

## RECORD OF PROCEEDINGS

---

### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD SEPTEMBER 28, 2012

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 28<sup>th</sup> day of September, 2012, at 8:00 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  
Parvin J. Johnson, Sr.

#### Also In Attendance Were:

AJ Beckman and Lindsay Ross (for a portion of the meeting); Special District Management Services, Inc. – Via speakerphone

Jennifer Tanaka, Esq.; White, Bear & Ankele P.C. – Via speakerphone

Steve Harrell; District General Manager

Michael Onewing; Member of the public

---

#### 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.

## RECORD OF PROCEEDINGS

---

### 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.

**Minutes:** The Board reviewed the Minutes of the August 17, 2012 Regular Meeting.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the minutes of the August 17, 2012 Regular Meeting as revised.

---

### PUBLIC COMMENT

**Public Comment:** There was no public comment.

---

### WATER MATTERS

**Outstanding Water Matters:** There was nothing new to report.

---

### OPERATIONS

**Operations Report:** Mr. Harrell reviewed the report with the Board.

**Corrosion Control Analysis:** Mr. Harrell reported that the soda ash system has been installed but that the pH target of 7.5 has not yet been achieved. He further reported that he expects the annual cost for the treatment product to be approximately \$16,000. It was noted that the cost ortho-polyphosphate was approximately \$3,500. It was further noted that a yet to be determined reduction in treatment at the wastewater treatment facility is expected. Mr. Harrell noted for the Board that the soda ash is purchased and mined in the United States. Mr. Beckman discussed with the Board that the Corrosion Control Study is currently behind schedule. He reported that he will follow up with McLaughlin Engineering, Ltd. concerning the issue. Mr. Harrell discussed the process for performing the corrosion control study. Mr. Beckman and Mr. Harrell will update the Board on the status of the study at the next meeting.

Director Macaulay inquired as to how long the District could provide water to residents in the absence of electricity. Mr. Harrell reported that District could provide water for approximately four days given the storage capacity in the system. The Board discussed the possibility of purchasing a generator and will continue to consider this item as a potential future capital improvement.

## RECORD OF PROCEEDINGS

---

**Implementation of Continuity of Operations Plan:** Mr. Harrell reviewed the plan with the Board and noted that it would serve as the response and operating plan in the event of an emergent or unforeseen event or situation that would compromise standard daily operations

**Property Owners' Association ("POA") Water Billing:** Director Macaulay reported that he was approached by the POA maintenance technician regarding the water rates. Mr. Beckman explained that the District rates for POA are the same as other customers in accordance with the rate schedule with the exception of the Golf Course which is billed at a lower rate than comparable users served by an equivalent tap. Following discussion, the Board recommended that Mr. Beckman invite the POA Manager and Maintenance Technician to meet with him to address firsthand any concerns.

**Water Quality Inquiry:** Mr. Harrell reported that he received an inquiry by a District customer expressing his concern that glycol may be present in the District's water system due to a suspected cross connection. Mr. Harrell reported that he met with the customer and took a water sample from the District's system. The sample was tested by in independent laboratory. The results did not indicate the presence of glycol.

### **CAPITAL IMPROVEMENTS**

**Engineer's Report:** The Board reviewed the Engineer's Report for the month of September. A copy of the report is attached hereto and incorporated herein by this reference.

**Proposal from Timber Line Electric and Control Corporation ("Timber Line") for SCADA Integration and Reporting Enhancements at Office Computers:** The Board discussed the status of proposals from Timber Line for SCADA Integration and Reporting Enhancements at the office computers. It was noted that the proposal will be provided once the electrical and instrumentation improvements are completed at the Shumei Booster Station, and a thorough assessment of the reporting requirements for the District's facilities is developed.

**Independent Contractor Agreement between the District and Ecodynamics, Inc. for Well 17 Pump Installation:** The Board discussed the Independent Contractor Agreement between the District and Ecodynamics, Inc. for Well 17 Pump Installation.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement between the District and Ecodynamics, Inc. for Well 17 Pump Installation.

## RECORD OF PROCEEDINGS

---

**Independent Contractor Agreement between the District and Olsson Associates, Inc. for Domestic Wastewater Treatment Works Support Services:** The Board discussed the Independent Contractor Agreement between the District and Olsson Associates, Inc. for Domestic Wastewater Treatment Works Support Services.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Grote and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement between the District and Olsson Associates, Inc. for Domestic Wastewater Treatment Works Support Services.

**Independent Contractor Agreement between the District and Olsson Associates, Inc. for Public Water Support Services:** The Board discussed the Independent Contractor Agreement between the District and Olsson Associates, Inc. for Public Water Support Services.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement between the District and Olsson Associates, Inc. for Public Water Support Services.

**Weekly Staffing Requirements:** Mr. Harrell discussed authorizing the operations staff to work four ten-hour days per week as opposed to five, eight-hour days. He proposed that the staff test the schedule for one month then report back to the Board. Following discussion, the Board authorized staff to institute the program for one month and directed Mr. Harrell to report back on any observed benefits or difficulties.

---

### **FINANCIAL MATTERS**

**Claims:** Mr. Beckman reviewed the payment of claims with the Board through the period ending September 28, 2012 as follows:

General Fund	\$ 13,948.10
Capital Projects Fund	\$ 28,081.38
Enterprise Fund	\$ 73,935.88
<b>Total Claims:</b>	<b><u>\$ 115,965.36</u></b>

Following review and discussion, upon motion duly made by Director Reinhardt, seconded by Director Grote and, upon vote, unanimously carried, the Board approved the payment of the claims for the period ending September 28, 2012.

## RECORD OF PROCEEDINGS

---

Ms. Ross joined the meeting via speakerphone at this point.

**Financial Statements:** Ms. Ross reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, and budget analysis and accounts payable vouchers for the period ending August 31, 2012.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Reinhardt and, upon vote, unanimously carried, the Board accepted the financial statements for the period ending August 31, 2012.

**Cash Flow Analysis:** Ms. Ross reviewed the cash flow analysis with the Board.

**Resolution No. 2012-09-01 Certifying Delinquent Water and Sewer Fees to Saguache County Treasurer for Collection:** The Board reviewed Resolution No. 2012-09-01 Certifying Delinquent Water and Sewer Fees to the Saguache County Treasurer for Collection.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board adopted Resolution No. 2012-09-01 Certifying Delinquent Water and Sewer Fees to the Saguache County Treasurer for Collection. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**Grant Funding Applications and Research:** Mr. Beckman reported that he is in the process of preparing a preliminary engineering grant funding application for submission to the Energy and Mineral Impact Assistance Fund and expects to have the application submitted by next week. Mr. Beckman also reported that he is working with the Colorado Water Conservation Board in pursuit of grant funding which could potentially be applied to the purchase of water rights.

**2013 Budget:** The Board discussed the status of 2013 Budget. The Board will review a preliminary draft at the study session in October.

---

### **LEGAL MATTERS**

**License Agreement between the District and the Baca Grande Property Owners' Association for Storage of a Fire Apparatus/Vehicle at the District's Mobile Home Estates Storage Building (the "License Agreement"):** Attorney Tanaka reviewed the License Agreement with the Board.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the License Agreement.

## RECORD OF PROCEEDINGS

### EXECUTIVE SESSION

**Water Matters, Personnel Matters, Legal Advise and Matters Subject to Negotiation: EXECUTIVE SESSION:** Pursuant to Sections 24-6-402(4) (b), (e) and (f), C.R.S., upon motion duly made by Director Macaulay, seconded by Director Johnson and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:30 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 11:52 a.m.

### OTHER BUSINESS

**Crestone Eagle Article for November 2012 Publication:** The Board discussed the article for November. Director Reinhardt volunteered to write an update on the startup of Well 17.

**Public Outreach:** Director Reinhardt discussed the need to maintain proactive communication with the public. She will meet with Ms. Slivka to review the District's website and discuss possible improvements or changes to the existing format and content and report back to the Board.

**2012 SDA Conference:** Director Reinhardt inquired as to the attendance of Directors' spouses at the 2012 SDA Conference. Director Johnson noted that his wife attended with him and did not register for any of the activities offered at the conference, but they both registered for the meals. Mr. Beckman reported that it is not uncommon for District Boards to authorize Directors and spouses to attend conferences. The Board determined to continue with its practice of allowing Directors and spouses to attend the annual SDA Conference at the District's expense.

**Utility Maintenance Worker:** Mr. Harrell reported that there is a position open among the field staff. He has interviewed for the position and is seeking Board approval to hire Nicholas Arends as a Level One Utility Maintenance Worker with a starting salary of \$15.00 per hour.

Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board authorized the Mr. Harrell to hire Mr. Arends as a Level One Utility Maintenance Worker for the

**RECORD OF PROCEEDINGS**

District with a starting salary of \$15.00 per hour.

**ADJOURNMENT**


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

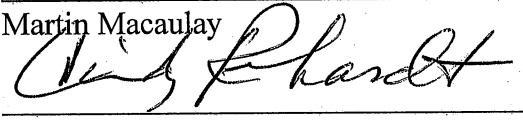
Respectfully submitted,

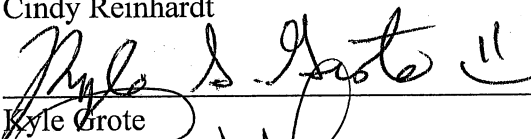
By   
Secretary for the Meeting

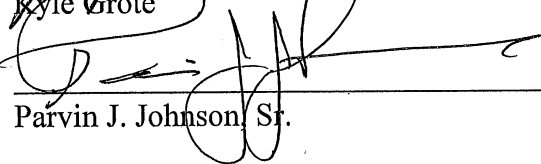
THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 28, 2012 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
Vicki Matthews

  
Martin Macaulay

  
Cindy Reinhardt

  
Kyle Grote

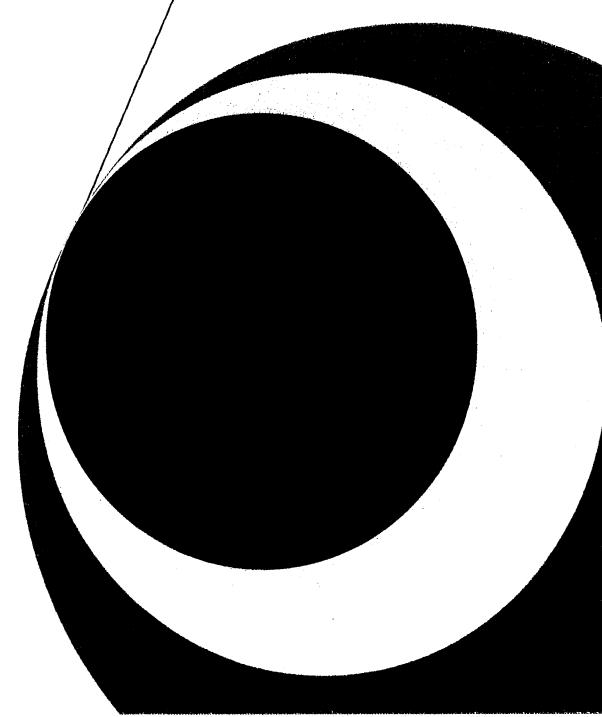
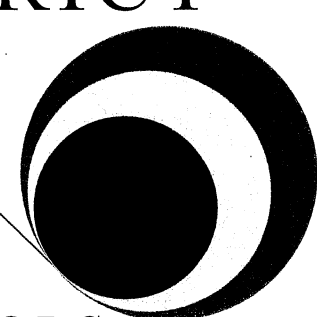
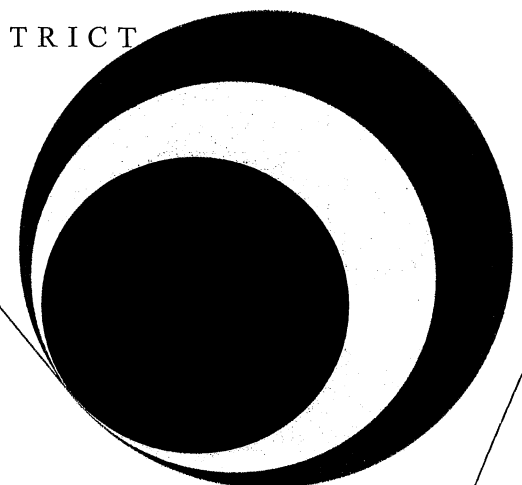
  
Parvin J. Johnson Sr.

# REPORT ON DISTRICT OPERATIONS

## TO THE BOARD OF DIRECTORS

Operations Updates.....	2
Projects .....	2
Water Usage, Compliance and Testing.....	3, 4 & 5
Certification Corner, Infrastructure and Administration .....	6

**Steven Harrell**  
**September 28th, 2012**







**BACA GRANDE WATER AND SANITATION DISTRICT  
MONTHLY OPERATIONS REPORT  
AUGUST 17, 2012**

**DISTRICT OPERATIONS**

SSO-Sanitary Sewer Overflow	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Fire Hydrants Repair & Maintenance Total =278	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	2012 Fire hydrant maintenance season: 275 Hydrants have had the maintenance completed 3 Hydrants will need to be replaced or repaired 1 New fire hydrant installed
Water Main Repairs	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Carefree
Infrastructure Installed	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Well-17 Well-18 Infrastructure
GPS/GIS	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	300 Manholes left to be located
Water/Sewer Hookups	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	

**COLLECTION SYSTEM**

Lift Stations	Semi-annual cleaning of Stables Lift Station has been completed
Jetting	51,000 linear feet, 124 manholes jetted total year to date
	60,000 linear feet, 140 manholes: season end goal
Expected completion date – end of September 2012	

**PROJECTS**

Soda Ash Project – Installation Complete	
Water Meter MXU Upgrades - In Process	Collection System Maintenance – In Process
Well-17-18 - In Process	GPS / GIS of Manholes – In Process
Fire Hydrant Maintenance – In Process	Shumei Boost Station – In Process

**LEAK DETECTION**

Action Plan	Contingent on budget development and authorization by District Board of Directors
Proposals Received:	\$1000 per day + expenses per estimated 3 miles of leak detection per day
Schedule	TBD
Leak Detection Training For District Staff	TBD



**BACA GRANDE WATER AND SANITATION DISTRICT  
MONTHLY OPERATIONS REPORT  
AUGUST 17, 2012**

**BACA GRANDE CHALET**

<b>WATER – WELL 18</b>	<b>GALLONS PUMPED</b>	<b>COMPLIANT</b>	<b>RESULTS</b>
<b>Gallons Pumped January 2012</b>	4,561,914		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.19 mg/L
<b>Gallons Pumped February 2012</b>	4,236,063		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.12 mg/L
<b>Gallons Pumped March 2012</b>	5,231,616		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.25 mg/L
<b>Gallons Pumped April 2012</b>	6,191,169		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.25 mg/L
<b>Gallons Pumped May 2012</b>	7,168,722		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.12 mg/L
<b>Gallons Pumped June 2012</b>	8,472,126		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.16 mg/L
<b>Gallons Pumped July 2012</b>	7,820,424		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.31 mg/L
<b>Gallons Pumped August 2012</b>	9,116,268		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.17 mg/L
<b>Total for Year</b>	<b>52,798,302</b>		

**CASITA PARK**

<b>WATER – MOTEL WELL</b>	<b>GALLONS PUMPED</b>	<b>COMPLIANT</b>	<b>RESULTS</b>
<b>Gallons Pumped January 2012</b>	977,553		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155300		Residual	.18 mg/L
<b>Gallons Pumped February 2012</b>	1,303,404		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155300		Residual	.13 mg/L
<b>Gallons Pumped March 2012</b>	1,303,404		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155300		Residual	0.17 mg/L
<b>Gallons Pumped April 2012</b>	7,168,722		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155300		Residual	0.17 mg/L



BACA GRANDE WATER AND SANITATION DISTRICT  
 MONTHLY OPERATIONS REPORT  
 AUGUST 17, 2012

**CASITA PARK - CONTINUED**

<b>WATER – MOTEL WELL</b>	<b>GALLONS PUMPED</b>	<b>COMPLIANT</b>	<b>RESULTS</b>
<b>Gallons Pumped May 2012</b>	7,168,722		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155300		Residual	0.20 mg/L
<b>Gallons Pumped June 2012</b>	10,101,381		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.19 mg/L
<b>Gallons Pumped July 2012</b>	8,797,977		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.19 mg/L
<b>Gallons Pumped August 2012</b>	9,767,430		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.19 mg/L
<b>Total for Year</b>	<b>46,588,593</b>		

**TOTAL WATER TREATED**

	<b>Finished Water Combined Well-18 &amp; Motel Well</b>	<b>Wastewater Treated</b>	<b>Estimated Unaccounted Water</b>
Gallons Pumped January 2012	5,539,467	1,814,992	3,724,475
Gallons Pumped February 2012	5,539,467	1,706,722	3,832,745
Gallons Pumped March 2012	6,535,020	1,920,775	4,614,245

*This concludes the wintertime (November-March) water loss study.  
 Total estimated unaccounted water for the 2012 winter study period = 12,171,465 gallons.  
 Irrigation season begins in April*

	<b>Finished Water Combined Well-18 &amp; Motel Well</b>	<b>Wastewater Treated</b>	<b>Estimated Unaccounted Water &amp; Irrigation Water</b>
Gallons Pumped April 2012	13,359,891	1,687,726	11,672,165
Gallons Pumped May 2012	14,337,444	2,000,000	12,337,444
Gallons Pumped June 2012	18,573,507	1,765,000	16,808,507
Gallons Pumped July 2012	16,618,401	2,140,000	14,478,104
Gallons Pumped August 2012	18,883,698	2,185,000	16,698,698
<b>Total for Year</b>	<b>99,386,895</b>	<b>15,220,215</b>	<b>84,166,680</b>



BACA GRANDE WATER AND SANITATION DISTRICT  
MONTHLY OPERATIONS REPORT  
AUGUST 17, 2012

**WASTEWATER DISCHARGE SAMPLE RESULTS**

July	Limit	Compliant	Result
Effluent BOD <sub>5</sub>	30/45 mg/L 30 DAY AVG/7DMAX	Yes	27 mg/L
Percent Removal BOD <sub>5</sub>	85% or greater	Yes	90%
Effluent TSS	30/45 mg/L 30 DAY AVG/7DMAX	Yes	14 mg/L
Percent Removal TSS	85% or greater	Yes	93%
Fecal Coliform	200/400 Colonies/100/mL 30 DAY GEO.MEAN/7DMAX	Yes	3/100 mL

**No Discharge Permit Violations**

**TOTAL AMMONIA AS N, MG/L**

Month	Limit	Compliant	Result
January	5.0 mg/L	Yes	January 0.2 mg/L
February	4.1 mg/L	Yes	February 0.2 mg/L
March	4.4 mg/L	Yes	March 0.1 mg/L
April	3.9 mg/L	Yes	April 1.0 mg/L
May	3.3 mg/L	Yes	May 2.0 mg/L
June	3.4 mg/L	Yes	June 2.8 mg/L
July	3.0 mg/L	Yes	July 0.4 mg/L
August	2.2 mg/L	Yes	August 0.6 mg/L
September	2.6 mg/L		
October	2.5 mg/L		
November	3.8 mg/L		
December	4.0 mg/L		



**BACA GRANDE WATER AND SANITATION DISTRICT  
MONTHLY OPERATIONS REPORT  
AUGUST 17, 2012**

**CERTIFICATION CORNER**

Steven Harrell General Manager	Class C Water Operator Class C Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator
Justin DeBon Operator	Class C Water Operator Class C Wastewater Operator Class 1 Collection Operator Class 1 Distribution Operator Nationally Certified Heavy Equipment Operator Level 1
Mark Bluestein Operator	Small System Operator Class 1 Collection Operator

**BGWSO – INFRASTRUCTURE**

<b>DISTRIBUTIONS</b>	<b>COLLECTIONS</b>
Water Mains = 64 miles	Sewer Mains = 45 Miles
Gate Valves = 517 Units	Manholes = 798
Curb Stops = 710 Units	Lift Stations = 5
Fire Hydrants = 278	MHE LS
Well 18 Water Treatment Facility Plant Capacity - 0.4 MGD*	Stables LS
MHE Motel Well Water Treatment Facility Plant Capacity - 1 MGD*	Wagon Wheel LS
Water Transfer Stations = 3	Dharma Ocean LS
Booster Stations = 4	Aspen LS
	Aspen Wastewater Treatment Facility - 0.15 MGD* Plant Capacity – Average loading on plant – 0.06 MGD*
Service Accounts = 648	

<b>TRANSFER STATIONS</b>	<b>BOOSTER STATIONS</b>
Fallen Tree TS	Pine Cone BS
Ridge View TS	Shumei BS
Moonlight TS	Motel Well BS
	Well – 18 BS

\* MGD = MILLION GALLONS PER DAY

**ADMINISTRATION**

Late Charges	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	119
Customer Complaints	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	(late fee interest)
Monthly Safety Meetings	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Topic – Mobile Equipment Safety