

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD SEPTEMBER 27, 2013

A special 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 27<sup>th</sup> day of September, 2013, 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:

Vicki Matthews  
Martin Macaulay  
Cindy Reinhardt  
Kyle Grote  
Parvin J. Johnson, Sr.

##### Also In Attendance Were:

AJ Beckman (in person) and Lindsay Ross (via speakerphone); Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq.; White, Bear & Ankele, P.C.

Steven Harrell; District General Manager

Brad Simons; TST Inc. of Denver (via speakerphone)

Marcus Lock, Esq.; Law of the Rockies

Dom Spillane; Member of the public

Lisa Cyriacks; Member of the public

Michael Scully; Member of the public

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### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosure of Potential Conflicts of Interest:** The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Tanaka noted that conflicts were filed for applicable Directors at least 72 hours prior to the meeting. Mr. Beckman 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:** Mr. Beckman reviewed the proposed agenda for the District's special meeting.

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

**Consent Agenda:** The Board considered the following actions:

- Engineer's Report.
- Operations Report.
- Article for publication in Crestone Eagle.
- Authorization of increase of maximum monthly ACH collections through FirstBank

It was noted that there is no article for publication this month in the Crestone Eagle.

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

The Board then discussed the Minutes from the August 16, 2013 regular meeting.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the Minutes of the August 16, 2013 regular meeting, as amended.

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### PUBLIC COMMENTS

**Public Comments:** There were no public comments.

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### OPERATIONS

**Corrosion Control Study:** Mr. Beckman noted for the Board that the Corrosion Control Study is still under review by the Colorado Department of Public Health and Environment (“CDPHE”).

#### **Operational Follow-Up:**

**Tea Kettle Testing Update:** Mr. Harrell reported that follow-up testing based on a resident’s complaint about sediment accumulation in their tea kettle has been conducted as follows:

- 10 trials with chlorine only – no residue
- 10 trials with soda ash – residue appeared

Following discussion, the Board requested that Mr. Beckman and Mr. Harrell follow-up with Mr. McLaughlin and request that he offer an opinion as to adverse effects of the soda ash given the new information and to verify that this is in fact the optimal water treatment technique.

**Sewer Collections Jetting:** Mr. Harrell reported that they have jetted approximately 25,000 feet so far this year. The goal is to jet 60,000 feet. The jetting crew will be working four, ten-hour days per week when the project is reinitiated. He clarified that the operations staff is working five eight-hour days per week as its normal schedule and the office staff is working four ten-hour days per week.

### CAPITAL IMPROVEMENTS

**Water Conservation Project:** Mr. Simons reported that the hydraulic model is substantially complete. He will be on site next week to perform additional testing in specific areas. He is on schedule to present the Hydraulic Model at the October Board meeting.

**Supplemental Environmental Project (“SEP”):** Mr. Simons reported that the SEP was submitted on September 6, 2013. The CDPHE has not yet provided its comments on the review of the project.

**Capital Funding Sources and Uses:** Mr. Beckman reviewed the capital funding scenarios with the Board. Discussion ensued regarding the need to develop a multi-year plan to address the District’s capital funding needs. Mr. Beckman will work with staff to develop a long-range plan.

**Main Line Bypass:** Mr. Harrell reported that he is concerned there could be a break in the main line where it runs under the creek. He noted that the estimated cost for the materials is \$19,000. The Board determined to place the project on

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hold pending budget discussions to determine whether there are sufficient funds available and what priority the project will be in comparison with other necessary projects.

### **FINANCIAL MATTERS**

**Claims:** The Board considered approval of the payment of claims through the period ending September 27, 2013, as follows:

General Fund	\$ 10,287.90
Capital Projects Fund	\$ 29,266.71
Enterprise Fund	\$ <u>67,348.30</u>
<b>Total Claims:</b>	<b>\$ \$106,902.91</b>

Following review and discussion, upon motion duly made by Director Reinhardt, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the payment of the claims for the period ending September 27, 2013, as presented and directed.

**Financial Statements:** Ms. Ross reviewed with the Board the unaudited financial statements of the District setting forth the cash deposits, investments, and budget analysis and accounts payable vouchers for the period ending August 31, 2013.

Following review and discussion, upon motion duly made by Director Reinhardt, seconded by Director Grote and, upon vote, unanimously carried, the Board accepted the financial statements for the period ending August 31, 2013.

**Resolution No. 2013-09-01, Certifying Delinquent Water and Sewer Fees to Saguache County Treasurer for Collection:** The Board reviewed Resolution No. 2013-09-01, Certifying Delinquent Water and Sewer Fees to Saguache County Treasurer for Collection. Attorney Tanaka reported that residents with accounts being certified have been sent notices via certified mail pursuant to Colorado law. With the exception of those accounts which were paid in full prior to the meeting date, the District has received no response to the letters that were sent.

Following review and discussion, upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the Board approved Resolution No. 2013-09-01, Certifying Delinquent Water and Sewer Fees to Saguache County Treasurer for Collection.

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### EXECUTIVE SESSION

**Water Matters, Personnel Matters and Consultant Agreements:** Attorney Lock reported that new modeling for water use in the San Louis Valley is under way and he sees this as an indication that new rules governing water use and augmentation will be forthcoming.

**EXECUTIVE SESSION:** Pursuant to Sections 24-6-402(4) (b), (e) and (f), C.R.S., upon motion duly made by Director Johnson, seconded by Director Grote and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 10:03 a.m. for the purpose of for receiving legal advice from the District's attorney, to discuss negotiations with third parties and to discuss personnel matters, all as authorized by Sections 24-6-402(4)(b), (e) and (f) C.R.S.

Furthermore, pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board exited the executive session at 11:30 a.m.

**EXECUTIVE SESSION:** Pursuant to Sections 24-6-402(4) (b), (e) and (f), C.R.S., upon motion duly made by Director Macaulay, seconded by Director Johnson and, upon an affirmative vote of at least two-thirds of the quorum present, the Board reconvened in executive session at 1:10 p.m. for the purpose of for receiving legal advice from the District's attorney, to discuss negotiations with third parties and to discuss personnel matters, all as authorized by Sections 24-6-402(4)(b), (e) and (f) C.R.S.

Furthermore, pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 1:52 p.m.

### BUDGET WORKSHOP

**Budget Workshop:** The Board reviewed the 2014 draft Budget with staff. An updated version of the 2014 Budget will be forthcoming for the October 18, 2013 Board meeting.

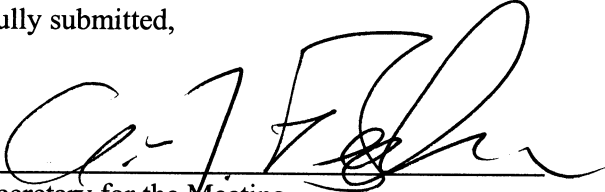
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**ADJOURNMENT**


There being no further business to come before the Board at this time, upon motion duly made, seconded and upon vote, unanimously carried, the meeting was adjourned.


Respectfully submitted,

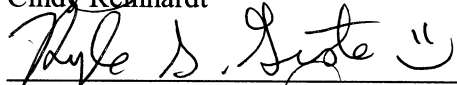
By   
Secretary for the Meeting

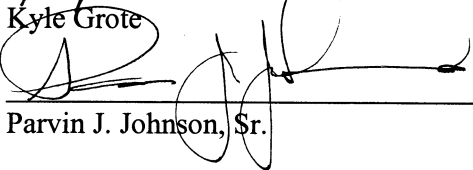
THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 27, 2013 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
Vicki Matthews

  
Martin Macaulay

  
Cindy Reinhardt

  
Kyle Grote

  
Parvin J. Johnson, Sr.

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### **Attorney Statement Regarding Privileged Attorney-Client Communication**

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Baca Grande Water and Sanitation District, I attended the executive sessions on September 27, 2013 for the sole purpose of discussing water matters, personnel matters and matters subject to negotiation with third parties, as authorized by §§24-6-402(4)(b), (e) and (f), C.R.S. I further attest that it is my opinion that a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required by be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.

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Jennifer Gruber Tanaka, Esq.  
General Counsel  
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

September 27, 2013

Board of Directors Sign-in

Vicki Matthews	
Martin Macaulay	
Cindy Reinhardt	
Kyle Grote	
Parvin Johnson	



**RESOLUTION NO. 2013-09-01**

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

**CERTIFYING DELINQUENT WATER AND SEWER FEES TO SAGUACHE COUNTY TREASURER FOR  
COLLECTION**

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WHEREAS, the Baca Grande Water and Sanitation District (the "District") was duly organized and validly exists pursuant to and in accordance with the Special District Act, §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the Board of Directors of the District (the "Board") is empowered to fix and from time to time increase or decrease certain fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the District; and

WHEREAS, the District currently imposes various water and sewer fees upon properties receiving services furnished by the District; and

WHEREAS, the District currently imposes availability of service fees on those properties where services are available from the District and where the property is located within 100 feet of the District's infrastructure; and

WHEREAS, pursuant to §32-1-1101(1)(e), C.R.S., the District is permitted to have certain delinquent fees, rates, tolls, penalties, charges or assessments made or levied by the District certified to the County Treasurer for collection in the same manner as taxes; and

WHEREAS, the properties reflected on **Exhibit A**, attached hereto and incorporated herein by this reference (the "Delinquent Properties"), are delinquent in their water and sewer fees by at least six (6) months and by more than One Hundred Fifty Dollars (\$150); and

WHEREAS, the Delinquent Properties have outstanding delinquent fees rates, tolls, penalties, charges or assessments in the amounts set forth in **Exhibit A** (the "Delinquent Fees"); and

WHEREAS, pursuant to §32-1101(1)(e), C.R.S., the District may elect, by resolution, at a public meeting held after receipt of notice by the Delinquent Properties, to certify the Delinquent Fees to the County Treasurer for collection; and

WHEREAS, the District has provided notice to the Delinquent Properties and considers adoption of this Resolution at a public meeting; and

WHEREAS, the District, by this Resolution, desires to certify the Delinquent Fees to the County Treasurer for collection.

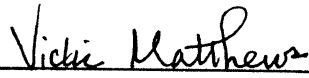
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT AS FOLLOWS:

1. CERTIFICATION OF DELINQUENT FEES. The Board hereby elects to have the Delinquent Fees certified to the County Treasurer be collected and paid over by the County Treasurer in the same manner as taxes are authorized to be collected and paid over pursuant to § 39-10-107, C.R.S. The Board hereby directs the District's General Manager to certify to the County Treasurer the Delinquent Fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Certification"). Such Delinquent Fees shall be certified by no later than September 30, 2013 in order to comply with State statutory and County certification deadlines.

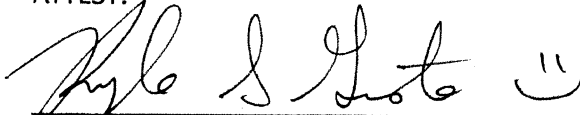
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APPROVED AND ADOPTED THIS 27<sup>th</sup> DAY OF SEPTEMBER, 2013.

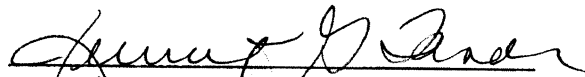
BACA GRANDE WATER AND SANITATION  
DISTRICT

  
\_\_\_\_\_  
Vicki Matthews, President

ATTEST:

  
\_\_\_\_\_  
Kyle Grote, Secretary

APPROVED AS TO FORM:  
WHITE, BEAR & ANKELE  
Professional Corporation

  
\_\_\_\_\_  
General Counsel to the District

**EXHIBIT A**  
**Delinquent Properties and Delinquent Fees**

Baca Grande Water and Sanitation District

Cust No	Name	Parcel ID (Schedule)	Property Service Address	Address 1	City	State	Zip	BALANCE CERTIFIED	Certification FEE	TOTAL CERTIFY AMT
11024901	Baker, James D & Leann M	460209300205	Book 11 Lot 0249	9945 Ne Sandy Blvd #75	Portland	OR	97220-3309	150.80	200.00	350.80
11006501	Balding, William Thomas III	460209300041	Book 99 Lot 0065	PO Box 25361	Honolulu	HI	96825-0361	163.13	200.00	363.13
21081201	Buchanan, Steven	460505000741	Book 21 Lot 0812	400 Snow Mass Cir	Superior	CO	80027	159.00	200.00	359.00
11037801	Creative Investment Solutions	460209300332	Book 11 Lot 0378	PO Box 75540	Phoenix	AZ	85050	225.30	200.00	425.30
21176101	Doepke, Frederick C	460508100222	Book 21 Lot 1761	PO Box 446	Chang Mai	Thailand		158.44	200.00	358.44
21086101	Everhard, Kreg	460505000249	Book 21 Lot 0861	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
21139701	Everhard, Kreg	460508100124	Book 21 Lot 1397	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
21148301	Everhard, Kreg	460508200067	Ch Ilot 1483	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
21186601	Everhard, Kreg	460508100358	Book 21 Lot 1866	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
21189801	Everhard, Kreg	460508100390	Book 21 Lot 1898	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
21202301	Everhard, Kreg	460517100027	Book 21 Lot 2023	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
21206001	Everhard, Kreg	460517100085	Book 21 Lot 2060	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
22346401	Everhard, Kreg	460521300283	Book 22 Lot 3464	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
22349401	Everhard, Kreg	460521300251	Book 22 Lot 3494	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
22353301	Everhard, Kreg	460522300108	Book 22 Lot 3533	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
22366701	Everhard, Kreg	460521300357	Book 22 Lot 3667	PO Box 44 - 0265 Alta Visa	Coaldale	CO	81222-0044	158.44	200.00	358.44
21046401	Everhard, Kreg & Lori	460505000337	Book 21 Lot 0464	PO Box 44	Coaldale	CO	81222-0044	158.44	200.00	358.44
21115301	Lazano, Anthony Jr	460209300249	Book 11 Lot 0164	PO Box 50948	Coaldale	CO	81222	163.51	200.00	363.51
21153001	Sahagon, Victor & Joann	460505000585	Book 21 Lot 1153	PO Box 960	Elele	HI	96705-0948	165.80	200.00	365.80
22437801	Samuel, Richard K	460522300330	Book 22 Lot 1153	3064 S Cornell Cir	Hagatna	GU	96932-0960	163.99	200.00	363.99
22408501	San, Miguel Jose A & Teresita	460521300591	Book 99 Lot 4378	PO Box 25615	Englewood	CO	80113-3073	238.40	200.00	438.40
21081701	Schurwanz, Raymond & Patricia	460505000334	Book 99 Lot 0817	807 B Valley Stream Drive	Wheeling	IL	96921	164.90	200.00	364.90
21081601	Schurwanz, Raymond M	460505000335	Book 99 Lot 0817	807 B Valley Stream Drive	Wheeling	IL	60090-7400	164.90	200.00	364.90
21161201	Siri Singh Sahib Memorial Temp	460508100534	Book 21 Lot 1612	PO Box 1055	Wheeling	IL	60090-7400	159.00	200.00	359.00
11006501	Starry, Jim	460209300101	Book 11 Lot 1612	PO Box 482	Crestone	CO	81131-1055	159.00	200.00	359.00
22323001	Terlape, Jonathan A Heikinen	460521300020	N Bivouac O19230	PO Box 2932	Crestone	CO	81131	158.10	200.00	358.10
22341201	Toth, Louis A Jr & Belinda	460521300210	Book 22 Lot 3412	703 Galaxy Dr.	Hagatna	GU	81506-1847	238.40	200.00	438.40
21048201	Wright, Kristen	460505000114	Book 21 Lot 0482	3160 High St	Denver	CO	80205-4060	159.00	200.00	359.00
42086201	Boone, Michael	460521300002	Enchanted Court 3212	PO BOX 34	Crestone	CO	81131-0791	463.48	200.00	663.48
42129701	Federal Home Mortgage	460505000250	Book 21 Lot 0862	PO BOX 791	Crestone	CO	81131	1,085.81	200.00	1,285.81
41006201	Gohr, Donna	460508100001	Moonlight Way 1297	5000 Plano Parkway	Carrollton	TX	75010	353.98	200.00	553.98
42052901	Herr, Frederick	460209300044	Camino De La Plata62	PO Box 969	Crestone	CO	81131	268.04	200.00	468.04
42002002	Hill, Jim & Michelle	460505000174	529 North Hillcrest Overlook	PO Box 355	Watkins	CO	80137-0355	283.00	200.00	483.00
41035003	Kemp, Steve	460506100020	North Baca Grant Way 20	PO Box 384	Crestone	CO	81131	305.47	200.00	505.47
41093502	Lovecick, Lloyd	460209300360	Huerta Court 350	26801 17th Ave	Crestone	CO	81143-9781	671.38	200.00	871.38
42000401	No Jun Soon, Trustee for	460506100040	Fresno Lane 296	PO Box 342	Crestone	CO	81131	715.65	200.00	915.65
42355001	O'Keefe, Michael	460506100004	North Baca Grant Way 4	Han-Ma-Um-Zen Center - PO Box 360	Crestone	CO	81131-0360	1,009.25	200.00	1,209.25
42427901	Owen III, Edgar Allen	460522300469	Fallen Tree Place 3550	PO Box 523	Hooper	CO	81136-0523	586.29	200.00	786.29
41016501	Rogers, Jaime Lyn	460522300086	Fallen Tree Pl 4279	223 N Walnut St	Colorado Springs	CO	80905-1343	559.82	200.00	759.82
42193201	Smith, Dale & Patricia	460209300250	Verano Court 165	PO Box 1011	Livingston	MT	59047	686.92	200.00	886.92
41031201	Tate, Galadriel	460508100424	Lone Pine Way 1932	PO Box 514	Crestone	CO	81131-0514	226.59	200.00	426.59
41032201	Wiseman, Vivian	460209300111	Camino De La Plata312	312 Camino De La Plata	Moffat	CO	81143	1,242.56	200.00	1,442.56
		460209300382	Palasade Court 322	C/O Kathryn Wiseman-407 Magnolia Ct.	Eaton	CO	80615	625.77	200.00	825.77
								13,777.54	Total Amount:	\$22,377.54