

**NOTICE OF REGULAR MEETING and AGENDA
BACA GRANDE WATER AND SANITATION DISTRICT
BOARD of DIRECTORS**

WHEN: Wednesday, September 21, 2022

TIME: 9:00 AM

WHERE: **TELECONFERENCE VIA Zoom** [Ctrl+click to join Zoom meeting](#) (see below)

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expiration</u>
Viva Lawson	President	2025/May 2025
John Loll	Vice-President	2025/May 2025
Mike Smith	Treasurer/Secretary	2023/May 2023
Rick Hart	Director	2025/May 2025

I. Call to Order

- Present disclosures and potential conflicts of interest
 - Board Roll Call
-

II. Approve Agenda

III. CONSENT AGENDA

Action: to approve

These items are considered routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board member so requests; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

- Approve Minutes from the August 17, 2022 Regular Meeting
-
- Review and accept unaudited financial statements for the period ending August 31, 2022, and current schedule of cash position (enclosure)
-

IV. AGENDA REQUEST – Well/Septic Waiver Johnson/Malouff Tract

V. PUBLIC COMMENT (ITEMS NOT ON THE AGENDA ONLY. NO ACTION MAY BE TAKEN).

Per Colorado Open Meetings Law, no Board discussion or action will take place until a later date, if necessary. Speakers must identify themselves with their full name and address. Each speaker's comments are limited to three minutes or less.

VI. FINANCIAL MATTERS

- A. Review and approve the check register for the period ending September 21, 2022 (enclosure)

Action: to approve

General	\$ 10,551.95
Capital	\$ 1,280.00
Enterprise	\$ 56,506.81
	<u>\$ 68,338.76</u>

B. Financial Audit – Fiscal Focus Partners LLC (enclosure)

VII. BOARD AND STAFF REPORTS

- A. Board of Director Matters
 - B. District Manager Report (enclosure)
 - C. Administrative Manager’s Report (enclosure)
 - D. Director of Utilities Report (enclosure)
 - E. District Engineer Report (enclosure)
-

VIII. A. Consider adoption of the Updated Master Plan with Element Engineering

B. Consider approval of the Proposal for Engineering Services, Work order #7 (enclosure)

IX. LEGAL MATTERS

A. Employee Handbook Policy on Personal Gain – Tips (adjourn to Executive Session if necessary)

B. Town of Crestone- Status of IGA (adjourn to Executive Session if necessary)

X. EXECUTIVE SESSION

Adjourn to Executive Session pursuant to C.R.S. § 24-6-402(4) (a), (b), and (e), which respectively concern the purchase or lease of real property, specific legal advice from counsel, and determining positions relative to matters subject to negotiation regarding the lease rate for the next 20-year term of the Water Service Agreement and the terms and conditions for continued provision of sewer service to the Town of Crestone.

XI. OTHER BUSINESS

XII. ADJOURN

NEXT REGULAR MEETING IS SCHEDULED FOR October 19 2022, at 9:00 AM

Join Zoom Meeting

Meeting ID: 872 6912 4750 -- Passcode: 638055 -- One tap mobile - Dial by your location +1 346 248 7799 US (Houston)

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

September 21, 2022- 9:00 AM

District Office – 57 Baca Grant Way South

Crestone, Colorado 81131

Meeting held via Zoom

ATTENDANCE

Directors in Attendance:

Vivia Lawson

John Loll

Mike Smith

Rick Hart

Also in Attendance:

Marcus Lock, District Legal Counsel

JoAnn Slivka, District Manager

Gary Potter, District Director of Utilities

Natalie DeBon, District Administrative Services Manager

Cathy Fromm, District Accountant (for a portion of the meeting)

Nick Marcotte, District Engineer (for a portion of the meeting)

Eric Barnes, Fiscal Focus Partners, LLC (for a portion of the meeting)

Community Members and Guests:

John W.

Alannah Godwin

Parke Hess

Lynn Drake

Charley Whipple

Cynthia Whipple

Michael Scully

Glen Moser

Buddy

Elizabeth Mattis Namgyel

Bill

Michell's iPad

David Karas

Morgain Faust

Whitney Ghourdin

Sima Simone

Curtis

Josefina Gordh

CALL TO ORDER

President Lawson opened the meeting at 9:02 AM.

Board Roll Call: Directors Lawson, Loll, Smith, and Hart were present.

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 Baca Grande Water and Sanitation District Board of Directors and to the Secretary of State. It was noted that a quorum was present and members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No new disclosures were made. President Lawson disclosed a conflict regarding the well and septic waiver request for the Johnson/Malouff Tract and indicated that she intended to recuse herself from that agenda item.

AGENDA

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART,
SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE
AGENDA.

CONSENT AGENDA

The board considered the following consent agenda items:

- Approve Minutes from the August 17, 2022 Regular Meeting
- Accept the unaudited financial statements for the period ending August 31, 2022, and current schedule of cash position

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CONSENT AGENDA.

PUBLIC COMMENT (ITEMS NOT ON THE AGENDA ONLY. NO ACTION MAY BE TAKEN).

The district is subject to the Colorado Open Meetings Law, which states that no Board discussion or action will take place until a later date, if necessary. Please limit your comments to three minutes or less.

Director Lawson acknowledged the large number of attendees at today's meeting. She let them know if they were in attendance to speak about the cell tower that there would be no board discussion about the tower at this time. The District has a full agenda with timely topics to complete.

Director Hart clarified that it is not the intention of the Board to quiet the community but only a desire to conduct the meeting in an efficient and effective manner.

- Mr. Whipple spoke to grants and funding that should be available to the district.
- Ms. Godwin read a statement about communications during this time in history.

AGENDA REQUEST – Well and Septic Waiver Johnson/Malouff Tract

Director Lawson recused herself from this topic and was put in the waiting room during the discussion. As Vice-president, Director Loll proceeded to continue the discussion.

Mr. Karas is under contract to purchase the 171 acre Johnson/Malouff parcel. His request is rather urgent to meet the timeline for a 1031 exchange transaction. He presented his request that the District allow an option to waive the requirements to connect to District water and sewer lines as the cost to connect to the District lines in that area is alleged to be cost prohibitive by Mr. Karas.

District Director of Utilities, Gary Potter is concerned about the precedent of allowing a well inside District boundaries and possible effects of water rights.

Following discussion, the following documents were requested from Mr. Karas before a decision could be made;

1. Authorization from the current owners, Mr. Johnson, and Mr. Malouff for this waiver request.
2. A letter to accompany the waiver request that states that should Mr. Karas purchase the property he does not intend to sub-divide the property.

The District's preference would be that he apply for an exclusion. It is understood that this is not a desirable option for the purchaser. Mr. Karas would like to keep the option available to connect to the District and would like to see an estimated cost to connect to the District lines.

Following the conclusion of the foregoing discussion, President Lawson returned to the meeting at 9:29 AM.

FINANCIAL MATTERS

Check Register: The board considered approval of the check register through the period ending September 21, 2022 as follows:

General	\$ 10,551.95
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Capital	\$ 1,280.00
<u>Enterprise</u>	<u>\$ 56,506.81</u>
	\$ 68,338.76

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR LOLL, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CHECK REGISTER FOR THE PERIOD ENDING SEPTEMBER 21, 2022.

2021 Draft Audit:

Mr. Eric Barnes from Fiscal Focus Partners, LLC, presented the 2021 draft audited financial statements and independent auditor's report. He gave the Board a background of the process, his history with the District then presented highlights of the audit. Mr. Barnes commented that ColoTrust is a good investment vehicle that the District is taking advantage of.

Mr. Barnes notified the board that his firm will issue a clean opinion on the District's financial statements and the audit will be filed by the September 30 deadline with no problem.

Director Loll inquired as to our position with Tabor requirements. Mr. Barnes noted that our enterprise fund looks good from an auditor's perspective, there were no apparent Tabor violations.

Director Lawson inquired as to what a good ratio of debt is. Mr. Barnes responded that it depends on the community- are they willing to pay higher taxes or higher user fees? The challenge is always how to reduce expenses while still maintaining the district's infrastructure.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR HART, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE 2021 FINANCIAL AUDIT, SUBJECT TO A CLEAN FINAL REVIEW BY THE AUDITOR. THE AUDIT WILL BE FILED BY THE SEPTEMBER 30, 2022 DEADLINE.

BOARD AND STAFF REPORTS

The board reviewed and discussed the reports incorporated herein by this reference.

Board Matters

There were no board matters for discussion this month.

Administration:

Ms. DeBon reviewed the administrative report with the Directors and noted the addition of the status of meter readings per direction given at the August meeting. The Directors appreciated the information and thanked Ms. DeBon.

Operations:

Mr. Potter presented his report and pointed out the photos on his cover page. He noted the photo of the sewer mainline; this is what it looks like when grease builds up in the line.

Director Hart questioned the high percentage of loading contributed by the Town of Crestone. Mr. Potter recommends that the Town get its own auto-sampler.

Engineer's Report:

Moving forward Element Engineering, LLC, will provide a monthly report to the Board of Directors. The purpose of this report is to show the progress of Element Engineering's work with the District. Mr. Marcotte presented the first report and explained his typical format but he is open to input from the Directors and what they would like to see in his report.

Director Loll inquired as to the status of achieving grant funding for an administrative building. This is very important to him as we have talked about the need for a new building for the District's administrative staff for many years with no movement. Staff thanked Mr. Loll for caring about the building and keeping it in mind for funding. We will incorporate it as we work on the budget and seek funds.

Director Loll further requested that we adjust the agenda to allow the Engineer's report be at the top of the agenda with respect of Mr. Marcotte's time as well as the cost to have him present at the monthly meetings.

Water-Wastewater Master Plan Update:

The Board considered adoption of the Updated Master Plan with Element Engineering that was presented at the August meeting.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE WATER AND WASTEWATER MASTER PLAN UPDATE WITH ELEMENT ENGINEERING.

Proposal for Engineering Services, Work Order #7

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED WORK ORDER #7 WITH ELEMENT ENGINEERING FOR SERVICES RELATED TO TASKS TO COMPLETE A USDA WASTEWATER TREATMENT PLANT PRELIMINARY ENGINEERING REPORT AND ENVIRONMENTAL REPORT.

LEGAL MATTERS**A. Employee Handbook Policy on Personal Gain – Tips**

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR SMITH, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED REMOVAL OF THE SECOND SENTENCE FROM PARAGRAPH J., PAGE 4-8 OF THE EMPLOYEE HANDBOOK.

B. Town of Crestone- Status of IGA (adjourn to Executive Session if necessary)

Mr. Lock briefly commented on a recent report the District received from Crestone Town administrator, Leslie Klusmire. The Directors were encouraged to read the report carefully if they have not done so already.

The report will be posted on the district web site.

EXECUTIVE SESSION

MOTION: PURSUANT TO C.R.S. § 24-6-402(4) (A), (B), AND (E), UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR HART AND, UPON AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE QUORUM PRESENT, THE BOARD ADJOURNED TO EXECUTIVE SESSION AT 11:32 AM FOR THE PURPOSE OF DISCUSSING MATTERS SUBJECT TO NEGOTIATION REGARDING THE LEASE RATE OF THE WATER SERVICE AGREEMENT AND THE TERMS AND CONDITIONS FOR CONTINUED PROVISION OF SEWER SERVICE TO THE TOWN OF CRESTONE.

MOTION: DIRECTOR SMITH MOVED; DIRECTOR HART SECONDED TO RECONVENE TO REGULAR SESSION AT 12:17 PM.

Other Business:

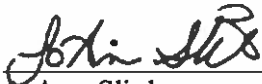
None.

ADJOURNMENT:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 12:18 PM.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR
October 29, 2022**

Respectfully submitted,



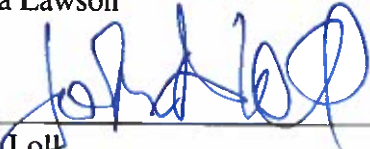
JoAnn Slivka

Secretary for the meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL September 21, 2022 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Vivia Lawson



John Lott



Mike Smith



Rick Hart

ATTORNEY STATEMENT

Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2) (d.5) (II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Baca Grande Water and Sanitation District, I attended the executive sessions on September 21, 2022, 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

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

August 17, 2022- 9:00 AM

District Office – 57 Baca Grant Way South

Crestone, Colorado 81131

Meeting held via Zoom

ATTENDANCE

Directors in Attendance:

Vivia Lawson

John Loll

Mike Smith

Rick Hart

Also in Attendance:

Marcus Lock, District Legal Counsel

Cathy Fromm, District Accountant (for a portion of the meeting)

JoAnn Slivka, District Manager

Gary Potter, District Director of Utilities

Natalie DeBon, District Administrative Services Manager

Nicholas Marcotte, District Engineer (for a portion of the meeting)

Community Members and Guests:

Tom McCracken

Parke Hess

Lynn Drake

Charles Whipple

dan gray

Mark Talbot

CALL TO ORDER

President Lawson opened the meeting at 9:00 AM.

Board Roll Call: Directors Lawson, Loll, Smith, and Hart were present.

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 Baca Grande Water and Sanitation District Board of Directors and to the Secretary of State. It was noted that a quorum was present and members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No new disclosures were made.

AGENDA

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR SMITH,
SECONDED BY DIRECTOR HART AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE
AGENDA.

CONSENT AGENDA

The board considered the following consent agenda items:

- Approve Minutes from the July 20, 2022 Regular Meeting

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART,
SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED,
THE BOARD APPROVED THE CONSENT AGENDA.

PUBLIC COMMENT (ITEMS NOT ON THE AGENDA ONLY. NO ACTION MAY BE TAKEN).

The district is subject to the Colorado Open Meetings Law, which states that no Board discussion or action will take place until a later date, if necessary. Please limit your comments to three minutes or less.

Mr. Gray, addressed the board with a list of issues he has with the district staff. President Lawson acknowledged his concerns.

BOARD AND STAFF REPORTS

The board reviewed and discussed the reports incorporated herein by this reference.

Board Matters

There were no board matters for discussion this month.

Administration:

Ms. DeBon informed the Directors of new items she has added to the Administrative Manager’s Report. Recent additions to the report include the various types of property transactions that occur and and Xpress Bill Pay data including costs associated with the program. The Directors are interested in understanding the AOS late fees and how many of those may go to certification because of delinquent status. Board members also expressed interest in the status of manually read meters and usage.

Operations:

Gary Potter reported that he is still working on the MHE lift station issues with Element Engineering; they will be considering expenditures for the 2023 budget. The auto samplers are now in daily use. Staff is installing new hookups without MXU’s (the reading device on the meters). We are down to only four meters left in inventory.

FINANCIAL MATTERS

Check Register: The board considered approval of the check register through the period ending August 17, 2022 as follows:

General	\$ 7,807.00
Debt Services	\$ 15,980.00
<u>Enterprise</u>	<u>\$ 45,106.65</u>
	\$ 68,893.65

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL,
 SECONDED BY DIRECTOR SMITH, AND, UPON VOTE, UNANIMOUSLY CARRIED,
 THE BOARD APPROVED THE CHECK REGISTER FOR THE PERIOD ENDING AUGUST 17, 2022.

Financial Statements:

Ms. Fromm reviewed the financial statements with the Board of Directors. We are 58% through the 2022 budget. ColoTrust continues to gain interest.

2021 Draft Audit:

Ms. Fromm reported that the draft audit is in a very rough form. It is provided today to give the Directors an opportunity to peruse the information to look ahead so that they will be prepared to ask questions of the Auditor at the September meeting. The Board members requested they receive the audit well in advance of the meeting (at least week before) so they can review the materials before the September 21 Board meeting.

Water - Wastewater Master Plan Update:

Nick Marcotte from Element Engineering presented the draft wastewater master plan update. He emphasized that this is a final draft not a final product and is open for questions and comments from the Directors.

Mr. Lock pointed out four key areas that should be noted.

1. Water Loss
2. Increasing the capacity of Well 17 and 18
4. Activating the Motel Well
5. Building a new wastewater plant

Following discussion, Director Loll requested the Board consider a Special Meeting to focus on understanding the details and financing of the plan.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL,
SECONDED BY DIRECTOR HART, AND, UPON VOTE, UNANIMOUSLY CARRIED,
THE BOARD APPROVED HOLDING A SPECIAL MEETING ON SEPTEMBER 6, 2022 AT 10:00 A.M. TO DISCUSS
THE DRAFT MASTER PLAN UPDATE.

Mr. Marcotte encouraged the Directors to review the plan and to send comments, questions and thoughts to the District Manager so that we will be sure to cover those at the September meeting.

Communications Tower:

President Lawson shared her draft letter to the community regarding the proposed cell tower and community information meeting scheduled for August 24th. Discussion followed and Director Loll motioned to cancel the community meeting; Director Hart seconded but wanted clarification if the meeting is cancelled does that mean all discussions regarding the tower is cancelled or just the public information meeting. Public members in attendance were invited to comment.

President Lawson brought the Directors attention back to her draft letter as that was the original topic of discussion. After hearing all the discussion and comments, Director Lawson decided she would edit the letter and not cancel the meeting but rather move forward with the meeting and be the face of the meeting.

Discussion followed regarding the importance of establishing protocols, preparation and consideration of upgrading the District's Zoom account in order to handle the anticipated increased volume of attendees.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART,
SECONDED BY DIRECTOR SMITH, AND, UPON VOTE, CARRIED, WITH DIRECTOR LOLL CLARIFYING HE IS STILL
OPPOSED TO HAVING THE PUBLIC INFORMATION MEETING BUT AGREES TO THE LETTER,

THE BOARD ADOPTED THE LETTER WRITTEN BY PRESIDENT LAWSON WITH THE CHANGES TO THE LAST SENTENCE TO STATE THE AUGUST 24, 2022 MEETING WILL COMMENCE AS PLANNED AND APPROVED IMMEDIATE DISTRIBUTION OF THE LETTER TO DISTRICT CUSTOMERS VIA EMAIL AND POSTING ON THE DISTRICT WEB SITE.

EXECUTIVE SESSION

MOTION: PURSUANT TO C.R.S. § 24-6-402(4) (A), (B), AND (E), UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR LOLL AND, UPON AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE QUORUM PRESENT, THE BOARD ADJOURNED TO EXECUTIVE SESSION AT 11:30 AM FOR THE PURPOSE OF DISCUSSING MATTERS SUBJECT TO NEGOTIATION REGARDING THE POTENTIAL PURCHASE OF IMPROVED REAL ESTATE FOR ADMINISTRATIVE OFFICE SPACE, THE TERMS AND CONDITIONS FOR CONTINUED PROVISION OF SEWER SERVICE TO THE TOWN OF CRESTONE AS WELL AS NEGOTIATIONS RELATED THERETO AS WELL AS NEGOTIATIONS RELATED THERETO, AND PURSUANT TO C.R.S. 24-6-402(4) (B) TO RECEIVE LEGAL ADVICE ON SPECIFIC LEGAL QUESTIONS REGARDING VAN BROEKHOVEN CORRESPONDENCE.

MOTION: DIRECTOR SMITH MOVED; DIRECTOR HART SECONDED TO RECONVENE TO REGULAR SESSION AT 12:30 PM.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR HART, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED INVITING USFW FOR AN ONSITE VISIT ON OCTOBER 18, 2022.

Other Business:

None.

ADJOURNMENT:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE DIRECTOR LOLL, SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 12:35 PM.

THE NEXT REGULAR MEETING IS SCHEDULED FOR
September 21, 2022

Respectfully submitted,

JoAnn Slivka
Secretary for the meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL August 17, 2022 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Vivia Lawson

John Loll

Mike Smith

Rick Hart

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 August 17, 2022, 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



Agenda Item Action Request Form Submission Instructions

Submit completed form to the District via e-mail to info@bacawater.com.

The deadline to submit agenda items will always be end of day the Friday two weeks prior to the meeting date. If received after this deadline, your request will be considered for the following month's agenda.

Submission should be structured using the attached Agenda Item Request Form.

Agenda Item Template

- **Submitted By:** Enter the contact person who will be presenting the request before Board at the meeting.
- **Contact Phone:** The phone number for the contact person who will be presenting the request.
- **Date Submitted:** Date in which request form is submitted to the District.
- **E-mail:**The e-mail address for the contact person who will be presenting the request. A finalized agenda will be sent to the contact person by e-mail Friday of the week prior to the meeting date.
- **Date of Board Meeting:** The date of the Board meeting on which you would like your request to be included.
- **Board Action Request:** Please check the box "For Action" if you are requesting that Board take action on your request (i.e. a vote) or "For Information" if you are sharing information only with no request for action. Also, under the check boxes, please provide no more than one or two sentences identifying the action to be requested or information to be shared.
- **Summary of Information:** Please provide as much information as you can regarding your request and/or presentation for the Board of Directors to review prior to your requested appearance. You will only have five minutes to speak and answer questions during your time before Board, so any information that can be provided ahead of time is greatly appreciated. Some items to consider including in your summary are:
 - Background information on the request or presentation
 - Information on whether the item has been coordinated with any other entities
 - Include any costs associated with your request
 - Any impact your request might have – this might be a budget impact, community impact, etc.
- **Attachments:** If you are planning to show a presentation or have some other form of documentation you would like to share with the Board, this will need to be submitted with your request form in order to be included in the Board meeting packet. Staff will provide the necessary equipment for you to give your presentation to the Board and will have it set up for you prior to the meeting.
 - All attachments should be sent in PDF format if possible. Please give a title to any attachments that will adequately identify what the attachments are. If your presentation is not available in PDF, please contact the district to coordinate.



AGENDA ITEM REQUEST FORM

This form must be completed and attached to all supporting documentation for items to be included in the Board of Director's agenda. One (1) form per agenda item.

Date: September 9, 2022

Submitted By: David Karas

Contact Phone # 303-819-2215

Email: dkaras10@gmail.com

Date of Board Meeting to consider this item: September 21, 2022

Board of Directors Action Requested: for Action for Information

Summary of Information:

Request for well/septic waiver for land in the District:

I am under contract to purchase 171 acres in the District, commonly known as the Johnson/Malouff Tract east of the Mobile Home Estates. This parcel is in the District, but the cost to bring water and sewer service to land is prohibitive. I am writing to request that the District issue a waiver so that I may place a domestic well on the property, and also a septic tank.

Check Issue Date	Payee	Invoice Number	Invoice GL Account	Account Title	Check Amount
92607					
09/21/2022	A&M Pest & Termite Control, Inc	731576	4-503000	Repair & Maint	75.00
Total 92607:					75.00
92608					
09/13/2022	Agro Engineering, Inc	14895	4-503019	Repair & Maint-Aspen TP	580.00-
09/21/2022	Agro Engineering, Inc	14895	4-503019	Repair & Maint-Aspen TP	580.00
Total 92608:					.00
92637					
09/21/2022	Agro Engineering, Inc	14895	4-503019	Repair & Maint-Aspen TP	580.00
Total 92637:					580.00
92609					
09/21/2022	Allen, Timothy	TA-22-19	4-500359	Mileage Reimbursement	102.47
Total 92609:					102.47
92610					
09/21/2022	Artisanal Buildings, LLC	AV-22-19	4-120070	Accounts Receivable	2,035.00
Total 92610:					2,035.00
92611					
09/21/2022	Caselle, Inc	119725	4-500408	Computer Support	680.00
Total 92611:					680.00
92612					
09/21/2022	CEBT	INV0050647	4-530500	Health Insurance	5,367.13
Total 92612:					5,367.13
92613					
09/21/2022	Centratel, LLC	2209022091	4-500406	Phone Answering Service	251.10
Total 92613:					251.10
92614					
09/21/2022	Consolidated Communications	CC-22-09	4-505027	Office / Cell Phones	495.08
Total 92614:					495.08
92615					
09/13/2022	Dana Kepner Company, Inc.	1566437-00	4-503018	Repair & Maint-Fire Hydrants	12,358.24-
09/21/2022	Dana Kepner Company, Inc.	1566437-00	4-503018	Repair & Maint-Fire Hydrants	12,358.24
09/13/2022	Dana Kepner Company, Inc.	1566437-01	4-503018	Repair & Maint-Fire Hydrants	126.66-
09/21/2022	Dana Kepner Company, Inc.	1566437-01	4-503018	Repair & Maint-Fire Hydrants	126.66
Total 92615:					.00
92638					
09/21/2022	Dana Kepner Company, Inc.	1566437-00	4-503018	Repair & Maint-Fire Hydrants	12,358.24
09/21/2022	Dana Kepner Company, Inc.	1566437-01	4-503018	Repair & Maint-Fire Hydrants	126.66

Check Issue Date	Payee	Invoice Number	Invoice GL Account	Account Title	Check Amount
Total 92638:					12,484.90
92616					
09/21/2022	Element Engineering, LLC	EE-22-09-00	4-506020	Professional Fees	280.00
09/21/2022	Element Engineering, LLC	EE-22-09-00	3-516000	Master Plan	1,280.00
Total 92616:					1,560.00
92617					
09/21/2022	FirstBank	FB-22-08	4-500401	Postage	600.00
09/21/2022	FirstBank	FB-22-08	4-500403	Office Supplies	202.56
09/21/2022	FirstBank	FB-22-08	4-500451	Supplies	105.77
09/21/2022	FirstBank	FB-22-08	4-500550	Meals and Lodging	28.99
09/21/2022	FirstBank	FB-22-08	4-500403	Office Supplies	25.78
09/21/2022	FirstBank	FB-22-08	4-500450	Utility Maintenance Tools	69.15
09/21/2022	FirstBank	FB-22-08	4-500460	Utility Billing	15.01
09/21/2022	FirstBank	FB-22-08	4-500460	Utility Billing	10.50
09/21/2022	FirstBank	FB-22-08	4-503019	Repair & Maint-Aspen TP	6.49
09/21/2022	FirstBank	FB-22-08	4-500661	Gas and Oil	20.00
09/21/2022	FirstBank	FB-22-08	4-503001	Repairs & Maint-Water Mains	576.00
09/21/2022	FirstBank	FB-22-08	4-500550	Meals and Lodging	26.71
09/21/2022	FirstBank	FB-22-08	4-500401	Postage	37.55
09/21/2022	FirstBank	FB-22-08	4-115000	Prepaid Expenses	3,050.00
09/21/2022	FirstBank	FB-22-08	4-500408	Computer Support	14.00
09/21/2022	FirstBank	FB-22-08	4-500500	Training and Education	750.00
09/21/2022	FirstBank	FB-22-08	4-500500	Training and Education	1,134.73
09/21/2022	FirstBank	FB-22-08	4-505027	Office / Cell Phones	358.96
09/21/2022	FirstBank	FB-22-08	4-505029	Trash and Recycling Services	104.94
09/21/2022	FirstBank	FB-22-08	4-505029	Trash and Recycling Services	83.23
09/21/2022	FirstBank	FB-22-08	4-500408	Computer Support	59.97
09/21/2022	FirstBank	FB-22-08	4-500408	Computer Support	15.00
09/21/2022	FirstBank	FB-22-08	4-500407	Computers and Media	86.04
Total 92617:					7,381.38
92618					
09/21/2022	Freedom Mailing Services, INC	43639	4-500460	Utility Billing	469.87
Total 92618:					469.87
92619					
09/21/2022	Fromm & Company LLC	2022-8	1-506045	Accounting	6,589.50
Total 92619:					6,589.50
92620					
09/21/2022	Great America Financial Svcs	32360941	4-500402	Copier Lease and Equipment	137.91
Total 92620:					137.91
92621					
09/21/2022	Haynies Inc	375153	4-500662	Vehicle-Repairs and Maint	70.98
Total 92621:					70.98

Check Issue Date	Payee	Invoice Number	Invoice GL Account	Account Title	Check Amount
92622					
09/21/2022	John Deere Financial	B87508	4-500362	Clothing Allowance	270.93
Total 92622:					270.93
92623					
09/21/2022	Law of the Rockies	LOR-22-08	1-506030	Legal	3,962.45
Total 92623:					3,962.45
92624					
09/21/2022	Neverest Equipment Co.	5085	4-500450	Utility Maintenance Tools	129.00
Total 92624:					129.00
92625					
09/21/2022	Peregrino, Dora	220823-PER	4-503025	Repair & Maint-Office	120.00
09/21/2022	Peregrino, Dora	220907-PER	4-503025	Repair & Maint-Office	120.00
Total 92625:					240.00
92626					
09/21/2022	Pinnacol Assurance	21012221	4-530600	Worker's Compensation Insur	908.00
Total 92626:					908.00
92627					
09/21/2022	Ross, Debora	DR-22-1	4-120070	Accounts Receivable	655.02
Total 92627:					655.02
92628					
09/21/2022	Sangre De Cristo Lab, Inc.	23904	4-500250	Testing	300.00
Total 92628:					300.00
92629					
09/21/2022	Ted D. Miller Associates Inc.	6547	4-500500	Training and Education	500.00
Total 92629:					500.00
92630					
09/21/2022	UNCC	222080111	4-500530	Locates	44.20
Total 92630:					44.20
92631					
09/21/2022	Univar Solutions	50486021	4-503310	Waste Water Treat. Chem.	7,680.52
Total 92631:					7,680.52
92632					
09/21/2022	Upper Case Printing, Ink	18599	4-500460	Utility Billing	1,013.90
Total 92632:					1,013.90

Check Issue Date	Payee	Invoice Number	Invoice GL Account	Account Title	Check Amount
92633					
09/21/2022	US Fish and Wildlife Service	USFW-22-09	4-500100	Raw Water USFSWS	12,457.77
Total 92633:					12,457.77
92634					
09/21/2022	Valley Courier	INV166420	4-500510	Advertising	108.00
09/21/2022	Valley Courier	INV166421	4-500510	Advertising	204.48
Total 92634:					312.48
92635					
09/21/2022	Wagners Truck and Tire	1049	4-500662	Vehicle-Repairs and Maint	974.50
Total 92635:					974.50
92636					
09/21/2022	World Fuel Service, Inc. Land	2160865-415	4-500661	Gas and Oil	609.67
Total 92636:					609.67
Grand Totals:					68,338.76

MONTHLY ENGINEER'S REPORT

DATE OF MEETING: SEPTEMBER 21, 2022
CLIENT: BACA GRANGE WATER & SANITATION DISTRICT (BGWSD)
SUBJECT: MONTHLY ENGINEER'S REPORT

GENERAL ENGINEERING (PROJECT NO. 0001)

Casita Park Lift Station Analysis: Element is currently reviewing the hydraulics of the Casita Park (Mobile Home Estates) Lift Station to determine why pumps continue to see failure. We have completed an analysis of the existing hydraulic conditions and are evaluating system and pump curves. We expect to be able to provide recommendations to district staff within the next two to four weeks.

Water Loss Prevention Plan: Element staff are currently working with district staff in developing a water loss prevention program. It is likely that this prevention program will take several months to collaboratively develop prior to presentation by district staff and Element to the board. Element is assisting the district in assembling cost estimates for PRV vault and water main replacement program. Our initial meeting has identified the following items to focus on:

- PRV Vault Cost Estimate
- Metering Vault Cost Estimate
- Cost Estimate 1,000 Feet of Main (General)
- Meter Inventory (Ages, Visual Inspection)
- Unmetered Service Survey
- Testing Meters
- Leak/Break Fix Map
- Water Main Replacement Program

WATER AND WASTEWATER MASTER PLAN UPDATE (PROJECT NO. 0009)

The Water and Wastewater Master Plan Update document has been finalized in draft format and provided to the BGWSD staff and board for review.

WASTEWATER TREATMENT PLANT IMPROVEMENTS (PROJECT NO. 0010)

Element has provided the district with a proposal to complete a Wastewater Treatment Plant (WWTP) Improvements Preliminary Engineering Report and Environmental Report. The report will be assembled for United States Department of Agriculture (USDA) Rural Development (RD) funding of a new or upgraded/expanded WWTP. A preliminary schedule for the proposed project is shown below. Note that this schedule may vary widely based on review time by CDPHE and USDA as each entity reviews and processes the required submittals.

- Compile and submit Preliminary Engineering Report December 2022
(Includes ER and RD Apply funding application)

- USDA review and funding/underwriting January 2023 – July 2023
(Note this timeline is assumed and is shown conservatively long)
- USDA Letter of Conditions Coordination July 2023 – September 2023
- Design, CDPHE and local permitting September 2023 – August 2024
- Bidding November 2024
- Construction March 2025 – March 2026

WASTEWATER TREATMENT PLANT IMPROVEMENTS (PROJECT NO. 0011)

The Water and Wastewater Master Plan Update recommended a water project be completed including the following:

- Integrate the Motel Well and Booster Pump Station into the large BGWSD system.
- Increase Water Treatment Plant (WTP) Pumping Capacity

It is recommended that these projects be funded through the Colorado Department of Health and Environment (CDPHE) State Revolving Fund (SRF) Loan Program. Upon completion of the WWTP PER and ER the funding process for the water system improvement project should begin. A preliminary schedule for the proposed project is shown below. Note that this schedule may vary widely based on review time by CDPHE.

- Compile and submit pre-qualification form (CDPHE funding) December 2022
- Compile and submit Project Needs Assessment April 2023
- CDPHE review and design and engineering grant execution July 2023
- Design, CDPHE permitting August 2023 – March 2024
- CDPHE funding coordination and loan execution February 2024 – April 2024
- Bidding April 2024
- Construction June 2024 – December 2024

DEVELOPMENT SERVICES

590CR Hillcrest Overlook Extension: The district has asked that Element provide design services for sewer and water main extensions. The first of these projects is the above referenced extension. The process for design and construction is as follows:

- Application for line extension (application fee)
- Deposit for preliminary design and cost estimate
- Preliminary line extension design and cost estimate
- Customer approval of cost estimate/ deposit of full estimated cost of construction
- Final design/drawing/bid package
- Bid Project
- Award bid
- Pre-Construction Meeting/establish check in meeting schedule
- Construction
- Conditional acceptance
- Final acceptance

BACA GRANDE WATER AND SANITATION DISTRICT

Proposal for Engineering Services

USDA Wastewater Treatment Plant Preliminary Engineering Report and Environmental Report (Work Order 7)

UNDERSTANDING

Element Engineering understands that the Baca Grande Water and Sanitation District (BGWSD) would like to compile a Preliminary Engineering Report (PER) and Environmental Report (ER) suitable for submittal to USDA for WWTP improvements or replacement for project funding. The PER shall include an analysis of future effluent limits and analysis of alternatives such as replacement of the existing WWTP and improvements to the existing WWTP. All alternatives will solely focus on the WWTP and necessary improvements to meet future effluent limits and sufficiently serve the service area's flow and loading.

The PER will include a rate analysis for the recommended alternative, showing the impact to users based on various theoretical funding scenarios. Element Engineering will present a draft of the PER, including alternatives, construction and non-construction costs, rates, and preliminary layouts to the district board and staff. An electronic copy of the draft PER will be provided to the district. Hard copies will be provided upon request.

All district feedback will be incorporated into a final document ready for submittal. Element will answer any questions or provide any additional information necessary for approval of the PER by the funding agency.

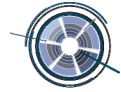
Finally, Element Engineering will assist the BGWSD in completing a funding (grant/loan) application through USDA to fund design and construction of the project.

A public meeting is required for the project funding process. Element will present the final PER to the public and field public comment and questions.

SCOPE OF SERVICES

The following Scope of Work is proposed:

- Compile and submit a PER and ER for USDA review and approval. The PER will be prepared according to USDA Bulletin 1780-2 (see attached).
- Assist in compiling and submitting a funding application for USDA review and use.
- Respond to USDA questions/comments in support of the above documents.



EXCLUSIONS

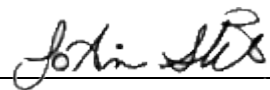
Exclusions include a topographical survey and geotechnical report (not required for this project phase). Also excluded is a Cultural Resource Survey. If correspondence with the State Historic Preservation Office (SHPO) requires this survey, the cost will be passed on to the district with no markup. It is expected that a cultural resource survey will not be required.

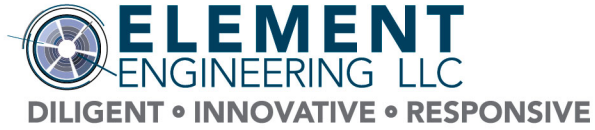
FEE PROPOSAL

The proposed fee for this work is time and materials based on the attached hourly rates not to exceed \$21,500.

The cost of the PER and ER will be added to the funding request from USDA so the district will recoup these costs when the funding is made available.

This work order is provided as an exhibit and/or attachment to the Baca Grande Water and Sanitation District General Owner-Engineer Agreement.

Approved By: 
Approved For: Baca Grande Water and Sanitation District
Date: 9/21/2022



RATE SCHEDULE FOR PROFESSIONAL ENGINEERING SERVICES

<u>LABOR CLASSIFICATION</u>	<u>HOURLY BILLING RATE</u>
Project Manager	\$140.00
Project Engineer	\$130.00
Design Engineer	\$120.00
Construction Manager	\$130.00
Construction Observer	\$95.00
Office Assistant	\$45.00
 <u>DIRECT EXPENSES</u>	
Prints/Copies	At Cost
Mileage	No Charge
Travel Time	Hourly Rate
Sub-Consultants	At Cost

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

BULLETIN 1780-2

SUBJECT: Preliminary Engineering Reports for the Water and Waste Disposal Program

TO: Rural Development State Directors, RUS Program Directors, and State Engineers

EFFECTIVE DATE: Date of approval.

OFFICE OF PRIMARY INTEREST: Engineering and Environmental Staff, Water and Environmental Programs

INSTRUCTIONS: This bulletin replaces existing RUS Bulletins 1780-2 (September 10, 2003), 1780-3 (October 2, 2003), 1780-4 (October 2, 2003), and 1780-5 (October 2, 2003).

AVAILABILITY: This bulletin and all the exhibits, as well as any Rural Development instruction or Rural Utilities Service instructions, regulations, or forms referenced in this bulletin are available at any Rural Development State Office. The State Office staff is familiar with the use of the documents in their States and can answer specific questions on Agency requirements.

This bulletin is available on the Rural Utilities Service website at http://www.rurdev.usda.gov/RDU_Bulletins_Water_and_Environmental.html.

PURPOSE: This bulletin assists applicants and their consultants with instructions on how to prepare a Preliminary Engineering Report as part of an application for funding as required by 7 CFR 1780.33(c) and 7 CFR 1780.55.

MODIFICATIONS: Rural Development State Offices may modify this guidance when appropriate to comply with State statutes and regulations in accordance with the procedures outlined at Rural Development Instruction 2006-B (2006.55).



4/4/13

JACQUELINE M. PONTI-LAZARUK
Assistant Administrator
Water and Environmental Programs

Date

TABLE OF CONTENTS

- 1 GENERAL
- 2 PURPOSE
- 3 HOW TO USE THE INTERAGENCY TEMPLATE

Exhibit One Interagency Preliminary Engineering Report Template

INDEX:

Application Document
Preliminary Engineering Report
Project Planning
Water and Waste Disposal Facilities

ABBREVIATIONS

CDBG – Community Development Block Grant
CFR – Code of Federal Regulations
EDU – Equivalent Dwelling Unit
EPA – Environmental Protection Agency
GAO – Government Accountability Office
GPCD – Gallons per Capita per Day
HUD – Department of Housing and Urban Development
O & M – Operations and Maintenance
PER – Preliminary Engineering Report
RD – Rural Development
RUS – Rural Utilities Service
SRF – State Revolving Fund
USDA – United States Department of Agriculture
WEP – Water and Environmental Programs
WWD – Water and Waste Disposal

1 GENERAL

A PER is a planning document required by many state and federal agencies as part of the process of obtaining financial assistance for development of drinking water, wastewater, solid waste, and stormwater projects. An applicant for funding from the WWD program must submit a PER as required by 7 CFR 1780.33(c) and 1780.55. The PER describes the proposed project from an engineering perspective, analyzes alternatives to the proposal, defines project costs, and provides information critical to the underwriting process.

In 2012 the USDA, Rural Development (RD), Rural Utilities Service, Water and Environmental Programs formed a working group to develop an interagency template for PERs for use by both federal agencies and state administering agencies. The USDA-led working group included 36 individuals representing 4 federal agencies, 16 state agencies, the Border Environment Cooperation Commission, and the North Carolina Rural Center. Also, the effort was supported by the Small Community Water Infrastructure Exchange. On January 16, 2013, the principals of the federal participants executed an interagency memorandum supporting use of the interagency template, attached as Exhibit One.

2. PURPOSE

This bulletin provides information and guidance for applicants and professional consultants in developing a PER for submittal with an application for funding. RD State Offices should provide a copy of the Bulletin to applicants and consulting engineers upon request or refer them to the website listed on the Bulletin's cover sheet for an electronic copy.

3 HOW TO USE THE INTERAGENCY TEMPLATE

There has been increasing interest throughout the government at both state and federal levels to improve coordination between funding agencies in the processes involved in applications for infrastructure funding. A recent GAO report, "Rural Water Infrastructure: Additional Coordination Can Help Avoid Potentially Duplicative Application Requirements" (GAO-13-111), released October 16, 2012, called the effort of the working group led by USDA to develop the attached Interagency PER Template "encouraging" and stated that it would "help communities".

Content of a PER: The attached Interagency PER Template describes the content of a PER and should be used without modification, except for items noted below. Often an applicant will initially consider only a single funding source and later determine that an application to additional funding agencies is necessary. To avoid having to revise the PER to meet the additional agencies' needs, the consulting engineer should provide

responses to all sections of the PER outline, unless specific sections do not apply to a proposed project.

Short-Lived Assets: The short-lived asset table in Appendix A is a list of examples of short-lived assets. Depending on local practices and applicants, some of these items may not be considered short-lived assets if they are considered part of O&M or long-term capital financing. Consulting engineers and applicants should coordinate with each other and with the Agency to determine which items should be considered short-lived assets for specific projects.

Engaging State Partners: State Offices should engage funding partners to encourage state-wide adoption of the attached template as a standard for all state leveraging partners. Existing state-level agreements resulting from previous coordinated efforts for adopting a standard PER outline must be modified or replaced with this template. Efforts underway to adopt new state-level PER outlines must use this template. State-level agreements implementing this template between various leveraging partners should keep additional requirements to a minimum, but should not remove any required sections from the template.

Income Projections for Underwriting Purposes:

The State Office uses some of the information from the PER, especially Sections 6 (e) and (f), for underwriting purposes. Note that for income projection purposes, every effort should be made to identify actual data regarding water usage or wastewater generation. For metered systems, actual data should be used.

When financing construction of a new system or improvements to an existing system without any existing usage data, water use and wastewater generation approximations for income projection purposes should, if at all possible, be based on information from surrounding similar communities and systems. The source of data used should be documented in the PER.

The value of 100 GPCD shown in Section 6 is a general value and may not be appropriate for many rural systems financed with WWD funds, so in the absence of reliable data, a value of 5000 gallons per EDU per month (approximately 67 GPCD or 167 GPD per EDU) should be used.

Exhibit One: Interagency Preliminary Engineering Report Template



January 16, 2013

INTERAGENCY MEMORANDUM

Attached is a document explaining recommended best practice for the development of Preliminary Engineering Reports in support of funding applications for development of drinking water, wastewater, stormwater, and solid waste systems.

The best practice document was developed cooperatively by:

- [US Department of Agriculture, Rural Development, Rural Utilities Service, Water and Environmental Programs;](#)
- [US Environmental Protection Agency \(EPA\), Office of Water, Office of Ground Water and Drinking Water and Office of Wastewater Management;](#)
- [US Department of Housing and Urban Development \(HUD\), Office of Community Planning and Development;](#)
- [US Department of Health and Human Services, Indian Health Service \(IHS\);](#)
- [Small Communities Water Infrastructure Exchange;](#)

Extensive input from participating state administering agencies was also very important to the development of this document.

Federal agencies that cooperatively developed this document strongly encourage its use by funding agencies as part of the application process or project development. State administered programs are encouraged to adopt this document but are not required to do so, as it is up to a state administering agency's discretion to adopt it, based on the needs of the state administering agency.

A Preliminary Engineering Report (Report) is a planning document required by many state and federal funding agencies as part of the process of obtaining financial assistance for development of drinking water, wastewater, solid waste, and stormwater facilities. The attached Report outline details the requirements that funding agencies have adopted when a Report is required.

In general the Report should include a description of existing facilities and a description of the issues being addressed by the proposed project. It should identify alternatives, present a life cycle cost analysis of technically feasible alternatives and propose a specific course of action. The Report should also include a detailed current cost estimate of the recommended alternative. The attached outline describes these and other sections to be included in the Report.

Projects utilizing direct federal funding also require an environmental review in accordance with the National Environmental Policy Act (NEPA). The Report should indicate that environmental issues were considered as part of the engineering planning and include environmental information pertinent to engineering planning.

For state administered funding programs, a determination of whether the outline applies to a given program or project is made by the state administering agency. When a program or agency adopts this outline, it may adopt a portion or the entire outline as applicable to the program or project in question at the discretion of the agency. Some state and federal funding agencies will not require the Report for every project or may waive portions of the Report that do not apply to their application process, however a Report thoroughly addressing all of the contents of this outline will meet the requirements of most agencies that have adopted this outline.

The detailed outline provides information on what to include in a Report. The level of detail required may also vary according to the complexity of the specific project. Reports should conform substantially to this detailed outline and otherwise be prepared and presented in a professional manner. Many funding agencies require that the document be developed by a Professional Engineer registered in the state or other jurisdiction where the project is to be constructed unless exempt from this requirement. Please check with applicable funding agencies to determine if the agencies require supplementary information beyond the scope of this outline.


Any preliminary design information must be written in accordance with the regulatory requirements of the state or territory where the project will be built.

Information provided in the Report may be used to process requests for funding. Completeness and accuracy are therefore essential for timely processing of an application. Please contact the appropriate state or federal funding agencies with any questions about development of the Report and applications for funding as early in the process as practicable.


Questions about this document should be referred to the applicable state administering agency, regional office of the applicable federal agency, or to the following federal contacts:

Agency	Contact	Email Address	Phone
USDA/RUS	Benjamin Shuman, PE	ben.shuman@wdc.usda.gov	202-720-1784
EPA/DWSRF	Kirsten Anderer, PE	anderer.kirsten@epa.gov	202-564-3134
EPA/CWSRF	Matt King	king.matt@epa.gov	202-564-2871
HUD	Stephen Rhodeside	stephen.m.rhodeside@hud.gov	202-708-1322
IHS	Dana Baer, PE	dana.baer@ihs.gov	301-443-1345

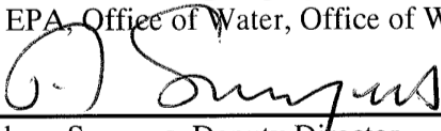
Sincerely,

 1/16/13

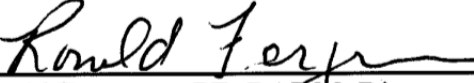
Jacqueline M. Ponti-Lazaruk, Assistant Administrator
USDA, Rural Development, Rural Utilities Service, Water and Environmental Programs

 01/16/13


Sheila Frace, Acting Deputy Director
US EPA, Office of Water, Office of Wastewater Management

 1/16/13

Andrew Sawyers, Deputy Director
US EPA, Director, Office of Water, Office of Ground Water and Drinking Water

 1/16/13

Ronald Ferguson, PE, RADM, Director
Division of Sanitation Facilities Construction, Indian Health Service

 1-16-13

Stanley Gimont, Director
Office of Block Grant Assistance, US Department of Housing and Urban Development

Attachment

WORKING GROUP CONTRIBUTORS

Federal Agency Partners	
USDA, Rural Development, Rural Utilities Service (Chair)	Benjamin Shuman, PE
EPA, Office of Water, Office of Ground Water and Drinking Water	Kirsten Anderer, PE
EPA, Office of Water, Office of Ground Water and Drinking Water	CAPT David Harvey, PE
EPA, Office of Water, Office of Wastewater Management	Matt King
EPA, Office of Water, Office of Wastewater Management	Joyce Hudson
EPA, Region 1	Carolyn Hayek
EPA, Region 9	Abimbola Odusoga
HUD, Office of Community Planning and Development	Stephen M. Rhodeside
HUD, Office of Community Planning and Development	Eva Fontheim
Indian Health Service	CAPT Dana Baer, PE
Indian Health Service	LCDR Charissa Williar, PE
USDA, Rural Development, Florida State Office	Michael Langston
USDA, Rural Development, Florida State Office	Steve Morris, PE

State Agency and Interagency Partners	
Arizona Water Infrastructure Finance Authority	Dean Moulis, PE
Border Environment Cooperation Commission	Joel Mora, PE
Colorado Department of Local Affairs	Barry Cress
Colorado Department of Public Health & Environment	Michael Beck
Colorado Department of Public Health & Environment	Bret Icenogle, PE
Georgia Office of Community Development	Steed Robinson
Idaho, Department of Environmental Quality	Tim Wendland
Indiana Finance Authority	Emma Kottlowski
Indiana Finance Authority	Shelley Love
Indiana Finance Authority	Amanda Rickard, PE
Kentucky Division of Water	Shafiq Amawi
Kentucky Department of Local Government	Jennifer Peters
Louisiana Department of Environmental Quality	Jonathan McFarland, PE
Maine Department of Health and Human Services	Norm Lamie, PE
Minnesota Pollution Control Agency	Amy Douville
Minnesota Pollution Control Agency	Corey Mathisen, PE
Missouri Department of Natural Resources	Cynthia Smith
Montana Department of Commerce	Kate Miller, PE
North Carolina Department of Commerce	Olivia Collier
North Carolina Rural Center	Keith Krzywicki, PE
North Carolina Department of Commerce	Vickie Miller, CPM
Rhode Island Department of Health	Gary Chobanian, PE
Rhode Island Department of Health	Geoffrey Marchant

ABBREVIATIONS

NEPA – National Environmental Policy Act

NPV – Net Present Value

O&M – Operations and Maintenance

OMB – Office of Management and Budget

Report – Preliminary Engineering Report

SPPW – Single Payment Present Worth

USPW – Uniform Series Present Worth

GENERAL OUTLINE OF A PRELIMINARY ENGINEERING REPORT

- 1) PROJECT PLANNING
 - a) Location
 - b) Environmental Resources Present
 - c) Population Trends
 - d) Community Engagement

- 2) EXISTING FACILITIES
 - a) Location Map
 - b) History
 - c) Condition of Existing Facilities
 - d) Financial Status of any Existing Facilities
 - e) Water/Energy/Waste Audits

- 3) NEED FOR PROJECT
 - a) Health, Sanitation, and Security
 - b) Aging Infrastructure
 - c) Reasonable Growth

- 4) ALTERNATIVES CONSIDERED
 - a) Description
 - b) Design Criteria
 - c) Map
 - d) Environmental Impacts
 - e) Land Requirements
 - f) Potential Construction Problems
 - g) Sustainability Considerations
 - i) Water and Energy Efficiency
 - ii) Green Infrastructure
 - iii) Other
 - h) Cost Estimates

- 5) SELECTION OF AN ALTERNATIVE
 - a) Life Cycle Cost Analysis
 - b) Non-Monetary Factors

- 6) PROPOSED PROJECT (RECOMMENDED ALTERNATIVE)
 - a) Preliminary Project Design
 - b) Project Schedule
 - c) Permit Requirements
 - d) Sustainability Considerations
 - i) Water and Energy Efficiency
 - ii) Green Infrastructure

- iii) Other
- e) Total Project Cost Estimate (Engineer's Opinion of Probable Cost)
- f) Annual Operating Budget
 - i) Income
 - ii) Annual O&M Costs
 - iii) Debt Repayments
 - iv) Reserves

7) CONCLUSIONS AND RECOMMENDATIONS

DETAILED OUTLINE OF A PRELIMINARY ENGINEERING REPORT

1) PROJECT PLANNING

Describe the area under consideration. Service may be provided by a combination of central, cluster, and/or centrally managed individual facilities. The description should include information on the following:

- a) Location. Provide scale maps and photographs of the project planning area and any existing service areas. Include legal and natural boundaries and a topographical map of the service area.
- b) Environmental Resources Present. Provide maps, photographs, and/or a narrative description of environmental resources present in the project planning area that affect design of the project. Environmental review information that has already been developed to meet requirements of NEPA or a state equivalent review process can be used here.
- c) Population Trends. Provide U.S. Census or other population data (including references) for the service area for at least the past two decades if available. Population projections for the project planning area and concentrated growth areas should be provided for the project design period. Base projections on historical records with justification from recognized sources.
- d) Community Engagement. Describe the utility's approach used (or proposed for use) to engage the community in the project planning process. The project planning process should help the community develop an understanding of the need for the project, the utility operational service levels required, funding and revenue strategies to meet these requirements, along with other considerations.

2) EXISTING FACILITIES

Describe each part (e.g. processing unit) of the existing facility and include the following information:

- a) Location Map. Provide a map and a schematic process layout of all existing facilities. Identify facilities that are no longer in use or abandoned. Include photographs of existing facilities.
- b) History. Indicate when major system components were constructed, renovated, expanded, or removed from service. Discuss any component failures and the cause for the failure. Provide a history of any applicable violations of regulatory requirements.
- c) Condition of Existing Facilities. Describe present condition; suitability for continued use; adequacy of current facilities; and their conveyance, treatment, storage, and disposal capabilities. Describe the existing capacity of each component. Describe and reference compliance with applicable federal, state, and local laws. Include a brief analysis of overall current energy consumption. Reference an asset management plan if applicable.

- d) Financial Status of any Existing Facilities. (Note: Some agencies require the owner to submit the most recent audit or financial statement as part of the application package.) Provide information regarding current rate schedules, annual O&M cost (with a breakout of current energy costs), other capital improvement programs, and tabulation of users by monthly usage categories for the most recent typical fiscal year. Give status of existing debts and required reserve accounts.
- e) Water/Energy/Waste Audits. If applicable to the project, discuss any water, energy, and/or waste audits which have been conducted and the main outcomes.

3) NEED FOR PROJECT

Describe the needs in the following order of priority:

- a) Health, Sanitation, and Security. Describe concerns and include relevant regulations and correspondence from/to federal and state regulatory agencies. Include copies of such correspondence as an attachment to the Report.
- b) Aging Infrastructure. Describe the concerns and indicate those with the greatest impact. Describe water loss, inflow and infiltration, treatment or storage needs, management adequacy, inefficient designs, and other problems. Describe any safety concerns.
- c) Reasonable Growth. Describe the reasonable growth capacity that is necessary to meet needs during the planning period. Facilities proposed to be constructed to meet future growth needs should generally be supported by additional revenues. Consideration should be given to designing for phased capacity increases. Provide number of new customers committed to this project.

4) ALTERNATIVES CONSIDERED

This section should contain a description of the alternatives that were considered in planning a solution to meet the identified needs. Documentation of alternatives considered is often a Report weakness. Alternative approaches to ownership and management, system design (including resource efficient or green alternatives), and sharing of services, including various forms of partnerships, should be considered. In addition, the following alternatives should be considered, if practicable: building new centralized facilities, optimizing the current facilities (no construction), developing centrally managed decentralized systems, including small cluster or individual systems, and developing an optimum combination of centralized and decentralized systems. Alternatives should be consistent with those considered in the NEPA, or state equivalent, environmental review. Technically infeasible alternatives that were considered should be mentioned briefly along with an explanation of why they are infeasible, but do not require full analysis. For each technically feasible alternative, the description should include the following information:

- a) Description. Describe the facilities associated with every technically feasible alternative. Describe source, conveyance, treatment, storage and distribution

facilities for each alternative. A feasible system may include a combination of centralized and decentralized (on-site or cluster) facilities.

- b) Design Criteria. State the design parameters used for evaluation purposes. These parameters should comply with federal, state, and agency design policies and regulatory requirements.
- c) Map. Provide a schematic layout map to scale and a process diagram if applicable. If applicable, include future expansion of the facility.
- d) Environmental Impacts. Provide information about how the specific alternative may impact the environment. Describe only those unique direct and indirect impacts on floodplains, wetlands, other important land resources, endangered species, historical and archaeological properties, etc., as they relate to each specific alternative evaluated. Include generation and management of residuals and wastes.
- e) Land Requirements. Identify sites and easements required. Further specify whether these properties are currently owned, to be acquired, leased, or have access agreements.
- f) Potential Construction Problems. Discuss concerns such as subsurface rock, high water table, limited access, existing resource or site impairment, or other conditions which may affect cost of construction or operation of facility.
- g) Sustainability Considerations. Sustainable utility management practices include environmental, social, and economic benefits that aid in creating a resilient utility.
 - i) Water and Energy Efficiency. Discuss water reuse, water efficiency, water conservation, energy efficient design (i.e. reduction in electrical demand), and/or renewable generation of energy, and/or minimization of carbon footprint, if applicable to the alternative. Alternatively, discuss the water and energy usage for this option as compared to other alternatives.
 - ii) Green Infrastructure. Discuss aspects of project that preserve or mimic natural processes to manage stormwater, if applicable to the alternative. Address management of runoff volume and peak flows through infiltration, evapotranspiration, and/or harvest and use, if applicable.
 - iii) Other. Discuss any other aspects of sustainability (such as resiliency or operational simplicity) that are incorporated into the alternative, if applicable.
- h) Cost Estimates. Provide cost estimates for each alternative, including a breakdown of the following costs associated with the project: construction, non-construction, and annual O&M costs. A construction contingency should be included as a non-construction cost. Cost estimates should be included with the descriptions of each technically feasible alternative. O&M costs should include a rough breakdown by O&M category (see example below) and not just a value for each alternative. Information from other sources, such as the recipient's accountant or other known technical service providers, can be incorporated to assist in the development of this section. The cost derived will be used in the life cycle cost analysis described in Section 5 a.

Example O&M Cost Estimate	
Personnel (i.e. Salary, Benefits, Payroll Tax, Insurance, Training)	
Administrative Costs (e.g. office supplies, printing, etc.)	
Water Purchase or Waste Treatment Costs	
Insurance	
Energy Cost (Fuel and/or Electrical)	
Process Chemical	
Monitoring & Testing	
Short Lived Asset Maintenance/Replacement*	
Professional Services	
Residuals Disposal	
Miscellaneous	
Total	

* See Appendix A for example list

5) SELECTION OF AN ALTERNATIVE

Selection of an alternative is the process by which data from the previous section, “Alternatives Considered” is analyzed in a systematic manner to identify a recommended alternative. The analysis should include consideration of both life cycle costs and non-monetary factors (i.e. triple bottom line analysis: financial, social, and environmental). If water reuse or conservation, energy efficient design, and/or renewable generation of energy components are included in the proposal provide an explanation of their cost effectiveness in this section.

- a) Life Cycle Cost Analysis. A life cycle present worth cost analysis (an engineering economics technique to evaluate present and future costs for comparison of alternatives) should be completed to compare the technically feasible alternatives. Do not leave out alternatives because of anticipated costs; let the life cycle cost analysis show whether an alternative may have an acceptable cost. This analysis should meet the following requirements and should be repeated for each technically feasible alternative. Several analyses may be required if the project has different aspects, such as one analysis for different types of collection systems and another for different types of treatment.
1. The analysis should convert all costs to present day dollars;
 2. The planning period to be used is recommended to be 20 years, but may be any period determined reasonable by the engineer and concurred on by the state or federal agency;
 3. The discount rate to be used should be the “real” discount rate taken from Appendix C of OMB circular A-94 and found at (www.whitehouse.gov/omb/circulars/a094/a94_appx-c.html);
 4. The total capital cost (construction plus non-construction costs) should be included;

5. Annual O&M costs should be converted to present day dollars using a uniform series present worth (USPW) calculation;
6. The salvage value of the constructed project should be estimated using the anticipated life expectancy of the constructed items using straight line depreciation calculated at the end of the planning period and converted to present day dollars;
7. The present worth of the salvage value should be subtracted from the present worth costs;
8. The net present value (NPV) is then calculated for each technically feasible alternative as the sum of the capital cost (C) plus the present worth of the uniform series of annual O&M (USPW (O&M)) costs minus the single payment present worth of the salvage value (SPPW(S)):

$$NPV = C + USPW (O\&M) - SPPW (S)$$

9. A table showing the capital cost, annual O&M cost, salvage value, present worth of each of these values, and the NPV should be developed for state or federal agency review. All factors (major and minor components), discount rates, and planning periods used should be shown within the table;
10. Short lived asset costs (See Appendix A for examples) should also be included in the life cycle cost analysis if determined appropriate by the consulting engineer or agency. Life cycles of short lived assets should be tailored to the facilities being constructed and be based on generally accepted design life. Different features in the system may have varied life cycles.

- b) Non-Monetary Factors. Non-monetary factors, including social and environmental aspects (e.g. sustainability considerations, operator training requirements, permit issues, community objections, reduction of greenhouse gas emissions, wetland relocation) should also be considered in determining which alternative is recommended and may be factored into the calculations.

6) PROPOSED PROJECT (RECOMMENDED ALTERNATIVE)

The engineer should include a recommendation for which alternative(s) should be implemented. This section should contain a fully developed description of the proposed project based on the preliminary description under the evaluation of alternatives. Include a schematic for any treatment processes, a layout of the system, and a location map of the proposed facilities. At least the following information should be included as applicable to the specific project:

- a) Preliminary Project Design.

- i) Drinking Water:

Water Supply. Include requirements for quality and quantity. Describe recommended source, including site and allocation allowed.

Treatment. Describe process in detail (including whether adding, replacing, or rehabilitating a process) and identify location of plant and site of any process discharges. Identify capacity of treatment plant (i.e. Maximum Daily Demand).

Storage. Identify size, type and location.

Pumping Stations. Identify size, type, location and any special power requirements. For rehabilitation projects, include description of components upgraded.

Distribution Layout. Identify general location of new pipe, replacement, or rehabilitation: lengths, sizes and key components.

ii) Wastewater/Reuse:

Collection System/Reclaimed Water System Layout. Identify general location of new pipe, replacement or rehabilitation: lengths, sizes, and key components.

Pumping Stations. Identify size, type, site location, and any special power requirements. For rehabilitation projects, include description of components upgraded.

Storage. Identify size, type, location and frequency of operation.

Treatment. Describe process in detail (including whether adding, replacing, or rehabilitating a process) and identify location of any treatment units and site of any discharges (end use for reclaimed water). Identify capacity of treatment plant (i.e. Average Daily Flow).

iii) Solid Waste:

Collection. Describe process in detail and identify quantities of material (in both volume and weight), length of transport, location and type of transfer facilities, and any special handling requirements.

Storage. If any, describe capacity, type, and site location.

Processing. If any, describe capacity, type, and site location.

Disposal. Describe process in detail and identify permit requirements, quantities of material, recycling processes, location of plant, and site of any process discharges.

iv) Stormwater:

Collection System Layout. Identify general location of new pipe, replacement or rehabilitation: lengths, sizes, and key components.

Pumping Stations. Identify size, type, location, and any special power requirements.

Treatment. Describe treatment process in detail. Identify location of treatment facilities and process discharges. Capacity of treatment process should also be addressed.

Storage. Identify size, type, location and frequency of operation.

Disposal. Describe type of disposal facilities and location.

Green Infrastructure. Provide the following information for green infrastructure alternatives:

- Control Measures Selected. Identify types of control measures selected (e.g., vegetated areas, planter boxes, permeable pavement, rainwater cisterns).
- Layout: Identify placement of green infrastructure control measures, flow paths, and drainage area for each control measure.
- Sizing: Identify surface area and water storage volume for each green infrastructure control measure. Where applicable, soil infiltration rate, evapotranspiration rate, and use rate (for rainwater harvesting) should also be addressed.
- Overflow: Describe overflow structures and locations for conveyance of larger precipitation events.

- b) Project Schedule. Identify proposed dates for submittal and anticipated approval of all required documents, land and easement acquisition, permit applications, advertisement for bids, loan closing, contract award, initiation of construction, substantial completion, final completion, and initiation of operation.
- c) Permit Requirements. Identify any construction, discharge and capacity permits that will/may be required as a result of the project.
- d) Sustainability Considerations (if applicable).
- i) Water and Energy Efficiency. Describe aspects of the proposed project addressing water reuse, water efficiency, and water conservation, energy efficient design, and/or renewable generation of energy, if incorporated into the selected alternative.
- ii) Green Infrastructure. Describe aspects of project that preserve or mimic natural processes to manage stormwater, if applicable to the selected alternative. Address management of runoff volume and peak flows through infiltration, evapotranspiration, and/or harvest and use, if applicable.
- iii) Other. Describe other aspects of sustainability (such as resiliency or operational simplicity) that are incorporated into the selected alternative, if incorporated into the selected alternative.
- e) Total Project Cost Estimate (Engineer's Opinion of Probable Cost). Provide an itemized estimate of the project cost based on the stated period of construction. Include construction, land and right-of-ways, legal, engineering, construction program management, funds administration, interest, equipment, construction contingency, refinancing, and other costs associated with the proposed project. The construction subtotal should be separated out from the non-construction costs. The non-construction subtotal should be included and added to the

construction subtotal to establish the total project cost. An appropriate construction contingency should be added as part of the non-construction subtotal. For projects containing both water and waste disposal systems, provide a separate cost estimate for each system as well as a grand total. If applicable, the cost estimate should be itemized to reflect cost sharing including apportionment between funding sources. The engineer may rely on the owner for estimates of cost for items other than construction, equipment, and engineering.

- f) Annual Operating Budget. Provide itemized annual operating budget information. The owner has primary responsibility for the annual operating budget, however, there are other parties that may provide technical assistance. This information will be used to evaluate the financial capacity of the system. The engineer will incorporate information from the owner's accountant and other known technical service providers.
- i) Income. Provide information about all sources of income for the system including a proposed rate schedule. Project income realistically for existing and proposed new users separately, based on existing user billings, water treatment contracts, and other sources of income. In the absence of historic data or other reliable information, for budget purposes, base water use on 100 gallons per capita per day. Water use per residential connection may then be calculated based on the most recent U.S. Census, American Community Survey, or other data for the state or county of the average household size. When large agricultural or commercial users are projected, the Report should identify those users and include facts to substantiate such projections and evaluate the impact of such users on the economic viability of the project.
- ii) Annual O&M Costs. Provide an itemized list by expense category and project costs realistically. Provide projected costs for operating the system as improved. In the absence of other reliable data, base on actual costs of other existing facilities of similar size and complexity. Include facts in the Report to substantiate O&M cost estimates. Include personnel costs, administrative costs, water purchase or treatment costs, accounting and auditing fees, legal fees, interest, utilities, energy costs, insurance, annual repairs and maintenance, monitoring and testing, supplies, chemicals, residuals disposal, office supplies, printing, professional services, and miscellaneous as applicable. Any income from renewable energy generation which is sold back to the electric utility should also be included, if applicable. If applicable, note the operator grade needed.
- iii) Debt Repayments. Describe existing and proposed financing with the estimated amount of annual debt repayments from all sources. All estimates of funding should be based on loans, not grants.
- iv) Reserves. Describe the existing and proposed loan obligation reserve requirements for the following:
- Debt Service Reserve – For specific debt service reserve requirements consult with individual funding sources. If General Obligation bonds are proposed to be used as loan security, this section may be omitted, but this should be clearly stated if it is the case.

Short-Lived Asset Reserve – A table of short lived assets should be included for the system (See Appendix A for examples). The table should include the asset, the expected year of replacement, and the anticipated cost of each. Prepare a recommended annual reserve deposit to fund replacement of short-lived assets, such as pumps, paint, and small equipment. Short-lived assets include those items not covered under O&M, however, this does not include facilities such as a water tank or treatment facility replacement that are usually funded with long-term capital financing.

7. CONCLUSIONS AND RECOMMENDATIONS

Provide any additional findings and recommendations that should be considered in development of the project. This may include recommendations for special studies, highlighting of the need for special coordination, a recommended plan of action to expedite project development, and any other necessary considerations.

Appendix A: Example List of Short-Lived Asset Infrastructure

Estimated Repair, Rehab, Replacement Expenses by Item within up to 20 Years from Installation)	
Drinking Water Utilities	Wastewater Utilities
<p>Source Related</p> <ul style="list-style-type: none"> Pumps Pump Controls Pump Motors Telemetry Intake/ Well screens Water Level Sensors Pressure Transducers 	<p>Treatment Related</p> <ul style="list-style-type: none"> Pump Pump Controls Pump Motors Chemical feed pumps Membrane Filters Fibers Field & Process Instrumentation Equipment UV lamps Centrifuges Aeration blowers Aeration diffusers and nozzles Trickling filters, RBCs, etc. Belt presses & driers Sludge Collecting and Dewatering Equipment Level Sensors Pressure Transducers Pump Controls Back-up power generator Chemical Leak Detection Equipment Flow meters SCADA Systems
<p>Treatment Related</p> <ul style="list-style-type: none"> Chemical feed pumps Altitude Valves Valve Actuators Field & Process Instrumentation Equipment Granular filter media Air compressors & control units Pumps Pump Motors Pump Controls Water Level Sensors Pressure Transducers Sludge Collection & Dewatering UV Lamps Membranes Back-up power generators Chemical Leak Detection Equipment Flow meters SCADA Systems 	<p>Collection System Related</p> <ul style="list-style-type: none"> Pump Pump Controls Pump Motors Trash racks/bar screens Sewer line rodding equipment Air compressors Vaults, lids, and access hatches Security devices and fencing Alarms & Telemetry Chemical Leak Detection Equipment
<p>Distribution System Related</p> <ul style="list-style-type: none"> Residential and Small Commercial Meters Meter boxes Hydrants & Blow offs Pressure reducing valves Cross connection control devices Altitude valves Alarms & Telemetry Vaults, lids, and access hatches Security devices and fencing Storage reservoir painting/patching 	



DISTRICT MANAGER REPORT

To: Baca Grande Water and Sanitation District Board of Directors

From: JoAnn Slivka, District Manager

Date: September 16, 2022

Agenda Action Items

IV. Well/Septic Waiver Request

Customer agenda item: A waiver request for services on a 171-acre parcel along Road T will be presented to the Board at the September meeting

VI.C 2021 Audit

Mr. Eric Barnes from Fiscal Focus Partners, LLC will present the 2021 draft audit

VII. Element Engineering

- A. Consider adoption of the Water and Sewer Master Plan Update presented by Element Engineering
- B. Review and consider approval of a Proposal for Engineering Services USDA Wastewater Treatment Plant Preliminary Engineering Report and Environmental Report

OTHER DISTRICT ACTIVITIES

Master Plan

Staff met with Element Engineering to discuss and establish a workflow for district projects and funding. Mr. Marcotte will begin regular reporting to the board of directors to keep them updated on project status.

Financial – 2023 Annual Budget

Important Budget Dates

- ✓ Aug 25 - Preliminary assessed values available from county assessors
The preliminary AV has been received from Saguache County. The Budget committee will schedule a meeting to review and move forward with 2023 budget planning.
- October 15 - Budget Officer must present a Draft budget to the governing body
- November - Budget Hearing is scheduled and draft is available for public review and comment
- December 10 - Final assessed values
- December 15 - Budget must be adopted and mill levy set for property taxing entities
- December 15 - Certification of mill levy to county commissioners (DLG70 Form)
- January 31 - Budget must be submitted to the Division of Local Government

2023 Insurance and Policy Renewals

- I attended meetings regarding the insurance updates and renewals for our various insurance policies.
 - Colorado Special Districts Property and Liability Pool: We are in the 2023 insurance renewal period now. The renewals for Workers' Compensation as well as the Property and Liability insurance coverages for the district are currently underway.
 - CEPT: Open enrollment for employee health coverage has begun. Employer Plan Selection documents are due October 14, 2022. The 2023 rates have increased approximately 4.50%.
 - Employers Council: I am working with Employers Council on updating the District's employee handbook.

Certification of Delinquent Accounts

2022 Certification of Delinquent accounts schedule

- ✓ September 1, 2022: Certified letters mailed to Property Owner
- October 19, 2022: BOARD MEETING:
 - Property Owner Final Response and Hearing Date
 - Resolution prepared with the list of identified delinquent accounts
 - PAYMENTS WILL NO LONGER BE ACCEPTED
 - All future inquiries from property owners will get directed to the county
- October 31, 2022: PACKET GETS MAILED TO THE COUNTY
 - Packet includes the Final list of delinquent accounts along with the 2022 Executed Resolution
- November 1 through December 10, 2022: the Treasurer will accept certifications for inclusion on the tax rolls
- November 30, 2022: LAST DAY FOR CLOSING REQUESTS FROM TITLE COMPANIES!
 - Last day for a closing to occur for us to process the escrow payment, update the County Treasurer and perform Administrative updates to the account
- December 7, 2022: NOTIFY COUNTY OF ANY CLOSINGS THAT OCCURED
- December 9, 2022: Saguache County Treasurer's office will perform any changes/updates to our certification list

Insurance Claims

1. I am still working on the two open vehicle claims
2. August 18, 2022; I closed the May workers comp claim
3. A third workers comp claim has now been opened for an injury that occurred September 15

Colorado Water Loss Initiative- CWLI Phase II

- August 22, 2022. The District received on-site technical assistance from Kevin Burger of the CWLI to test the Well 18 meter. Gary Potter escorted Mr. Burger to Well 18 for the meter testing; good news is that the meter was found to be 98.1% accurate. Gary will be available for questions or further information regarding the meter test. The water audit update is still on the project list.
- Next Steps: The District CWLI team and staff will work with Element Engineering to make a plan for a water loss prevention program.

Communication Tower

A public meeting was held August 24, 2022 via Zoom to receive comments from the community regarding a request to locate a communication tower on district property. The meeting was well received by the community; a copy of the recording is available on the district web site. No further discussions on this topic are planned at this time.

2022 SDA Conference

I attended the 2022 conference; my focus was on funding, leadership, human resources, community and board relationships, 2023 elections and new laws regarding policy changes.

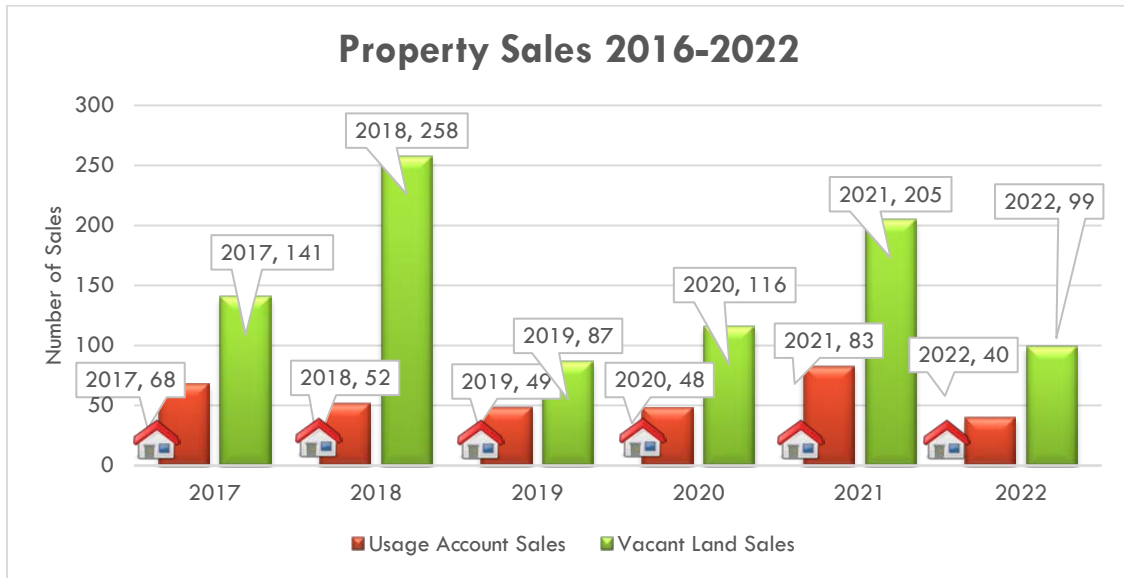
ADMINISTRATIVE MONTHLY REPORT

September 21st 2022

UTILITY BILLING ACTIVITY AUGUST

Customer Utility Billing		
Billing Category	Number of Accts	Amount Billed
Late Fees	41	\$ 615.00
AOS Late Fees	15	\$240.00
Usage Customers Billed - Water	817	65,477.59
Usage Customers Billed - Sewer	794	37,579.37
EQR Fees	27	785.75
Transfer Fees	45	\$11,250.00
On/Off Fees	6	\$175.00
Hook up	3	8,400.00
Town of Crestone Sewer		
Month	Total Monthly Flow (gallons)	Amount Billed
January	461,135	\$2,425.57
February	427,186	\$2,247.00
March	444,100	\$4,698.58
April	526,408	\$5,679.94
May	636,580	\$7,008.75 + \$15.00 LC
June	613,995	\$6,895.16 + \$15.00 LC
July	583,776	\$6,684.24+ \$15.00 LC
August	548,466	6,406.08
September		
October		
November		
December		
Totals	4,241,646	\$42090.32

August - 2022 - Property Sales: 4 Homes, 25 Lots

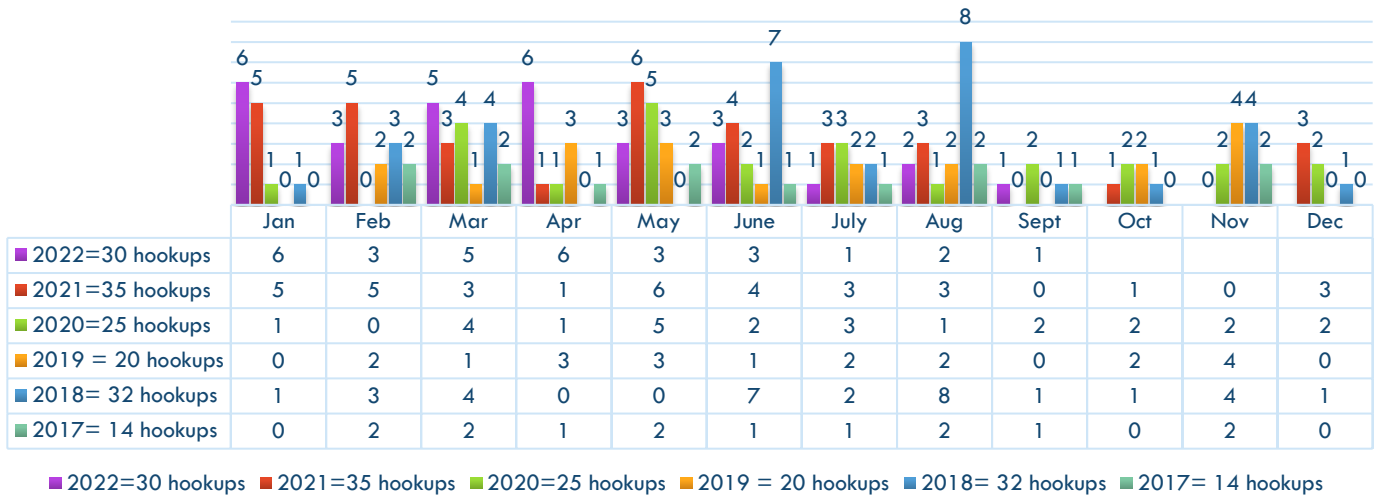


August - 2022 - Person to Person and Quit Claim Deeds Property Sales:
14 lots

2022 WATER-SEWER HOOKUP APPLICATIONS

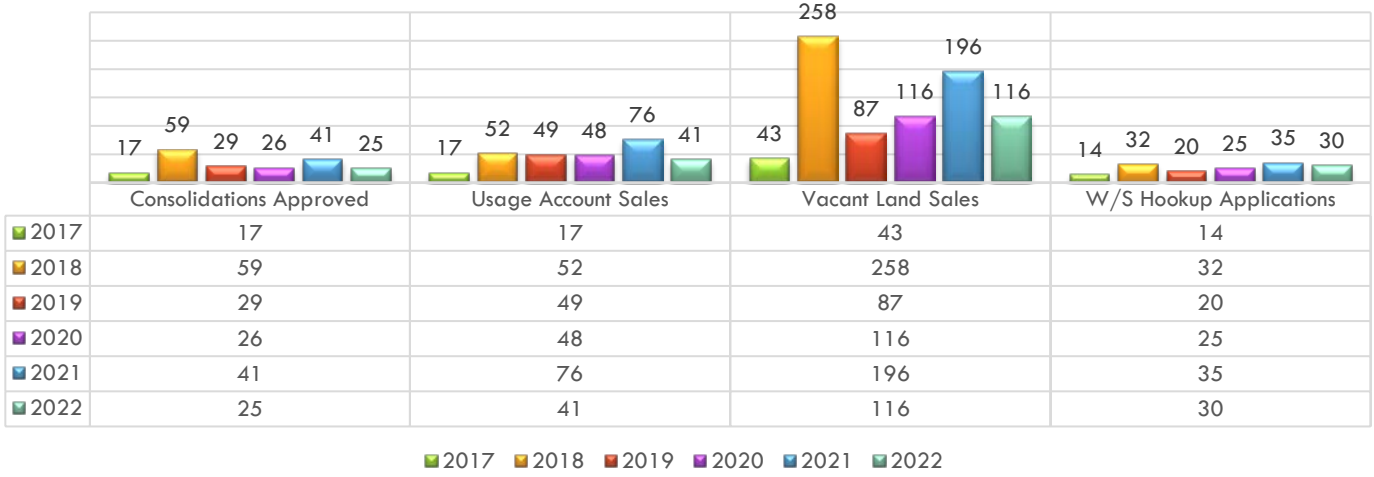
2 - APPLICATION(S) RECEIVED IN AUGUST & 1 IN SEPTEMBER

Water-Sewer Hookups 2016-2022

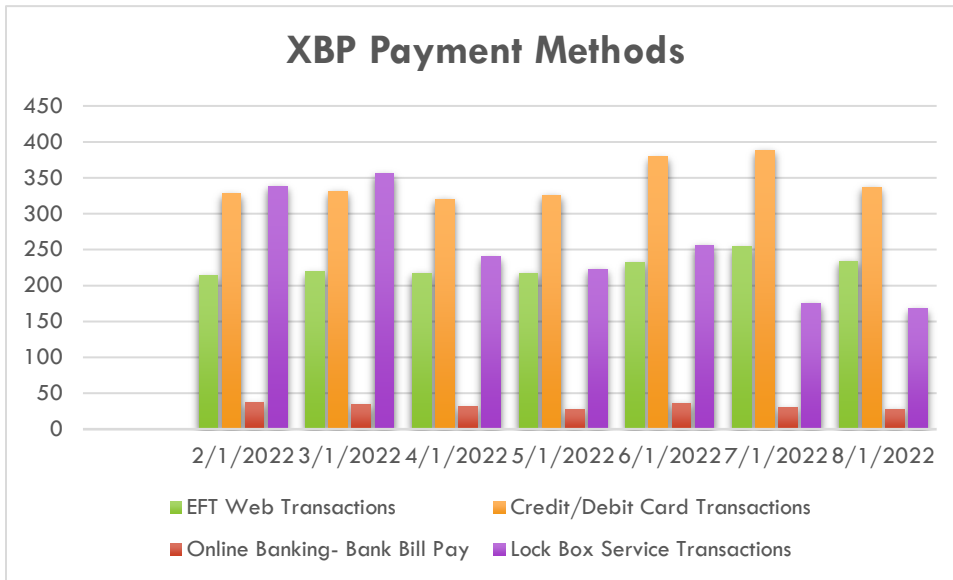


2022 PROPERTY TRENDS AND XBP PAYMENT METHODS

District Property Trends 2016-2022



XBP Payment Methods



AUGUST XPRESS BILL PAY TRANSACTION COST FOR THE DISTRICT

Product / Service Description	Qty	Unit Price	Line Total
EFT Web Transactions	234	0.49	114.66
EFT Returned Item Basic	3	6.00	18.00
EFT Return NSF or Account Closed	1	12.00	12.00
Credit/Debit Card Web Transactions	337	0.39	131.43
Online Banking - Bank Bill Pay Transactions	28	0.25	7.00
Lock Box Service Transactions	168	0.48	80.64
Toll Free Operator Assisted Transactions	1	0.95	0.95
Support, Maintenance, Hosting - Fee	1	75.00	75.00

Administrative Update:

- Tax Certification Module – August 22nd we had a conference call with Brigham from Caselle support to set up the module, set up organization settings and create a pre certification form.
- September 1st – we mailed out 52 Precertification Notices. Six of the pre certification notices are for usage accounts, the rest are vacant properties, 27 notices are for unpaid AOS fees, and the rest of the notices are for transfer fees and one for unpaid consolidation balance.
- We also started a scanning project and pulled out 2015-2020 water and sewer hook up applications and have scanned them and saved them to the server and organized the hard copies into binders.
- On September 6th Jennifer had her three month anniversary working at the District. She is a quick learner and was able to do her first Billing with minimal assistance this month.
- 2 new meters were installed in September and welcoming letters were sent to the new customers.
- Two consolidation request was received from Saguache County in the month of August and one in the month of September. And we are waiting for a few consolidation resolutions that were approved by the County in August.

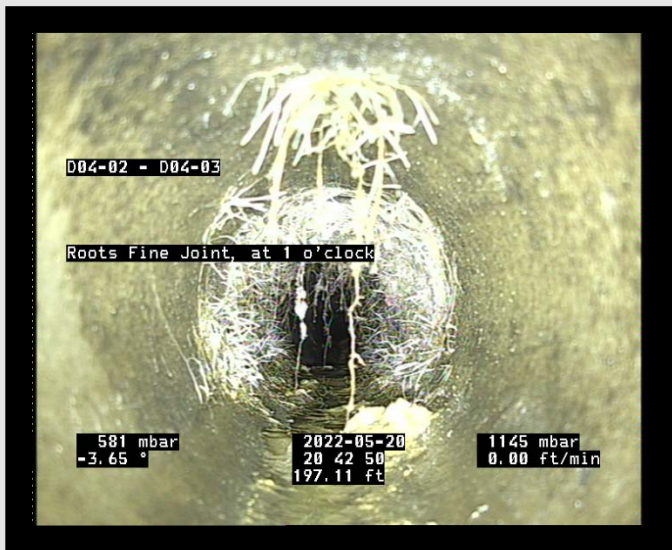
Baca Grande Water and Sanitation District

Monthly Operations Report

September 21th, 2022



Picture of grease glob in sewer mainline.



Picture Roots in Sewer Mainline



Picture of Wagon Wheel Forced Main Repair Near Spanish Creek 8/18/22

Facilities Updates

In Service

Repaired
last month

Out of
Service

Water Facilities											
Well 18		Moonlight Transfer Station		Ridgeview Transfer Station		Fallen Tree Transfer Station		Pinecone Booster Station		Shumei Booster Station	
Pump 1	Pump 2	Pump 1	Pump 2	Pump 1	Pump 2	Pump 1	Pump 2	Pump 1	Pump 2	Pump 1	Pump 2

Wastewater Facilities									
Aspen WWTP		Stables Lift Station		Wagon Wheel Lift Station		MHE Lift Station		Dharma Ocean Lift Station	
Pump 1	Pump 2	Pump 1	Pump 2	Pump 1	Pump 2	Pump 1	Pump 2	Pump 1	Pump 2

Service Vehicles				
Truck 1	Truck 2	Truck 3	Truck 4	Truck 5

Equipment				
Vactor Truck	Dump Truck	Backhoe	Skid steer	Excavator

- **Well 17 VFD (Variable Frequency Drive) failure**
 - New VFD ordered 8 to 10 week lead time!
- **Wagon Wheel Lift Station**
 - Pump 2 is currently being evaluated by Denver Industrial Pumps

Operations Updates

- **Colorado Water Loss Initiative (CWLI) Update**
 - Well 18 Meter Test is Completed.
 - Meter was found to be approximately 99%
 - Waiting for the full report.
 - Still working on the 2021 Water Audit
- **Wagon Wheel Forced Main**
 - On 8/18/22 around 4:30 PM we received a call from a contractor that they had hit an unknown pipe on Wagon Wheel road.
 - Operations Staff responded to the scene and verified the pipe was Wagon Wheels Lift Station's forced main line.
 - Repairs were made to the line by 7:30 PM and line was back in service.
 - Sewer spill was reported to the Colorado Department of Public Health and Environment and a 5 day spill report was completed.
- **AWWTP**
 - Filamentous (foaming) Bacteria are subsiding.
 - Plant is running smoothly!
- **Meter Pit Issues**
 - 20 new service connections in 2022
 - 22 active application
 - Currently out of stock on radio read device for meters (56 on order)
 - 2 water meters left in stock. (36 on order)
 - 3 or 4 used meter that we are testing may be able to be installed.
 - 20 more meter pit ordered 4/11/22
 - Some parts are still difficult to get and are on backorder
- **Water and Sewer Mainline Extensions**
 - Received deposit for water and sewer line extension on Hillcrest Overlook
 - Preliminary design and cost estimate to begin soon.
- **Road repair from water main breaks**
 - Saguache County Road and Bridge repaired our last road patch on Baca Grant Way.
 - Waiting for an invoice from the County.

➤ **Summer Projects**

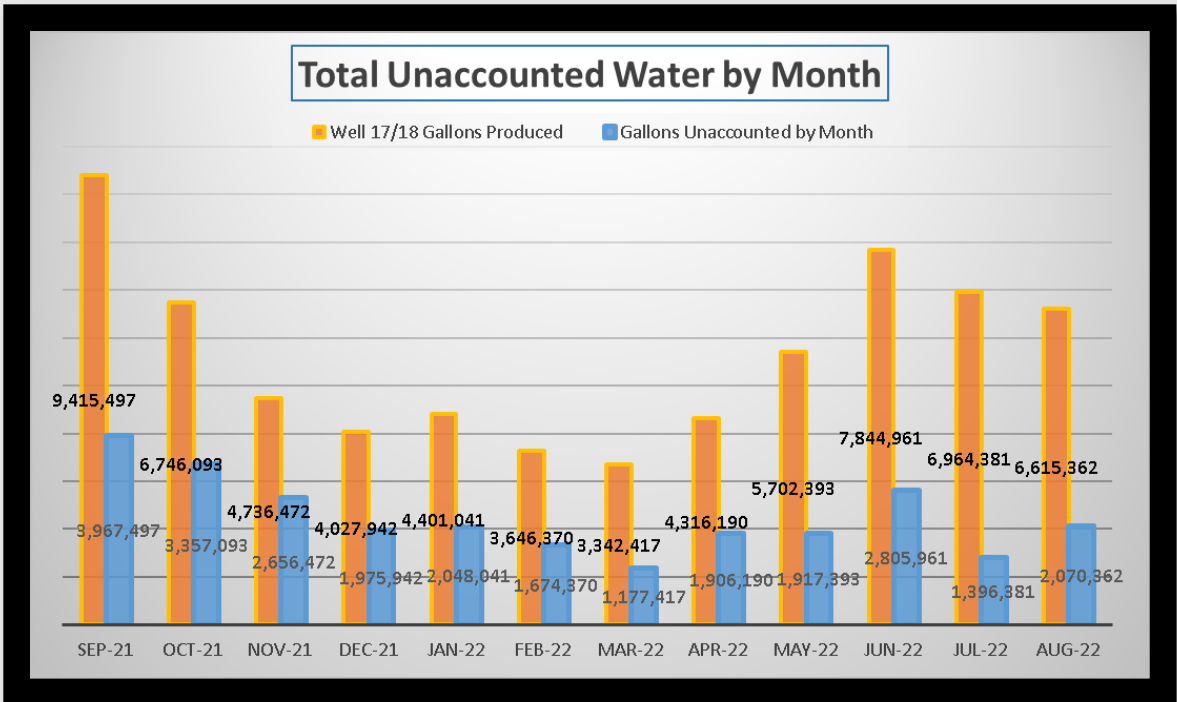
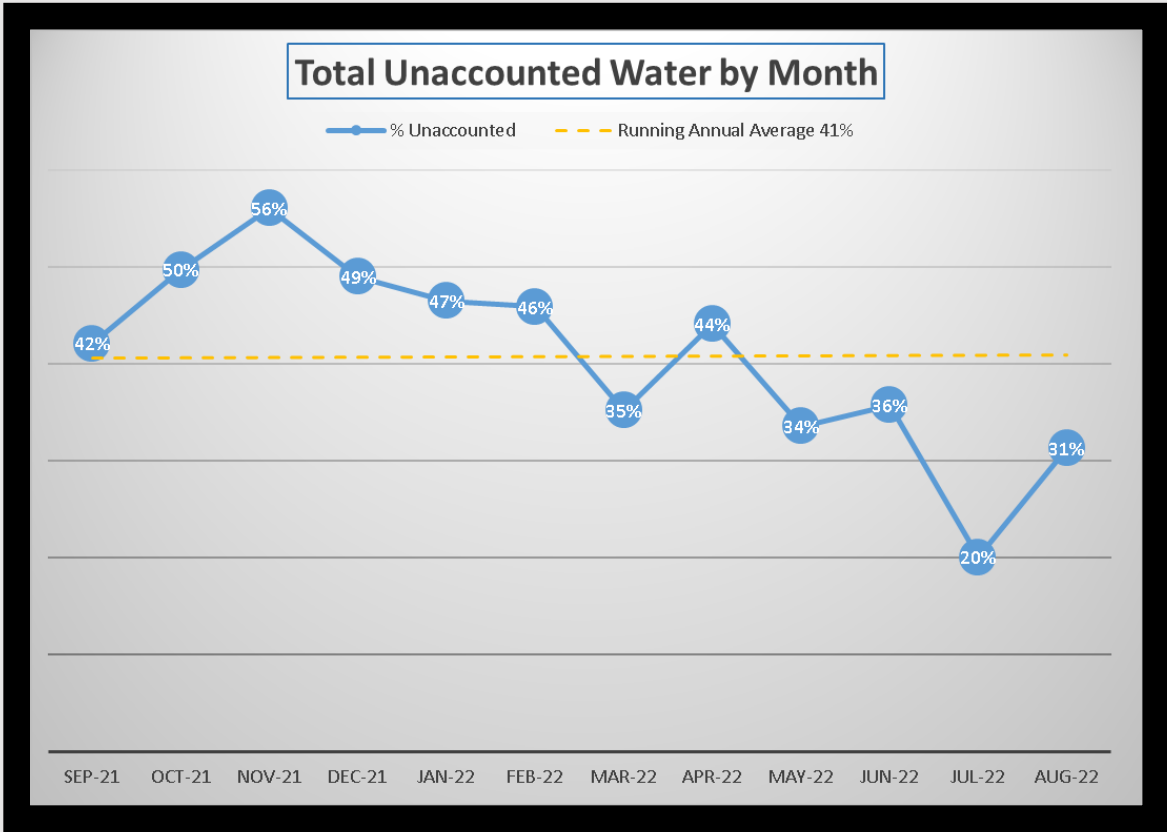
- Fire hydrant maintenance has been completed
- 2 Hydrant currently out of service. Part have been received and the hydrant are scheduled for installation.
- Operations main focus is now on cleaning and camera inspection of the sewer mainlines in Basin 4 (Chalet 2 and 3) nearing completion on this project.
- Have given up on finding two summer temporary employee's to help with Summer projects

➤ **Unaccounted Water**

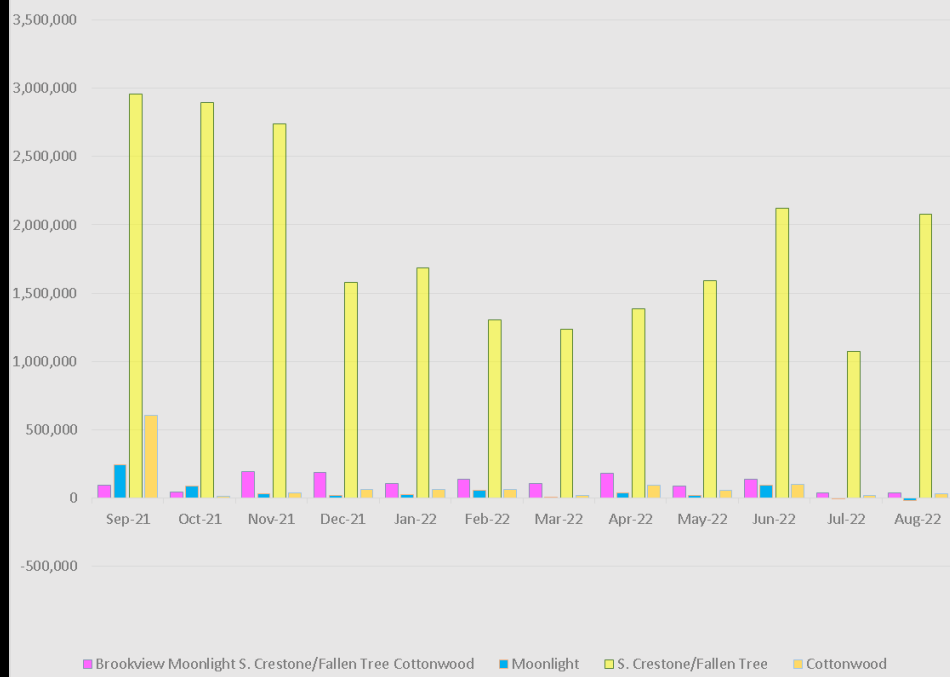
- Wells 17 and 18 produced 6,615,362 gallons of water in the month of August
- The District sold its customers 4,545,000 gallons of water in the month of August, leaving 2,070,362 gallons unaccounted for.
- 31% of the water produced is unaccounted for in the month of August.

➤ **Aspen WWTP and Town of Crestone Loading**

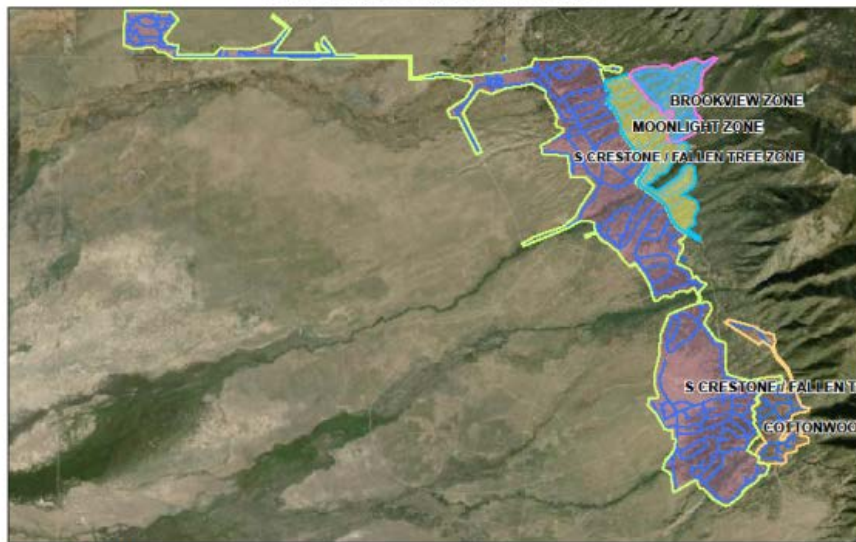
- Aspen WWTP averaged 44% of hydraulic loading capacity in the month of August, the Town of Crestone contributed and average of 26% of the treatment plants hydraulic load.
- Aspen WWTP averaged 60% of organic loading capacity in the month of July. The Town of Crestone contributed an average of 54% of the treatment plants organic load.



Total Monthly Unaccounted in Gallons by Pressure Zone

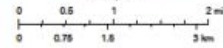


BGWS Unaccounted Water Zone's



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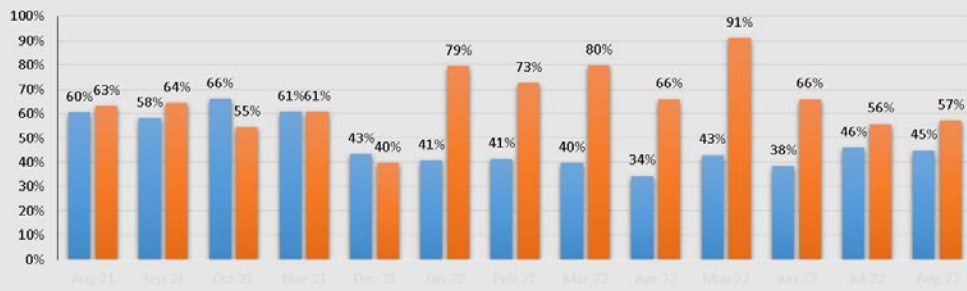
1:72,224



Earthstar Geographics

Base Ortho Water and Distribution
Earthstar Geographics

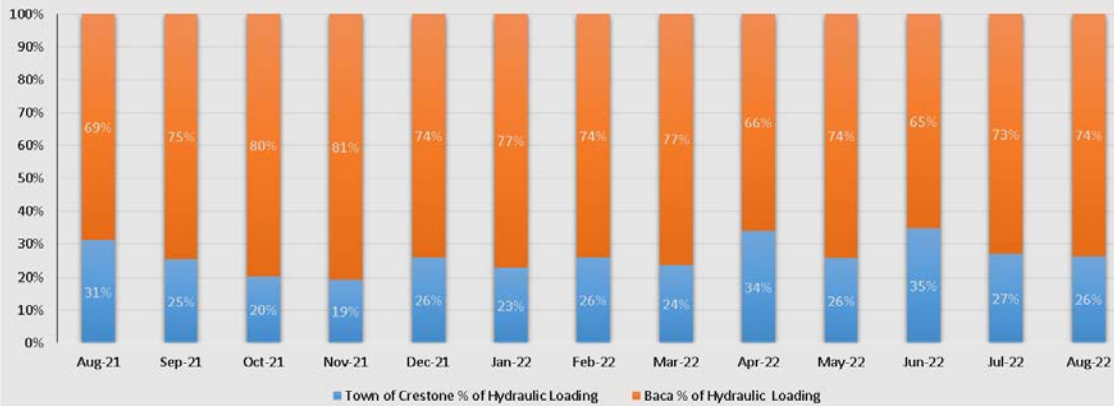
Percentage of Plant Capacities by Month at Aspen Wastewater Treatment Plant



	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22
Plant % of Hydraulic Capacity	60%	58%	66%	61%	43%	41%	41%	40%	34%	43%	38%	46%	45%
Plant % of Organic Capacity	63%	64%	55%	61%	40%	79%	73%	80%	66%	91%	66%	56%	57%

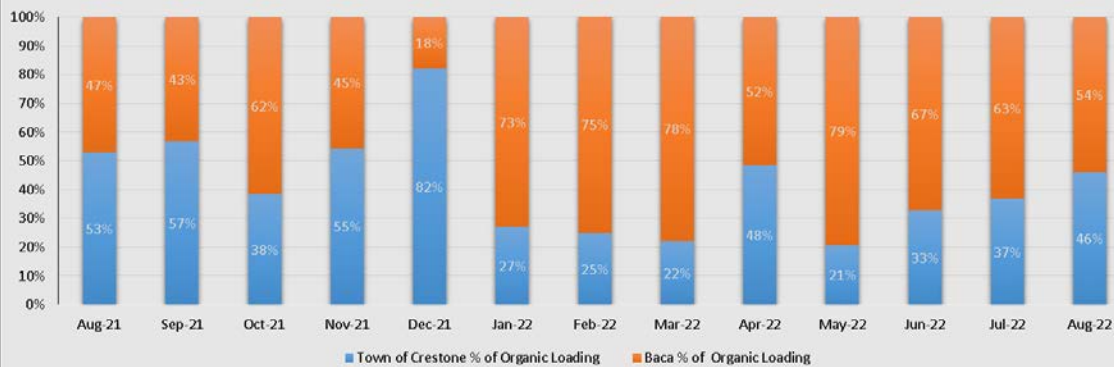
■ Plant % of Hydraulic Capacity ■ Plant % of Organic Capacity

Average % of Total Hydraulic Loading of Aspen Wastewater Treatment Plant by Month 2021-2022



■ Town of Crestone % of Hydraulic Loading ■ Baca % of Hydraulic Loading

Average % of Total Organic Loading of Aspen Wastewater Treatment Plant by Month of 2021-2022



■ Town of Crestone % of Organic Loading ■ Baca % of Organic Loading

Your outside business, employment or other activity must not conflict with, or benefit from, your duties to, or employment with, the District. You must not take any action, as a District employee, that would financially harm a business if you have an interest in a competing business. You must immediately disclose an outside conflict in writing to the General Manager or District Manager. The General Manager or District Manager, in their discretion, shall determine what effect, if any, the conflict of interest will have on your relationship with the District. If required by the District Manager or General Manager, you must immediately cease the outside business, employment or activity.

You must not have an interest in any contract made by you, as a District employee, or by the District. You must not enter into a substantial financial transaction for your private business purposes with a person whom you inspect, regulate, or supervise in the course of your official duties.

You must not, within six months following the termination of your employment with the District, contract with, or be employed by an employer who contracts with, the District if such contract or new employment involves matters with which you were directly involved during your employment with the District. You should not, within six months following the termination of your employment with the District, obtain employment in which you will take direct advantage, unavailable to others, of matters with which you were directly involved during your employment with the District.

J. Personal Gain Prohibited.

You must not request or accept pay or other reward for services rendered as a District employee. You must not accept any gifts or gratuity of \$25.00 or more unless the gift or gratuity is reported to the General Manager, who shall determine whether you may retain the gift or gratuity, or whether it should be turned over to the District. You must not engage in any activity with any state or local government official or employee that would violate Amendment 41 to the Colorado Constitution.

The District has the right to take appropriate action, including termination, in response to your off-duty conduct that: (1) relates to a bona fide occupational requirement or is rationally related to your employment/service activities and responsibilities; or (2) is necessary to avoid a conflict of interest or the appearance of a conflict of interest; or (3) is damaging to the District.

K. Attendance and Punctuality.

You must report for duty at the scheduled start time. If you will be absent, you must notify the General Manager at least one hour before your scheduled start time, unless the circumstances do not permit advance notice to the General Manager, in which case you must notify the General Manager as soon as you can. You must state the reason for and probable duration of the absence. Absent satisfactory justification, an employee who fails to report for duty at the scheduled start time without first notifying his/her the General Manager will be subject to corrective action or discipline, up to and including termination.