

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD NOVEMBER 16, 2012

A Regular Meeting of the Board of Directors of the Baca Grande Water and Sanitation District (referred to hereafter as "Board") was held on Friday, the 16th day of November, 2012, at 8:00 a.m. at the offices of the District, BGWS&D Shop, 57 Baca Grant Way South, Crestone, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

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

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

Lindsay Ross (for a portion of the meeting); Special District Management Services, Inc. – Via speakerphone

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

Brad Simons; Olsson Associates, Inc. – Via speakerphone

Marcus Lock, Esq.; Bratton Hill Wilderson & Lock, LLC – Via speakerphone

Steve Harrell; District General Manager

Other members of the public as referenced on the attached sign in sheet.

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

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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.

ADMINISTRATIVE MATTERS

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

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

Consent Agenda: The Board considered the following actions:

- Minutes from the October 19, 2012 Regular Meeting.
- Minutes from the October 19, 2012 Planning and Budget Work Session.
- Operations Report
- Engineer's Report

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Matthews and, upon vote, unanimously carried, the Board reviewed and approved the above items.

PUBLIC COMMENT

Public Comment: There was no public comment.

OPERATIONS

Corrosion Control Study: Mr. Harrell reported that pH adjustment with soda ash as a means of corrosion control was implemented on September 11, 2012. The staff has been increasing the dosage of soda ash steadily to meet the target pH of 7.2 to 7.4. Mr. Harrell further reported that the staff is assembling two pipe-loop systems to perform the corrosion control study to determine the optimal corrosion control treatment. He expects to have the preliminary part of the study completed by mid-December.

Pump at Mobile Home Estates Lift Station: Mr. Harrell reported that there was a pump failure at the Mobile Home Estates lift station and that fortunately, the District had a backup pump on hand. He noted that the failed pump will be shipped to the manufacturer for repair.

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Answering Service: Director Macaulay reported an incident in which the answering service was contacted to respond to an emergency. He explained that the person calling to report the problem was put on hold for several minutes. Discussion ensued as to the appropriate response time for the answering service. The Board directed Mr. Harrell to follow up with the answering service to clarify the standard of service they provide. The Board can then determine if the level is acceptable.

Field Staff Schedule: This item was discussed in executive session.

CAPITAL IMPROVEMENTS

Service Agreement with Craig Electric, LLC (“Craig Electric”) for Implementation of Phase Monitoring at Water Pump Stations and Wastewater Lift Stations: Mr. Simons joined the meeting by speakerphone at this point. He reported that phase protection will be installed at the Fallen Tree Transfer Station and that Craig Electric will then have an idea of the amount of work necessary to continue with installations at the remaining water pumping stations and wastewater lift stations. If the pricing is acceptable, the District has the option of approving additional work by change order. It was noted that the scope of work for the initial installation is for an amount not to exceed \$400, and the District will purchase and provide the devices to be installed.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the Service Agreement with Craig Electric for Implementation of Phase Monitoring at Water Pump Stations and Wastewater Life Stations with subsequent change orders. The Board authorized Mr. Harrell and Mr. Beckman to approve change orders contingent upon the concurrence the change order is reasonable.

Service Agreement with Timber Line Electric and Control Corporation, LLC (“Timber Line Electric”) for Software Additions and Telemetry Reprogramming: Mr. Simons and reviewed and discussed with the Board the Service Agreement with Timber Line Electric for Software Additions and Telemetry Reprogramming.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Reinhardt and, upon vote, unanimously carried, the Board approved the Service Agreement with Timber Line Electric for Software Additions and Telemetry Reprogramming.

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Hydraulic Model: Director Grote discussed the status of the proposed hydraulic model. Mr. Beckman reviewed the current project funding and priority list with Director Grote. It was noted that the hydraulic model is included in the 2013 draft budget; however, the completion of projects that are currently in process are necessary before initiating the proposed hydraulic model project.

FINANCIAL MATTERS

Ms. Ross joined the meeting at this point.

Financial Statements: Ms. Ross reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, and budget analysis and accounts payable vouchers for the period ending October 31, 2012.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board accepted the financial statements for the period ending October 31, 2012.

Cash Flow Analysis: Ms. Ross reviewed the cash flow analysis with the Board.

Claims: The review and approval of November 2012 claims was deferred.

2012 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2012 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 2012 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. No public comments were received and the public hearing was closed.

Following review and discussion, Director Macaulay moved to adopt the Resolution to Amend 2012 Budget, Director Grote seconded the motion and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2012 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2013 Budget Hearing: The President opened the public hearing to consider the proposed 2013 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2013 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.

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Ms. Onewing inquired as to what the "Green Project" is. Mr. Beckman reported that the District has submitted a project submittal to the Colorado Department of Public Health and Environment ("CDPHE") for construction of a Supplemental Environmental Project in lieu of payment a fine in the amount of \$108,000. Mr. Beckman further explained that the fine was levied for wastewater violations happening prior to 2008. The District's consultants have met and been in contact with the CDPHE several times over the past few years to negotiate the fines. Attorney Tanaka reported that the cost of the project is greater than the cost of simply paying the fine; however, in order to utilize the funds for a Supplemental Environmental Project, the CDPHE will require that the District expend at least 1.5 times the amount that would otherwise be used to pay the fine.

Ms. Onewing then inquired as to the capital funding for SCADA improvements. Mr. Harrell reported that the SCADA work is necessary for significant reprogramming of the system in order to ensure reliable operation and in order to utilize a maintenance provider familiar with the system and programming.

Mr. Scully inquired as to the change in electrical demand. Mr. Harrell reported that with the construction of the new Well 18 facility, the electrical service requirements increased. Mr. Harrell and the Board discussed operational measures to minimize spikes in electrical demand. Mr. Harrell reported that he will continue to refine the operations of the facility in an effort to reduce the energy costs.

Director Grote inquired with members of the public as to their opinion on the proposed increase. All public in attendance were of the opinion that the increase was reasonable.

The public hearing was then closed.

Ms. Ross reviewed the estimated 2012 expenditures and the proposed 2013 expenditures. Ms. Ross noted that the proposed 2013 budget includes an increase in the water and sewer monthly base rates by \$1 each and an increase in the annual AOS fee by \$10.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2013 Budget and Appropriate Sums of Money and Set Mill Levies, for the General Fund at 46.000 mills for a total mill levy of 46.000 mills. Upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, 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, 2012. Mr. Beckman was authorized to

RECORD OF PROCEEDINGS

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, 2012. Mr. Beckman was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2013. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

Grant Funding Applications and Research: Mr. Beckman reviewed with the Board the approved preliminary design grant of \$5,000 for funding of the design review by the CDPHE, and preparation of a capital improvements grant funding application for the Stables Lift Station. He further reported that he will continue to work with the Colorado Board of Water Conservation to explore possible funding assistance for the purchase of water rights.

2012 Audit: The Board reviewed the proposals from Wagner Barnes, P.C. to perform the 2012 Audit. Discussion ensued regarding the service received from the companies which had provided proposals.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the engagement of Wagner Barnes, P.C. to perform the 2012 Audit, for an amount not to exceed \$8,400.

LEGAL MATTERS

Resolution No. 2012-11-04; 2013 Annual Administration Resolution (“Resolution No. 2012-11-04”): Attorney Tanaka reviewed Resolution No. 2012-11-04 with the Board.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board adopted Resolution No. 2012-11-04. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Status of Re-Assessment of Properties within the District by Saguache County Assessor: Attorney Tanaka reported that she is awaiting the results of a hearing held yesterday by the Saguache County Board of Equalization regarding allegations that the Saguache County Assessor failed to appropriately perform property valuations.

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EXECUTIVE SESSION

Water Matters, Personnel Matters, Legal Advice and Matters Subject to Negotiation: EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4) (b), (e) and (f), C.R.S., upon motion duly made by Director Matthews, seconded by Director Reinhardt and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:01 a.m. for the purpose of discussions relating to personnel matters, negotiations with third parties and receiving legal advice 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 12:35 p.m.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved the Receptionist and Administrative Manager job descriptions and proposed salary ranges, as presented.

Following discussion, the Board also directed Mr. Beckman to forward all job descriptions to the District's employment Attorney for review.

OTHER BUSINESS

Crestone Eagle Articles for December 2012 Publication: Director Reinhardt discussed the December 2012 article for the Crestone Eagle. She reported that the article will include a report on the budget discussion and the status of Well 17 being in service. She noted that she will circulate the article to the Board members for review prior to sending to the Crestone Eagle for publication.

2013 Board Member Retreat: The Board discussed holding the Board member retreat in January 2013 to review the mission statement and hold an annual planning session. Attorney Tanaka explained that, in prior years, the Board had set aside an entire day for the retreat. She explained that the Board could most likely hold the retreat following the meeting on the same day. Director Johnson requested that the retreat be held in February.

Following discussion, the Board determined to hold the Board member retreat on Friday, February 15, 2013 following the Regular Board Meeting.

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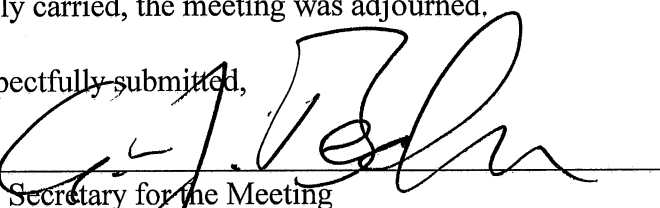
Cottonwood Creek Parking: Director Macaulay reported that he attended the Saguache County Planning Commission meeting. He inquired with the Board as to the sufficiency of the parking area at the cottonwood creek trailhead. The Board determined that the parking is sufficient as it is and the District has no objection to the continued use of the area for parking. Attorney Tanaka recommended that the District require a license agreement. Mr. Harrell reported that the District could place a lock on the water tank roof access ladder and install a video camera if necessary.

ADJOURNMENT

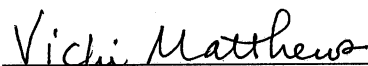
Upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By


Secretary for the Meeting

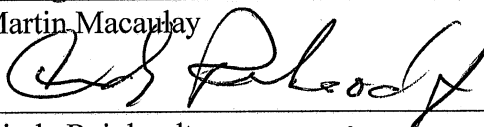
THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 16, 2012 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:




Vicki Matthews



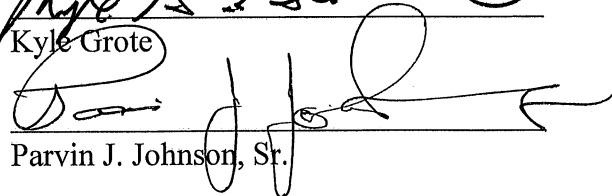
Martin Macaulay



Cindy Reinhardt



Kyle Grote



Parvin J. Johnson, Sr.



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

November 16, 2012

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

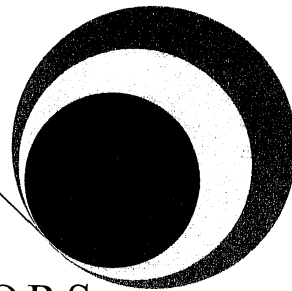
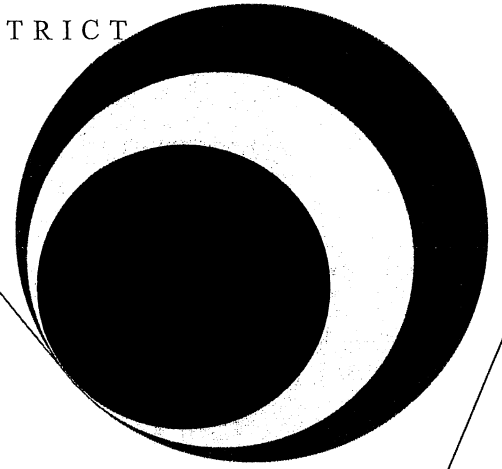
Name	Address	Telephone/Email	Would you like Issues to be addressed to speak?
Dow Allen	270 N. Chabarral	_____	_____
MICHAEL SCULLY	87 IBERIA CT	casitapark@gmail.com	
MICHAEL ONEWING	2720 N. CAREFREE		
Dom Spillane	"		

REPORT ON DISTRICT OPERATIONS

TO THE BOARD OF DIRECTORS

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Steven Harrell
November 16th, 2012





**BACA GRANDE WATER AND SANITATION DISTRICT
MONTHLY OPERATIONS REPORT
NOVEMBER 16, 2012**

DISTRICT OPERATIONS

SSO-Sanitary Sewer Overflow	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Fire Hydrants Repair & Maintenance Total =278	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	2012 Fire hydrant maintenance season: 275 Hydrants have had the maintenance completed 3 Hydrants repaired 2 New fire hydrants installed
Water Main Repairs	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Infrastructure Installed	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
GPS/GIS	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Water/Sewer Hookups	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	

COLLECTION SYSTEM

Lift Stations	Semi-annual cleaning of Stables Lift Station has been completed
Jetting	51,000 linear feet, 124 manholes jetted total year to date
	60,000 linear feet, 140 manholes: season end goal met!!

PROJECTS

Soda Ash Project – Installation Completed	
Water Meter MXU Upgrades - Completed for 2012	Collection System Maintenance – Completed
Well-17-18 - Completed	GPS / GIS of Manholes – In Process
Fire Hydrant Maintenance – Completed	Shumei Boost Station - Completed

LEAK DETECTION

Action Plan	Contingent on budget development and authorization by District Board of Directors
Proposals Received:	\$1000 per day + expenses per estimated 3 miles of leak detection per day
Schedule	TBD
Leak Detection Training For District Staff	TBD



**BACA GRANDE WATER AND SANITATION DISTRICT
MONTHLY OPERATIONS REPORT
NOVEMBER 16, 2012**

BACA GRANDE CHALET

WATER – WELL 18	GALLONS PUMPED	COMPLIANT	RESULTS
Gallons Pumped January 2012	4,561,914		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.19 mg/L
Gallons Pumped February 2012	4,236,063		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.12 mg/L
Gallons Pumped March 2012	5,231,616		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.25 mg/L
Gallons Pumped April 2012	6,191,169		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.25 mg/L
Gallons Pumped May 2012	7,168,722		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.12 mg/L
Gallons Pumped June 2012	8,472,126		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.16 mg/L
Gallons Pumped July 2012	7,820,424		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.31 mg/L
Gallons Pumped August 2012	9,123,828		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.17 mg/L
Gallons Pumped September 2012	7,820,424		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.26 mg/L
Gallons Pumped October 2012	9,449,679		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	.22 mg/L
Total for Year	70,075,965		

CASITA PARK

WATER – MOTEL WELL	GALLONS PUMPED	COMPLIANT	RESULTS
Gallons Pumped January 2012	977,553		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155300		Residual	.18 mg/L
Gallons Pumped February 2012	1,303,404		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155300		Residual	.13 mg/L



BACA GRANDE WATER AND SANITATION DISTRICT
MONTHLY OPERATIONS REPORT
 NOVEMBER 16, 2012

This concludes the wintertime (November-March) water loss study.
Total estimated unaccounted water for the 2012 winter study period = 12,171,465 gallons.
Irrigation season begins in April

	Finished Water Combined Well-18 & Motel Well	Wastewater Treated	Estimated Unaccounted Water & Irrigation Water
Gallons Pumped April 2012	13,359,891	1,687,726	11,672,165
Gallons Pumped May 2012	14,337,444	2,000,000	12,337,444
Gallons Pumped June 2012	18,573,507	1,765,000	16,808,507
Gallons Pumped July 2012	16,618,401	2,140,000	14,478,104
Gallons Pumped August 2012	18,883,698	2,185,000	16,714,358
Gallons Pumped September 2012	17,270,103	2,167,000	15,103,103
Gallons Pumped October 2012	17,270,103	2,260,000	15,010,103
<i>This concludes the irrigation season.</i>			
Total for Year	133,942,761	19,647,215	114,295,546

WASTEWATER DISCHARGE SAMPLE RESULTS

September	Limit	Compliant	Result
Effluent BOD ₅	30/45 mg/L 30 DAY AVG/7DMAX	Yes	6 mg/L
Percent Removal BOD ₅	85% or greater	Yes	98%
Effluent TSS	30/45 mg/L 30 DAY AVG/7DMAX	Yes	13 mg/L
Percent Removal TSS	85% or greater	Yes	96%
Fecal Coliform	200/400 Colonies/100/mL 30 DAY GEO.MEAN/7DMAX	Yes	3/100 mL

No Discharge Permit Violations

TOTAL AMMONIA AS N, MG/L

Month	Limit	Compliant	Result
January	5.0 mg/L	Yes	January 0.2 mg/L
February	4.1 mg/L	Yes	February 0.2 mg/L
March	4.4 mg/L	Yes	March 0.1 mg/L
April	3.9 mg/L	Yes	April 1.0 mg/L
May	3.3 mg/L	Yes	May 2.0 mg/L
June	3.4 mg/L	Yes	June 2.8 mg/L
July	3.0 mg/L	Yes	July 0.4 mg/L
August	2.2 mg/L	Yes	August 0.6 mg/L
September	2.6 mg/L	Yes	September 0.8 mg/L
October	2.5 mg/L	Yes	October 0.2 mg/L
November	3.8 mg/L		
December	4.0 mg/L		



BACA GRANDE WATER AND SANITATION DISTRICT
 MONTHLY OPERATIONS REPORT
 NOVEMBER 16, 2012

CERTIFICATION CORNER

Steven Harrell General Manager	Class C Water Operator Class C Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator
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
Mark Bluestein Operator	Small System Operator Class 1 Collection Operator
Diego Martinez	Class D Water Class D Wastewater

BGWSD – INFRASTRUCTURE FIXED ASSETS

DISTRIBUTIONS	COLLECTIONS
Water Mains = 64 miles	Sewer Mains = 45 Miles
Gate Valves = 517 Units	Manholes = 798
Curb Stops = 710 Units	Lift Stations = 5
Fire Hydrants = 278	MHE LS
Well 18 Water Treatment Facility Plant Capacity - 0.4 MGD*	Stables LS
MHE Motel Well Water Treatment Facility Plant Capacity - 1 MGD*	Wagon Wheel LS
Water Transfer Stations = 3	Dharma Ocean LS
Booster Stations = 4	Aspen LS
	Aspen Wastewater Treatment Facility - 0.15 MGD* Plant Capacity – Average loading on plant – 0.06 MGD*
Service Accounts = 648	

TRANSFER STATIONS	BOOSTER STATIONS
Fallen Tree TS	Pine Cone BS
Ridge View TS	Shumei BS
Moonlight TS	Motel Well BS
	Well – 18 BS
* MGD = MILLION GALLONS PER DAY	



BACA GRANDE WATER AND SANITATION DISTRICT
MONTHLY OPERATIONS REPORT
NOVEMBER 16, 2012

ADMINISTRATION

Late Charges	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	687
Customer Complaints	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Resolved
Monthly Safety Meetings	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Confined Space Entry

RESOLUTION TO AMEND 2012 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 2012 as follows:

General Fund	\$	650,849
Enterprise Fund	\$	804,704
Debt Service Fund	\$	359,550
Capital Projects Fund	\$	1,058,860

WHEREAS, the necessity has arisen for additional expenditures in the Enterprise Fund and the Debt Service Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2012; and

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

WHEREAS, funds are available for such expenditures in the Enterprise Fund from usage fees, interfund transfers, interest earnings and rental income; and

WHEREAS, funds are available for such expenditures in the Debt Service Fund from usage fees, interfund transfers and interest earnings

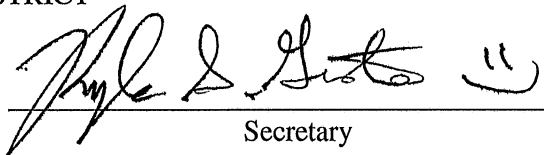
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Baca Grande Water and Sanitation District shall and hereby does amend the adopted amended Budget for the fiscal year 2012 and adopts a supplemental budget and appropriation for the Enterprise Fund and Debt Service Fund for the fiscal year 2012, as follows:

Enterprise Fund:	\$	835,000
Debt Service Fund:	\$	360,000

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 16th day of November, 2012.

BACA GRANDE WATER AND SANITATION
DISTRICT

By: 
Secretary

RESOLUTION NO. 2012 - 11 - 02

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BACA GRANDE WATER AND SANITATION DISTRICT
TO ADOPT THE 2013 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 2013 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, 2012, 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 16, 2012 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 2013 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 16th day of November, 2012.

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

Vicki Matthews
Vicki Matthews, President

ATTEST:

Kyle Grote ☺
Kyle Grote, Secretary

(SEAL)

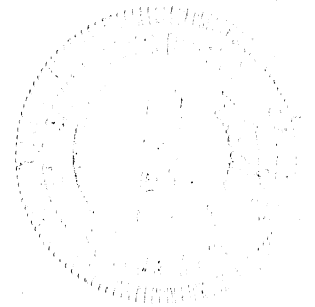


EXHIBIT A
(Budget)

BACA GRANDE WATER AND SANITATION DISTRICT

2013 Budget Message

Introduction

The budget reflects the projected spending plan for the 2013 fiscal year based on available revenues. This budget provides for the general operation of the District, and a business like enterprise for the distribution of treated water and the collection and treatment of waste water.

The District's assessed value increased 1.96% to \$16,263,263 in 2012. The District's 2012 total mill levy remained unchanged at 46.000 mills for taxes collected in the 2013 fiscal year with 46.000 mills certified to the General Fund.

The District was established in 1972 to meet requirements of the District and in accordance with a service plan report dated March 1972. The District provides potable water service and sanitary sewer service to customers within and outside its boundaries consisting of primarily residential and agricultural properties. Water and sewer facilities of the District are being developed in phases as necessary in accordance with the service plan. The District encompasses approximately 7,016 acres and is located approximately 180 miles southwest of Denver, northwest of the Great Sand Dunes National Park.

Budgetary Basis of Accounting

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget. The District's General Fund is considered a Governmental Fund and reports using the economic resources focus and the accrual basis of accounting. The District's Enterprise Fund reports using the economic resources focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year in which they are levied.

Fund Summaries

General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government. The General Fund's primary sources of revenue are property taxes, specific ownership taxes and interest income.

Enterprise Fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through usage charges. The primary source of revenue in the Enterprise Fund comes from fees for water and waste water usage, availability of service fees, tap fees, and a transfer from the General Fund.

Debt Service Fund is used to account for the Series 2009 government agency loan obligation and Series 2010 general obligation bonds, which are repaid through availability of service fees and a transfer from the General Fund. Below is a summary of the District's total long-term debt

Principal & Interest Maturing in the Year(s) Ending December 31,	Totals		
	Principal	Interest	Total
2013	68,969	289,581	358,550
2014	70,356	288,194	358,550
2015	121,769	286,781	408,550
2016	123,212	283,963	407,175
2017	124,684	280,992	405,676
2018 - 2022	871,550	1,344,828	2,216,378
2023 - 2027	1,148,039	1,170,716	2,318,755
2028 - 2032	1,320,139	909,312	2,229,451
2033 - 2037	1,590,000	572,750	2,162,750
2038 - 2040	1,300,000	132,250	1,432,250
	<u>\$ 6,738,718</u>	<u>\$ 5,559,367</u>	<u>\$ 12,298,085</u>

Capital Projects Fund is scheduled to complete several 2013 infrastructure improvements to consolidate and improve the operating efficiency of the District's water and waste water systems, along with water rights acquisitions. These projects are financed through the Series 2010 general obligation bonds issue.

Emergency Reserve

As required under Article X, Section 20 of the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year expenditures in the General Fund.

BACA GRANDE WATER AND SANITATION DISTRICT
Assessed Value, Property Tax and Mill Levy Information

	2011 Actual	2012 Adopted Budget	2013 Adopted Budget
Assessed Valuation	\$ 16,020,275	\$ 15,951,226	\$ 16,263,263
Mill Levy			
General Fund	46.000	46.000	46.000
Enterprise Fund	-	-	-
Debt Service Fund	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Total Mill Levy	46.000	46.000	46.000
Property Taxes			
General Fund	\$ 736,933	\$ 733,756	\$ 748,110
Enterprise Fund	-	-	-
Debt Service Fund	-	-	-
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	\$ 736,933	\$ 733,756	\$ 748,110

BACA GRANDE WATER AND SANITATION DISTRICT

GENERAL FUND

2013 ADOPTED BUDGET

with 2011 Actual, 2012 Adopted and Estimated, and 2013 Adopted Budget

	2011 Actual	2012 Adopted Budget	2012 Estimate	2013 Adopted Budget
Beginning Fund Balance	\$ 109,736	\$ 348,245	\$ 3,571	\$ 74,936
REVENUE				
Property Taxes	703,510	733,756	733,756	748,110
Interest on Property Taxes	8,391	2,000	3,200	2,000
Specific Ownership Tax	61,019	69,707	69,707	71,070
Miscellaneous Income	4,513	-	700	300
Interest	459	300	70	50
Total Revenue	777,892	805,763	807,433	821,530
Total Available	887,628	1,154,008	811,004	896,466
EXPENDITURES				
Credit Card Fees	20	-	-	-
County Treasurer's Fee	21,159	22,013	22,013	22,443
Postage	-	500	-	-
Publications	-	500	-	-
Miscellaneous	240	-	-	-
Audit	11,917	12,000	12,000	12,000
Professional Fees	2,843	-	-	-
Legal	110,605	120,000	90,000	90,000
Water Rights Counsel	23,198	-	-	-
Management	64,652	50,000	50,000	50,000
Accounting	33,119	25,000	47,500	35,000
Elections	145	25,000	29,533	-
Directors' Fees	4,900	8,000	8,000	6,500
Contingency	-	387,836	-	230,534
Total Expenditures	272,798	650,849	259,046	446,477
Transfer to Enterprise Fund	527,392	412,000	412,000	230,000
Transfer to Debt Service Fund	83,867	65,022	65,022	189,081
Enterprise Fund Operational Reserve				75,000
Emergency Reserve		20,310		24,646
Total Expenditures Requiring Appropriation	884,057	1,148,181	736,068	890,204
ENDING FUND BALANCE	\$ 3,571	\$ 5,827	\$ 74,936	\$ 6,262

BACA GRANDE WATER AND SANITATION DISTRICT

ENTERPRISE FUND 2013 ADOPTED BUDGET

with 2011 Actual, 2012 Adopted and Amended, and 2013 Adopted Budget

	2011 Actual	2012 Adopted Budget	2012 Amended Budget	2013 Adopted Budget
BEGINNING FUND BALANCE	(73,344)	(163,581) \$	108,094 \$	244,480
REVENUE				
Water Usage Fees	242,294	200,079	263,811	258,669
Sewer Usage Fees	188,150	163,964	188,150	207,633
Less: Customer AR				(35,000)
Customer Refunds	(2,339)	-	(714)	-
Usage Fees Penalties	17,703	10,000	18,000	10,000
Fire Hydrant Fees	2,622	-	600	-
System Improvement Fees	11,651	-	4,643	-
Transfer Fee	8,752	1,250	10,495	1,250
Availability of Service Fees	26,594	-	-	-
Pmts in Lieu of Taxes	3,985	9,000	25,135	8,500
Water and Sewer Tap Fees	25,278	-	-	-
Tap Fee Installments	31,213	-	22,466	20,000
Hook Up/Inspection Fees	7,195	5,000	6,000	5,000
Miscellaneous Revenue	17,044	-	5,100	-
Rent	1,800	1,800	1,800	1,800
Meter Relocation Program	505	-	-	-
Sale of Asset	-	-	7,200	-
Interest	5,416	2,500	6,700	2,500
Insurance Reimbursements	-	-	-	-
Total Revenue	587,863	393,593	559,386	480,351

BACA GRANDE WATER AND SANITATION DISTRICT

ENTERPRISE FUND 2013 ADOPTED BUDGET

with 2011 Actual, 2012 Adopted and Amended, and 2013 Adopted Budget

2011 Actual	2012 Adopted Budget	2012 Amended Budget	2013 Adopted Budget
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EXPENDITURES

Operations

Raw Water USFSWS	88,765	65,000	97,500	97,500
Tap Assemblies	2,079	-	-	-
Testing/NPDES Permit Fees	7,117	4,000	6,350	10,000
Insurance	19,794	22,000	22,000	22,000
Miscellaneous	1,457	1,000	1,000	1,000
Bank Charges	9,577	5,000	1,478	2,000
Credit Card Fees	9	-	30	-
Mileage Reimbursement	2,608	2,500	1,500	1,500
Refund to Customers	50	-	2,282	-
Late Fees	92	-	5	-
Clothing Allowance	1,031	1,000	1,250	1,250
Postage	3,091	4,500	4,500	4,500
Office Equipment	8,591	7,500	6,000	4,500
Office Supplies	12,489	10,000	7,500	7,500
Liens and Lien Releases	92	-	-	-
Phone Answering Service	1,959	2,000	2,000	2,000
Computers and Media	1,064	2,000	2,500	2,000
Computer Support	3,164	2,000	2,000	2,000
Fire Extinguisher Service	-	300	350	350
Small Tools	16,141	10,000	12,000	5,000
Shop Supplies	-	-	2,000	3,000
Utility Billing	10,667	10,000	10,000	10,000
Training and Education	8,766	7,000	5,000	5,000
Advertising	1,311	2,000	5,000	4,000
Memberships	693	-	608	750
Locates	155	250	250	250
Meals and Lodging	11,336	6,500	6,500	6,500
Gas and Oil	16,328	13,000	13,000	13,000
Vehicle-Repairs and Maint	13,843	10,000	5,000	15,000
Diesel Fuel	8,083	7,000	10,000	10,000
Heavy Equipment Expense	2,629	5,000	-	-
CDPHE Fines	-	-	(16,660)	-
Professional Fees	57,320	50,000	30,000	25,000
Legal	(1,058)	-	1,000	3,000
Total Operations	309,243	249,550	241,943	258,600

BACA GRANDE WATER AND SANITATION DISTRICT

**ENTERPRISE FUND
2013 ADOPTED BUDGET**

with 2011 Actual, 2012 Adopted and Amended, and 2013 Adopted Budget

	2011 Actual	2012 Adopted Budget	2012 Amended Budget	2013 Adopted Budget
Repairs & Maintenance				
Repair & Maint	23,730	10,000	15,000	12,000
Repairs & Maint-Water Mains	1,678	3,000	3,000	3,000
Repairs & Maint-Sewer	7,026	5,000	3,367	3,000
Repairs & Maint-Well No. 17 & 18	1,905	2,000	2,000	2,000
Repairs & Maint - Pump Houses	9,863	6,500	6,307	5,500
Repair & Maint-Fire Hydrants	3,336	5,000	5,000	5,000
Repair & Maint-Aspen TP	4,483	6,000	6,300	10,000
Repair & Maint-Casita Park TP	65	1,000		
Repair & Maint - Lift Stations	10,364	-	2,000	500
Repair & Maint-Office	2,672	3,000	7,703	2,500
Repair-Street	-	7,000	2,000	5,000
Repair-Meters	5,904	2,000	10,000	5,000
Repair & Maint-Golf Cse Well	(2,134)	10,000	1,409	1,000
Water Treatment Chemicals	12,376	8,000	8,000	30,000
Waste Water Treatment Chemicals	-	8,000	8,000	5,000
Waste Water Mechanical Equipment	8,873	-	-	5,000
Total Repairs & Maintenance	90,141	76,500	80,086	94,500
Utilities				
South Crestone Filter Plant	312	-	409	500
Shumei BS / Cottonwood Apt	2,568	4,000	3,500	3,500
Casita Park Pumphouse	5,343	7,000		
Well No. 18	44,115	25,000	45,000	45,000
Shop Pumphouse	768	-	1,100	1,100
Moonlight Pumphouse	3,516	3,000	3,000	3,000
Ridgeview Pumphouse	2,586	2,500	3,000	3,000
Fallen Tree PH	1,314	2,000	2,000	2,000
Pine Cone Pumphouse	2,149	2,000	2,600	2,600
Aspen TP	25,210	15,000	20,000	20,000
Aspen TP-Propane	10,336	12,000	7,000	7,000
Wagon Wheel LS	3,767	5,000	5,000	5,000
Mobile Home Estates LS	-	-	3,000	3,000
Stables LS	4,806	6,000	3,000	3,000
Shop, Office, Yard	-	2,000	4,800	4,800
Shop, Yard, Office-Propane	1,655	1,500	3,800	3,800
Office / Cell Phones	8,326	7,000	8,000	8,000
Aspen Plant-Phone	689	850	850	850
Trash and Recycling Services	871	850	1,200	1,200
Contingency	5,294	3,500	-	2,347
Total Utilities	123,625	99,200	117,259	119,697

BACA GRANDE WATER AND SANITATION DISTRICT

ENTERPRISE FUND 2013 ADOPTED BUDGET

with 2011 Actual, 2012 Adopted and Amended, and 2013 Adopted Budget

	2011 Actual	2012 Adopted Budget	2012 Amended Budget	2013 Adopted Budget
Capital				
Capital Expense-Water Mains	10,031	-	-	-
Water Meters	4,708	-	-	-
Total Capital	14,739	-	-	-
Payroll				
Payroll Expense	-	1,000	2,400	2,500
Payroll-Gross	285,924	294,000	294,000	291,535
Payroll-Gross Summer Help				20,718
Payroll Taxes	4,530	4,200	5,000	5,854
PERA	39,346	40,278	42,000	45,589
PERA 401(k)	-	-	-	-
Health Insurance	33,863	34,476	37,623	36,000
Worker's Compensation Insur	5,007	5,500	6,300	6,442
Total Payroll	368,670	379,454	387,323	408,638
Debt				
2003 Rev Bond-Principal	26,194	-		-
2003 Rev Bond-Interest	1,205	-		-
Total Debt	27,399	-	-	-
Contingency	-	-	8,389	-
Total Expenditures	933,817	804,704	835,000	881,435
Other				
Enterprise Fund Operational Reserve				75,000
Transfer from General Fund	527,392	412,000	412,000	230,000
Transfer from Capital Projects Fund	-	-	-	-
Total Other	527,392	412,000	412,000	305,000
ENDING FUND BALANCE	\$ 108,094	\$ (162,692)	\$ 244,480	\$ 148,396

BACA GRANDE WATER AND SANITATION DISTRICT

DEBT SERVICE FUND 2013 ADOPTED BUDGET

with 2011 Actual, 2012 Adopted and Amended, and 2013 Adopted Budget

	2011 Actual	2012 Adopted Budget	2012 Amended Budget	2013 Adopted Budget
BEGINNING FUND BALANCE	321,949	130,970	214,838	134,663
REVENUE				
Availability of Service Fees	193,067	192,000	214,653	232,633
Less: AOS A/R Balance	-	-		(30,000)
Interest	99	75	150	100
Transfer from General Fund	83,867	65,022	65,022	189,081
Total Revenue	277,033	257,097	279,825	391,814
EXPENDITURES				
Trustee/Paying Agent Fee	-	1,000	1,000	1,000
Bank Charges	-	-	40	40
2009 CWRPDA Interest	29,022	27,690	27,690	26,331
2009 CWRPDA Principal	66,278	67,610	67,610	68,969
2010 GO Bond Int	288,844	263,250	263,660	263,250
Total Expenditures	384,144	359,550	360,000	359,590
Total Expenditures Requiring Appropriation	384,144	359,550	360,000	359,590
ENDING FUND BALANCE	\$ 214,838	\$ 28,517	\$ 134,663	\$ 166,887

BACA GRANDE WATER AND SANITATION DISTRICT

CAPITAL PROJECTS FUND

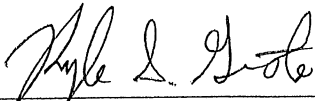
2013 ADOPTED BUDGET

with 2011 Actual, 2012 Adopted and Estimated, and 2013 Adopted Budget

	2011 Actual	2012 Adopted Budget	2012 Estimate	2013 Adopted Budget
BEGINNING FUND BALANCE	1,927,573	2,131,243	1,461,860	1,137,208
REVENUE				
Interest	2,238	2,500	3,000	1,500
CWPA Loan Proceeds	417,106	40,120	43,680	-
Energy/Mineral Impact Grant	225,070	-	83,677	-
Hydro-Elect Study Grant	1,413	-	-	-
Capital Cost Reimbursement	23,804	-	-	2,757
	-	-	-	-
Total Revenue	669,631	42,620	130,357	4,257
Total Funds Available	2,597,204	2,173,863	1,592,217	1,141,465
EXPENDITURES				
PY Completed Capital Expenditures	339,567	-	-	-
Water Rights Acquisition	-	800,000	-	800,000
Water Rights Acquisition - Legal	7,407	50,000	37,492	11,348
Meters	36,305	35,000	-	-
Equipment	125,438	-	-	-
Aspen WWTF	23,217	-	74,948	-
East Dream Way Wtr Line & Swr	47,221	-	2,815	-
Transfer Pump Stations	-	-	1,649	-
Shumei Boost Station	-	-	25,003	-
Moonlight / Ridgeview TS	-	-	23,268	-
Soda Ash	-	-	20,000	-
Green Project	-	125,000	2,000	206,000
Dharma Ocean Lift Station	-	-	11,838	-
Corrosion Control	-	-	25,000	-
Hydraulic Modeling	-	-	-	24,700
SCADA Improvements	-	-	-	36,000
Engineering - Bonds	1,572	-	4,877	-
Legal - Bond Proj.	14,781	-	22,971	45,000
Management - Bond Proj.	10,152	-	13,010	-
Project Management	74,952	-	8,110	-
Well 18 Project/DOLA/SRF	285,877	-	225,324	-
Well 18 Retention	-	-	(81,246)	-
Motel Well	1,325	-	1,169	-
Telemetry	70,677	-	863	-
Hydraulic Model	-	-	1,064	-
Engineering Design	(118)	-	345	-
Design Analysis	-	-	324	-
Stables & Dharma Ocean Site App	-	-	12,000	-
Legal - SRF Proj.	12,102	15,000	5,054	-
Management - SRF Proj.	9,690	15,000	5,739	-
Project Management	75,179	-	11,392	-
Contingency	-	18,860	-	18,417
	-	-	-	-
Total Expenditures	1,135,344	1,058,860	455,009	1,141,465
	1,138,422			
Total Expenditures Requiring Appropriation	1,135,344	1,058,860	455,009	1,141,465
ENDING FUND BALANCE	\$ 1,461,860	\$ 1,115,003	\$ 1,137,208	\$ 0

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 2013, duly adopted at a meeting of the Board of Directors of the Baca Grande Water and Sanitation District held on November 16, 2012.

By:  ☺
Secretary

RESOLUTION NO. 2012 - 11 - 03

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 2013 annual budget in accordance with the Local Government Budget Law on November 16, 2012; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2013 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 2013 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 2013 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 District 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 16th day of November, 2012.

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

Vicki Matthews
Vicki Matthews, President

ATTEST:

Kyle L. Grote 
Kyle Grote, Secretary

(SEAL)



EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Saguache County, Colorado.

On behalf of the Baca Grande Water and Sanitation District,
(taxing entity)^A

the Board of Directors,
(governing body)^B

of the Baca Grande Water and Sanitation District,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 16,263,263 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^B)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 16,263,263 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/15/2012 for budget/fiscal year 2013
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	46.000 mills	\$ 748,110
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	46.000 mills	\$ 748,110
3. General Obligation Bonds and Interest ^J	mills	\$
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	46.000 mills	\$ 748,110

Contact person: (print) AJ Beckman Daytime phone: (303) 987-0835
Signed: [Signature] Title: District Accountant

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

WHEREAS, pursuant to § 29-1-603(1), C.R.S., the Board shall cause to be made an annual audit of the financial statements of the District and, in accordance with § 29-1-606, C.R.S., the audit report shall be completed within six months after the close of the District's fiscal year, unless otherwise extended in accordance with the provisions thereof; or, when an exemption is warranted by § 29-1-604, C.R.S., the Board may direct that an application for exemption from audit be filed with the State Auditor by no later than March 31; and

WHEREAS, pursuant to § 29-1-606(7), C.R.S., a special district that has authorized but unissued general obligation debt as of the end of the fiscal year shall submit its audit report or a copy of its application for exemption from audit to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101, *et seq.*, C.R.S., requires the Board to hold a public hearing on its proposed budget and amendments thereto, to adopt a budget resolution and to file a copy of the budget and budget message, and amendments thereto, with the Division; and

WHEREAS, the Unclaimed Property Act, § 38-13-110, C.R.S., requires that political subdivisions file an annual report listing unclaimed property with the State Treasurer by November 1, if applicable; and

WHEREAS, § 39-5-128, C.R.S., requires the District to certify its mill levy with the Board of County Commissioners on or before December 15; and

WHEREAS, § 32-1-103(15), C.R.S., requires the District to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, pursuant to §§ 32-1-902(3)(a)(I) & (II), C.R.S., directors may receive compensation for their services subject to the limitations set forth therein; and

WHEREAS, pursuant to § 32-1-902(1), C.R.S., the Board shall elect one of its members as chairman of the Board and president of the District, one of its members as treasurer of the Board and of the District and a secretary who may be a member of the Board; and

WHEREAS, § 32-1-902(3)(b), C.R.S., requires a director to disqualify himself or herself from voting on any issue in which s/he has a conflict of interest, unless the director has properly disclosed such conflict in compliance with § 18-8-308, C.R.S., and files said conflict disclosure statement with the Board and the Colorado Secretary of State's Office at least seventy-two hours prior to any regular or special meeting of the District; and

WHEREAS, pursuant to § 24-10-110(1), C.R.S., the District shall defend and indemnify its public employees, which, by definition, includes elected and appointed officers; and

WHEREAS, pursuant to §§ 24-72-202, *et seq.*, C.R.S., the District may designate an official custodian for the maintenance, care and keeping of public records; and

WHEREAS, pursuant to § 24-6-402(2)(c), C.R.S., the Board shall designate a public posting place within the boundaries of the District for notices of meetings; and

WHEREAS, § 32-1-903, C.R.S., requires that the Board meet regularly at a time and in a place to be designated by the Board annually, and requires that notice of the time and place for all regular meetings be posted as provided therein; and

WHEREAS, elections may be held pursuant to the Special District Act, §§ 32-1-101, *et seq.*, C.R.S., and the Uniform Election Code of 1992, §§ 1-1-101, *et seq.*, C.R.S., for the purpose of: 1) electing members of the District's Board; 2) presenting certain ballot issues to the eligible electors of the District as required by Article X Section 20 of the Colorado Constitution; and 3) presenting certain ballot issues and questions to the eligible electors of the District; and

WHEREAS, § 1-7.5-104, C.R.S., permits the Board to determine to conduct elections by mail ballot; and

WHEREAS, § 1-1-111, C.R.S., empowers the Board to supervise the conduct of regular and special elections which they are authorized or required to call and states that all powers and authority granted to the Board may be exercised by an election official designated by the Board; and

WHEREAS, § 1-11-103(3), C.R.S., requires the District to certify the results of elections to the Division within thirty days after an election and § 32-1-1101.5(1), C.R.S., requires the District 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; and

WHEREAS, §§ 32-1-1604, C.R.S., requires the District to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty days of authorizing or incurring said indebtedness; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, pursuant to § 32-1-207(3)(c), C.R.S., and/or the District's Service Plan, the District, if requested by the Board of County Commissioners or the governing body of any municipality in which the District is located, may be required to file an annual report with the Board of County Commissioners, 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.; and

WHEREAS, pursuant to §§ 24-10-115, *et seq.*, C.R.S., the Board is authorized to obtain insurance; and

WHEREAS, pursuant to § 8-40-202, C.R.S., the District is required to obtain and maintain workers' compensation coverage unless such coverage is waived pursuant to § 8-40-202(1)(a)(I)(B), C.R.S.; and

WHEREAS, pursuant to § 32-1-809, C.R.S., the District is required to provide certain information to the electors of the District prior to January 15 of each year; said notice to be provided as statutorily required, with copies to be filed with the Division and the County Clerk and Recorder.

WHEREAS, the Board desires that all consultants adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

WHEREAS, the Board desires to meet its continuing disclosure obligations signed in conjunction with the issuance of debt by the District.

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 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 on or before February 1 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 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 accountant 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 accountant 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.

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 forms 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 shall 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:	Vicki Matthews
Vice President:	Martin Macaulay
Treasurer:	Cindy Reinhardt
Secretary:	Kyle Grote
Assistant Secretary:	Parvin J. Johnson, Sr.
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 the third Friday of each month in January through November, and the second Friday of December, all at 8:00 A.M. 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 § 1-7.5-104, C.R.S., the Board hereby deems that all regular and special elections of the District be conducted by mail ballot 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 AJ Beckman, the District's Manager, 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 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 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)(I)(A), C.R.S., and hereby directs legal counsel 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.bacawater.com.

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 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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RESOLUTION APPROVED AND ADOPTED THIS 16TH DAY OF NOVEMBER
2012.

BACA GRANDE WATER AND SANITATION
DISTRICT

Vicki Matthews
Officer of District

ATTEST:

Phyllis L. Goto ☺

CERTIFICATION OF RESOLUTION

STATE OF COLORADO
COUNTY OF SAGUACHE
BACA GRANDE WATER AND 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 16, 2012, 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 16th day of November, 2012.

[Signature]