

## RECORD OF PROCEEDINGS

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MINUTES OF A SPECIAL MEETING OF  
THE BOARD OF DIRECTORS OF THE  
BACA GRANDE WATER AND SANITATION DISTRICT  
HELD  
OCTOBER 31, 2008

A special meeting of the Board of Directors of the Baca Grande Water and Sanitation District (referred to hereafter as "Board") was held on Friday, the 31st day of October, 2008, at 9:00 a.m. at the offices of the District, BGWS&D Shop, 57 Baca Grant Way South, Crestone, Colorado. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

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

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

#### Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

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

Steve Rogers; Brown & Caldwell

Steven Harrell; District General Manager  
Olga Coello; District Administrator

Meric Lallier; Special District Management Inc. - via speakerphone

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

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quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting.

### ADMINISTRATIVE MATTERS

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

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

Minutes: Members of the Board reviewed the minutes of the September 26, 2008 special meeting and the October 10, 2008 special meeting.

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

2009 Meeting Dates: Mr. Beckman discussed the business to be conducted in 2009 to meet the statutory compliance requirements.

Following discussion, the Board determined to meet on the third Friday of every month in 2009 except for December, at 9:00 a.m., at the offices of the District.

Resolution Adopting a Policy Regarding the Conduct of Regular and Special Meetings of the Board of Directors: The Board discussed the Resolution Adopting a Policy Regarding the Conduct of Regular and Special Meetings of the Board of Directors.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Cyriacks and, upon vote, unanimously carried, the Board approved Resolution Adopting a Policy Regarding the Conduct of Regular and Special Meetings of the Board of Directors. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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### PUBLIC COMMENT

It was noted by the Board of Directors that there were no members of the general public present at this meeting.

### FINANCIAL MATTERS

Claims: The Board considered the approval of the payment of claims through the period ending October 24, 2008, totaling \$103,530.62.

Following discussion, upon motion duly made by Director Madonna, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending October 24, 2008, as revised.

Financial Statements: Mr. Beckman reviewed the unaudited financial statements for the period ending September 30, 2008. Mr. Lallier with Special District Management Services, Inc. Finance Department joined the meeting at this time.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the unaudited financial statement for the period ending September 30, 2008.

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

2009 Budget: The Board reviewed the 2009 draft Budget.

Resolution Authorizing Credit Cards for Certain Employees: The Board discussed the Resolution Authorizing Credit Cards for Certain Employees.

Following discussion upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the Resolution Authorizing Credit Cards for Certain Employees. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Fixed Asset Inventory: Mr. Beckman discussed with the Board the importance of maintaining an accurate fixed

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asset inventory. Mr. Harrell reported that he will work with staff to update the inventory over the next few months.

Debt Consolidation and Line of Credit: Mr. Beckman reported that due to current market conditions he is presently unable to obtain a line of credit with Wells Fargo Bank or Alamosa State Bank. Mr. Beckman distributed and reviewed with the Board amortization schedules for 15 and 30 year lease purchase agreements in the principal amount of 310,250.00 proposed by Wells Fargo Bank.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved entering into a lease purchase agreement in the principal amount of \$310,250.00 with Mr. Beckman having signature authority, contingent upon the failure to obtain additional debt authorization through the electoral process and the District's inability to issue general obligation bonds by the end of the year. The Board directed Mr. Beckman to verify the District's ability to obtain additional financing on assets where less than 100% of the value is pledged for debt security.

ACH Payment Collections: Ms. Coello reported that the letters explaining the uncollected payments for the past few months has been sent to the affected residents.

Department of Local Affairs ("DOLA") Grants: Mr. Beckman discussed the status of DOLA grants and funding of specific District projects to be completed with such grants. Mr. Harrell and Mr. Rogers discussed changes to the scope of the projects. Mr. Harrell will follow up with DOLA concerning changes to the project scope.

Payment in Lieu of Taxes ("PILOT"): Members of the Board discussed requesting PILOT from non-tax paying customers. Director Cyriacks discussed imposing PILOT based on Assessed Valuation. The Board directed Mr. Harrell to obtain a list of properties that are not paying taxes.

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### LEGAL MATTERS

November 2008 Election: Election and Timeline of Events. Attorney Tanaka discussed the status of the November 4, 2008 Election and current Timeline of Events. Attorney Tanaka advised the Board of the various unexpected issues that occurred through the coordinated election process with Saguache County.

Report by Attorney Schwiesow: Acquisition of land at Well 18. Mr. Beckman reported Attorney Schwiesow has not heard anything from Mr. Ireland regarding the acquisition of the easement at Well 18. The Board directed Attorney Tanaka to contact the Colorado College concerning improvements within the same easement area.

Resolution of Necessity for Condemnation of Site. The Board then entered into discussion regarding a Resolution of Necessity for Condemnation of Site.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Cyriacks and, upon vote, unanimously carried, the Board approved a Resolution of Necessity for Condemnation of Site and authorized Attorney Tanaka to send a Letter of Intent.

Everhart Suit. Mr. Beckman reported that there have been no new developments on this matter.

Lot 728. Mr. Beckman reported that Attorney Schwiesow has settled with the owner of Lot 728 regarding the outstanding balance of the tap fee.

District's Water Rights: The Board reviewed the Memorandum from Attorney Schwiesow dated October 30, 2008 Regarding Brief Background of the District Water Rights. The Board determined to discuss District water rights strategies at Baca Grande Water and Sanitation District Board Retreat scheduled for November 15, 2008.

On-Call and Overtime Payment Policy: Mr. Harrell reviewed with the Board a draft policy for payment of employees who are on-call and working overtime.

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

## RECORD OF PROCEEDINGS

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policy as amended.

Policy regarding Sale of Potable Water: The Board discussed the policy regarding the sale of potable water to customers that are not attached to the distribution system.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Board determined not to sell Potable Water to customers that are not attached to the distribution system.

Resolution Adopting Mileage Reimbursement Policy: The Board discussed the Resolution Adopting Mileage Reimbursement Policy.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Cyriacks and, upon vote, unanimously carried, the Board approved the Resolution Adopting Mileage Reimbursement Policy at a current rate of 0.58 cents per mile, which rate shall change to mirror that approved by the Internal Revenue Service. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Rules and Regulations Policy: Attorney Tanaka discussed with the Board establishing a comprehensive set of Rules and Regulations and recommended that this be pursued in the near future.

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### OPERATIONS

Operations Manager Report: Mr. Harrell presented his report dated October 27, 2008 ("Report"). A copy of the Report is attached hereto and incorporated herein by this reference. Following review and discussion of the matters presented in the Report, upon motion duly made by Director Madonna, seconded by Director Matthews and, upon vote, unanimously carried, the Board took the following actions:

**Customer Service, Elaine Davinroy.** The Board authorized option No. 2 as detailed in the Report for an amount not to exceed \$6,500.

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### **Low Street Pressure Customers:**

*John and Eileen Donald.* The Board authorized installation of a new service line from the Moonlight Reservoir for an amount not to exceed \$1,500.

*Steve Elliot.* The Board authorized Mr. Harrell to offer a settlement in the amount of \$360 for additional time incurred by Mr. Elliot's contractor due to the District's inability to locate its utilities.

**Sale of Gravel Bedding Material.** The Board authorized the sale of gravel bedding material by Mr. Harrell at the price of \$2.50 per square yard.

**Cellular Phone Tower Agreement with Verizon Wireless.** The Board approved the agreement with Verizon Wireless for a tower at the Ridgeview Reservoir subject to final review by Counsel.

Status of Staffing: Mr. Harrell reported that in order to provide optimal service to the District's Customers he will need another full time field technician and would like Haven Wellman to become a full time employee. He also reported that Ms. Wellman will be out for at least the next two weeks for maternity leave. Her position will be covered by temporary staffing.

Mobile Home Estates Lagoon System: Mr. Rogers reported that the system is not currently functioning within state regulations and recommended rerouting the waste water treated by this facility to the Aspen Treatment Plant.

Well 18 Project: Steven Harrell and Steve Rogers discussed proposed changes to the scope of the project which would integrate Well 18 with other water sources on the system, and modifications to the structure to be constructed over the sight. Mr. Harrell reported that he would contact Ms. Downs with the Department of Local Affairs ("DOLA") to clarify modifications to the scope of the project necessary for finalization of the DOLA grant contracts.

Status of Compliance of the Aspen Treatment Plant: Mr. Rogers reported that recent adjustments to the

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systems controls have resulted in dramatic improvements to the wastewater Ph levels. Mr. Rogers reported that the Ultra Violet lights used in the sanitation process should be replaced immediately and on an annual basis going forward.

Following discussion, upon motion duly made by Director Madonna, seconded by Director Matthews and, upon vote, unanimously carried, the Board authorized Mr. Harrell to purchase six ultra violet light bulbs and six protective covers for an amount not to exceed \$2,000.

Status of East Dream Way Project: Mr. Rogers and Mr. Harrell reported that the project is not expected to be initiated until the spring of 2010.

Status of Dharma Ocean Line Extension Project: Mr. Harrell reported that the project is nearly completed. Mr. Beckman requested a final cost breakdown for the project as soon as it is available.

Status of Website Reconstruction: Mr. Harrell reported the status of the Web-site design. Directors Canaly and Matthews volunteered to review the web site design once it is available.

### OTHER BUSINESS

Town Annexation Task Force: Director Cyriacks reported that the first draft of financial projections illustrating the impact of annexation by the Town of Crestone has been completed by consultants engaged by the taskforce. The second draft of projections is expected to be complete with the next two weeks.

Customer Assistance Programs: Director Cyriacks provided information regarding customer assistance programs to the District office for distribution to interested parties.

Board Retreat: The Board discussed specific issues that will be addressed at the Board retreat. Director Cyriacks discussed strategic planning as being an important part of the retreat. Director Canaly recommended that water rights issues be incorporated into the discussion. It was noted that Mr. Rogers will facilitate the Board Retreat Meeting to be held on



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November 15, 2008.

### EXECUTIVE SESSION

Personnel Issues: Dharma Ocean Improvements: EXECUTIVE SESSION: Pursuant to Section 24-6-402(4) of the Colorado Revised Statutes, upon motion duly made by Director Cyriacks, seconded by Director Madonna and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 3:30 p.m. for the sole purpose of discussing personnel matters and matters subject to negotiation as authorized by Sections 24-6-402(4) (e) and (f), C.R.S.

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

It was noted that Mr. Rogers and Mr. Harrell left the executive session at 3:40 p.m.

The Board reconvened in regular session at 4:00 p.m.

Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Madonna and, upon vote, unanimously carried, the Board Directed Mr. Harrell to notify Mr. Debon that he must vacate his residence in the Cottonwood Treatment Building by December 31, 2008 and monthly rent will be charged effective November 1, 2008 in the amount of \$250 per month.

### ADJOURNMENT

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

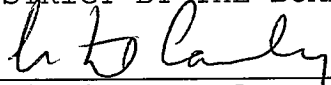
Respectfully submitted,

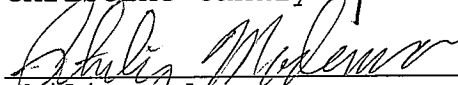
By *Vicki Matthews*  
Secretary for the Meeting

**RECORD OF PROCEEDINGS**

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THESE MINUTES ARE APPROVED AS THE OFFICIAL OCTOBER 31,  
2008 MINUTES OF THE BACA GRANDE WATER AND SANITATION  
DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
\_\_\_\_\_  
Christine Canaly

  
\_\_\_\_\_  
Philip Madonna

  
\_\_\_\_\_  
Vicki Matthews

  
\_\_\_\_\_  
Lisa Cyriacks

\_\_\_\_\_  
Parvin J. Johnson, Sr.



# **BACA GRANDE WATER AND SANITATION DISTRICT**

**DATE: October 27, 2008**  
**TO: Board of Directors BGWASD**  
**FROM: Steven Harrell General Manager**  
**SUBJECT: Report on Operations**



## **REPORT TOPICS:**

- 1. ADMINISTRATIVE OFFICE UPDATE:**
- 2. OPERATIONS UPDATE:**
- 3. CUSTOMERS SERVICE ISSUES:**
- 4. SYSTEMS UPDATE:**
- 5. PREPARATIONS FOR ASSET INVENTORY:**
- 6. HOLIDAY SCHEDULE:**
- 7. NEW OPERATIONS PROGRAMS:**
- 8. QUESTIONS ABOUT PROCEDURES:**
- 9. DHARMA OCEAN UPDATE:**



## **ADMINISTRATIVE OFFICE UPDATE:**

- The office staff has processed the Districts billing in our home office this month of October. This is the first of several steps we will take to bring operations back to our home office.
- ACH letters have been sent out.
- Tap fee agreement was sent to Jennifer.
- Web-site update. Joann Slivka has provided the Board with a survey for the new web-site and she has closed the old web-site with an updating web-site and under construction message with directions for inquiries to call BGWASD office.
- The office staff is now more experienced as we take on the mailing of bills and general mailings such as the Mill Levy and letters concerning the ACH accounts.
- I need the Board to select 2 persons from the Board for final review of Web-site.
- Overall once the transition is complete the office staff knows they will be able to handle the work load. Olga full time, Haven at 30-40 hours per week. Haven will be interested in full time hours when the Board decides the District can afford another full time position.
- The office staff will need part time help with accounting and I have a recommendation for that position once we have decided the direction the BGWASD will be heading.
- The core field crew of Justin Debon, Stephen Wade and Steven Harrell are functioning well together and growing great team (crew) integrity. I think we will



need three full time operations and maintenance personnel plus me as the supervisor/operator/manager.

- For our operations crew to keep up with customer service calls, maintenance, preventative maintenance, standardized programs of operations and compliance issues we will easily keep 3 crew members plus me with more than we can accomplish in a 40 hour work week.

- **OPERATIONS UPDATE FOR THE LAST 30DAYS:**

- The removal of chlorine gas cylinders from District use and property.
- We have made adjustments to the SBR. We are in compliance with our PH.
- Reviewed and double checked all reservoirs for screening on vents and that all reservoirs are securely locked.
- We have placed a small building ( old chlorine gas shed ) over Well 18. The shed has a locking door, heater, light and motorized fan vent.
- We have installed a chemical feed shut off relay in case the power to the well pumps goes out. The relay will prevent chlorine from being pumped into well until the well pumps have been reset. This is extremely important precaution to protect our water quality. This procedure was accomplished by District crew for \$70.00 in parts.
- We have done 1 water and sewer tap.
- We are handling the work orders effectively.
- We will need one more service truck.

## CUSTOMER SERVICE ISSUES:

- Elaine Davinroy; we have inspected the problem sewer line that has been freezing every winter. The result of our inspection is the sewer line was installed incorrectly.
  1. The first option for frost prevention is to install heat tape and insulate sewer line. This option will cost \$1200-\$1800 and will not be a long term fix. We could expect to get 1-3 years from option 1.
  2. The second option is to install a small lift station with a 2" forced main sewer line 4.5 ft. below grade 355' to the second manhole from her residence. This option will cost \$5000 - \$6500 and will require maintenance every 7-8 years. We can self perform both options with the exception of electrical service which is included in estimate.
- **Low street pressure customers.** John & Eileen Donald have requested a reduced rate for there service. I don't think we should give them a discount on service. Instead we should connect there water line service to the water line above them on Moonlight and disconnect them from the Moonlight reservoir.
- Steve Elliot has refused to pay his excavator for the extra time to find the water line on Palomino and Camino Baca Grande. Peter Grover wants the District to pay him for lost time. 5hours @ \$90.00 / hour = \$450. I see this as an unforeseen circumstance that the General Contractor should pay for. Could the Board come to agreement of a new policy? (The District does not guarantee the exact location of utilities within the District Boundaries or estimate the amount of time it takes to locate the utilities).



### **SYSTEM UPDATE:**

- Well 18 has minor upgrade with shed and relay shut off.
- SBR is in compliance.
- Selling water to non-District customers in small volume is not cost effective and could cause a backflow contamination to our water system.

### **PREPARATIONS FOR ASSET INVENTORY:**

- I have reviewed the Water System Technical, Managerial and Financial Capacity Assistance training materials.
- Spread sheet from WSTMAFC is ready for documentation.

### **HOLIDAY SCHEDULE:**

- Verify Thanksgiving weekend Nov 27<sup>th</sup> – 30<sup>th</sup> District office will be closed.
- Clarify the Christmas thru New Years day schedule.

### **NEW PROGRAMS FOR OUR SYSTEM:**

- Fire hydrants. Maintenance repair and flushing program.
- Flushing Valve and hydrant flushing program has been started. Schedule will be refined in November.

### **QUESTIONS ABOUT PROCEDURES:**

- EQR on bill for Hanna Strong Moonlight Overlook 44
- Develop mission, vision and purpose of BGWASD.
- Shutting off service to customers?
- Cell phone tower installation at Ridgeview reservoir. (\$300/Month)
- Meeting with Scott Johnson?



**DHARMA OCEAN UPDATES:**

- Sewer line installation is complete. Manhole installation is complete. The pump station will be complete on November 27<sup>th</sup> and ready for use by the customer.



**RESOLUTION NO. 2008-10-01**

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

**ADOPTING A POLICY REGARDING THE CONDUCT OF REGULAR AND SPECIAL  
MEETINGS OF THE BOARD OF DIRECTORS**

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

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the "Board") is empowered to have the management, control and supervision of all of the business and affairs of the District; and

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

WHEREAS, the Board desires to adopt a policy regarding the conduct of all regular and special meetings of the Board.

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

1. ADOPTION OF POLICY. The Board hereby adopts the policy regarding the conduct of all regular and special meetings of the Board set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Policy"). In the event anything contained in the Policy conflicts with any provision of Colorado law, such conflicting provision shall be deemed null and void.

***[Remainder of Page Intentionally Left Blank].***

31<sup>st</sup> October  
APPROVED AND ADOPTED THIS ~~4<sup>th</sup>~~ DAY OF ~~AUGUST~~, 2008.

BACA GRANDE WATER AND  
SANITATION DISTRICT

C. C. C.  
President

ATTEST:

Vicki Matthews  
Secretary

EXHIBIT A  
The Policy

The Board of Directors ("the Board") is responsible for the content of the regular and special meeting agendas. All matters to be included on such agendas and any associated materials to be discussed in conjunction with such matters are subject to Board approval.

A request for an item for Board action to be included on a special or regular meeting agenda must be submitted to the District Manager at least two weeks prior to the meeting at which the item may appear on the agenda. All requests for Board action will be added to agendas at the discretion of the Board in its sole discretion. The Board reserves the right at all times to reject any requests for agenda additions as it deems fit.

Comments may be made by the District's staff or members of the general public at any regular or special meeting, as determined by the President of the Board. Such comments will be addressed under the Agenda Item entitled "Public Comment". As a general rule, the speaker will be limited to three minutes per topic, with no more than fifteen minutes being spent on any one topic. All matters to be considered for the Public Comment section of the meeting must be submitted in writing to the President of the Board at the beginning of the meeting and the President will have absolute discretion in continuing or limiting discussion.

**RESOLUTION NO. 2008-10-02**

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

**AUTHORIZING THE ISSUANCE OF CREDIT CARDS TO CERTAIN EMPLOYEES**

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

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the "Board") is empowered to have the management, control and supervision of all of the business and affairs of the District; and

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

WHEREAS, the Board desires to authorize the issuance of credit cards to certain employees.

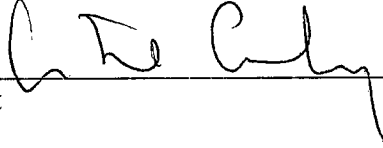
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT AS FOLLOWS:

1. AUTHORIZATION OF CREDIT CARDS. Effective October 31, 2008, the Board hereby authorizes the issuance of a credit card by Alamosa State Bank to Steven A. Harrell, with a credit limit of \$5,000, and to Olga L. Coello, with a credit limit of \$1,500. All charges made to such credit cards shall be District-related expenses. No personal purchases shall be made with the credit cards. In the event personal charges are made, the relevant employee shall be responsible for those fees and costs.

*[Remainder of Page Intentionally Left Blank].*

APPROVED AND ADOPTED THIS 31<sup>ST</sup> DAY OF OCTOBER 2008.

BACA GRANDE WATER AND  
SANITATION DISTRICT

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

Resolution Number 2008-10-03

**Baca Grande Water and Sanitation District**

October 31, 2008

**RESOLUTION OF NECESSITY**

WHEREAS, the Baca Grande Water and Sanitation District (the "District") is a water and sanitation district duly organized and existing under the provisions of §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-1006(1)(f), C.R.S., the Board of Directors of the District (the "Board") is empowered to acquire property through the exercise of eminent domain for the District's water facilities and improvements, specifically well sites (the "Project"); and

WHEREAS, it is necessary for the implementation of the Project to acquire a permanent easement interest in certain property, the description of which is shown in **Exhibit A**, attached hereto and made a part hereof (collectively, the "Property");

WHEREAS, to the best knowledge of the District, the record holder of interest in the Property to be acquired is: Jamie Ireland.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Baca Grande Water and Sanitation District that:

The Board finds and determines that it is necessary for the public health, safety and welfare for the District to construct the Project, as described above, and it is necessary for the public health, safety and welfare for the District to exercise the power of eminent domain to acquire the Property, if the Property cannot be acquired by purchase;


The legal description of the Property is subject to review by the District's legal and engineering consultants and is subject to change; however, any substantial changes will be brought back to the Board for approval;

Title commitments on the Property shall be obtained, if necessary;


Appraisals of the Property shall be obtained, if necessary;



RESOLVED AND ADOPTED THIS 31<sup>ST</sup> DAY OF OCTOBER 2008.

  
\_\_\_\_\_  
Christine Canaly, President

ATTEST:

  
\_\_\_\_\_  
Vicki Matthews, Secretary

The foregoing constitutes a true and accurate record of proceedings of the Board of Directors of the Baca Grande Water and Sanitation District, taken this 31<sup>ST</sup> day of October 2008.


  
\_\_\_\_\_  
Vicki Matthews, Secretary





EXHIBIT A  
(Ireland Property)

RESOLUTION NO. 2008-10-04

RESOLUTION  
OF THE BOARD OF DIRECTORS  
OF THE  
BACA GRANDE WATER AND SANITATION DISTRICT  
  
ADOPTING MILEAGE REIMBURSEMENT POLICY

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

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the "Board") is empowered to have the management, control and supervision of all of the business and affairs of the District; and

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

WHEREAS, the Board desires to authorize the reimbursement of mileage for employees on their personal automobiles.

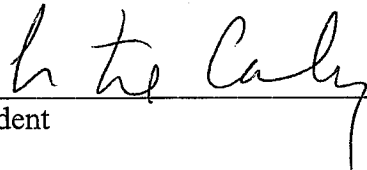
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT AS FOLLOWS:

1. MILEAGE REIMBURSEMENT. All employees using their personal automobiles for District-related business shall be reimbursed for mileage and reasonable wear and tear on their automobile at the rate established by the Internal Revenue Service. The current rate through December 31, 2008 is 58.5 cents per mile. The mileage reimbursement contemplated herein shall not include any miles driven for personal purposes but shall only be related to District business. The rate of mileage reimbursement shall change whenever updated by the Internal Revenue Service for the applicable time period.

*[Remainder of Page Intentionally Left Blank].*

APPROVED AND ADOPTED THIS 31<sup>ST</sup> DAY OF OCTOBER 2008.

BACA GRANDE WATER AND  
SANITATION DISTRICT

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary