

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
OCTOBER 16, 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 16th day of October, 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

Following discussion, upon motion duly made by Director Scully, seconded by Director DeLuca and, upon vote, unanimously carried, the absence of Director Grote was excused.

Also In Attendance Were:

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

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

JoAnn Slivka; Administrative Services Manager

Justin DeBon; Operations Manager

Brad Simons; TZA Water Engineers, Inc.(via speakerphone for a portion of the meeting)

Marcus Lock, Esq.; Law of the Rockies (via speakerphone for a portion of the meeting)

See list for additional attendees

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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. No new disclosures were made.

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 Scully, seconded by Director Macaulay and, upon vote, unanimously carried, the Agenda was approved, as amended.

Consent Agenda: The Board considered the following actions:

- Approve Minutes from the September 18, 2015 regular meeting
- Review and accept unaudited financial statements for the period ending September 30, 2015 and current schedule of cash position

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

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

2016 Board of Director Goals: President Reinhardt presented an update to the goals summary presented at the September meeting incorporating comments shared at that meeting.

She then proceeded to explain a revision to a previous goal related to reducing consultant costs. She suggested revising the goal to reducing administrative costs and outlined three options in the process of achieving this goal. They are as follows:

1. Continue to accelerate transition of certain tasks currently provided by Special District Management Services, Inc. ("SDMS").

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2. Terminate SDMS's district management scope of services and transfer those serves to administrative office staff.
3. Transfer most of the administrative functions currently associated with administrative office staff to an outside consultant.

The Board determined to appoint a committee comprised of President Reinhardt, Director Macaulay, Ms. Slivka and Ms. Johnson to conduct the analysis.

President Reinhardt will summarize via memo to the Board the three options as she presented them.

SDMS Rate Increase for 2016: The Board reviewed the correspondence received regarding a 1.5% hourly rate increase to SDMS effective January 1, 2016.

Following discussion, upon motion duly made by Director Scully, seconded by Director DeLuca and, upon vote, unanimously carried, the Board approved the rate increase to SDMS effective January 1, 2016.

PUBLIC COMMENT

Lisa Cyriaks, resident, requested an update on the United States Fish and Wildlife Services augmentation plan. President Reinhardt provided a brief update.

OFFICE ADMINISTRATION

Administrative Follow-Ups: Ms. Slivka presented research regarding options related to addressing after hours/emergency phone calls. She was unable to locate a service provider that would offer a cost savings to the current service provider. Given this, Ms. Slivka has identified internal changes to the process that should result in an overall reduction in annual costs associated with this service.

OPERATIONS

Operational Follow-Ups: There were no operational follow-ups.

CAPITAL IMPROVEMENTS

Capital Funding Sources and Uses: Discussion of the Capital Funding Sources and Uses Sheet was deferred to the 2016 draft budget discussion.

Casita Park Interconnect Project: Mr. Simons gave an update on the project and presented and recommended approval of Pay Application No. 2 received from RMS Utilities in the amount of \$31,634.52.

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Following discussion, upon motion duly made by Director Macaulay, seconded by Director Scully and, upon vote, unanimously carried, the Board approved Pay Application No. 2 in the amount of \$31,634.52.

Status of Committee related to District Office Capital Improvement Needs and Inspection Report: Director Scully gave a brief update on the progress of the committee. The committee has not yet been able to meet to discuss the inspection report and needs. His initial thoughts were to potentially construct a ceiling and install carpet in the office area to address air quality and temperature issues.

President Reinhart suggested that the committee meet to review the information contained in the report, identify the immediate needs, research the costs associated with the needs and make a recommendation to the Board at the November meeting.

FINANCIAL MATTERS

Check Register: The Board considered approval of the revised check register through the period ending October 16, 2015, as follows:

General Fund	\$	9,777.95
Debt Service Fund	\$	-0-
Capital Projects Fund	\$	39,913.60
Enterprise Fund	\$	<u>56,912.06</u>
Total Claims:	\$	106,603.61

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Scully and, upon vote, unanimously carried, the Board approved the revised check register for the period ending October 16, 2015.

Financial Summary: Ms. Ross presented areas of interest contained within the September 30, 2015 financial statements.

2016 Draft Budget: Ms. Ross presented the draft 2016 budget. The Board reviewed the information and provided comments.

Ms. Ross then presented the update 7-year projection. The Board reviewed and provided comments.

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Following discussion, upon motion duly made by Director Macaulay, seconded by Director DeLuca and, upon vote, unanimously carried, the Board determined to hold the public hearing to adopt the 2016 budget on November 20, 2015 at 9:00 a.m.

LEGAL MATTERS

Well 18 Pump/Motor Failure Demand Letter to Royal Electric: There was no new report.

Resolution No. 2015-10-01 Certifying Delinquent Water, Sewer and Availability of Service Fees to Saguache County for Collection: The Board reviewed the Resolution as well as a request from a property owner, Craig Tomaski, to waive late fees associated with his delinquent account.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director DeLuca and, upon vote, unanimously carried, the Board approved the recommendation made by Ms. Slivka to deny his request to waive late fees, waive the current disconnect fee and offer him a payment plan.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Scully and, upon vote, unanimously carried, the Board adopted Resolution No. 2015-10-01 Certifying Delinquent Water, Sewer and Availability of Service Fees to Saguache County for Collection and directed staff to transmit to the County by the October 31, 2015 deadline.

District Response Procedures when Receiving Information Regarding Cultivation of Marijuana within the District: The Board deferred discussion at this time.

EXECUTIVE SESSION

EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b)(e) and (f), C.R.S., upon motion duly made by Director Scully, 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 11:32 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.

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The Board reconvened in regular session at 11:49 a.m.

OTHER BUSINESS

Health Insurance Renewal Options: Ms. Slivka made a recommendation to the Board to renew the health insurance plan under the Silver option.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director DeLuca and, upon vote, unanimously carried, the Board approved the Silver Plan as the health renewal option for 2016.

Revised Regular Meeting Schedule: The Board discussed revising their regular meeting schedule for the remainder of 2015 to meet on the third Thursday of each month at 9:00 a.m. at the BGWSD Shop, 57 Baca Grant Way South, Crestone, Colorado.

Following discussion, upon motion duly made by Director Scully, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved a revised regular meeting schedule for the remainder of 2015 to meet on the third Thursday of each month at 9:00 a.m. at the BGWSD Shop, 57 Baca Grant Way South, Crestone, Colorado.

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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

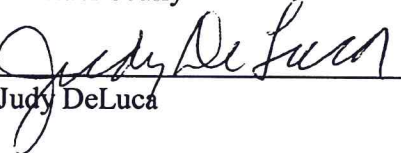
THESE MINUTES ARE APPROVED AS THE OFFICIAL OCTOBER 16, 2015 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Martin Macaulay


Cindy Reinhardt


Kyle Grote

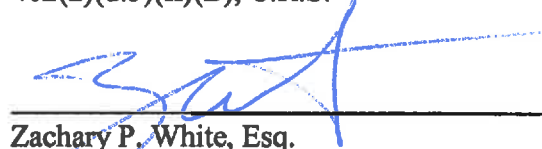

Michael Scully


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 October 16, 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

October 16, 2015

Please print your name, address and contact information along with any issues you are interested in addressing at today's Board Meeting.

Name	Address	Telephone/Email	Would you like to speak?	Issues to be addressed
Isa Lyrales	POB 754	256-4140	y	Budget & Work General
Justin Sunda	POB 1246		N	
Paul Steath	3504 Rivoc	303-596-6934	N	---



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

October 16, 2015

Board of Directors Sign-in

Cindy Reinhardt	<i>Cindy Reinhardt</i>	
Martin Macaulay	<i>Mr.</i>	
Kyle Grote		ABSENT
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: October 9, 2015
To: Baca Grande Water and Sanitation District, Board of Directors
From: Lisa A. Johnson, District Manager
Re: October 16, 2015 District Manager's Report

Agenda Action Items

I.C. Consent Agenda

1. Approve Minutes from the September 18, 2015 Regular Meeting.
2. September 30, 2015 Financial Statements and current Cash Position.

I recommend approval of the consent agenda items.

I.F. SDMS Fee Increase for 2016

SDMS will impose a 1.5% rate increase effective January 1, 2016. This results in a change in the hourly rate from \$130 per hour to \$132 per hour. This increase has been calculated into the draft 2016 budget for review by the Board.

VI.A. October 16, 2015 Check Register

The October 16, 2015 check register is enclosed in the board packet. Ms. Slivka and Mr. DeBon have reviewed and are recommending approval of the invoices for October.

I recommend approval of the October 16, 2015 check register.

VI. C. 2016 Draft Budget

Staff will present the draft 2016 budget, Capital Project Summaries and 7-year Projection to the Board at the meeting. The public hearing to adopt the 2016 Budget is scheduled for November 20, 2015.

VII.B. Resolution No. 2015-10-01 Certifying Delinquent Water, Sewer and Availability of Service Fees to Saguache County Treasurer for Collection

Staff has transmitted delinquent letters via certified mail to customers whose accounts are delinquent and eligible for certification to the County for collection of delinquent fees with their 2016 property taxes. A preliminary list of delinquent accounts is attached to the Resolution as Exhibit A.

I recommend approval of Resolution 2015-10-01 Certifying Delinquent Water and Sewer Fees to Saguache County Treasurer for Collection.

VII.C. Response Procedures when Receiving Information Regarding Cultivation of Marijuana within the District

At the September meeting, the Board adopted a resolution regarding cultivation of marijuana within the boundaries of the district. It is now necessary to discuss and determine response procedures when receiving information regarding cultivation of marijuana within the district.

IX.A. Renewal of Health Insurance

The Board participated in a presentation at the September meeting of the health insurance renewal options and determined to gather more information and continue discussions at the October meeting. A decision on a renewal option will need to be made at the October meeting.



OCTOBER 2015

OPERATIONS MANAGER REPORT

To: Board of Directors, Baca Grande Water and Sanitation District
From: Justin DeBon
Date: September 9 – October 7, 2015

Fire Hydrant Maintenance: The annual fire hydrant maintenance program was completed in August, in September staff completed the long list of follow up hydrants that had leaking ports.

Water Meter Inspections: Staff completed water meter inspections and repairs of meters that had non-working registers that would not send meter totals. Staff are currently finishing inspections on meters that send meter totals but always send a zero usage. Meters with stuck registers are being replaced, and account notes are made on meters that work correctly but are a vacant house.

Rodent Problem: The new backhoe was down for a week due to a set of sensor wires being chewed through and were beyond repair so a new sensor assembly was ordered, a squirrel nest was removed from the engine. On the excavator the battery cables and ignition cables were damaged but were able to be repaired with no new parts, a squirrel nest was also removed from the engine. The front end loader had damage to the interior of the cab and a chewed fuel hose, the fuel leak was repaired easily. Traps and bait have been placed around the equipment and equipment is being moved once per week to different parking places.

Water Leak Repair: No leaks or water main breaks occurred in September.

Castia Park Interconnect: RMS finished work along CR-T and completed the pipe bore under the road and made all the connections and valve installations. The pressure reducing valve and final connection to booster station are all that remain.

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

- ~~1. Completion of Facility Maintenance GIS Layer Project~~
- ~~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

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.
- ~~4. Yeshi Korlo service line reduction project~~
5. 2015 Capital Improvement projects
- ~~6. GIS Facilities Maintenance Project~~
7. Casita Park Interconnect Project
8. Zero Read Meter Inspections



Report On District Operations



Antelope Way under construction - May 1981
Then and Now

Operations Report
Baca Grande Water and Sanitation District
October 2015

Report from: September 9 – October 7



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District Operations

SSO-Sanitary Sewer Overflow	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Fire Hydrant Maintenance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Hydrant Leak Repairs
Water Main Repairs	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Collection System Cleaning	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Collection System Cleaning Complete for 2015
GPS/GIS	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	New Valves Added With GPS
Water/Sewer Hookups	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Accidents	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	

Total Water Treated

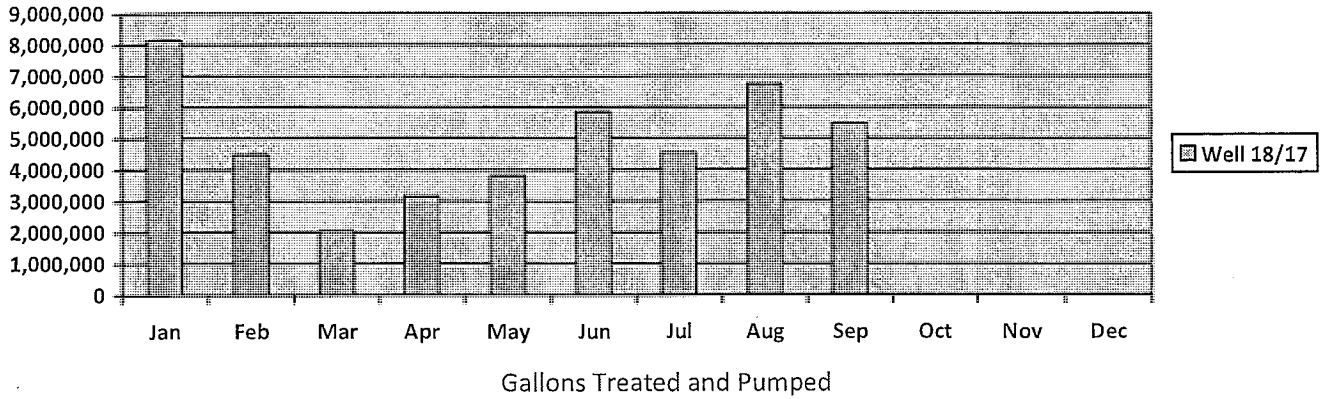
Total Gallons Treated For Month	Finished Water Combined Well-18 & Motel Well	Finished Water Metered Combined Well-18 & Motel Well	Wastewater Treated	Estimated Unaccounted Water
January 2015	9,123,828		2,473,000	6,650,828
February 2015	5,292,000	93% Reading 1,180,000	1,630,000	4,112,000
March 2015	4,631,000	93% Reading 1,310,000	2,014,000	3,321,000
April 2015	5,270,000	95% Reading 2,651,000	1,685,000	2,619,000
May 2015	5,815,000	95% Reading 2,949,000	2,036,000	2,866,000
June 2015	8,550,000	97% Reading 3,823,000	3,381,000	4,727,000
July 2015	7,207,000	98% Reading 5,216,000	2,853,000	1,991,000
August 2015	9,689,000	98% Reading 4,894,000	2,193,000	4,795,000
September 2015	8,077,000	99% Reading 4,502,000	1,379,000	3,575,000
October 2015				
November 2015				
December 2015				
Total Treated 2015	63,654,828	26,525,000	19,644,000	34,656,828

Golf Course Well

April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015
6,517,028	6,517,028	9,123,828	8,797,988	8,472,137	8,797,988	



Baca Grande Chalet

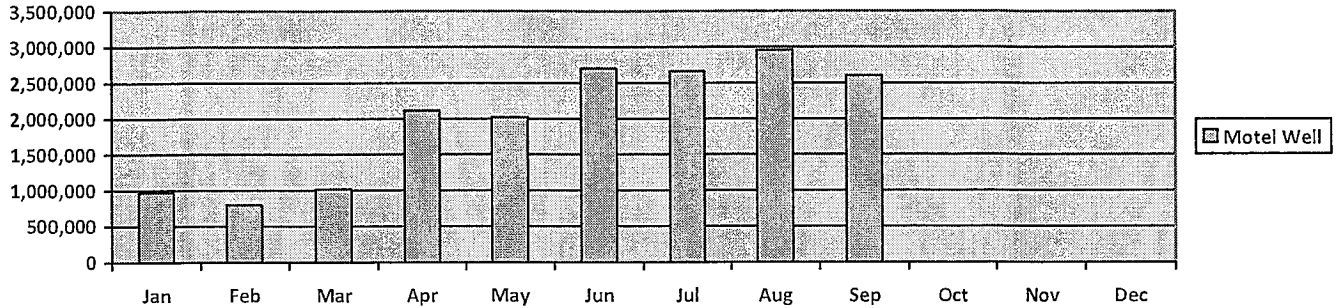


January	February	March	April	May	June
8,146,272	4,490,000	2,040,000	3,156,000	3,797,000	5,850,000

July	August	September	October	November	December
4,547,000	6,734,000	5,474,000			

Month	Chlorine Residual	Total Coliform E. Coli Result	Compliant	Well Water Level
January	0.30	Absent	Yes	35'
February	0.25	Absent	Yes	36'
March	0.26	Absent	Yes	35'
April	0.19	Absent	Yes	35'
May	0.19	Absent	Yes	35'
June	0.14	Absent	Yes	36'
July	0.29	Absent	Yes	36'
August	0.10	Absent	Yes	39'
September	0.19	Absent	Yes	39'
October				
November				
December				

Casita Park



Gallons Treated and Pumped

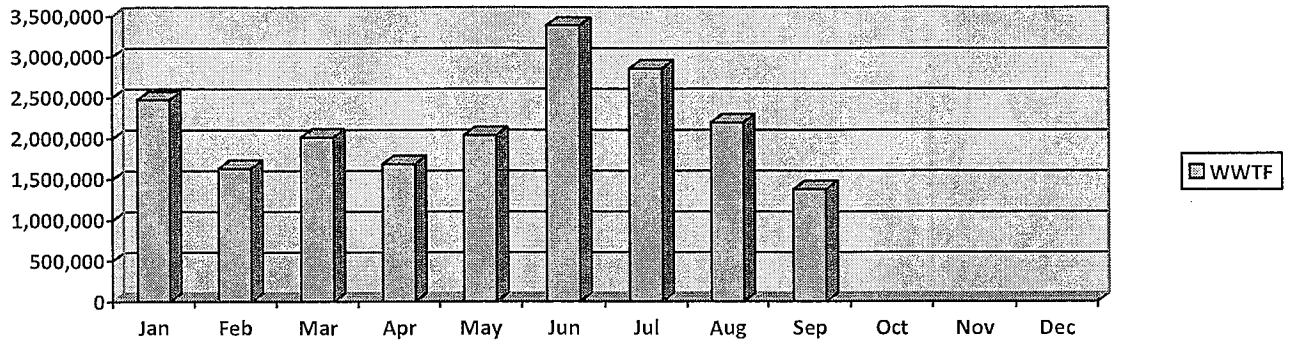
January	February	March	April	May	June
977,553	802,000	1,018,000	2,114,000	2,018,000	2,700,000

July	August	September	October	November	December
2,660,000	2,955,000	2,603,000			

Month	Chlorine Residual	Total Coliform E. Coli Result	Compliant
January	0.31	Absent	Yes
February	0.28	Absent	Yes
March	0.29	Absent	Yes
April	0.26	Absent	Yes
May	0.28	Absent	Yes
June	0.28	Absent	Yes
July	0.26	Absent	Yes
August	0.22	Absent	Yes
September	0.31	Absent	Yes
October			
November			
December			



Aspen Wastewater Treatment Facility



Wastewater Treated in Gallons

January	February	March	April	May	June
2,473,000	1,630,000	2,014,000	1,685,000	2,036,000	3,381,000

July	August	September	October	November	December
2,853,000	2,193,000	1,379,000			

Month	Total Ammonia Result	E. Coli Result	Effluent BOD5 Result	Total BOD5 Removal Result	Compliant for Month
January	2.80 mg/L	2/100	5.02 mg/L	94.3%	Yes
February	0.81 mg/L	2/100	24.9 mg/L	89.0%	Yes
March	0.86 mg/L	2/100	3.6 mg/L	97.8%	Yes
April	0.68 mg/L	23/100	3.6 mg/L	98.0%	Yes
May	0.72 mg/L	2/100	3.07 mg/L	97.8%	Yes
June	0.77 mg/L	2/100	3.00 mg/L	97.4%	Yes
July	1.10 mg/L	2/100	1.51 mg/L	89.0%	Yes
August	1.90 mg/L	2/100	26.8 mg/L	90.0%	Yes
September	1.60 mg/L	2/100	13.1 mg/L	92.5%	Yes
October					
November					
December					

Bio Solids	Quantity
Stored Bio Solids – Aspen Storage Lagoon	210,600 Gallons
Bio Solids pumped and applied to land application site. YTD 10/6/15	0 Gallons
Bio Solids pumped into Aspen Storage Lagoon. YTD 10/6/15	57,600 Gallons

Other Reporting

Monthly Safety Meeting	Trench Safety With Rio Grande Safety
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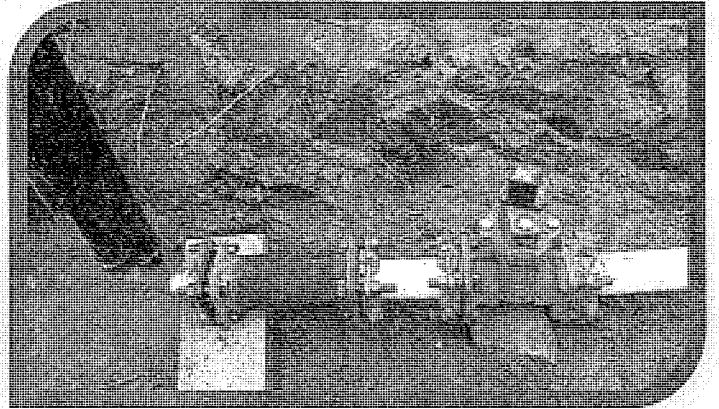
Infrastructure Fixed Assets

Transfer Stations	Booster Stations
Fallen Tree – Operational	Pine Cone Booster – Operational
Ridgeview Transfer Station – Operational	Shumei Booster Station – Operational
Moonlight Transfer Station – Operational	Motel Well Booster Station – Operational

Drinking Water Distribution System	Wastewater Collection System
Water Mains = 64 Miles	Sewer Mains = 45 Miles
Gate Valves = 521 Units	Manholes = 798
Service Accounts = 695	
Curb Stops = 695	Lift Stations = 5
Fire Hydrants = 278	MHE LS – Operational
Well 17/18 Water Treatment Plant- Facility Fully Operational.	Stables LS – Operational
MHE Motel Well Water Treatment Facility- Facility Fully Operational.	Wagon Wheel LS – Operational
Water Transfer Stations = 3	Dharma Ocean LS – Operational
Booster Stations = 3	Aspen LS – Operational
	Aspen WWTF – Facility Fully Operational.



Operations Team



Justin DeBon
Operations Manager

Class C Water Operator
Class C Wastewater Operator
Class 1 Distributions Operator
Class 1 Collections Operator
Nationally Certified Heavy Equipment Operator
OSHA Trained in Construction Standards for
Excavation

Chad Tate
Operator

Class S Water Operator
Class S Wastewater Operator

Tim Allen
Operator

Class S Water Operator
Class S Wastewater Operator

Latasha Ruiz
Operator

In Training



Administrative Report - October 16, 2015

October 9, 2015

To: Baca Grande Water and Sanitation District, Board of Directors

From: JoAnn Slivka, District Administrative Services Manager

STATISTICS

Meter and Billing Activity

- 100% successful read rate for 677 meters in Route 3
 - Currently 5 accounts remain that are not in route 3:
 - 1 - Known issue (Route 2)
 - 1 - MXU replacement not yet installed (Route 1 - can't find meter pit)
 - 1 - unmetered water service (Ambulance bay, Route 2)
 - 1 - condemned (White Eagle, Route 2)
 - 1 - special read (Townhouses, Route 2)
 - Totals for all metered accounts
 - 682 total metered accounts
 - 677 successful reads
- Delinquent account summary:
 - 22 delinquent accounts:
 - 28 - Delinquent notices mailed - 22 owners, 6 tenants
 - 10 - Paid in full
 - 10 - Paid delinquent balance
 - 2 - Shut offs
 - 3 - Reconnection fees paid
- Tap Fees: 29 Tap fee agreements remaining (\$4,651.94 remaining in payments)
 - All customers paid
 - 4 tap fee agreements were paid in full
 - 31 - Customers paid \$1535.68
- Billing:
 - ACH: 176 accounts paid \$10,231.60
 - Credit cards: 106 accounts paid \$13,266.91
 - Transfer fees: 5
 - Late fees charged: 59
 - AOS late fees charged: 315
- Saguache County Land Use: Vacation of Saguache County Road 67.5
 - Proposed us- land exchange with USFW, does not affect the District -no action needed.

Property Activity	<ul style="list-style-type: none"> • Transferred Properties <ul style="list-style-type: none"> • 1 lots – Real Estate Closing • 4 SFR – Real Estate Closing • 72 Treasurer’s Deed - properties reverted back to Saguache County • Consolidations: <ul style="list-style-type: none"> • 1 - New application, 360 Camino Baca Grande • 0 - Final applications • Water/Sewer hookup applications: <ul style="list-style-type: none"> • 2 new applications received in September; lots 157 & 360
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PROJECTS

Rate Study Project	<ul style="list-style-type: none"> ▪ Staff will continue to capture and monitor billing trends throughout the winter thereby providing the information to make appropriate future rate adjustments as needed.
Insurance Coverage	<ul style="list-style-type: none"> ▪ Barbara Howard from CIA Leavitt presented the insurance options for 2016. She further explained what the Health Care Reform is and the pros and cons of each plan. A plan needs to be decided before October 31; once this is settled we will plan an information session for staff. ▪ Staff was given a short presentation by Aflac on options for supplemental insurance. If there is interest from at least 3 staff members we can get the business plan discount.
2015 Certification of Delinquent Accounts	<ul style="list-style-type: none"> ▪ 228 Delinquent account letters were mailed out September 14, 2015. <ul style="list-style-type: none"> ○ October 16, 2015: Board meeting & hearing ○ November 1, 2015: Certifications must be submitted to the Saguache County Treasurer’s office ○ Dec. 9, 2015: Last day we can accept customer payments on certified accounts ○ Dec 10, 2015: Last date to notify the Saguache County Treasurer’s office of any changes/updates to our certification list
2015 Assessed Valuations	<ul style="list-style-type: none"> ▪ Administrative Staff is currently working closely with Saguache County Assessor, Mr. Peterson on the following- <ol style="list-style-type: none"> a. Request Abstract Codes for the new AV spreadsheet- received b. Understand what the \$550,726 difference is between the valuation spreadsheet and the certification of value certificate: answer - the spreadsheet did not include personal property values or anything that is state assessed; Mr. Peterson submitted a new version of the AV spreadsheet with the abstract codes as well as the personal property and state assessed values included. c. Vacant Land-Improved property: Admin staff reviewed the AV spreadsheet and identified properties that are listed as vacant land on the Assessor’s site although we show as improved property. 16 properties along with 10 new construction to Mr. Peterson. Moving forward, we will send a list of any new homes in the District we’ve identified from our new water-sewer hookups to the Assessor’s office in January of each year. d. PILOT/Tax exempt properties: Lastly, I asked about PILOT and tax-exempt properties- he will put together a list and send that to us as well.
Notary Services	<ul style="list-style-type: none"> ▪ A change in staffing at the credit union has caused an increase in Notary service needs. The service is greatly appreciated by the community but the interruptions were starting to become a problem with only one staff member able to perform this service. I called the

	<p>POA to see if they still had Notary staff, they do not at this time but are planning on sending someone to training in the next month or two. In the meantime, if a District staff member is interested in pursuing the training and certification we will discuss the parameters and costs associated with the program.</p>
Insurance Claims	<ul style="list-style-type: none"> The final outstanding insurance claim was closed on 9/11/15.
Indoor Air Quality	<ul style="list-style-type: none"> An indoor air purifier and radiant desk heater have been purchased for the front office- staff noticed a big difference in the air quality after the first day.
Training	<ul style="list-style-type: none"> SDA Conference: I attended the 2015 SDA conference and once again gleaned a lot of valuable information. Beyond networking with peers, goal was to find out about funding sources, communication and HR matters as well as any new information on marijuana and water districts. The HR and community communication sessions were very good. I was also able to pick up information on a couple of grants and loan programs that are out there. <p>DOLA: I attended a contract writing session presented by DOLA and was able to ask specific questions related to replacing our vehicles. This is referred to as "rolling stock" information. Generally these purchases should be budgeted for and financed on an ongoing basis through local revenue sources. It was recommended that the District develop a capital improvements program, vehicle replacement or similar plan for these types of equipment that should be routinely replaced on a scheduled basis.</p>
Government Plates	<ul style="list-style-type: none"> The District vehicles have not had government license plates on them. Administrative staff have attempted to work with the county clerk & recorder's staff but they would not recognize the District as a government entity. I have contacted the county clerk directly and am working with her to get the correct designation for the District vehicles. There was a misunderstanding that the District is part of the Baca Grande POA, once we got that clarified we were able to move on. They are only able to designate government as either City or County; Clerk Gomez will check further with other clerks who have special districts in their counties to see how they are classified for registration.
Centratel	<ul style="list-style-type: none"> Admin staff has begun to turn phones over at 8:30 A.M. in the ongoing effort to save money on the phone answering service. Between not using the service during the lunch hour and turning the phones over earlier in the morning we have seen a reduction in the fees over the past 3 months. Staff contacted other on call answering services to see what other options are available; report follows...

Call Center Options Research

❖ CentraTel

Current Plan: 70 calls/month: 141.90 base rate + utility line charge of 11.40 + 1.71/call overage. (calls average ~ 1 - 1.5 mins/call)

Upgrade: 120 calls/month: 210.00 base rate + 8.40 utility line charge + 1.71/call overage.

❖ MAP Communications: 888-252-6555 Nationwide, redundancy, call centers in CO.

Key pts:

- Coverage based on minutes: Charged for actual talk time with customers or operators – inbound & outbound calls.
- Do not round up minutes.
- Free call recording, email, text messages & call summaries.
- Online access to current calls/billing/ messages
- Can change plan coverage monthly, not locked in, no termination fees.
- Redundancy – Call centers in CO; redundant call coverage with any of their other call centers if outage occurs.
- Dedicated reps handle our calls.

Plans: (estimate we'll need ~ 153 calls * ~ 1.25 min/call = 187 min average)

150 minutes: \$204.00 base rate + 1.07/min overage => ~ 243.00 /month

210 minutes: \$265.00 + 1.07/min overage = ~ 265.00/month

❖ Specialty Answering Services (SAS): 888-532-4794 Nation wide

Key pts:

- Coverage based on minutes: Charged for actual talk time with customers or operators – inbound & outbound calls.
- Do not round up minutes – use sec increments
- Free call recording, email, text messages & call summaries.
- Online access to current calls/billing/ messages
- Can change plan coverage monthly, not locked in, no termination fees.
- Redundancy – Call centers in CO; redundant call coverage with any of their other call centers if outage.
- Dedicated reps handle our calls.

Plans: (estimate we'll need ~ 153 calls * ~ 1.25 min/call = 187 min average)

100 min/month: 109.00 base rate + 1.09/min overage = 204.00/month estimate

220 min/month: 189.00 base rate + 1.09/min overage => 189.00 month.

==> **NO**: They do not/cannot escalate calls. They can't accept inbound calls from operators & associate it as a response to text or emergency calls. Best they can offer is to keep calling a phone # every 5 minutes for a certain time period.

❖ American Answering Service: 866-841-4130 Nation wide

==> **NO**: They do not/cannot escalate calls. Also, sales rep didn't know what this was. Once explained asked manager who said no they don't escalate calls. Sales rep was not professional or very knowledgeable.

- Coverage based # calls
- \$10.00/month for live call recording. Don't typically offer this.
- Free email, test messages & call summaries.
- Can change plan coverage monthly, not locked in, no termination fees.
- Uncertain about redundancy – sales rep didn't know
- Uncertain if dedicated reps handle our calls.

❖ AnswerConnect: 800-525-1315 Nation wide

Key:

- Call centers use Google VoIP phone service.
- 5 call centers
- Have some city & state utility companies as clients
- Initial 90 day agreement then can go month to month. Can change # min/month plan at any time.
- Free call recording
- Free email, test messages. Also have iPhone & Android apps for receiving messages. Can receive alerts all 3 ways at no charge.
- Re redundancy – “stated outage hasn't happened in years, so no need to worry about it.”
- Escalation – if no initial response from text message, they use a repeat service where they keep calling every few minutes until they get a response from operator. Additional monthly fee for this service.
- Operator on call schedule – we need to enter on line & they input into their system. No direct portal updates by us.
- Call time based by 6 sec increments – charged on in bound & outbound calls.

Plans: (estimated average 187 min/month)

135 min/month: 149.99 base rate + 1.29 min overage + 29.99/month flat rate for Repeat escalation service = 245/month

225 min/month: 199.99 base rate + 1.09/min overage + 29.99/month flat rate for Repeat escalation service = 230/month

❖ Voice with a Smile: Colorado Springs 866-779-6386

Key:

- Small service – family owned, staff of only 10 reps total who work in shifts to cover 24 hours/day.
- Offer a free voice mail service where 1st option is to press 0 for emergency & immediately is answered by rep. All other calls go to vmail at no extra fee & we can access vmail to return non-emergency calls.
- They do have 2 small water district/services clients.
- No redundancy – one small call center.
- Good escalation service with text/emails & calls. They have a lot of doctor & medical centers as clients.
- They check twice a night to make sure line is not dropped (our call forwarding)

Plan:

150 calls/month: 97.00 + 0.64/call overage + 1.00/operator inbound/return call.

**BACA GRANDE WATER AND SANITATION DISTRICT
ENGINEER'S REPORT
October 7, 2015**

ADMINISTRATIVE MATTERS

Funding Opportunities – District staff and consultants are researching a variety of funding sources for possible support on a variety of projects.

The Small Communities Water and Wastewater Grant Request for Applications has been released. We are targeting these monies to support the proposed Flow Equalization Basin at the Aspen Institute Wastewater Treatment Facility. The 2016 applications are due to the Water Quality Control Division by 2:00 p.m. on November 16, 2015. I intend to participate in the informational, pre-application webinar scheduled for October 8, 2015 at 10:00 a.m. The Small Community Water and Wastewater grants assist small communities with costs associated with the planning, design, and construction of projects for both drinking water and wastewater projects. Grants are available to communities with populations under 5,000 and are necessary for the protection of public health and water quality

District staff is also researching other funding programs, including the Department of Local Affairs, to address aging equipment and infrastructure needs, as well as office renovation/property acquisition possibilities. To date, only the USDA has expressed any ability to fund such needs, and JoAnn Slivka is leading this pursuit.

TZA Water Engineers is also researching a SEARCH (Special Evaluation Assistance for Rural Communities and Households) grant from the USDA's Rural Utilities Service for the biosolids management needs of the District.

Finally, TZA will research the Colorado Water Conservation Board's funding opportunities and determine any viable District projects.

Water Billing Registers – TZA has received monthly water billing registers and meter proof reports since April (i.e. March billings) as part of the Rate Study, but we are not recording any time to this activity. Our review of these items was intended to provide insight into meter reading issues, if any, and to document water usage trends to benefit future water planning activities and rate studies.

LAMP RYNEARSON COMPANIES



Water and Wastewater Rates – It is my understanding the Town of Crestone has accepted the basis for the revised rates for sewer charges (\$5.26 per 1,000 gallons).

On May 15, 2015, I presented the results of this year’s rate study to the Board. At the meeting, the Board directed staff and consultants to track the current rate structure against the proposed rate structure to evaluate overall revenue impacts. I have reviewed the June, July, August, and September reports prepared by Sandy and the results are tabulated below.

	Current Rates			Proposed Rates		
	Water	Sewer	Total	Water	Sewer	Total
June	\$23,988.30	\$19,266.00	\$43,254.30	\$29,010.00	\$13,927.00	\$42,937.00
July	\$27,301.40	\$19,266.00	\$46,567.40	\$32,052.00	\$13,927.00	\$45,979.00
August	\$26,430.34	\$19,292.00	\$45,722.34	\$31,161.00	\$13,946.00	\$45,107.00
September	\$25,634.27	\$19,084.00	\$44,718.27	\$30,048.00	\$13,946.00	\$43,994.00

The slight reduction in the Proposed Rate totals for each month can be attributed to the fact that each account is currently assumed to use only the minimum amount of water and therefore only being charged the base rate. However, there are accounts that exceed the base usage allowances and would end up paying more for their sewer usage.

OPERATIONAL MATTERS

Biosolids Removal - Justin DeBon has been managing the biosolids at the Aspen Institute Wastewater Treatment Facility with the existing ponds and has received a proposal from RMS to remove product in 2015. Justin completed the sampling and analysis on the sludge that is required to allow RMS to haul and land apply the product.

Justin has also continued his efforts to reach out to Mr. Gaines regarding the details of a pilot program.

TZA has initiated research into the solids management practices of other Fluidyne ISAM facilities of comparable capacity and will develop a white paper on biosolids management options.

Well 18 Booster Pump Station Problems - Activities associated with this topic will be addressed separately due to attorney-client privileges, but an assessment of the 2014 and 2015 operations should be documented by operations staff.

Nutrients Management Control Regulation (Regulation No. 85) - Justin DeBon is managing the 2015 sampling efforts.

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.

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 will coordinate the geotechnical investigation and foundation recommendation for the proposed structure, but I wanted to learn more about the Small Communities Water and Wastewater Grant program before initiating the investigation. Justin has identified an alternative configuration for the structure based upon his knowledge of the Aspen Institute Wastewater Treatment Facility and its uses. Once a geotechnical investigation and foundation recommendation is complete, TZA will prepare a site application amendment and accompanying engineering report that will be reviewed by the Water Quality Control Division.

Compliance Evaluation Inspection (Dharma Ocean and Stables Lift Station) – The Water Quality Control Division issued site location approvals for the Dharma Ocean and Stables lift stations on April 23, 2015. The Water Quality Control Division issued design approvals for these lift stations on September 1, 2015, which is good news and saved us from having to restate all of the information generated and communicated during the site location approval efforts. Five things need to happen to satisfy the conditions of approval for the designs:

- 1) Install manual transfer switch and receptacle for the emergency portable generator at Dharma Ocean.
- 2) Once manual transfer switch and receptacle are installed at Dharma Ocean, submit the required certification to the Division.
- 3) Construct pumping improvements (pumps, motors, drives, controls) at Stables.
- 4) Install manual transfer switch and receptacle for the emergency portable generator at Dharma Ocean.
- 5) Once the improvements are installed at Stables, submit the required certification to the Division.

I am working with Justin on items 1 and 4 under the premise we want the receptacles to match up with the portable generator at the Aspen Institute Wastewater Treatment Facility.

We have worked with Denver Industrial Pump to price out the pumps, motors, drives, controls, and other items for item 3.

Justin and I have discussed using Valley Electric for the electrical installation services for the project. Justin and I have also discussed using TLECC for the telemetry installation services required for the new set-up. The ultimate goal will be to have the Stables Lift Station operate similar to the Dharma Ocean Lift Station, and to have the ability to remotely monitor and control the station similarly as well.

I can address items 2 and 5 once the improvements are complete at each lift station.

Casita Park Water Line Interconnect – Attached are the minutes from the October 2, 2015 progress status report. The project is proceeding smoothly. I am awaiting confirmation of the PRV arrival to complete the original scope of the project. The District has received an amendment to the original DOLA contract for EIAF 7686 to allow for the redundant crossing of South Crestone Creek. The amendment has been signed by the District and returned to DOLA for processing.

OTHER ACTIVITIES

Storage Tank Rule – The Water Quality Control Division has adopted a new version of the Colorado Primary Drinking Water Regulations (Regulation 11). Effective April 1, 2016, the District will be required to develop a written plan for finished water storage tank inspections. In addition to quarterly periodic (visual) inspections, the District will need comprehensive inspections to be scheduled at least every five years.

New Chlorine Residual Requirements – The Water Quality Control Division has adopted a new version of the Colorado Primary Drinking Water Regulations (Regulation 11). Effective April 1, 2016, the District will be required to maintain a minimum of 0.20 milligrams per liter chlorine residual throughout the distribution system. As discussed at the July Board retreat, the District should evaluate the chlorine residuals at the extents of the distribution system in advance of the December 31, 2015 deadline for requesting an extension for complying with the treatment techniques requirements.

MEMORANDUM

TO: Lisa Johnson, District Manager

FROM: Brad Simons

RE: Project Status Report – Casita Park Interconnect

DATE: October 2, 2015

TZA PROJ. NO.: 0414607.01/002/207

CC: Justin DeBon, JoAnn Slivka, Lauren Goecke

The purpose of this memorandum is to provide an update on the status of the Casita Park Interconnect project, and to assist you, the District Manager, in reporting milestones to the Board of Directors and the Department of Local Government.

Notice and Invitation to Bid: Published July 1, 2015 in the Valley Courier.

Bid Opening: Conducted July 21, 2015 at 2:00 p.m.

Recommendation of Award: Dated July 22, 2015, for a contract amount of \$67,083.00 to RMS Utilities, Inc.

Notice of Award: Dated July 24, 2015.

Agreement: Dated July 24, 2015; Executed by RMS Utilities on July 28, 2015; Executed by District on August 10, 2015.

Notice to Proceed: Dated August 10, 2015.

Substantial Completion Date: December 8, 2015 (120 days from Notice to Proceed).

Pre-Construction Meeting: Conducted August 13, 2015.

LAMP RYNEARSON COMPANIES



LAMP RYNEARSON



LAMP RYNEARSON



Submittals:

- 001 received on August 7, 2015 and returned August 13, 2015.
- 002 received on August 19, 2015 and returned August 20, 2015.
- 003 received on August 24, 2015 and returned August 25, 2015.
- No outstanding submittal items.

Saguache County Permit to Construct in ROW: Received August 20, 2015.

Utility Locates: RMS Utilites requested utility locates on August 20, 2015.

Traffic Control Plan: First draft received on August 24, 2015; Revised plan received August 24, 2015 addressing TZA comments.

Construction Progress Meetings:

- Conducted September 9, 2015 with minutes issued September 9, 2015.

Current Construction Schedule (per e-mail exchange w. Justin DeBon on October 1):

- PRV Vault placed: September 1.
- Well 18 Yard Piping installed and bedded (low pressure side): September 2 and September 3.
- Well 18 Yard Piping connections/thrust blocks (low pressure side): September 3.
- Well 18 Yard Piping backfill and compaction (low pressure side): September 4.
- Install pipe along north ROW of County Road T: September 8 to September 17; September 21 to September 25.
- Bore County Road T Crossing: September 11 to September 12.
- Well 18 Yard Piping (high pressure side): September 28 to October 2.
- Complete connections to HDPE pipe at Road T: October 2.
- Install PRV: October 7 to October 9 (tentative).

Change Orders:

- No. One, resulting in an increase of \$5,115.00 and a total contract amount of \$72,198.00, is to relocate an existing blow off assembly to County Road T to facilitate future O&M and is recommended for approval by the District. A fully-executed electronic copy was distributed to all parties on August 24, 2015.
- No. Two (pending), is for a redundant creek crossing of the primary water transmission line from Well 18, at a cost of \$39,900.00. The concept and cost have been presented to Christy Culp, of the Colorado Department of Local Affairs, who has forwarded the request to Denver for approval. Authorization is anticipated by the end of October.

Anticipated Contractor Payment Application Dates:

- Application for Payment No. 1 (\$23,533.40) – Received September 11, 2015; Recommendation to District Manager on September 12, 2015; Approved by Board on September 18, 2015.
- Application for Payment No. 2 – Approximately October 6, 2015.
- Application for Payment No. 3 (Final) – Approximately November 6, 2015.