

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD NOVEMBER 21, 2014

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 21st day of November, 2014, 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
Kyle Grote
Judy DeLuca

Also In Attendance Were:

Lisa A. Johnson, and Lindsay Ross; Special District Management Services, Inc.

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

Steven Harrell; District General Manager

JoAnn Slivka; District Administrative Manager

Brad Simons; TZA Water Engineers, via speakerphone

See attached list for other attendees

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 Tanaka 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 further conflicts were disclosed.

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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.

FINANCIAL MATTERS

Public Hearing to Amend the 2014 Budget: Director Reinhardt opened the public hearing to consider the Resolution to Amend the 2014 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2014 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

Ms. Ross explained the need to amend the 2014 budget in the Enterprise Fund.

Lisa Cyriacks, resident, asked how the recent money received from the County in Specific Ownership Tax is being recorded. Ms. Ross explained that the monies received are recorded in a reserve account at this time. She then asked if the estimate through the end of 2014 was accurate. Ms. Ross explained that the estimate is a conservative one based on actual monies received through October 2014.

Lynn Drake, resident, asked what type of expenditure the Board could determine to use the reserve monies to fund. President Reinhardt used the recent unexpected repairs at Well 18 as an example of what type of expenditure the Board could choose to use the reserve for. It was then asked if the law mandates this type of reserve to be established. President Reinhardt and Ms. Johnson responded that the law does not mandate a reserve fund.

Lisa Cyriacks asked for an explanation of the contingency funds. Ms. Ross explained that in the 2014 budget, the contingency funds were calculated to be used toward the bond and loan reserve requirements.

No further public comment was received and the public hearing was closed.

Following review and discussion, Director Macaulay moved to adopt the Resolution to Amend 2014 Budget, Director Scully seconded the motion and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the

RECORD OF PROCEEDINGS

2014 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Public Hearing to Adopt the 2015 Budget and Associated Resolutions:
Director Reinhardt opened the public hearing to consider the proposed 2015 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2015 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

Ms. Ross reviewed the estimated 2014 expenditures and the proposed 2015 expenditures. The 2015 draft budget includes an increase in the mill levy to 50 mills (2 mill increase), an increase in the water and sewer base service charges to \$26 per month each (\$1 in water and \$1 in sewer) and a \$10 increase in the Availability of Service ("AOS") charges.

Lynn Drake, resident, explained the impact the mill levy increase will have on her property tax bill and a comparison to the average property tax bill in Saguache County. She also shared with the Board the recent decision that she made to let one of her properties go to the County because the annual AOS and property tax fees were too high to continue to own the vacant property. She feels the District's overhead needs to be reduced.

Moira Forsythe, resident asked about the relationship between the Property Owner's Association ("POA") and the District. Is there an opportunity to work collaboratively to benefit the community and reduce overall costs. President Reinhardt commented that several years ago there was a movement in the community to possibly establish a municipality/township, but it did not gain momentum.

Lisa Cyriacks, resident, asked if the properties that were identified last year as being valued incorrectly by the County have been corrected. Ms. Slivka confirmed that the research completed at the end of 2013 indicated that the properties were being valued with improvements.

Bill Dobson, resident, expressed concerns about the many water leaks in the system. He feels that the percentage of water loss is a concern. Mr. Harrell explained recent capital projects that have been completed or are in process will begin to address this concern.

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Public comments were shared regarding information received at the last POA meeting regarding delinquent fees. The suggestion was made that the POA and the District review all services provided to the community and determine if there are areas that could be eliminated to save money. Lisa Cyriacks suggested hosting a meeting with the POA to discuss the full menu of services and determine if there is an opportunity to save costs.

Lynn Drake commented on the costs incurred for professional fees and payroll being over \$600,000 annually. Is there any money being spent on repairing the pipes, etc.? Director Macaulay and Mr. Harrell addressed this concern summarizing current and future capital projects as well the amount received to date in grants and or low interest loans.

Lisa Cyriacks suggested as a way to save the money, the Board could consider changing the health benefits program currently offered to employees to the Connect for Colorado program.

Director Grote asked about what payroll taxes are withheld. Ms. Ross explained the payroll taxes withheld.

Lynn Drake asked about the water rights expenditures and the progress. Director Macaulay and President Reinhardt gave a brief summary of efforts to date.

No additional public comments were received and the public hearing was closed.

Director Macaulay motioned to adopt the 2015 Budget, as discussed and revised, with an increase in the mill levy to 50.000 mills (42.000 mills in the General Fund and 8.000 mills in the Debt Service Fund), and an increase to the water rate by \$1.00 per month and the sewer rate by \$1.00 per month and an increase in the AOS fee of \$10 per year and Appropriate Sums of Money and Set Mill Levies, Director DeLuca seconded the motion, and upon vote, unanimously carried, the Resolutions were adopted and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2014. Ms. Johnson was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Saguache County and the Division of Local Government, not later than December 15, 2014. Ms. Johnson was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2015. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

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ADMINISTRATIVE MATTERS CONT'D

Consent Agenda: The Board considered the following actions:

- Approve Minutes from the October 8, 2014 special meeting.
- Ratify approval of the check register for the period ending October 17, 2014 as follows: \$19,950.16 General Fund, \$36,848.03 Enterprise Fund, and \$39,974.78 Capital Fund.
- Review and accept unaudited financial statements for the period ending October 31, 2014 current schedule of cash position, and cash flow projection through October, 2015.
- Ratify the approval of Change Order No. 2 to the RMS Utilities contract in the amount of CO2 – \$3,474.40.
- Ratify the approval of Change Order No. 4 to the RMS Utilities contract in the amount of \$2,100.
- Ratify the approval of First Addendum to the Independent Contractor Agreement with Gardner Excavating (2014 MXU Transmitter Stands Project) for a reduction in the amount of \$6,740.00 and deletion of Change Order No. 1 in the amount of \$920.00.
- Approve Termination of TZA Water Engineers Agreement for Well 17 Replacement Well Design Services.
- Approve Termination of Arkansas Valley Surveying Agreement for Rarity and Jubilant Ways Waterline Improvements Survey Services.
- Approve Termination of Arkansas Valley Surveying Agreement for Alpine Overlook Sewer Main Replacement Project.
- Approve Termination of Arkansas Valley Surveying Agreement for 2014 Water Distribution System Construction Staking.
- Approve Termination of Mountain Engineering and Testing Agreement for 2014 Water Distribution System Project Construction Materials Testing Services.
- Approve Termination HRS Water Consultants Feasibility of Forbearance for Water Rights Acquisition.
- Approve Termination HRS Water Rights Engineer Services.

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

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Board and Staff Reports: The Board reviewed the board and staff reports.

Mr. Harrell gave an update on the North Carefree Way Interconnect Project. The amount of pipe that was assumed needed for the project was overestimated. \$3,000 of capital expenditures was expended on this error. Net change in the project was an overall reduction in budget for the project.

Director Reinhardt asked about Mr. Harrell's recommendation to require water and sewer service lines to be installed at the same time. Mr. Harrell commented that this recommendation can wait until staff prepares the 2015 re-issuance of the Rules and Regulations. He will ensure the change is presented in the draft document and presented to the Board in 2015.

Director Reinhardt expressed how pleased she was with the Administrative Report this month, especially the information regarding Xpress Bill Pay and Statewide Internet Portal Authority. Ms. Slivka commented that she would like to make a presentation to the Board on Xpress Bill Pay at the January board meeting.

Director Scully asked for an update on the biosolids project. Mr. Simons commented that he is researching the process and will try and narrow in on why the District has more sludge production than was expected.

CAPITAL IMPROVEMENTS

Capital Funding Sources and Uses: The Board reviewed the Capital Funding Sources and Uses updates.

2015 Capital Projects Recommendations: Mr. Harrell and Mr. Simons presented the capital projects recommendations for 2015. Four projects are recommended. They are:

- Aspen Institute Wastewater Treatment Plant Flow Equalization Basin
- Stables Lift Station Improvements
- Aspen Institute Wastewater Treatment Plant and Lift Station SCADA Upgrades
- Well 18 to Casita Park Interconnect

Director Scully asked how the Casita Park project benefits the District. Mr. Harrell explained that the Motel Well and tank could be taken out of service. The interconnect would provide redundancy and the priority to repair the tank and maintain the well would be much lower.

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2014 Water Distribution System Improvements Project: Mr. Simons commented that he and Mr. Harrell conducted the punch list inspection with RMS Utilities on November 17, 2014. No punch list items were identified. Six manhole rings were included and paid for in the original proposal but were not needed. Mr. Simons has asked RMS Utilities to deliver the parts and once received Mr. Harrell will put in inventory for future use.

Change Order No. 5 to RMS Utilities Contract: Mr. Simons presented Change Order No. 5 to the RMS Utilities Contract in the amount of \$12,040.00 which brings the total contract price to \$124,465.40. This change order replaces Change Order No. 3 due to the reduced amount of pipe needed to complete the project. Mr. Simons has asked Mr. Harrell to confirm the quantities included in the change order.

Following discussion, upon motion duly made by Director DeLuca, seconded by Director Grote and, upon vote, unanimously carried, the Board approved Change Order #5 to the RMS Utilities Contract in the amount of \$12,040.00 subject to the verification of quantities by staff.

ADMINISTRATIVE MATTERS CONT'D

Administration of Management and Legal Contracts: President Reinhardt suggested the Board administer the management and legal contracts more efficiently and she asked the other board members to give some thought to how this might be achieved. She asked Ms. Johnson to estimate an annual management and accounting budget that meets the needs of the District. Ms. Johnson asked the board members to provide her with a budget that they feel is a reasonable annual budget for management and accounting services. She suggested the board members begin this process by reviewing the scope of work that Special District Management Services, Inc. ("SDMS") provides to the district.

Director Grote asked the board members to consider whether Attorney Tanaka and Mr. Simons need to attend the board meetings.

Attorney Tanaka commented that she feels that consulting staff has demonstrated over the past four months their commitment to reducing consulting costs and assisting the board with meeting this goal. Several tasks have been identified and transitioned to employees or eliminated to reduce costs.

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President Reinhardt commented that she would like to see the consultants preliminarily present issues or concerns and then receive directions from the Board before proceeding with any actions that result in fees to the District. The Board determined to continue this discussion at the December board meeting.

Ms. Johnson and Attorney Tanaka both commented that the existing agreements with the District for Management, Accounting and Legal Services will automatically renew on January 1, 2015. Ms. Johnson notified the Board that SDMS will impose a 4% rate increase effective January 1, 2015.

PUBLIC COMMENTS

Public Comments: No additional public comment was received.

OFFICE ADMINISTRATION

Administrative Follow-ups: There were no new administrative follow-ups.

OPERATIONS

Operational Follow-ups: There were no new operations follow-ups.

FINANCIAL MATTERS

Check Register: The Board considered approval of the check register through the period ending November 21, 2014, as follows:

General Fund	\$ 21,617.77
Debt Service Fund	\$ 179,275.29
Capital Projects Fund	\$ 205,115.24
Enterprise Fund	\$ <u>72,363.31</u>
Total Claims:	\$ 478,371.61

Following discussion, upon motion duly made by Director Macaulay, seconded by Director DeLuca and, upon vote, unanimously carried, the Board approved the check register for the period ending November 21, 2014.

Financial Summary: Ms. Ross presented and the Board reviewed the financial summary through November 2014.

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2014 Audit: The Board reviewed the engagement letter from Wagner Barnes & Griggs, PC to perform the 2014 Audit. Board discussed and clarified that the amount is a flat fee of \$8,800.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the Board approved the engagement of Wagner Barnes & Griggs, PC to perform the 2014 Audit, in the amount of \$8,800.

LEGAL MATTERS

Resolution No. 2014-11-04, 2015 Annual Administrative Matters: Attorney Tanaka presented Resolution No. 2014-11-04, Annual Administrative Matters.

The Board discussed changing the time the monthly meetings begin to 9 am and determined to keep the meeting time the same as 2014, meetings will begin at 8 am.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the Board approved Resolution No. 2014-11-04, 2015 Annual Administrative Matters. A copy of the Resolution is attached hereto and incorporated herein by this reference.

Resolution No. 2014-11-05, Adopting a Marijuana Policy: Attorney Tanaka presented a memo and draft resolution adopting a marijuana policy. The memo discussed the impact of Amendment 64 to the Colorado Constitution on special districts and what options are available to special districts to regulate the possession, use, display, transfer, distribution, sale, transportation or growing of marijuana on special district property.

The Board entered into discussion regarding the memo and impacts and determined to defer any action to the December meeting. President Reinhardt asked the board members to review the information in more detail and come prepared to discuss again in December.

Resolution No. 2014-11-06, Third Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Tolls, Penalties and Charges for Water and Sewer Service and Facilities: Attorney Tanaka presented Resolution No. 2014-11-06, Third Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Tolls, Penalties and Charges for Water and Sewer Service and Facilities.

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Following discussion, upon motion duly made by Director Scully, seconded by Director DeLuca and, upon vote, unanimously carried, the Board approved Resolution No. 2014-11-06, Third Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Tolls, Penalties and Charges for Water and Sewer Service and Facilities. A copy of the Resolution is attached hereto and incorporated herein by this reference.

Third Party Fidelity Bond and Designated Agent Endorsement: The Board determined to defer action on this agenda item to the December meeting.

OTHER BUSINESS

Holiday Work Schedule: The Board discussed the holiday work schedule. Ms. Johnson presented her experience with holiday work schedules in municipal government. Mr. Harrell recommended the Board approve a holiday schedule such that the office would be closed and employees would receive paid time off on December 25 and 26, 2014 and January 1 and 2, 2015.

He also recommended awarding 2 additional paid time off days, one to be used the week of December 22, 2014 and the other to be used the week of December 29, 2014 to show appreciation to the staff of their hard work and effort over the past 12 months.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the holiday schedule as outlined above and awarded each employee 2 additional paid time off days to be utilized as outlined above.

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

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 21, 2014 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



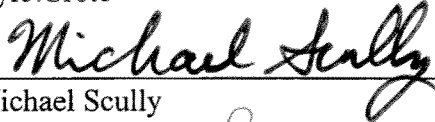
Martin Macaulay



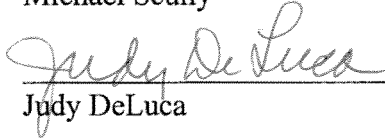
Cindy Reinhardt



Kyle Grote



Michael Scully



Judy DeLuca



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

November 21, 2014

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
Belgrade		937-7687		
Eubank	3741 Tubandt	256-4696		
M. O'NEILL	2720 N. LAUREL	mmoneill@gmail.com		
Kym Dink	3385 Genial Way	256-4790	YES	RAISE IN FEES
Nick Drake	3385 Genial Way	256-4790	YES	Raise in Fees
Julie Quinn	1927 Loup Pine Way	256 4655		
Lisa Wyriack	504 Arrowhead	4140	YES	



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

November 21, 2014

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
Judith Sweta	1468 Badger Ln	256-4086	Yes?	
Noira	359 N. CHARAPAL	256-5990		
Bill Bobson	359 N. CHARAPAL	256-5990		

RESOLUTION TO AMEND 2014 BUDGET
BACA GRANDE WATER AND SANITATION DISTRICT

WHEREAS, the Board of Directors of the Baca Grande Water and Sanitation District adopted a budget and appropriated funds for the fiscal year 2014 as follows:

General Fund	\$	879,765
Enterprise Fund	\$	956,136
Debt Service Fund	\$	359,590

WHEREAS, the necessity has arisen for additional expenditures in the Enterprise Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2014; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the Enterprise Fund from the Beginning Fund Balance.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Baca Grande Water and Sanitation District shall and hereby does amend the adopted Budget for the fiscal year 2014 and adopts a supplemental budget and appropriation for the Enterprise Fund for the fiscal year 2014, as follows:

Enterprise Fund	\$	1,063,156
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 21st day of November, 2014

BACA GRANDE WATER AND SANITATION
DISTRICT

By: _____

Secretary

RESOLUTION NO. 2014 - 11 - ____

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BACA GRANDE WATER AND SANITATION DISTRICT
TO ADOPT THE 2015 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Baca Grande Water and Sanitation District ("District") has appointed the District Accountant to prepare and submit a proposed 2015 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2014, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place at the office of the District Accountant and Manager, interested electors of the District were given the opportunity to file or register any objections to the proposed budget, and a public hearing was held on November 21, 2014 at 57 Baca Grant Way South, P.O. Box 520, Crestone, Colorado, 81131; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or were planned to be expended from reserve fund balances so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Baca Grande Water and Sanitation District:


1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Baca Grande Water and Sanitation District for the 2015 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and filed in accordance with applicable law, and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

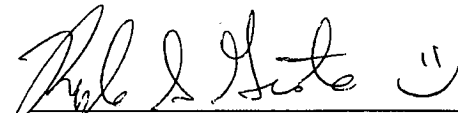
ADOPTED this 21 day of November, 2014.

BACA GRANDE WATER AND
SANITATION DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado



Cindy Reinhardt, President

ATTEST:



Kyle Grote, Secretary

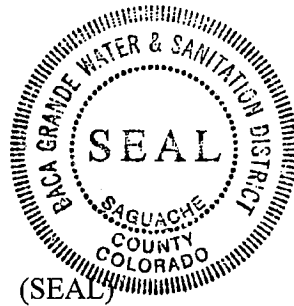
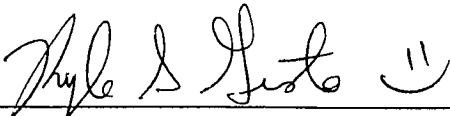


EXHIBIT A
(Budget)

CERTIFICATION:

I, Kyle Grote, hereby certify that I am the duly appointed Secretary of the Baca Grande Water and Sanitation District, and that the foregoing is a true and correct copy of the budget for the budget year 2015, duly adopted at a meeting of the Board of Directors of the Baca Grande Water and Sanitation District held on November 21, 2014.

By:  ☺
Secretary

RESOLUTION NO. 2014 - 11 - ____

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BACA GRANDE WATER AND SANITATION DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Baca Grande Water and Sanitation District (“District”) has adopted the 2015 annual budget in accordance with the Local Government Budget Law on November 21, 2014; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2015 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Baca Grande Water and Sanitation District:

1. That for the purposes of meeting all general fund expenses of the District during the 2015 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2015 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the Accountant of the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of Saguache County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[Signatures on Following Page]

ADOPTED this 21 day of November, 2014.

BACA GRANDE WATER AND
SANITATION DISTRICT,
a quasi-municipal corporation and political
subdivision of the State of Colorado



Cindy Reinhardt, President

ATTEST:



Kyle Grote, Secretary



(SEAL)

EXHIBIT A
(Certification of Tax Levies)



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

Date: November 13, 2014
To: Baca Grande Water and Sanitation District, Board of Directors
From: Lisa A. Johnson, District Manager
Re: November 21, 2014 Manager's Report

Agenda Action Items

I.C. Consent Agenda

1. Approve Minutes from the October 8, 2014 special meeting..
2. Ratify approval of the check register for the period ending October 17, 2014 as follows: \$19,950.16 General Fund, \$36,848.03 Enterprise Fund, and \$39,974.78 Capital Fund.
3. Review and accept unaudited financial statements for the period ending October 31, 2014, current schedule of cash position and cash flow projection through October, 2015.
4. Ratify the approval of Change Order No. 2 to the RMS Utilities contract in the amount of CO2 – \$17,730).
5. Ratify the approval of Change Order No. 4 to the RMS Utilities contract in the amount of \$2,100).
6. Ratify the approval of First Addendum to the Independent Contractor Agreement with Gardner Excavating (2014 MXU Transmitter Stands Project) for a reduction in the amount of \$6,740.00 and deletion of Change Order No. 1 in the amount of \$920.00.
7. Approve Termination of TZA Water Engineers Agreement for Well 17 Replacement Well Design Services.
8. Approve Termination of Arkansas Valley Surveying Agreement for Rarity and Jubilant Ways Waterline Improvements Survey Services.
9. Approve Termination of Arkansas Valley Surveying Agreement for Alpine Overlook Sewer Main Replacement Project.
10. Approve Termination of Arkansas Valley Surveying Agreement for 2014 Water Distribution System Construction Staking.
11. Approve Termination of Mountain Engineering and Testing Agreement for 2014 Water Distribution System Project Construction Materials Testing Services.
12. Approve Termination HRS Water Consultants Feasibility of Forbearance for Water Rights Acquisition.

13. Approve Termination HRS Water Rights Engineer Services.

In consideration of recommendations from Mr. Harrell on contract terminations and renewals, I recommend approval of the consent agenda items.

I.E.1. Special District Management Services, Inc 2015 Contract

SDMS will impose a 4% rate increase (to \$130/hour) effective January 1, 2015. I don't anticipate the District will experience an increase in budgeted expenditures for 2015 with this fee increase given that we are no longer duplicating efforts in the area of invoice review and approval and utility billing monthly review as well as other ideas that have been discussed and implemented related to cost control measures.

In light of the District's efforts to reduce consultant costs with one aspect of that being a review of consultant contracts and scope of services, Director Reinhardt has asked that I speak with Debby McCoy and request a delay in the increase while this review is ongoing. Director Reinhardt and I will report on this further at the meeting.

I.E.2. White Bear Ankele Tanaka & Waldron, P. C. 2015 Engagement Letter

Attorney Tanaka has indicated that she will not increase fees to the Baca Grande Water and Sanitation District in 2015.

V.A.1. Capital Projects Recommendations

Mr. Harrell and Mr. Simons have reviewed the capital projects needs for 2015 and prepared the capital project summaries included in the board packet for consideration by the Board.

VI.A. November 21, 2014 Check Register

Mr. Harrell has reviewed and approved the invoices for November and has recommended approval.

I recommend approval of the November check register.

VI.C. Engagement of Wagner Barnes & Griggs, P.C. to prepare 2014 Audit

An engagement letter from Wagner Barnes & Griggs, PC to perform the 2014 Audit for an amount not to exceed \$8,800 was received and included in the board packet. It is my understanding that the Board and staff have been pleased with the services that Wagner Barnes & Griggs P.C. have provided for past audits.

I recommend approval of an engagement letter with Wagner Barnes & Griggs, P.C. to prepare the 2014 audit.

VI.D. 2014 Budget Amendment

The estimated expenditures in the Enterprise Fund for 2014 are expected to exceed the budgeted amount. The adopted budget indicated expenditures in the amount of \$956,136. The estimated expenditures are forecasted to be \$1,063,156.

I recommend approval of a resolution to amend the 2014 budget in the Enterprise Fund as outlined above.

VI.E. 2015 Budget and Resolutions

The 2015 draft budget was presented to the Board at the October meeting. Estimates have been updated as actual revenues and expenditures for October have been received. The Capital Projects Fund has also been updated to reflect the projects identified by Mr. Harrell and Mr. Simons.

I recommend approval of the 2015 Budget and associated resolutions.

Updates on Other District Related Items

Re-organization Committee – The committee has met on two separate occasions and discussions and the work that has come from the meetings has been positive. Certain tasks currently provided by SDMS have been transitioned to staff. These tasks include the review and approval of monthly invoices, review of the monthly utility billing, and management of the action items status matrix. In addition, the monthly conference call to review the agenda in advance of the board packet between Attorney Tanaka, President Reinhardt and myself is no longer being held and Attorney Tanaka is not attending the monthly review and updating of the action items conference call. These tasks are a first step in transitioning work currently provided by consulting staff to staff in the office and the savings should be measured in reduced monthly consultant fees. President Reinhardt has also provided a summary of the committee meetings in her President's report.

Update on 'Reorganization' Working Group – November, 2014

From: Cindy Reinhardt, President

Fellow Directors,

I wanted to provide a summary of the progress and direction that this group (Lisa, Steven, JoAnn, Michael and me) has made in two meetings since our Oct 8 board meeting.

PRIMARY FOCUS: The group is primarily focused on how the District can rely less on consultants, thereby significantly reducing consultant fees (in particular management fees and legal costs).

Here are the key things we have looked at so far and the direction each is moving in:

- Identifying tasks that could be taken on by Baca staff:
 - Steven is taking over updating the action items list. Action item review calls no longer include Jennifer or JoAnn unless deemed necessary.
 - Steven and JoAnn will be fully responsible for invoice approval and coding invoices, with review when needed by SDMS
 - Oversight of the monthly utility billing has transitioned fully to JoAnn and Sandy. They do not feel that they need Lindsay's review of the monthly billing any longer and as of October, they have not sent over the reports prior to finalizing the billing.
 - Look at the area of 'records management' and what can be done locally vs. at SDMS
 - We will continue to look at this balancing efficiency, current work load of staff, etc.
- Clarification of roles and responsibilities – the group has done an initial review of job descriptions and JoAnn and Steven were asked to take another look at theirs to determine if they accurately define what is needed. We will use the annual performance reviews to further clarify and set clear expectations for 2015. Board will be briefed on these reviews.
- Increasing staff efficiency (both administration and operations) – several ideas have surfaced and will be looked at further:
 - End weekend operation rounds (savings \$6,000/yr) – Steven
 - Look at operators doing staggered shifts – Lisa
 - Alternate duty schedules for admin staff – JoAnn
 - Limit (admin) time on phone doing 'customer service' – Lisa
 - Asking everyone to look at "are you spending time on what you need to be spending time on?" – Lisa
 - Re-evaluating contract administration for efficiency and ease of coordination with legal counsel - JoAnn
- Other areas to look at cutting consultant costs (& who presented this idea):
 - Looking at who decides when consultants travel to the District and limiting those trips and overall administration of consultant contracts – Steven & Cindy [Note – this will be a topic for board discussion as we review consultant contracts.]
 - Limiting participation of legal counsel in budgeting, action item and agenda review calls – Lisa & Cindy
- Having a board discussion of 'what is the level of service that the board wants to see?' – Steven
- Streamlining Board meeting agenda – Michael
- Bringing on additional support staff at no cost through other programs – Steven

Any of the working group will be happy to answer any questions you have AND hear your ideas for moving forward.



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

GENERAL MANAGER'S REPORT

To: Board of Directors, Baca Grande Water and Sanitation District
From: Steven Harrell, General Manager
Date: November 21, 2014

2014-DSI Projects: The distribution system project contractor RMS completed all of the original projects on October 31, 2014. The contractor initiated change order number 3 on November 3, 2014. The original project scope included the installation of approximately 400 linear feet of 6-inch water main which is intended to provide the system with an interconnect redundancy. The District discovered that the underground facility conditions were not as expected and the project scope has been significantly reduced from 400 linear feet to 70 linear feet. As a result of the actual facility conditions found and the new project scope, the District will incur project expenses estimated to be \$3000.00. These expenses include 1) the original change order number 3 project survey cost, 2) contractor time used to determine actual conditions and 3) the original design concept created by TZA Water Engineers, Inc. These project costs could be categorized as wasted capital improvement funds due to errors made in the assessment of the original project. Total project cost for change order number 3 have not been finalized.

MXU-M Replacement Project: Gardner Excavation, Inc. completed the installation of the MXU stands and the touch pads on October 15, 2014. The District operations staff has installed 360 of 412 new MXU-M units and activated 337 units to date. There are 23 of the 360 installed MXU-M units that will require a diagnostic site visit and possible repair of the water meter register and or verification of the wiring connections. The project is on track for completion by December 12, 2014, however, it is anticipated there will be 10-30 units of the 412 water meter services upgraded that will require extensive repairs to the buried water meter in order for the new MXU-M devise to operate properly. Any work requiring excavation will be scheduled for the spring 2015.

Well-17 Update: The Districts efforts to circumvent the required new water source water samples analysis was not successful. The District operations staff collected the required third quarter Well-17 water samples and sent them in to Colorado Analytical. On November 16, 2014 TZA received communications from CDPHE indicating that Well-17 would not be considered a new water source and will not be subject to the associated initial monitoring requirements per regulation 11. TZA is working with CDPHE for a final determination of the Well-17 water sample requirements.

Well-18 Booster Pumps: The current status of the Well-18 Booster Station is that pump/motors in the 310 and 320 positions are fully operational. To date the Denver Electric Motor rebuilt motors seem to be operating correctly with the exception of motor "A". Motor "A" was removed from service on October 28, 2014 for inspection due to an audible change in the motors operation. Denver Electric Motor dropped of motor "C" on October 28, and picked up motor "A" for an assessment covered under the Denver Electric Motor warranty. Denver Electric Motor

determined that motor "A" bearing grease was exposed to water leaking from the pump which caused the grease to fail. Additionally, this motor had some type of string inside the motor from the previous rebuild by Denver Electric Motor. On November 3, 2014 Denver Electric Motor returned motors "A" and "B" and pump "A". After the District receives Denver Electric Motor's motor and pump assessment reports, a detailed report will be completed in conjunction with TZA that will determine the likely cause of the Well-18 Booster motor failures. With the exception of the outstanding reports from Denver Electric Motor, all requested documents from Royal Electric and Water Technology Group have been received by the District.

Discuss Amendment to District R&R: The District rules and regulations do not require new water and sewer installations to be installed together within a designated time frame. This has resulted in at least 2 residential water services that have been installed and activated by the District that were not accompanied by the installation and use of the associated sanitary sewer tap installation. In the case of the 2 residents referenced above, the property owners have water services but not sewer services. This condition has allowed these residents to camp on their property with the use of running water and no sanitary sewer service. My recommendation is that the District require new customers to complete the installation of both water and sewer services within a 5 business day timeframe once the District's service installation has begun. The services would be required to be installed to the POA approved building site. This recommendation is intended to prevent future customers from only installing water services.

Bio Solids Disposal Program: Based on the Aspen WWTP Bio Solids production over the past four months the District is reevaluating the 2015 Bio Solids disposal budget. The District operation has disposed of 22,800 gallons of sludge with RMS year to date (four events of 5700 gallons each). The District operations staff has disposed of an estimated 29,000 gallons of sludge into the Bio Solids storage lagoon since July 2014. The purpose of disposal into the Bio Solids storage lagoon is for calibrating the amount of sludge the Aspen WWTP is producing on a monthly basis. The RMS disposal events are not keeping up with the Aspen WWTP Bio Solids production. The Aspen WWTP is currently treating 75,000 gallons of influent waste water per day more or less on average. Based on the manufacturer projections of Bio Solids production the plant should be producing 200 gallons per day or 6,000 gallons per month. The 2015 Bio Solids disposal budget should be increased to cover the revised Bio Solids production and disposal needs. The current volume of Bio Solids production is slightly more than the 2 times the manufacturer's projections of Bio Solids and the plant is producing 13,000 gallons per month.



Water is Life ~ Water is Our Business

Report on District Operations

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Operations Staff rebuilding fire hydrant

Steven Harrell
General Manager
Baca Grande Water and Sanitation District
November 21, 2014

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"/>	3 new fire hydrants have been installed in the system
Water Main Repairs	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Collection System Cleaning	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	60,000 linear feet of collections system cleaning completed
GPS/GIS	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	11 new water and sewer service GPS data collected YTD
Water/Sewer Hookups	Yes <input type="checkbox"/>	No <input 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 2014	7,168,722	2,464,000	4,704,722
Gallons Pumped February 2014	5,213,616	2,091,000	3,122,616
Gallons Pumped March 2014	6,842,871	2,182,000	4,660,871
Gallons Pumped April 2014	7,494,573	1,997,000	5,497,573
<i>Start of Irrigation Season: Irrigation water will not be used for calculating unaccounted for water or water loss within the distribution system</i>			
Gallons Pumped May 2014	10,753,083	2,441,000	8,312,083
Gallons Pumped June 2014	11,730,636	3,550,000	8,180,636
Gallons Pumped July 2014	12,056,487	2,326,000	9,730,487
Gallons Pumped August 2014	9,449,679	2,269,000	7,180,679
Gallons Pumped September 2014	12,708,189	2,145,000	10,563,189
Gallons Pumped October 2014	10,427,232	2,107,000	8,320,232
Gallons Pumped November 2014			
Gallons Pumped December 2014			
Total Gallons Pumped In 2014	93,845,088	23,572,000	70,273,088

Golf Course Well	Irrigation Water
Gallons pumped April 2014	1,955,106
Gallons Pumped May 2014	7,820,424
Gallons Pumped June 2014	9,123,828
Gallons Pumped July 2014	7,820,424
Gallons Pumped August 2014	6,517,020
Gallons Pumped September 2014	5,865,318
Gallons Pumped October 2014	4,561,914
Total Gallons Pumped In 2014	43,664,034

BACA GRANDE CHALET

Water – Well 17/18	Gallons Pumped	Compliant	Result
Gallons Pumped January 2014	6,842,871		
Total Coliform Reporting	21 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.27 mg/L
Gallons Pumped February 2014	4,561,914		
Total Coliform Reporting	14 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.25 mg/L
Gallons Pumped March 2014	5,539,467		
Total Coliform Reporting	17 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.16 mg/L
Gallons Pumped April 2014	6,191,169		
Total Coliform Reporting	19 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.16 mg/L
Gallons Pumped May 2014	8,472,126		
Total Coliform Reporting	26 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.21 mg/L
Gallons Pumped June 2014	9,123,828		
Total Coliform Reporting	28 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.21 mg/L
Gallons Pumped July 2014	8,797,977		
Total Coliform Reporting	27 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.25 mg/L
Gallons Pumped August 2014	7,168,722		
Total Coliform Reporting	22 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.12 mg/L
Gallons Pumped September 2014	9,775,530		
Total Coliform Reporting	30 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.27 mg/L
Gallons Pumped October 2014	8,472,126		
Total Coliform Reporting	26 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.20 mg/L
Gallons Pumped November 2014			
Total Coliform Reporting	Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L
Gallons Pumped December 2014			
Total Coliform Reporting	Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L

CASITA PARK

Water – Motel Well	Gallons Pumped	Compliant	Result
Gallons Pumped January 2014	1,303,404		
Total Coliform Reporting	4 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.26 mg/L
Gallons Pumped February 2014	651,702		
Total Coliform Reporting	2 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.26 mg/L
Gallons Pumped March 2014	1,303,404		
Total Coliform Reporting	4 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.25 mg/L
Gallons Pumped April 2014	1,303,404		
Total Coliform Reporting	4 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.26 mg/L
Gallons Pumped May 2014	2,280,957		
Total Coliform Reporting	7 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.26 mg/L
Gallons Pumped June 2014	2,606,808		
Total Coliform Reporting	8 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.26 mg/L
Gallons Pumped July 2014	3,258,510		
Total Coliform Reporting	10 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.10 mg/L
Gallons Pumped August 2014	2,280,957		
Total Coliform Reporting	7 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.30 mg/L
Gallons Pumped September 2014	2,932,659		
Total Coliform Reporting	9 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.32 mg/L
Gallons Pumped October 2014	1,955,106		
Total Coliform Reporting	6 Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.29 mg/L
Gallons Pumped November 2014			
Total Coliform Reporting	Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L
Gallons Pumped December 2014			
Total Coliform Reporting	Acre Feet	Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L

WASTEWATER DISCHARGE SAMPLE RESULTS

October	Limit	Compliant	Result
Effluent BOD ₅	30/45 mg/L 30 DAY AVG/7DMAX	Yes	6.0 mg/L
Percent Removal BOD ₅	85% or greater	Yes	96%
E-coli	200/400 Colonies/100/mL 30 DAY GEO.MEAN/7DMAX	Yes	2/100 mg/L

Aspen Wastewater Treatment Plant Has No Discharge Permit Violations for October

TOTAL AMMONIA AS N, MG/L

Month	Limit	Compliant	Result
January	5.0 mg/L	Yes	January 2.3 mg/L
February	4.1 mg/L	Yes	February 1.8 mg/L
March	4.4 mg/L	Yes	March 1.8 mg/L
April	3.9 mg/L	Yes	April 2.1 mg/L
May	3.3 mg/L	Yes	May 0.7 mg/L
June	3.4 mg/L	Yes	June 0.5 mg/L
July	3.0 mg/L	Yes	July 0.5 mg/L
August	2.2 mg/L	Yes	August 1.1 mg/L
September	2.6 mg/L	Yes	September 0.9 mg/L
October	2.5 mg/L	Yes	October 0.9 mg/L
November	3.8 mg/L		November 0.0 mg/L
December	4.0 mg/L		December 0.0 mg/L

BIO SOLIDS REPORTING

Reporting/Permits	Status
Annual Bio Solid Land Application Reporting	Completed
Annual General Permit	Completed
Disposal Permit	In process
Sampling Analysis Plan	Submitted
Bio Solids	Quantity
Stored Bio Solids – Aspen Storage Lagoon (estimated)	140,000 gal
Stored Bio Solids – MHE Lagoon Dry Bio Solids (estimated)	475 cubic yds.
Bio Solids pumped and applied to land application site in YTD 11/12/14.	22,800 gallons
Bio Solids pumped into storage lagoon YTD 11/12/14.	29,000 gallons

OTHER REPORTING

Customer Complaints	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Customer has concerns regarding the November budget Board meeting starting at 8:00 a.m. Customer recommends the meeting start at 2:00 p.m. Customer does not want a rate increase and expressed her difficulties living on \$1000.00 per month.
Monthly Safety Meetings	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Work Site 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 90 August)</i>
Well 17/18 Water Treatment Plant – <i>Booster Pump Motor Operational Plant Capacity - 0.4 MGD*</i>	Stables LS – <i>Operational</i>
MHE Motel Well Water Treatment Facility Plant Capacity - 1 MGD* <i>Operational</i>	Wagon Wheel LS pump 1&2 <i>Operational-in float mode only.</i>
Water Transfer Stations = 3	Dharma Ocean LS – <i>Operational</i>
Booster Stations = 4	Aspen LS - <i>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>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 Not Operational Pump/VFD # 2 Operational</i>
Moonlight Transfer Station - <i>Operational</i>	Motel Well Booster Station – <i>Operational</i>

CERTIFICATION CORNER

Steven Harrell General Manager	Class C Water Operator Class C Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator	Renewal Date: 03/15/15 Renewal Date: 07/26/17 Renewal Date: 05/16/16 Renewal Date: 05/16/16
Justin DeBon Operator	Class C Water Operator Class C Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator Nationally Certified Heavy Equipment Operator Level 1	Renewal Date: 09/18/16 Renewal Date: 07/19/16 Renewal Date: 11/04/15 Renewal Date: 11/04/15
Gary Potter Operator	Class S Water Operator Class S Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator	Renewal Date: 11/29/16 Renewal Date: 11/29/16 Renewal Date: 11/29/16 Renewal Date: 11/29/16
Chad Tate Operator	Class S Water Operator Class S Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator	Renewal Date: 11/29/16 Renewal Date: 11/29/16 Renewal Date: 11/29/16 Renewal Date: 11/29/16

Administrative Report

November 21, 2014

<ul style="list-style-type: none">• Utility Billing	<p>Meters:</p> <ul style="list-style-type: none">• MXU Project<ul style="list-style-type: none">○ Received over 100 first time reads• Total Customers billed<ul style="list-style-type: none">○ October 31, 2014, 1285 <p>Delinquent account summary</p> <ul style="list-style-type: none">• October 2104<ul style="list-style-type: none">○ Delinquent notices mailed: 14 primary account holders (+1 tenant)○ 1 Shut off○ 0 New Payment Plans established○ Payment plan customers: 5 up to date on monthly payments, 4 paid in full in September and October• Tap Fees Billed<ul style="list-style-type: none">○ 40 customers billed \$ 1592.87○ 2 customer letters sent for termination of contract for non-payment○ 1 Tap fee account paid in full
<ul style="list-style-type: none">• Property Transfers	<ul style="list-style-type: none">• Transferred (Sold) Properties<ul style="list-style-type: none">○ 8 Lots: 256 Baca Grant Way, 2813 Arrow Camp OL, 3509 Enchanted, 3558 Doubletree OL, 4201-4202-4203 Twinview, 4328 Twinview Way○ 6 SFR: 1157 Badger, 1647 Willow Creek Way, 2749 Easy Way LLC, 3927 Cordial Way, 4407 Twinview, 4327 Tranquil Way
<ul style="list-style-type: none">• Consolidations	<ul style="list-style-type: none">• 8 Applications new application requests submitted:<ul style="list-style-type: none">○ 399-400, 904-905, 1484-1483, 1872-1873, 3574-3575, 3591-3592, 4154-4155-4156, 4287-4389-4391-4392• 2 Consolidations final approval received:<ul style="list-style-type: none">○ 207-C Foothill, 73-C Diablo
<ul style="list-style-type: none">• Water Sewer Applications	<ul style="list-style-type: none">• 1 New Application submitted• 11 New hookups complete to date
<ul style="list-style-type: none">• Projects	<ul style="list-style-type: none">• Dharma Ocean<ul style="list-style-type: none">○ 1st payment received on payment plan• ** Rate table adjustments for over ¾" and letter to customers:<ul style="list-style-type: none">○ Letters were mailed to customers notifying them of rate corrections○ All non-standard codes have been identified and adjusted accordingly○ The corresponding rates have been updated○ Updates were made to all affected accounts○ 1st billing with corrected standard rates went out in the November billing○ Staff continues to review and adjust as needed all accounts and line sizes• ** MXU Project<ul style="list-style-type: none">○ Admin staff created form for use by the Contractor to collect pertinent information○ Sandy Admin lead on this project created a tracking spreadsheet and has started to input the new MXU information into the database

- Public Notification
 - Notice of intent to fix or increase fees, rates, tolls, penalties or charges for water and/or sanitary sewer service has been inserted in billings
- Clarity Upgrade
 - Database has been cleaned up and clean checkout reports were delivered to Caselle
 - DATA FILES: Caselle has pulled our data files
 - MOCK CONVERSION: Caselle will return the mock conversion files and report list
 - TESTING: Admin staff will then test the data
 - SCHEDULE: Once testing is complete
 - “Go live” date will be established
 - Freeze activity for 3 days in Clarity during which time Admin staff will be implementing and testing and training directly with Caselle staff
 - TRAINING:
 - Admin staff will be training in house online live directly with Caselle staff
 - Onsite (Utah) training needs will be identified and a travel schedule will be established as needed
- ** Xpress Billpay
 - Xpress Bill Pay is Caselle’s Authorized and Preferred online payment provider
 - Updated information received

*** attachments included*

Summary of Rate Table Project Work Summary - October 2014

Overview: The rates for water and sewer services > 3/4" were not updated to match resolution rate changes since 2009. There were also several unique or non-standard rate table services that did not fall into the standardized rate categories defined by the board of directors & district management.

Project Objectives:

1. All accounts would use a standard rate table service. Standard water and sewer rate table tap sizes are 3/4", 1", 1.5", 2", 3" and 4"
2. Update all standard water and sewer rate tables to the current rate structure as stated in the 2013-11-03 Resolution.

Project Results:

1. All accounts using a non-standard rate table were converted to an equivalent standard rate table based on the actual water tap size. This work started on 8/2014 & was completed by 10/29/14.
2. All standard rates tables were updated to current 2013-11-03 resolution rates on 10/29/14. Notes were added to non-standard rate tables that they were not to be used.

Service Address	Water Rate Tables				Sewer Rate Tables			
	Rate Table No	Rate Table Description	Updated From: Resol Rate 2010-11-?	Updated to: Resol Rate 2013-11-03	Rate Table No	Rate Table Description	Updated From: Resol Rate 2010-11-?	Updated to: Resol Rate 2013-11-03
Harmony Way 3892C	118	Water 1" line	44.00	50.00	320	Sewer 1"	25.00	50.00
North Rendezvous #1	118	Water 1" line	44.00	50.00	NA	No sewer.	NA	NA
White Eagle Village	117	Water 1 1/2" Line	110.00	125.00	325	Sewer 1 1/2" line	110.00	125.00
Dreamway Rd 13000 E	117	Water 1 1/2" Line	110.00	125.00	325	Sewer 1 1/2" line	110.00	125.00
Dharma Ocean Baca Grande Tract	117	Water 1 1/2" Line	110.00	125.00	325	Sewer 1 1/2" line	110.00	125.00
CO College Irrigation	117	Water 1 1/2" Line	110.00	125.00	NA	No sewer.	NA	NA
Dharma Ocean Dorm	116	Water 2" Tap	176.00	200.00	315	Sewer 2"	176.00	200.00
Ball Field By Driving Range	116	Water 2" Tap	176.00	200.00	NA	No sewer.	NA	NA
Casita Park Irrigation	116	Water 2" Tap	176.00	200.00	NA	No sewer.	NA	NA
CO College. Dorm	116	Water 2" Tap	176.00	200.00	315	Sewer 2"	176.00	200.00

Service Address	Old Rate Table No	Rate Table Description	Rates Updated From:	Base Usage	New Std Rate Table No	Rate Table Description	Rates Updated To:	New Base Usage
Desert Sage-BG Meadows	102	Water - Restaurant	72.00	20,000	118	Water 1" line	50.00	8,000
Link School	103	Water - Water Only	25.00	8,000	101	Water - 3/4" Residential	25.00	4,000
Camino Baca Grande 00430009	103	Water - Water Only	25.00	8,000	101	Water - 3/4" Residential	25.00	4,000
South Carefree Way 3783	103	Water - Water Only	25.00	8,000	101	Water - 3/4" Residential	25.00	4,000
Cordial Way 3927	103	Water - Water Only	25.00	8,000	101	Water - 3/4" Residential	25.00	4,000
Club House Caddy Shack	103	Water - Water Only	25.00	8,000	101	Water - 3/4" Residential	25.00	4,000
Camper Village	103	Water - Water Only	25.00	8,000	119	Water 3" Line	400.00	64,000
Admin Building	103	Water - Water Only	25.00	8,000	118	Water 1" Line	50.00	8,000
Crestone Park Irrigation	104	Water - Irrigation	44.00	1	116	Water 2" Tap	200.00	32,000
North Rendezvous #9	107	Water - Spiritual Life Chapel	100.00	40,000	118	Water 1" Line	50.00	8,000
Crestone Park Restroom	111	Water - Commercial 5/8	25.00	10,000	101	Water - 3/4" Residential	25.00	4,000
Stables	111	Water - Commercial 5/8	25.00	10,000	116	Water 2" Tap	200.00	32,000
Casita Park Restroom	111	Water - Commercial 5/8	25.00	10,000	101	Water - 3/4" Residential	25.00	4,000
Library	111	Water - Commercial 5/8	25.00	10,000	101	Water - 3/4" Residential	25.00	4,000
CO College Building	112	Water - College Dorm	54.00	30,000	118	Water 1" Line	50.00	8,000
Dreamway Rd 2501 E	113	Water - Commercial 1 3/4"	50.00	10,000	117	Water 1 1/2" Line	125.00	20,000

Service Address	Old Rate Table No	Rate Table Description	Rates Updated From:	New Rate Table No	Rate Table Description	Rates Updated To
Desert Sage-BG Meadows	302	Sewer - Restaurant	72.00	320	Sewer 1"	50.00
Crestone Park Restroom	301	Sewer - unmetered	25.00	301	Sewer - unmetered	25.00
Stables	301	Sewer - unmetered	25.00	315	Sewer 2"	200.00
Casita Park Restroom	301	Sewer - unmetered	25.00	301	Sewer - unmetered	25.00
Library	301	Sewer - unmetered	25.00	301	Sewer - unmetered	25.00
CO College Building	301	Sewer - unmetered	25.00	320	Sewer 1"	50.00
Dreamway Rd 2501 E	301	Sewer - unmetered	25.00	325	Sewer 1 1/2"	125.00

Water Meter Installation Report

Date: _____ Contractor Name: _____

Service Location

Lot: _____ Street Name: _____

Account: 4 .0

Inspection Details

- | | | | | |
|---------------------|-------------------------------------|---|-----------------------------------|--------------------------------|
| 1. Meter Pit Type | <input type="checkbox"/> Hard piped | <input type="checkbox"/> Setter | <input type="checkbox"/> Coil Pit | <input type="checkbox"/> Hoses |
| 2. Meter Pit Status | <input type="checkbox"/> Leaking | <input type="checkbox"/> Buried in Sand | <input type="checkbox"/> Visible | |
| 3. Foam Lid in Pit | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Damaged | |
| 4. Meter Tap Size | <input type="checkbox"/> 3/4" | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 1/2" | <input type="checkbox"/> 2" |

Installation

- | | |
|---------------------------------|--------------------------|
| 1. Remove the old stand and MUX | <input type="checkbox"/> |
| 2. New stand Installed | <input type="checkbox"/> |
| 3. Wiring is Connected | <input type="checkbox"/> |
| 4. Touch Pad Installed | <input type="checkbox"/> |
| 5. Foam Lid in Pit | <input type="checkbox"/> |
| 6. Meter Box Closed & Locked | <input type="checkbox"/> |
| 7. Final Grading Completed | <input type="checkbox"/> |

INSPECTION CHECKLIST

Inspector's Approval of Installation (for office use only)

MXU Label

Install Date _____

Activated

This property has met the above conditions _____

Operator Signature

Office Administration

Caselle Update: **MXU** **GPS**

Confirmed Meter Read:

Objective: Identify an online payment platform that addresses key customer service requests, greatly improves back office efficiency by integrating with our accounting software - eliminating existing manual processes, and provides cost reduction over current payment processes with a high degree of security and accuracy.

Criteria:

Customer facing:

1. Ease of use to customer. Simple one-time account(s) set up that is validated to provide security, privacy and payment accuracy. Especially important for customers with multiple accounts.
2. Accepts Visa, Master Card or Discover Card one-time or recurring (automatic) payments, with option for partial or full payment.
3. Provides clear current billing/balance information, reducing balance inquiries calls.
4. Provide eBills, so customers now have the option for electronic billing, reducing cost of paper billings.

Back Office:

1. It must integrate with Caselle, so minimal work is required by back office for daily/monthly billing and payment processing, with no new manual processes introduced. Integration provides security, increases accuracy, efficiency, and ease of software maintenance and upgrading. For these reasons, integrated software is also more cost effective in the long run.
2. Platform must provide means to validate account and payment accuracy when the payment accounts are initially set up.
3. Transaction costs will be paid upfront by the customers, so it must be cost effective to minimize cost to the customer. (Compare cost/savings analysis of us paying costs - possibly higher savings due higher usage).
4. Provide options for future use and cost reduction, such as eBill payments, direct w/d from bank account, automated phone payments.
5. There should be 24x7 technical support available from provider.
6. Provider will be responsible for PCI compliance.

Criteria	SIPA	Xpress Bill Pay
Online Payments	x	x
Recurring (Auto) Pay		x
View balance online	Manually enter info	Automated
View eBill online		x
International CC payments	x	X
Account Validation	Yes. Manually enter information used for validation. Must be setup & validated each time pay.	Yes. Once validated, automatically accommodates name, address changes.
Payment report	After 48 hrs get report , manually key in payments	Automated, Daily
Integrated with Caselle		Fully
Charge transaction cost upfront to customers	x	x

Options:

SIPA:

- Free Web Pay Portal for government and educational organizations through Colorado SIPA. Customers pay through our web pay portal that is set up by SIPA.
- It does handle PCI compliancy.
- Does not integrate with Caselle software.
- One time credit or debit card payments. It does not handle recurring (auto) payments. Option to pay portion or full balance due
- No other options or features are available.
- All account and balance information is manually entered into the web portal on daily, weekly or monthly basis
- Any account changes to information used for validation made in Caselle must also be manually updated in web Pay Port or customer information won't be validated & they can't make payments. Any balance updates are also done manually.
- Customers must validate (setup) account information each time they make a payment. Single account payments.
- A payment report is available 48 hours after payments made. Payments are then manually keyed into Caselle.
- Costs: No start up or yearly fees. \$50.00 per integrated credit card swipe. (Cost for the required manual processing estimated - 20 hrs./month - \$300.00 cost/month)
- Customer costs: .75 per transaction + 2.25% (50.00 payment + 1.88 processing fee). eChecks - \$1.00 flat fee.

Xpress bill Pay:

- Online payment application. Handles PCI compliance.
- Fully integrated with Caselle. Caselle authorized partner for online payment services.
- One time credit/debit card payments, recurring (auto) payments, direct w/d from checking/saving account (domestic only), eChecks (domestic only).
- Other payment processing services available.
- Automatic daily upload of account & balance information from within Caselle. Customers can see current balance information.
- Daily download & processing of payments done within Caselle automatically. Payments are immediately reflected within Caselle.
- Monthly upload of eBills done within Caselle with a click of a button. Customer can see billing details online & has option for eBilling only.
- One time customer profile set up and one time account validation. Once initially validated, the application dynamically handles account information changes behind the scenes with no interruption to customer.
- Customers can have multiple accounts and multiple business/owner account names under one profile. They can chose different payment cards for different business/owner names. Customers can chose to pay multiple accounts with single payment - it is automatically separated into individual account payments. Option to pay partial or full balance due. Online payments are immediately reflected in online balance.
- Partnered with Caselle, so software maintenance and upgrades are coordinated. Upgrade to Clarity will not interrupt online payment processing - once upgrade completed, company remotely enables additional enhancements.
- Costs: \$2500 initial startup - includes initial set up + onsite training (This is equivalent to ~ 3 hrs./wk. salary - or 3 hrs./wk. less manual labor & time saved will cover the cost). \$69.00/month includes 24x7 tech support (~ 4.5 hrs./month time saved covers cost - about 1 week's work of current typical credit card support). \$75.00 per integrated credit card swipe.
- Customer costs: \$.50 per transaction + 2.5% (\$50.00 payment + \$1.75 fee). \$.40 for direct withdrawal. \$.20 for eChecks. They typically see 65% credit card transactions & 35% eChecks.

**BACA GRANDE WATER AND SANITATION DISTRICT
ENGINEER'S REPORT
NOVEMBER 12, 2014**

Compliance Evaluation Inspection (Dharma Ocean and Stables Lift Station)

TZA Water Engineers has mapped the existing service taps and prepared a spreadsheet model of each basin's contributions to the respective lift stations and the Aspen Institute Wastewater Treatment Facility. TZA has been in communication with the Division's review engineer and is developing a formal response. Additional field data regarding the Aspen Institute WWTF, the Stables lift station facility, and the Wagon Wheel lift station facility will be collected the week of November 17.

Flow Equalization Basin

TTG Engineers has prepared a final draft of the Preliminary Engineering Report (PER) for the proposed flow equalization basin at the Aspen Institute Wastewater Treatment Facility. TZA Water Engineers used the information contained within the PER as the basis for a capital project summary for the 2015 budget.

Biosolids Removal

RMS Utilities continues to conduct removal events as requested by District operations staff. Based upon the activities over the last four months, TZA Water Engineers will review the WWTP operations and solids production with the District Manager the week of November 17.

2014 Water Distribution System Improvement Project

RMS Utilities anticipates completing all of the field work the week of November 10. TZA Water Engineers is scheduled to conduct a walk through for initial project acceptance on November 17.

Water Meter Transmitter Replacement Project

TZA Water Engineers continues to support the project and recently providing feedback to the District staff on a request to the Department of Local Affairs for reallocation of excess project funds to support the overall water meter program effort.

Sanitary Survey and Well 17 Approval

TZA Water Engineers was successful in getting any additional initial water quality sampling waived for the re-drill of the well, but the Division is still requesting raw water monitoring for the new groundwater source – inorganic chemicals, sodium, corrosivity, and radionuclides. The sampling for these parameters should be conducted the week of November 17.

Engineer's Report
November 12, 2014
Page Two

Well 18 Booster Pump Station Problems

Activities associated with this topic will be addressed separately due to attorney-client privileges.

Other Activities

Capital Project Summaries – TZA Water Engineers drafted capital project summaries for the Well 18 to Casita Park Interconnect, the Aspen Institute Wastewater Treatment Plant Flow Equalization Basin, and the Stables Lift Station Improvements.

Discharge Permit Compliance Schedule – The District filed the required report to the Division before the October 31, 2014 deadline.

Draft Storage Tank Rule – The Water Quality Control Division has drafted a Storage Tank Rule (<https://docs.google.com/file/d/0B0tmPQ67k3NVUzAyd2dEekt5Tnc/edit>) that will be considered by the Water Quality Control Commission in January of 2015 and will become effective January of 2016. In addition to quarterly periodic (visual) inspections, this rule will require comprehensive inspections to be scheduled at least every five years.

Funding Opportunities – TZA Water Engineers has identified a number of sources for planning, design, and construction monies, including the Colorado Water Conservation Board Water Efficiency Grant Program, the Water Quality Control Division's Small Communities Water and Wastewater Grants, and the Department of Local Affairs Energy and Mineral Impact Assistance Grant. TZA will be working with the District's management team on applications for these funds.

Resolution No. 2014-11-04

**BACA GRANDE WATER AND SANITATION DISTRICT
ANNUAL ADMINISTRATIVE RESOLUTION
(2015)**

At the regular meeting of the Board of Directors ("Board") of the Baca Grande Water and Sanitation District ("District"), Saguache County, Colorado, held at 8:00 A.M., on Friday, November 21, 2014, at 57 Baca Grant Way South, Crestone, Colorado, it was moved to adopt the following Resolution:

WHEREAS, the District was organized as a special district pursuant to an Order and Decree of the District Court in and for the County of Saguache, Colorado (the "County") and is located entirely within the County; and

WHEREAS, the Board has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its consultants to take the following actions.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. The Board directs the District's Manager to cause an accurate map of the District's boundaries to be prepared in accordance with the standards specified by the Division of Local Government ("Division") and to be filed in accordance with § 32-1-306, C.R.S.
2. The Board directs the District's Manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of the name of the chairman of the Board, the contact person, telephone number and business address of the District, as required by § 32-1-104(2), C.R.S.
3. The Board directs the District's Manager to prepare and file with the Division, within thirty (30) days of a written request from the Division, an informational listing of all contracts in effect with other political subdivisions, in accordance with § 29-1-205, C.R.S.
4. The Board directs the District's Accountant to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, *et seq.*, C.R.S.
5. The Board directs the District's Manager to: 1) obtain proposals for auditors to be presented to the Board; 2) to cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and 3) to cause the audit to be filed with the State Auditor by July 31, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 29-1-606, C.R.S. Alternatively, if warranted by § 29-1-604,

C.R.S., the Board directs the District's Manager to apply for and obtain an audit exemption from the State Auditor on or before March 31 in accordance with § 29-1-604, C.R.S.

6. The Board directs the District's Manager, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, the District's audit report or a copy of its application for exemption from audit in accordance with § 29-1-606(7) C.R.S.

7. The Board directs the District's Accountant to submit a proposed budget to the Board by October 15, to prepare the final budget and budget message, including any amendments thereto, if necessary, and directs the District's Manager to schedule a public hearing on the proposed budget and/or amendments, and to post or publish notices thereof, to prepare all budget resolutions and to file the budget and budget message with the Division on or before January 30, all in accordance with §§ 29-1-101, *et seq.*, C.R.S.

8. The Board directs the District's Manager to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with § 38-13-110, C.R.S.

9. The Board directs the District's Accountant to prepare the mill levy certification form and directs the District's Manager to file the mill levy certification forms with the Board of County Commissioners on or before December 15, in accordance with § 39-5-128, C.R.S.

10. The Board designates the *Saguache Crescent* as a newspaper of general circulation within the boundaries of the District and directs that all legal notices shall be published in accordance with § 32-1-103(15), C.R.S., in the *Saguache Crescent*, unless otherwise designated by the Board or legal counsel.

11. The Board determines that each director may receive compensation for their services as directors subject to the limitations set forth in §§ 32-1-902(3)(a)(I) & (II), C.R.S.

12. The District hereby acknowledges, in accordance with § 32-1-902, C.R.S., the following officers for the District:

Chairman/President:	Cindy Reinhardt
Vice President:	Martin Macaulay
Treasurer:	Michael Scully
Secretary:	Kyle Grote
Assistant Secretary:	Judy DeLuca
Recording Secretary:	District Manager

13. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State

at least seventy-two (72) hours prior to every regular and special meeting of the Board, in accordance with §§ 32-1-902(3)(b) and 18-8-308, C.R.S. Written disclosures provided by Board members required to be filed with the governing body in accordance with § 18-8-308, C.R.S. shall be deemed filed with the Board when filed with the Secretary of State. Additionally, at the beginning of each year, each Board member shall submit information to legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections or deletions to said conflicts of interest disclosures.

14. The Board confirms its obligations under § 24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.

15. The Board hereby appoints the District's Manager as the official custodian for the maintenance, care and keeping of all public records of the District, in accordance with §§ 24-72-202, *et seq.*, C.R.S.

16. Pursuant to § 24-6-402(2)(c), C.R.S., the Board hereby designates the District's Shop at 57 Baca Grant Way South, Crestone, Colorado, as the District's 24-hour posting place for notices of meetings.

17. The Board determines to hold regular meetings on third Friday of January, February, March, April, May, June, July, August, September, October and November, and the second Friday of December, each at 8:00 A.M., at the District's Shop at 57 Baca Grant Way South, Crestone, Colorado. Notice of the time and place for all regular meetings shall be posted in accordance with § 32-1-903, C.R.S.

18. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in § 24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

19. For the convenience of the electors of the District, and pursuant to its authority set forth in § 1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§ 1-13.5-1101, *et seq.*, C.R.S., unless a polling place election is deemed necessary and expressed in a separate election resolution adopted by the Board.

20. Pursuant to its authority set forth in § 1-1-111, C.R.S., the Board hereby appoints Lisa A. Johnson of Special District Management Services, Inc., as the "Designated Election Official" of the District for any elections to be held. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, the power to enter into intergovernmental agreements on behalf of the District, call an election on behalf of the District, to approve the final form of ballot issues and questions, to prepare the TABOR notice, to appoint election judges and a canvass board and to cancel, if applicable, the election.

21. In accordance with § 1-11-103(3), C.R.S., the Board hereby directs the Designated Election Official to certify to the Division the results of any elections held by the District and, pursuant to § 32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the district.

22. The Board directs the District's Manager to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.

23. The Board directs the District's Manager to cause the preparation of and filing with the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, if requested, the application for quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

24. The Board directs the District's Manager to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S., an annual report, if requested, in accordance with § 32-1-207(3)(c), C.R.S.

25. The Board directs the District's Manager to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs the District's accountant to pay the annual SDA membership dues, agency fees and insurance premiums, as applicable, in a timely manner.

26. The Board hereby opts to include elected or appointed officials as employees within the meaning of § 8-40-202(1)(a)(1)(A), C.R.S., and hereby directs the District's Manager to obtain workers' compensation coverage for the District.

27. The Board hereby directs the District's Manager to prepare the disclosure notice required by § 32-1-809, C.R.S., and to disseminate the information to the electors of the District accordingly. Further, the Board hereby designates the following website as the District's official website for the purposes thereof: www.colorado.gov/atlantic/greatrocknorthwsd.

28. The Board hereby directs its legal counsel, accountant, manager and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

29. The Board hereby directs the District's Manager to prepare and record with the County Clerk and Recorder updates to the disclosure statement notice and map required by § 32-1-104.8, C.R.S., if additional property is included within the District's boundaries.

30. The Board directs the District's Accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

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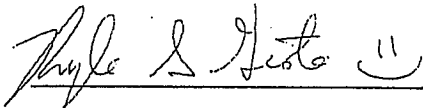
RESOLVED, APPROVED AND ADOPTED THIS 21ST DAY OF NOVEMBER, 2014.

BACA GRANDE WATER AND SANITATION
DISTRICT



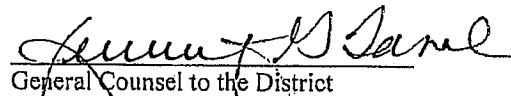
Officer of District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



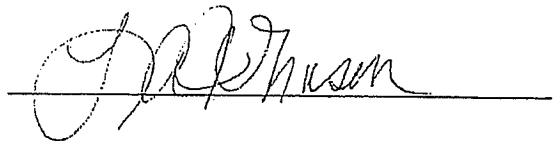
General Counsel to the District

CERTIFICATION OF RESOLUTION

STATE OF COLORADO
COUNTY OF SAGUACHE
BACA GRANDE WATER AND SANITATION DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a meeting held on Friday, November 21, 2014, at 57 Baca Grant Way South, Crestone, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 21st day of November, 2014.



After Recordation Please Return To:
WHITE BEAR ANKELE TANAKA & WALDRON
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

Resolution No. 2014-11-06

**THIRD AMENDED AND RESTATED RESOLUTION
OF THE BOARD OF DIRECTORS OF
BACA GRANDE WATER AND SANITATION DISTRICT**

**CONCERNING THE IMPOSITION OF VARIOUS FEES, RATES, TOLLS, PENALTIES
AND CHARGES FOR WATER AND SEWER SERVICES AND FACILITIES**

WHEREAS, pursuant to an Order of the District Court in and for Saguache County, Colorado, the Baca Grande Water and Sanitation District (the "District") was duly and validly organized and exists as a metropolitan district in accordance with Colorado law; and

WHEREAS, the District owns, operates and maintains various water and sanitary sewer facilities and improvements (the "Improvements") and provides associated services to its residents, taxpayers and property owners; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the Board of Directors of the District (the "Board") is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District which, until paid, shall constitute a perpetual lien on and against the property served, the revenues from which fees, rates, tolls and charges may be pledged to the payment of any indebtedness of the District; and

WHEREAS, the Board desires to establish the water and sewer charges, usage fees and equivalency rates in order to finance the costs associated with the District's general operations and the District's operation and maintenance of the Improvements; and

WHEREAS, pursuant to § 32-1-1006(1)(h), C.R.S., the Board is empowered to assess availability of service or facilities charges for the purpose of paying principal of an interest on any outstanding indebtedness or bonds of the District; and

WHEREAS, pursuant to § 32-1-1006(1)(g), C.R.S., the Board is empowered to fix and from time to time increase or decrease tap fees; and

WHEREAS, the Board desires to impose a tap fee as a one-time contribution required of new customers to be used for capital investment in regional facilities and District operations, as well as a related tapping fee to cover the District's actual costs associated with the new tap and the incorporation of the new service to the District's systems; and

WHEREAS, pursuant to § 32-1-1006(1)(e), C.R.S., the District is authorized to acquire water rights; and

WHEREAS, the Board desires to impose a renewable water resources fee on new taps within the District for the purpose of acquiring water rights to support future development; and

WHEREAS, the water and sewer charges, usage fees, equivalency rates, availability of service charges, tap fees and renewable water resource fees are referred to herein as the “Fees” or a “Fee”; and

WHEREAS, pursuant to §32-1-1001(2)(a), C.R.S., the Board is required to provide notice to customers receiving domestic water that it intends to consider the fixing or increasing of fees, rates, tolls, penalties or charges for the provision of domestic water, which notice is required to be provided at least thirty (30) days prior to the meeting at which the rate adjustment will be considered and in the manner set forth therein; and

WHEREAS, on September 5, 2014, the Notice of Intent to Fix or Increase Fees, Rates, Tolls, Penalties or Charges for Water Service (the “Notice”), a copy of which is attached hereto and incorporated herein as **Exhibit A**, was included with the monthly billing statements mailed to customers, in accordance with §32-1-1001(2)(a)(II), C.R.S.; and

WHEREAS, on September 5, 2014, the Notice was posted on the official website of the District, in accordance with §32-1-1001(2)(a)(III), C.R.S.; and

WHEREAS, on September 5, 2014, the Notice was electronically transmitted to the Special District Association, the statewide association of special districts, for posting on its website, in accordance with §32-1-1001(2)(a)(IV), C.R.S.; and

WHEREAS, on November 15, 2013, the Board adopted the *Second Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Tolls, Penalties and Charges for Water and Sewer Services and Facilities*, which became effective as of January 1, 2014 and was recorded in the real property records of the Saguache County Clerk and Recorder’s Office on November 21, 2013 at Reception Number 375486 (the “Second Amended and Restated Resolution”) and;

WHEREAS, the Board desires to amend and restate in its entirety the Second Amended and Restated Resolution with this Resolution and fix and impose the Fees set forth in this Resolution to provide for the changes in fees, rates, tolls, penalties and charges; and

WHEREAS, the District finds that the Fees set forth herein are reasonably related to the services and Improvements provided by the District and that imposition thereof is necessary to provide the services and Improvements serving the property subject to such Fees.

NOW, THEREFORE, be it resolved by the Board as follows:

1. **Fees.** The District hereby establishes the Fees set forth in **Exhibit B**, attached hereto and incorporated herein by this reference. The Schedule of Fees and Charges set forth in Exhibit B shall automatically replace in its entirety the Schedule of Fees and Charges set forth in the District’s Rules and Regulations. All prior resolutions adopted by the Board which impose fees, rates, tolls, penalties or charges, specifically including, but not limited to the Second Amended and Restated Resolution, are hereby replaced and superseded in their entirety with this Resolution. Any fees, rates, tolls, penalties or charges due under such prior resolutions, to the

extent outstanding and unpaid, shall remain in effect until fully paid and shall not be eliminated hereby.

2. Late Fees and Penalty Interest. Any Fee that is not paid in full within Fifteen (15) days after the scheduled due date shall be assessed a late fee in the amount of Fifteen Dollars (\$15.00) pursuant to § 29-1-1102(3), C.R.S. Interest may also accrue on any outstanding Fee, exclusive of assessed late fees and interest, at the rate of 18% per annum, pursuant to § 29-1-1102(7), C.R.S, and § 32-1-1006(1)(d), C.R.S.

3. Payment. Payment for each Fee shall be made payable to “Baca Grande Water and Sanitation District” and sent to the following address, on or before the due date: Baca Grande Water and Sanitation District, 57 Baca Grant Way South, Post Office Box 520, Crestone, Colorado 81131-0520.

4. Fees Constitute Lien. The Fees imposed hereunder each shall, until paid, constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the manner as provided by the laws of the State of Colorado for the foreclosure of mechanic’s liens, pursuant to § 32-1-1001(1)(j), C.R.S.

5. Collection Procedures. The District shall undertake collection efforts for any amounts outstanding, including late fees, interest and attorneys’ fees, in accordance with the District’s Second Amended and Restated Collections Resolution and in accordance with Federal and Colorado law.

6. Severability. If any clause or provision of this Resolution is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such adjudgement shall not affect the validity of this Resolution as a whole, but shall be severed herefrom, leaving the remaining provisions intact and enforceable.

7. The Property. This Resolution shall apply to all property within the District’s boundaries, as set forth in **Exhibit C**, attached hereto and incorporated herein by this reference, and any additional property included into the District after the date of this Resolution.

8. Effective Date. This Resolution shall become effective as of January 1, 2015.

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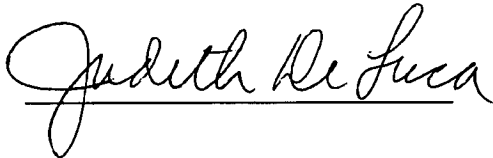
APPROVED and ADOPTED this 21st day of November 2014.

BACA GRANDE WATER AND SANITATION
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado



Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

EXHIBIT A
The Notice

**NOTICE OF INTENT TO FIX OR INCREASE FEES, RATES, TOLLS, PENALTIES OR
CHARGES FOR WATER AND/OR SANITARY SEWER SERVICE**

NOTICE IS HEREBY GIVEN that, pursuant to § 32-1-1001(2)(a), C.R.S., the Board of Directors for the Baca Grande Water and Sanitation District (the "District") will consider the fix and/or increase of fees, rates, tolls, penalties or charges for water and/or sanitary service at a public meeting to be held on **Friday, November 21, 2014, at 8:00 A.M.**, at the Baca Grande Water and Sanitation District Office, 57 Baca Grant Way, Crestone, Colorado. Any interested member of the public may attend the public meeting.

**BY ORDER OF THE BOARD OF DIRECTORS:
BACA GRANDE WATER AND SANITATION DISTRICT**

EXHIBIT B

SCHEDULE OF FEES AND CHARGES

Adopted and Approved

November 21, 2014

WATER & SEWER TAP FEE

This fee is a one-time contribution per lot required of new Customers (or existing Customers having change of use) to be used for capital investment in regional facilities and District operations. This fee shall be due at the time of application for service. The Water & Sewer Tap Fee is subject to change at the discretion of the Board. The EQR determination and tap fee for both the water and sewer tap are based on the size of the water tap as set forth below.

Water Tap Size	EQR	Water Tap Fee	Sewer Tap Fee
¾"	1	\$3,750	\$3,750
1"	2	\$7,500	\$7,500
1 ½"	5	\$18,750	\$18,750
2"	8	\$30,000	\$30,000
3"	16	\$60,000	\$60,000
4"	36	\$135,000	\$135,000

Larger than 4"

As Determined by District

NOTE: In low pressure areas (having a static pressure less than 40 psi) designed by the District Engineer, the Manager may permit the use of a 1" tap at the same fee as a ¾" tap.

TAPPING FEE

This fee is intended to cover the cost of the District's inspection of the physical tap and of the Customer's Service Line, entering the tap location on the District's as-built drawing set, time and materials associated with the tapping, and other ancillary services needed in connection with the provision of a new tap by the District.

The actual cost of a water meter (see below) will be added to the water tapping fees. If repeat inspection services are required due to unacceptable installation or improperly scheduling, then the District will charge additional re-inspection fees as stated herein, per occurrence.

TAPPING FEE SCHEDULE

Water Line/Meter Size

Fee

¾"

\$1,400 (includes labor and materials)

All other sizes billed on a time and materials basis at a cost of \$40 per hour for labor and materials billed at cost.

MONTHLY WATER SERVICE CHARGES

Tap Size	EQR	Water Base Rate	Unbilled Usage Allowance (gallons)	Next gallons \$1.50/1,000	Next gallons \$3.00/1,000
¾"	1	26.00	4,000	10,000	>10,000
1"	2	52.00	8,000	20,000	>20,000
1 ½"	5	130.00	20,000	50,000	>50,000
2"	8	208.00	32,000	80,000	>80,000
3"	16	416.00	64,000	160,000	>160,000
4"	36	936.00	144,000	360,000	>360,000

LATE CHARGE

\$ 15.00

MONTHLY SEWER SERVICE CHARGES

Tap Size	EQR	Sewer Base Rate
¾"	1	26.00
1"	2	52.00
1 ½"	5	130.00
2"	8	208.00
3"	16	416.00
4"	36	936.00

LATE CHARGE

\$ 15.00

RENEWABLE WATER RESOURCE FEE

Meter Size	EQR	GPM	Fee
¾"	1	30	\$14,830
1"	2	50	\$29,660
1.5"	5	100	\$74,150
2"	8	200	\$118,640
3"	16	500	\$237,280
4"	36	1000	\$533,880

*Fee structure based on Town of Castle Rock Municipal Code, 2012 Renewable Water Resource Fees, Chapter 4.04, Water Dedication Code.

Credit against the renewable water resource fee may be granted in consideration of the dedication of tributary water or surface water rights on such terms and conditions acceptable to the District Board.

Payment of the renewable water resource fee shall be assessed in accordance with the schedule of rates in effect as of the date of inclusion. Payment of the renewable water resource fee shall be a condition to the issuance of a water tap.

INSPECTION FEES

Service Line / Meter Pit Inspection	\$	150.00
Meter Installation	\$	150.00
Other Inspection	\$	150.00

<u>REINSPECTION FEE OR RETURN VISIT FEE</u>	\$	150.00 / hr (2 hour minimum)
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<u>METER MAINTENANCE SERVICE FEE</u>	\$	40.00 / hr (1 hour minimum)
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<u>METER COST</u>	Current cost to District
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<u>WATER TURN ON/TURN OFF</u>	\$	25.00 each on/off (Customer Requested)
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<u>SEWER SERVICE</u>	\$	40.00 / hr (1 hour minimum)
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MISCELLANEOUS FEES:

FIRE HYDRANT METER FEES

Meter Assembly Rental Deposit	\$	2,000.00
Monthly Fee	\$	10.00 / 1,000 gallons

<u>FORMAL INCLUSION HEARING FEE</u>	\$	1,000.00 / application fee
Plus all costs of publication of notices and engineering and attorneys fees incurred by District in processing the inclusion.		

<u>FORECLOSURE FEE</u>	\$	2,000.00 / incident
Plus all costs of engineering and attorneys' fees		

<u>HEARING FEE - DISPUTES</u>	\$	250.00
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INCLUSION FEE

Initial Deposit	\$	10,000.00 (non-refundable)
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Incremental Refundable Deposits of	\$	5,000.00
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For actual time and expenses incurred over the \$10,000 initial deposit, including but not limited to costs of publication of notices and engineering and attorneys fees.

PERMIT FEES:

Water Stub-In Permit	\$	100.00
Line Extension Permit	\$	250.00
Disconnection or Reconnection Permit	\$	600.00

PLAN REVIEW FEES

Actual Time and expenses incurred by District, and/or \$40/hour for District staff

AVAILABILITY OF SERVICE FEES

Annual Fee per lot within 100 feet of District water and/or sewer lines	\$	150.00
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TRANSFER AND CONSOLIDATION FEES

For transfer or consolidation of ownership of property; per lot	\$	250.00
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TESTING FEES

Any property owner or customer requesting a contaminant testing shall pay the following applicable fee(s) for each of the requested tests, all of which include applicable pickup and delivery and administrative fees and costs:

Domestic Water Test:	\$	165.00
Standard Nutrient Test:	\$	168.00
HPC Test:	\$	175.00
Total Coliform Test:	\$	174.00
Additional Tests:		Based on actual costs

PENALTY FEES / FINES:

<u>Excavation During Non-Excavation Period</u>	\$	5,000.00 (bond)
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December 1 through March 31 of each year. The District may adjust the no-excavation period based on actual weather conditions. The bond is security for repairs which may be required due to damage to the District's existing facilities.

<u>Installation of any non-metered device</u>	\$	1,000.00 / occurrence
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Installation of any device (i.e., "jumper") to allow for circumvention of the District's monitoring or delivery systems shall constitute unauthorized tampering and the use of the

District water system shall be subject to a penalty fee. Such fines shall, until paid, constitute a lien upon the subject property, pursuant to Section 32-1-1001, C.R.S.

Failure to Possess Rules and Regulations \$ 1,000.00 / occurrence

Failure to purchase and/or have a copy of the Baca Grande Water and Sanitation District Rules and Regulations, and updates, and approved construction plans on site during construction.

Failure to Possess Permit \$ 500.00 / occurrence

Failure to obtain a permit and/or have permit on-site during construction.

Repair of Broken or Damaged Water Meters, Meter Pits and Curb Stop Boxes 100%¹

Unauthorized Tampering with District systems or meters: \$ 2,000.00 / incident

Plus actual cost of damage, expense, and loss.

Unauthorized Connection Fee \$ 2 x the current then-current tap fee

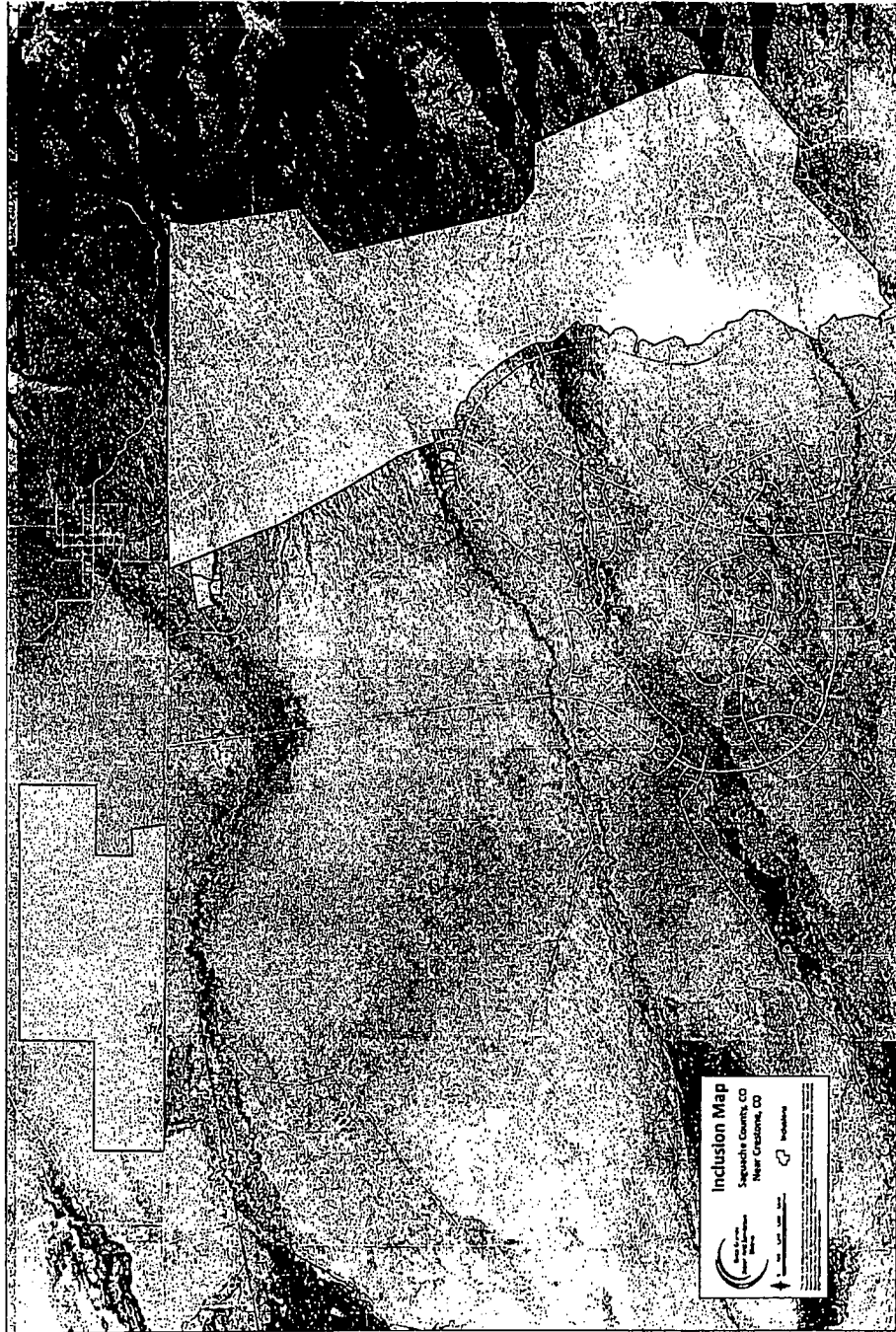
Plus actual cost of damage, expense, and loss, legal fees, and any other costs incurred in the filing of criminal charges.

¹ A) If a Customer damages or breaks their water meter, the Customer shall pay 100% of the associated costs for the repair and/or replacement of the water meters, meter pits and curb stop boxes, plus any attorneys' fees incurred to collect associated costs.

B) The District will notify the Customer of the broken or damaged water meters, meter pits and curb stop boxes and the costs of repair and/or replacement. A copy of the invoice for the work will be included with the notice. The Customer will reimburse the costs to the District within thirty (30) days of receipt of the notice.

C) If reimbursement is not received by the District within thirty (30) days of the notice, the costs will be added as a charge to the Customer's water bill for the next billing cycle.

EXHIBIT C
The Property



The Baca Grande as shown on map recorded on May 12, 1971 as document number 199438 in the office of the Recorder of the County of Saguache, Colorado, which area includes Chalet lots 1 through 2420 inclusive, Mobile Home Estates lots 1 through 2620 inclusive, and Tracts A and B and Tracts G through R-R inclusive, all as shown on the aforementioned map.

EXCEPTING therefrom that portion thereof lying westerly and southwesterly of the following described line Beginning at Boundary Point 31 as shown on sheet T 2 of 2 of said map. Thence, Southeasterly in a direct line to the most northerly corner of Grant Number 1511 as shown on Sheet GR 22 or 22 of said map, Thence, Southerly along the generally easterly boundary of the Grants Unit One as shown on said Map to the most easterly corner of Grant number 927 as shown on Sheet GR 21 or 22 of said Map. Thence, Southerly in a direct line to boundary point 19 as shown on above mentioned Sheet T 2 of 2.

TOGETHER WITH

A part of THE LUIS MARIA BACA GRANT #4 as described in a patent dated February 20, 1900 from the United States to the heirs of Luis Maria Baca and recorded in Book 86 at Page 20 in the office of the Clerk and Recorder of Saguache County, Colorado, more particularly described as follows:

Commencing at Boundary Point #10 of THE BACA GRANDE CHALETS UNIT ONE as shown on Sheet T2 of 2 of the boundary map of said subdivision; Thence S22°03'07"E along the west boundary of said CHALETS UNIT ONE a distance of 793.19' to the TRUE POINT OF BEGINNING; Thence S22°03'07"E along said west boundary a distance of 926.67'; Thence S77°28'15"W a distance of 334.79'; Thence N66°30'50"W a distance of 242.19'; Thence S86°12'25"W a distance of 300.53'; Thence N80°20'45"W a distance of 174.19'; Thence N24°57'58"E a distance of 331.25'; Thence N3°23'11"E a distance of 449.86'; Thence N81°25'48"E a distance of 511.96' to the TRUE POINT OF BEGINNING, containing 14.124 acres more or less.

TOGETHER WITH

A parcel of land, being a part of the LUIS MARIA BACA GRANT NO. 4 as described on patent, dated February 20, 1900, from the United States to the heirs of Luis Maria Baca, recorded in Book 86 at Page 20 of the records of the Clerk and Recorder, County of Saguache, State of Colorado, more particularly described as follows:

Commencing at Boundary Point 10 of THE BACA GRANDE CHALETS UNIT ONE as shown on sheet T2 of 2; thence $513^{\circ}30'08''$ W a distance of 837.74 feet to the TRUE POINT OF BEGINNING on the west boundary of the District; then along said west boundary for the following four (4) courses: thence $53^{\circ}30'17''$ W a distance of 301.20 feet; thence $526^{\circ}35'45''$ W a distance of 291.65 feet; thence $54^{\circ}22'02''$ W a distance of 188.05 feet; thence $N80^{\circ}20'45''$ W a distance of 91.92 feet; thence $N37^{\circ}09'40''$ W a distance of 191.49 feet; thence $S78^{\circ}40'20''$ W a distance of 325.43 feet; thence $S84^{\circ}20'50''$ W a distance of 177.97 feet; thence $S50^{\circ}25'50''$ W a distance of 241.29 feet; thence $N13^{\circ}30'00''$ W a distance of 709.78 feet; thence $S89^{\circ}59'15''$ E a distance of 144.88 feet; thence $N81^{\circ}25'48''$ E a distance of 1130.95 feet to the TRUE POINT OF BEGINNING, containing 692,455 square feet or 15.897 acres, more or less.

All bearings are based on a bearing of $S22^{\circ}03'07''$ E between boundary points 10 and 33 of said CHALETS UNIT ONE.

Total Perimeter = 3794.62 feet
Contiguous Perimeter = 872.83 feet

TOGETHER WITH

Baca Grande Chalets, unit number two, as recorded with the County Clerk and Recorder of Saguache County, Colorado, as a final plat, as document number 200839, on February 14, 1972.

TOGETHER WITH

A part of THE LUIS MARIA BACA GRANT #4 as described in a patent dated February 20, 1900 from the United States to the heirs of Luis Maria Baca and recorded in Book 86 at Page 20 in the office of the Clerk and Recorder of Saguache County, Colorado, more particularly described as follows:

Commencing at Boundary Point #10 of THE BACA GRANDE CHALETS UNIT ONE as shown on sheet T2 of 2 of the boundary map of said subdivision; Thence $S16^{\circ}11'31''$ W a distance of 1612.06' to the TRUE POINT OF BEGINNING; Thence $S80^{\circ}20'45''$ E a distance of 249.97'; Thence $S12^{\circ}51'15''$ E a distance of 244.31'; Thence $S77^{\circ}08'45''$ W a distance of 230.93'; Thence $N12^{\circ}51'15''$ W a distance of 340.00' to the TRUE POINT OF BEGINNING, containing 1.549 acres more or less.

All bearings are based on the bearings shown on the recorded plat of THE BACA GRANDE CHALETS UNIT ONE SUBDIVISION.

TOGETHER WITH

A part of THE LUIS MARIA BACA GRANT #4 as described in a patent dated February 20, 1900 from the United States to the heirs of Luis Maria Baca and recorded in Book 86 at Page 20 in the office of the Clerk and Recorder of Saquache County, Colorado, more particularly described as follows:

Commencing at Boundary Point #10 of THE BACA GRANDE CHALETS UNIT ONE as shown on Sheet T2 of 2 of the boundary map of said subdivision; Thence S22°03'07"E along the west boundary of said CHALETS UNIT ONE a distance of 793.19' to the TRUE POINT OF BEGINNING; Thence S22°03'07"E along said west boundary a distance of 926.67'; Thence S77°28'15"W a distance of 334.79'; Thence N66°30'50"W a distance of 242.19'; Thence S86°12'25"W a distance of 300.53'; Thence N80°20'45"W a distance of 174.19'; Thence N24°57'58"E a distance of 331.25'; Thence N3°23'11"E a distance of 449.86'; Thence N81°25'48"E a distance of 511.96' to the TRUE POINT OF BEGINNING, containing 14.124 acres more or less.