

RECORD OF PROCEEDINGS

**MINUTES
OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
JANUARY 30, 2013**

A Special Meeting of the Board of Directors of the Baca Grande Water and Sanitation District (referred to hereafter as "Board") was held on Wednesday, the 30th day of January, 2013, at 9:00 a.m. at the offices of the District, BGWS&D Shop, 57 Baca Grant Way South, Crestone, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Vicki Matthews
Martin Macaulay
Cindy Reinhardt
Kyle Grote

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

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc. – Via speakerphone
Jennifer Gruber Tanaka, Esq.; White, Bear & Ankele P.C. – Via speakerphone
Marcus Lock, Esq.; Bratton Hill Wilderson & Lock, LLC – Via speakerphone
Steven Harrell; District General Manager

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Tanaka noted that conflicts were filed for applicable Directors at least 72 hours prior to the meeting. Mr. Beckman noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No further conflicts were disclosed.

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ADMINISTRATIVE MATTERS

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

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

PUBLIC COMMENT

Public Comment: There was no public comment.

EXECUTIVE SESSION

Personnel Matters, Water Matters Subject to Negotiation and Legal Advice:
EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4) (b), (e) and (f), C.R.S., upon motion duly made by Director Grote, seconded by Director Reinhardt and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 9:08 a.m. for the purpose of discussions relating to personnel matters, negotiations with third parties and receiving legal advice as authorized by Sections 24-6-402(4)(b), (e) and (f), C.R.S.

Furthermore, pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion of the District's attorney, constitute privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 10:29 a.m.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board determined that all hiring decisions would be made by the Board effective immediately, and directed staff to present a set of procedures detailing the process for review of candidates and presenting recommendations to the Board. The Board further directed Mr. Beckman to have procedures reviewed by the District's employment attorney and to have the process incorporated into the employee handbook following Board approval.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board determined to act on the recommendation of Mr. Harrell, and authorize the extension of an offer of employment to Nan Dudek for the position of Receptionist. The Board further directed Mr. Harrell to contact both candidates and inform them of the Board's decision.

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OTHER BUSINESS

Letter Agreement with Shumei Institute for Payment in Lieu of Taxes (the "Letter Agreement"): Mr. Beckman reported that he had a follow up conversation with Matthew Crowley, with the Shumei Institute. He discussed with the Board the changes to the Letter Agreement requested by Mr. Crowley.

Following discussion, the Board directed Mr. Beckman to revise the Letter Agreement to incorporate Mr. Crowley's comments and forward a final copy to Mr. Crowley upon final review by Attorney Tanaka.

ADJOURNMENT

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

Respectfully submitted,

By


Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 30, 2013 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Vicki Matthews



Martin Macaulay



Cindy Reinhardt



Kyle Grote

Parvin J. Johnson, Sr.