

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD JANUARY 17, 2014

A regular meeting of the Board of Directors (referred to hereafter as "Board") of the Baca Grande Water and Sanitation District (referred to hereafter as "District") was held on Friday, the 17th day of January, 2014, at 8:00 a.m. at the offices of the District, BGWSD 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
Parvin J. Johnson, Sr. (via speakerphone)

Also In Attendance Were:

AJ Beckman and Lindsay Ross (via speakerphone); Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq.; White, Bear & Ankele, P.C.

Steven Harrell; District General Manager

Brad Simons; TST Inc. of Denver

Marcus Lock, Esq.; Law of the Rockies (via speakerphone - for a portion of the meeting)

Michael Scully; Resident

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

RECORD OF PROCEEDINGS

to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No further conflicts were disclosed.

ADMINISTRATIVE MATTERS

Agenda: Mr. Beckman reviewed the proposed Agenda for the District's regular meeting with the Board.

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

Continued Participation of Director Parvin J. Johnson, Sr. on Board of Directors: Director Johnson explained that he would like to continue to serve as a Board member if the other directors feel that his participation is a benefit to the Board. Director Johnson noted that his participation during the winter months would be by speakerphone but he would attend in person during the summer months. Attorney Tanaka noted that the decision to resign or stay on the Board is entirely Director Johnson's and that this discussion is merely for collaborative input solicited by Director Johnson. Director Reinhardt expressed concern that the public may not be well served if Director Johnson is unable to attend the meetings in person on a regular basis. Director Johnson stated that he would make a decision in the near future and would e-mail Mr. Beckman with his decision.

Consent Agenda: The Board considered the following actions:

- Approval of Minutes of the December 13, 2013 regular meeting.
- Engineer's Report.
- Operations Report.
- Ratify approval of Backhoe Purchase Agreement.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board reviewed, approved and accepted the Consent Agenda items. It was noted that the December 13, 2013 Minutes were approved as amended.

PUBLIC COMMENTS

Public Comments: Mr. Scully inquired as to a number on the Capital Projects Sources and Uses sheet identified as "Settlement" in the revenues. Attorney Tanaka explained that the revenues were received as the result of a settlement with Brown and Caldwell, Inc., the firm that performed engineering and project management services for many of the capital projects initiated in 2009.

RECORD OF PROCEEDINGS

OPERATIONS

Corrosion Control Study: Mr. Beckman reported that Ron McLaughlin, the District's Water Engineer, has been in contact with Bret Icenogle at the Colorado Department of Public Health and Environment ("CDPHE") Water Quality Division regarding the status of the State's review of the District's corrosion control plan. Mr. Beckman noted that there has been some turn over in the Division recently so they are behind on the review and we are still waiting on their response to our submittal. Director Reinhardt noted that she feels this needs to be completed as soon as possible because there is a lot of public energy on the matter. She would like to have the issue pushed so that closure can be brought as soon as possible. Mr. Beckman noted that he and Mr. McLaughlin have been pushing to receive a response and will continue to do so.

Mr. Grote noted that he has received comments from members of the public noting that they have had similar issues with tea kettles and inquired into the status of the matter. Mr. Beckman reported that Mr. McLaughlin previously issued a memorandum regarding the safety of the drinking water and the mineral deposits that may accumulate in tea kettles or other items coming in contact with the water which is now treated with Soda Ash. Mr. McLaughlin reported to Mr. Beckman that he is unable to comment on the residue reportedly forming on the electric element that was reported by one of the District's residents. Mr. Harrell reported that in order to have a lab analyze the residue they would need a sample of at least two grams of the substance. He explained that it would not be possible to obtain a sample in this quantity. Mr. Beckman reported that he will follow up with the resident making the complaint and explain the situation.

Operational Follow-Up: Mr. Harrell reviewed the Operations Report with the Board. He reported that the new backhoe was delivered and was purchased for approximately \$84,000, which is well under the \$108,000 that was approved for the purchase at the last Board meeting. He further reported that repairs were made to one of the pumps at Well 18 which unexpectedly failed. The cost of the repairs was approximately \$8,800. He then discussed the overall system water loss and noted that the total water loss was calculated to be 63% of the total pumped in 2013.

Recent Water Quality Complaints: Mr. Harrell reported that he received a complaint about the taste of the water in the system. He found that the complaints were concurrent with times and dates that system repairs were in process. The party making the complaint subsequently reported that they are no longer noticing a strange taste in the water. Both Mr. Harrell and Mr. Simons are of the opinion that there was no public health risk associated with the repairs.

RECORD OF PROCEEDINGS

Third Addendum to Independent Contractor Agreement for Ongoing GIS Services between the District and North Line GIS, LLC (“Third Addendum”): Mr. Harrell reviewed the system and explained that the proposed work would be for additional GIS work that would cost \$5,750. He further explained that the additional capability would allow data to be loaded into the GIS system for each facility which would greatly enhance the District’s maintenance tracking and scheduling process. The Board determined to table the matter until the Capital Projects Sources and Uses Report is reviewed.

Purchase of iPads for Use by Operators: Mr. Harrell reported that he is still researching options for iPads to be used by operators. Mr. Beckman noted that this purchase has been included in the 2014 Budget.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Reinhardt and, upon vote, unanimously carried, the Board approved purchase of iPads/tablets for operators in an amount not-to-exceed the budgeted amount, subject to approval by Mr. Beckman.

Potential Generator Purchase: Mr. Harrell reported that Mr. Simons made him aware of a used generator for sale in the amount of \$13,000. Mr. Harrell believes the price is negotiable. Mr. Harrell estimates the cost of a comparable new generator at approximately \$65,000. He reported that the generator could be used to meet the redundancy requirements by the Colorado Department of Public Health and Environment (“CDPHE”) at the Dharma Ocean Lift Station or at Well 18 if compatibility can be verified. He explained that he would like to make an offer to purchase the unit if a mechanical inspection reveals no defects. The Board determined to table the matter until the Capital Projects Sources and Uses Report is reviewed.

Capital Funding Sources and Uses: Mr. Beckman reviewed the Capital Funding Sources and Uses Report with the Board. He explained that the lowest priority project on the current list would be in jeopardy if the GIS proposal and generator purchase were approved. Mr. Harrell, Mr. Beckman and Mr. Simons noted their agreement that the Reed Bed Project is the lowest current priority on the list.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the Board approved the purchase of the used generator for an amount not to exceed \$15,000, including mechanical inspection and installation.

RECORD OF PROCEEDINGS

Upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the Board approved the Third Addendum to Independent Contractor Agreement for Ongoing GIS Services between the District and North Line GIS, LLC.

Potential Internships: Mr. Harrell reported that the Crestone Charter School is interested in exposing two students to internship programs at the District. The internship would be once per week for two hours and fifteen minutes, starting January 30, 2014 and continuing through mid-May. Director Reinhardt asked if there was any potential liability. Attorney Tanaka explained that the liability would be the same as with the District's employees. Mr. Harrell recommended that the District participate in the program.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the Board approved the District's participation in the Crestone Charter School Internship Program.

CAPITAL IMPROVEMENTS

Acceptance of Final Calculation of Penalty for Wastewater Treatment Violations Prior to 2008 as Imposed by the CDPHE in the amount of \$103,653.50: The Board discussed the matter and asked for input from the District's consultants. Attorney Tanaka, Mr. Simons and Mr. Beckman discussed the events leading up to the settlement offer and the efforts to negotiate the lowest possible amount. Attorney Tanaka discussed the maximum amount that could have been imposed and the importance of maintaining an ongoing relationship with the CDPHE. Attorney Tanaka also noted that the CDPHE has indicated that this is their final offer and if not accepted by the District, the CDPHE will pursue other remedies available. Attorney Tanaka, Mr. Simons, and Mr. Beckman recommended that the Board approve the payment of the fine in the amount of \$103,653.50 as calculated by the CDPHE and enter into the associated settlement agreement with the CDPHE.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Grote and, upon vote, unanimously carried, the Board approved the payment of the penalty in the amount of \$103,653.50 and settlement agreement, subject to final approval by legal counsel.

Capital Funding Sources and Uses: Mr. Beckman reviewed the Capital Funding Sources and Uses Report with the Board. Director Reinhardt asked Mr. Harrell for his opinion on the reed bed project. Mr. Harrell noted that the concentrate hauling will be a monthly cost that the District will have to incur which will be significant. He also noted that the stored biosolids that the District currently has will not go away and needs to be addressed. In light of this, Mr.

RECORD OF PROCEEDINGS

Harrell believes the District needs a permanent solution to the biosolids and the reed bed project would deal with the District's current production of biosolids. The remaining issues are the currently stored biosolids which may need to be diluted prior to putting into the reed bed. Mr. Harrell noted that, ideally, the District should plan and implement its own plan for the biosolids disposal. Mr. Harrell noted that with the hauling, the biosolids will be directly discharged into a truck and hauled to a land disposal site with Rocky Mountain Septic. It was noted that, while important, the reed bed project will be the one that gets knocked off the list if other projects are added to the list, unless existing projects are completed under budget.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims through the period ending January 17, 2014, as follows:

General Fund	\$	14,433.36
Debt Service Fund	\$	-0-
Capital Projects Fund	\$	2,978.16
Enterprise Fund	\$	<u>246,586.99</u>
Total Claims:	\$	263,998.51

Following review and discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the payment of the claims for the period ending January 17, 2014, as presented.

Financial Statements: Ms. Ross reviewed with the Board the unaudited financial statements of the District setting forth the cash deposits, investments, and budget analysis and accounts payable vouchers for the period ending December 31, 2013 and the current schedule of cash position and cash flow projection through August of 2014.

Director Reinhardt inquired into how the property taxes received from the revalued properties are tracked. Ms. Ross explained the process and what the County has been willing and able to provide to date. The Board requested that Ms. Ross provide a tracking sheet on a monthly basis showing the status of these payments. Director Reinhardt noted that she would prefer to have more details on the payments and wondered whether it would be good to sit down with the Board of County Commissioners to go through the issue. Attorney Tanaka noted that Board of County Commissioners is also receiving taxes and is impacted by the trickle effect as well. She noted that she believes they understand the issue and know the severity but the implementation of it is the difficult part. Fortunately the State Board of Equalization is involved and they are monitoring

RECORD OF PROCEEDINGS

the status. The Board requested that Ms. Ross monitor these payments going forward and follow up with the County Assessor and Treasurer if there is a month with greater receipts than normal to obtain the break down.

Following review and discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board accepted the financial statements for the period ending December 31, 2013 and the current schedule of cash position and cash flow projection through August of 2014.

LEGAL MATTERS

Resolution No. 2014-01-01, Amendment to Rules and Regulations: Attorney Tanaka reviewed with the Board Resolution No. 2014-01-01, Amendment to the Rules and Regulations, which clarifies that, once paid, tap fees are not refundable or transferrable to other properties.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Reinhardt, and upon vote, unanimously carried, the Board adopted Resolution No. 2014-01-01, Amendment to Rules and Regulations.

Shumei Water Line Extension: Attorney Tanaka discussed with the Board the possible acceptance of the Shumei Water Line Extension. Attorney Tanaka noted that Mr. Harrell has inspected the water line and has certified that it has been constructed in accordance with the District's Rules and Regulations. Attorney Tanaka noted that Shumei has executed the required bill of sale for the improvements as well.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Reinhardt, and upon vote, unanimously carried, the Board accepted the Shumei Water Line Extension and executed the Letter of Acceptance.

Attorney Tanaka also reported that Mandala Shri Bhuti has completed a line extension that has not yet been accepted by the District. The Board directed Mr. Harrell to write a letter to Mandala Shri Bhuti informing them that until the District accepts the line extension it will be their responsibility. Mr. Harrell noted it would be helpful to include a deadline for the conveyance process to be completed in the rules and regulations and requested that Attorney Tanaka draft an amendment to the Rules and Regulations for this purpose.

Water Matters: Attorney Lock joined the meeting at this point via speakerphone. He reported that the draft Rules for Augmentation, proposed by the Division Three Water Engineers, have been circulated for review. He has provided comments and expects that they will go into effect by the 2015

RECORD OF PROCEEDINGS

irrigation season. It is anticipated that the water providers will have one year following the implementation of the new rules to comply. The Board directed Attorney Lock to continue to attend meetings with the San Louis Valley Advisory Committee.

EXECUTIVE SESSION

EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:05 a.m. for the purpose of discussing negotiations and receiving legal advice, as authorized by Sections 24-6-402(4)(b) and (e), 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 11:15 a.m.

OTHER BUSINESS

Newspaper Article: Director Reinhardt reported that she wants to write an article for the Crestone Eagle highlighting the District's staff and their achievements. She also wants to write an article for the February edition that would highlight the District's goals for the year.

BOARD RETREAT

The Board commenced its annual Board member retreat.

2013 Accomplishments: The Board discussed the District's accomplishments in the year 2013 and noted the following:

Infrastructure Improvements and/or Capital Expenditures:

- Water rights plan established, with revised budget making Capital Funds available for other capital needs
- New backhoe purchased
- Hydraulic Model completed, funded with grant proceeds
- Meter Replacement Project, matching funds grant request submitted and awaiting approval
- Redundancy – Dharma Ocean lift station pumps and Shumei Booster Station were outfitted with redundant pumping equipment
- Well 17 brought on-line

RECORD OF PROCEEDINGS

- Resolution to fine imposed by Colorado Department of Public Health and Environment (“CDPHE”) in 2008
- GIS Implementation – All deeds and easements have been reviewed by legal counsel. Attorney Tanaka expects that by the end of 2014 the easements and deeds will be finalized and incorporated into the system.

Operational:

- Only one (minor) wastewater violation for the year
- Met goal of jetting 65,000 linear feet of sewer lines.
- Annual inspection and maintenance of all fire hydrants, including painting 200 hydrants
- Three new operators were hired and trained
- Significant operator cross training
- Corrosion Control Plan – substantially complete awaiting final approval by CDPHE

Administrative:

- Creation of Administrative Manager position
- Significant progress made in data base clean up and data management for billing
- Establishment of Employment Committee
- Fine-tuned administrative functions.
- Education of Public – Improved community outreach due in large part to the efforts of Director Reinhardt
- Office staff received training for Caselle billing software

STRATEGIC PLANNING FOR 2014 AND 2014 GOALS

Strategic Planning for 2014: The Board discussed the following:

Education:

Public: The Board discussed public education and all were in agreement that it is at a very high level. The Board discussed possibly inviting the public to tour District facilities. The Board determined that this would largely depend on the ability of Mr. Harrell to schedule time to conduct public tours of the facilities. Mr. Harrell will consider this for 2014.

Staff: It was noted that the weekly staff meetings and continuing education have, in the opinion of Mr. Harrell, been successful. It was also noted that in his opinion safety training is at a very high level.

RECORD OF PROCEEDINGS

Customer Service: Mr. Beckman noted that getting the answering machine when calling the office can be frustrating for customers. He discussed his desire to reduce reliance on the answering service. He discussed going to a five-day work week rather than four ten-hour days as one means of ensuring double coverage in the office and thereby reducing reliance on the answering service. He reported that he will be making regular visits to the District to oversee daily operations as requested by the Board. The Board requested that an update by the Administrative Manager be provided with meeting packets. Mr. Beckman noted that he will be meeting with staff prior to the next Board meeting, at which time these matters will be discussed.

Operations and Maintenance:

Consulting Services: The Board discussed the role and necessity of consultants for management, accounting, and legal services. Discussion ensued regarding the frequency of Board meetings and attendance by the Manger and Attorney. Mr. Beckman discussed the need to keep the District's Attorney engaged in the District's business and advised the Board to have the District's Attorney present at Board meetings. Director Grote asked about other districts managed by Special District Management Services, Inc. ("SDMS") and the extent to which the district's Attorney is present when other districts meet. Mr. Beckman explained that attendance by the District's Attorney is very common, and in all but one of the districts he manages the District's Attorney attends all Board meetings. The Board then discussed the possibility of attendance by phone or on-line video conferencing. The Board requested that Mr. Harrell look into on-line video conferencing and report back to the Board.

GIS Data Gathering: Director Reinhardt inquired as to the benefits of continuing with GIS data gathering for mapping easements and deeds. Attorney Tanaka estimates the legal portion of the overall project to be approximately 70% complete. The Board discussed the order of magnitude for North Line GIS, LLC ("North Line") to complete the mapping work. Attorney Tanaka explained that until the legal portion is complete it will be very difficult for North Line to prepare an estimate but she noted that all of the documents have been included in the system. The issue is that too many documents were included (i.e. not proper deeds or easements) and those will need to be removed.

Cost Saving Opportunities: Mr. Beckman explained that the focus of SDMS has been to enable the District's Crestone office to handle customer service matters, accounts payable, and customer billing. He noted that there has been a considerable amount of training dedicated to this effort over the past few years and further explained that there is a continual effort on the part of the District's consultants to find ways to cut costs. He explained that in his opinion the District

RECORD OF PROCEEDINGS

as at a point where additional cost savings can only be achieved through reductions to the level of service being provided, which in his opinion would be detrimental to the District and the improvements that have been made since 2008.

Incentives for Employee Certifications: The Board discussed incentives for employee certifications and determined to have Mr. Beckman and Mr. Harrell review job descriptions and pay scales to determine if they are set up to incentivize certifications. Any changes to pay scale or descriptions will need to be approved by the Board.

Cooperation with Fire Department: The Board discussed recent changes to the fire department and requested that Mr. Harrell make contact with the new Fire Chief, Jack Johnson. Discussion ensued regarding snow cover and the visibility of fire hydrants. Mr. Harrell reported that the fire hydrants in the District are seldom, if ever, completely covered and remain visible throughout the winter.

Water Quality Treatment Options: Director Grote encouraged the Board to explore water treatment techniques other than chlorine to meet the requirements of the CDPHE. He reported that he has recently been made aware of the use of chlorine dioxide as a possible alternative to chlorine. The Board requested that Mr. Simons research the feasibility of chlorine dioxide and report back to Board. Director Grote inquired as to the presence of certain chemicals that could be discharged into the environment following the District's wastewater treatment process. Mr. Harrell reported that the USFWS recently conducted a study and is not concerned with the District's practices. Mr. Harrell will request a copy of the study and provide it to the Board.

Security Options: Mr. Harrell discussed current level of security. Discussion ensued regarding the current measures in place. Mr. Harrell reported that he and the operations staff will continue to monitor the District's facilities and review each on a case by case basis going forward, making recommendations as necessary.

Board of Directors:

May 2014 Election: The Board then discussed publication of the Call for Nominations and determined to publish in both the Saguache Crescent and the Crestone Eagle. The Board requested that election information and notices also be posted on the District's website. Mr. Beckman, as the Designated Election Official, will work with the District's staff to keep the website up to date. The Board requested that Mr. Beckman check with Bat Deluca, Holly Hosner and Betty Speer to see if they would be interested in serving as election judges as they did last year.

RECORD OF PROCEEDINGS

Potential Vacancies on Board: The Board discussed potentially appointing somebody to fill the vacancy created by the potential resignation of Parvin Johnson, Sr. Mr. Scully advised the Board that he would be interested in filling the vacancy if Director Johnson decides to resign.

Capital Projects:

Prioritization and Approval Process: Mr. Beckman reviewed the capital projects summary sheets and priority definitions with the Board. He explained that the prioritization of each project has been somewhat difficult to discern, and he has therefore drafted definitions for each level of priority, from level one to level five. He reviewed the draft capital project summary sheets with the Board and discussed the rationale for the prioritization of each, noting that to date each has been considered a level one (the highest level priority). Following review, the Board requested that Mr. Beckman, Mr. Harrell and Mr. Simons review and present the summary sheets at the next meeting with recommendations of the priority for each.

Reliable Water Source: The Board was in agreement that the current plan will achieve the objective of securing a reliable water source.

Financial and Funding Opportunities: Ms. Ross reviewed a five-year projection with the Board and discussed the need to closely monitor the annual debt service requirements, annual rates, mill levy and assessed valuations in order to avoid incurring a deficit and to remain fiscally responsible. She also noted that the establishment of a capital reserve fund is an important component of being proactive in addressing future capital needs.

Fees and Rates: It was noted that the mill levy was increased for 2014 as well as rates and fees. Mr. Beckman noted that once the District is equipped with reliable residential metering equipment the rate structure can be better refined to and bill according to consumption and encourage conservation.

Grant Opportunities: Mr. Beckman discussed grant funding opportunities, reporting that Mr. Simons recently made him aware of a funding opportunity through United States Department of Agriculture for preliminary engineering up to \$30,000. Mr. Beckman reported that he will explore this opportunity further as well as potential grant opportunities through the Colorado Water Conservation Board and the Energy and Mineral Impact Assistance Fund.

Customer Service Programs: Director Reinhardt reported that she would like to research the possibility of establishing an assistance program. She will check with Neighbors Helping Neighbors and research the matter further.

RECORD OF PROCEEDINGS

Prioritizing 2014 Goals: The Board discussed some of the goals that it would like to achieve in 2014 including:

- A flushing program for the water distribution system.
- GIS Data – Complete deeds and easements. Gather data points (approximately 200) for manholes.
- Implementation of payment portal for on-line payment process.
- Review the format of bills to better clarify statement of account or amounts due.

The Board determined to resume discussion of 2014 goals at the next Board meeting.

LONG-RANGE PLANNING

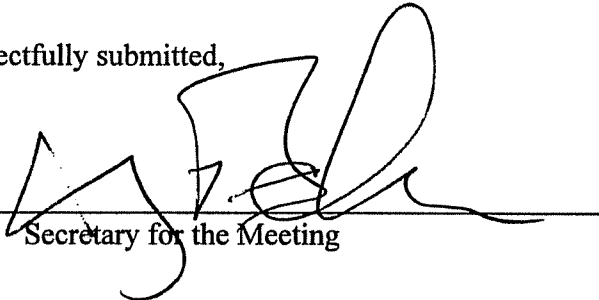
Long-Range Planning: The Board determined to discuss long-range planning further at the next Board meeting.

ADJOURNMENT

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

Respectfully submitted,

By



Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 17, 2014
MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT
BY THE BOARD OF DIRECTORS SIGNING BELOW:

Vicki Matthews
Vicki Matthews

M.
Martin Macaulay

Cindy Reinhardt
Cindy Reinhardt

Kyle Grote
Kyle Grote

Parvin J. Johnson, Sr.

**Attorney Statement
REGARDING PRIVILEGED ATTORNEY-CLIENT
COMMUNICATION**

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing Baca Grande Water and Sanitation District, I attended the executive session meeting Baca Grande Water and Sanitation District convened at 11:05 a.m. on January 17, 2014 for the purpose of discussing negotiations with third parties, discussing personnel matters and receiving legal advice as authorized by Sections 24-6-402(4)(b)(e) and (f), C.R.S. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Signed Jennifer Gruber Tanaka
Jennifer Gruber Tanaka, Esq.

Dated: January 17, 2014