

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT

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 at the offices of the District, 57 Baca Grant Way South, Crestone, Colorado.

FEBRUARY 17, 2017 at 9:00 A.M.

The meeting was open to the public.

ATTENDANCE

Directors in Attendance:

Michael Scully
Lynn Drake-ABSENT
Matthew Ghourdjian
Martin Macaulay
Robert Salmi

Also in Attendance:

Marcus Law; Law of the Rockies (via speakerphone)

Kendall Burgemeister; Law of the Rockies (via speakerphone; for a portion of the meeting)

JoAnn Slivka; Administrative Services Manager

Justin DeBon; Operations Manager

Pat McDermott, Division of Water Resources (via speakerphone; for a portion of the meeting)

Daniel Gray; District customer

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

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Attorney Lock has 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. Notice of conflicts were filed for applicable Directors at least 72-hours prior to the meeting. President Scully 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:

President Scully reviewed the proposed Agenda for the District’s Regular Meeting with the Board.

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

Consent Agenda

The Board considered the following actions:

- Approve Minutes from the January 20, 2017 regular meeting

*Following discussion, upon motion duly made
by President Scully
seconded by Director Salmi
and, upon vote, unanimously carried, the Consent Agenda was approved.*

Board and Staff Reports

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

Presentation by Mr. Gray:

Mr. Gray addressed the board about the August 2016 water line break at his property. Following discussion with Mr. Gray, the Board took the matter under advisement and directed Attorney Lock to follow up with Mr. Gray next week to advise Mr. Gray of the Board's position.

Subcommittee Updates

Management Oversight Committee: Directors Scully and Drake continue to meet with Mr. DeBon and Ms. Slivka on a regular basis to discuss management issues and actions.

Emergency Response Plan Committee: Director Ghourdjian gave an update on the activities of the committee thus far. Mr. DeBon is investigating equipment and energy needs and will provide a narrative for consideration. Ms. Slivka is directed to work with Special District Solutions for funding opportunities.

Sale of Water to Well Diggers: Discussion regarding the sale of water outside of the district. The District has been notified that the Town of Crestone is now selling water to contractors. Attorney Lock provided an update regarding requests for the sale of water outside of the District boundaries. Mr. DeBon continues to investigate costs for water distribution systems.

FINANCIAL MATTERS

Financial Summary:

Special District Solutions provided a memo regarding the financial information received to date.

Following discussion regarding the financial files the District received from SDMS, the Board directed Ms. Slivka to keep the Board updated on the progress of the review of these files.

The Board also directed Ms. Slivka to begin providing the Board with the TZA invoice detail each month.

Check Register:

The Board considered approval of the check register through the period ending February 17, 2017, as follows:

| | |
|-----------------------|---------------------|
| General Fund | \$ 4,113.70 |
| Debt Service Fund | \$ - 0 - |
| Capital Projects Fund | \$ 13,362.92 |
| Enterprise Fund | \$ 33,698.71 |
| Total Claims: | \$ 51,175.33 |

*Following discussion, upon motion duly made
by President Scully,
seconded by Director Macaulay,
and, upon vote, unanimously carried the Check Register was approved.*

PUBLIC COMMENT

There were no public comments.

ADMINISTRATIVE FOLLOW-UPS

The Board inquired as to the progress of discussions with Mr. Nagel. Attorney Lock provided an update; Mr. Nagel could not be reached via telephone. Attorney Lock will continue his efforts to contact Mr. Nagel.

OPERATIONAL FOLLOW-UPS

Mr. DeBon did not have any additional follow-ups.

CAPITAL IMPROVEMENTS

TZA Engineers submitted the construction documents to the Water Quality Control Division on February 3, 2017. Construction of the Headworks/Flow Equalization Basin is still estimated for completion in 2017.

LEGAL MATTERS

Division of Water Resources-Well 17-18

Attorney Lock introduced his partner Kendall Burgemeister who then joined the meeting. The Board was given a brief background on the history of the Well 17/18 change application.

Pat McDermott, Division of Water Resources, then joined the meeting via speakerphone; he requested an opportunity to visit with the Board regarding application 15cw3028 with questions about the physicality of the Baca wells. The discussion continued to include the naming of the wells, the permitting and metering requirements once the decree has been finalized. Mr. McDermott indicated that the consultation report he intends to file in the pending case on behalf of the Division of Water Resources will reflect and be consistent his discussion with the Board.

Viaero Wireless Proposal

Attorney Lock updated the Board regarding his conversation with Mr. Jacobson on January 24, 2017.

Resolution No. 2017-02-01: Amending Rules and Regulations

*Following discussion, upon motion duly made
by Director Macaulay,
seconded by Director Ghourdjian,
and, upon vote, unanimously carried Resolution 2017-02-01 Amending Rules
and Regulations was approved.*

EXECUTIVE SESSION

Pursuant to Sections §24-6-402(4)(a), (b), (e)(I) & (f)(I) C.R.S., upon motion duly made by Director Macaulay, seconded by Director Ghourdjian and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 10:45 A.M. for the purpose of receiving legal advice, to discuss the Viaero Wireless Proposal, Mr. Gray's presentation, Water Matters, and Personnel Matters, as authorized by Sections §24-6-402(4)(a), (b), (e)(I) & (f)(I) C.R.S.
The Board reconvened in regular session at 11:39 A.M.

THE NEXT MEETING HAS BEEN RE- SCHEDULED FOR 9:00 A.M., MARCH 30, 2017

ADJOURNMENT

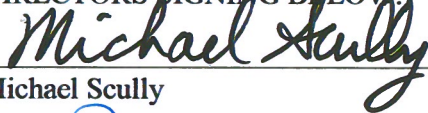
*There being no further business to come before the Board at this time, upon
motion duly made
by Director Macaulay,
seconded by President Scully,
and, upon vote, unanimously carried, the February 17, 2017 meeting of the
Board of Directors was adjourned at 11:41 A.M.*

Respectfully submitted,

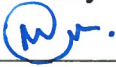
By 

Secretary for the Meeting

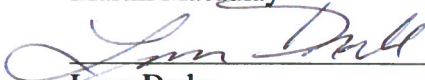
THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 17, 2017 MINUTES
OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF
DIRECTORS SIGNING BELOW:



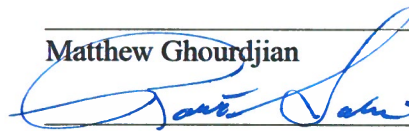
Michael Scully



Martin Macaulay



Lynn Drake




Matthew Ghourdjian
Robert Salmi

ATTORNEY STATEMENT

Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Baca Grande Water and Sanitation District, I attended the executive sessions on FEBRUARY 17, 2017, and it is my opinion that the portion of the executive session that was not recorded constituted attorney-client privileged communications.



Marcus J. Lock
General Counsel
Baca Grande Water and Sanitation District



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

February 17, 2017
Board Meeting

Board of Directors Sign-in

| | |
|--------------------|---------------------------|
| Michael Scully | <i>Michael Scully</i> |
| Martin Macaulay | <i>mm</i> |
| Lynn Drake | ABSENT |
| Matthew Ghourdjian | <i>Matthew Ghourdjian</i> |
| Bob Salmi | <i>Bob Salmi</i> |

BACA GRANDE WATER AND SANITATION DISTRICT
FINANCIAL STATEMENTS
December 31, 2016
UNAUDITED

BACA GRANDE WATER AND SANITATION DISTRICT

Schedule of Cash Position

December 31, 2016

UNAUDITED

| <u>FINANCIAL INSTITUTION</u> | <u>RATE</u> | <u>FUNDS</u> | |
|--|-------------|------------------------|------------------------------------|
| First Bank - Operations Account | | \$ 206,025.19 | <i>Prior Bank Recs unavailable</i> |
| First Bank - Money Market Account | 0.08% | \$ 954,721.75 | |
| First Bank - Liquid Asset - Debt Service | 0.08% | \$ 13,919.58 | |
| Total Operating Cash | | <u>\$ 1,174,666.52</u> | |
| <u>Capital/Bond Accounts</u> | | | |
| ColoTrust - Capital Project Account | 0.83% | \$ 535,305.93 | <i>Statement unavailable</i> |
| Total Capital & Bond Cash | | <u>\$ 535,305.93</u> | |

Baca Grande Water and Sanitation District
General Fund
Statement of Revenue and Expenditures Compared to Budget
For the 12 months ended,
December 31, 2016
UNAUDITED

| Revenue | December | Actual YTD | Budget | Variance to Budget | Percnt |
|---|-----------------|--------------------|---------------------|---------------------|--------------|
| 1-423000 Property Taxes | 2,181.76 | 429,317.26 | 446,717.00 | 17,399.74 | 96.1 |
| 1-423001 Allowance for Uncollectable | - | - | (26,803.00) | (26,803.00) | - |
| 1-423200 Interest on Property Taxes | 320.32 | 9,115.90 | 3,000.00 | (6,115.90) | 303.9 |
| 1-432000 Specific Ownership Tax | 5,450.00 | 65,541.28 | 100,800.00 | 35,258.72 | 65.0 |
| 1-445000 Miscellaneous Income | - | 9,162.59 | 3,000.00 | (6,162.59) | 305.4 |
| 1-446000 Interest | 34.65 | 391.78 | 480.00 | 88.22 | 81.6 |
| Total Revenue | 7,986.73 | 513,528.81 | 527,194.00 | 13,665.19 | 97.4 |
| Expenses | | | | | |
| 1-500400 County Treasurer's Fee | 474.29 | 9,439.84 | 13,402.00 | 3,962.16 | 70.4 |
| 1-506010 Audit | - | 10,790.90 | 10,550.00 | (240.90) | 102.3 |
| 1-506030 Legal | 1,731.19 | 34,484.37 | 58,000.00 | 23,515.63 | 59.5 |
| 1-506040 Management | 1,215.64 | 33,695.76 | 65,000.00 | 31,304.24 | 51.8 |
| 1-506045 Accounting | 2,322.00 | 27,802.80 | 40,000.00 | 12,197.20 | 69.5 |
| 1-506050 Elections | - | 962.20 | 22,000.00 | 21,037.80 | 4.4 |
| 1-530100 Director's Fees | - | 2,500.00 | 6,500.00 | 4,000.00 | 38.5 |
| Total Expenses | 5,743.12 | 119,675.87 | 215,452.00 | 95,776.13 | 55.5 |
| Excess Revenue Over (Under) Expenditures | 2,243.61 | 393,852.94 | 311,742.00 | (82,110.94) | 126.3 |
| Transfers In / (Out) | | | | | |
| 1-581000 Transfer Enterprise Fund | - | - | (300,000.00) | (300,000.00) | - |
| 1-581100 Transfer to Capital Projects | - | - | - | - | - |
| 1-581200 Transfer Debt Service Fund | - | (90,000.00) | (100,000.00) | (10,000.00) | 90.0 |
| 1-699000 Emergency Reserves | - | - | (15,820.00) | (15,820.00) | - |
| Total Transfers | - | (90,000.00) | (415,820.00) | (325,820.00) | 21.6 |
| 1-410000 Fund Balance - Beginning | - | 461,427.04 | 458,871.00 | (2,556.04) | 100.6 |
| Fund Balance - Ending | 2,243.61 | 765,279.98 | 354,793.00 | (410,486.98) | 215.7 |

Baca Grande Water and Sanitation District
Debt Service Fund
Statement of Revenue and Expenditures Compared to Budget
For the 12 months ended,
December 31, 2016
UNAUDITED

| | December | Actual YTD | Budget | Variance | Percnt |
|---|-----------------|-------------------|--------------------|---------------------|----------------|
| Revenue | | | | | |
| 2-420101 Availability of Service Fees | - | 247,752.77 | 255,825.00 | 8,072.23 | 96.8 |
| 2-420111 Allowance for Uncollectable | - | - | (61,775.00) | (61,775.00) | - |
| 2-423000 Property Taxes | 386.76 | 189,384.41 | 205,248.00 | 15,863.59 | 92.3 |
| 2-423001 Allowance for Uncollectable | - | - | (12,315.00) | (12,315.00) | - |
| 2-432000 Specific Ownership Tax | 1,918.08 | 29,527.56 | 19,200.00 | (10,327.56) | 153.8 |
| 2-423200 Interest on Property Taxes | 24.19 | 502.53 | 500.00 | (2.53) | 100.5 |
| 2-446000 Interest | 0.74 | 101.20 | 100.00 | (1.20) | 101.2 |
| Total Revenue | 2,329.77 | 467,268.47 | 406,783.00 | (60,485.47) | 114.9 |
| Expenses | | | | | |
| 2-500351 Bad Debt Expense | - | 1,894.17 | 36,437.00 | 34,542.83 | 5.2 |
| 2-500355 Bank Charges | 20.00 | 140.00 | 100.00 | (40.00) | 140.0 |
| 2-500357 Arbitrage Calculations | - | - | 5,000.00 | 5,000.00 | - |
| 2-500400 County Treasurer's Fee | - | 4,095.86 | 6,200.00 | 2,104.14 | 66.1 |
| 2-552500 Trustee/Paying Agent Fees | - | 166.68 | 200.00 | 33.32 | 83.3 |
| 2-552605 2009 CWPA SRF Principal | - | 73,212.38 | 73,212.00 | (0.38) | 100.0 |
| 2-552610 2009 CWPA SRF Interest | - | 22,088.20 | 22,088.00 | (0.20) | 100.0 |
| 2-555304 2010 GO Bond Principal | - | 50,000.00 | 50,000.00 | - | 100.0 |
| 2-555305 2010 GO Bond Interest | - | 261,875.00 | 261,875.00 | - | 100.0 |
| Total Expenses | 20.00 | 413,472.29 | 455,112.00 | 41,639.71 | 90.9 |
| Excess Revenue Over (Under) Expenditures | 2,309.77 | 53,796.18 | (48,329.00) | (102,125.18) | (111.3) |
| Transfers In / (Out) | | | | | |
| 2-485100 Transfer from General Fund | - | 90,000.00 | 100,000.00 | 10,000.00 | 90.0 |
| Total Transfers | - | 90,000.00 | 100,000.00 | 10,000.00 | 90.0 |
| 2-410000 Fund Balance - Beginning | - | 108,253.82 | 125,756.00 | 17,502.18 | 86.1 |
| Fund Balance - Ending | 2,309.77 | 252,050.00 | 177,427.00 | (74,623.00) | 142.1 |

Baca Grande Water and Sanitation District
 Capital Projects Fund
 Statement of Revenue and Expenditures Compared to Budget
 For the 12 months ended,
 December 31, 2016
 UNAUDITED

| | December | Actual YTD | Budget | Variance | Perct |
|---|--------------------|-------------------|-------------------|---------------------|----------------|
| Revenue | | | | | |
| 3-446000 Interest | - | 3,197.88 | 900.00 | (2,297.88) | 355.3 |
| 3-474000 Grant Funds | - | 34,808.76 | - | (34,808.76) | - |
| Total Revenue | - | 38,006.64 | 900.00 | (37,106.64) | 4,223.0 |
| Expenses | | | | | |
| 3-517055 Casita Park Interconnect | - | 2,976.06 | - | (2,976.06) | - |
| 3-517080 Stables Lift Station | - | 44,984.43 | - | (44,984.43) | - |
| 3-517150 Water Rights Acquisition | 112.50 | 5,421.55 | 60,700.00 | 55,278.45 | 8.9 |
| 3-517215 Aspen WWTF-Flow Equalization | 14,709.60 | 53,528.26 | 284,758.00 | 231,229.74 | |
| Total Expenses | 14,822.10 | 106,910.30 | 345,458.00 | 238,547.70 | 30.9 |
| Excess Revenue Over (Under) Expenditures | (14,822.10) | (68,903.66) | (344,558.00) | (275,654.34) | 20.0 |
| Transfers In / (Out) | | | | | |
| 3-485100 Transfer General Fund | - | - | - | - | - |
| Total Transfers | - | - | - | - | - |
| 3-410000 Fund Balance - Beginning | - | 586,331.10 | 553,828.00 | (32,503.10) | 105.9 |
| Fund Balance - Ending | (14,822.10) | 517,427.44 | 209,270.00 | (308,157.44) | 247.3 |

Baca Grande Water and Sanitation District
Enterprise Fund
Statement of Revenue and Expenditures Compared to Budget
For the 12 months ended,
December 31, 2016
UNAUDITED

| | December | Actual YTD | Budget | Variance to Budget | Perct |
|--------------------------------------|------------------|-------------------|-------------------|---------------------|--------------|
| Revenue | | | | | |
| 4-420000 Water Usage Fees | 22,586.23 | 357,169.85 | 343,381.00 | (13,788.85) | 104.0 |
| 4-420010 Sewer Usage Fees | 21,173.15 | 258,783.55 | 242,188.00 | (16,595.55) | 106.9 |
| 4-420011 Allowance for Uncollectable | - | - | (7,488.00) | (7,488.00) | - |
| 4-420030 Usage Fees Penalties | 825.00 | 17,385.00 | 13,080.00 | (4,305.00) | 132.9 |
| 4-420060 Transfer Fee | 5,000.00 | 42,500.00 | 20,000.00 | (22,500.00) | 212.5 |
| 4-420061 Consolidation Fee | 500.00 | 9,750.00 | 5,000.00 | (4,750.00) | 195.0 |
| 4-420102 Pmts in Lieu of Taxes | - | 27,988.44 | 26,295.00 | (1,693.44) | 106.4 |
| 4-420201 Tap Fee Installments | 50.00 | 600.00 | 917.00 | 317.00 | 65.4 |
| 4-420210 Hook Up/Inspection Fees | 100.00 | 29,320.24 | 7,200.00 | (22,120.24) | 407.2 |
| 4-420220 Miscellaneous Revenue | 913.20 | 2,546.34 | - | (2,546.34) | - |
| 4-420230 Line Extensions | - | - | 2,500.00 | 2,500.00 | - |
| 4-420240 Rent | 150.00 | 1,800.00 | 1,800.00 | - | 100.0 |
| 4-424751 Sale of Asset | - | 10,000.00 | - | (10,000.00) | - |
| 4-446000 Interest | 28.13 | 426.84 | - | (426.84) | - |
| Total Revenue | 51,325.71 | 758,345.26 | 654,873.00 | (103,472.26) | 115.8 |
| Expenses | | | | | |
| Operations | | | | | |
| 4-500100 Raw Water USFSWS | - | 84,761.69 | 112,364.00 | 27,602.31 | 75.4 |
| 4-500250 Testing | 1,223.00 | 5,642.00 | 8,000.00 | 2,358.00 | 70.5 |
| 4-500300 Insurance | - | 33,320.51 | 40,000.00 | 6,679.49 | 83.3 |
| 4-500350 Miscellaneous | - | - | 500.00 | 500.00 | - |
| 4-500351 Bad Debt Expense | - | 7,362.73 | 677.00 | (6,685.73) | 1,087.6 |
| 4-500355 Bank Charges | 615.86 | 5,523.03 | 10,900.00 | 5,376.97 | 50.7 |
| 4-500359 Mileage Reimbursement | - | 329.40 | 1,500.00 | 1,170.60 | 22.0 |
| 4-500360 Refund to Customers | - | 4,452.25 | - | (4,452.25) | - |
| 4-500362 Clothing Allowance | - | 1,112.44 | 1,366.00 | 253.56 | 81.4 |
| 4-500401 Postage | 278.40 | 2,298.01 | 5,120.00 | 2,821.99 | 44.9 |
| 4-500402 Copier Lease and Equipment | 155.58 | 1,823.11 | 1,980.00 | 156.89 | 92.1 |
| 4-500403 Office Supplies | 229.79 | 2,491.65 | 3,200.00 | 708.35 | 77.9 |
| 4-500406 Phone Answering Service | - | 1,568.89 | 2,550.00 | 981.11 | 61.5 |
| 4-500407 Computers and Media | - | 2,888.52 | 3,200.00 | 311.48 | 90.3 |
| 4-500408 Computer Support | 59.97 | 928.86 | 3,640.00 | 2,711.14 | 25.5 |
| 4-500409 Software Maintenance | - | 2,546.98 | 2,920.00 | 373.02 | 87.2 |
| 4-500410 Fire Extinguisher Service | - | 480.00 | 1,200.00 | 720.00 | 40.0 |
| 4-500450 Utility Maintenance Tools | - | 4,356.56 | 5,000.00 | 643.44 | 87.1 |
| 4-500451 Supplies | 325.06 | 1,571.93 | 1,500.00 | (71.93) | 104.8 |
| 4-500460 Utility Billing | - | 10,321.17 | 12,000.00 | 1,678.83 | 86.0 |
| 4-500500 Training and Education | 2,100.00 | 5,040.16 | 7,400.00 | 2,359.84 | 68.1 |
| 4-500510 Advertising | 161.00 | 501.50 | 1,800.00 | 1,298.50 | 27.9 |
| 4-500520 Memberships | - | 1,611.50 | 1,490.00 | (121.50) | 108.2 |
| 4-500530 Locates | - | 177.32 | 250.00 | 72.68 | 70.9 |
| 4-500550 Meals and Lodging | 653.98 | 4,203.83 | 3,650.00 | (553.83) | 115.2 |
| 4-500661 Gas and Oil | 612.23 | 5,947.34 | 9,000.00 | 3,052.66 | 66.1 |
| 4-500662 Vehicle-Repairs and Maint | 50.81 | 8,513.21 | 15,000.00 | 6,486.79 | 56.8 |
| 4-500663 Diesel Fuel | 554.46 | 5,043.88 | 8,000.00 | 2,956.12 | 63.0 |
| 4-506020 Professional Fees | 2,051.40 | 15,758.51 | 33,000.00 | 17,241.49 | 47.8 |
| 4-506022 Professional Fees-GIS | - | 973.98 | 6,500.00 | 5,526.02 | 15.0 |
| 4-506030 Legal | - | 737.50 | 1,500.00 | 762.50 | 49.2 |
| Total Operations | 9,071.54 | 222,288.46 | 305,207.00 | 82,918.54 | 72.8 |

Baca Grande Water and Sanitation District
Enterprise Fund
Statement of Revenue and Expenditures Compared to Budget
For the 12 months ended,
December 31, 2016
UNAUDITED

| | December | Actual YTD | Budget | Variance to Budget | Percnt |
|---|-----------------|-------------------|-------------------|-----------------------|-------------|
| Repairs & Maintenance | | | | | |
| 4-503000 Repair & Maint | 4.99 | 6,823.23 | 8,500.00 | 1,676.77 | 80.3 |
| 4-503001 Repairs & Maint-Water Mains | 2,742.76 | 8,084.29 | 10,000.00 | 1,915.71 | 80.8 |
| 4-503002 Repairs & Maint-Sewer(Gravity) | 120.00 | 2,423.36 | 8,000.00 | 5,576.64 | 30.3 |
| 4-503008 Repairs & Maint-Well No. 18 | - | 7,041.75 | 10,000.00 | 2,958.25 | 70.4 |
| 4-503010 Repairs & Maint - Pump Houses | - | 1,555.29 | 7,000.00 | 5,444.71 | 22.2 |
| 4-503015 Repair & Maint-Reservoirs | - | 980.00 | - | (980.00) | - |
| 4-503018 Repair & Maint-Fire Hydrants | - | 5,666.69 | 5,000.00 | (666.69) | 113.3 |
| 4-503019 Repair & Maint-Aspen TP | 24.47 | 6,685.74 | 10,000.00 | 3,314.26 | 66.9 |
| 4-503022 Repair & Maint-Lift Stations | - | 5,661.97 | 15,000.00 | 9,338.03 | 37.7 |
| 4-503025 Repair & Maint-Office | 100.00 | 2,959.60 | 3,500.00 | 540.40 | 84.6 |
| 4-503028 Repair-Meters | - | 542.80 | 10,000.00 | 9,457.20 | 5.4 |
| 4-503029 Repair & Maint-Golf/Motel | - | 1,107.50 | 2,000.00 | 892.50 | 55.4 |
| 4-503030 Water Tank Inspection | - | 5,010.00 | 9,000.00 | 3,990.00 | 55.7 |
| 4-503299 Repair & Maint-SCADA | - | 2,506.12 | 5,000.00 | 2,493.88 | 50.1 |
| 4-503300 Chemicals Maintenance | - | 11,337.40 | 12,000.00 | 662.60 | 94.5 |
| 4-503310 Waste Water Treat. Chem. | - | 7,862.00 | 10,000.00 | 2,138.00 | 78.6 |
| 4-503331 Retail Water Meter Parts | - | 15,448.18 | 7,200.00 | (8,248.18) | 214.6 |
| 4-503332 Line Extension Reveal Expense | - | 910.08 | 2,500.00 | 1,589.92 | 36.4 |
| 4-503333 Bio Solids Disposal | 757.50 | 2,118.74 | 32,072.00 | 29,953.26 | 6.6 |
| 4-503500 Vehicle Lease-Principal | 2,699.48 | 43,277.27 | 70,000.00 | 26,722.73 | 61.8 |
| 4-503501 Vehicle Lease-Interest | 378.25 | 4,032.55 | - | (4,032.55) | - |
| Total Repairs & Maintenance | 6,827.45 | 142,034.56 | 236,772.00 | 94,737.44 | 60.0 |
| Utilities | | | | | |
| 4-505001 South Crestone Filter Plant | 34.00 | 363.00 | 500.00 | 137.00 | 72.6 |
| 4-505002 Shumei BS/Cottonwood Apt | 378.00 | 4,336.00 | 3,500.00 | (836.00) | 123.9 |
| 4-505005 Casita Park Pumphouse/MHE | 180.00 | 1,357.00 | - | (1,357.00) | - |
| 4-505008 Well No. 18 | 2,659.00 | 35,413.00 | 45,000.00 | 9,587.00 | 78.7 |
| 4-505010 Shop Pumphouse | 34.00 | 623.00 | 1,100.00 | 477.00 | 56.6 |
| 4-505011 Moonlight Pumphouse | 248.00 | 3,148.00 | 3,500.00 | 352.00 | 89.9 |
| 4-505012 Ridgeview Pumphouse | 236.00 | 2,956.00 | 3,500.00 | 544.00 | 84.5 |
| 4-505013 Fallen Tree PH | 212.00 | 1,850.00 | 3,500.00 | 1,650.00 | 52.9 |
| 4-505015 Pine Cone Pumphouse | 249.00 | 2,477.00 | 2,600.00 | 123.00 | 95.3 |
| 4-505019 Aspen TP | 1,525.00 | 17,319.00 | 20,000.00 | 2,681.00 | 86.6 |
| 4-505020 Aspen TP-Propane | 475.76 | 693.29 | 5,000.00 | 4,306.71 | 13.9 |
| 4-505022 Wagon Wheel LS | 238.00 | 2,904.00 | 5,000.00 | 2,096.00 | 58.1 |
| 4-505023 Mobile Home Estates LS | 266.00 | 2,704.00 | 3,000.00 | 296.00 | 90.1 |
| 4-505024 Stables LS | 133.00 | 1,723.00 | 3,000.00 | 1,277.00 | 57.4 |
| 4-505025 Shop, Office, Yard | 825.00 | 5,704.00 | 7,000.00 | 1,296.00 | 81.5 |
| 4-505026 Shop, Yard, Office-Propane | - | 492.78 | 2,500.00 | 2,007.22 | 19.7 |
| 4-505027 Office / Cell Phones | 657.09 | 8,397.37 | 8,000.00 | (397.37) | 105.0 |
| 4-505029 Trash and Recycling Services | 153.44 | 1,659.02 | 1,824.00 | 164.98 | 91.0 |
| Total Utilities | 8,503.29 | 94,119.46 | 118,524.00 | 24,404.54 | 79.4 |

Baca Grande Water and Sanitation District
 Enterprise Fund
 Statement of Revenue and Expenditures Compared to Budget
 For the 12 months ended,
 December 31, 2016
 UNAUDITED

| | December | Actual YTD | Budget | Variance to Budget | Percnt |
|---|-------------------|-------------------|---------------------|-----------------------|--------------|
| Payroll | | | | | |
| 4-530000 Payroll Expense | 102.40 | 2,381.35 | 2,500.00 | 118.65 | 95.3 |
| 4-530001 Payroll - Health & Wellness Ex | - | 393.25 | 2,000.00 | 1,606.75 | 19.7 |
| 4-530200 Payroll-Gross | 27,146.22 | 288,689.91 | 294,830.00 | 6,140.09 | 97.9 |
| 4-530201 Payroll-Gross Summer Help | 1,357.50 | 10,260.00 | 13,200.00 | 2,940.00 | 77.7 |
| 4-530300 Payroll Taxes | 433.71 | 5,115.50 | 5,390.00 | 274.50 | 94.9 |
| 4-530400 PERA | 2,211.31 | 39,612.82 | 44,980.00 | 5,367.18 | 88.1 |
| 4-530500 Health Insurance | - | 28,502.03 | 39,648.00 | 11,145.97 | 71.9 |
| 4-530600 Worker's Compensation Insur | - | 12,173.00 | 14,300.00 | 2,127.00 | 85.1 |
| Total Payroll | <u>31,251.14</u> | <u>387,127.86</u> | <u>416,848.00</u> | <u>29,720.14</u> | <u>92.9</u> |
| Total Expenses | <u>55,653.42</u> | <u>845,570.11</u> | <u>1,077,351.00</u> | <u>231,780.66</u> | <u>78.5</u> |
| Excess Revenue Over (Under) Expenditures | (4,327.71) | (87,224.85) | (422,478.00) | (335,253.15) | 20.6 |
| Transfers In / (Out) | | | | | |
| 4-481000 Transfer General Fund | - | - | 300,000.00 | 300,000.00 | - |
| 4-481001 Transfer from GF - Oper Reserve | - | - | - | - | - |
| Total Transfers | <u>-</u> | <u>-</u> | <u>300,000.00</u> | <u>300,000.00</u> | <u>-</u> |
| 4-410000 Fund Balance - Beginning | - | 560,911.72 | 404,450.00 | (156,461.72) | 138.7 |
| Fund Balance - Ending | <u>(4,327.71)</u> | <u>473,686.87</u> | <u>281,972.00</u> | <u>(191,714.87)</u> | <u>168.0</u> |



February 2017

OPERATIONS MANAGER REPORT

To: Board of Directors, Baca Grande Water and Sanitation District
From: Justin DeBon
Date: January 11 to February 8, 2017

Water Leak: The large leak from January was found and repaired, the leak was on Caprice Way and was a 1 inch service line that was leaking approximately 30gpm. In February, a 6-inch main burst on Camino Real causing many customers to temperately loose service but the break was quickly found and shut off leaving only three customers without water over night and service was restored to the rest of the customers.

Town of Crestone Sewage Impact: The District received 168,000 gallons of wastewater from the town in the month of September, the daily average was 5,425 gallons per day. The Aspen WWTF influent daily average influent was 64,000 gallons per day. The town contributed 9% to the monthly flow total.

Security Light: A flood light with motion sensor was installed next to the fuel tanks to deter future fuel theft.

Backup Power: Researching power requirements for each facility as part of the emergency response plan I have attached a short summery of facility power requirements, generators, fuel consumption and prices. The summery should be useful information in budgeting for the future.

Project Updates: Storage tank inspection and cleaning is 50% complete, the screening and sorting of the Aspen spoils pile is 100% complete, the fire hydrant inspection and testing is 100% complete, the weed control project is 100% complete, the collection system cleaning is 100% complete. With the major projects complete, staff will now focus on training and education to enable them to be more knowable and productive in 2017.

2017 Projects:

1. Storage tank inspection/cleaning 50%
2. MHE Lagoon reclamation- has started as backhoe training.
3. Manhole Infiltration Prevention Project
4. Relocate MHE storage buildings
5. Leak Detection Program

2016 Projects Completed:

- ~~1. Screening/Sorting of Aspen spoils area~~
- ~~2. Fire hydrant Maintenance Project~~
- ~~3. Collection System Video Inspection and Cleaning Project~~
4. Manhole Infiltration Prevention Project-not started (weather permitting)
- ~~5. Stables Lift Station Upgrade Project~~
- ~~6. Facility Weed Control Project~~
- ~~7. Repair drainage and road to Fallen Tree Storage Tank~~
- ~~8. Install gate on Fallen Tree Storage Tank access road~~
- ~~9. Install water drainage pipe at Well 18~~

Facility Backup Power Requirements

| Facility | KW Required | Amps | KVA Required | Generator Size | Generator Price | Fuel used per day |
|------------|-------------|------|--------------|----------------|-----------------|-------------------|
| Well 18 | 250KW | 300 | 312KVA | 250KW | \$29,000 | 134.4 |
| Aspen | 132KW | 200 | 165KVA | 150KW | \$20,000 | 108 |
| Moonlight | 66KW | 100 | 83KVA | 60KW | \$11,500 | 18.9 |
| Ridgeview | 66KW | 100 | 83KVA | 60KW | \$11,500 | 18.9 |
| Pine Cone | 66KW | 100 | 83KVA | 60KW | \$11,500 | 64.8 |
| Stables | 66KW | 100 | 83KVA | 60KW | \$11,500 | 64.8 |
| WagonWheel | 66KW | 100 | 83KVA | 60KW | \$11,500 | 64.8 |
| | | | | TOTAL | \$106,500 | TOTAL 474.6 |

| | |
|--|--|
| Fuel estimates based on facilities operating at 50% capacity | Current Fuel Storage Amount 500 Gal Generator Run Time 24 Hours |
| *operating at 50% capacity is normal for distribution system | Required fuel storage for two week run time 6,644 Gallons |
| | 6K Gallon Capacity Tank \$15,290 |

| | |
|---------------|------------------|
| Generators | \$106,500 |
| Installation | \$10,000 |
| Fuel Storage | \$15,290 |
| Fuel Cost | \$16,680 |
| Portable Tank | \$700 |
| Total | \$149,170 |



Report On District Operations



Water Main Repair – Camino Real

Operations Report
Baca Grande Water and Sanitation District
February 17, 2017

Report from: January 11, to February 8, 2017

Contents

- District Operations.....1
- Water Usage, Compliance & Testing - Chalets.....2
- Wastewater Compliance & Testing.....3
- Infrastructure.....4
- Operators.....5
- Customer Home Tips.....6



Sewer Service Install

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 checked="" type="checkbox"/> | No <input type="checkbox"/> | Service Line Repair |
| Collection System Cleaning | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | |
| GPS/GIS | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | |
| Water/Sewer Hookups | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | Total for 2017: 0 |
| Accidents | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | |

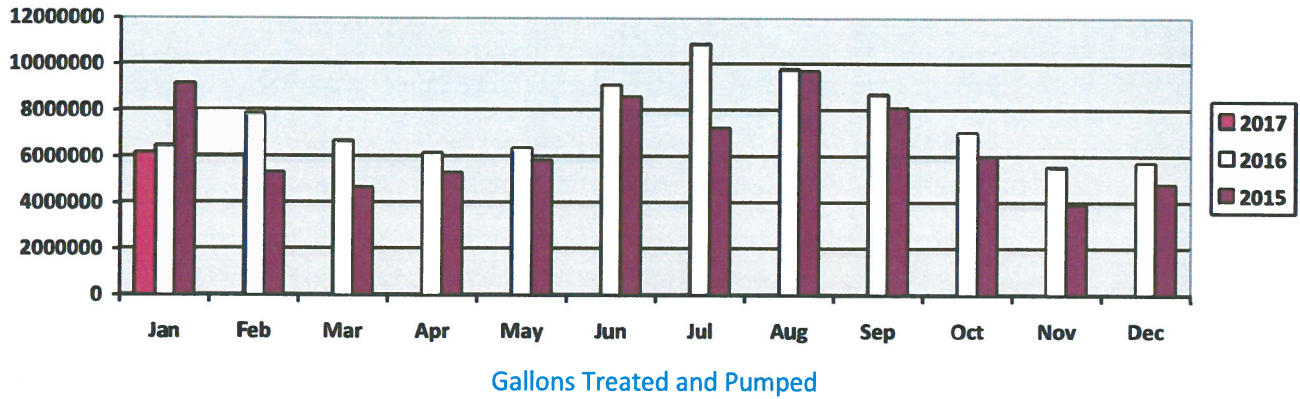
Total Water Treated

| Total Gallons Treated For Month | Finished Water Chalets & Casita Park | Finished Water Metered Chalets & Casita Park | Wastewater Treated | Estimated Unaccounted Water |
|---------------------------------|--------------------------------------|--|--------------------|-----------------------------|
| January 2017 | 6,139,000 | 1,708,000 | 1,941,000 | Leak Found 4,431,000 |
| February 2017 | | | | |
| March 2017 | | | | |
| April 2017 | | | | |
| May 2017 | | | | |
| June 2017 | | | | |
| July 2017 | | | | |
| August 2017 | | | | |
| September 2017 | | | | |
| October 2017 | | | | |
| November 2017 | | | | |
| December 2017 | | | | |
| Total Treated 2017 | 6,139,000 | 1,708,000 | 1,941,000 | 4,431,000 |

Golf Course Well

| April 2017 | May 2017 | June 2017 | July 2017 | August 2017 | September 2017 | October 2017 |
|------------|----------|-----------|-----------|-------------|----------------|--------------|
| | | | | | | |

Baca Grande Chalet & Casita Park

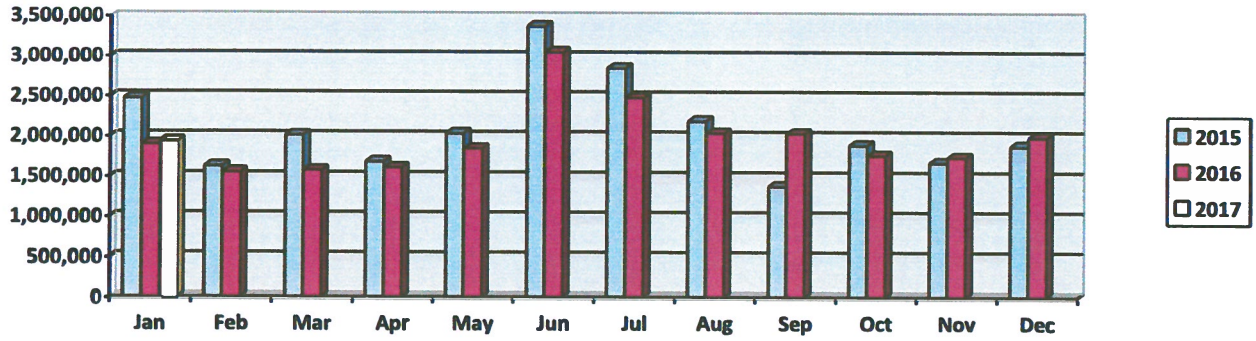


| | | | | | |
|----------------------|----------|-------|-------|-----|------|
| January 6,139,000 | February | March | April | May | June |
|----------------------|----------|-------|-------|-----|------|

| | | | | | |
|------|--------|-----------|---------|----------|----------|
| July | August | September | October | November | December |
|------|--------|-----------|---------|----------|----------|

| Month | Chlorine Residual | Total Coliform E. Coli Result | Compliant | Well Water Level |
|-----------|-------------------|-------------------------------------|-----------|---------------------|
| January | 0.33 | ABSENT | YES | 36' |
| February | | | | |
| March | | | | |
| April | | | | |
| May | | | | |
| June | | | | |
| July | | | | |
| August | | | | |
| September | | | | |
| October | | | | |
| November | | | | |
| December | | | | |

Aspen Wastewater Treatment Facility



Wastewater Treated in Gallons

| | | | | | |
|----------------------|----------|-------|-------|-----|------|
| January 1,941,000 | February | March | April | May | June |
|----------------------|----------|-------|-------|-----|------|

| | | | | | |
|------|--------|-----------|---------|----------|----------|
| July | August | September | October | November | December |
|------|--------|-----------|---------|----------|----------|

| Month | Total Ammonia Result | E. Coli Result | Effluent BOD5 Result | Total BOD5 Removal Result | Compliant for Month |
|-----------|----------------------|----------------|----------------------|---------------------------|---------------------|
| January | 1.2 mg/L | 2/100 | 2.9 mg/L | 98% | Yes |
| February | | | | | |
| March | | | | | |
| April | | | | | |
| May | | | | | |
| June | | | | | |
| July | | | | | |
| August | | | | | |
| September | | | | | |
| October | | | | | |
| November | | | | | |
| December | | | | | |

| Bio Solids | Quantity |
|---|-----------------|
| Stored Bio Solids – Aspen Storage Lagoon | 175,000 Gallons |
| Bio Solids pumped and applied to land application site 2017 | 0 |
| Bio Solids pumped into Aspen Storage Lagoon 2017 | 0 |

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 – Offline |

| Drinking Water Distribution System | Wastewater Collection System |
|--|--|
| Water Mains = 64 Miles | Sewer Mains = 45 Miles |
| Gate Valves = 528 Units | Manholes = 798 |
| Service Accounts = 705 | |
| Curb Stops = 705 | Lift Stations = 5 |
| Fire Hydrants = 278 | MHE LS – Operational |
| Well 17/18 Water Treatment Plant- Facility Fully Operational. | Stables LS – Fully Operational |
| <u>MHE Motel Well Water Treatment Facility- Offline-Emergency Only</u> | 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 44% 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
Class B Commercial License

Chad Tate, CWP
Water Treatment
Operator

Class S Water Operator
Class S Wastewater Operator
Class C Water Operator
Class 2 Distributions Operator
Class A Commercial License

Tim Allen, CWP
Distributions & Collections
Operator

Class S Water Operator
Class S Wastewater Operator

Rebecca Potter, CWP
Laboratory & Analysis
Operator

Class D Wastewater Operator

Jim Vanderpool, CWP
Operations & Maintenance
Operator

Class S Water Operator



ADMINISTRATIVE MANAGER'S REPORT

006

FEBRUARY 17, 2017

To: Baca Grande Water and Sanitation District Board of Directors

From: JoAnn Slivka, Administrative Services Manager

Atalanta Inclusion: I have notified Joanna Dokson of the Board's decision and approval of Resolution 2017-01-01-Concerning Inclusion Fees for the Atalanta Association. As of this writing we have not heard back from the group yet.

Board Binders: An updated Guide to Special Districts for 2017 will be provided at the February 17, 2017 meeting to replace section 4 of the binder.

Transition Update:

SDMS District Files: The District files were retrieved from SDMS; they provided both the hard copies as well as the soft files and a directory of the contents.

2017 Budget and Mill Levy Resolutions: Per our agreement with SDMS, they filed a copy of the adopted budget, including a budget message and the resolutions adopting the budget, appropriating funds, and fixing the rate of any MILL levy with the DLG on January 30, 2017. This concludes our relationship with SDMS.

Small Communities Grant Reimbursement: I have been working with TZA staff to resolve the conflicts with the incorrect reimbursement requests and submittals sent to the Division in 2016 by SDMS. Upon review of the District files received from SDMS, I was able to recover the documentation and past requisitions filed by them, then verified that the funds were deposited in our bank account.

Accountant/Financials:

Special District Solutions, LLC ("SDS"): Cathy Fromm and Kurt Schlegel from SDS attended the January Board meeting to meet the Directors and answer any questions they had. After the Board meeting Ms. Fromm and Mr. Schlegel met with Director Drake and me to discuss the plan for transition. We reviewed our processes, concerns and ideas for moving forward, it was a very productive discussion and we are all looking forward to working together.

- **Caselle:** user and remote log in complete.
- **District Files:** During a visit to Denver to deliver a pump, Chad Tate from the Operations staff successfully picked up our file boxes from SDMS along with a thumb drive containing the soft copy of the files. Copies will be furnished to Law of the Rockies and Special District Solutions.
- **First Bank Accounts:** The District has successfully separated from SDMS and its group for our banking needs. We are now able to access our files and set up users as needed. Our new accountants have been set up as users and are reviewing the statements to reconcile the December and January financials.
- **District Manager:** The job posting for a District Manager has been posted to the Baca and Special District Association's web sites and printed in the Valley Courier. Application deadline is March 1, 2017

Statutory Filings and Compliance:

Administration / Special District Filings:

- **The 2017 Transparency Notice** has been posted and our **Special District Association Membership** has been renewed in time to receive the 25% discount.
- **2017 Annual Meeting dates** were submitted as needed and posted at the following Locations: District Shop @ 57 Baca Grant Way S, the Desert Sage and the Post Office.
- **Maintain a current and accurate map of the District boundaries on file:** In accordance with Section 32-1-306, C.R.S., a letter stating the district boundaries did not change during the calendar year was submitted to DOLA, the County Assessor and the County Clerk and Recorder.
- **Resolution NO. 2016-11-01 to Adopt the 2017 Budget and Resolution NO. 2016-11-02 to Set Mill Levies** have been filed with the DLG.
- **1099 MISC and end of Year reporting:** The 2016 1099 filings were submitted to appropriate vendors.

January Billing:

Availability of Services Billing: The first half of the 2017 AOS billings went out 2/1/17.

BILLING STATS

2017 January Utility Billing Activity

- Late Fees, 81 = \$1185.00
- Number of Usage Customers Billed = 531
- Transfer Fees, 12 (1 home and 11 lots) = \$3000.00

Xpress Bill Pay Stats

- 143 – EFT Web Transactions
- 164 – Credit/Debit Card Web Transactions
- 32 – Online Banking – Bank Bill Pay Transactions
- 219 – Lock Box Service Transactions

Consolidations

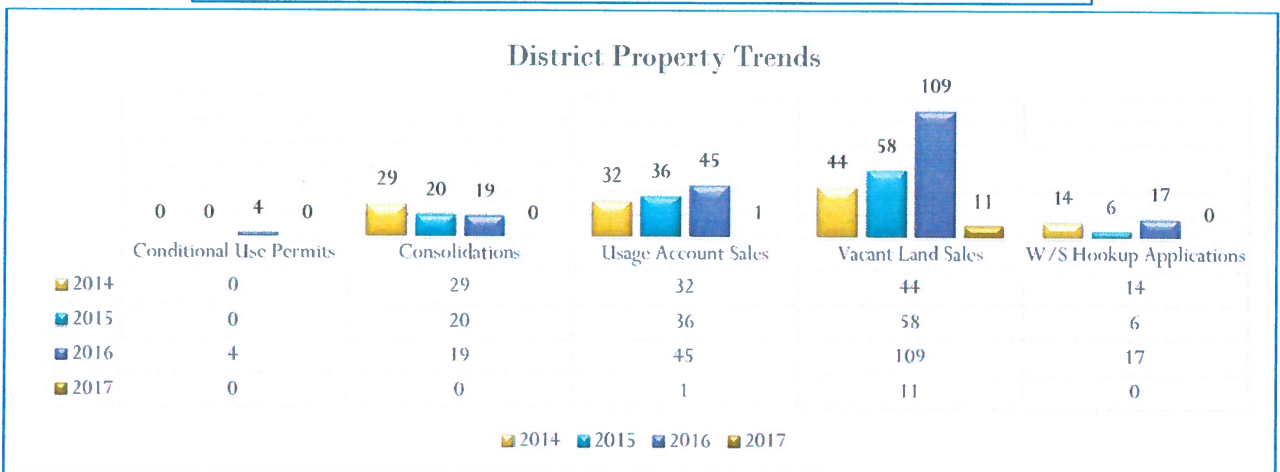
- 0 - New applications received

Water-Sewer Hookup Applications

- 0 - New applications received

Town of Crestone Sewer

| 2017 | Total Monthly Flow (gallons) | Amount Billed |
|---------------|------------------------------|-----------------|
| January | 159,789.88 | \$840.49 |
| February | 0 | |
| March | 0 | |
| April | 0 | |
| May | 0 | |
| June | 0 | |
| July | 0 | |
| August | 0 | |
| September | 0 | |
| October | 0 | |
| November | 0 | |
| December | 0 | |
| Totals | 159,789.88 | \$840.49 |



**BACA GRANDE WATER AND SANITATION DISTRICT
ENGINEER'S REPORT
February 8, 2017**

ADMINISTRATIVE MATTERS

The second Action Item (AI) conference call of 2017 was conducted on February 1, 2017, with JoAnn Slivka, Justin DeBon, Marcus Lock, Michael Scully, and Brad Simons participating.

During the AI conference call, I recommended the District consider contracting with a reputable survey company to provide on-call services when needed. As an example, construction staking will be required for the Headworks/Flow Equalization Basin once awarded.

On February 1, 2017, Justin Korkus, of TZA, in conjunction with JoAnn Slivka's support, completed and submitted a Department of Local Affairs Energy/Mineral Impact Assistance Fund Grant application for the proposed Biosolids Drying Beds project.

CAPITAL PROJECTS

Headworks/Flow Equalization Basin – The site location amendment was approved by the Water Quality Control Division (Division) on December 28, 2016. The Process Design Report was submitted to the Division on January 12, 2017 and the construction documents were submitted on February 3, 2017. During the WQCD's review process, TZA will work with JoAnn Slivka on the notice and invitation to bid requirements in anticipation of Division approval of the design. Construction is still estimated for completion in 2017, and a more detailed schedule will be issued once the bids are received and a contract has been issued.

One item that remains unresolved in our design efforts for the Headworks/Flow Equalization Basin is confirmation of the right-of-way (ROW) for the access road adjacent to the WWTP site, but our design takes Saguache County's verbal representations into consideration.

Finally, JoAnn Slivka has been asked by the District's insurance agent, Brett Plant, about insurance matters specific to the general contractor that will construct the Headworks/Flow Equalization Basin. She is going to provide TZA with more information on Mr. Plant's specific inquire for consideration against the grant contract with the Water Quality Control Division.

Stables Lift Station Warranty Inspection – The 11-month warranty inspection for the 2016 improvements to the Stables Lift Station is due in April of 2017. Justin DeBon will advise the contractors for the work of the date and time of the inspection.

LAMP RYNEARSON COMPANIES



Baca Grande Water
and Sanitation DistrictCheck Register - BGWSD new
Check Issue Dates: 2/1/2017 - 2/28/2017Page: 1
Feb 13, 2017 11:29AM

| Check Issue Date | Payee | Invoice Number | Invoice GL Account | Account Title | Check Amount |
|---------------------|-----------------------------------|-------------------|-----------------------|----------------------------|-----------------|
| 90198 | | | | | |
| 02/17/2017 | A&M Pest & Termite Control, Inc | 115363 | 4-503000 | Repair & Maint | 75.00 |
| Total 90198: | | | | | 75.00 |
| 90199 | | | | | |
| 02/17/2017 | Airgas USA, LLC | 8059774191 | 4-500450 | Utility Maintenance Tools | 1,856.49 |
| Total 90199: | | | | | 1,856.49 |
| 90200 | | | | | |
| 02/17/2017 | Caselle, Inc | 78780 | 4-500408 | Computer Support | 260.00 |
| Total 90200: | | | | | 260.00 |
| 90201 | | | | | |
| 02/17/2017 | Chaparral Inc. | 154782 | 4-500662 | Vehicle-Repairs and Maint | 83.69 |
| Total 90201: | | | | | 83.69 |
| 90202 | | | | | |
| 02/17/2017 | Colorado Analytical Lab, Inc. | 170208049 | 4-500250 | Testing | 56.00 |
| Total 90202: | | | | | 56.00 |
| 90203 | | | | | |
| 02/17/2017 | Colorado Rural Water Assoc | 8854 | 4-500520 | Memberships | 275.00 |
| Total 90203: | | | | | 275.00 |
| 90204 | | | | | |
| 02/17/2017 | Colorado Spec Dist Property & Lia | CHG-4969 | 4-500300 | Insurance | 52.61 |
| Total 90204: | | | | | 52.61 |
| 90205 | | | | | |
| 02/17/2017 | Craig Electric, LLC | 1970 | 4-503025 | Repair & Maint-Office | 385.00 |
| Total 90205: | | | | | 385.00 |
| 90206 | | | | | |
| 02/17/2017 | Deluca Gas Company, Inc. | M013145 | 4-505020 | Aspen TP-Propane | 255.00 |
| 02/17/2017 | Deluca Gas Company, Inc. | U0124799 | 4-505026 | Shop, Yard, Office-Propane | 447.45 |
| Total 90206: | | | | | 702.45 |
| 90207 | | | | | |
| 02/17/2017 | Fair Point Communications | 170201-243 | 4-505027 | Office / Cell Phones | 380.43 |
| Total 90207: | | | | | 380.43 |
| 90208 | | | | | |
| 02/17/2017 | Ferguson Enterprises, Inc. 109 | 5261962 | 4-503019 | Repair & Maint-Aspen TP | 17.50 |
| Total 90208: | | | | | 17.50 |

| Check Issue Date | Payee | Invoice Number | Invoice GL Account | Account Title | Check Amount |
|------------------|-------------------------------|----------------|--------------------|---------------------------|--------------|
| 90209 | | | | | |
| 02/17/2017 | FirstBank | 1701-0362 | 4-500362 | Clothing Allowance | 108.98 |
| 02/17/2017 | FirstBank | 1701-0401 | 4-500401 | Postage | 145.17 |
| 02/17/2017 | FirstBank | 1701-0403 | 4-500403 | Office Supplies | 12.99 |
| 02/17/2017 | FirstBank | 1701-0408 | 4-500408 | Computer Support | 58.98 |
| 02/17/2017 | FirstBank | 1701-0451 | 4-500451 | Supplies | 94.45 |
| 02/17/2017 | FirstBank | 1701-0550 | 4-500550 | Meals and Lodging | 11.33 |
| 02/17/2017 | FirstBank | 1701-0662 | 4-500662 | Vehicle-Repairs and Maint | 37.51 |
| 02/17/2017 | FirstBank | 1701-3000 | 4-503000 | Repair & Maint | 135.22 |
| 02/17/2017 | FirstBank | 1701-3019 | 4-503019 | Repair & Maint-Aspen TP | 14.70 |
| 02/17/2017 | FirstBank | 1701-5027 | 4-505027 | Office / Cell Phones | 270.42 |
| Total 90209: | | | | | 889.75 |
| 90210 | | | | | |
| 02/17/2017 | Freedom Mailing Services, INC | 30664 | 4-500460 | Utility Billing | 893.88 |
| Total 90210: | | | | | 893.88 |
| 90211 | | | | | |
| 02/17/2017 | Law of the Rockies | 1701-LAW | 1-506030 | Legal | 3,991.00 |
| 02/17/2017 | Law of the Rockies | 1701-LAW | 3-517150 | Water Rights Acquisition | 170.00 |
| Total 90211: | | | | | 4,161.00 |
| 90212 | | | | | |
| 02/17/2017 | National Benefit Services LLC | 578805 | 4-530500 | Health Insurance | 75.00 |
| Total 90212: | | | | | 75.00 |
| 90213 | | | | | |
| 02/17/2017 | Peregrino, Dora | 170119-PER | 4-503025 | Repair & Maint-Office | 100.00 |
| 02/17/2017 | Peregrino, Dora | 170202-PER | 4-503025 | Repair & Maint-Office | 100.00 |
| Total 90213: | | | | | 200.00 |
| 90214 | | | | | |
| 02/17/2017 | Poncha Lumber | H17158 | 4-500662 | Vehicle-Repairs and Maint | 453.78 |
| 02/17/2017 | Poncha Lumber | H17158 | 4-503000 | Repair & Maint | 31.21 |
| Total 90214: | | | | | 484.99 |
| 90215 | | | | | |
| 02/17/2017 | Quill | 3608302 | 4-500403 | Office Supplies | 29.97 |
| 02/17/2017 | Quill | 3626261 | 4-500451 | Supplies | 3.49 |
| 02/17/2017 | Quill | 3628828 | 4-500403 | Office Supplies | 11.98 |
| 02/17/2017 | Quill | 3628828 | 4-500451 | Supplies | 143.92 |
| 02/17/2017 | Quill | 4014336 | 4-500403 | Office Supplies | 20.98 |
| Total 90215: | | | | | 210.34 |
| 90216 | | | | | |
| 02/17/2017 | San Luis Valley HMO | 731104A | 4-530500 | Health Insurance | 1,721.34 |
| 02/17/2017 | San Luis Valley HMO | 744724 | 4-530500 | Health Insurance | 1,599.43 |
| 02/17/2017 | San Luis Valley HMO | 759450 | 4-530500 | Health Insurance | 4,519.73 |

| Check Issue Date | Payee | Invoice Number | Invoice GL Account | Account Title | Check Amount |
|------------------|------------------------------|----------------|--------------------|--------------------------|--------------|
| Total 90216: | | | | | 7,840.50 |
| 90217 | | | | | |
| 02/17/2017 | Sensus Metering Systems | ZA17013756 | 4-500409 | Software Maintenance | 1,893.15 |
| Total 90217: | | | | | 1,893.15 |
| 90218 | | | | | |
| 02/17/2017 | Sherwin-Williams | 23203 | 4-503019 | Repair & Maint-Aspen TP | 192.27 |
| Total 90218: | | | | | 192.27 |
| 90219 | | | | | |
| 02/17/2017 | Special Dist Management Svcs | 12361 | 1-506040 | Management | 1.20 |
| 02/17/2017 | Special Dist Management Svcs | 12363 | 1-506040 | Management | 121.50 |
| Total 90219: | | | | | 122.70 |
| 90220 | | | | | |
| 02/17/2017 | The Saguache Crescent | 2017-TSC | 4-500510 | Advertising | 16.00 |
| Total 90220: | | | | | 16.00 |
| 90221 | | | | | |
| 02/17/2017 | TZA Water Engineers, Inc. | 4607.04-6 | 3-517215 | Aspen WWTF | 90.00 |
| 02/17/2017 | TZA Water Engineers, Inc. | 4607.04-6 | 3-517215 | Aspen WWTF | 577.50 |
| 02/17/2017 | TZA Water Engineers, Inc. | 4607.04-6 | 3-517215 | Aspen WWTF | 8,738.80 |
| 02/17/2017 | TZA Water Engineers, Inc. | 4607.04-6 | 3-517215 | Aspen WWTF | 2,954.60 |
| 02/17/2017 | TZA Water Engineers, Inc. | 4607.04-6 | 3-517215 | Aspen WWTF | 196.02 |
| 02/17/2017 | TZA Water Engineers, Inc. | 4607.04-6 | 3-517215 | Aspen WWTF | 636.00 |
| Total 90221: | | | | | 13,192.92 |
| 90222 | | | | | |
| 02/17/2017 | UNCC | 217010052 | 4-500530 | Locates | 2.90 |
| Total 90222: | | | | | 2.90 |
| 90223 | | | | | |
| 02/17/2017 | Univar USA Inc | DV916892 | 4-503300 | Chemicals Maintenance | 3,991.64 |
| 02/17/2017 | Univar USA Inc | DV917249 | 4-503310 | Waste Water Treat. Chem. | 4,212.00 |
| Total 90223: | | | | | 8,203.64 |
| 90224 | | | | | |
| 02/17/2017 | Upper Case Printing, Ink | 11530 | 4-500460 | Utility Billing | 482.34 |
| Total 90224: | | | | | 482.34 |
| 90225 | | | | | |
| 02/17/2017 | US Fish and Wildlife Service | USFW-1701 | 4-500100 | Raw Water USFSWS | 4,396.86 |
| Total 90225: | | | | | 4,396.86 |
| 90226 | | | | | |
| 02/17/2017 | USA BlueBook | 157979 | 4-503019 | Repair & Maint-Aspen TP | 1,832.33 |

| Check Issue Date | Payee | Invoice Number | Invoice GL Account | Account Title | Check Amount |
|----------------------|-------------------------------|----------------|--------------------|------------------------------|------------------|
| Total 90226: | | | | | 1,832.33 |
| 90227 | | | | | |
| 02/17/2017 | Valley Communications | 1701-VAL | 4-505025 | Shop, Office, Yard | 204.00 |
| Total 90227: | | | | | 204.00 |
| 90228 | | | | | |
| 02/17/2017 | Waste Management Monte Vista | 0976010-252 | 4-505029 | Trash and Recycling Services | 166.55 |
| Total 90228: | | | | | 166.55 |
| 90229 | | | | | |
| 02/17/2017 | World Fuel Service, Inc. Land | 130041-4110 | 4-500661 | Gas and Oil | 636.76 |
| 02/17/2017 | World Fuel Service, Inc. Land | 130041-4110 | 4-500663 | Diesel Fuel | 642.89 |
| Total 90229: | | | | | 1,279.65 |
| 90230 | | | | | |
| 02/17/2017 | WSB Computer Services, Inc. | 59020 | 4-500408 | Computer Support | 71.25 |
| 02/17/2017 | WSB Computer Services, Inc. | 59212 | 4-500408 | Computer Support | 71.25 |
| Total 90230: | | | | | 142.50 |
| 90231 | | | | | |
| 02/17/2017 | Xerox Corp. | 087930371 | 4-500402 | Copier Lease and Equipment | 147.89 |
| Total 90231: | | | | | 147.89 |
| Grand Totals: | | | | | 51,175.33 |

Resolution No. 2017-02 - 01

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

WHEREAS, the Baca Grande Water and Sanitation District (the “**District**”) was formed pursuant to C.R.S. §§ 32-1-101, *et seq.*, as amended (the “**Special District Act**”), by order of the District Court for Saguache County, Colorado, and after approval of the District’s eligible electors at an election; and

WHEREAS, pursuant to C.R.S. § 32-1-1001(1)(m), the Board of Directors of the District (the “**Board**”) is empowered to adopt, amend, and enforce rules and regulations of the District; and

WHEREAS, on December 14, 2012, the Board adopted its Rules and Regulations, which have been subsequently amended by the Board (collectively, the “**Rules and Regulations**”), and

WHEREAS, the Board has determined to clarify certain provisions regarding exclusion from the District; and

WHEREAS, the Board desires to amend the Rules and Regulations in this Resolution to reflect these clarifications,

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

1. AMENDED AND RESTATED EXCLUSION PROCEDURES. Section 2.10.4.2 regarding exclusion procedures is hereby amended and restated as follows:

2.10.4.2 Exclusion Procedures.

2.10.4.2.1 Petition for Exclusion. An owner of property located inside the boundaries of the District wishing to exclude property from the District shall submit to the District a petition for exclusion meeting the requirements of § 32-1-501, *et seq.*, C.R.S. The owner is referred to in these Rules and Regulations as the “Petitioner”. A Petitioner desiring the District to provide the form of petition for exclusion to him/her shall pay an Application Fee in the amount of Five Hundred Dollars (\$500), which Application Fee shall be non-refundable and shall not be credited toward the Initial Deposit, and the Initial Deposit set forth in the Schedule of Fees and Charges, and more particularly described in Section 2.10.4.2.2 below, to the District at the time of such request. A Petitioner desiring to meet with the District and/or the District’s consultants prior to formal

submission of a petition shall pay a pre-exclusion fee to the District in the amount of One Thousand Dollars (\$1,000) to pay for all administrative costs associated with such meeting. Any remaining funds on deposit with the District will either be: 1) returned to the potential Petitioner upon determination not to proceed with an exclusion from the District; or 2) credited toward the Initial Deposit described in Section 2.10.4.2.2 below.

2.10.4.2.2 Exclusion Fee. Concurrent with the submission of a fully executed petition for exclusion, and pursuant to and in accordance with the provisions of §32-1-501(1), C.R.S., the Petitioner shall remit to the Manager the Initial Deposit in the amount set forth in the Schedule of Fees and Charges, attached hereto as Appendix A, to pay for all costs associated with the processing of the exclusion. The Initial Deposit shall be non-refundable under all circumstances. All costs, specifically including, but not limited to, legal, management and engineering costs and fees shall be applied to the Initial Deposit. When the amount of the Initial Deposit remaining is One Thousand Dollars (\$1,000), the Manager shall notify the Petitioner in writing and request that an Incremental Refundable Deposit in the amount set forth in the Schedule of Fees and Charges be remitted to the District. All work on the exclusion shall continue until the Initial Deposit is exhausted. In the event an Incremental Refundable Deposit is not received by the Manager by the time the Initial Deposit is exhausted, the District's consultants, including legal, management and engineering, shall cease all work until an Incremental Refundable Deposit is remitted to the Manager, at which time work shall resume. When the amount of any Incremental Refundable Deposit remaining is One Thousand Dollars (\$1,000), the Manager shall proceed in the same manner as set forth above for obtaining additional Incremental Refundable Deposits. Upon completion of the exclusion process, any unused portions of the Incremental Refundable Deposit shall be refunded to the Petitioner.

2.10.4.2.3 Exclusion Agreement. A Petitioner seeking to exclude property from the District shall enter into an exclusion agreement with the District setting forth the conditions of exclusion. The exclusion agreement shall comply with the provisions of these Rules and Regulations and shall be substantially in the form provided by the District's legal counsel. Any material deviations from the District's form exclusion agreement shall be approved by the District's Board prior to a public hearing on the petition for exclusion as provided in Section 2.10.4.2.4, below.

2.10.4.2.4 Public Hearing on Exclusion. Notice of a public hearing on the petition for exclusion shall be published in accordance with § 32-1-501, *et seq.*, C.R.S. No petition for exclusion may be withdrawn after the date of publication without the consent of the Board. The District shall advise the Petitioner of the date, time and location for the public hearing on the petition for exclusion. The public hearing on the petition shall be

conducted in accordance with the provisions of §§ 32-1-501, *et seq.*, C.R.S., and the District shall grant or deny the petition, in whole or in part, with or without conditions at the public hearing. In its sole discretion, the Board may continue the public hearing.

2.10.4.2.5 Effective Date of Exclusion. After approval by the Board of the exclusion of the property at the public hearing, the District's legal counsel shall process the necessary documents to obtain an order from the Saguache County District Court ordering the exclusion of the property from the District. Upon receipt of a certified order for exclusion, the order shall be recorded in the real property records of the Saguache County Clerk and Recorder's Office and the exclusion of the property shall become effective. All continuing obligations of the Petitioner set forth in the exclusion agreement shall remain in full force and effect until fully satisfied in accordance with the terms thereof. The District's legal counsel shall provide the Petitioner with a copy of the fully executed and recorded order for exclusion for its records.

2.10.4.2.6 Update of District Map. Pursuant to § 32-1-306, C.R.S., when the District's boundaries have been altered by either an inclusion or exclusion, the District is required to file an updated map of the District's boundaries with various Colorado agencies. The Petitioner shall pay all costs associated with updating the District's map for the year in which the exclusion became effective. In the event other inclusions or exclusions became effective in the same year, then each Petitioner shall be responsible for its proportionate share of the costs of the updated map.

2. AMENDED SCHEDULE OF FEES. The Schedule of Fees and Charges attached to the Rules and Regulations as Exhibit A shall be amended to add, immediately prior to PERMIT FEES, the following:

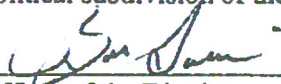
EXCLUSION FEE

| | |
|------------------------------------|------------|
| Initial Deposit: | \$5,000.00 |
| Incremental Refundable Deposit of: | \$1,500.00 |

3. EFFECTIVE DATE; PRIOR PROVISIONS EFFECTIVE. This Resolution shall become effective as of the date of adoption set forth below. Except as specifically amended hereby, all the terms and provisions of the Rules and Regulations, as amended, shall remain in full force and effect.

ADOPTED this 17th day of February, 2017.

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




Officer of the District

ATTEST:



APPROVED AS TO FORM:

LAW OF THE ROCKIES



General Counsel to the District