

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD JUNE 17, 2016

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 17<sup>th</sup> day of June, 2016, at 9:00 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  
Michael Scully  
Matthew Ghourdjian  
Lynn Drake

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

#### Also In Attendance Were:

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

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

JoAnn Slivka; Administrative Services Manager

Justin DeBon; Operations Manager

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

See list for other attendees

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### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosure of Potential Conflicts of Interest:** Attorney White discussed with the Board the requirements pursuant to Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney White noted that conflicts were filed for applicable Directors at least 72-hours prior to the meeting. President 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.

### ADMINISTRATIVE MATTERS CONT'D

**Agenda:** President Reinhardt reviewed the proposed Agenda for the District's Regular Meeting with the Board.

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

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

- Approve Minutes from the May 20, 2016 regular meeting
- Review and accept unaudited financial statements for the period ending May 31, 2016 and current schedule of cash position.

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

**Board Member Orientation:** There was nothing to discuss.

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

**Status of Administrative Analysis:** President Reinhardt introduced Lonnie Nichols, who is the consultant conducting the administrative analysis. Mr. Nichols addressed the Board regarding the status of his analysis.

President Reinhardt suggested that once the analysis is completed the Board can hold a work session to review and discuss as a first step. Mr. Nichols agreed with this approach.

President Reinhardt also informed the Board that she and Martin recently met with staff to explain the goal of the analysis and answer any questions.

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**Summary of Water and Sewer Rate Study:** Ms. Johnson summarized the efforts to date with regard to the water and sewer rate study.

Mr. Simons presented his May 2015 water and sewer rate study recommendations as well as the analysis through the Spring of 2016 to compare existing rate structure revenue and proposed rate structure revenue.

The Board reviewed the information and asked questions. Mr. Simons recommends continuing with the monthly comparison of rates and that the Board review the rates and rate structure during the 2017 budget season.

**Meeting with Town of Crestone Regarding an Amended and Restated Intergovernmental Agreement for Sewer Service:** President Reinhardt updated the Board on the history of the current agreement and the preliminary discussions to renegotiate in 2015. Ms. Johnson recommends that rather than focus on a specific rate as part of the negotiations, the discussions should focus on the imposition of the then current sewer fees imposed on all properties within the District.

President Reinhardt suggested that a committee of the Board be appointed to work with staff to draft the suggested terms of the agreement for negotiations. Directors Scully and Ghourdjian volunteered to serve on the committee.

Attorney White and Ms. Johnson will resurrect the terms from past negotiations and update that information and transmit to Directors Scully and Ghourdjian for review prior to a committee meeting.

**Joint Meeting with Saguache County Commissioners:** President Reinhardt updated the Board that the meeting with the County Commissioners has been scheduled for Friday, June 24, 2016 at 10:00 am at the Saguache County Road and Bridge Department. The meeting will be noticed as a special meeting/work session and general minutes will be taken by Ms. Slivka.

The Board then briefly discussed some of the topics they would like to discuss with the County at the meeting.

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### **FINANCIAL MATTERS**

**June 17, 2016 Check Register:** The Board considered the approval of the check register through the period ending June 17, 2016, as follows:

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General Fund	\$	6,098.69
Debt Service Fund	\$	-0-
Capital Projects Fund	\$	10,189.00
Enterprise Fund	\$	<u>65,140.93</u>
Total Claims:	\$	<u>81,428.62</u>

Following discussion, upon motion duly made by Director Scully, seconded by Director Ghourdjian and, upon vote, unanimously carried, the Board approved the check register for the period ending June 17, 2016.

**Financial Summary:** Ms. Johnson presented areas of interest contained within the May 31, 2016 financial statements.

**Status of 2015 Audit:** Ms. Johnson informed the Board that the 2015 audit is almost complete and will be presented at the July Board meeting.

**Request to Waive Water Usage Charges Associated with Water Leak:** Attorney White informed the Board that he has reviewed the full notes and actions taken by staff regarding the water leak at the Nagel property, notification of such and disconnection of water service due to non-payment and advised the Board that he believes based on the Rules and Regulations the District acted correctly in their implementation of the Rules and Regulations. He supports the recommendation made by Ms. Johnson and Ms. Slivka to deny the request to waive the water fees incurred due to the leak and to calculate the usage based on the lowest tiered rate structure, to offer a payment plan and to waive the late fees during the payment plan as long as the payment plan is adhered to.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Ghourdjian and, upon vote, unanimously carried, the Board denied the request to waive the water fees incurred due to the leak on the Nagel property and to calculate the usage based on the lowest tiered rate structure, to offer a payment plan and to waive the late fees during the payment plan as long as the payment plan is adhered to.

**PUBLIC  
COMMENT  
OFFICE  
ADMINISTRATION**

**Public Comment:** There was no public comment.

**Administrative Follow-Ups:** There was nothing new to report.

**OPERATIONS**

**Operational Follow-Ups:** Mr. DeBon informed the Board that his staff is currently working on repairing a water leak in the District.

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**Low Water Pressure Customer Billing:** Ms. Johnson reported that It was brought to her attention that the District has two accounts that are not paying the monthly water service fee in the amount of \$28 due to low pressure issues at their residences. Ms. Slivka researched the District's records to determine the historical actions surrounding these accounts. Staff met on several occasions to discuss the research on the pressure provided at each residence and the options outlined in the District's Rules and Regulations regarding water pressure to a property.

Staff recommends billing these accounts pursuant to the rate schedule contained in the Rules and Regulations and communicate this action along with the options for customers to request approval of an option to mitigate low pressure issues at their residence.

Following discussion, upon motion duly made by Director Drake, seconded by Director Ghourdjian and, upon vote, unanimously carried, the Board approved staff's recommendation outlined above.

**Status of Request from Crestone Creative District and Town of Crestone to Extend Water Lines:** Ms. Slivka provided an update. Mr. Gaines has requested a meeting with staff from the District and Property Owner's Association to discuss the project and how to move forward. The Board directed staff to attend the meeting.

### **CAPITAL IMPROVEMENTS**

**Capital Funding Sources and Uses:** There was no report this month.

**Status of Flow Equalization Basin Project:** Mr. Simons updated the Board on the efforts to date regarding the project.

### **LEGAL MATTERS**

**Enforcement of District Marijuana Policy and Proposed County Marijuana Regulations:** Attorney White reminded the Board of the actions taken at the meeting in May. There was nothing new to report at this time.

### **OTHER BUSINESS**

**SDA Annual Conference:** Ms. Johnson informed the Board that the annual SDA conference will be held on September 21-23, 2016 in Keystone, Colorado and asked if any board members were interested in attending. Director Drake is interested and Director Scully may be interested. Ms. Slivka has submitted for two scholarships to attend the conference from the Colorado Special Districts Property and Liability Pool.

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Property and Liability Pool.

**Eagle Article:** President Reinhardt asked if anyone has any ideas and would like to volunteer to write an article for inclusion in the Eagle for the July issue. It was determined that there are no issues to include in the newspaper at this time.

**Personnel Update:** Mr. DeBon informed the Board that Tad Crawford has resigned his position with the District effective June 30, 2016. With his departure, the District will not have an employee with a class A Commercial Driver License ("CDL"). Mr. DeBon recommends the Board approve him to attend the classes needed to test for a Class A CDL. Monies were included in the budget for this purpose. The Board approved his recommendation.

President Reinhardt confirmed that Mr. Crawford is leaving to work for the Property Owner's Association ("POA") with Mr. DeBon. She then suggested that the District approach the POA and ask if the two entities could agree to provide a back-up to the District for Class A CDL services. Attorney White asked that Ms. Slivka research whether the district's auto insurance would cover Mr. Crawford under this type of arrangement. If a positive response is received, Mr. DeBon can approach the POA with the idea.

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### **EXECUTIVE SESSION**

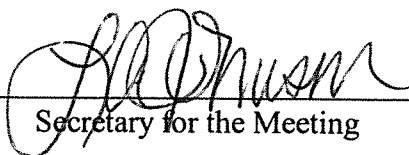
**Executive Session:** Pursuant to Sections 24-6-402(4)(b), C.R.S., upon motion duly made by Director Scully, seconded by Director Drake and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:49 a.m. for the purpose of discussing personnel matters, as authorized by Sections 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 12:00 p.m.

### **ADJOURNMENT**

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

Respectfully submitted,

By  \_\_\_\_\_  
Secretary for the Meeting

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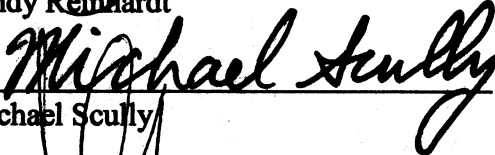
THESE MINUTES ARE APPROVED AS THE OFFICIAL JUNE 17, 2016  
MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT  
BY THE BOARD OF DIRECTORS SIGNING BELOW:



\_\_\_\_\_  
Martin Macaulay



\_\_\_\_\_  
Cindy Reinhardt



\_\_\_\_\_  
Michael Scully



\_\_\_\_\_  
Matthew Gourdjian



\_\_\_\_\_  
Lynn Drake



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

June 17, 2016

Board of Directors Sign-in

Lynn Drake	<i>Lynn Drake</i>
Matthew Ghourdjian	X
Martin Macaulay	ABSENT
Cindy Reinhardt	<i>Cindy Reinhardt</i>
Michael Scully	<i>Michael Scully</i>





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

June 17, 2016

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
L. Strathearn	3616 Splendid Terrace	720-454-2844	NO	
Lisa-Lynne Jacks	504 Arrowhead POB 754	256-4140	yes	Adminis. Study
Lynn Niche		256-5619	NO	



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

Date: June 10, 2016  
To: Baca Grande Water and Sanitation District, Board of Directors  
From: Lisa A. Johnson, District Manager  
Re: June 17, 2016 District Manager's Report

**Agenda Action Items**

**I.C. Consent Agenda**

1. Approve Minutes from the May 20, 2016 Regular Meeting.
2. May 31, 2016 Financial Statements and current Cash Position.

**I recommend approval of the consent agenda items.**

**I.F. Water and Sewer Rate Study**

Mr. Simons will present the background of the water and sewer rate study as well as revisit the recommendation that was given in May 2015 regarding water and sewer rates based upon the District's tap equivalency ratio structure.

**II.A. June 17, 2016 Check Register**

The June 17, 2016 check register is enclosed in the board packet. Ms. Slivka and Mr. DeBon have reviewed and recommend approval of the invoices for June.

**I recommend approval of the June 17, 2016 check register**

**II.C. 2015 Audit**

Mr. Barnes has almost completed the 2015 audit and will present the audit to the Board at the July meeting.

**II.D. Request from Mr. Nagel to Waiver Water Usage Charges due to Water Leak**

Mr. Nagel addressed the Board at the May meeting regarding his request to waive usage charges due to a water leak on one of his properties. The Board directed Attorney White to work with Ms. Slivka to research the historical communications and actions between

the District and Mr. Nagel regarding the issue and report to the Board in June of their findings.

**V.B. Low Pressure Issues and Related Billing**

It was brought to my attention that the District has two accounts that are not paying the monthly water service fee in the amount of \$28 due to low pressure issues at their residences. Ms. Slivka researched the District's records to determine if the Board had approved the waiver of assessing monthly water service fees to these accounts. In one instance, the Board had approved a waiver of fees. In the other instance, no record could be found of a Board approved waiver. I would like to explain in more detail with the assistance of Ms. Slivka and Mr. DeBon the history regarding these accounts and the low pressure issues and solicit updated action from the Board.

**VIII.B. Personnel Matters – New Rules Governing Exempt Employee Status**

I will discuss in Executive Session with the Board new rules governing exempt employees. I have included information in your packet regarding an explanation of the new rules and when they go into effect for your review prior to the discussion.

Currently there are only two employees classified as exempt, Mr. DeBon and Ms. Slivka. At this time, the new rule will only potentially impact Ms. Slivka's status as Mr. DeBon meets the requirements in the new rule.

**Update on Other District Matters not on the Agenda**

District Accountant – As I informed you earlier in the month, Lindsay Ross has accepted an accounting position with her church and is no longer employed at SDMS. We are in the process of interviewing CPA accountants and will let you know who the new accountant will be as soon as that has been determined. In the meantime, George Turtle, Senior CPA and Finance Manager at SDMS is assisting with the District's financial needs.



June 2016

## OPERATIONS MANAGER REPORT

To: Board of Directors, Baca Grande Water and Sanitation District  
From: Justin DeBon  
Date: May 10, - June 7, 2016

**POA Soccer Field Meter:** The 2" meter supplying the ball field next to the golf course had failed and was not metering water anymore, the meter was replaced with a new very accurate Omni Meter. Two weeks after installation the lid in the meter vault broke and fell on top of the meter damaging it and caused a water leak. Parts were ordered and the vault was excavated and removed, this allowed operators to repair the meter, replace brittle plastic pipe with metal pipe and inspect the pipe for damage.

**Refuge Meter:** The meter for the wildlife refuge office was not measuring water, the meter pit was too small for staff to repair the meter. The meter pit was excavated and the meter was repaired, a small rock had jammed the measuring chamber. A larger 48" diameter vault was installed over the meter for easy access for future repairs.

**New Equipment Update:** The new dump truck and trailer have become the top asset in operations, changing the way repairs, maintenance, projects are conducted and improving efficiency. With the addition of the trailer, one operator can transport equipment, pipe bedding sand and haul away spoils in one trip, compared to in the past where the same project would take two operators, three trips and extra wear and tear on equipment. Now that the District has the means to transport its own equipment and materials, future capital improvement projects such as water line replacement, looping projects and line extensions can be self-performed by the District, not only greatly reducing costs but producing superior work.

**Certification:** The two new staff members Tad and Rebecca successfully tested and passed their state certification tests. Tad is now certified in water treatment and Rebecca is certified in wastewater treatment. The District now has five certified and qualified operators.

**Meter Pit Inspections:** Meter pit inspections has been completed, multiple leaks were found and repaired. There are a few follow up items that need to be addressed such as a leaking valve, a couple of broken valve boxes and marking a handful of shut off valve locations for homes with meters inside the house.

**2016 Projects:** The following is a list of projects that will be worked on in 2016.

1. Storage tank inspection/cleaning
2. MHE Lagoon reclamation
3. Screening/Sorting of Aspen spoils area
4. Fire hydrant Maintenance Project
5. Collection System Video Inspection and Cleaning Project
6. Manhole Infiltration Prevention Project
7. ~~Stables Lift Station Upgrade Project~~
8. Facility Weed Control Project
9. Leak Detection-On going
10. Repair drainage and road to Fallen Tree Storage Tank
11. Install gate on Fallen Tree Storage Tank access road
12. Install water drainage pipe at Well 18

**2015 Projects Completed:** The following is list of projects that were completed in 2015.

1. ~~Completion of Facility Maintenance GIS Layer Project~~
2. ~~Completion of Water Meter Upgrade Project~~
3. ~~Fire Hydrant Maintenance Project~~
4. ~~Collection System Cleaning Project~~
5. ~~Manhole Infiltration Prevention Project on Cotton Wood Creek~~
6. ~~Capital Improvement Projects~~
7. ~~Water Meter MXUM upgrade project and DOLA grant reporting~~
8. ~~Yeshi Korlo service line reduction project~~
9. GIS Facilities Maintenance Project
10. Virture Way Manhole Repair



Baca Grande  
Water And Sanitation  
District

# Report On District Operations



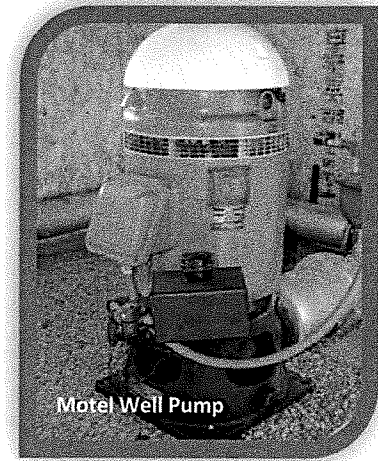
New International 7600 Dump Truck and Trail Max 60K lbs capacity  
trailer carrying 45K lb 9030 Case Excavator

Operations Report  
Baca Grande Water and Sanitation District  
June 17, 2016

Report from: May 10 – June 8, 2016

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 Water Usage, Compliance & Testing - Chalets.....2  
 Wastewater Compliance & Testing.....3  
 Infrastructure.....4  
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**District Operations**

SSO-Sanitary Sewer Overflow	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Fire Hydrant Maintenance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Water Main Repairs	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Collection System Cleaning	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Lift Station and Anaerobic tank cleaning.
GPS/GIS	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Water/Sewer Hookups	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Total for 2016: 6
Accidents	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	

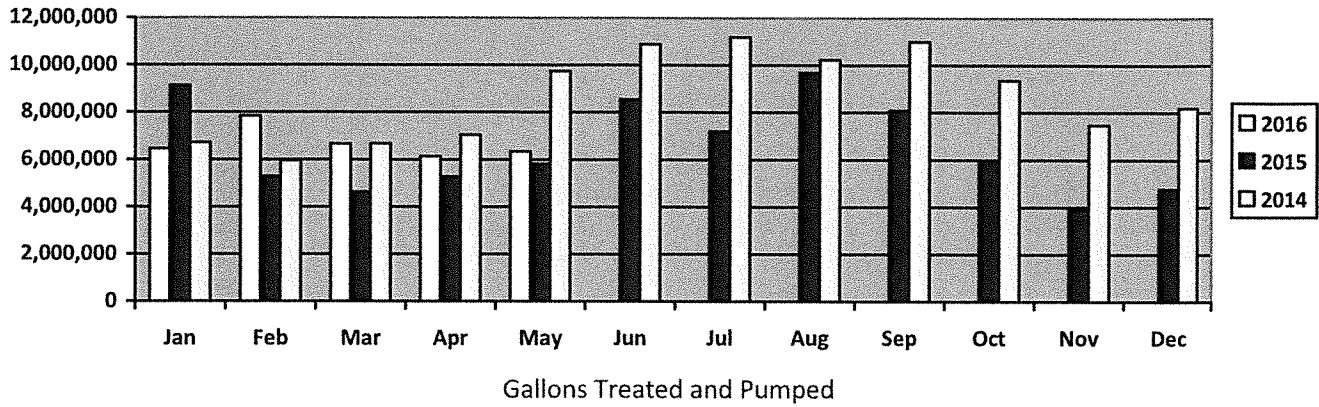
**Total Water Treated**

Total Gallons Treated For Month	Finished Water Chalets & Casita Park	Finished Water Metered Chalets & Casita Park	Wastewater Treated	Estimated Unaccounted Water
January 2016	6,457,000	2,452,000	1,901,000	Water Leak Found 4,005,000
February 2016	7,841,000	1,764,000	1,554,000	Water Leak found 6,077,000
March 2016	6,654,000	1,579,000	1,904,000	Water Leak Found 5,075,000
April 2016	6,124,000	3,133,000	1,608,000	Water leak found 2,991,000
May 2016	6,338,000	3,245,000	1,846,000	3,093,000
June 2016				
July 2016				
August 2016				
September 2016				
October 2016				
November 2016				
December 2016				
<b>Total Treated 2016</b>	<b>34,414,000</b>	<b>12,173,000</b>	<b>8,813,000</b>	<b>21,241,000</b>

**Golf Course Well**

April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016
Well 18 used	5,539,474					

Baca Grande Chalet & Casita Park



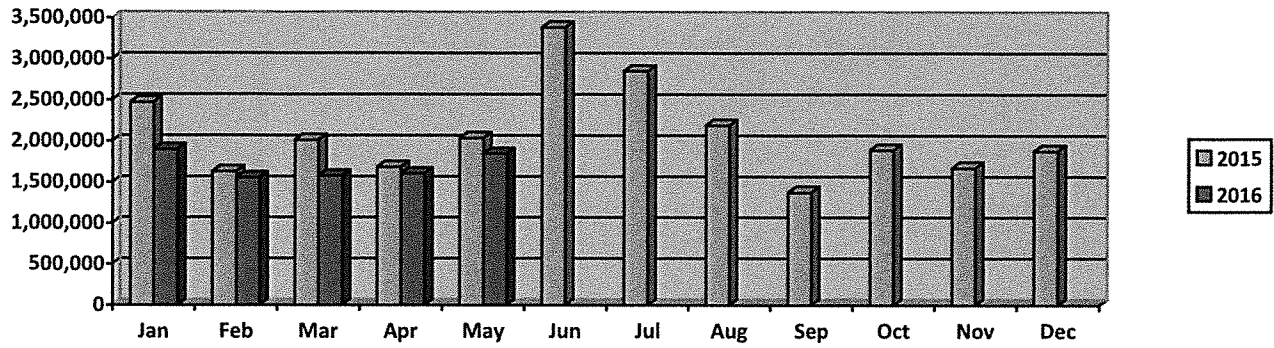
January	February	March	April	May	June
6,457,000	7,841,000	6,654,000	6,124,000	6,338,000	

July	August	September	October	November	December

Month	Chlorine Residual	Total Coliform E. Coli Result	Compliant	Well Water Level
January	0.34	Absent	Yes	35'
February	0.32	Absent	Yes	34'
March	0.32	Absent	Yes	34'
April	0.34	Absent	Yes	36'
May	0.37	Absent	Yes	37'
June				
July				
August				
September				
October				
November				
December				



Aspen Wastewater Treatment Facility



Wastewater Treated in Gallons

January	February	March	April	May	June
1,901,000	1,554,000	1,579,000	1,608,000	1,846,000	

July	August	September	October	November	December

Month	Total Ammonia Result	E. Coli Result	Effluent BOD5 Result	Total BOD5 Removal Result	Compliant for Month
January	2.6 mg/L	2/100	9.2 mg/L	93%	Yes
February	0.8 mg/L	2/100	5.8 mg/L	96%	Yes
March	2.1 mg/L	2/100	3.6 mg/L	98%	Yes
April	1.3 mg/L	2/100	2.3 mg/L	98%	Yes
May	2.1 mg/L	2/100	13 mg/L	96%	Yes
June					
July					
August					
September					
October					
November					
December					

Bio Solids	Quantity
Stored Bio Solids – Aspen Storage Lagoon	185,600 Gallons
Bio Solids pumped and applied to land application site 2016	0
Bio Solids pumped into Aspen Storage Lagoon 2016.	30,000



## Other Reporting

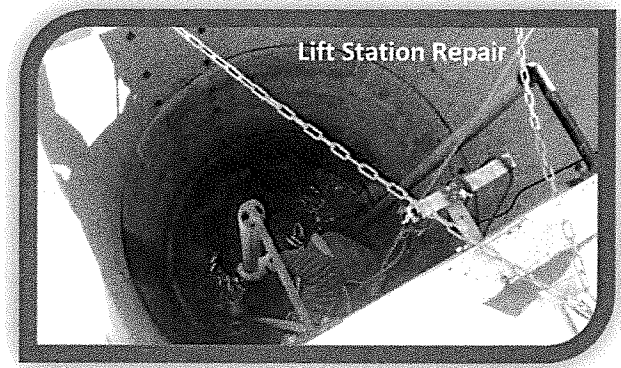
Monthly Safety Meeting	Confined Spaces
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## Infrastructure Fixed Assets

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

Drinking Water Distribution System	Wastewater Collection System
Water Mains = 64 Miles	Sewer Mains = 45 Miles
Gate Valves = 528 Units	Manholes = 798
Service Accounts = 702	
Curb Stops = 702	Lift Stations = 5
Fire Hydrants = 278	MHE LS – Operational
Well 17/18 Water Treatment Plant- Facility Fully Operational.	Stables LS – Fully Operational
<del>MHE Motel Well Water Treatment Facility- Decommissioned DEC 2015</del>	Wagon Wheel LS – Operational
Water Transfer Stations = 3	Dharma Ocean LS – Operational
Booster Stations = 3	Aspen LS – Operational
	Aspen WWTF – Facility Fully Operational. Operating at 37% Capacity

## Operations Team



### **Justin DeBon, CWP**

Operations Manager  
ORC

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

### **Chad Tate, CWP**

Water Treatment  
Operator

Class S Water Operator  
Class S Wastewater Operator  
Class C Water Operator  
Class 2 Distributions Operator

### **Tim Allen, CWP**

Distributions & Collections  
Operator

Class S Water Operator  
Class S Wastewater Operator

### **Rebecca Potter, CWP**

Laboratory & Analysis  
Operator

Class D Wastewater Operator

### **Tad Crawford, CWP**

Heavy Equipment & Safety  
Operator

Class D Water Operator  
Class A Commercial Driver



## Administrative Report – June 17, 2016

To: Baca Grande Water and Sanitation District Board of Directors

From: JoAnn Slivka, Administrative Services Manager

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### | 2016 Projects

#### **Rate Study Project**

On May 17, 2016, Brad Simons met with Sandy Skibinski, to review a compilation of water usage reports from May of 2015 through April of 2016.

Sandy developed an Excel workbook for evaluating changes to the water and sewer rate structures. Based upon the results of the May 17, 2016 review, Mr. Simons recommends the District maintain its current rate structure through 2016, but that the District conduct a follow-up assessment of possible rates changes as a part of its 2017 budget process. The rate study findings will be presented to the Board of Directors for their review and discussion.

#### **Xpress Bill Pay**

On May 10, 2016 the Baca administrative staff received training and successfully implemented the Xpress Bill Pay program. The first utility billing afterwards went smoothly and was performed successfully as well.

Other related activities included:

- A letter was sent to all ACH customers advising of change in processes and actions they need to take.
- Admin staff is currently working on the transition of the Lockbox services from FirstBank to Xpress Bill pay; customer notification of such, stock order with new lock box address and changes to the bar code to micro font for mailing services.
- Cancellation of credit card merchants

#### **2016 Board of Directors**

##### New BOD Members

New Board of Directors Lynn Drake and Matthew Ghourdjan were sworn in at the May 20, 2016 Board meeting-

- The Oaths of Office and current faithful performance bond for each director has been filed with Saguache County Clerk & Recorder, Carla Gomez. The documents were also eFiled with the Division of Local Government and the Director information was corrected and updated on the web site as well. This finalizes our reporting requirements and the District's 2016 Election.
- Special District Association ("SDA") Conference: An application for the SDA Conference and CSD Training Scholarship Program has been submitted for consideration. The scholarship program is targeted at encouraging first time board members to attend the conference and offers reimbursement to districts for costs incurred to send new Board Members to the training. The SDA Annual Conference runs September 21-23, 2016 in Keystone, Colorado.

##### Saguache County Governing Bodies Meeting

In January 2016, the District received an invitation from the Saguache County Board of Commissioners to discuss establishing stronger ties between our governing bodies. The meeting with the Board of County Commissioners is set for Friday, June 24, @ 10:00 A.M. in the Road and Bridge meeting room.

#### **Human Resources-Personnel Matters**

The Department of Labor Wage and Hour Division ("WHD") has issued the final rule to update the overtime regulations to reflect the original intent of the Fair Labor Standards Act.

I attended the SDA webinar on May 25, 2016 regarding the new overtime rule. The final rule will become effective on December 1, 2016, so we will need to ensure compliance in a little less than six months from now.

##### **The Final Rule: Overtime**

Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees under the Fair Labor Standards Act

The following bullet points are compiled from information gathered from the webinar and Paychex training:

**Key Provisions of the Final Rule**

- Sets the standard salary level at the 40th percentile of earnings of full-time salaried workers in the lowest-wage Census Region, currently the South (\$913 per week; \$47,476 annually for a full-year worker);
- Sets the total annual compensation requirement for highly compensated employees (HCE) subject to a minimal duties test to the annual equivalent of the 90th percentile of full-time salaried workers nationally (\$134,004); and
- Establishes a mechanism for automatically updating the salary and compensation levels every three years to maintain the levels at the above percentiles and to ensure that they continue to provide useful and effective tests for exemption.

**To prepare:**

- Determine who this affects- salaried, exempt employees who are currently paid a salary of less than \$913 per week. Currently JoAnn Slivka is the only employee on the Baca staff who is classified as exempt that does not meet the new wage rule
- Review job duties and tasks
- Review salary structure
- Consider changes that may have administrative and cost implications
- Most jobs are based on other jobs, relative value of the person
- Consider cost implications as well as the job duties
- Determine where the changes will have the most impact on our organization

**Options for consideration:**

- Raise salary and keep the employee exempt from overtime: Employers may choose to raise the salaries of employees to at or above the salary level to maintain their exempt status. Alternatively, such employees may be transitioned to non-exempt status
- Pay overtime in addition to the employee's current salary when necessary: Employers also can continue to pay their newly overtime-eligible employees the same salary, and pay them overtime whenever they work more than 40 hours in a week
- Evaluate and realign hours and staff workload: Employers can ensure that workload distribution, time and staffing levels are all managed appropriately. For example, employers may hire additional workers or increase part-time employee hours
- Combination of the above

**Customer Service****Response to Reports of Marijuana Cultivation within the District**

- Baca Staff: Directors Reinhardt and Macaulay met with Baca staff in April regarding implementation of the marijuana policy. In early May, Director Reinhardt spoke with the staff via telephone to update us on the actions that she and Director Macaulay have done since our initial meeting. She shared that the county's proposed regulation had been sent to the District's board members and consultants. She further reported that she spoke with county commissioner Anderson and would be attending the county's public hearing on the matter as well.
- Policy Implementation: Administrative staff continues to work with legal counsel on policy implementation and procedural steps.

**Insufficient Service Customers**

Staff have met to discuss the three properties within the District regarding insufficient water pressure flows. The tracking report has been populated with flow data as well as the Operation Manager's recommendations for correction and will be presented to the Board of Directors for discussion.

**Complaints and Concerns**

A Casita Park landlord is protesting charges he incurred after his home had a water leak last fall. The water bill has not been paid so the water service has been turned off. Mr. Nagel submitted his letter of concern and approached the Board of Directors at the May 20 2016 meeting. He is awaiting a final decision from the BOD.

**Information Kiosk**

Per Mr. Gaines request, I met with him to discuss his request for water service to the Baca entrance and Kiosk area. Mr. Gaines submitted a letter and attended the May 20 Board meeting for discussion of his request. The BOD determined that more research needed to occur. Mr. Gaines and I reviewed the Board's concerns; he is currently researching the property easements and surveying of the area. He is also approaching the Baca POA for financial assistance and support of the project. We discussed his request for financial assistance or in-kind services, the costs of installation of the water line, monthly fees as well as ownership of the account. He will be in touch as he progresses through this process as it relates to the District.

**Other Activities**

Staff is also currently working on the following projects;

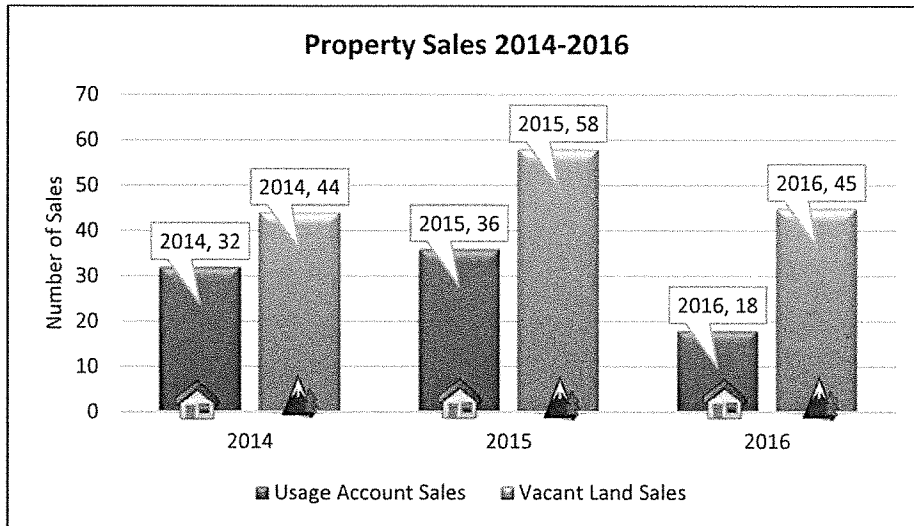
Consumer Confidence Report

Staff is finalizing the details of the annual Consumer Confidence water quality report due by June 30, 2016.

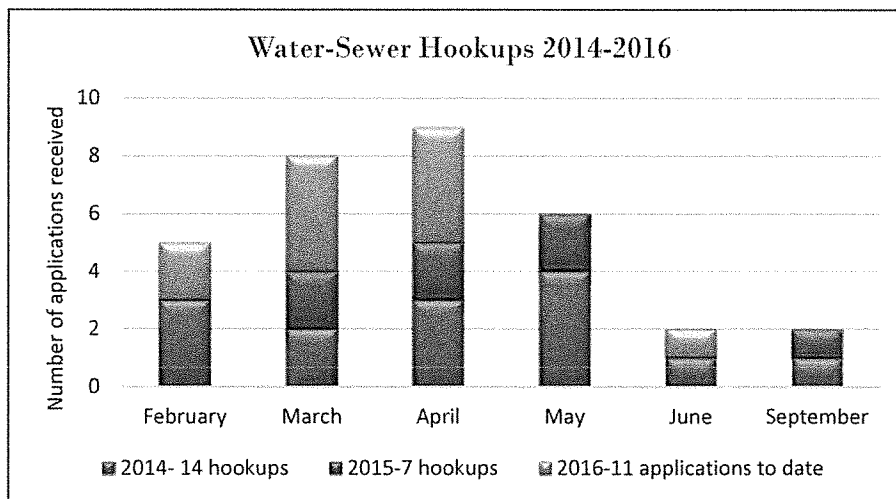
Certification of Delinquent Accounts

Staff is currently verifying 2016 dates with the county for certification of delinquent accounts. This is an annual process whereby properties that are delinquent in their water and sanitary sewer fees and /or availability of services fees by at least six months and by more than one hundred fifty dollars are certified to the county treasurer for collection.

**| 2016 May Property Activity**



- ◆ Transferred Properties
  - 3 SFRs & 4 lots
- ◆ Consolidations
  - 0 New applications received
  - 1 Application finalized - (427,428,429=427C)
- ◆ New Water-Sewer Hookups
  - 1 New applications received (1645 Willow Creek Way)
  - New hookups completed and usage accounts established



## | 2016 May Utility Billing Activity

### ◆ Delinquent account summary:

- 27 - Delinquent notices mailed – 20 owners, 7 tenants
- 11 - Paid in full
- 9 - Paid delinquent balance
- 0 - Shut off

### ◆ ACH: 156 accounts paid \$9136.30

### ◆ Xpress Bill Pay Stats (before official announcement):

- 39 accts – signed up for XBP
- 20 accts – Paperless opt in
- 14 accts – using Auto pay

### ◆ Customer Communications: There were a number of customer communication efforts this month.

- An article was submitted for publication in the June edition of the Crestone Eagle announcing the two new Board members and the new Xpress Bill Pay online payment option
- Special letter was sent to all ACH customers notifying them of the changes in processing their payments
- A special insert was included in the customer billing announcing Xpress Bill Pay and How To Use It
- The current statement memo included the following announcement regarding Xpress Bill Pay-

**Great News! We now offer an online bill payment option!**

In May, the Baca Grande Water and Sanitation District successfully implemented Xpress Bill Pay, our on-line payment provider! You now have the option to pay your Baca Water bill on line using a credit or debit card, or directly from your bank account. You can make a one-time payment or easily set it up to automatically pay your bill each month on the date of your choice. To sign up, simply follow the easy instructions included with this bill.

And remember, it's free to sign up

**BACA GRANDE WATER AND SANITATION DISTRICT  
ENGINEER'S REPORT  
June 8, 2016**

**ADMINISTRATIVE MATTERS**

Water and Wastewater Rates – During the District's June 7, 2016 Action Item conference call, all persons on the call agreed a short presentation on the 2015 rate study and follow-up efforts would be appropriate for the June 17 Board meeting. However, due to the date of the June 7, 2016 Action Item conference call, it was agreed the four or five slide presentation could be provided to the District Manager on June 9, 2016 as a supplement to the Board packet.

**CAPITAL PROJECTS**

Compliance Evaluation Inspection (Dharma Ocean and Stables Lift Station) – The capital improvements associated with the Stables Lift Station were completed on April 1, 2016 by Timber Line Electric and Control Corporation. To the best of my knowledge, the improvements associated with the Dharma Ocean Lift Station were completed by Alpine Electric on March 1, 2016. I have suggested the Compliance Evaluation Inspection action item be identified as a completed project and that the 11-month warranty inspections for the work associated with each lift station be new items in the "Parking Lot" of the Action Item list.

Headworks/Flow Equalization Basin - TZA Water Engineers has initiated its efforts associated with the planning aspects of the project. To date, we have outlined the site location application and began to develop the engineering report that must accompany the site location application submittal to the Water Quality Control Division (Division). I am to send Attorney White TZA's proposed form of Subconsultant Agreement with Mountain Engineering and Testing for the required geotechnical investigation services. Finally, the Division has assigned a new Project Manager, Paul Young, to oversee the 2016 Small Communities Grant (\$426,150)

Casita Park Water Line Interconnect – The line connecting the Well 18 yard piping to Mobile Home Estates was put into service on November 30, 2015. The redundant stream crossing was completed by RMS on December 18, 2015. An 11-month warranty inspection should be considered in November of 2016. I will recommend to the Administrative Services Manager this warranty inspection also be a new item in the "Parking Lot" of the Action Item list.

Water Meter Transmitter Replacement Project - Justin DeBon has reviewed the meter reading results with pump station metering reports in an effort to assess pressure zones that should be the focus of any future leak detection activities. This information may benefit future application(s) to the Water Efficiency Grant program administered by the Colorado Water Conservation Board referenced in the "Parking Lot" section of this Engineer's Report.

**LAMP RYNEARSON COMPANIES**



Capital Project Summary Sheets – No additional activity since November of 2015.

## **OPERATIONAL MATTERS**

Biosolids Management – Justin DeBon and I discussed the concept of a drying bed during my May 17 visit to the District. A drying bed is a common method of dewatering sludge, increasing the percentage of solids present so the sludge no longer behaves as a liquid and can be handled as a solid material. More detailed information regarding the drying bed concept will be developed with the District's Operations Manager before any work is performed to address the long-standing need to effectively manage the biosolids generated at the Aspen Institute Wastewater Treatment Plant.

Storage Tank Rule – Effective April 1, 2016, the District was required to develop a written plan for finished water storage tank inspections. In addition to quarterly periodic (visual) inspections, the District will need comprehensive inspections to be scheduled at least every five years. The new rule **MAY** not apply to the 50,000 gallon water storage tank at the Well 18 complex as this tank is ahead of the entry point to the distribution system, but the Division recommends this tank be included in the written plan for the protection of public health. I have been asked by the District Manager to review the plan drafted by the Operations Manager and provided my only comment (i.e. status of the Mobile Home Estates water storage tank) to Justin DeBon during the June 7 Action Item conference call.

## **OTHER ACTIVITIES**

Jonas Harlow Line Extension – During my May 17 visit to the District, I assisted the Administrative Services Manager and the Operations Manager in addressing the line extension application for Lot 446C and discussed surveying support from a local surveyor in Alamosa. We also contacted the applicant via telephone during my visit and advised him of the preliminary cost estimates to support his request. As of the date of this Engineer's Report, no additional information has been requested by the applicant or the District staff. I will recommend to the Administrative Services Manager this matter be a new item in the Action Item list unless she or Justin DeBon have heard anything to indicate the application is not going forward.

Atalanta Inclusion – No new activity as of the June 7 Action Item conference call.

## **PARKING LOT**

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

- SEARCH (Special Evaluation Assistance for Rural Communities and Households) Grants and the Predevelopment Planning Grants available from the USDA's Rural Development may be options for the biosolids management needs of the District.
- The Colorado Water Conservation Board's Water Efficiency Grant program may be the most applicable to the District's current water conservation efforts. Specifically, this program may support a water loss control audit.

Insufficient Water Service Customers – No new activity as of the June 7 Action Item conference call.

Well No. 17 Permit Matters – Pending the outcome of the Justice Department’s water court application regarding the current location of Well No. 17, TZA is prepared to support the permit (Well Permit No. 57623-F-R) conditions associated with the redrilling Well No. 18 in 2012.

Nutrients Management Control Regulation (Regulation No. 85) - Justin DeBon managed the 2015 sampling efforts and must identify any 2016 requirements to be noted in future reports.

Well 18 Booster Pump Station Problems – Any legal activities associated with this topic will be addressed separately due to attorney-client privileges. Also, I have recommended Justin include energy consumption, energy billings, and water production information for the Well 18 complex, taking into consideration the Casita Park water facilities utility account, in future Operations’ reports.

New Chlorine Residual Requirements – The Water Quality Control Division has adopted a new version of the Colorado Primary Drinking Water Regulations (Regulation 11). Effective April 1, 2016, the District is required to maintain a minimum of 0.2 milligrams per liter chlorine residual throughout the distribution system. Justin DeBon has indicated this is an achievable standard based upon his assessments in the latter months of 2015.