

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
DECEMBER 5, 2008

A special meeting of the Board of Directors of the Baca Grande Water and Sanitation District (referred to hereafter as "Board") was held on Friday, the 5th day of December, 2008, at 9:00 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:

Christine Canaly, Chairman
Philip Madonna, Vice Chairman
Vicki Matthews, Secretary/Treasurer
Lisa Cyriacks, Assistant Secretary

Following discussion, upon motion duly made by Director Madonna, seconded by Director Matthews and, upon vote, unanimously carried, the absence of Parvin J. Johnson, Sr., was excused.

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq.; White, Bear and Ankele Professional Corporation

Steve Rogers; Brown & Caldwell

Steven Harrell; District General Manager

Olga Coello; District Administrator

Meric Lallier; Special District Management Inc. - via speakerphone

See attached sign in sheet.

DISCLOSURE OF POTENTIAL CONFLICTS OF

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

RECORD OF PROCEEDINGS

INTEREST

Secretary of State. Ms. Tanaka noted that conflicts were filed for applicable directors at least 72 hours prior to the meeting. Chairman Canaly 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

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

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the agenda was approved.

Minutes: Members of the Board reviewed the minutes of the October 31, 2008 special meeting.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the minutes of the October 10, 2008 special meeting were approved and the minutes of the September 26, 2008 special meeting were approved, as amended.

Health Care Coverage with San Louis Valley HMO: Mr. Harrell reported to the Board that the health care coverage offered by San Louis Valley HMO is equivalent to the coverage the District was previously receiving. The change in insurance providers was recommended by the District's insurance agent and will reduce the annual premium paid by the District by approximately 17 percent.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Cyriacks and, upon vote, unanimously carried, the Board ratified health care coverage offered by San Louis Valley HMO.

Email Communication from Members of the General Public: Director Canaly reported receiving email communication from a member of the general public alleging improper Management practices in the past by the District. The Board determined to discuss in executive session.

RECORD OF PROCEEDINGS

Letters of Appreciation: Director Canaly recommended sending letters of appreciation to individuals that worked to educate members of the general public about the District's ballot measures for the November 2008 General Election. Members of the Board discussed publishing an article in the Crestone Eagle thanking residents for their efforts. Director Canaly volunteered to follow up on the publication.

PUBLIC COMMENT

Mr. Moyer requested that all Directors and consultants introduce themselves. Following introductions Mr. Moyer requested clarification on the District's posting locations. Attorney Tanaka discussed the requirements for proper posting locations and notice periods under CRS Title 32 and Title 24.

FINANCIAL MATTERS

Claims: The Board considered the ratifying approval of the payment of claims through the period ending November 20, 2008, totaling \$54,489.12.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board ratified the payment of claims for the period ending November 20, 2008.

The Board then considered the approval of the payment of claims through the period ending December 5, 2008, totaling \$64,917.48.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending December 5, 2008.

Financial Statements: Mr. Beckman reviewed the unaudited financial statements for the period ending October 31, 2008. Mr. Lallier with Special District Management Services, Inc. Finance Department joined the meeting at this time.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Madonna and, upon vote, unanimously carried, the Board approved the

RECORD OF PROCEEDINGS

unaudited financial statement for the period ending October 31, 2008.

Current Cash Flow Projection: Mr. Beckman reviewed the District's current Cash Flow Projection with the Board.

2009 Suggested Water Rates: Discussion was deferred.

2008 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2008 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 2008 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. There were no comments from the public in attendance and the public hearing was closed.

Following review and discussion, Director Cyriacks moved to adopt the Resolution to Amend 2008 Budget, Director Matthews seconded the motion and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2008 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2009 Budget: The President opened the public hearing to consider the proposed 2009 Budget and discuss related issues.

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

Mr. Moyer asked for clarification of budgeted revenue in 2008. Attorney Tanaka explained that the District budgeted for, but did not obtain additional debt in 2008. Mr. Enzer requested that the District consider including The Grants into the District in 2009. Attorney Tanaka explained the petition process for

RECORD OF PROCEEDINGS

inclusion.

The public hearing was closed.

Mr. Beckman reviewed the estimated 2008 expenditures and the proposed 2009 expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2009 Budget, Set Mill Levies, for the General Fund at 40.500 and the Debt Service Fund at 5.500, for a total mill levy of 46.000 and Appropriate Sums of Money. Upon motion duly made by Director Cyriacks, seconded by Director Matthews 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, 2008. Mr. Beckman was authorized to transmit the Certification of Mill Levy to the Board of County Commissioners of Saguache County and the Division of Local Government, not later than December 15, 2008. Mr. Beckman was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2009. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

Fixed Asset Inventory: Mr. Harrell reported no recent progress on fixed asset inventory.

Debt Consolidation and Line of Credit: Mr. Beckman reported that he has had recent conversations with Wells Fargo Bank, and they are unable to offer a line of credit. Mr. Beckman further reported that given current economic conditions the expected interest rate necessary to obtain financing would not likely be beneficial for consolidating the District's outstanding debt.

Bond Financing: Tom Bishop and Blake Jordan joined the meeting via Speakerphone. Mr. Bishop reported that he has been in pursuit of a buyer of up to \$3,000,000 in general obligation bonds and discussed current interest rates of approximately eight percent. Mr. Bishop discussed pursuing a smaller issuance of

RECORD OF PROCEEDINGS

\$1,500,000 at this time and pursuing additional financing when market conditions are more favorable. Director Canaly requested that Mr. Bishop provide a cost benefit comparison of two issuances over several months versus issuing the entire amount in present market conditions. Tanaka discussed adopting a parameters resolution on December 19th to authorize certain actions related to the proposed bond issuance.

It was noted that Mr. Lallier, Mr. Jordan, and Mr. Bishop left the meeting at this time.

Department of Local Affairs ("DOLA") Grants: Mr. Beckman reported that the District's matching funds for the DOLA grant eligible projects are expected to be provided by bond proceeds. In light of the present economic conditions members of the Board directed Mr. Beckman inquire with DOLA about financing for the matching funds.

Payment in Lieu of Taxes ("PILOT"): Mr. Beckman reported that Colorado College will need to receive an invoice for amounts due under the agreement prior to the end of the year and that he would work with staff to get the information necessary to prepare an invoice. Attorney Tanaka discussed PILOT agreements for existing tax-exempt entities and recommended that the Board adopt a resolution requiring PILOT agreements of all future tax-exempt entities. Mr. Harrell reported that he has a list of the current tax exempt entities and will pursue agreements with them.

2008 Audit: The Board reviewed the proposal from McMahan & Associates, P.C. to perform the 2008 Audit.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the engagement of McMahan & Associates, P.C. to perform the 2008 Audit, for an amount not to exceed \$9,500.

LEGAL MATTERS

November 2008 Election: Election results. Attorney Tanaka reported that the debt authorization questions passed, however the question regarding the removal of term limits did not. The District has requested a recount, however the County Clerk and Recorder has

RECORD OF PROCEEDINGS

reported that a recount has already been done. Attorney Tanaka is in communication with the County Attorney regarding this matter. Director Matthews expressed concern that the provisions of the intergovernmental agreement regarding the coordinated election were not followed by the County.

Report by Attorney Schwiesow: Acquisition of land at Well 18. Attorney Tanaka reported that she has requested the legal description from Attorney Schwiesow and is in contact with the property owner's secretary regarding negotiations.

Everhart Suit. Mr. Beckman reported that there are no new developments.

District's Water Rights. Steve Rogers discussed maintenance of the District's surface water rights. Members of the Board requested that Attorney Tanaka follow up with Attorney Schwiesow to get an opinion of the status of the surface water rights and necessary actions to maintain.

Improvements on Property Owned by Manitou Foundation: Director Canaly reported that she is aware of email communication among members of the general public regarding the attendance by members of the Manitou Foundation at today's meeting. Director Canaly discussed the reason for the representatives of the Manitou Foundation not attending as being due to the entire Board not being present. She further noted that the issues of relevance to the District are those related to the District's easements, and land use for District purposes. Mr. Enzer addressed the Board stating that he wanted to be sure concerns by the general public were addressed. Director Cyriacks requested clarification on which portions of the District's infrastructure, if any, are outside District property. Members of the Board requested that Mr. Harrell schedule a walk-through with representatives of the Manitou Foundation to inspect property lines and the location of any infrastructure that may be in question. Director Canaly read aloud the letter from Manitou Foundation dated December 5, 2008 (attached to these minutes and incorporated herein by this reference). Attorney Tanaka discussed this matter and possible remedies. No action was

RECORD OF PROCEEDINGS

taken.

Resolution 2008-12-05 regarding Overtime and On-Call Compensation: Attorney Tanaka reviewed with the Board Resolution No. 2008-12-05 regarding Overtime and On-Call Compensation.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Cyriacks and, upon vote, unanimously carried the Board approved Resolution 2008-12-05 regarding Overtime and On-Call Compensation. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Resolution 2008-12-06 regarding Annual Administrative Actions: Attorney Tanaka discussed the actions being included in the resolution. It was noted that the periodical for publication of notices should be changed to The Saguache Crescent, and that the Baca Grande Property Owners Association Library should replace Crestone Realty as a posting location.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved Resolution 2008-12-06 regarding Annual Administrative Actions, as amended. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Resolution 2008-12-07 regarding the Colorado Special District Records Retention Schedule: Attorney Tanaka discussed with the Board Resolution 2008-12-07 regarding the Colorado Special District Records Retention Schedule.

Following discussion, upon motion duly made by Director Madonna, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved Resolution 2008-12-07 regarding the Colorado Special District Records Retention Schedule. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Resolution regarding Identify Theft Protection Program: Attorney Tanaka discussed new legislation requiring an identity theft protection program by May 1, 2009. The

RECORD OF PROCEEDINGS

Board of Directors determined to defer until January.
No action taken.

Resolution regarding Paid Time Off Policy: Discussion
was deferred.

Resolution No. 2008-12-08 regarding Certifying Delinquent Water and Sanitary Sewer Service Fees to Saguache County Treasurer for Collection: Attorney Tanaka discussed with the Board Resolution No. 2008-12-08 regarding Certifying Delinquent Water and Sanitary Sewer Service Fees to the Saguache County Treasurer for Collection.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved Resolution 2008-12-08 regarding Certifying Delinquent Water and Sanitary Sewer Service Fees to the Saguache County Treasurer for Collection. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

OPERATIONS

Operations Manager Report: Mr. Harrell presented his report dated December 5, 2008 ("Report"). A copy of the Report is attached hereto and incorporated herein by this reference. Following review and discussion of the matters presented in the Report, the Board addressed the following matters:

Customer Service Issues, Steve and Vendia Beard: The Board determined to review the matter further.

UNCC Verification: The Board recommended that, in addition to relying on District information, Mr. Harrell check with the Property Owners Association for service line locations in the future.

HUB SCA Insurance: Members of the Board directed Mr. Harrell to request additional information for additional liability coverage and bind coverage upon authorization from Mr. Beckman.

Status of Staffing: Mr. Harrell reported that in order to provide optimal service to the District's Customers he will need another full time field technician and

RECORD OF PROCEEDINGS

will need Haven Wellman to become a full time employee as of January 1, 2009.

Mobile Home Estates Lagoon System: Mr. Rogers reported that the testing for Ph was not conducted since August due to miscommunication with certain staff members. Mr. Rogers reported that appropriate steps have been taken to ensure proper reporting in the future.

Well 18 Project: Members of the Board requested that Mr. Beckman inquire with DOLA about obtaining financing for the matching funds portion of the project.

Status of Compliance of the Aspen Treatment Plant: Mr. Rogers reported that the treatment plant was in violation of acceptable levels by one Ph value due to adjustments to only half of the system. Adjustments have subsequently been made to the entire system.

Status of East Dream Way Project: Mr. Harrell reported that the staff will keep water running through the line to prevent freezing over the winter.

Status of Dharma Ocean Line Extension Project: Mr. Harrell reported that the project is nearly completed and the lift station is expected to be operational by December 15th.

Status of Website Reconstruction: Directors Canaly and Matthews volunteered to review the web site format.

Notice of Violation from the Colorado Department of Public Health and Education: Mr. Rogers discussed the recent drinking water violation as being due to a failure to report in a timely manner. He reported that steps are being taken to ensure future reporting in a timely manner.

Quarterly Newspaper Article: Director Canaly reported that she had submitted the quarterly newspaper article for publication in the Creston Eagle.

OTHER BUSINESS

Town Annexation Task Force: Director Cyriacks reported that the first draft of financial projections

RECORD OF PROCEEDINGS

illustrating the impact of annexation by the Town of Crestone will be presented at Town Hall on December 16, 2008.

EXECUTIVE SESSION

Personnel Issues: Manitou Foundation: EXECUTIVE SESSION: Pursuant to Section 24-6-402(4) of the Colorado Revised Statutes, upon motion duly made by Director Cyriacks, seconded by Director Madonna and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 1:47 p.m. for the sole purpose of discussing personnel matters and matters subject to negotiation as authorized by Sections 24-6-402(4) (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 Board's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

It was noted that Mr. Rogers and Mr. Harrell left the executive session at 2:20 p.m.

The Board reconvened in regular session at 3:13 p.m.

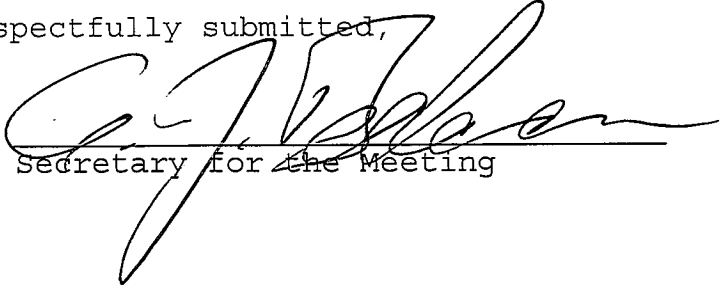
The Board Directed Mr. Beckman and Attorney Tanaka conduct meetings with the entire staff and individually immediately following the meeting and to participate in staff meetings on a weekly basis by telephone for the next few weeks.

ADJOURNMENT

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

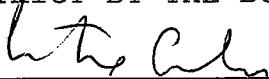
Respectfully submitted,

By

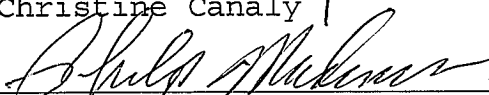

Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL DECEMBER 5,
2008 MINUTES OF THE BACA GRANDE WATER AND SANITATION
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



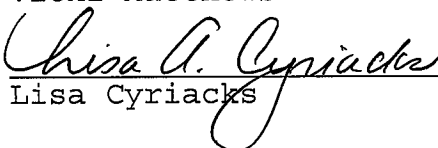
Christine Canaly



Philip Madonna



Vicki Matthews



Lisa Cyriacks

Parvin J. Johnson, Sr.

BAVA GRAINDE WAJEN ANU CHANNIATION DINDINDI
 DECEMBER 5, 2008

Please print your name, address and phone number and the issue(s) you are interested in addressing at this meeting.

NAME	ADDRESS	TELEPHONE/EMAIL	ISSUE(S) TO BE ADDRESSED
Leon Meyer	Gen Highway, Crestone	leon-meyer@yachar.com	Visitor/spectator
Richard Kerner	R5X161 Crestone	rkg@yachar.com	WATER in the grounds
Sheela Bell	Box 150 Crestone	retuta@crestonehvac.com	(visitor)
Dwain Dunlop	POB 155	256-4801 dndin@yachar.com	water
Dorinda D. Duthie	POB 494	256-5653	(Visitor)

BACA GRANDE WATER AND SANITATION DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
Fax: 303-987-2032

December 15, 2008

Division of Local Government
Department of Local Affairs
1313 Sherman Street, Room 520
Denver, Colorado 80203

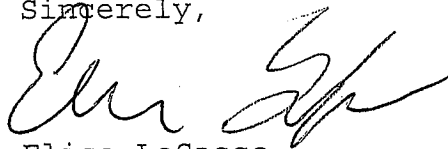
Re: Baca Grande Water and Sanitation District
Amendment of 2008 Budget and Appropriation

Dear Sir or Madam:

Enclosed is a copy of the Resolution to Amend the 2008 Budget and appropriation duly adopted by the Board of Directors of the Baca Grande Water and Sanitation District on December 5, 2008.

If you have any questions, please contact me.

Sincerely,



Elise LoSasso
Assistant to AJ Beckman
District Manager

Enclosure

cc: White Bear & Ankele, P.C. - Laura Heinrich

RESO No. 2008-12-01
RESOLUTION TO AMEND 2008 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 2008 as follows:

General Fund	\$	53,500
Capital Projects Fund	\$	-0-

WHEREAS, the necessity has arisen for additional expenditures in the General Fund and the Capital Projects Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2008; 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 General Fund from property taxes and specific ownership taxes.

WHEREAS, funds are available for such expenditures in the Capital Projects Fund from bond proceeds.

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 2008 and adopts a supplemental budget and appropriation for the General Fund and the Capital Projects Fund for the fiscal year 2008, as follows:

General Fund:	\$	550,000
Capital Projects Fund	\$	1,300,000

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 5th day of December, 2008.

BACA GRANDE WATER AND SANITATION
DISTRICT

By: Vicki Matthews
Secretary

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BACA GRANDE WATER AND SANITATION DISTRICT
TO ADOPT THE 2009 BUDGET

WHEREAS, the Board of Directors of the Baca Grande Water and Sanitation District has appointed the District Manager to prepare and submit a proposed 2009 budget to the Board at the proper time; and

WHEREAS, the District Manager has submitted a proposed budget to this Board on or before October 15, 2008, 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, a public hearing was held on December 5, 2008, and interested electors were given the opportunity to file or register any objections to said proposed budget; 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 so that the budget remains in balance, as required by law.

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 2009 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 is made a part of the public records of the District.

ADOPTED this 5th day of December, 2008.



Secretary

(SEAL)

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

WHEREAS, the Board of Directors of the Baca Grande Water and Sanitation District has adopted the 2009 annual budget in accordance with the Local Government Budget Law on December 5, 2008; and

WHEREAS, the Board of Directors of the District has made provision 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 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

General Fund	\$ 600,983
Capital Projects Fund	\$ 2,212,362
Enterprise Fund	\$ 949,891
Debt Service Fund	\$ 226,200

ADOPTED this 5th day of December, 2008


Secretary

(SEAL)

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 has adopted the annual budget in accordance with the Local Government Budget Law on December 5, 2008; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is \$646,452; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is \$77,293; and

WHEREAS, the 2008 valuation for assessment for the District, as certified by the Assessor for the County of Saguache, is \$14,053,311.

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 2009 budget year, there is hereby levied a tax of 46.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$569,159 in revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2009 budget year, there is hereby levied a tax of 5.500 mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$77,293 in revenue.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of the Saguache County, Colorado, the mill levies for the District as hereinabove determined and set, but as 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.

ADOPTED this 5th day of December, 2008.


Secretary

(SEAL)

RESOLUTION NO. 2008-12-05

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

ADOPTING A POLICY REGARDING OVERTIME AND ON-CALL COMPENSATION

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

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the Board of Directors of the District (the "Board") is empowered to appoint, hire and retain agents, employees, engineers and attorneys; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Board is empowered to adopt, amend and enforce bylaws and rules and regulations not in conflicts with the Colorado Constitution for the purpose of carrying on the business, objects and affairs of the Board and of the District; and

WHEREAS, the Board desires to adopt a policy regarding the compensation paid to employees for overtime and on-call work for the District.

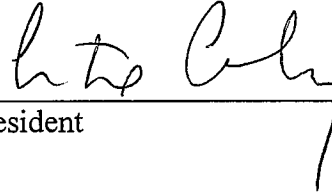
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT AS FOLLOWS:

1. ADOPTION OF POLICY. The Board hereby adopts the policy regarding the compensation paid to employees for overtime and on-call work set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Policy"). In the event anything contained in the Policy conflicts with any provision of Colorado law, such conflicting provision shall be deemed null and void.

[Remainder of Page Intentionally Left Blank].

APPROVED AND ADOPTED THIS 5th DAY OF DECEMBER, 2008.

BACA GRANDE WATER AND
SANITATION DISTRICT



President

ATTEST:

Vicki Matthews

Secretary

EXHIBIT A
The Policy

Overtime

From time to time, you may be required to work overtime. In these instances, you are given as much advance notice as practical. The established workweek begins at 12:01 a.m. on Monday and ends at 12:00 midnight on Sunday.

Non-exempt employees are paid at the rate of one and one-half (1-1/2) times their regular hourly rate for hours worked in excess of 40 during the established workweek. However, compensatory time off at the rate of one and one-half hours off for each hour of overtime may be granted instead of overtime pay. Compensatory time must be used within the time period in which it was incurred.

For purposes of calculating overtime payments, hours paid for holidays and vacation or any other paid absence are not counted as hours worked if an employee does not actually work on that day. If an employee is required to work on a holiday, then those hours are counted as hours worked. Employees who work on a holiday will not receive additional compensation above and beyond the normal holiday pay, unless they are required to work over eight hours in that day. If an employee works more than eight hours on a holiday, they will begin getting paid in the ninth hour at a rate of one and one-half (1 ½) times their regular hourly rate. Employees may not work overtime without the permission of management.

On Call Time

Employees may be assigned on call duty by the District Manager requiring they be available for call in during a specified time period outside their normal working hours. There will be no on call or emergency premium.

of the District's fiscal year, unless otherwise extended in accordance with the provisions thereof; 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 proposed budgets and amendments thereto, to adopt budget resolutions and to file copies of the budgets and budget messages, 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 (72) 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 posting place for notices of meetings which are not otherwise posted under Title 32, C.R.S.; 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 and requires that notice of such meetings be posted in at least three (3) public places within the boundaries of the District and in the County Clerk and Recorder's Office at least three (3) days prior to said meeting; 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 it is authorized or required to call and 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 an election to the Division within thirty (30) 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; 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 (30) 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 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, may be required to file an annual report with the Board of County Commissioners, 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.

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

1. The Board directs the District 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 with the Division, as required by § 32-1-306, C.R.S.

2. The Board directs the District Manager to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder 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 Manager to prepare and file with the Division an informational listing of all contracts in effect with other political subdivisions on or before February 1, in accordance with § 29-1-205, C.R.S. Such list shall contain the names of the contracting political subdivisions, the nature of the contract and the expiration date thereof.
4. The Board directs the District's accountant to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, *et seq.*, C.R.S.
5. The Board directs the District's 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.
6. The Board directs the District's accountant to submit a proposed budget to the Board by October 15, to prepare a final budget and budget message, including any amendments thereto, if necessary, and directs legal counsel to schedule a public hearing on the proposed budget and/or amendment, and to post or publish notice 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.
7. The Board directs the District Manager counsel to cause the preparation of the Unclaimed Property Act report and submission the same to the State Treasurer by November 1, in accordance with § 38-13-110, C.R.S.
8. The Board directs the District's accountant to prepare the mill levy certification form and directs the District's legal counsel to file the mill levy certification form with the Board of County Commissioners on or before December 15, in accordance with § 39-5-128, C.R.S.
9. 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 the District's legal counsel.

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

President:	Christine Canaly
Secretary/Treasurer:	Vicki Matthews
V.P./Assistant Secretary:	Phillip Madonna
Assistant Secretary:	Lisa Cyriacks
Assistant Secretary:	Parvin Johnson
Recording Secretary:	District Manager
12. 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. Additionally, at the beginning of each year, each Board member shall submit information to the District's legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide the District's legal counsel with any revisions, additions, corrections or deletions to said conflicts of interest disclosures.
13. 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.
14. The Board hereby appoints the District 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.
15. Pursuant to § 24-6-402(2)(c), C.R.S., the Board hereby designates the offices of the District at 57 Baca Grant Way South, Crestone, Colorado as the District's 24-hour posting place for notices of meetings which were not otherwise posted under §§ 32-1-101, *et seq.*, C.R.S.
16. The Board determines to hold regular meetings on the third Friday of each month at 9:00 A.M. at 57 Baca Grant Way South, Crestone, Colorado. In addition, regular and special meeting notices shall be posted in three (3) locations within the District's boundaries, as more particularly set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, and at the County Clerk and Recorder's Office at least three (3) days prior to said meeting, in accordance with § 32-1-903, C.R.S.


17. 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.
18. Pursuant to its authority set forth in § 1-1-111, C.R.S., the Board hereby appoints A.J. Beckman, of Special District Management Services, Inc., as the “Designated Election Official” of the District for any elections to be held. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, the power to 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.
19. 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.
20. The Board directs the District Manager to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.
21. The Board directs the District Manager to cause the preparation of and filing with the Board of County Commissioners, if requested, the application for quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.
22. The Board directs the District Manager to cause the preparation of and the filing with the Board of County Commissioners, 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.
23. The Board directs the District 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 in a timely manner, as applicable. The Board and legal counsel will review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained.

24. 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.

[Remainder of Page Intentionally Left Blank].

RESOLUTION APPROVED AND ADOPTED THIS 5th DAY OF DECEMBER 2008.

BACA GRANDE WATER AND SANITATION
DISTRICT



Officer of District

ATTEST:



CERTIFICATION OF RESOLUTION

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

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a District meeting held on Friday, December 5, 2008, at 57 Baca Grant Way South, Crestone, Colorado 81131, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 5th day of December 2008.

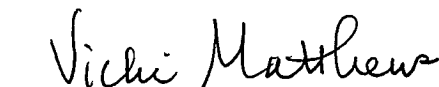


EXHIBIT A

Pursuant to Resolution No. 2008-07-02, the notices of regular and special meetings required to be posted at three public places within the District at least three days prior to said meeting shall be made at the following locations:

Professional Building
46 Camino Baca Grande
Crestone, Colorado 81131

Baca Grande Library
67000 County Road T
Crestone, Colorado 81131

A notice shall also be posted at the following location:

United States Post Office (Outside District Location)
166 S. Alder Avenue
Crestone, Colorado 81131

Resolution No. 2008-12-07

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
ADOPTING THE COLORADO SPECIAL DISTRICT RECORDS RETENTION
SCHEDULE

WHEREAS, the Baca Grande Water and Sanitation District (the "District") recognizes a need for a comprehensive records retention schedule for the District's non-permanent records and the retention of those records that have long-term administrative, fiscal and historical value; and

WHEREAS, the Colorado State Archives has developed a state-wide record retention schedule in cooperation with the Colorado Special Districts Association, the Colorado Attorney General's Office and the State Auditor's Office for special districts to use and follow; and

WHEREAS, the District believes it important to follow the same schedule for the retention of the District's non-permanent records.

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

1. The District hereby adopts the 2008 Colorado Special District Records Retention Schedule, and all subsequent revisions thereto, and authorizes the District's legal counsel to submit the request to the Colorado State Archives for the Schedule to be used as legal authority for the destruction and preservation of District records.

APPROVED AND ADOPTED THIS 21st DAY OF NOVEMBER 2008.

BACA GRANDE WATER AND SANITATION
DISTRICT



Officer of the District

ATTEST:



RESOLUTION NO. 2008-12-08

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

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

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

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

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

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

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

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

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

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

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

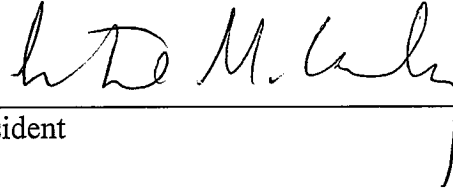
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT AS FOLLOWS:

1. CERTIFICATION OF DELINQUENT FEES. The Board hereby elects to have the Delinquent Fees certified to the County Treasurer be collected and paid over by the County Treasurer in the same manner as taxes are authorized to be collected and paid over pursuant to § 39-10-107, C.R.S. The Board hereby directs the District's Manager to certify to the County Treasurer the Delinquent Fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Certification"). Such Delinquent Fees shall be certified by no later than December 8, 2008 in order to comply with State statutory deadlines.

[Remainder of Page Intentionally Left Blank].


APPROVED AND ADOPTED THIS 5th DAY OF DECEMBER, 2008.

BACA GRANDE WATER AND
SANITATION DISTRICT



President

ATTEST:



Secretary

EXHIBIT A
Delinquent Properties and Delinquent Fees

BACA GRANDE WATER & SANITATION DISTRICT

Date: 10/31/08

Delinquent/Shut-Off Accounts
2008 CERTIFIED ACCOUNTS

Book	Account	Name	Service Address	Final Bill Balance
11	110046	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 46	\$165.20
11	110071	CLAYWELL* HOWARD L.	MOBILE HOME ESTATES - LOT 71	\$192.11
11	110076	YARBROUGH* RICHARD P &ROBIN	MOBILE HOME ESTATES - LOT 76	\$192.11
11	110101	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 10	\$165.20
11	110104	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 10	\$165.20
11	110147	FLORENCE* RUTH H.	MOBILE HOME ESTATES - LOT 14	\$165.20
11	110148	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 14	\$165.20
11	110157	LUTZ* ALBERT A.	MOBILE HOME ESTATES - LOT 15	\$165.20
11	110174	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 17	\$165.20
11	110178	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 17	\$165.20
11	110187	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 18	\$165.20
11	110198	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 19	\$165.20
11	110205	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 20	\$165.20
11	110236	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 23	\$165.20
11	110239	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 23	\$165.20
11	110248	NOGOWSKI* HELEN M.	MOBILE HOME ESTATES - LOT 24	\$192.11
11	110284	USR INVESTMENT INC*	MOBILE HOME ESTATES - LOT 28	\$165.20
11	110288	ZIER* MATTIE S.	MOBILE HOME ESTATES - LOT 28	\$165.20
11	110314	PALLINGAYAN*LOID CARTAGENA	MOBILE HOME ESTATES - LOT 31	\$259.72
11	110331	CRYSTER* DAN	MOBILE HOME ESTATES - LOT 33	\$165.20
11	110366	CRYSTER* DAN	MOBILE HOME ESTATES - LOT 36	\$165.20
11	110370	REINHOLDSON* JIM MICHEAL	MOBILE HOME ESTATES - LOT 37	\$152.60
21	210215	BLACKHALL* MARILYN	CHALET I - LOT 215	\$165.20
21	210229	CRYSTER* DAN	CHALET I - LOT 229	\$165.20
21	210464	LUTZ* ALBERT A.	CHALET I - LOT 464	\$165.20
21	210594	CRYSTER* DAN	CHALET I - LOT 594	\$165.20
21	210631	CRYSTER* DAN	CHALET I - LOT 631	\$165.20

21	210644	BALAGTAS* EDGAR M. & FLORIAN	CHALET I - LOT 644	\$165.20
21	210728	CRYSTER* DAN	CHALET I - LOT 728	\$165.20
21	210744	OLAYA* ROBERT Y. & SHIRLEY E.	CHALET I - LOT 744	\$205.49
21	210745	ELK HAVEN PARTNERSHIP*	CHALET I - LOT 745	\$165.20
21	210955	RODER* NICHOLAS O.	CHALET I - LOT 955	\$192.11
21	211208	CRYSTER* DAN	CHALET I - LOT 208	\$165.20
21	211214	BONNIFIELD* CHARLES M. & BETTY	CHALET I - LOT 214	\$165.20
21	211332	CHEIFETZ* DANIEL	CHALET I - LOT 332	\$165.20
21	211503	CRYSTER* DAN	CHALET I - LOT 503	\$165.20
21	211611	O'BRIEN* MURRAY A.	CHALET I - LOT 611	\$165.20
21	211664	KETTEN* MARY	CHALET I - LOT 664	\$259.72
21	211696	CRYSTER* DAN	CHALET I - LOT 696	\$165.20
21	211836	SHEA* TERRENCE & FLORA K	CHALET I - LOT 836	\$160.54
21	211925	CRYSTER* DAN	CHALET I - LOT 925	\$165.20
21	212015	PHOENIX REAL ESTATE INVESTMENT	CHALET I - LOT 2015	\$160.54
21	212016	PHOENIX REAL ESTATE INVESTMENT	CHALET I - LOT 2016	\$160.54
21	212066	CRYSTER* DAN	CHALET I - LOT 2066	\$165.20
21	212089	CRYSTER* DAN	CHALET I - LOT 2089	\$165.20
21	212168	CRYSTER* DAN	CHALET I - LOT 2168	\$165.20
21	212185	GUERRERO* FEDERICO O. & EDITH	CHALET I - LOT 2185	\$192.11
21	212187	CRYSTER* DAN	CHALET I - LOT 2187	\$165.20
21	212220	MARTHA M. HUMAN REV LIVG TRUST*	CHALET I - LOT 2220	\$165.20
21	212252	SPARKMAN* JAMES S.	CHALET I - LOT 2252	\$160.54
21	212268	CRYSTER* DAN	CHALET I - LOT 2268	\$165.20
21	212294	CRYSTER* DAN	CHALET I - LOT 2294	\$212.40
22	223230	TERLAJE* JONATHAN A. HEIKKINEN	CHALET II - LOT 3230	\$165.20

22	223289	GALVIN* JOSH H. & EMILY J.	CHALET II - LOT 3289	\$165.20
22	223349	PANGELINAN* VINCENTE Q. & JULIA	CHALET II - LOT 3349	\$192.11
22	223362	CRYSTER* DAN	CHALET II - LOT 3362	\$165.20
22	223397	WALLICK* WILLIAM	CHALET II - LOT 3397	\$177.71
22	223434	CEPEDA* MATTHEW P.	CHALET II - LOT 3434	\$165.20
22	223465	STREHLI* ALFRED S. JR.	CHALET II - LOT 3465	\$165.20
22	223800	MILLER* MICHAEL D.	CHALET II - LOT 3800	\$165.20
22	223908	JOHNSON* SCOTT C.	CHALET II - LOT 3908	\$165.20
22	224205	CAMIRAND* JEREMY FOX	CHALET II - LOT 4205	\$165.20
22	224247	NOMURA* MISTUHIRO	CHALET II - LOT 4247	\$165.20
22	224406	JOHNSON* STEVEN	CHALET II - LOT 4406	\$165.20
22	224408	ZOELLNER* TOM & BLAIR KELLER	CHALET II - LOT 4408	\$165.20
32	320005	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 5*	\$165.20
32	320006	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 6*	\$165.20
32	320007	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 7*	\$165.20
32	320009	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 9*	\$165.20
32	320010	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 10*	\$165.20
32	320011	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 11*	\$165.20
32	320012	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 12*	\$165.20
32	320013	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 13*	\$165.20
32	320014	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 14*	\$165.20
32	320015	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 15*	\$165.20
32	320016	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 16*	\$165.20
32	320017	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 17*	\$165.20
32	320018	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 18*	\$165.20
32	320019	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 19*	\$165.20
32	320020	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 20*	\$165.20
32	320021	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 21*	\$165.20
32	320022	GRIFFIN* GREG	BACA MEADOWS 2 - LOT 22*	\$165.20
41	410319	NICHOLAS* DAVID R.	MOBILE HOME ESTATES - LOT 319	\$682.10
42	420142	BETHEYLA	MOONLIGHT WAY 142*	\$535.10

BACA GRANDE WATER AND SANITATION DISTRICT

DATE: December 5th, 2008
TO: Board of Directors BGWASD
FROM: Steven Harrell, General Manager
SUBJECT: Report on Operations

REPORT TOPICS:

- 1. RECOMMENDATION FOR 2009 STAFFING:**
- 2. OPERATIONS UPDATE:**
- 3. CUSTOMERSERVICE ISSUES:**
- 4. SYSTEMS UPDATE:**
- 5. FOLLOW UP ITEMS FROM THE OCT. 31ST MEETING:**
- 6. SUGGESTIONS FROM MANAGEMENT:**

RECOMMENDATION FOR 2009 STAFFING:

- The District has been able to maintain the basic level of service from September through December 2008.
- Operations will need Stephen Wade to be full time in 2009, and I recommend a \$1 per/hour raise before he gets his rural waste water certification.
- The District will need a more competent Water Waste Water Operator than Justin Debon.
- We have started the extensive background check on Glenn Jones. We have received a signed document from Mr. Jones authorizing the District to look into Mr. Jones's records and references. If Mr. Jones passes the background check process, I hope the Board will authorize a trial hire period of 30-60-90 days.
- The office will need Haven on full time in 2009

OPERATIONS UPDATE:

- Operations have been working on the John Donald line extension since the 18th of November. This project has not been the success we were aiming for.
 1. The project is the first substantial project the new operations crew has attempted.
 2. Members of the small crew are having issues taking and following instructions.

3. The operations crew is 1-man short. This prevents operations from performing certain types of work while there is 1- man on site at a time such as being in a trench setting pipe or bedding sand.
- **Skyview way water leak.** On November 21st, Friday 2008 Operations became aware of a water leak on Skyview way. Operations had the John Donald water main extension trench open. So we were unable to respond to the leak. I called in Rocky Mountain Septic. Fortunately they had a crew in Crestone on that day. The repairs were difficult and the water line continued to leak. The repairs took until Sunday at 12:00am. 25 -30 Customers experienced interrupted service from Friday at 12:00 am to Sunday at 12:00 am. The District operations were successful in notifying the customers of the leak and the expected repair date. Overall, all of the customers were understanding and had good attitudes. The total cost of repair not including the asphalt repair is \$3900.
- **UNCC verification.** The BGWASD is a tier 1 member with the UNCC. The District is redefining the response to locates. The District received a request for locates on 10/29/08. This request for locates was ignored by Justin Debon. The reason he ignored the request is a belief that the District does not locate private utilities, meaning utilities that come off the main water and waste water lines are not our responsibility. This is not a correct understanding of the Districts responsibility. The District is responsible for all of our utilities that are within the utility easement. The result of ignoring the locate is a 4" residential sewer line was damaged when the sub-contractor to Fair Point Communications cut through the un-located sewer line at 933 Moonlight Way. As a result of the damage to the

sewer line, Barbara Falconer's basement was flooded with waste water.

Barbara's house has a neighbor's sewer line connected to hers without backflow prevention. This resulted in her neighbor's waste water back flowing into her house. Upon Board approval, the District will pay for ½ of the cost for repair.

Sharing the cost of repair with Fair Point Communications.

CUSTOMERS SERVICE ISSUES:

- Steve & Vedina Beard are requesting compensation from the BGWSD for the expenses incurred by them dealing with the freezing sewer line on East Dream Way. The total cost is \$ 4878.00.
- Availability of fees charge for lots the County owns?

SYSTEMS UPDATE:

- **Status of Mobile Home Estates Lagoon System:** The PH testing for the Lagoon was not completed for September, October, and November.
- **Well 18 project update:** The DOLA contracts have been issued from DOLA and approved by Jennifer.
- **Aspen plant Compliance:** Stephen Rogers will update Board.
- **East Dream Way Project status:** We have no progress on this project to report. We are still waiting for a scope of work and a RFP. The time of year for freezing potential is rapidly approaching. The operations staff is preparing for running continuous water thru the sewer line and the water line.

- **Dharma Ocean sewer update:** The sewer line is completed the lift station is almost complete. RMS has a pump on back order. The Electrician is scheduled to complete electrical work starting Dec 5th. If all goes well the lift station will be operational the 12th or the 15th of December 2008. If this schedule is not met. RMS utility has committed to pump out the tank until it is fully operational.
- **Web- site reconstruction:** Status update. Joann has built a skeleton of pages with the information gathered from the meeting she had with our staff. Joann would like to get the tap fee status information so that she can organize it and possibly post those on the site, so that at least that information is out there. The Board needs to sign the contract.
- **Discuss notice of violation from the Colorado Department of Health:** Stephen Rogers will update Board.

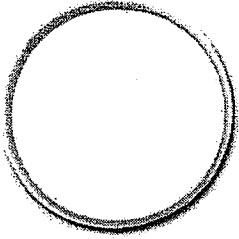
FOLLOW UP ITEMS FROM THE OCT. 31ST MEETING:

- **Resolution Note Book for Board of Directors.** Completed (Note book is in filing room).
- **DOLA Grant:** The scope was amended and sent to DOLA on the 5th of November. The contract from DOLA has been issued and reviewed by Jennifer.
- **Pilot Agreements;** the office has received a list of tax exempt properties from the County. I think we are going to need to pass a resolution for these properties and get the fund through an EQR.
- **PTO:** Revision of policy is not complete.
- **Overtime, On-call and emergency pay policy:** Not complete.

- **Quarterly Newspaper article update:** Chris will update Board.
- **Apartment:** Justin has been notified by Chris about time frame in which he must vacate the apartment. Some form of verification by the Board needs to be implemented to insure the apartment is vacated by the deadline.

SUGGESTION FROM MANAGEMENT:

- **HUB SCA INURANCE:** Has recommended increasing the liability coverage from \$500,000 to \$1,000,000. The increase will cost the District \$184 per year. I strongly recommend the Board approves this increase.



Manitou Foundation

Post Office Box 118 • Crestone, CO 81131

phone: (719) 256-4265 • fax: (719) 256-4266 • eMail: spirit@manitou.org

MANITOU FOUNDATION PRESENTATION TO THE BACA GRANDE WATER & SANITATION DISTRICT BOARD OF DIRECTORS

December 5, 2008

I. OVERVIEW OF LAND GRANT FROM MANITOU TO THE DISTRICT

Brief History of the District's request to Manitou to acquire more acreage within the Cottonwood area. The land was granted by Manitou at no cost to the District.

The land surrounding the District's property is designated for preserve status under Manitou's Conservation Easement. Brief overview of the conservation easement and maps will be provided. Manitou is concerned that some of the District's improvements violate the terms of the Easement.

The land was deeded by Manitou after receiving county approval through the subdivision exemption process in March 2000. Lisa Cyriaks represented Manitou in the process and may have a conflict of interest on this issue.

II. DISTRICT'S IMPROVEMENTS ON MANITOU'S PROPERTY

The Discharge pit extends onto Manitou's land.

The Parking area was cleared on Manitou's land without consent. Written consent is required under the Grant of Easement and Agreement, dated March 17, 2000 and recorded on March 21, 2000. Manitou wants the land restored to its natural state. Manitou is unaware of any authorization for the lot and would like to see any evidence of representations by Manitou's representative with regard to the lot.

Manitou is concerned that the District is accessing the jeep trail along the creek without permission and/or an existing easement agreement. Debris (and possible underground utilities) are believed to be located on Manitou's land along the creek must be removed.

An improvement survey is necessary to ascertain the full extent of the improvements (both above and below ground) which have been installed on Manitou's property and/or to determine whether any improvements have been installed below the trail.

III. TRAIL ISSUE

In order to protect the land from the impacts of unfettered public use Manitou would like to limit access to the Cottonwood trail to the local community. In light of the District's position that they cannot limit access to the trail (absent evidence of a health or safety risk) we are not likely to reach consensus on this issue and/or any related signage.

To resolve the issue, Manitou will consider a land swap whereby the District obtains an easement over the land on which the pit has been constructed. In return, the District will deed the trail back to Manitou. If we can reach consensus with regard to the swap, we must then ascertain the appropriate process through the County and allocate a reasonable distribution of the related costs.

We would like to discuss the District's position with regard to the public's right to use the mining road (which is owned by Manitou) and/or to park on the District's land for the sole purpose of hiking the trail. The terms of the Grant of Easement and Agreement, dated March 17, 2000 and recorded on March 21, 2000, are relevant to this discussion.

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

	2007	2008	2009
Actual		Adopted Budget	Adopted Budget

Final AV

Assessed Valuation	\$	9,249,918	\$	13,789,168	\$	14,053,311
---------------------------	----	-----------	----	------------	----	------------

Mill Levy

General Fund	-	38.792	-	40.500
Enterprise Fund	38.792	-	-	-
Debt Service Fund	-	-	-	5.500
Temporary Mill Levy Reduction	-	-	-	-
Refunds and Abatements	-	-	-	-

Total Mill Levy	38.792	38.792	38.792	46.000
------------------------	---------------	---------------	---------------	---------------

Property Taxes

General Fund	\$	-	\$	534,909	\$	569,159
Enterprise Fund	370,941	-	-	-	-	77,293
Debt Service Fund	-	-	-	-	-	-
Temporary Mill Levy Reduction	-	-	-	-	-	-
Refunds and Abatements	-	-	-	-	-	-

Actual/Budgeted Property Taxes	\$	370,941	\$	534,909	\$	646,452
---------------------------------------	-----------	----------------	-----------	----------------	-----------	----------------

Baca Grande Water and Sanitation District
 2009 ADOPTED BUDGET - Summary
 with 2007 Actual, 2008 Adopted Budget and 2008 Estimated

	2007	2008	2008	2009
	Actual	Adopted Budget	Amended Budget	Adopted Budget

General Fund - Summary

Beg. Fund Balance	\$	-	\$	-	\$	-	\$	114,265
Revenue								
Property Tax Revenue	-	485,000	524,211	569,159				
SO Tax, Interest and Other Inc.	-	55,100	76,368	49,548				
Transfer from Capital Projects	-	-	-	-				
Transfer from Enterprise Fund	-	-	-	-				
Total Revenue	-	540,100	600,579	618,707				
Expenditures								
Operating Expenditures	-	53,500	350,042	287,029				
Transfer to Enterprise Fund	-	-	136,272	313,954				
Transfer to Debt Service Fund	-	-	-	-				
Total Expenditures	-	53,500	486,314	600,983				
Change in Fund Balance	-	486,600	114,265	17,724				
End. Fund Balance	-	\$ 486,600	\$ 114,265	\$ 131,989				

Baca Grande Water and Sanitation District
 2009 ADOPTED BUDGET - Summary
 with 2007 Actual, 2008 Adopted Budget and 2008 Estimated

	2007 Actual	2008 Adopted Budget	2008 Amended Budget	2009 Adopted Budget
--	----------------	---------------------------	---------------------------	------------------------

Enterprise Fund - Summary

Beg. Fund Balance \$ 41,747 \$ 126,584 \$ 116,833 \$ 9,937

Revenue	440,775	-	-	-
Property Tax, SO, Int, Misc.	355,733	377,500	385,968	396,500
Water and Sewer Usage	70,468	85,740	95,881	100,000
Availability of Service	67,356	58,128	64,166	65,000
System Improvement	30,523	24,759	24,810	19,000
Fire Hydrant Fees	114,072	71,100	28,625	30,000
Tap Fees	9,050	-	-	-
Hook-up/Inspection Fees	37	150	-	-
Lien Releases	10,644	10,644	10,644	15,000
PILT	8,400	15,000	8,250	500
Other Revenue	-	-	-	-
Transfer from Capital Projects	-	-	-	-
Transfer from General Fund	-	-	136,272	313,954
Lease Proceeds	333,722	600,000	-	-
Total Revenue	1,440,780	1,243,021	754,616	939,954

Expenditures	189,119	245,154	226,469	257,882
Operations	18,040	431,969	91,652	98,500
Repairs & Maintenance	97,525	88,370	97,664	113,400
Utilities	442,324	232,000	(9,617)	-
Capital	379,400	374,548	237,520	265,531
Payroll	236,575	317,613	214,578	214,578
Debt	2,711	-	3,246	-
Other	1,365,694	1,689,654	861,512	949,891
Total Expenditures	75,086	(446,633)	(106,896)	(9,937)

Change in Fund Balance \$ 116,833 \$ (320,049) \$ 9,937 \$ -

End. Fund Balance \$ 116,833 \$ (320,049) \$ 9,937 \$ -

Baca Grande Water and Sanitation District
 2009 ADOPTED BUDGET - Summary
 with 2007 Actual, 2008 Adopted Budget and 2008 Estimated

	2007 Actual	2008 Adopted Budget	2008 Amended Budget	2009 Adopted Budget
--	----------------	---------------------------	---------------------------	------------------------

Debt Service Fund - Summary

Beg. Fund Balance	\$ -	\$ -	\$ -	\$ 672,276
Revenue				
Property & SO Taxes	-	-	-	83,476
Interest Income	-	-	-	12,071
Transfer In from General Fund	-	-	-	-
Transfer In from Capital Projects	-	-	672,276	-
Total Revenue	-	-	672,276	95,547
Expenditures				
Proposed 2008 GO -Principal	-	-	-	-
Proposed 2008 GO -Interest	-	-	-	226,200
Total Expenditures	-	-	-	226,200
Change in Fund Balance	-	-	672,276	(130,653)
End. Fund Balance	\$ -	\$ -	\$ 672,276	\$ 541,623

Baca Grande Water and Sanitation District
 2009 ADOPTED BUDGET - Summary
 with 2007 Actual, 2008 Adopted Budget and 2008 Estimated

	2007	2008	2008	2009
	Actual	Adopted Budget	Amended Budget	Adopted Budget

Capital Projects Fund - Summary

Beg. Fund Balance	\$	-	\$	-	\$	-	\$	2,212,362
Revenue								
2008 GO Bond Proceeds	-	-	-	2,900,000	-	-	-	-
Energy/Mineral Impact Grant	-	-	-	317,638	-	-	-	-
Total Revenue	-	-	-	3,217,638	-	-	-	-
Expenditures								
Dharma Ocean Sewer Line	-	-	-	120,000	-	-	-	10,000
Computer Software	-	-	-	-	-	-	-	100,000
Vehicles	-	-	-	-	-	-	-	300,000
Sewer Line	-	-	-	-	-	-	-	300,000
Water Distribution	-	-	-	-	-	-	-	5,000
Plant Building	-	-	-	-	-	-	-	100,000
Meters	-	-	-	-	-	-	-	20,000
Bar Screen	-	-	-	-	-	-	-	742,087
Interconnectivity & Upgrades	-	-	-	-	-	-	-	308,446
Pipe Project - DOLA	-	-	-	-	-	-	-	326,829
Well Project - DOLA	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	213,000	-	-	-	-
Transfer to Debt Service Fund	-	-	-	672,276	-	-	-	-
Transfer to Enterprise Fund	-	-	-	-	-	-	-	-
Transfer to General Fund	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	1,005,276	-	-	-	2,212,362
Change in Fund Balance	-	-	-	2,212,362	-	-	-	(2,212,362)
End. Fund Balance	\$	-	\$	-	\$	2,212,362	\$	-

BACA GRANDE WATER AND SANITATION DISTRICT

**GENERAL FUND
2009 ADOPTED BUDGET
with 2007 Actual, 2008 Adopted Budget and 2008 Estimated**

	2007 Actual	2008 Adopted Budget	2008 Amended Budget	2009 Adopted Budget
--	----------------	---------------------------	---------------------------	------------------------

REVENUE				
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ 114,265
Information Request Fee	-	-	-	-
Property Taxes	-	485,000	524,211	569,159
Interest on Property Taxes	-	4,900	3,348	3,415
Specific Ownership Tax	-	45,000	70,071	45,533
Interest	-	1,200	2,949	600
Annual Interest	-	4,000	-	-
Transfer from Enterprise Fund	-	-	-	-
Transfer from Capital Projects	-	-	-	-
Total Revenue	-	540,100	600,579	618,707

EXPENDITURES				
Bank Charges	-	-	-	-
Assessor Reports	-	-	-	-
County Treasurer's Fee	-	-	15,726	17,075
Postage	-	-	-	-
Advertising	-	1,500	1,561	2,000
Memberships	-	-	1,955	3,000
Meals and Lodging	-	1,000	2,821	4,450
Office	-	10,000	9,500	10,000
Audit	-	20,000	107,491	120,000
Professional Fees	-	15,000	66,496	60,000
Legal	-	-	134,367	45,000
Management	-	-	3,093	-
Elections	-	6,000	7,032	8,000
Directors' Fees	-	-	-	-
District Organization Cost	-	-	136,272	313,954
Transfer to Enterprise Fund	-	-	-	-
Transfer to Debt Service Fund	-	-	-	-
Contingency	-	-	-	-
Total Expenditures	-	53,500	486,314	583,479

Emergency Reserve	-	-	-	17,504
Total Expenditures Requiring Appropriation	-	53,500	486,314	600,983
ENDING FUND BALANCE	\$ -	\$ 486,600	\$ 114,265	\$ 131,989

BACA GRANDE WATER AND SANITATION DISTRICT

**ENTERPRISE FUND
2009 PROPOSED BUDGET
with 2007 Actual, 2008 Adopted Budget and 2008 Estimated**

	2007	2008	2008	2009
	Actual	Adopted Budget	Amended Budget	Adopted Budget

BEGINNING FUND BALANCE \$ 41,747 \$ 126,584 \$ 116,833 \$ 9,937

REVENUE

Information Request Fee	396	-	-	-
Property Taxes	370,941	-	-	-
Interest on Property Taxes	3,004	-	-	-
Specific Ownership Tax	58,298	-	-	-
Interest	8,136	-	-	-
Annual Interest	-	-	-	-
Water Usage Fees	194,582	216,000	221,099	228,000
Sewer Usage Fees	160,560	160,000	164,626	168,000
Usage Fees Penalties	591	1,500	243	500
Fire Hydrant Fees	30,523	24,759	24,810	19,000
Fire Protection Fees	-	-	-	-
System Improvement Fees	67,356	58,128	64,166	65,000
Avail of Ser-Cert to City Treas	12,168	22,500	18,749	20,000
Availability of Service Fees	58,300	63,240	77,132	77,000
Pmts in Lieu of Taxes	10,644	10,644	10,644	15,000
Annual Lien/Lien Releases	37	150	4,009	-
Avail of Ser Penalties/Inter	-	-	-	3,000
Water and Sewer Tap Fees	114,072	71,100	28,625	30,000
Tap Fee Installments	-	-	-	-
Tap Fees-Other	-	-	-	-
Hook Up/Inspection Fees	9,050	-	-	-
Miscellaneous Revenue	1,603	5,000	4,159	500
Misc Revenue-Refund for Cr Bal	-	-	-	-
Tap Fee Letter	-	-	-	-
Raw Water	177	-	82	-
Copies and Maps	-	-	-	-
Credit Card Processing Fee	2,220	10,000	-	-
Line Extensions	4,400	-	-	-
Rent	-	-	-	-
Usage Penalties	-	-	-	-
Land Sales	-	-	-	-
Specific Ownership Tax	-	-	-	-
2007 Wells Fargo Comb Proceeds	-	-	-	-
CWPA Loan Proceeds	-	-	-	-
Wells Fargo Lease Purchase Proceeds	333,722	600,000	-	-
Transfer from General Fund	-	-	136,272	-
Transfer from Debt Service	-	-	-	313,954

BACA GRANDE WATER AND SANITATION DISTRICT

**ENTERPRISE FUND
2009 PROPOSED BUDGET
with 2007 Actual, 2008 Adopted Budget and 2008 Estimated**

	2007	2008	2008	2009
	Actual	Adopted Budget	Amended Budget	Adopted Budget

Transfer from Capital Projects Fund

Total Revenue 1,440,780 1,243,021 754,616 939,954

EXPENDITURES

Operations

County Treasurer's Fee	11,216	-	-	-
Memberships	-	-	-	-
Meals and Lodging	-	-	-	-
Office	333	-	-	-
Audit	15,139	-	-	-
Professional Fees	11,141	-	-	-
Legal	6,897	-	-	-
Management	-	-	-	-
Director's Fees	7,200	-	-	-
Raw Water USFSWS	24,117	70,000	55,294	93,600
Raw Water Line Extension	-	-	-	-
Tap Assemblies	-	20,000	30,491	35,000
Testing/NPDES Permit Fees	15,801	16,000	11,327	13,000
Insurance	19,461	18,372	18,990	20,000
Miscellaneous	2,838	6,500	495	100
Mileage Reimbursement	132	-	-	-
Refund to Customers	611	-	-	-
Postage	5,143	-	5,535	6,500
Office Equipment	-	-	8,894	-
Office Supplies	6,965	30,000	5,981	6,000
Liens and Lien Releases	1,074	-	804	1,000
Phone Answering Service	1,629	-	1,704	1,800
Computers and Media	287	10,000	2,516	3,000
Computer Support	-	-	8,817	5,000
Small Tools/Supplies	12,303	24,000	18,297	20,000
Utility Billing	-	-	9,342	-
Training and Education	14,212	10,000	1,285	5,000
Advertising	-	-	1,759	2,000
Locates	-	500	500	500
Meals and Lodging	4,661	2,500	2,877	3,000
Travel Expenses	1,701	2,500	1,938	2,000
Gas and Oil	9,527	10,000	13,815	14,000
Vehicle-Repairs and Maint	3,283	10,000	10,000	10,000

BACA GRANDE WATER AND SANITATION DISTRICT

**ENTERPRISE FUND
2009 PROPOSED BUDGET
with 2007 Actual, 2008 Adopted Budget and 2008 Estimated**

	2007 Actual	2008 Adopted Budget	2008 Amended Budget	2009 Adopted Budget
Diesel Fuel	4,650	4,400	5,426	6,000
Heavy Equipment Expense	8,798	10,000	10,000	10,000
Transfer to General Fund	-	-	-	-
Total Operations	139,119	245,154	226,469	257,882

BACA GRANDE WATER AND SANITATION DISTRICT

ENTERPRISE FUND
2009 PROPOSED BUDGET
with 2007 Actual, 2008 Adopted Budget and 2008 Estimated

	2007 Actual	2008 Adopted Budget	2008 Amended Budget	2009 Adopted Budget
Repairs & Maintenance				
Repair & Maint	-	-	-	-
Repairs & Maint-Water Mains	1,609	7,500	3,875	20,000
Repairs & Maint-Sewer(Gravity)	2,713	9,000	4,181	10,000
Repairs & Maint-Sewer(Forced)	-	2,205	-	2,000
Repairs & Maint-S. Crestone PH	148	2,426	519	500
Repairs & Maint-Cottonwood FP/	40	25,500	2,354	-
Repairs and Maint-Casita Pk PH	1,317	17,000	-	500
Repairs & Maint-Well No. 17	-	15,000	1,946	-
Repairs & Maint-Well No. 18	1,713	120,000	2,496	1,000
Repairs & Maint-Cottonwood Well	-	-	-	-
Repair & Maint-Moonlight PH	565	500	-	500
Repair & Maint-Ridgeview PH	368	22,500	-	500
Repair & Maint-Fallen Tree PH	1,210	10,000	-	500
Repair & Maint-Pine Cone PH	-	16,500	-	500
Repair & Maint-Moonlight Res	-	27,500	-	500
Repair & Maint-Brookview Res	223	500	-	500
Repair & Maint-Red Sun Res	-	-	-	-
Repair & Maint-Fire Hydrants	(50)	10,000	-	2,000
Repair & Maint-Aspen TP	2,628	32,036	37,271	15,000
Repair & Maint-Casita Park TP	473	8,000	-	5,000
Repair & Maint-Camino BG LS	-	46,802	-	500
Repair & Maint-Wagon Wheel LS	61	5,000	2,828	15,000
Repair & Maint-Stables LS	1,052	20,000	903	1,000
Repair & Maint-Shop	778	500	-	3,000
Repair & Maint-Office	1,681	10,000	2,904	2,000
Repair & Maint-Yard	-	2,500	-	2,000
Repair-Street	580	1,000	221	5,000
Repair-Meters	931	5,000	3,974	500
Repair & Maint-Golf Cse Well	-	15,000	25,126	500
Repair & Maint-Spanish Pk Well	-	-	-	-
Repair & Maint-Other	-	-	3,054	2,000
Chemicals Maintenance	-	-	-	8,000
Total Repairs & Maintenance	18,040	431,969	91,652	98,500

BACA GRANDE WATER AND SANITATION DISTRICT

**ENTERPRISE FUND
2009 PROPOSED BUDGET
with 2007 Actual, 2008 Adopted Budget and 2008 Estimated**

	2007	2008	2008	2009
	Actual	Adopted Budget	Amended Budget	Adopted Budget

Utilities				
South Crestone Filter Plant	1,211	1,200	2,006	2,500
Cottonwood Filter Plant	2,593	3,000	3,091	3,500
Cottonwood FP-Propane	-	500	-	500
Casita Park-Propane	-	500	-	500
Casita Park Pumphouse	5,938	6,000	6,480	7,000
Well No. 17	-	500	618	700
Well No. 18	34,948	20,000	30,000	35,000
Shop Pumphouse	390	500	671	700
Moonlight Pumphouse	2,242	2,000	2,592	3,000
Ridgeview Pumphouse	2,183	2,000	2,201	2,500
Fallen Tree PH	1,764	1,500	2,462	3,000
Fallen Tree-Propane	-	-	-	-
Pine Cone Pumphouse	1,394	1,500	2,145	2,500
Moonlight Reservoir	-	360	84	500
Brookview Reservoir	-	360	84	500
Aspen TP	14,308	15,000	15,000	16,500
Aspen TP-Propane	2,167	3,200	1,665	2,000
Casita Park TP-Propane	5,119	5,500	4,311	5,000
Wagon Wheel LS	3,974	4,000	4,000	4,500
Camino Baca Grande LS	1,926	1,500	-	-
Stables LS	-	1,500	2,000	2,000
Shop, Office, Yard	5,532	5,000	7,000	7,000
Shop, Yard, Office-Propane	1,578	2,000	2,000	2,000
Shop, Office, Yard-Phones	8,880	10,000	8,162	10,000
Aspen Plant-Phone	674	-	(344)	-
Trash and Recycling Services	704	750	750	1,000
Utilities-Other	-	-	686	1,000
Pine Cone PH	-	-	-	-
Total Utilities	97,525	88,370	97,664	113,400

BACA GRANDE WATER AND SANITATION DISTRICT

**ENTERPRISE FUND
2009 PROPOSED BUDGET
with 2007 Actual, 2008 Adopted Budget and 2008 Estimated**

	2007	2008	2008	2009
	Actual	Adopted Budget	Amended Budget	Adopted Budget

Capital				
Capital Expense-Water Mains	-	50,000	(19,500)	-
Capital Expense-Sewer Mains	-	30,000	-	-
Capital-Caminho BG LS	-	47,000	-	-
Dharma Ocean Sewer Line	-	-	-	-
Water Meters	-	-	9,883	-
Capital-Heavy Equipment	400,137	105,000	-	-
Computers and Media	-	-	-	-
Computer Software	42,187	-	-	-
Total Capital	442,324	232,000	(9,617)	-

Payroll				
Payroll Expense	670	-	1,836	5,000
Payroll-Gross	282,816	286,716	181,150	193,434
Payroll Taxes	4,946	8,601	2,955	3,905
PERA	30,664	39,000	26,688	24,760
PERA 401(k)	616	1,000	891	-
Health Insurance	51,916	35,357	22,000	34,932
Worker's Compensation Insur	7,772	3,874	2,000	3,500
Total Payroll	379,400	374,548	237,520	265,531

Debt				
2007 Wells Fargo Comb LP-Prin	-	36,259	36,259	37,782
2007 Wells Fargo-Comb Interest	-	12,101	12,101	10,579
2001 CWP/PA-Rev Bond Principal	-	31,934	31,934	34,580
2001 CWP/PA Rev Bond-Interest	28,455	26,366	26,366	23,720
2003 Rev Bond-Principal	-	21,882	21,882	23,941
2003 Rev Bond-Interest	-	5,518	5,518	3,459
2004 Wells Fargo LS LP-Prin	5,706	20,990	20,990	21,672
2004 Wells Fargo LS LP-Prin	-	1,387	1,387	704
2004 Wells Fargo LS LP-Prin	3,202	40,379	40,379	42,123
2006 Wells Fargo LP-Prin	-	17,762	17,762	16,018
2006 Wells Fargo LP-Prin	28,923	76,478	-	-
Proposed 2008 Lease Purchase Prin	-	11,840	-	-
Proposed 2008 Lease Purchase Int	-	26,557	-	-
2007 Debt Service	158,449	-	-	-
Total Debt	236,575	317,613	214,578	214,578

BACA GRANDE WATER AND SANITATION DISTRICT

**ENTERPRISE FUND
2009 PROPOSED BUDGET
with 2007 Actual, 2008 Adopted Budget and 2008 Estimated**

	2007	2008	2008	2009
	Actual	Adopted Budget	Amended Budget	Adopted Budget

Other

Bad Debt Expense (1) - 535 -
Uncategorized Expenses 2,712 - 2,711 -

Total Other 2,711 - 3,246 -

Total Expenditures 1,365,694 1,689,654 861,512 949,891

ENDING FUND BALANCE \$ 116,833 \$ (320,049) \$ 9,937 \$ -

BACA GRANDE WATER AND SANITATION DISTRICT

**DEBT SERVICE FUND
2009 ADOPTED BUDGET
with 2007 Actual, 2008 Adopted Budget and 2008 Estimated**

2007	01/08-10/08	2008	2008	2009
Actual	YTD Actual	Adopted Budget	Amended Budget	Adopted Budget
672,276	-	-	-	672,276

BEGINNING FUND BALANCE - - - - 672,276

REVENUE

Property Taxes - - - - 77,293
 Specific Ownership Taxes - - - - 6,183
 Interest Income - - - - 12,071
 Transfer In from General Fund - - - - -
 Transfer In from Capital Projects - - - - 672,276
 Transfer In from Enterprise Fund - - - - -

Total Revenue - - - - 672,276 95,547

EXPENDITURES

2008 GO Prin - - - - -
 2008 GO Int - - - - - 226,200

Total Expenditures - - - - 226,200

Total Expenditures Requiring Appropriation - - - - 226,200

ENDING FUND BALANCE \$ - \$ - \$ - \$ 672,276 \$ 541,623 (1)

(1) Restricted Funds - Capitalized Interest Reserve Fund on Non-Rated 2008 GO

Date	Deposit	Interest Income	Principal	Interest Draws	Balance
12/10/2008	672,276	-	-	-	672,276
6/1/2009	-	6,387	103,813	110,200	568,463
12/1/2009	-	5,685	110,315	116,000	458,147
6/1/2010	-	4,581	111,419	116,000	346,729
12/1/2010	-	3,467	112,533	116,000	234,196
6/1/2011	-	2,342	113,658	116,000	120,538
12/1/2011	-	1,205	114,795	116,000	5,743
6/1/2012	-	57	5,743	-	0
	672,276	23,725	672,276	696,000	

BACA GRANDE WATER AND SANITATION DISTRICT

**CAPITAL PROJECTS FUND
2009 ADOPTED BUDGET
with 2007 Actual, 2008 Adopted Budget and 2008 Estimated**

	2007 Actual	2008 Adopted Budget	2008 Amended Budget	2009 Adopted Budget
--	----------------	---------------------------	---------------------------	---------------------------

BEGINNING FUND BALANCE - - - - 2,212,362

REVENUE

2008 GO Bond Proceeds - - 2,900,000 -
 Energy/Mineral Impact Grant - - 317,638 -

Total Revenue - - 3,217,638 -

Total Funds Available - - 3,217,638 2,212,362

EXPENDITURES

Dharma Ocean Sewer Line - - 120,000 -
 Computer Software - - - 10,000
 Vehicles - - - 100,000
 Sewer Line - - - 300,000
 Water Distribution - - - 300,000
 Plant Building - - - 5,000
 Meters - - - 100,000
 Bar Screen - - - 20,000
 Interconnectivity & Upgrades - - - 742,087
 Pipe Project - DOLA - - - 308,446
 Well Project - DOLA - - - 326,829
 Cost of Issuance - - 213,000 -
 Transfer to Debt Service Fund - - 672,276 -
 Transfer to Enterprise Fund - - - -
 Transfer to General Fund - - - -

Total Expenditures - - 1,005,276 2,212,362

Total Expenditures Requiring Appropriation	-	-	1,005,276	2,212,362
---	---	---	-----------	-----------

ENDING FUND BALANCE \$ - \$ - \$ 2,212,362 \$ -