal with President Reinhardt and asked her to consider approval immediately in order to engage the contractor and have the work scheduled as soon as possible. President Reinhardt approved the work. The budget for repair and maintenance of the office for 2015 is \$3,500. The proposal to complete the work is \$4,290. The overage will need to come from other line items in the overall repair and maintenance budget.

I recommend ratifying the approval of the ICA with Alcon Construction, Inc.

VI.B. March 31, 2015 Financial Statement

Ms. Ross and I will present the first quarter financial statements at the meeting.

I recommend acceptance of the March 31, 2015 unaudited financial statements.

IX.A. 2015 Board Retreat

As a reminder, I have recommended that the Board Retreat be held in June or July of every year rather than during budget season. I would like the Board Members to think about this suggestion as well as items for discussion at the retreat and be prepared to share their thoughts at the meeting.



Baca Grande Water and Sanitation District
P.O. Box 520 | 57 Baca Grant Way S
Crestone, CO 81131-0520

OPERATIONS MANAGER REPORT

To: Board of Directors, Baca Grande Water and Sanitation District
From: Justin DeBon
Date: April 17, 2015

Casita Park Water Loss: Casita park pressure zone is experiencing one or more water leaks resulting in a loss of 22 gallons per minute, District staff has been searching for the leak but has been unsuccessful.

MXU-M Replacement Project: The MXU-M upgrade and meter pit replacement has started ahead of schedule, all parts have been delivered and are being installed.

2015 Projects: The following is list of projects that will be worked on in 2015.

1. MHE Lagoon Restoration
2. Completion of Water Meter Upgrade Project
3. Fire Hydrant Maintenance Project
4. Collection System Cleaning Project
5. Manhole Infiltration Prevention Project on Cotton Wood Creek
6. Stables Lift Station Upgrade Project
7. Capital Improvement Projects

Facility Painting: Pump house painting has begun, District staff will be painting the interiors and piping in all of the pump houses to improve cleanliness and control corrosion. Well 17 and Well 18 are complete and the Well 18 booster station is in process.

Projects In Process:

1. Water Meter MXUM upgrade project and DOLA grant reporting
2. Well-18 motor failures and resolution with Royal Electrical Services
3. Wagon Wheel lift station pump repair and failure report and resolution with Royal Electric Services. The pump was originally repaired by Royal Electrical Service. The pump was placed into service for 3 months of operation before the pump failed and was sent to Denver Electric Motor for repair. The District is awaiting the pump report from Denver Electrical Service.
4. Yeshi Korlo service line reduction project
5. 2015 Capital Improvement projects
6. GIS Facilities Maintenance Project



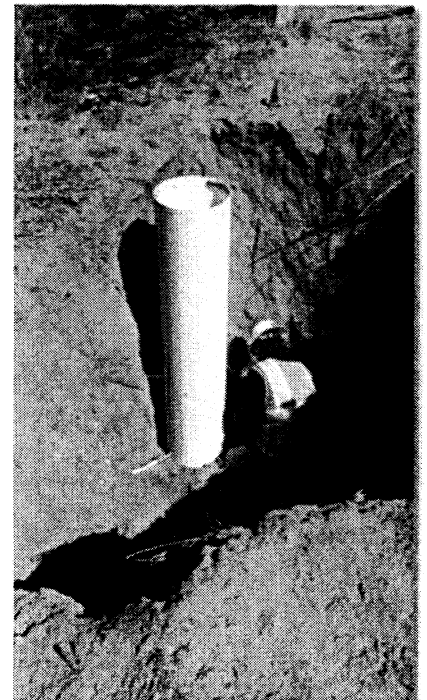
Baca Grande Water And Sanitation District

Water is Life ~ Water is Our Business

Report on District Operations

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*New meter pit being installed.
Part of meter pit upgrade project.*

DISTRICT OPERATIONS

SSO-Sanitary Sewer Overflow	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	1378 Chaparral
Fire Hydrant Maintenance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Water Main Repairs	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	4195 Caprice 1" lateral service line
Collection System Cleaning	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
GPS/GIS	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Water/Sewer Hookups	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Accidents	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	

- * Water Main Breaks - Cracks or burst in the PVC water mains
- * Lateral Service Line Breaks – In service line or brass fittings
- * Other – Road grader or broken facility due to accidental impact on fire hydrants or flushing hydrants

TOTAL WATER TREATED

	Finished Water Combined Well-18 & Motel Well	Wastewater Treated	Estimated Unaccounted Water
Gallons Pumped January 2015	9,123,828	2,473,000	6,650,828
Gallons Pumped February 2015	5,292,000	1,630,000	3,662,000
Gallons Pumped March 2015	4,631,000	2,014,000	2,617,000
Gallons Pumped April 2015			
Gallons Pumped May 2015			
Gallons Pumped June 2015			
Gallons Pumped July 2015			
Gallons Pumped August 2015			
Gallons Pumped September 2015			
Gallons Pumped October 2015			
Gallons Pumped November 2015			
Gallons Pumped December 2015			
Total Gallons Pumped In 2015	19,046,828		

Golf Course Well	Irrigation Water
Gallons pumped April 2015	
Gallons Pumped May 2015	
Gallons Pumped June 2015	
Gallons Pumped July 2015	
Gallons Pumped August 2015	
Gallons Pumped September 2015	
Gallons Pumped October 2015	
Total Gallons Pumped In 2015	

Water – Well 17/18	Gallons Pumped	Compliant	Result
Gallons Pumped January 2015	8,146,275		
Total Coliform Reporting		YES	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.30
Gallons Pumped February 2015	4,490,000		
Total Coliform Reporting		YES	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.25
Gallons Pumped March 2015	3,613,000		
Total Coliform Reporting		YES	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.26
Gallons Pumped April 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped May 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped June 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped July 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped August 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped September 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped October 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped November 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped December 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	



Water – Motel Well	Gallons Pumped	Compliant	Result
Gallons Pumped January 2015	977,553		
Total Coliform Reporting		YES	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.31
Gallons Pumped February 2015	802,000		
Total Coliform Reporting		YES	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.28
Gallons Pumped March 2015	1,018,000		
Total Coliform Reporting		YES	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.29
Gallons Pumped April 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped May 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped June 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped July 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped August 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped September 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped October 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped November 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	
Gallons Pumped December 2015			
Total Coliform Reporting			
Free Chlorine Residual PWSID # CO 0155200		Residual	

WASTEWATER DISCHARGE SAMPLE RESULTS

December	Limit	Compliant	Result
Effluent BOD ₅	30/45 mg/L 30 DAY AVG/7DMAX	Yes	3.6 mg/L
Percent Removal BOD ₅	85% or greater	Yes	98%
E-coli	64/252 #/100ml 30 DAY GEO.MEAN/7DMAX	Yes	2/100 ml

Aspen Wastewater Treatment Plant Has No Discharge Permit Violations for December

TOTAL AMMONIA AS N, MG/L

Month	Limit	Compliant	Result
January	5.0 mg/L	Yes	2.8 mg/L
February	4.1 mg/L	Yes	0.81 mg/l
March	4.4 mg/L	Yes	0.86 mg/l
April	3.9 mg/L		
May	3.3 mg/L		
June	3.4 mg/L		
July	3.0 mg/L		
August	2.2 mg/L		
September	2.6 mg/L		
October	2.5 mg/L		
November	3.8 mg/L		
December	4.0 mg/L		

BIO SOLIDS REPORTING

Reporting/Permits	Status
Annual Bio Solid Land Application Reporting	Completed
Annual General Permit	Completed
Disposal Permit	Completed
Sampling Analysis Plan	Submitted
Bio Solids	Quantity
Stored Bio Solids – Aspen Storage Lagoon (estimated)	168,800 gal
Stored Bio Solids – MHE Lagoon Dry Bio Solids (estimated)	479.8 cubic yds.
Bio Solids pumped and applied to land application site in YTD 03/17/15	0 gallons
Bio Solids pumped into storage lagoon YTD 03/17/15	28,800 gallons

OTHER REPORTING

Customer Complaints	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Monthly Safety Meetings	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Trench Safety

BGWSD – INFRASTRUCTURE FIXED ASSETS

Drinking Water Distribution System	Wastewater Collection System
Water Mains = 64 miles	Sewer Mains = 45 Miles
Gate Valves = 517 Units	Manholes = 798
Service Accounts = 673	
Curb Stops = 673 Units	Lift Stations = 5
Fire Hydrants = 278	MHE LS – <i>Operational-in float mode only (PSI 87 March)</i>
Well 17/18 Water Treatment Plant – <i>Booster Pump Motor Operational Plant Capacity - 0.4 MGD* Well/18 level transducer failed 10/8/2014</i>	Stables LS – <i>Operational</i>
MHE Motel Well Water Treatment Facility Plant Capacity - 1 MGD* <i>Operational</i>	Wagon Wheel LS <i>pump 1 Failed on 12/5/14 Pump 2 operational-in float mode only.</i>
Water Transfer Stations = 3	Dharma Ocean LS – <i>Operational</i>
Booster Stations = 4	Aspen LS – <i>Pump # 2 failed 11/26/2014 Pump # 1 operational</i>
	Aspen Wastewater Treatment Facility - 0.15 MGD* Plant Capacity - Average loading on plant for August – 61,000 gallons/day - <i>Plant Operational</i>
* MGD = MILLION GALLONS PER DAY	

Transfer Stations	Booster Stations
Fallen Tree Transfer Station – <i>Pump # 2 removed for maintenance on 12/30/2014. Pump # 1 Operational reduced gpm</i>	Pine Cone Booster Station - <i>Operational</i>
Ridge View Transfer Station – <i>Operational</i>	Shumei Booster Station – <i>Pump/VFD # 1 Operational Pump/VFD # 2 Operational</i>
Moonlight Transfer Station - <i>Operational</i>	Motel Well Booster Station – <i>Operational</i>

CERTIFICATION CORNER

Justin DeBon Operations Manager, ORC	Class C Water Operator Renewal Date: 11/18/16 Class C Wastewater Operator Renewal Date: 09/19/17 Class 1 Collection Operator Renewal Date: 03/29/16 Class 1 Distribution Operator Renewal Date: 01/04/16 Nationally Certified Heavy Equipment Operator Level 1
Chad Tate Operator	Class S Water Operator Renewal Date: 01/29/17 Class S Wastewater Operator Renewal Date: 01/29/17
Tim Allen Operator	Class S Water Operator Renewal Date: 10/07/17 Class S Water Operator Renewal Date: 10/07/17
William Welty Operator	In Training
Latasha Ruiz Operator	In Training

Administrative Report

April 17, 2015

<p><u>Meter and Billing Activity</u></p>	<ul style="list-style-type: none"> ➤ Meters: <ul style="list-style-type: none"> ○ 647 in new route 3 ○ 625 successful reads ○ 22 no reads in route 3 – all known issues currently being working on, 96.6% read rate for route 3 ○ 29 accts not moved to new route 3 <ul style="list-style-type: none"> ▪ 16 MXU replacements where MXU installed but can't activated – Known issues ▪ 10 MXU replacements not yet installed ▪ 1 –unmetered water service (Ambulance Bay) ▪ 1 – condemned (White Eagle) ▪ 1 – special read (Townhomes) ▪ 3 - Low pressure accounts ○ Totals for <u>metered</u> accts: 647+29-3 =673 total metered accts, 625 successful reads. 93% success rate. ➤ Delinquent account summary: <ul style="list-style-type: none"> ○ 30 - Delinquent notices mailed- 24 primary accounts, 6 renters <ul style="list-style-type: none"> ▪ 17 - Paid in full ▪ 7 - Paid delinquent balance ➤ Tap Fees: <ul style="list-style-type: none"> ○ 38 - Customers billed = \$1873.98
<p><u>Property Activity</u></p>	<ul style="list-style-type: none"> ➤ Transferred Properties = 16 ➤ Consolidations: <ul style="list-style-type: none"> ○ 2 -Application letters received in March ○ 2 - Finalized consolidations ➤ Water/Sewer hookup applications: 1 new application recieved
<p><u>Projects</u></p>	<ul style="list-style-type: none"> ➤ Update Utility Billing Form: <ul style="list-style-type: none"> ○ Staff is modifying the utility billing statement. We are working on 2 separate forms; the regular usage billing form and an availability of service form. ➤ 2014 Consumer Confidence Report ➤ Online Payments <ul style="list-style-type: none"> ○ Cost analysis ➤ Independent Contractor Agreements (ICA) <ul style="list-style-type: none"> ○ 2- New/updated requests for ICA ○ 4- Completed and sent to contractors ➤ Rate Study Project <ul style="list-style-type: none"> ○ Begin gathering data for the rate study project ➤ Insurance Options <ul style="list-style-type: none"> ○ Research health insurance options ➤ Roof Repair <ul style="list-style-type: none"> ○ Vendor selected, ICA complete, waiting on scheduling

**BACA GRANDE WATER AND SANITATION DISTRICT
ENGINEER'S REPORT
APRIL 8, 2015**

ADMINISTRATIVE MATTERS

Funding Opportunities – TZA Water Engineers will be working with the District's management team on applications for other funds for planning, design, and construction monies, including the Colorado Water Conservation Board Water Efficiency Grant Program.

Water and Wastewater Rate Study – TZA received the form of agreement for the rate study effort on April 7 and has requested data from the District, including:

- Current 2015 budget depicting the Enterprise Fund revenue and expenditure projections,
- Allocation of the expenditure projections to the water activities and wastewater activities,
- Determination of the number of water and wastewater accounts billed by each utility,
- Identification of the tap size for the water and wastewater accounts billed,
- Monthly water production from each of the water treatment plants (i.e. Well 18 and Motel Well),
- Monthly water distribution as metered at each of the pump stations,
- Monthly wastewater influent flows metered at the Aspen Institute Wastewater Treatment Plant,
- Monthly wastewater flows metered from the Town of Crestone, and
- Monthly water deliveries as metered at each account.

OPERATIONAL MATTERS

Biosolids Removal - TZA will be working with Justin DeBon on the 2015 plan for biosolids removal.

Well 18 Booster Pump Station Problems - Activities associated with this topic will be addressed separately due to attorney-client privileges

Nutrients Management Control Regulation (Regulation No. 85) - Justin DeBon is managing the 2015 sampling efforts. The 2014 annual report is due to the Division by April 15, 2015.

CAPITAL PROJECTS

2014 Water Distribution System Improvement Project - The warranty inspection with RMS Utilities has been tentatively set for December 1, 2015. This item will remain on the Engineer's Report until the inspection has been completed.

LAMP RYNEARSON COMPANIES



Water Meter Transmitter Replacement Project - TZA has asked Justin DeBon to review the meter reading results with pump station metering reports in an effort to assess pressure zones that should be the focus of any future leak detection activities.

Flow Equalization Basin - TZA Water Engineers is awaiting the geotechnical investigation and foundation recommendation for the proposed structure from Mountain Engineering and Testing (MET). MET provided comments in the form of agreement to the District and the District is discussing those comments with the independent contractor. TZA will prepare a site application amendment and accompanying engineering report that will be reviewed by the Water Quality Control Division.

Cottonwood Creek Manhole Rehabilitation - In 2014, the District observed considerable infiltration and inflow in three manholes near Cottonwood Creek in the vicinity of Virtue Way. A review of the Discharge Monitoring Reports for the Aspen Institute Wastewater Treatment Plant indicated the following:

- The April influent flows averaged 65,600 gallons per day (gpd), with a high of 72,000 gpd and a low of 61,000 gpd.
- The influent flows began to increase in mid-May and were at 107,000 gpd on May 31.
- The flows continued to increase and peaked at 158,000 on June 16, then begin to decrease. The influent flows returned to 65,000 gpd on June 29.
- The July influent flows averaged 63,500 gpd, with a high of 77,000 gpd and a low of 45,000 gpd.

Based upon this information and the staff's direction, TZA issued a request for proposals to five (5) pre-qualified contractors. Proposals were received by the District on March 17, 2015 and based upon the costs, the District decided to self-perform the work.

Compliance Evaluation Inspection (Dharma Ocean and Stables Lift Station) - TZA Water Engineers' most recent response to the Division's requests for information of the site applications was submitted to Mr. Hlad on March 19. I contacted Mr. Hlad on April 8 and he indicated his approval letter for both site applications has been drafted and is being reviewed by Division management. Based upon the amount of information that has been provided to the Division during the course of their reviews, design approval of the lift station improvements should be timelier. I will discuss the anticipated improvements with Justin DeBon as part of a much larger capital project prioritization effort in the pending weeks.

Casita Park Water Line Interconnect – Director Mccauly has asked some questions regarding this project that I need to review with Justin DeBon before proceeding with any additional planning or design efforts.

OTHER ACTIVITIES

Draft Storage Tank Rule – The Water Quality Control Division has drafted a Storage Tank Rule (<https://docs.google.com/file/d/0B0tmPQ67k3NVUzAyd2dEekt5Tnc/edit>) that are expected to become effective April 1, 2016 (previously anticipated to be January 1, 2016). In addition to quarterly periodic (visual) inspections, this rule will require comprehensive inspections to be scheduled at least every five years.