

## RECORD OF PROCEEDINGS

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

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 at the offices of the District, 57 Baca Grant Way South, Crestone, Colorado.

**JANUARY 20, 2017 at 9:00 A.M.**

The meeting was open to the public.

#### **ATTENDANCE**

##### Directors in Attendance:

Michael Scully  
Lynn Drake  
Matthew Ghourdjian  
Martin Macaulay  
Robert Salmi

##### Also in Attendance:

Marcus Law; Law of the Rockies (via speakerphone)  
JoAnn Slivka; Administrative Services Manager  
Justin DeBon; Operations Manager  
See list for other attendees

#### **DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

Attorney Lock discussed with the Board the requirements pursuant to Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Lock noted that conflicts were filed for applicable Directors at least 72-hours prior to the meeting. President Scully 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.

#### **ADMINISTRATIVE MATTERS**

##### Agenda:

President Scully 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 Salmi  
and, upon vote, unanimously carried, the Agenda was approved.*

#### **Consent Agenda**

The Board considered the following actions:

- Approve Minutes from the December 9, 2016 regular meeting
- Acknowledge the Arbitrage report for 2009
- Acknowledge the Arbitrage report for 2010

*Following discussion, upon motion duly made  
by Director Macaulay  
seconded by Director Salmi  
and, upon vote, unanimously carried, the Consent Agenda was approved.*

### Board and Staff Reports

The Board reviewed and discussed the staff reports which are attached hereto and incorporated herein by this reference.

- Operations Report
- Operations Manager Report
- Administrative Report
- Engineer's Report

### Ratify Approval of the 2017 Xerox Lease Agreement

Director Ghourdjian questioned the cost and need for the Xerox equipment lease. Staff will reevaluate the equipment during the 2018 budget process.

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*Following discussion, upon motion duly made  
by Director Macaulay  
seconded by Director Salmi  
and, upon vote, unanimously carried, the 2017 Xerox Lease Agreement was ratified  
and approved with the understanding that we will research other options for 2018.*

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### **Subcommittee Updates**

#### Emergency Response Plan

Director Ghourdjian and Scully will be on the committee to update the emergency response plan

#### Town of Crestone Intergovernmental Agreement

President Scully provided an update on a meeting he and District staff had with Town of Crestone staff. Justin gave us an update on the meter situation, we will have to replace the sewer meter. Tap Fees along with the need for a separate contract for maintenance was discussed and recommended.

#### Atalanta Inclusion

Director Drake and Ms. Slivka met with Joanna Dokson to clarify the costs to move forward with their request for inclusion into the District. The Board considered approval of Resolution 2017-01-01- Concerning Inclusion Fees for the Atalanta Association.

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*Following discussion, upon motion duly made  
by Director Macaulay  
seconded by Director Ghourdjian  
and, upon vote, unanimously carried Resolution 2017-01-01 Concerning Inclusion  
Fees for the Atalanta Association was adopted*

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Independent Contractor Agreement (“ICA”) for Accounting Services

Cathy Fromm and Kurt Schlegel from Special District Solutions, LLC attended the January Board meeting to meet the Board of Directors and answer any questions they had. They explained that currently we are contracting for accounting services only but they also offer other functions as well.

Director Ghourdjian offered a synopsis of how we chose Special District Solutions, LLC from the pool of applications the District received. We are open to ideas and suggestions from them.

The Board then reviewed and considered the ICA from Special District Solutions, LLC for Accounting Services.

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*Following discussion, upon motion duly made  
by Director Ghourdjian  
seconded by President Scully  
and, upon vote, unanimously carried, the Independent Contractor Agreement from  
Special District Solutions, LLC for Accounting Services was approved.*

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FINANCIAL MATTERS

Check Register

The Board considered approval of the check register through the period ending January 20, 2017, as follows:

General Fund	\$ 5,594.62
Debt Service Fund	\$ - 0 -
Capital Projects Fund	668.52
Enterprise Fund	\$ 56,420.95
<b>Total Claims:</b>	<b>\$ 62,684.09</b>

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*Following discussion, upon motion duly made  
by Director Ghourdjian  
seconded by President Scully  
and, upon vote, unanimously carried, the Check Register was approved.*

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Financial Summary

A financial summary was not presented at this time.

2016 Audit

The Board reviewed and considered an agreement letter from Barnes & Griggs, PC to perform the 2016 Audit.

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*Following discussion, upon motion duly made  
by Director Macaulay  
seconded by Director Drake  
and, upon vote, unanimously carried the Board approved the engagement of Barnes &  
Griggs, PC to perform the 2016 Audit for an amount not to exceed \$8950.00.*

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## **PUBLIC COMMENT**

Customer, Mr. Nagel distributed another letter to the Board of Directors requesting relief for the payment due to the District for services rendered on his property at MHE lot 18.

## **OFFICE ADMINISTRATION**

Board of Director Binders

Ms. Slivka distributed the following additional materials for the Director binders;

- An introduction to the various financial fund summaries the District uses
- 2012 Engineers' Joint Recommendations Report on Water Demand, Growth, and Related Issues

## **OPERATIONS**

Mr. DeBon updated the Directors on the service line leak that was repaired on Friday, January 13, 2017. Mr. DeBon reported that he has received another quote on the tank cleaning.

## **CAPITAL IMPROVEMENTS**

Flow Equalization Basin Project:

An update on the project was provided in Mr. Simon's Engineering Report which is attached hereto.

## **LEGAL MATTERS**

A. The Board considered adoption of the 2017 Annual Administrative Resolution.

*Following discussion, upon motion duly made  
by President Scully  
seconded by Director Macaulay  
and, upon vote, unanimously carried, Resolution No. 2017-01-02: Annual  
Administrative Matters was approved.*

B. The Board considered adoption of a resolution to designate the District's 24- Hour Posting Locations.

*Following discussion, upon motion duly made  
by President Scully  
seconded by Director Macaulay  
and, upon vote, unanimously carried, Resolution No. 2017-01-03: Designating the  
District's 24-Hour Posting Location was approved.*

## **EXECUTIVE SESSION**

Pursuant to Sections §24-6-402(4)(a), (b), (e)(I) & (f)(I) C.R.S., upon motion duly made by President Scully, seconded by Director Ghourdjian and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:16 A.M. for the purpose of receiving legal advice, to discuss the Viaero Wireless Proposal, and Personnel Matters, as authorized by Sections §24-6-402(4)(a), (b), (e)(I) & (f)(I) C.R.S.

The Board reconvened in regular session at 11:45 A.M.

**OTHER BUSINESS**

- A. Viaero Wireless: The Board directed Mr. Lock to contact Mr. Jacobson.
- B. The Board directed Mr. Lock to update the Fees Resolution to correct the typos in the resolution.
- C. District Manager Job Posting: The Board directs a search for a District Manager. The Board assigned Directors Ghourdjian and Drake to the search committee for a District Manager.

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*Following discussion, upon motion duly made  
by President Scully  
seconded by Director Macaulay  
and, upon vote, unanimously carried the Board appointed Ms. Slivka as the Interim  
District Manager.*

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**ADJOURNMENT**

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*There being no further business to come before the Board at this time, upon motion  
duly made  
by Director Macaulay,  
seconded by President Scully,  
and, upon vote, unanimously carried, the Meeting was adjourned at 11:54 A.M.*

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Respectfully submitted,

By 

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 20, 2017 MINUTES OF THE  
BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS  
SIGNING BELOW:

  
\_\_\_\_\_  
Michael Scully

  
\_\_\_\_\_  
Martin Macaulay

\_\_\_\_\_  
Lynn Drake

  
\_\_\_\_\_  
Matthew Ghourdjian

  
\_\_\_\_\_  
Robert Salmi

**ATTORNEY STATEMENT**

Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Baca Grande Water and Sanitation District, I attended the executive sessions on JANUARY 20, 2017, and it is my opinion that the portion of the executive session that was not recorded constituted attorney-client privileged communications.



\_\_\_\_\_  
Marcus J. Lock  
General Counsel  
Baca Grande Water and Sanitation District

# BACA GRANDE WATER AND SANITATION DISTRICT

## NOTICE OF REGULAR MEETING AND AGENDA

**January 20, 2017**

9:00 A.M.

District Office

57 Baca Grant Way South - Crestone, Colorado 81131

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Michael Scully	President	2020/May 2020
Martin Macaulay	Vice President	2018/May 2018
Lynn Drake	Secretary	2020/May 2020
Matthew Ghourdjian	Treasurer	2020/May 2020
Robert Salmi	Assistant Secretary	2018/May 2018

### I. ADMINISTRATIVE MATTERS

- A. Present disclosures and potential conflicts of interest
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- B. 001- Approve Agenda
- 

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

002- Approve Minutes from the December 9, 2016 regular meeting

003- Acknowledge the Arbitrage report for 2009

004- Acknowledge the Arbitrage report for 2010

005- Ratify Approval of the 2017 Lease Agreement with Xerox

- D. Board and Staff Reports

006- Operations Manager Report

007- Operations Report

008- Administrative Report

009- Engineer's Report

- E. Subcommittee Updates

- F. Status of review of Intergovernmental Agreement with Town of Crestone

- G. Status update on the Atalanta Inclusion request

- H. 010- Review and consider approval of an Independent Contractor Agreement with Special District Solutions, LLC. for Accounting Services

II. FINANCIAL MATTERS

- A. 011- Check Register: Consider approval of the check register for the period ending January 20, 2017, as follows:

General Fund:	\$	5594.62
Debt Service Fund:	\$	-0-
Capital Projects Fund:	\$	668.52
Enterprise Fund:	\$	<u>56,420.95</u>
<b>Total:</b>	<b>\$</b>	<b><u>62,684.09</u></b>

- B. 012- Consider engagement of Wagner Barnes & Griggs, PC to perform the 2016 Audit for an amount not to exceed \$\_\_\_\_\_.

III. PUBLIC COMMENT (ITEMS NOT ON THE AGENDA ONLY. COMMENTS LIMITED TO 3 MINUTES PER PERSON AND TAKEN IN ORDER LISTED ON SIGN UP SHEET).

IV. OFFICE ADMINISTRATION

- A. Discuss administrative follow-ups

V. OPERATIONS

- A. Discuss operational follow-ups

VI. CAPITAL IMPROVEMENTS

- A. Status of 2017 Capital Improvement Projects

VII. LEGAL MATTERS

- A. 013- Consider Adoption of Resolution No. 2017-01-01: Annual Administrative Matters  
B. 014- Consider Adoption of Resolution No. 2017-01-02: Designating the District's 24-Hour Posting Location  
C. Discuss and consider Viaero Wireless Proposal (possible executive session pursuant to C.R.S. § 24-6-402(4)(a), (b), and (e)(I))



VIII. EXECUTIVE SESSION MATTERS - §24-6-402(4)(a)(b), (e)(I) and (f)(I), C.R.S.

A. Water Matters.

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B. Personnel Matters.

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IX. OTHER BUSINESS

A. \_\_\_\_\_

X. ADJOURNMENT

**THE NEXT REGULAR MEETING IS SCHEDULED FOR xxx xx,**  
**2017**

**KUTAK ROCK ARBITRAGE CONSULTING LLC**

THE OMAHA BUILDING  
1650 FARNAM STREET  
OMAHA, NE 68102-2186  
402-346-6000  
FACSIMILE 402-346-1148  
[www.kutakrock.com](http://www.kutakrock.com)

December 12, 2016

Baca Grande Water and Sanitation District  
Lakewood, Colorado

**\$3,105,000**  
**Baca Grande Water and Sanitation District**  
**Saguache County, Colorado**  
**General Obligation Bonds**  
**Series 2009**

Ladies and Gentlemen:

We have been retained by Baca Grande Water and Sanitation District to perform final arbitrage rebate calculations for the above-referenced bond issue (the "Bonds") as required by the Internal Revenue Code of 1986, as amended (the "Code"), and the Federal Tax Exemption Certificate (the "Certificate") for the Bonds. We believe that our calculations, as enclosed for the period May 21, 2009 to October 26, 2010, the date of complete redemption of the Bonds, fulfill the requirement and intent of the Code and Certificate.

Our calculations were based upon financial records and information furnished to us by Special District Management Services, Inc. Such information included investment and expenditure data, which we have not independently verified.

The Bond Fund, except for the Capitalized Interest Account portion, qualifies for exception from rebate as a bona fide debt service fund.

**KUTAK ROCK ARBITRAGE CONSULTING LLC**

Baca Grande Water and Sanitation District  
December 12, 2016  
Page 2

The yield on the Bonds is **5.4799%**, as computed on Schedule 2-C of our report.

We have summarized the investment transactions and calculated the investment yield and the cumulative rebatable arbitrage for the funds which are subject to rebate as follows:

<b>Fund</b>	<b>Exhibit</b>	<b>Cumulative Rebatable Arbitrage</b>	<b>Investment Yield</b>
Capitalized Interest Fund	A	(18,823.15)	0.1262%
Capital Project Fund	B	(126,640.00)	0.3584%
Cost of Issuance Fund	C	(48.23)	0.1443%
Present Value of Computation Credits	D	<u>(3,035.32)</u>	
		<u>(148,546.71)</u>	

Since the cumulative rebatable arbitrage is negative, there is no arbitrage rebate liability as of October 26, 2010.

In our opinion, the enclosed calculations are mathematically correct in the determination of the cumulative rebatable arbitrage for all investments subject to the rebate requirements of the Code. Assuming the accuracy of the financial summaries and other information submitted to us by Special District Management Services, Inc., it is our opinion that there is no arbitrage rebate liability as of October 26, 2010. Therefore, there is no deposit requirement to a Rebate Fund or any payment or reporting to the federal government required.

Very truly yours,



Thomas S. Hageman  
Vice President

Enclosures

\$3,105,000  
Baca Grande Water and Sanitation District  
Saguache County, Colorado  
General Obligation Bonds  
Series 2009

Final  
Arbitrage Rebate Calculation  
as of  
October 26, 2010

Kutak Rock Arbitrage Consulting LLC  
December 12, 2016

\$3,105,000 BACA GRANDE WATER AND SANITATION DISTRICT  
GENERAL OBLIGATION BONDS  
SERIES 2009

REBATE CALCULATION AS OF  
10 26 2010

INDEX TO SCHEDULES AND EXHIBITS

SCHEDULE 1                      SUMMARY OF REBATABLE ARBITRAGE BY FUND

SCHEDULE 2-A                    DEBT SERVICE, AS SCHEDULED  
SCHEDULE 2-B                    DEBT SERVICE, AS EXPECTED  
SCHEDULE 2-C                    YIELD ON THE BONDS

INVESTMENT TRANSACTION SUMMARIES:

EXHIBIT

- A            CAPITALIZED INTEREST FUND
- B            CAPITAL PROJECT FUND
- C            COST OF ISSUANCE FUND
- D            PRESENT VALUE OF COMPUTATION CREDITS

SCHEDULE 1

\$3,105,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION BONDS  
 SERIES 2009

REBATE CALCULATION AS OF  
 10 26 2010

SUMMARY OF REBATABLE ARBITRAGE BY FUND

BOND YIELD 5.4799442623%

COMPOUNDING FREQUENCY: SEMIANNUAL

FUND	CUMULATIVE REBATABLE ARBITRAGE	INVESTMENT YIELD	EXHIBIT
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CAPITALIZED INTEREST FUND	(18,823.15)	0.1262%	A
CAPITAL PROJECT FUND	(126,640.00)	0.3584%	B
COST OF ISSUANCE FUND	(48.23)	0.1443%	C
PRESENT VALUE OF COMPUTATION CREDITS	(3,035.32)		D
	-----		
	<u>(148,546.71)</u>		

SCHEDULE 2-A

\$3,105,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION BONDS  
 SERIES 2009

DEBT SERVICE, AS SCHEDULED

SETTLEMENT DATE  
 5 21 2009

ISSUE DATE  
 5 21 2009

FIRST COUPON DATE  
 12 1 2009

DATE	PRINCIPAL	RATE	INTEREST	PERIODIC DEBT SERVICE	PRICE	ORIGINAL ISSUE PREMIUM (DISCOUNT)	PROCEEDS
12 1 2009	0.00	5.2500%	86,034.38	86,034.38	99.000000	0.00	0.00
6 1 2010	0.00	5.2500%	81,506.25	81,506.25	99.000000	0.00	0.00
12 1 2010	0.00	5.2500%	81,506.25	81,506.25	99.000000	0.00	0.00
6 1 2011	0.00	5.2500%	81,506.25	81,506.25	99.000000	0.00	0.00
12 1 2011	0.00	5.2500%	81,506.25	81,506.25	99.000000	0.00	0.00
6 1 2012	0.00	5.2500%	81,506.25	81,506.25	99.000000	0.00	0.00
12 1 2012	5,000.00	5.2500%	81,506.25	86,506.25	99.000000	(50.00)	4,950.00
6 1 2013	0.00	5.2500%	81,375.00	81,375.00	99.000000	0.00	0.00
12 1 2013	10,000.00	5.2500%	81,375.00	91,375.00	99.000000	(100.00)	9,900.00
6 1 2014	0.00	5.2500%	81,112.50	81,112.50	99.000000	0.00	0.00
12 1 2014	15,000.00	8.5000%	131,325.00	146,325.00	99.000000	(150.00)	14,850.00
6 1 2015	0.00	8.5000%	130,687.50	130,687.50	99.000000	0.00	0.00
12 1 2015	35,000.00	8.5000%	130,687.50	165,687.50	99.000000	(350.00)	34,650.00
6 1 2016	0.00	8.5000%	129,200.00	129,200.00	99.000000	0.00	0.00
12 1 2016	45,000.00	8.5000%	129,200.00	174,200.00	99.000000	(450.00)	44,550.00
6 1 2017	0.00	8.5000%	127,287.50	127,287.50	99.000000	0.00	0.00
12 1 2017	45,000.00	8.5000%	127,287.50	172,287.50	99.000000	(450.00)	44,550.00
6 1 2018	0.00	8.5000%	125,375.00	125,375.00	99.000000	0.00	0.00
12 1 2018	50,000.00	8.5000%	125,375.00	175,375.00	99.000000	(500.00)	49,500.00
6 1 2019	0.00	8.5000%	123,250.00	123,250.00	99.000000	0.00	0.00
12 1 2019	55,000.00	8.5000%	123,250.00	178,250.00	99.000000	(550.00)	54,450.00
6 1 2020	0.00	8.5000%	120,912.50	120,912.50	99.000000	0.00	0.00
12 1 2020	65,000.00	8.5000%	120,912.50	185,912.50	99.000000	(650.00)	64,350.00
6 1 2021	0.00	8.5000%	118,150.00	118,150.00	99.000000	0.00	0.00
12 1 2021	65,000.00	8.5000%	118,150.00	183,150.00	99.000000	(650.00)	64,350.00
6 1 2022	0.00	8.5000%	115,387.50	115,387.50	99.000000	0.00	0.00
12 1 2022	110,000.00	8.5000%	115,387.50	225,387.50	99.000000	(1,100.00)	108,900.00
6 1 2023	0.00	8.5000%	110,712.50	110,712.50	99.000000	0.00	0.00
12 1 2023	145,000.00	8.5000%	110,712.50	255,712.50	99.000000	(1,450.00)	143,550.00
6 1 2024	0.00	8.5000%	104,550.00	104,550.00	99.000000	0.00	0.00
12 1 2024	160,000.00	8.5000%	104,550.00	264,550.00	99.000000	(1,600.00)	158,400.00
6 1 2025	0.00	8.5000%	97,750.00	97,750.00	99.000000	0.00	0.00
12 1 2025	165,000.00	8.5000%	97,750.00	262,750.00	99.000000	(1,650.00)	163,350.00
6 1 2026	0.00	8.5000%	90,737.50	90,737.50	99.000000	0.00	0.00
12 1 2026	180,000.00	8.5000%	90,737.50	270,737.50	99.000000	(1,800.00)	178,200.00
6 1 2027	0.00	8.5000%	83,087.50	83,087.50	99.000000	0.00	0.00
12 1 2027	190,000.00	8.5000%	83,087.50	273,087.50	99.000000	(1,900.00)	188,100.00
6 1 2028	0.00	8.5000%	75,012.50	75,012.50	99.000000	0.00	0.00
12 1 2028	210,000.00	8.5000%	75,012.50	285,012.50	99.000000	(2,100.00)	207,900.00
6 1 2029	0.00	8.5000%	66,087.50	66,087.50	99.000000	0.00	0.00
12 1 2029	220,000.00	8.5000%	66,087.50	286,087.50	99.000000	(2,200.00)	217,800.00
6 1 2030	0.00	8.5000%	56,737.50	56,737.50	99.000000	0.00	0.00
12 1 2030	305,000.00	8.5000%	56,737.50	361,737.50	99.000000	(3,050.00)	301,950.00
6 1 2031	0.00	8.5000%	43,775.00	43,775.00	99.000000	0.00	0.00
12 1 2031	320,000.00	8.5000%	43,775.00	363,775.00	99.000000	(3,200.00)	316,800.00
6 1 2032	0.00	8.5000%	30,175.00	30,175.00	99.000000	0.00	0.00

SCHEDULE 2-A

\$3,105,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION BONDS  
 SERIES 2009

DEBT SERVICE, AS SCHEDULED

SETTLEMENT DATE  
 5 21 2009

ISSUE DATE  
 5 21 2009

FIRST COUPON DATE  
 12 1 2009

DATE	PRINCIPAL	RATE	INTEREST	PERIODIC DEBT SERVICE	PRICE	ORIGINAL ISSUE PREMIUM (DISCOUNT)	PROCEEDS
12 1 2032	345,000.00	8.5000%	30,175.00	375,175.00	99.000000	(3,450.00)	341,550.00
6 1 2033	0.00	8.5000%	15,512.50	15,512.50	99.000000	0.00	0.00
12 1 2033	365,000.00	8.5000%	15,512.50	380,512.50	99.000000	(3,650.00)	361,350.00
	<u>3,105,000.00</u>		<u>4,479,034.38</u>	<u>7,584,034.38</u>		<u>(31,050.00)</u>	<u>3,073,950.00</u>
ACCRUED INTEREST		<u>0.00</u>					
BOND YEARS			58,072.16				
ORIGINAL ISSUE (DISCOUNT) PREMIUM			(31,050.00)				
NIC % (FORM 8038)			7.766345%				
WEIGHTED AVERAGE MATURITY (FORM 8038)			18.891707				



SCHEDULE 2-B

\$3,105,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION BONDS  
 SERIES 2009

DEBT SERVICE, AS EXPECTED

SETTLEMENT DATE  
 5 21 2009

ISSUE DATE  
 5 21 2009

FIRST COUPON DATE  
 12 1 2009

DATE	PRINCIPAL	RATE	INTEREST	PERIODIC DEBT SERVICE	PRICE	ORIGINAL ISSUE PREMIUM (DISCOUNT)	PROCEEDS
12 1 2009	0.00	5.2500%	86,034.38	86,034.38	99.000000	0.00	0.00
6 1 2010	0.00	5.2500%	81,506.25	81,506.25	99.000000	0.00	0.00
12 1 2010	0.00	5.2500%	81,506.25	81,506.25	99.000000	0.00	0.00
6 1 2011	0.00	5.2500%	81,506.25	81,506.25	99.000000	0.00	0.00
12 1 2011	0.00	5.2500%	81,506.25	81,506.25	99.000000	0.00	0.00
6 1 2012	0.00	5.2500%	81,506.25	81,506.25	99.000000	0.00	0.00
12 1 2012	5,000.00	5.2500%	81,506.25	86,506.25	99.000000	(50.00)	4,950.00
6 1 2013	0.00	5.2500%	81,375.00	81,375.00	99.000000	0.00	0.00
12 1 2013	10,000.00	5.2500%	81,375.00	91,375.00	99.000000	(100.00)	9,900.00
6 1 2014	3,090,000.00	5.2500%	81,112.50	3,171,112.50	99.000000	(30,900.00)	3,059,100.00
	<u>3,105,000.00</u>		<u>818,934.38</u>	<u>3,923,934.38</u>		<u>(31,050.00)</u>	<u>3,073,950.00</u>

ACCRUED INTEREST 0.00

BOND YEARS 15.442.76  
 ORIGINAL ISSUE (DISCOUNT) PREMIUM (31,050.00)  
 NIC % (FORM 8038) 5.504095%  
 WEIGHTED AVERAGE MATURITY (FORM 8038) 5.023752

SCHEDULE 2-C

\$3,105,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION BONDS  
 SERIES 2009

YIELD ON THE BONDS

COMPOUNDING FREQUENCY: SEMIANNUAL

VALUATION DATE  
 5 21 2009

ISSUE PRICE:

PAR AMOUNT OF BONDS	3,105,000.00
ACCRUED INTEREST	0.00
INSURANCE	0.00
ORIGINAL ISSUE (DISCOUNT) PREMIUM	(31,050.00)
	<u>3,073,950.00</u>

YIELD 5.4799442623%

DATE	BOND DEBT SERVICE	5.4799442623% PV FACTOR	PRESENT VALUE
12 1 2009	86,034.38	0.9718704223	83,614.26
6 1 2010	81,506.25	0.9459516118	77,100.97
12 1 2010	81,506.25	0.9207240300	75,044.76
6 1 2011	81,506.25	0.8961692425	73,043.39
12 1 2011	81,506.25	0.8722693066	71,095.40
6 1 2012	81,506.25	0.8490067580	69,199.36
12 1 2012	86,506.25	0.8263645983	71,485.70
6 1 2013	81,375.00	0.8043262823	65,452.05
12 1 2013	91,375.00	0.7828757061	71,535.27
6 1 2014	3,171,112.50	0.7619971954	2,416,378.83
	<u>3,923,934.38</u>		<u>3,073,950.00</u>
		ISSUE PRICE	<u>3,073,950.00</u>
			<u>0.00</u>

\$3,105,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION BONDS  
 SERIES 2009

EXHIBIT A

REBATE CALCULATION AS OF  
 10 26 2010

FUND: CAPITALIZED INTEREST FUND

COMPOUNDING FREQUENCY: SEMI ANNUAL

DATE	INVESTMENT TRANSACTIONS				INVESTMENT BALANCE	REBATE CALCULATION		
	(A) EARNINGS	(B) INVESTMENTS	(C) REDEMPTIONS	(B) - (C)		(A)+(C) - (B) REBATE CASH FLOW	PRESENT VALUE 0.1262371461% YIELD	PRESENT VALUE 5.4799442623% REBATE
5 21 2009	0.00	305,000.00	0.00	305,000.00	(305,000.00)	(305,551.12)	(329,524.49)	
7 31 2009	86.76	86.76	0.00	305,086.76	0.00	0.00	0.00	
7 31 2009	22.28	22.28	0.00	305,109.04	0.00	0.00	0.00	
8 31 2009	22.38	22.38	0.00	305,131.42	0.00	0.00	0.00	
9 30 2009	17.87	17.87	0.00	305,149.29	0.00	0.00	0.00	
10 31 2009	13.21	13.21	0.00	305,162.50	0.00	0.00	0.00	
11 30 2009	52.80	52.80	0.00	305,215.30	0.00	0.00	0.00	
11 30 2009	0.00	11,637.50	0.00	316,852.80	(11,637.50)	(11,650.81)	(12,221.40)	
12 1 2009	0.00	0.00	86,034.37	230,818.43	86,034.37	86,132.44	90,337.53	
12 31 2009	30.66	30.66	0.00	230,849.09	0.00	0.00	0.00	
1 31 2010	26.88	26.88	0.00	230,875.97	0.00	0.00	0.00	
2 28 2010	19.66	19.66	0.00	230,895.63	0.00	0.00	0.00	
3 31 2010	20.21	20.21	0.00	230,915.84	0.00	0.00	0.00	
4 30 2010	18.52	18.52	0.00	230,934.36	0.00	0.00	0.00	
5 31 2010	16.55	16.55	0.00	230,950.91	0.00	0.00	0.00	
6 1 2010	0.00	11,025.00	81,506.25	160,469.66	70,481.25	70,517.08	72,032.81	
6 30 2010	19.20	19.20	0.00	160,488.86	0.00	0.00	0.00	
7 31 2010	15.25	15.25	0.00	160,504.11	0.00	0.00	0.00	
8 31 2010	21.78	21.78	0.00	160,525.89	0.00	0.00	0.00	
9 30 2010	15.84	15.84	0.00	160,541.73	0.00	0.00	0.00	
10 26 2010	10.67	0.00	160,541.73	0.00	160,552.40	160,552.40	160,552.40	
	430.52	328,082.35	328,082.35		430.52	0.00	(18,823.15)	

EXHIBIT B

\$3,105,000 BACA GRANDE WATER AND SANITATION DISTRICT  
GENERAL OBLIGATION BONDS  
SERIES 2009

REBATE CALCULATION AS OF  
10 26 2010

FUND: CAPITAL PROJECT FUND

COMPOUNDING FREQUENCY: SEMIANNUAL

DATE	INVESTMENT TRANSACTIONS				REBATE CALCULATION		
	(A) EARNINGS	(B) INVESTMENTS	(C) REDEMPTIONS	(B) - (C) INVESTMENT BALANCE	(A)+(C)-(B) REBATE CASH FLOW	PRESENT VALUE 0.3583888507% YIELD	PRESENT VALUE 5.4799442623% REBATE
5 21 2009	0.00	2,150,000.00	0.00	2,150,000.00	(2,150,000.00)	(2,161,041.34)	(2,322,877.53)
5 21 2009	0.00	386,649.15	0.00	2,536,649.15	(386,649.15)	(388,634.79)	(417,738.89)
5 21 2009	0.00	0.00	79,491.72	2,457,157.43	79,491.72	79,899.95	85,883.50
5 21 2009	0.00	0.00	208,538.09	2,248,619.34	208,538.09	209,609.04	225,306.25
5 21 2009	0.00	0.00	20,796.19	2,227,823.15	20,796.19	20,902.99	22,468.37
7 15 2009	0.00	0.00	372,816.01	1,855,007.14	372,816.01	374,529.39	399,540.28
7 17 2009	0.00	0.00	17,210.00	1,837,797.14	17,210.00	17,288.75	18,438.11
7 17 2009	0.00	0.00	33,041.95	1,804,755.19	33,041.95	33,193.14	35,399.84
7 31 2009	0.00	307.19	0.00	1,805,062.38	(307.19)	(308.55)	(328.42)
7 31 2009	633.76	633.76	0.00	1,805,696.14	0.00	0.00	0.00
7 31 2009	107.10	107.10	0.00	1,805,803.24	0.00	0.00	0.00
8 3 2009	(22.36)	0.00	22.36	1,805,780.88	0.00	0.00	0.00
8 17 2009	0.00	0.00	32,040.65	1,773,740.23	32,040.65	32,177.66	34,172.78
8 31 2009	0.00	3,450.78	0.00	1,777,191.01	(3,450.78)	(3,465.05)	(3,672.68)
9 30 2009	65.14	65.14	0.00	1,777,256.15	0.00	0.00	0.00
10 8 2009	0.00	0.00	76,829.22	1,700,426.93	76,829.22	77,118.62	81,316.61
10 31 2009	934.73	934.73	0.00	1,701,361.66	0.00	0.00	0.00
11 18 2009	0.00	0.00	21,429.80	1,679,931.86	21,429.80	21,501.97	22,545.62
11 30 2009	903.76	903.76	0.00	1,680,835.62	0.00	0.00	0.00
12 18 2009	0.00	0.00	89,021.73	1,591,813.89	89,021.73	89,294.86	93,235.98
12 31 2009	904.20	904.20	0.00	1,592,718.09	0.00	0.00	0.00
12 31 2009	0.00	0.00	11,637.50	1,581,080.59	11,637.50	11,671.70	12,164.64
1 20 2010	0.00	0.00	3,523.70	1,577,556.89	3,523.70	3,533.39	3,672.82
1 31 2010	912.98	912.98	0.00	1,578,469.87	0.00	0.00	0.00
1 31 2010	0.00	11,637.50	0.00	1,590,107.37	(11,637.50)	(11,668.21)	(12,109.96)
2 17 2010	0.00	0.00	1,153.10	1,588,954.27	1,153.10	1,155.96	1,197.03
2 28 2010	734.73	734.73	0.00	1,589,689.00	0.00	0.00	0.00
3 31 2010	0.00	0.00	3,031.82	1,586,657.18	3,031.82	3,038.01	3,126.61
3 31 2010	658.53	658.53	0.00	1,587,315.71	0.00	0.00	0.00
4 30 2010	680.15	680.15	0.00	1,587,995.86	0.00	0.00	0.00
5 3 2010	0.00	0.00	1,905.95	1,586,089.91	1,905.95	1,909.23	1,956.12
5 13 2010	0.00	0.00	2,991.39	1,583,098.52	2,991.39	2,996.24	3,065.52
5 31 2010	532.72	532.72	0.00	1,583,631.24	0.00	0.00	0.00
6 30 2010	377.29	377.29	0.00	1,584,008.53	0.00	0.00	0.00
7 23 2010	0.00	0.00	28,711.58	1,555,296.95	28,711.58	28,738.15	29,115.38
7 31 2010	357.85	357.85	0.00	1,555,654.80	0.00	0.00	0.00
8 18 2010	0.00	0.00	20,979.18	1,534,675.62	20,979.18	20,993.37	21,194.51
8 27 2010	0.00	0.00	60,093.47	1,474,582.15	60,093.47	60,128.75	60,628.27
8 31 2010	303.63	303.63	0.00	1,474,885.78	0.00	0.00	0.00
9 30 2010	297.00	297.00	0.00	1,475,182.78	0.00	0.00	0.00
10 15 2010	0.00	0.00	144,095.10	1,331,087.68	144,095.10	144,110.87	144,333.33
10 26 2010	238.23	238.23	0.00	1,331,325.91	0.00	0.00	0.00
10 26 2010	0.00	0.00	1,331,325.91	0.00	1,331,325.91	1,331,325.91	1,331,325.91
	8,619.44	2,560,686.42	2,560,686.42		8,619.44	0.00	(126,640.00)

EXHIBIT C

\$3,105,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION BONDS  
 SERIES 2009

REBATE CALCULATION AS OF  
 10 26 2010

FUND: COST OF ISSUANCE FUND

COMPOUNDING FREQUENCY: SEMIANNUAL

DATE	INVESTMENT TRANSACTIONS			(B) - (C) INVESTMENT BALANCE	REBATE CALCULATION		
	(A) EARNINGS	(B) INVESTMENTS	(C) REDEMPTIONS		(A)+(C) - (B) REBATE CASH FLOW	PRESENT VALUE 0.1442567190% YIELD	PRESENT VALUE 5.4799442623% REBATE
5 22 2009	0.00	200,943.66	196,494.08	4,449.58	(4,449.58)	(4,458.75)	(4,806.64)
7 31 2009	1.23	0.00	4,449.58	0.00	4,450.81	4,458.75	4,758.41
	1.23	200,943.66	200,943.66		1.23	0.00	(48.23)

EXHIBIT D

\$3,105,000 BACA GRANDE WATER AND SANITATION DISTRICT  
GENERAL OBLIGATION BONDS  
SERIES 2009

REBATE CALCULATION AS OF  
10 26 2010

PRESENT VALUE OF COMPUTATION CREDITS

COMPOUNDING FREQUENCY: SEMIANNUAL

DATE	COMPUTATION CREDIT	5.4799442623% PV FACTOR	PRESENT VALUE
5 21 2010	(1,500.00)	1.0235497706	(1,535.32)
10 26 2010	(1,500.00)	1.0000000000	(1,500.00)
	<u>(3,000.00)</u>		<u>(3,035.32)</u>

**KUTAK ROCK ARBITRAGE CONSULTING LLC****THE OMAHA BUILDING  
1650 FARNAM STREET****OMAHA, NE 68102-2186****402-346-6000****FACSIMILE 402-346-1148****www.kutakrock.com**

December 12, 2016

Baca Grande Water and Sanitation District  
Lakewood, Colorado

004

**\$5,405,000  
Baca Grande Water and Sanitation District  
Saguache County, Colorado  
General Obligation Bonds  
Series 2010**

Ladies and Gentlemen:

We have been retained by Baca Grande Water and Sanitation District to perform arbitrage rebate calculations for the above-referenced bond issue (the "Bonds") as required by the Internal Revenue Code of 1986, as amended (the "Code"), and the Federal Tax Exemption Certificate (the "Certificate") for the Bonds. We believe that our calculations, as enclosed for the period October 26, 2010 to October 26, 2015, the end of the first five-year rebate calculation period, fulfill the requirement and intent of the Code and Certificate.

Our calculations were based upon financial records and information furnished to us by Special District Management Services, Inc. Such information included investment and expenditure data, which we have not independently verified.

The Bond Fund, except for the Capitalized Interest Account portion, qualifies for exception from rebate as a bona fide debt service fund.

**KUTAK ROCK ARBITRAGE CONSULTING LLC**

Baca Grande Water and Sanitation District

December 12, 2016

Page 2

The yield on the Bonds is **4.8294%**, as computed on Schedule 2-C of our report.

We have summarized the investment transactions and calculated the investment yield and the cumulative rebatable arbitrage for the funds which are subject to rebate as follows:

<b>Fund</b>	<b>Exhibit</b>	<b>Cumulative Rebatable Arbitrage</b>	<b>Investment Yield</b>
Capitalized Interest Fund	A	(5,903.76)	0.1522%
Capital Project Fund	B	(361,620.78)	0.1522%
Present Value of Computation Credits	C	<u>(8,726.66)</u>	
		<u>(376,251.20)</u>	

Since the cumulative rebatable arbitrage is negative, there is no arbitrage rebate liability as of October 26, 2015.

In our opinion, the enclosed calculations are mathematically correct in the determination of the cumulative rebatable arbitrage for all investments subject to the rebate requirements of the Code. Assuming the accuracy of the financial summaries and other information submitted to us by Special District Management Services, Inc., it is our opinion that there is no arbitrage rebate liability as of October 26, 2015. Therefore, there is no deposit requirement to a Rebate Fund or any payment or reporting to the federal government required at this time.

Very truly yours,



Thomas S. Hageman  
Vice President

Enclosures



\$5,405,000  
Baca Grande Water and Sanitation District  
Saguache County, Colorado  
General Obligation Bonds  
Series 2010

Arbitrage Rebate Calculation  
as of  
October 26, 2015

Kutak Rock Arbitrage Consulting LLC  
December 12, 2016

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
SERIES 2010

REBATE CALCULATION AS OF  
10 26 2015

INDEX TO SCHEDULES AND EXHIBITS

SCHEDULE 1	SUMMARY OF REBATABLE ARBITRAGE BY FUND
SCHEDULE 2-A	DEBT SERVICE SCHEDULE, AS SCHEDULED
SCHEDULE 2-B	DEBT SERVICE SCHEDULE, AS EXPECTED
SCHEDULE 2-C	YIELD ON THE BONDS

INVESTMENT TRANSACTION SUMMARIES:

EXHIBIT

- A CAPITALIZED INTEREST FUND
- B CAPITAL PROJECT FUND
- C PRESENT VALUE OF COMPUTATION CREDITS

SCHEDULE 1

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
 SERIES 2010

REBATE CALCULATION AS OF  
 10 26 2015

SUMMARY OF REBATABLE ARBITRAGE BY FUND

BOND YIELD 4.8294391575%

COMPOUNDING FREQUENCY: SEMIANNUAL

FUND	CUMULATIVE REBATABLE ARBITRAGE	INVESTMENT YIELD	EXHIBIT
CAPITALIZED INTEREST FUND	(5,903.76)	0.1522%	A
CAPITAL PROJECT FUND	(361,620.78)	0.1522%	B
PRESENT VALUE OF COMPUTATION CREDITS	(8,726.66)		C
	<u>(376,251.20)</u>		

SCHEDULE 2-A

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
 SERIES 2010

DEBT SERVICE SCHEDULE, AS SCHEDULED

SETTLEMENT DATE  
 10 26 2010

ISSUE DATE  
 10 26 2010

FIRST COUPON DATE  
 6 1 2011

DATE	PRINCIPAL	COUPON%	INTEREST	PERIODIC DEBT SERVICE	PRICE	ORIGINAL ISSUE PREMIUM (DISCOUNT)
6 1 2011	0.00	0.0000%	157,218.75	157,218.75	100.000000	0.00
12 1 2011	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
6 1 2012	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
12 1 2012	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
6 1 2013	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
12 1 2013	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
6 1 2014	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
12 1 2014	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
6 1 2015	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
12 1 2015	50,000.00	2.7500%	131,625.00	181,625.00	102.637000	1,318.50
6 1 2016	0.00	0.0000%	130,937.50	130,937.50	100.000000	0.00
12 1 2016	50,000.00	3.0000%	130,937.50	180,937.50	102.981000	1,490.50
6 1 2017	0.00	0.0000%	130,187.50	130,187.50	100.000000	0.00
12 1 2017	50,000.00	3.0000%	130,187.50	180,187.50	101.794000	897.00
6 1 2018	0.00	0.0000%	129,437.50	129,437.50	100.000000	0.00
12 1 2018	50,000.00	3.2500%	129,437.50	179,437.50	101.927000	963.50
6 1 2019	0.00	0.0000%	128,625.00	128,625.00	100.000000	0.00
12 1 2019	100,000.00	3.5000%	128,625.00	228,625.00	102.349000	2,349.00
6 1 2020	0.00	0.0000%	126,875.00	126,875.00	100.000000	0.00
12 1 2020	100,000.00	3.5000%	126,875.00	226,875.00	101.188000	1,188.00
6 1 2021	0.00	0.0000%	125,125.00	125,125.00	100.000000	0.00
12 1 2021	110,000.00	5.0000%	125,125.00	235,125.00	108.582000	9,440.20
6 1 2022	0.00	0.0000%	122,375.00	122,375.00	100.000000	0.00
12 1 2022	115,000.00	5.0000%	122,375.00	237,375.00	108.582000	9,869.30
6 1 2023	0.00	0.0000%	119,500.00	119,500.00	100.000000	0.00
12 1 2023	120,000.00	5.0000%	119,500.00	239,500.00	108.582000	10,298.40
6 1 2024	0.00	0.0000%	116,500.00	116,500.00	100.000000	0.00
12 1 2024	125,000.00	5.0000%	116,500.00	241,500.00	108.582000	10,727.50
6 1 2025	0.00	0.0000%	113,375.00	113,375.00	100.000000	0.00
12 1 2025	130,000.00	5.0000%	113,375.00	243,375.00	108.582000	11,156.60
6 1 2026	0.00	0.0000%	110,125.00	110,125.00	100.000000	0.00
12 1 2026	140,000.00	5.0000%	110,125.00	250,125.00	105.178000	7,249.20
6 1 2027	0.00	0.0000%	106,625.00	106,625.00	100.000000	0.00
12 1 2027	195,000.00	5.0000%	106,625.00	301,625.00	105.178000	10,097.10
6 1 2028	0.00	0.0000%	101,750.00	101,750.00	100.000000	0.00
12 1 2028	210,000.00	5.0000%	101,750.00	311,750.00	105.178000	10,873.80
6 1 2029	0.00	0.0000%	96,500.00	96,500.00	100.000000	0.00
12 1 2029	220,000.00	5.0000%	96,500.00	316,500.00	105.178000	11,391.60
6 1 2030	0.00	0.0000%	91,000.00	91,000.00	100.000000	0.00
12 1 2030	235,000.00	5.0000%	91,000.00	326,000.00	105.178000	12,168.30
6 1 2031	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2031	250,000.00	5.0000%	85,125.00	335,125.00	101.821000	4,552.50
6 1 2032	0.00	0.0000%	78,875.00	78,875.00	100.000000	0.00
12 1 2032	265,000.00	5.0000%	78,875.00	343,875.00	101.821000	4,825.65
6 1 2033	0.00	0.0000%	72,250.00	72,250.00	100.000000	0.00
12 1 2033	280,000.00	5.0000%	72,250.00	352,250.00	101.821000	5,098.80
6 1 2034	0.00	0.0000%	65,250.00	65,250.00	100.000000	0.00
12 1 2034	300,000.00	5.0000%	65,250.00	365,250.00	101.821000	5,463.00
6 1 2035	0.00	0.0000%	57,750.00	57,750.00	100.000000	0.00
12 1 2035	320,000.00	5.0000%	57,750.00	377,750.00	101.821000	5,827.20
6 1 2036	0.00	0.0000%	49,750.00	49,750.00	100.000000	0.00
12 1 2036	335,000.00	5.0000%	49,750.00	384,750.00	101.821000	6,100.35
6 1 2037	0.00	0.0000%	41,375.00	41,375.00	100.000000	0.00
12 1 2037	355,000.00	5.0000%	41,375.00	396,375.00	101.821000	6,464.55

SCHEDULE 2-A

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
 SERIES 2010

DEBT SERVICE SCHEDULE, AS SCHEDULED

SETTLEMENT DATE  
 10 26 2010

ISSUE DATE  
 10 26 2010

FIRST COUPON DATE  
 6 1 2011

DATE	PRINCIPAL	COUPON%	INTEREST	PERIODIC DEBT SERVICE	PRICE	ORIGINAL ISSUE PREMIUM (DISCOUNT)
6 1 2038	0.00	0.0000%	32,500.00	32,500.00	100.000000	0.00
12 1 2038	410,000.00	5.0000%	32,500.00	442,500.00	101.821000	7,466.10
6 1 2039	0.00	0.0000%	22,250.00	22,250.00	100.000000	0.00
12 1 2039	435,000.00	5.0000%	22,250.00	457,250.00	101.821000	7,921.35
6 1 2040	0.00	0.0000%	11,375.00	11,375.00	100.000000	0.00
12 1 2040	455,000.00	5.0000%	11,375.00	466,375.00	101.821000	8,285.55
	<u>5,405,000.00</u>		<u>5,872,718.75</u>	<u>11,277,718.75</u>		<u>173,483.55</u>

ACCRUED INTEREST 0.00

BOND YEARS 121.863.08  
 ORIGINAL ISSUE (DISCOUNT) PREMIUM 173,483.55  
 NIC % (FORM 8038) 4.676753%  
 WEIGHTED AVERAGE MATURITY (FORM 8038) 21.845198

SCHEDULE 2-B

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
 SERIES 2010

DEBT SERVICE SCHEDULE, AS EXPECTED

SETTLEMENT DATE  
 10 26 2010

ISSUE DATE  
 10 26 2010

FIRST COUPON DATE  
 6 1 2011

DATE	PRINCIPAL	COUPON%	INTEREST	PERIODIC DEBT SERVICE	PRICE	ORIGINAL ISSUE PREMIUM (DISCOUNT)
6 1 2011	0.00	0.0000%	157,218.75	157,218.75	100.000000	0.00
12 1 2011	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
6 1 2012	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
12 1 2012	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
6 1 2013	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
12 1 2013	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
6 1 2014	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
12 1 2014	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
6 1 2015	0.00	0.0000%	131,625.00	131,625.00	100.000000	0.00
12 1 2015	50,000.00	2.7500%	131,625.00	181,625.00	102.637000	1,318.50
6 1 2016	0.00	0.0000%	130,937.50	130,937.50	100.000000	0.00
12 1 2016	50,000.00	3.0000%	130,937.50	180,937.50	102.981000	1,490.50
6 1 2017	0.00	0.0000%	130,187.50	130,187.50	100.000000	0.00
12 1 2017	50,000.00	3.0000%	130,187.50	180,187.50	101.794000	897.00
6 1 2018	0.00	0.0000%	129,437.50	129,437.50	100.000000	0.00
12 1 2018	50,000.00	3.2500%	129,437.50	179,437.50	101.927000	963.50
6 1 2019	0.00	0.0000%	128,625.00	128,625.00	100.000000	0.00
12 1 2019	100,000.00	3.5000%	128,625.00	228,625.00	102.349000	2,349.00
6 1 2020	0.00	0.0000%	126,875.00	126,875.00	100.000000	0.00
12 1 2020	1,700,000.00	4.9118%	126,875.00	1,826,875.00	106.144706	104,460.00
6 1 2021	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2021	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
6 1 2022	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2022	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
6 1 2023	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2023	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
6 1 2024	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2024	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
6 1 2025	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2025	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
6 1 2026	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2026	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
6 1 2027	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2027	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
6 1 2028	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2028	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
6 1 2029	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2029	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
6 1 2030	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2030	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
6 1 2031	0.00	0.0000%	85,125.00	85,125.00	100.000000	0.00
12 1 2031	250,000.00	5.0000%	85,125.00	335,125.00	101.821000	4,552.50
6 1 2032	0.00	0.0000%	78,875.00	78,875.00	100.000000	0.00
12 1 2032	265,000.00	5.0000%	78,875.00	343,875.00	101.821000	4,825.65
6 1 2033	0.00	0.0000%	72,250.00	72,250.00	100.000000	0.00
12 1 2033	280,000.00	5.0000%	72,250.00	352,250.00	101.821000	5,098.80
6 1 2034	0.00	0.0000%	65,250.00	65,250.00	100.000000	0.00
12 1 2034	300,000.00	5.0000%	65,250.00	365,250.00	101.821000	5,463.00
6 1 2035	0.00	0.0000%	57,750.00	57,750.00	100.000000	0.00
12 1 2035	320,000.00	5.0000%	57,750.00	377,750.00	101.821000	5,827.20
6 1 2036	0.00	0.0000%	49,750.00	49,750.00	100.000000	0.00
12 1 2036	335,000.00	5.0000%	49,750.00	384,750.00	101.821000	6,100.35
6 1 2037	0.00	0.0000%	41,375.00	41,375.00	100.000000	0.00
12 1 2037	355,000.00	5.0000%	41,375.00	396,375.00	101.821000	6,464.55

SCHEDULE 2-B

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
 SERIES 2010

DEBT SERVICE SCHEDULE, AS EXPECTED

SETTLEMENT DATE  
 10 26 2010

ISSUE DATE  
 10 26 2010

FIRST COUPON DATE  
 6 1 2011

DATE	PRINCIPAL	COUPON%	INTEREST	PERIODIC DEBT SERVICE	PRICE	ORIGINAL ISSUE PREMIUM (DISCOUNT)
6 1 2038	0.00	0.0000%	32,500.00	32,500.00	100.000000	0.00
12 1 2038	410,000.00	5.0000%	32,500.00	442,500.00	101.821000	7,466.10
6 1 2039	0.00	0.0000%	22,250.00	22,250.00	100.000000	0.00
12 1 2039	435,000.00	5.0000%	22,250.00	457,250.00	101.821000	7,921.35
6 1 2040	0.00	0.0000%	11,375.00	11,375.00	100.000000	0.00
12 1 2040	455,000.00	5.0000%	11,375.00	466,375.00	101.821000	8,285.55
	<u>5,405,000.00</u>		<u>5,369,468.75</u>	<u>10,774,468.75</u>		<u>173,483.55</u>

ACCRUED INTEREST 0.00

BOND YEARS 111,213.94  
 ORIGINAL ISSUE (DISCOUNT) PREMIUM 173,483.55  
 NIC % (FORM 8038) 4.672063%  
 WEIGHTED AVERAGE MATURITY (FORM 8038) 19.936231

SCHEDULE 2-C

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
 SERIES 2010

YIELD ON THE BONDS

COMPOUNDING FREQUENCY: SEMIANNUAL

VALUATION DATE  
 10 26 2010

ISSUE PRICE:

PAR AMOUNT OF BONDS	5,405,000.00
ACCRUED INTEREST	0.00
INSURANCE	(107,138.33)
ORIGINAL ISSUE (DISCOUNT) PREMIUM	173,483.55
	<u>5,471,345.22</u>

YIELD 4.8294391575%

DATE	BOND DEBT SERVICE	4.8294391575% PV FACTOR	PRESENT VALUE
6 1 2011	157,218.75	0.9719025297	152,801.30
12 1 2011	131,625.00	0.9489871512	124,910.43
6 1 2012	131,625.00	0.9266120682	121,965.31
12 1 2012	131,625.00	0.9047645416	119,089.63
6 1 2013	131,625.00	0.8834321330	116,281.75
12 1 2013	131,625.00	0.8626026968	113,540.08
6 1 2014	131,625.00	0.8422643740	110,863.05
12 1 2014	131,625.00	0.8224055853	108,249.14
6 1 2015	131,625.00	0.8030150243	105,696.85
12 1 2015	181,625.00	0.7840816512	142,408.83
6 1 2016	130,937.50	0.7655946864	100,245.05
12 1 2016	180,937.50	0.7475436046	135,258.67
6 1 2017	130,187.50	0.7299181286	95,026.22
12 1 2017	180,187.50	0.7127082236	128,421.11
6 1 2018	129,437.50	0.6959040913	90,076.09
12 1 2018	179,437.50	0.6794961644	121,927.09
6 1 2019	128,625.00	0.6634751012	85,339.48
12 1 2019	228,625.00	0.6478317804	148,110.54
6 1 2020	126,875.00	0.6325572955	80,255.71
12 1 2020	1,826,875.00	0.6176429503	1,128,356.46
6 1 2021	85,125.00	0.6030802533	51,337.21
12 1 2021	85,125.00	0.5888609135	50,126.79
6 1 2022	85,125.00	0.5749768353	48,944.90
12 1 2022	85,125.00	0.5614201139	47,790.89
6 1 2023	85,125.00	0.5481830309	46,664.08
12 1 2023	85,125.00	0.5352580500	45,563.84
6 1 2024	85,125.00	0.5226378124	44,489.54
12 1 2024	85,125.00	0.5103151330	43,440.58
6 1 2025	85,125.00	0.4982829959	42,416.34
12 1 2025	85,125.00	0.4865345509	41,416.25
6 1 2026	85,125.00	0.4750631090	40,439.75
12 1 2026	85,125.00	0.4638621391	39,486.26
6 1 2027	85,125.00	0.4529252640	38,555.26
12 1 2027	85,125.00	0.4422462571	37,646.21
6 1 2028	85,125.00	0.4318190382	36,758.60
12 1 2028	85,125.00	0.4216376708	35,891.91
6 1 2029	85,125.00	0.4116963583	35,045.65
12 1 2029	85,125.00	0.4019894405	34,219.35
6 1 2030	85,125.00	0.3925113911	33,412.53
12 1 2030	85,125.00	0.3832568138	32,624.74
6 1 2031	85,125.00	0.3742204396	31,855.51
12 1 2031	335,125.00	0.3653971237	122,453.71
6 1 2032	78,875.00	0.3567818427	28,141.17
12 1 2032	343,875.00	0.3483696915	119,795.63
6 1 2033	72,250.00	0.3401558809	24,576.26



SCHEDULE 2-C

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
 SERIES 2010

YIELD ON THE BONDS

COMPOUNDING FREQUENCY: SEMIANNUAL

VALUATION DATE  
 10 26 2010

ISSUE PRICE:

PAR AMOUNT OF BONDS	5,405,000.00
ACCRUED INTEREST	0.00
INSURANCE	(107,138.33)
ORIGINAL ISSUE (DISCOUNT) PREMIUM	173,483.55
	<u>5,471,345.22</u>

YIELD 4.8294391575%

DATE	BOND DEBT SERVICE	4.8294391575% PV FACTOR	PRESENT VALUE
12 1 2033	352,250.00	0.3321357343	116,994.81
6 1 2034	65,250.00	0.3243046856	21,160.88
12 1 2034	365,250.00	0.3166582762	115,659.44
6 1 2035	57,750.00	0.3091921527	17,855.85
12 1 2035	377,750.00	0.3019020645	114,043.50
6 1 2036	49,750.00	0.2947838609	14,665.50
12 1 2036	384,750.00	0.2878334892	110,743.93
6 1 2037	41,375.00	0.2810469925	11,628.32
12 1 2037	396,375.00	0.2744205068	108,773.43
6 1 2038	32,500.00	0.2679502594	8,708.38
12 1 2038	442,500.00	0.2616325666	115,772.41
6 1 2039	22,250.00	0.2554638314	5,684.07
12 1 2039	457,250.00	0.2494405418	114,056.69
6 1 2040	11,375.00	0.2435592685	2,770.49
12 1 2040	466,375.00	0.2378166630	110,911.75
	<u>10,774,468.75</u>		<u>5,471,345.22</u>
		ISSUE PRICE	5,471,345.22
			<u>(0.00)</u>

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
 SERIES 2010

EXHIBIT A

REBATE CALCULATION AS OF  
 10 26 2015

FUND: CAPITALIZED INTEREST FUND

COMPOUNDING FREQUENCY: SEMIANNUAL

DATE	INVESTMENT TRANSACTIONS				INVESTMENT BALANCE	REBATE CALCULATION		
	(A) EARNINGS	(B) INVESTMENTS	(C) REDEMPTIONS	(B) - (C)		(A)+(C) - (B) REBATE CASH FLOW	PRESENT VALUE 0.1521969536% YIELD	PRESENT VALUE 4.8294391575% REBATE
10 26 2010	0.00	160,552.40	2.40	160,550.00	(160,550.00)	(161,775.95)	(203,814.05)	
10 26 2010	0.00	4,149.64	0.00	164,699.64	(4,149.64)	(4,181.33)	(5,267.86)	
10 31 2010	4.29	4.29	0.00	164,703.93	0.00	0.00	0.00	
11 30 2010	25.63	25.63	0.00	164,729.56	0.00	0.00	0.00	
12 31 2010	26.79	26.79	0.00	164,756.35	0.00	0.00	0.00	
1 31 2011	23.80	23.80	0.00	164,780.15	0.00	0.00	0.00	
2 28 2011	19.62	19.62	0.00	164,799.77	0.00	0.00	0.00	
3 31 2011	19.88	19.88	0.00	164,819.65	0.00	0.00	0.00	
4 30 2011	17.79	17.79	0.00	164,837.44	0.00	0.00	0.00	
5 31 2011	14.03	14.03	0.00	164,851.47	0.00	0.00	0.00	
6 1 2011	0.00	0.00	157,218.72	7,632.75	157,218.72	158,275.36	193,977.24	
6 30 2011	0.60	0.60	0.00	7,633.35	0.00	0.00	0.00	
7 31 2011	0.62	0.62	0.00	7,633.97	0.00	0.00	0.00	
8 31 2011	0.62	0.62	0.00	7,634.59	0.00	0.00	0.00	
9 30 2011	0.60	0.60	0.00	7,635.19	0.00	0.00	0.00	
10 31 2011	0.62	0.62	0.00	7,635.81	0.00	0.00	0.00	
11 30 2011	0.60	0.00	7,635.81	0.00	7,636.41	7,681.92	9,200.91	
	155.49	164,856.93	164,856.93		155.49	0.00	(5,903.76)	

EXHIBIT B

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
SERIES 2010

REBATE CALCULATION AS OF  
10 26 2015

FUND: CAPITAL PROJECT FUND

COMPOUNDING FREQUENCY: SEMIANNUAL

DATE	INVESTMENT TRANSACTIONS				REBATE CALCULATION		
	(A) EARNINGS	(B) INVESTMENTS	(C) REDEMPTIONS	(B) - (C) INVESTMENT BALANCE	(A)+(C) - (B) REBATE CASH FLOW	PRESENT VALUE 0.1522353960% YIELD	PRESENT VALUE 4.8294391575% REBATE
10 26 2010	0.00	1,357,063.42	0.00	1,357,063.42	(1,357,063.42)	(1,367,428.53)	(1,722,756.69)
10 26 2010	0.00	1,331,325.91	0.00	2,688,389.33	(1,331,325.91)	(1,341,494.44)	(1,690,083.59)
10 31 2010	42.06	42.06	0.00	2,688,431.39	0.00	0.00	0.00
11 24 2010	0.00	0.00	100,000.00	2,588,431.39	100,000.00	100,751.86	126,477.09
11 30 2010	207.66	207.66	0.00	2,588,639.05	0.00	0.00	0.00
11 30 2010	303.15	303.15	0.00	2,588,942.20	0.00	0.00	0.00
12 3 2010	191.61	191.61	0.00	2,589,133.81	0.00	0.00	0.00
12 17 2010	0.00	0.00	188,268.29	2,400,865.52	188,268.29	189,665.37	237,391.39
12 31 2010	392.10	392.10	0.00	2,401,257.62	0.00	0.00	0.00
1 27 2011	0.00	0.00	36,063.51	2,365,194.11	36,063.51	36,324.98	45,232.75
1 28 2011	0.00	0.00	25,268.00	2,339,926.11	25,268.00	25,451.09	31,688.26
1 31 2011	345.81	345.81	0.00	2,340,271.92	0.00	0.00	0.00
2 4 2011	0.00	0.00	67,109.79	2,273,162.13	67,109.79	67,594.36	84,094.57
2 4 2011	0.00	0.00	25,292.90	2,247,869.23	25,292.90	25,475.53	31,694.27
2 23 2011	0.00	0.00	161,763.99	2,086,105.24	161,763.99	162,918.93	202,194.86
2 28 2011	265.07	265.07	0.00	2,086,370.31	0.00	0.00	0.00
3 25 2011	0.00	0.00	13,522.85	2,072,847.46	13,522.85	13,617.56	16,831.17
3 31 2011	251.54	251.54	0.00	2,073,099.00	0.00	0.00	0.00
4 22 2011	0.00	0.00	36,080.87	2,037,018.13	36,080.87	36,329.41	44,747.49
4 30 2011	222.91	222.91	0.00	2,037,241.04	0.00	0.00	0.00
5 24 2011	0.00	0.00	24,218.60	2,013,022.44	24,218.60	24,382.13	29,908.77
5 31 2011	210.26	210.26	0.00	2,013,232.70	0.00	0.00	0.00
6 30 2011	177.74	177.74	0.00	2,013,410.44	0.00	0.00	0.00
7 28 2011	0.00	0.00	27,740.11	1,985,670.33	27,740.11	27,919.87	33,968.26
7 28 2011	0.00	0.00	34,533.85	1,951,136.48	34,533.85	34,757.63	42,287.31
7 31 2011	147.78	147.78	0.00	1,951,284.26	0.00	0.00	0.00
8 31 2011	0.00	0.00	15,972.94	1,935,311.32	15,972.94	16,074.20	19,473.78
8 31 2011	126.68	126.68	0.00	1,935,438.00	0.00	0.00	0.00
9 30 2011	120.37	120.37	0.00	1,935,558.37	0.00	0.00	0.00
10 31 2011	125.10	125.10	0.00	1,935,683.47	0.00	0.00	0.00
11 30 2011	121.44	121.44	0.00	1,935,804.91	0.00	0.00	0.00
12 14 2011	0.00	0.00	54,064.98	1,881,739.93	54,064.98	54,384.05	65,020.72
12 31 2011	0.00	0.00	49,654.95	1,832,084.98	49,654.95	49,944.40	59,582.62
12 31 2011	0.00	0.00	120,000.00	1,712,084.98	120,000.00	120,699.51	143,991.98
12 31 2011	117.74	117.74	0.00	1,712,202.72	0.00	0.00	0.00
1 31 2012	212.41	212.41	0.00	1,712,415.13	0.00	0.00	0.00
2 17 2012	0.00	0.00	7,434.47	1,704,980.66	7,434.47	7,476.35	8,866.64
2 29 2012	0.00	0.00	60,888.10	1,644,092.56	60,888.10	61,228.02	72,502.09
2 29 2012	272.69	272.69	0.00	1,644,365.25	0.00	0.00	0.00
3 20 2012	0.00	0.00	21,848.08	1,622,517.17	21,848.08	21,968.10	25,943.13
3 31 2012	285.48	285.48	0.00	1,622,802.65	0.00	0.00	0.00
4 30 2012	269.57	269.57	0.00	1,623,072.22	0.00	0.00	0.00
5 11 2012	0.00	0.00	29,112.80	1,593,959.42	29,112.80	29,266.42	34,336.59
5 18 2012	0.00	0.00	30,392.22	1,563,567.20	30,392.22	30,551.69	35,812.33
5 31 2012	289.90	289.90	0.00	1,563,857.10	0.00	0.00	0.00
6 30 2012	0.00	0.00	24,140.51	1,539,716.59	24,140.51	24,262.87	28,287.77
6 30 2012	318.10	318.10	0.00	1,540,034.69	0.00	0.00	0.00
7 31 2012	0.00	0.00	108,347.87	1,431,686.82	108,347.87	108,882.76	126,441.02
7 31 2012	333.88	333.88	0.00	1,432,020.70	0.00	0.00	0.00
8 31 2012	0.00	0.00	4,003.73	1,428,016.97	4,003.73	4,022.99	4,653.77
8 31 2012	309.27	309.27	0.00	1,428,326.24	0.00	0.00	0.00
9 10 2012	0.00	0.00	28,083.48	1,400,242.76	28,083.48	28,217.47	32,604.19
9 28 2012	306.40	306.40	0.00	1,400,549.16	0.00	0.00	0.00
10 31 2012	0.00	0.00	111,677.33	1,288,871.83	111,677.33	112,185.97	128,780.90

EXHIBIT B

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
SERIES 2010

REBATE CALCULATION AS OF  
10 26 2015

FUND: CAPITAL PROJECT FUND

COMPOUNDING FREQUENCY: SEMIANNUAL

DATE	INVESTMENT TRANSACTIONS				REBATE CALCULATION		
	(A) EARNINGS	(B) INVESTMENTS	(C) REDEMPTIONS	(B) - (C) INVESTMENT BALANCE	(A)+(C) - (B) REBATE CASH FLOW	PRESENT VALUE 0.1522353960% YIELD	PRESENT VALUE 4.8294391575% REBATE
10 31 2012	293.10	293.10	0.00	1,289,164.93	0.00	0.00	0.00
11 30 2012	0.00	0.00	42,525.59	1,246,639.34	42,525.59	42,714.04	48,850.31
11 30 2012	245.67	245.67	0.00	1,246,885.01	0.00	0.00	0.00
12 3 2012	0.00	0.00	22,464.33	1,224,420.68	22,464.33	22,563.59	25,795.13
12 18 2012	217.49	217.49	0.00	1,224,638.17	0.00	0.00	0.00
1 31 2013	0.00	0.00	13,719.70	1,210,918.47	13,719.70	13,776.94	15,633.27
1 31 2013	184.51	184.51	0.00	1,211,102.98	0.00	0.00	0.00
2 28 2013	149.84	149.84	0.00	1,211,252.82	0.00	0.00	0.00
3 31 2013	147.13	147.13	0.00	1,211,399.95	0.00	0.00	0.00
4 30 2013	137.26	137.26	0.00	1,211,537.21	0.00	0.00	0.00
5 31 2013	121.16	121.16	0.00	1,211,658.37	0.00	0.00	0.00
6 30 2013	114.70	114.70	0.00	1,211,773.07	0.00	0.00	0.00
7 31 2013	118.47	118.47	0.00	1,211,891.54	0.00	0.00	0.00
8 31 2013	118.64	118.64	0.00	1,212,010.18	0.00	0.00	0.00
9 26 2013	0.00	0.00	16,281.19	1,195,728.99	16,281.19	16,332.89	17,983.02
9 26 2013	0.00	0.00	23,866.56	1,171,862.43	23,866.56	23,942.35	26,361.27
9 30 2013	114.34	114.34	0.00	1,171,976.77	0.00	0.00	0.00
10 25 2013	0.00	0.00	18,445.21	1,153,531.56	18,445.21	18,501.51	20,295.08
10 31 2013	114.52	114.52	0.00	1,153,646.08	0.00	0.00	0.00
11 30 2013	109.20	109.20	0.00	1,153,755.28	0.00	0.00	0.00
12 31 2013	112.85	112.85	0.00	1,153,868.13	0.00	0.00	0.00
1 31 2014	112.88	112.88	0.00	1,153,981.01	0.00	0.00	0.00
2 24 2014	0.00	0.00	194,674.38	959,306.63	194,674.38	195,170.41	210,845.92
2 28 2014	99.51	99.51	0.00	959,406.14	0.00	0.00	0.00
3 31 2014	93.89	93.89	0.00	959,500.03	0.00	0.00	0.00
4 30 2014	90.90	90.90	0.00	959,590.93	0.00	0.00	0.00
5 31 2014	93.93	93.93	0.00	959,684.86	0.00	0.00	0.00
6 30 2014	90.90	90.90	0.00	959,775.76	0.00	0.00	0.00
7 31 2014	93.93	93.93	0.00	959,869.69	0.00	0.00	0.00
8 31 2014	93.93	93.93	0.00	959,963.62	0.00	0.00	0.00
9 30 2014	90.90	90.90	0.00	960,054.52	0.00	0.00	0.00
10 31 2014	93.93	93.93	0.00	960,148.45	0.00	0.00	0.00
11 10 2014	0.00	0.10	0.00	960,148.55	(0.10)	(0.10)	(0.10)
11 28 2014	0.00	0.00	147,428.00	812,720.55	147,428.00	147,632.55	153,979.37
11 28 2014	0.00	0.00	57,992.89	754,727.66	57,992.89	58,073.35	60,569.96
11 30 2014	86.10	86.10	0.00	754,813.76	0.00	0.00	0.00
12 10 2014	0.00	0.00	30,939.22	723,874.54	30,939.22	30,980.58	32,262.73
12 31 2014	72.13	72.13	0.00	723,946.67	0.00	0.00	0.00
1 30 2015	0.00	0.00	13,362.32	710,584.35	13,362.32	13,377.35	13,841.88
1 31 2015	70.71	70.71	0.00	710,655.06	0.00	0.00	0.00
2 28 2015	67.92	67.92	0.00	710,722.98	0.00	0.00	0.00
3 31 2015	81.53	81.53	0.00	710,804.51	0.00	0.00	0.00
4 30 2015	78.90	78.90	0.00	710,883.41	0.00	0.00	0.00
5 31 2015	0.00	0.00	19,805.87	691,077.54	19,805.87	19,818.01	20,190.24
5 31 2015	83.72	83.72	0.00	691,161.26	0.00	0.00	0.00
6 30 2015	86.68	86.68	0.00	691,247.94	0.00	0.00	0.00
7 31 2015	0.00	0.00	6,698.31	684,549.63	6,698.31	6,700.72	6,774.21
7 31 2015	96.12	96.12	0.00	684,645.75	0.00	0.00	0.00
8 31 2015	109.45	109.45	0.00	684,755.20	0.00	0.00	0.00
9 30 2015	0.00	0.00	11,440.59	673,314.61	11,440.59	11,441.85	11,480.09
9 30 2015	108.72	108.72	0.00	673,423.33	0.00	0.00	0.00
	10,162.28	2,698,551.71	2,025,128.38		(663,261.05)	(673,543.41)	(1,035,164.19)

EXHIBIT B

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
 SERIES 2010

REBATE CALCULATION AS OF  
 10 26 2015

FUND: CAPITAL PROJECT FUND

COMPOUNDING FREQUENCY: SEMIANNUAL

DATE	INVESTMENT TRANSACTIONS			(B) - (C) INVESTMENT BALANCE	REBATE CALCULATION		
	(A) EARNINGS	(B) INVESTMENTS	(C) REDEMPTIONS		(A)+(C) - (B) REBATE CASH FLOW	PRESENT VALUE 0.1522353960% YIELD	PRESENT VALUE 4.8294391575% REBATE
10 26 2015	120.08	0.00	673,423.33		673,543.41	673,543.41	673,543.41
	<u>10,282.36</u>	<u>2,698,551.71</u>	<u>2,698,551.71</u>		<u>10,282.36</u>	<u>(0.00)</u>	<u>(361,620.78)</u>

VALUE OF INVESTMENTS ON HAND AS OF  
 10 26 2015

DESCRIPTION	COST	ACCRUED INTEREST	VALUE
COLOTRUST	673,423.33	120.08	673,543.41
	<u>673,423.33</u>	<u>120.08</u>	<u>673,543.41</u>

EXHIBIT C

\$5,405,000 BACA GRANDE WATER AND SANITATION DISTRICT  
 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS  
 SERIES 2010

REBATE CALCULATION AS OF  
 10 26 2015

PRESENT VALUE OF COMPUTATION CREDITS

COMPOUNDING FREQUENCY: SEMIANNUAL

DATE	COMPUTATION CREDIT	4.8294391575% PV FACTOR	PRESENT VALUE
10 26 2011	(1,520.00)	1.2103167442	(1,839.68)
10 26 2012	(1,550.00)	1.1539162284	(1,788.57)
10 26 2013	(1,590.00)	1.1001439652	(1,749.23)
10 26 2014	(1,620.00)	1.0488774786	(1,699.18)
10 26 2015	(1,650.00)	1.0000000000	(1,650.00)
	-----		-----
	<u>(7,930.00)</u>		<u>(8,726.66)</u>

## Lease Agreement



Customer: DENVER, CITY & COUNTY OF

Bill To: BACA GRANDE WATER &  
PO BOX 520  
CRESTONE, CO 81131-0520

Install: BACA GRANDE WATER &  
SANITATION DISTRICT  
SHOP & OFFICE  
BACA GRANTWAY S  
CRESTONE, CO 81131

Tax ID#: ..

State or Local Government Negotiated Contract : 072505701

### Solution

Item	Product Description	Agreement Information	Trade Information	Requested Install Date
1. W7535-3T (WORKCENTRE 7535/3TRY)	<ul style="list-style-type: none"> <li>- Integrated Ofc Fin</li> <li>- Convenience Stapler</li> <li>- Customer Ed</li> <li>- Analyst Services</li> </ul>	Lease Term: 60 months Purchase Option: FMV	- Xerox WC5150P S/N VXX095205 Trade-In as of Payment 46	1/2/2017

### Monthly Pricing

Item	Lease Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. W7535-3T	\$145.10	1: BW	All Prints	\$0.0051	- Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Color	All Prints	\$0.0460	
<b>Total</b>	<b>\$145.10</b>	<b>Minimum Payments (Excluding Applicable Taxes)</b>			

### Authorized Signature

<p>Customer acknowledges receipt of the terms of this agreement which consists of 2 pages including this face page.</p>		<p>Thank You for your business! This Agreement is proudly presented by Xerox and</p>	
<p>Signer: .. <b>MICHAEL SCULLY</b></p>	<p>Phone: (719)256-4310</p>	<p><b>Heather Spahn</b> (719)651-0209</p>	
<p>Signature: <i>Michael Scully</i></p>	<p>Date: <u>12-29-16</u></p>	<p>For information on your Xerox Account, go to <a href="http://www.xerox.com/AccountManagement">www.xerox.com/AccountManagement</a></p>	



## Terms and Conditions

**INTRODUCTION:**

**1. NEGOTIATED CONTRACT.** The Products are subject solely to the terms in the Negotiated Contract identified on the face of this Agreement, and, for any option you have selected that is not addressed in the Negotiated Contract, the then-current standard Xerox terms for such option.

**GOVERNMENT TERMS:**

**2. REPRESENTATIONS & WARRANTIES.** This provision is applicable to governmental entities only. You represent and warrant, as of the date of this Agreement, that: (1) you are a State or a fully constituted political subdivision or agency of the State in which you are located and are authorized to enter into, and carry out, your obligations under this Agreement and any other documents required to be delivered in connection with this Agreement (collectively, the "Documents"); (2) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances and regulations (including all applicable laws governing open meetings, public bidding and appropriations required in connection with this Agreement and the acquisition of the Products) and are valid, legal, binding agreements, enforceable in accordance with their terms; (3) the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body and hold the offices indicated below their signatures, each of which are genuine; (4) the Products are essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and will be used during the Term only by you and only to perform such function; and (5) your payment obligations under this Agreement constitute a current expense and not a debt under applicable state law and no provision of this Agreement constitutes a pledge of your tax or general revenues, and any provision that is so construed by a court of competent jurisdiction is void from the inception of this Agreement.

**3. FUNDING.** This provision is applicable to governmental entities only. You represent and warrant that all payments due and to become due during your current fiscal year are within the fiscal budget of such year and are included within an unrestricted and unencumbered appropriation currently available for the Products, and it is your intent to use the Products for the entire term of this Agreement and to make all payments required under this Agreement. If (1) through no action initiated by you, your legislative body does not appropriate funds for the continuation of this Agreement for any fiscal year after the first fiscal year and has no funds to do so from other sources, and (2) you have made a reasonable but unsuccessful effort to find a creditworthy assignee acceptable to Xerox, in its sole discretion, within your general organization who can continue this Agreement, this Agreement may be terminated. To effect this termination, you must, at least 30 days prior to the beginning of the fiscal year for which your legislative body does not appropriate funds, notify Xerox in writing that your legislative body failed to appropriate funds and that you have made the required effort to find an assignee. Your notice must be accompanied by payment of all sums then owed through

the current fiscal year under this Agreement. You will return the Equipment, at your expense, to a location designated by Xerox and, when returned, the Equipment will be in good condition and free of all liens and encumbrances. You will then be released from any further payment obligations beyond those due for the current fiscal year (with Xerox retaining all sums paid to date).

**PRICING PLAN/OFFERING SELECTED:**

**4. FIXED PRICING.** If "Pricing Fixed for Term" is identified in Maintenance Plan Features, the maintenance component of the Minimum Payment and Print Charges will not increase during the initial Term of this Agreement.

**5. REFINANCE.** The "Amount Refinanced" is included in the amount financed under this Agreement. If the Amount Refinanced is under an agreement with a third party, you acknowledge you have the right to terminate the agreement and you will provide Xerox with a statement from the third party identifying the equipment at issue, the amount to be paid off and the payee's name and mailing address. If the Amount Refinanced is under an agreement with Xerox, the refinancing will render your prior agreement null and void. If you breach any of your obligations under this Agreement, the full Amount Refinanced will be immediately due and payable.

**GENERAL TERMS & CONDITIONS:**

**6. REMOTE SERVICES.** Certain models of Equipment are supported and serviced using data that is automatically collected by Xerox or transmitted to or from Xerox by the Equipment connected to your network ("Remote Data") via electronic transmission to a secure off-site location ("Remote Data Access"). Remote Data Access also enables Xerox to transmit Releases of Software to you and to remotely diagnose and modify Equipment to repair and correct malfunctions. Examples of Remote Data include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. Remote Data may be used by Xerox for billing, report generation, supplies replenishment, support services, recommending additional products and services, and product improvement/development purposes. Remote Data will be transmitted to and from you in a secure manner specified by Xerox. Remote Data Access will not allow Xerox to read, view or download the content of any of your documents or other information residing on or passing through the Equipment or your information management systems. You grant the right to Xerox, without charge, to conduct Remote Data Access for the purposes described above. Upon Xerox's request, you will provide contact information for Equipment such as name and address of your contact and IP and physical addresses/locations of Equipment. You will enable Remote Data Access via a method prescribed by Xerox, and you will provide reasonable assistance to allow Xerox to provide Remote Data Access. Unless Xerox deems Equipment incapable of Remote Data Access, you will ensure that Remote Data Access is maintained at all times Maintenance Services are being performed.





January 2017

## OPERATIONS MANAGER REPORT

To: Board of Directors, Baca Grande Water and Sanitation District  
From: Justin DeBon  
Date: December 1, 2016 – January 11, 2017

**Water Tank Re-Coating:** M&M Coatings visited the District and will send a quote shortly to coat both inside and outside of the South Crestone tank as well as install a new vent.

**Water Loss:** Currently there is a larger leak in the system, staff is actively searching for it but the leak has not surfaced yet. Will update at meeting if the leak has been found.

**Town of Crestone Sewage Impact:** The District received 190,484 gallons of wastewater from the town in the month of September, the daily average was 6,144 gallons per day. The Aspen WWTF influent daily average influent was 62,000 gallons per day. The town contributed 10% to the monthly flow total.

**Bulk Water Sales:** AquaFlow has been contacted and are in the process of putting together a package and price that would work with the Motel well and current piping set up. (Update: process is moving forward slowly)

**Fuel Theft:** In response to the theft a motion security light will be installed soon next to the fuel tanks as well as IR floodlights to increase the current camera's night vision. The electricity to the pumps is turned off until the pumps and fuel lines can be modified to prevent future theft.

**Sanitary Survey:** CDPHE visited the District on December 15<sup>th</sup> and conducted a sanitary survey of the Districts water system and wastewater treatment plant. On the water side, the Monitoring Plan was out of date which resulted in a low-level violation. The updated 2017 Plan is nearly complete. Additionally, it was found that Well 18 may be under the direct influence of surface water because the well case screen begins at 33', more testing and sampling will likely be required. The detailed report is attached below.

**Project Updates:** Storage tank inspection and cleaning is 50% complete, the screening and sorting of the Aspen spoils pile is 100% complete, the fire hydrant inspection and testing is 100% complete, the weed control project is 100% complete, the collection system cleaning is 100% complete. With the major projects complete, staff will now focus on training and education to enable them to be more knowable and productive in 2017.

**2016 Projects:** The following is a list of projects that will be worked on in 2016.

1. Storage tank inspection/cleaning 50%
2. MHE Lagoon reclamation- has started as backhoe training.
3. ~~Screening/Sorting of Aspen spoils area~~
4. ~~Fire hydrant Maintenance Project~~
5. ~~Collection System Video Inspection and Cleaning Project~~
6. Manhole Infiltration Prevention Project-not started (weather permitting)
7. ~~Stables Lift Station Upgrade Project~~
8. ~~Facility Weed Control Project~~
9. Leak Detection-On going
10. ~~Repair drainage and road to Fallen Tree Storage Tank~~
11. ~~Install gate on Fallen Tree Storage Tank access road~~
12. ~~Install water drainage pipe at Well 18~~

**2015 Projects Completed:** The following is list of projects that were completed in 2015.

1. ~~Completion of Facility Maintenance GIS Layer Project~~
2. ~~Completion of Water Meter Upgrade Project~~
3. ~~Fire Hydrant Maintenance Project~~
4. ~~Collection System Cleaning Project~~
5. ~~Manhole Infiltration Prevention Project on Cotton Wood Creek~~
6. ~~Capital Improvement Projects~~
7. ~~Water Meter MXUM upgrade project and DOLA grant reporting~~
8. ~~Yeshi Korlo service line reduction project~~
9. ~~GIS Facilities Maintenance Project~~
10. ~~Virture Way Manhole Repair~~



**COLORADO**  
**Department of Public Health & Environment**

Dedicated to protecting and improving the health and environment of the people of Colorado

January 11, 2017

JoAnn Slivka  
 Baca Grande Water and Sanitation District  
 PO Box 520  
 Crestone, CO 81131

Subject: Sanitary Survey of Baca Grande Water and Sanitation District  
 Public Water System Identification No. CO0155200  
 Saguache County

Dear Ms. Slivka:

A sanitary survey was performed on December 15, 2016 by the Field Services Section of the Colorado Department of Public Health & Environment's Water Quality Control Division (the Department) at Baca Grande Water and Sanitation District (the Supplier) in accordance with *the Colorado Primary Drinking Water Regulations, 5 CCR 1002-11* (Regulation 11), Sections 11.38(1)(b) and 11.38(2). This letter serves to provide the Supplier with written notification of the sanitary survey findings, including any identified significant deficiencies and violations of Regulation 11 and *the Water And Wastewater Facility Operators Certification Requirements, CCR 1003-2* (Regulation 100). The assistance that was provided during the sanitary survey was very helpful and is greatly appreciated. Table 1 identifies the parties present during the sanitary survey.

**Table 1: Parties Present**

Name	Organization
Justin DeBon and Chad Tate	Baca Grande Water and Sanitation District
Cameron Wilkins	Colorado Department of Public Health & Environment

In response to this letter, the Supplier must provide a written response, documenting resolution of all significant deficiencies and violations, and/or propose a corrective action plan with a corrective action schedule, as required by Regulation 11, Section 11.38(3)(d,f). Also, for findings that are violations of Regulation 11, the Supplier must comply with the public notification requirements described in Section VI, below. The Supplier's written response is due within forty-five (45) days. If a corrective action plan is proposed, it must outline the course of action that has or will be taken and the date by which the Supplier proposes to correct each significant deficiency and violation of Regulation 11 and Regulation 100. Table 2 summarizes the number of findings and the required written response and resolution dates.

**Table 2: Sanitary Survey Findings**

Severity Category	Number Identified	Written Response Due (within 45 days of letter date)	Resolution Due (within 120 days of letter, or Department-approved alternate date)	Public Notice Required (Violations of Regulations 11 or 100)
Significant Deficiencies	0	Not applicable	Not applicable	Not applicable
Significant Deficiencies - also Regulation 11 violation	0	Not applicable	Not applicable	Not applicable
Other Violations	1	February 25, 2017	May 11, 2017	Required
Observations - Recommendations	3	No response required	Not applicable	Not applicable



Failure to adequately address all significant deficiencies and violations referenced above may result in additional violations of Regulation 11 and/or Regulation 100. A list of the findings for each category in Table 2 can be found in the following sections:

### Section I: Significant Deficiencies

According to Regulation 11, Section 11.3(71), a significant deficiency means:

*any situation, practice, or condition in a public water system with respect to design, operation, maintenance, or administration, that the state determines may result in or have the potential to result in production of finished drinking water that poses an unacceptable risk to health and welfare of the public served by the water system.*

The items in this category are significant deficiencies.

No Significant Deficiencies were identified.

### Section II: Significant Deficiencies that are Violations of Regulation 11

The items in this category are significant deficiencies that are also violations of Regulation 11.

No Significant Deficiencies that are also Regulation 11 violations were identified.

### Section III: Other Violations

Other violations of Regulation 11 or Regulation 100 that do not meet the definition of a significant deficiency are listed below. Please direct questions regarding resolution of the following items to Tim Jones at 303-692-2085 or [timothy.jones@state.co.us](mailto:timothy.jones@state.co.us).

#### **1. R510 - Monitoring, Recordkeeping and Data Verification:**

*General Monitoring Plan (T3):* Supplier lacked a monitoring plan, the plan did not include the required content, the plan had not been updated for facility changes or the plan had not been submitted. This is a violation of Regulation 11, Section 11.5.

According to Section 11.5 of Regulation 11, all suppliers of water shall develop and implement a monitoring plan. At the time of the sanitary survey, the Department inspector observed that the Supplier did not have a complete monitoring plan. The Supplier must develop a monitoring plan that includes all the requirements of Section 11.5. In order to aid in the development of the plan, the Department recommends that the Supplier use the Department's monitoring plan template, which can be accessed from <http://wqcdcompliance.com>. If the Supplier would like help developing the plan, please request coaching assistance via the Department's Local Assistance Unit website at <https://www.colorado.gov/pacific/cdphe/drinking-water-training-opportunities>, which has an online coaching request link. After developing the monitoring plan, the Supplier is required to submit a copy to the Department via the Department's online portal, which can be accessed at <https://wqcdcompliance.com/login>. The Supplier is required to create a portal account, if not done previously. The portal can be used for uploading non-emergency information for suppliers of water in addition to monitoring plans. For portal support, please contact Kaleb Winisko at [kaleb.winisko@state.co.us](mailto:kaleb.winisko@state.co.us) or 303-691-7803 or Whitney Walker at [whitney.walker@state.co.us](mailto:whitney.walker@state.co.us) or 303-691-7809. Once submitted to the Department, the plan will be reviewed by the Department's Drinking Water Compliance Assurance Section. This violation of Regulation 11 requires Tier 3 public notice in accordance with Regulation 11, Section 11.33 (Public Notification Rule) as directed in the public notice instructions section below.

Additionally, the Supplier indicated that it was currently not using the Motel Well No 1 (SDWIS ID: 017), the Chlorinator for Motel Well No 1 (SDWIS ID: 018) and Motel Well Tank (SDWIS ID: 019). The Supplier connected the two distribution systems and indicated that the Motel Well system would only be used on an emergency basis. If the Supplier does not intend to utilize the system on an annual or seasonal basis, but only on an emergency basis, the Department recommends that the Supplier revise its inventory section of the monitoring plan to reflect the emergency status of the Motel Well system.

#### **Section IV: Observations/Recommendations**

The Department recommends the Supplier follow up and consider the following observations-recommendations. Please direct questions regarding any of the items below to the Department inspector.

##### **1. D250 - Distribution: Distribution System (SDWIS ID: DS001)**

*High Leakage Rates:* Supplier usage data indicated that leakage rates may pose a risk of back-siphonage.

At the time of the sanitary survey, the Department inspector and the Supplier discussed distribution system leakage rates. According to the Supplier, the overall loss of water in the distribution system is estimated to be approximately 50 percent based on a comparison of the amount of water produced versus the amount used. According to the U.S. Environmental Protection Agency, a high quantity of unaccounted for water, above 15 percent, is an indication of either inaccurate meters or excessive leakage. The Department recommends that the Supplier check the calibration of or replace meters to verify system losses are accurate and consider implementing a program to replace the distribution system piping systematically over time to reduce water loss and provide improved protection of public health. Back-siphonage events in conjunction with excessive water losses from leaking distribution pipes may mobilize and introduce pathogenic bacteria or other contaminants into the distribution system from sources of contamination in the soil around the piping. The Department encourages the Supplier to continue its work on reducing distribution system losses through meter replacement, leak detection and line repair/replacement.

##### **2. S012 - Source: Well No 18 (SDWIS ID: 008)**

*Groundwater Source Potential GWUDI:* Supplier's source may be under the direct influence of surface water as defined by Regulation 11, Section 11.3(36). The Department will be evaluating the source for determination of groundwater under the direct influence (GWUDI) of surface water and the need to comply with Regulation 11, Section 11.8.

During the sanitary survey, the Department inspector indicated that the Supplier's Well No 18 may be under the direct influence of surface water based on a screened interval of the casing being from 33 to 133 feet below ground surface and a close proximity to surface water (approximately 310 feet). The Supplier was unaware if a microscopic particulate analysis was ever conducted on the well. The Supplier provided a well permit number of 057623-F for the well. Additional testing may be required in the future to determine the appropriate source classification. The Department may issue additional information regarding the source classification status of the source under a separate letter to the Supplier. If you have already been coordinating with the Department regarding this issue and have questions, please contact the Department's Groundwater Evaluation Specialist, Bryan Pickle, at 303-692-3527 or [bryan.pickle@state.co.us](mailto:bryan.pickle@state.co.us).

##### **3. R997 - Monitoring, Recordkeeping and Data Verification:**

*Other Monitoring, Recordkeeping and Data Observations:* Department inspector identified monitoring, recordkeeping and data observation.

During the sanitary survey, the Supplier indicated that they intend to reline the inside of some of their tanks in the next couple of years. Please note that per Section 11.4(1) of Regulation 11, no person shall make improvements to or modify the treatment process of an existing waterworks until plans and specifications for such construction, improvements or modifications have been submitted to and approved by the Department. In addition, a Professional Engineer registered in the State of Colorado shall design all treatment systems serving a community water system. Additionally, Policy 5, Colorado Design Criteria for Potable Water Systems, Appendix A indicates the need for a design review for relining of tanks. Questions regarding design submittal requirements can be directed to Amy Zimmerman at [amy.zimmerman@state.co.us](mailto:amy.zimmerman@state.co.us) or 303-692-3545.

#### **Section V: Field Verification/Sampling**

While performing the sanitary survey, the inspector verified operator certification requirements and performed water quality sampling for free chlorine residual. Table 3 indicates the operator certification verification for Baca Grande Water and Sanitation District. Table 4 indicates the results of the water quality sampling performed on-site.

**Table 3: Operator Certification Verification**

Category	Required Certification Level	Name of Operator in Responsible Charge	Certification Level Held and No.	Certification Expiration Date
Treatment	D	Justin De Bon	C - #22867	November 18, 2019
Distribution	1	Justin De Bon	1 - #21689	January 4, 2019

**Table 4: Sampling Results**

Parameter	Sample Location	Value	Units	Notes
Disinfectant Residual	Entry Point Sample Tap	0.39	mg/L	
Disinfectant Residual	57 Baca Grant Way	0.42	mg/L	

**Section VI: Public Notification Instructions for Violations**

The public notice requirements are dependent upon the severity of the violation and any potential public health effects, pursuant to Regulation 11, Sections 11.33(1)(a,b), 11.33(2)(a), 11.33(3)(a) and 11.33(4)(a). All issued notifications must comply with the general content and distribution requirements and notice reporting requirements that are included in Regulation 11, Sections 11.33(5) and (6) and 11.33(7). Please be advised of the following:

1. For all violations that require Tier 3 public notice, the Supplier must distribute the public notice as soon as possible but no later than **January 11, 2018** to all of the Supplier’s consumers.
2. The public notice and certification template is provided at <http://wqcdcompliance.com/forms> under Public Notification.
3. No later than 10 calendar days after completing the initial and repeat public notice (if applicable), the Supplier must submit a certification that states the Supplier has fully complied with the public notice requirements. The Supplier must include a representative copy of each distributed notice to the Department.
4. The Supplier’s public notice and the certification form must be submitted to the Department electronically through the drinking water portal at <http://wqcdcompliance.com/login>, by mail or by fax at 303-758-1398 (attention to Tim Jones).

Please direct questions regarding the public notice requirements directly to Tim Jones at 303-692-2085 or [timothy.jones@state.co.us](mailto:timothy.jones@state.co.us).

**Reminders**

- Regulation 11, Section 11.4(1)(b) (Prior Approval Required) requires the Department’s approval prior to commencement of construction of any improvements, treatment process modifications or the addition of new water sources.
- Most regulations, guidance documents and forms are available on the Department’s website at <http://wqcdcompliance.com>.

Attached is a form that the Supplier may use to document the required written response to this letter. While using this form is optional, it will fulfill the requirement to provide a written response if completed and submitted to the Department by the written response due date listed above.

Enclosed with this letter you will find a postage-paid Customer Satisfaction Survey Postcard. Please take a few moments to complete the survey and return it to the Department. Your efforts to provide feedback to improve the sanitary survey process are appreciated.

If you have any questions, please contact me at 719-539-2232 or [cameron.wilkins@state.co.us](mailto:cameron.wilkins@state.co.us). Thank you for your time and cooperation.

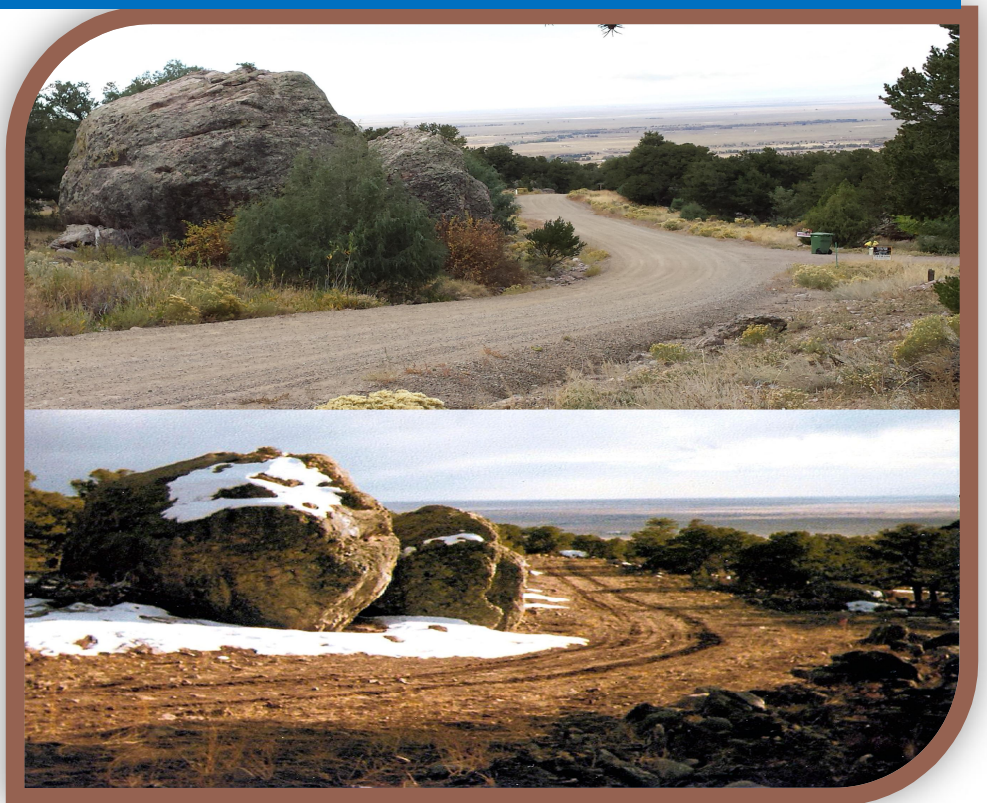
Sincerely,

Cameron Wilkins, P.E.  
Senior Field Engineer  
Field Services Section  
Water Quality Control Division  
Colorado Department of Public Health & Environment

cc: Saguache County Public Health  
Drinking Water File, PWSID No. CO0155200; Aquifer Case No. FS.17.INSP.03599  
Justin De Bon, ORC  
Tim Jones, CDPHE-WQCD-Compliance Assurance Section  
Bryan Pickle, Sr. Groundwater Evaluation Specialist, CDPHE-WQCD-Compliance Assurance Section



# Report On District Operations



Brookview Way, 1976 & 2016

Operations Report  
Baca Grande Water and Sanitation District  
January 20, 2017

Report from: December 1, 2016 – January 11, 2017



## Contents

District Operations.....1

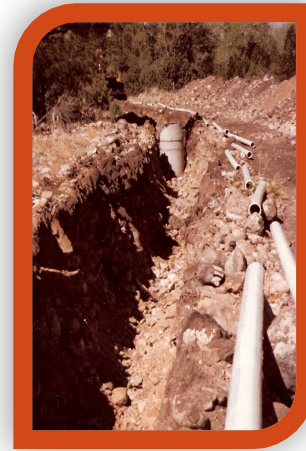
Water Usage, Compliance & Testing - Chalets.....2

Wastewater Compliance & Testing.....3

Infrastructure.....4

Operators.....5

Customer Home Tips.....6



Antelope Way 1978

### District Operations

SSO-Sanitary Sewer Overflow	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Fire Hydrant Maintenance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	100% inspected/maintained in 2016
Water Main Repairs	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Collection System Cleaning	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Complete for 2016
GPS/GIS	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Water/Sewer Hookups	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Total for 2016: 10
Accidents	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	

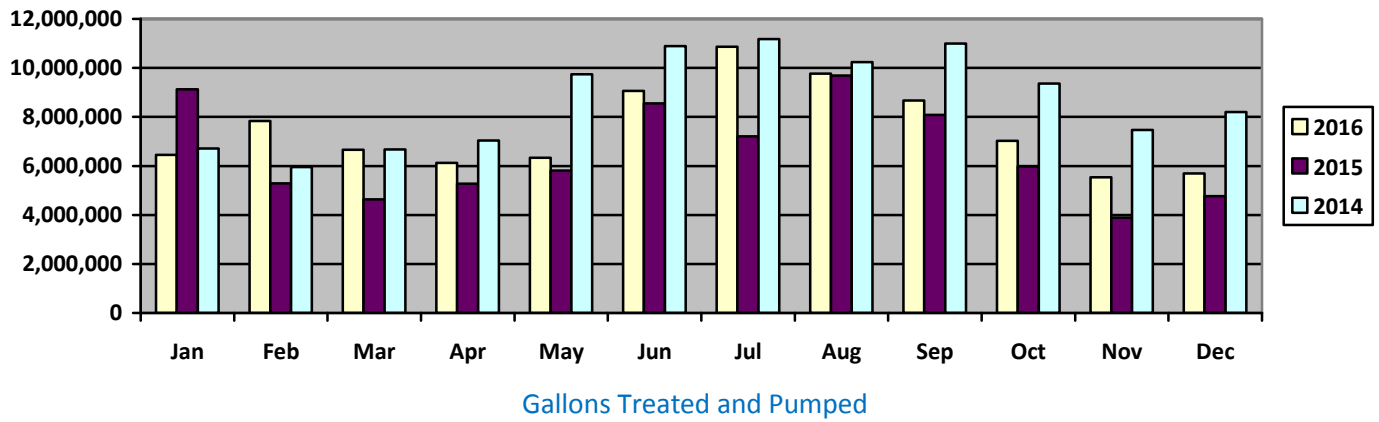
### Total Water Treated

Total Gallons Treated For Month	Finished Water Chalets & Casita Park	Finished Water Metered Chalets & Casita Park	Wastewater Treated	Estimated Unaccounted Water
January 2016	6,457,000	2,452,000	1,901,000	Water Leak Found 4,005,000
February 2016	7,841,000	1,764,000	1,554,000	Water Leak found 6,077,000
March 2016	6,654,000	1,579,000	1,904,000	Water Leak Found 5,075,000
April 2016	6,124,000	3,133,000	1,608,000	Water leak found 2,991,000
May 2016	6,338,000	3,245,000	1,846,000	3,093,000
June 2016	9,065,000	4,740,000	3,054,000	4,325,000
July 2016	10,865,000	7,819,000	2,481,000	7 Leaks Repaired 2,996,000
August 2016	9,765,000	6,265,000	2,039,000	Hydrant Testing 3,473,000
September 2016	8,664,000	5,245,000	2,033,000	3,419,000
October 2016	7,023,000	3,383,000	1,761,000	Water main repairs 3,640,000
November 2016	5,531,000	2,354,000	1,737,000	3,177,000
December 2016	5,687,000	1,585,000	1,986,000	4,102,000
<b>Total Treated 2016</b>	<b>91,014,000</b>	<b>43,564,000</b>	<b>23,904,000</b>	<b>42,271,000</b>

### Golf Course Well

April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016
Well 18 used	5,539,474	6,191,177	6,191,177	3,910,217	6,517,028	1,955,108

Baca Grande Chalet & Casita Park

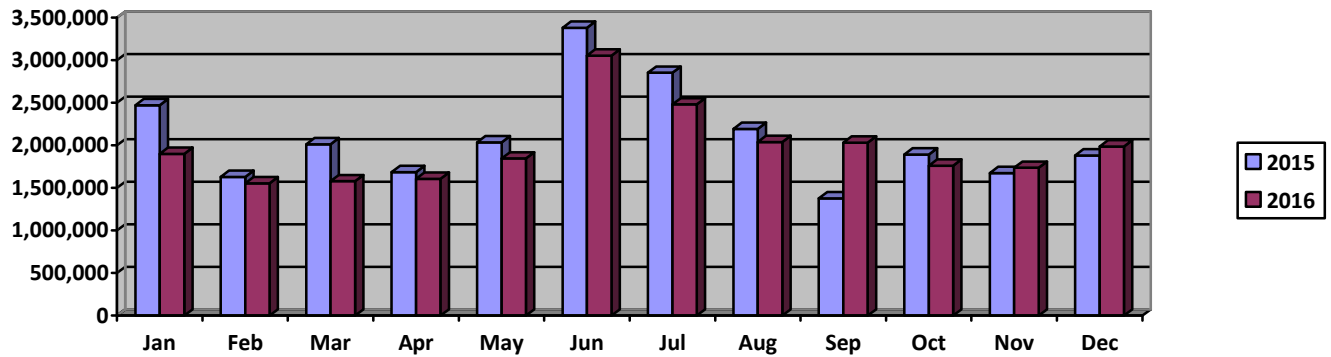


January	February	March	April	May	June
6,457,000	7,841,000	6,654,000	6,124,000	6,338,000	9,065,000

July	August	September	October	November	December
10,865,000	9,765,000	8,664,000	7,023,000	5,531,000	5,687,000

Month	Chlorine Residual	Total Coliform E. Coli Result	Compliant	Well Water Level
January	0.34	Absent	Yes	35'
February	0.32	Absent	Yes	34'
March	0.32	Absent	Yes	34'
April	0.34	Absent	Yes	36'
May	0.37	Absent	Yes	37'
June	0.28	Absent	Yes	36'
July	0.26	Absent	Yes	36'
August	0.25	Absent	Yes	35'
September	0.36	Absent	Yes	37'
October	0.34	Absent	Yes	36'
November	0.34	Absent	Yes	35'
December	0.28	Absent	Yes	34'

## Aspen Wastewater Treatment Facility



## Wastewater Treated in Gallons

January	February	March	April	May	June
1,901,000	1,554,000	1,579,000	1,608,000	1,846,000	3,054,000

July	August	September	October	November	December
2,481,000	2,039,000	2,033,000	1,761,000	1,737,000	

Month	Total Ammonia Result	E. Coli Result	Effluent BOD5 Result	Total BOD5 Removal Result	Compliant for Month
January	2.6 mg/L	2/100	9.2 mg/L	93%	Yes
February	0.8 mg/L	2/100	5.8 mg/L	96%	Yes
March	2.1 mg/L	2/100	3.6 mg/L	98%	Yes
April	1.3 mg/L	2/100	2.3 mg/L	98%	Yes
May	2.1 mg/L	2/100	13 mg/L	96%	Yes
June	0.9 mg/L	14/100	1.8 mg/L	97%	Yes
July	0.6 mg/L	7/100	11 mg/L	97%	Yes
August	0.8 mg/L	4/100	13.8 mg/L	95%	Yes
September	0.2 mg/L	2/100	4.9 mg/L	98%	Yes
October	0.3 mg/L	2/100	3.6 mg/L	97%	Yes
November	0.2 mg/L	2/100	2.4 mg/L	98%	Yes
December	0.2 mg/L	6/100	2.9 mg/L	98%	Yes

Bio Solids	Quantity
Stored Bio Solids – Aspen Storage Lagoon	175,000 Gallons
Bio Solids pumped and applied to land application site 2016	0
Bio Solids pumped into Aspen Storage Lagoon 2016.	120,000

## Infrastructure Fixed Assets

Transfer Stations	Booster Stations
Fallen Tree – Operational	Pine Cone Booster – Operational
Ridgeview Transfer Station – Operational	Shumei Booster Station – Operational
Moonlight Transfer Station – Operational	Motel Well Booster Station – Offline

Drinking Water Distribution System	Wastewater Collection System
Water Mains = 64 Miles	Sewer Mains = 45 Miles
Gate Valves = 528 Units	Manholes = 798
Service Accounts = 705	
Curb Stops = 705	Lift Stations = 5
Fire Hydrants = 278	MHE LS – Operational
Well 17/18 Water Treatment Plant- Facility Fully Operational.	Stables LS – Fully Operational
<del>MHE Motel Well Water Treatment Facility- Offline-Emergency Only</del>	Wagon Wheel LS – Operational
Water Transfer Stations = 3	Dharma Ocean LS – Operational
Booster Stations = 3	Aspen LS – Operational
	Aspen WWTF – Facility Fully Operational. Operating at 39% Capacity

# Operations Team



**Justin DeBon, CWP**  
 Operations Manager  
 ORC  
 Class C Water Operator  
 Class C Wastewater Operator  
 Class 1 Distributions Operator  
 Class 1 Collections Operator  
 Nationally Certified Heavy Equipment Operator

**Chad Tate, CWP**  
 Water Treatment  
 Operator  
 Class S Water Operator  
 Class S Wastewater Operator  
 Class C Water Operator  
 Class 2 Distributions Operator

**Tim Allen, CWP**  
 Distributions & Collections  
 Operator  
 Class S Water Operator  
 Class S Wastewater Operator

**Rebecca Potter, CWP**  
 Laboratory & Analysis  
 Operator  
 Class D Wastewater Operator

**Jim Vanderpool, CWP**  
 Operations & Maintenance  
 Operator  
 Class S Water Operator



JANUARY 20, 2017

To: Baca Grande Water and Sanitation District Board of Directors  
From: JoAnn Slivka, Administrative Services Manager

## Town of Crestone ("ToC") IGA

Staff from the Town of Crestone and the District met December 29, 2016 to discuss the IGA and expectations. Meeting attendees included, Director Scully, Justin DeBon, Chad Tate and me along with Ann Bunting and Charles Sommers from the Town.

Our discussion included:

- A review of the historical information and the need to update the 2010 contract.
- The recent high flows from the monthly sewer meter reports.
- Consideration for a separate contract to cover the maintenance of the sewer lines should the Town and the District agree to this type of arrangement.
  - the metering equipment should be replaced at the District's expense per the current contract
  - ToC should be responsible for installing the debris screen and cleaning of the sewer line.
- Grease trap inspections
- New projects or building applications the ToC receives and the impact on the system. It was agreed that the ToC will include a notice to the District for evaluation before approval of new sewer hookups.
- Future Capital costs of system expansion

## Viaero Wireless

January 2017: Marcus Lock and I continue to receive inquiries for a status update from Mr. Jacobson, Viaero Wireless; he is waiting for a response from the Board regarding his proposal.

- September 2016: Mr. Henry Jacobson, Engineering/Site Acquisition Specialist for Viaero Wireless, submitted a brief proposal for a simple 40' utility pole cell tower. Viaero Wireless has received many requests to extend their cellular network to better serve the Baca/Crestone area. (enclosure)
- October 21, 2016: After a lot of analysis, they decide a higher structure is needed than what they originally thought at first.
  - An updated proposal is submitted for the Board's consideration at the October meeting; (enclosure)
  - Mr. Jacobson attends the October 21<sup>st</sup> meeting.
- November 2016: Mr. Jacobson responds to the Board's questions and concerns
- December 2016: Board Directors are still researching the matter.

## Atalanta Inclusion

January 12, 2016: Director Lynn Drake and I met with Joanna Doksen, representative for the Atalanta Group regarding their Petition for Inclusion to the District. We reviewed the inclusion process and regulations.

- Joanna requests the Board consider installments in increments of ~\$2000.00 in lieu of a \$10,000 non-deposit; Atalanta is a small group.
- A clear description and "roadmap" outlined for what step in the process is covered by each payment installment.

**Board Binders:** Additional materials provided per requests from Directors last month.

1. Explanation of various funds used.
2. Engineers' Joint Recommendations on Water Demand, Growth and Related Issues.

## December Billing:

Auto Pay Customers: Admin staff received numerous phone calls from customers using Xpress Bill Pay with auto payments scheduled for December 31. Due to a timing issue with the final billing payments were not reflected in their January statement.

Newsletter: The January newsletter (enclosed) was included in the billing statement for customers who receive paper statements. Admin staff is working with Xpress Bill Pay to send an email to paperless customers with an attachment for the newsletter.

Availability of Services Billing: Admin staff is preparing for the first 2017 AOS billing.

1099 and end of Year reporting: Admin staff is reviewing 2016 paid invoices and Vendors to prepare for the 1099 filing.

### Transition Update

Small Communities Grant Reimbursement: TZA has been working with SDMS staff to resolve an issue of incorrect reimbursement requests and submittals sent to the Division prior to the end of 2016. I am currently working with David Wiggins (TZA) to review submittals and invoices from SDMS.

#### Accountant/Financials:

Special District Solutions, LLC (“SDS”): Cathy Fromm and Kurt Schlegel from SDS are planning to attend the January Board meeting. They have been working with SDMSi on the District’s financials.

- Caselle user and remote log in is in process.
- Lisa Johnson will post and submit the 2017 Budget to DOLA

#### Administration:

- The 2017 Transparency Notice has been submitted to DOLA and appropriately posted.
- Official 2017 Posting Locations and Annual Administrative Resolution are enclosed in the January packet for approval.
- Board of Director Contacts and Salmi Oath of Office has been filed as appropriate.
- SDMS has approximately 27 boxes of District files ready for pickup; Operations staff is organizing this event.

### CSDLP Property and Liability Insurance

I met with Brett Plant our broker and reviewed the following documents pertaining to the 2017 Property & Liability renewal for Baca Grande Water and Sanitation District:

1. Declaration Pages, Schedules, and Invoice
2. Deductible Options
3. Renewal Memo
4. Contribution payment instructions
5. Sanitation Maintenance Warranty

The following coverage expansions have been made at no additional charge:

- The primary Public Entity Liability limit was increased to \$2,000,000. All existing Excess Liability limits increased by \$1,000,000 with the exception of those members already carrying a \$9,000,000 limit.
- The Injunctive Relief Defense Reimbursement and Non-Monetary Relief Defense Reimbursement limits were increased to \$50,000 per member per coverage period. The increased limits include an all member annual aggregate, which increased from \$300,000 to \$500,000.
- Crime coverage, where purchased, now includes coverage for the voluntary parting of district funds through Social Engineering or Fraudulent Impersonation up to the limit of your policy or \$250,000 whichever is lower.
- Equipment Breakdown coverage now includes Microelectronics Coverage, Cloud Computing Service Interruption, Service Interruption Data Restoration, Off-Premises Business Income, Extra Expense, Data Restoration Coverage, and Public Relations Coverage.

The Pool offers a 33% credit to a district’s Sanitation Liability contributions for participating in the Sanitation Maintenance Warranty Program, which requires that the district agree to follow their own Best Practices going forward. If the district would like to participate in the Sanitation Maintenance Warranty Program, a copy of the agreement is enclosed for the Board’s considerations. CSDLP will then reissue the renewal invoice, declaration pages, and schedules with the adjusted contribution reflecting the 33% credit to the Sanitation Liability contribution.

The District could also qualify for additional credits by enrolling in the Pool’s training credit programs. Pool members can earn two 5% credits on their following year’s Liability coverage contribution by participating in the Affirmative Defense Training Credit and Supervisor Training Credit programs. These credits are earned when district employees and supervisors take and pass at least one of the eligible courses from these programs. These online courses are always free for Pool members.

**BILLING STATS**

2016 December Utility Billing Activity

Billing Summary

- Late Fees, 53 = \$795.00
- Number of Usage Customers Billed= 710
- Transfer Fees, 18 (3 home and 15 lots) = \$4500.00

 Xpress Bill Pay Stats

- 143 – EFT Web Transactions
- 164 – Credit/Debit Card Web Transactions
- 32 – Online Banking – Bank Bill Pay Transactions
- 219 – Lock Box Service Transactions

 Consolidations

- 0 - New applications received

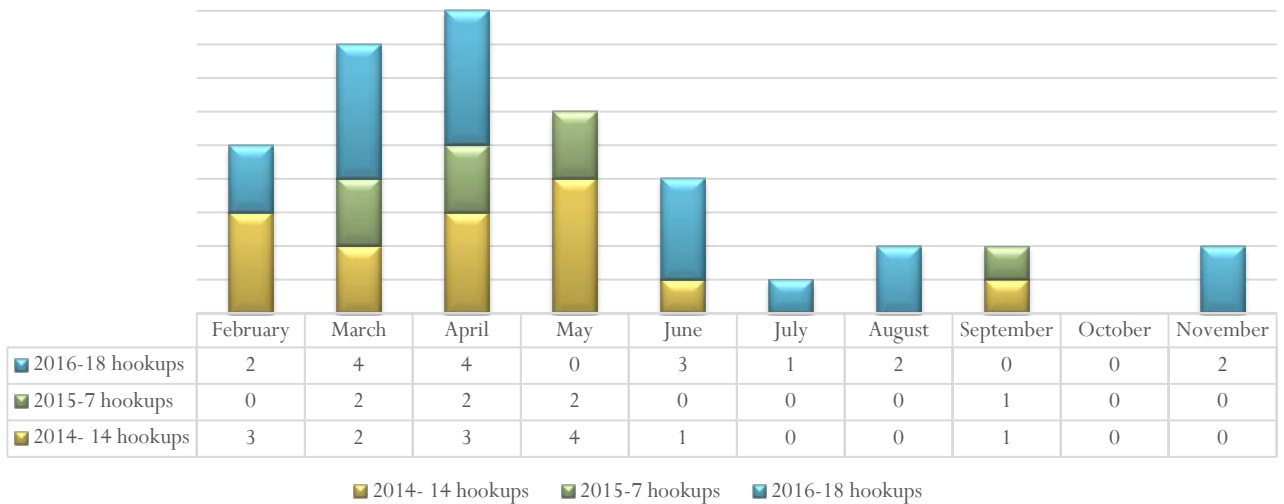
 Water-Sewer Hookup Applications

- 0 - New applications received

Town of Crestone Sewer

2016	Total Monthly Flow (gallons)	Amount Billed
December	161,432.01	\$849.13
January	159,789.88	\$840.49
February	142,897.00	\$751.64
March	179,745.33	\$945.46
April	173,281.48	\$911.46
May	169,798.69	\$893.14
June	131,061.94	\$689.39
July	111066.89	\$584.21
August	123559.68	\$649.92
September	162194.34	\$853.14
October	234922.11	\$1,235.69
November	211,817.68	\$1,114.16
December	190,484.03	\$1001.95
<b>Totals</b>	<b>2,152,051.04</b>	<b>\$11,319.79</b>

Water-Sewer Hookup Applications Received  
2014-2016



**2016 PROPERTY SALES ACTIVITY**

CHALET I VACANT LAND SALES 2016	
TOTAL LOTS SOLD	76
AVERAGE PRICE PER LOT	\$7,662.00
DISTRICT TRANSFER FEE INCOME	\$19,000.00
DISTRICT MILL LEVY INCOME	\$7,743.82

CHALET II VACANT LAND SALES 2016	
TOTAL LOTS SOLD	41
AVERAGE PRICE PER LOT	\$9,164.00
DISTRICT TRANSFER FEE INCOME	\$10,250.00
DISTRICT MILL LEVY INCOME	\$5,332.45



**MISC. SALES 2016**

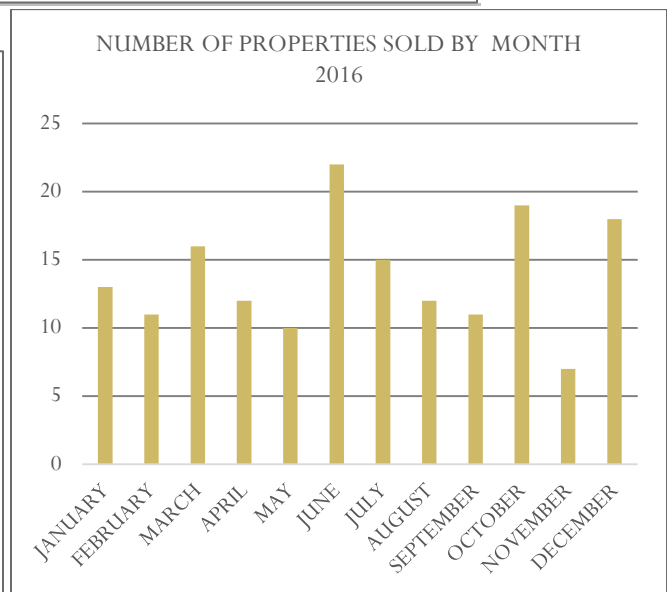
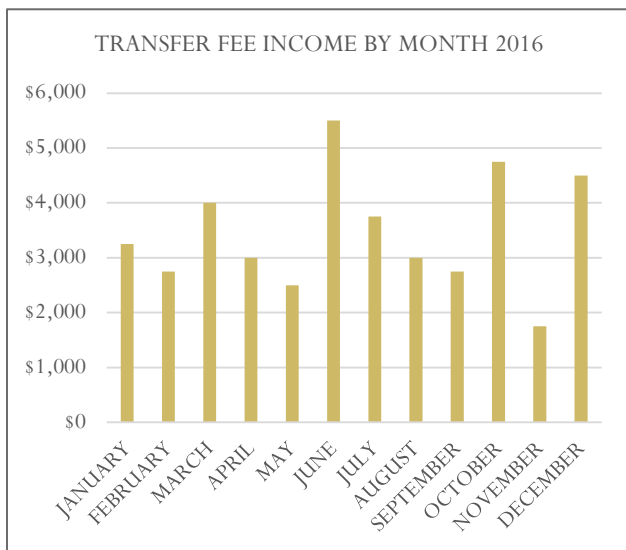
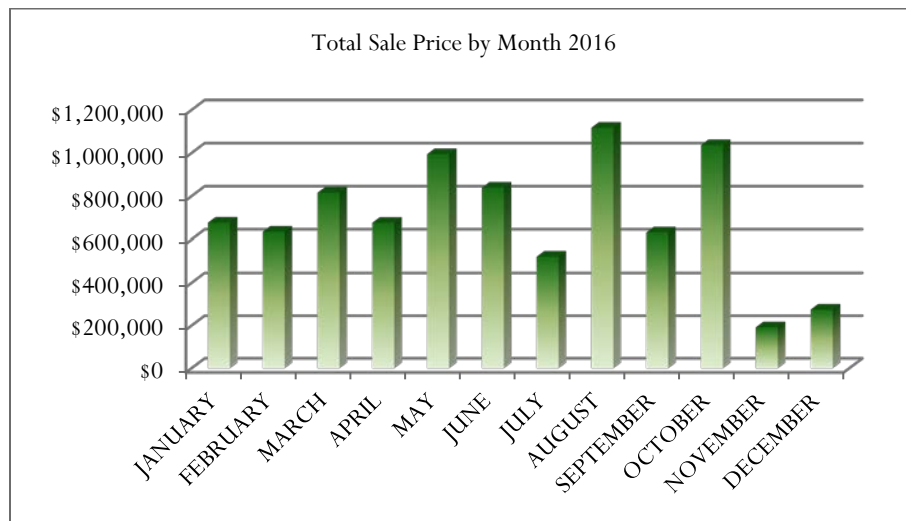
CAMINO BACA GRANDE LOT	\$380,000.00
------------------------	--------------

CASITA PARK HOME SALES 2016	
TOTAL HOMES SOLD	8
AVERAGE PRICE PER HOME	\$28,172.00
DISTRICT TRANSFER FEE INCOME	\$2,000.00
DISTRICT MILL LEVY INCOME	\$1,093.28

CHALET I, II, III HOME SALES 2016	
TOTAL HOMES SOLD	40
AVERAGE PRICE PER HOME	\$171,143.00
DISTRICT TRANSFER FEE INCOME	\$10,000.00
DISTRICT MILL LEVY INCOME	\$25,951.32

**2016 SALES SUMMARY**

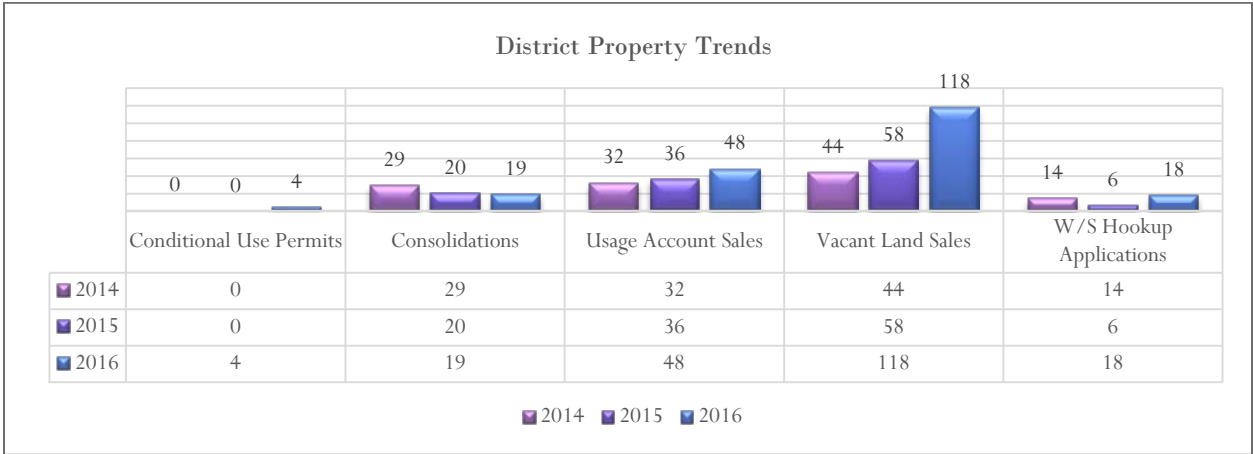
TOTAL VACANT LAND SALES	118
TOTAL HOME SALES	48
TOTAL TRANSFER FEE INCOME	\$41,500.00
MILL LEVY INCOME	\$40,172.71



### Property Sales 2014-2016



### District Property Trends



## JANUARY 2017 NEWSLETTER

Happy New Year from the Board of Directors and staff at the Baca Grande Water and Sanitation District.

2016 has been exciting.

It was always the plan of the District to reduce the role of our outside consultants that have assisted the District over the last 8 years as our staff gained the necessary skills to manage the operation independent of daily oversight. This August when the Board discussed alternatives to reduce the District's dependence on outside lawyers, accountants and management, these outside consultants became aware of these discussions and resigned.

These events were the catalyst for the District to implement many needed changes that have reduced costs through the reduction of professional services, duplication of effort and significantly streamlined operations.

The Board is happy to announce that over the last few months we have engaged Law of the Rockies as legal counsel, Special District Services as our new accountants, and we have brought day to day District operations in house. Marcus Lock, a partner at Law of the Rockies had been the District's Water Counsel for years and is completely familiar with our issues and challenges, so the transition was seamless.

While we still have challenges, the best news is that the District has an incredibly talented and dedicated staff which continues to work daily to keep clean water flowing to all the houses in our beautiful community.

We will put out a newsletter from time to time to keep you updated on what is happening at Baca Water. We all live here, work here, and have the same goal: Good Clean Affordable Water.  
Water is Life!

Thank you,

The Board of Directors and Staff at Baca Grande Water and Sanitation District.



## BACA GRANDE WATER AND SANITATION DISTRICT FINANCIAL FUNDS

### Introduction

The District budget is prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the fiscal year based on available revenues. This budget provides for the general operation of the District, and a business like enterprise for the distribution of treated water and the collection and treatment of waste water.

The District was established in 1972 to meet requirements of the District and in accordance with a service plan report dated March 1972. The District provides potable water service and sanitary sewer service to customers within and outside its boundaries consisting of primarily residential and agricultural properties. Water and sewer facilities of the District are being developed in phases as necessary in accordance with the service plan. The District encompasses approximately 7,016 acres and is located approximately 180 miles southwest of Denver, northwest of the Great Sand Dunes National Park.

### Budgetary Basis of Accounting

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget. The District's General Fund is considered a Governmental Fund and reports using the economic resources focus and the accrual basis of accounting. The District's Enterprise Fund reports using the economic resources focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year in which they are levied.

### Fund Summaries

**THE GENERAL FUND** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government. The General Fund's primary sources of revenue are property taxes, specific ownership taxes and interest income.

**THE ENTERPRISE FUND** is used to account for the operations that are financed and operated in a manner similar to a private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through usage charges. The primary source of revenue in the Enterprise Fund comes from fees for water and waste water usage, tap fees, and a transfer from the General Fund.

**THE DEBT SERVICE FUND** is used to account for the Series 2009 government agency loan obligation and Series 2010 general obligation bonds, which are repaid through property taxes, specific ownership taxes, and availability of service fees. Following is a summary of the District's total long-term debt.

Baca Grande Water & Sanitation District  
Series 2010 General Obligation Bonds  
2009 Colorado Water Resources and Power Development Authority Loan

<b>Principal &amp; Interest Maturing in the Year(s) Ending December 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	123,212	283,963	407,175
2017	124,684	280,992	405,676
2018	126,185	277,991	404,176
2019	177,717	274,834	452,551
2020	179,278	269,772	449,050
2021 - 2025	1,020,946	1,249,307	2,270,253
2026 - 2030	1,320,602	1,024,952	2,345,554
2031 - 2035	1,415,000	718,500	2,133,500
2036 - 2040	1,990,000	314,500	2,304,500
<b>Totals</b>	<b>\$6,477,624</b>	<b>\$4,694,811</b>	<b>\$11,172,435</b>

**THE CAPITAL PROJECTS FUND** is scheduled to complete several infrastructure improvements to consolidate and improve the operating efficiency of the District's water and waste water systems, along with water rights acquisitions. These projects are financed through the Series 2010 general obligation bonds issue.

### Emergency Reserve

As required under Article X, Section 20 of the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

# Engineers' Joint Recommendations On Water Demand, Growth, and Related Issues

August 13, 2012

Prepared for: US DOJ / USFWS and Baca Grande Water & Sanitation District

Prepared by: Gerstle & Co LLC

John H. Gerstle

HRS Water Consultants, Inc.

Eric J. Harmon, P.E. Steven K. Barrett

## 1 Introduction

This document has been prepared by Gerstle & Co LLC and HRS Water Consultants, Inc. (“engineers”) in order to document for their respective clients, U.S. Department of Justice (USDOJ) / U.S. Fish and Wildlife Service (USFWS) and Baca Grande Water & Sanitation District (“District”), a set of jointly developed recommended estimates and assumptions with regard to water demand, growth, buildout, system operation, and related issues. The bases for these estimates and assumptions are described in this document. These recommendations are intended for the use of USFWS and the District, the parties to the Water Service Agreement (WSA) (“the parties”) in their discussions and negotiations with respect to potential changes in water management.

### 1.1 Background

Prior discussions between the parties to the WSA have shown the difficulty in arriving at terms for a potential water rights transaction in the absence of clear information or data on fundamental water-resources engineering questions including:

- Present and ultimate water demand in the District.
- Consumptive use of water in the District at present and at buildout that will be needed to replace out of priority depletions.

- Reasonable ranges of growth in water demand in the District, in consideration of present and future population that will be served, types of water use, system losses, and potential future lot consolidations.

Accordingly, the parties have charged their consultants, Gerstle & Co and HRS, with the task of working through these (and related) issues, and arriving at a set of joint recommendations. This is the primary objective of the assigned task. Work on the assigned task has been done through discussions during a series of meetings between the engineers through the fall and winter, 2011-2012. In addition, the engineers had the benefit of a tour of the District on November 17, 2011, in the company of the District's General Manager, Mr. Steve Harrell. John Gerstle met with the District Board at its meeting on November 18, 2011. Input and participation in this effort was limited to the engineers.

As part of this task, a considerable amount of research, inquiry, and calculation was done to update and revise previous estimates. During the course of this work the engineers obtained information and had discussions with the Colorado Division of Water Resources - Division 3 Engineer, Saguache County (Assessor and Land Planner); Ms. Shauna Ianson of Hammersmith Management, Inc.; a consultant to the Baca Grande Property Owner's Association ("POA"), a former District Board member (Ms. Christine Canaly, whose term ended April, 2012) and others, including Mr. Steve Harrell, Baca Water and Sanitation District's General Manager.

It is noteworthy that the negotiations between the parties are occurring at a time when water administration in Water Division 3 (the Rio Grande River watershed; San Luis Valley ["SLV"]) is in flux. The Colorado Division of Water Resources is in the process of promulgating new regulations for the administration of ground water in the SLV. The new rules will include presumptive numbers for amounts, timing, and places of required replacements in all San Luis Valley water districts<sup>1</sup> and also will address sustainability criteria for the confined and the unconfined aquifers in the SLV. To the extent possible, the engineers have considered potential future requirements for augmentation or replacement within the context of this document.

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<sup>1</sup> The District and the Baca National Wildlife Refuge are located in Water District 25.

The engineers emphasize that the following recommendations and supporting discussion represent their best efforts at finding consensus based on objective criteria. In some instances the desired technical and/or planning data was weak or nonexistent. In these cases, a consensus judgment was developed as to reasonable numbers, or reasonable ranges of numbers, based on combined experience and professional judgement of the consultants. There are policy- related matters that stem from the water resource engineering estimates and recommendations presented in this document that are not well suited for engineering estimation or quantification alone. These issues are identified in the last section of this document.

## **2 Joint Recommendations**

This section of the joint recommendation document presents the basis, assumptions, and calculations done to arrive at engineering estimates of key parameters needed as the basis for agreeable terms for a water sale between the parties.

### **2.1 Water Demand and Consumptive Use**

#### **2.1.1 Residential water demand and consumptive use**

The following estimates and factors are recommended for use in estimating water demand for various uses in the District. These have been used in the water demand and growth estimates discussed later in this document.

- 50% Year-round resident occupancy in developed housing in Chalets I - III based on our discussions with District personnel and Ms. Canaly.
- 50% Seasonal resident occupancy in developed housing in Chalets I-III, based on 180 days/year, also based on discussions with District personnel and Ms. Canaly.
- 75% Year-round resident occupancy in developed housing in Casita Park (Mobile Home Estates).



- 25% Seasonal resident occupancy in developed housing in Casita Park (Mobile Home Estates), based on 180 days/year, based on discussions with District personnel.
- 50% of both year-round and seasonal occupants irrigate lawn/trees in both Casita Park and Chalets I - III.
- Average per-residence garden / planting / lawn irrigated area in Casita Park is 1,000 sq. ft. based on aerial photo review and discussions with District personnel.
- Average per-residence garden / planting / lawn irrigated area in Chalets I-III is 1,500 sq. ft. based on aerial photo review and discussions with District personnel.
- Irrigation consumptive use or consumptive irrigation requirement (CIR) was calculated using the elevation/CIR graph from Chart B of Exhibit A in the SLVWCD Umbrella Augmentation Plan decreed in Case No. 94CW62 (crop type = Bluegrass). CIR is 2.3 ft. per year for the Casita Park area and 2 ft. per year for the Chalets I-III. An average of 2.2 ft. per year was used for the parks and soccer fields.
- 80% sprinkler efficiency for irrigation applied in irrigation demand calculations.
- In-house use calculations are based on 85 gallons per person per day and 2 people per lot for both year-round and seasonal occupancy per decrees entered in the Division 3 Water Court in case numbers 94CW62 (SLVWCD umbrella augmentation plan) and 93CW040 (Conejos WCD umbrella augmentation plan). The per-capita and per-residence water demand and consumptive use numbers in these plans were described by the Division 3 Engineer as being acceptable to that office.
- Consumptive use for lots with a septic system is 10% and CU for lots on a central system (WWTP) is 5% (per 94CW62 and 93CW040).
- Commercial lot estimates for both Casita Park and Chalets I-III are based on the 2009 consumption reports from the District.
- Irrigation for the commercial lots is based on water used above the determined winter base for each lot. 80% sprinkler efficiency was applied to CU calculations.
- The commercial lots were subtracted from the year-round residents, so no double counting of lots occurred.
- Pond evaporation is based on 1.05 acres of surface area and 3.6 feet of evaporation/year (based on Chart A of Exhibit A, decree in Case No. 94CW62).

- The golf course and park irrigation estimates were multiplied by the 2009 monthly use percentages from the Golf Course Well to provide a demand and consumptive use estimate.

### 2.1.2 In-house and outdoor residential demand and consumptive use

The engineers recommend that the water demand and consumptive use (CU) for in-house and outdoor residential use be based upon a methodology that would be acceptable to the Colorado Division of Water Resources (State and Division Engineer’s Office). According to Mr. Craig Cotton, Division 3 Engineer, and Mr. Pat McDermott, Division 3 Staff Engineer, their recommendation, which the consultants have adopted, is to use residential demand and CU values shown in Exhibit A of the decree entered by the Water Court in Case No. 94CW62, which is the San Luis Valley Water Conservancy District’s “umbrella” augmentation plan for individual residences in the upper Rio Grande River valley region. The same basic residential daily demand value, 85 gallons per capita per day, was accepted by the Water Court in the Conejos Water Conservancy District’s umbrella augmentation plan for the Conejos River valley (93CW040). These numbers have been used to calculate both current and future demand and consumptive use.

The calculations of the residential water use and in-house and outdoor residential consumptive use, pursuant to 94CW62, Exhibit A, are shown below.

$$\text{Non-irrigation season} = \frac{85 \text{ gpcpd} \times 2 \text{ people/lot} \times \text{\#of days per month} \times 0.05 \text{ (CU)}}{325.851 \text{ gals/a.f.}}$$

$$\text{Irrigation season} = \frac{85 \text{ gpcpd} \times 2 \text{ people/lot} \times \text{\#of days per month} \times 0.05 \text{ (CU)}}{325.851 \text{ gals/a.f.}} + (\text{irrigated sq. ft./43560 sq. ft.} \times \text{Chart B value})$$

### **2.1.3 Demand and CU for Commercial and Irrigation Uses**

For other uses within the District, the engineers recommend the following criteria for calculation of water demand and consumptive use.

- Commercial lot estimates for both Casita Park and Chalets I-III are based on the 2009 consumption reports from the District.
- Irrigation for the commercial lots is based on water used above the determined winter base for each lot. A sprinkler efficiency of 80% was assumed for the CU calculations.
- The commercial lots were subtracted from the year-round residential lots, to avoid double counting of lots.
- Pond evaporation is based on 1.05 acres of surface area and 3.6 feet of evaporation/year (based on Chart A of Exhibit A, decree in Case No. 94CW62).
- The golf course and park irrigation estimates were multiplied by the 2009 monthly use percentages from the Golf Course Well to provide realistic estimates of demand and consumptive use.
- Irrigation consumptive use or consumptive irrigation requirement (CIR) was calculated using the elevation/CIR graph from Chart B of Exhibit A (crop type = Bluegrass). CIR is 2.3 ft. per year for the Casita Park area and 2 ft. per year for the Chalets I - III. An average of 2.2 ft. per year was used for the parks and soccer fields.

## **2.2 Current District Water Demand and CU**

The results for current demand and consumptive use are summarized monthly in Table 4 at the end of this document. Using the calculations and assumptions described above, the current annual demand is calculated to be 204 acre-feet per year with 160 acre-feet (78%) required in the irrigation season (April-October). This value is based on the current lot occupancy (654 lots) within the District. The total without the golf course is 145 acre-feet. The overall calculated annual demand is approximately 100 to 150 acre-feet less than actual pumping records show for the last few years (as shown in Table 1, based on data from USFWS records).

**Table 1**

BGWSD Well Pumping Summary - 2009-2011 (AF)													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2009	13	11	32	20	25	30	32	51	35	20	11	20	300
2010	19	13	11	20	35	60	62	31	31	21	11	21	335
2011	15	17	15	33	28	45	59	56	58	33	26	16	401
Average	16	14	19	24	29	45	51	46	41	25	16	19	345

The District is known to have a “leaky” system, resulting in more water being pumped from the supply wells than is being delivered to its customers. Identifying and reducing system losses is a high priority for the District’s management and Board of Directors, and is further addressed in section 3.3 of this document.

The current consumptive use is also summarized in Table 4 of this document. The overall consumptive use represents the amount that must be augmented and replaced in time, place, and amount if diverted out of priority. Based on the calculations and assumptions described above, the current annual consumptive use is calculated to be 86 acre-feet, due largely to the irrigation of the golf course and the District’s parks and ball fields. The consumptive use for the commercial lots in Casita Park and the Chalets I-III is based on the 2009 consumption reports from the District which show the delivered amount to each location. Irrigation use on these lots was estimated to be anything above the winter base (average from Nov-Mar). In-house consumptive use was calculated at 5% for lots served by the central wastewater system and 10% for lots served by septic systems. Irrigation consumptive use for these commercial lots was estimated to be 80% of the amount delivered. As shown in the second from bottom row of the consumptive use table, the current consumptive use is 38 acre-feet without the golf course. The majority (over 95%) of the overall consumptive use occurs during the irrigation season. District Growth and Buildout

### **2.2.1 Current Lot Occupancy and Consolidations**

The engineers have found that estimation of the occupancy of current lots in the District is relatively straightforward based on District taps served, and past lot consolidations documented by the Baca Grande Property Owners Association (POA). Projection of future consolidations is

somewhat less straightforward. The estimates are based on the best information available, as discussed below.

Future buildout was projected using Saguache County Crestone – Baca Planning Commission’s (SCCBPC) estimate of future lots lost to consolidation in the Crestone Baca Comprehensive Plan Background Issue Report (May, 2011). These demand/consumptive use estimates are based on the projected number of lots at buildout (2,611 lots) and assume an additional 386 lots lost to consolidation within the District (2,997 current lots at buildout minus 386 lots lost equals 2,611 lots at buildout), as shown in Table 2 below.

This 2,611 lot value was derived using the projection from the SCCBPC report in which an additional 500 lots lost to consolidation within all Baca Subdivisions (including MHE, Chalets I,

**Table 2**

<b>Current Lot Occupancy &amp; Future Buildout</b>			
Data Provided by BGWSD			
	<b>Mobile Home Estates</b>	<b>Chalets I-III</b>	<b>Total</b>
<b>Current - Lots Occupied</b>	66	588	654
<b>Availability of Service (AOS) Lots</b>	211	1650	1861
<b>Subtotal of AOS lots</b>	277	2238	2515
<b>Current % of Total AOS lots</b>	24%	26%	26%
<b>*Current Lots without AOS</b>	60	422	482
<b>Total at Buildout without lot consolidations</b>	337	2660	2997
<b>* Projected Total at Buildout (using 386 additional lots lost to consolidations)</b>	317	2294	<b>2611</b>
<b>Current % of Projected Total Buildout</b>	<b>21%</b>	<b>26%</b>	<b>25%</b>
* current water lines are not within 100' of lots			
* 386 = MHE & Chalets' I-III share of County estimate of 500 additional lots lost to consolidation for all Baca Subdivisions (taken from Crestone Baca Comprehensive Plan Background Issues Report, May 2011)			

II, III and the Grants) was predicted. This projected number of 500 lots lost to consolidation includes the Grants Subdivision which is not served by the District. The Grants share of projected lots that will be lost to consolidation has been excluded from our calculations (the above mentioned 386 lots is equal to the MHE & Chalets I-III share of the 500 lots lost to consolidation).

### 2.2.2 Lots lost to Consolidation

Table 3 summarizes the annual number of lots lost to consolidation for each subdivision served by the District as well as the Grants Subdivision. Data displayed in Table 3 were provided by the Baca Grande POA and may not fully represent all consolidations occurring within the BGWSD boundary due to different lots claimed by the two separate entities. As shown in Table 3, the rate of lots lost to consolidation was relatively slow in the late 1990's, peaked in 2001 and then slowed again starting in 2008. Table 3 includes the total lots lost to consolidation, average number of lots lost to consolidation by subdivision, and the percent total for each subdivision within the District. As shown in Table 3, the majority of lots lost to consolidation are in Chalets I and II with much less activity in the MHE and Chalet III subdivisions. The bottom portion of Table 3 provides a projected future estimate based on the Chalets I-III and Mobile Home Estates share of the SCCBPC's estimated 500 lots lost to consolidation, the percent total of each subdivision, and the average number of lot consolidations within each subdivision. In this section of the table the projected consolidations are reduced by the average number of consolidations on annual basis. If these projections hold true, no further lot consolidations would occur after 2019. This helps provide a more realistic future growth scenario because assumption of no further lot consolidations does not seem to be a realistic approach to future growth in the area. According to personnel of Saguache County and the POA, the rate of lot consolidation is projected to decline but is not likely to cease in the near future.

**Table 3**

1996 - 2011 ~ Summary of Lots Lost						
Year	MHE	Chalet I	Chalet II	Chalet III	Total for Subdivisions served by BGWSD	Grants
1996	0	25	0	0	25	7
1997	0	12	2	0	14	1
1998	0	9	3	2	14	0
1999	2	16	8	0	26	1
2000	8	78	24	6	116	33
2001	9	92	55	8	164	44
2002	3	36	39	1	79	11
2003	4	71	23	0	98	34
2004	1	46	26	0	73	29
2005	0	46	33	2	81	25
2006	6	24	13	3	46	18
2007	1	33	9	0	43	20
2008	3	9	1	0	13	3
2009	6	13	4	0	23	3
2010	0	24	11	0	35	10
2011	2	19	2	0	23	19
<b>Total</b>	<b>45</b>	<b>553</b>	<b>253</b>	<b>22</b>	<b>873</b>	<b>258</b>
<b>Average</b>	<b>3</b>	<b>35</b>	<b>16</b>	<b>1</b>	<b>55</b>	<b>16</b>
<b>Percent Total</b>	<b>5%</b>	<b>63%</b>	<b>29%</b>	<b>3%</b>	<b>100%</b>	
Above Lot Consolidation Data provided by POA/Hammersmith Management						
<b>Projected Future Estimate (based on County's Est. of 500 additional lots lost to consolidation, % Total, &amp; average # of lots lost)</b>						
Future Lots Lost	20	245	112	10	386	
2012	17	210	96	8	331	
2013	14	175	80	7	277	
2014	11	141	64	6	222	
2015	9	106	49	4	168	
2016	6	72	33	3	113	
2017	3	37	17	1	59	
2018	0	3	1	0	4	
2019	0	0	0	0	0	

**2.2.3 District Buildout**

Figure 1 (shown below) graphically depicts two buildout scenarios for the District using two different growth rates (1% and 3%). Because growth rates vary from year to year, as is shown by the history of the District (varying from virtually 0% growth to over 5% growth per annum) since approximately 1990, two reasonable growth rates – 1% and 3% per annum - were selected by the engineers as reasonably capturing the anticipated rates of future growth. Figure 1 displays the two growth rates starting with the current number of lots occupied (654 lots) and projects fifty years through the year 2062. At 3% growth rate each year the District is very close to full buildout in 2062. Figure 1 also includes the projected future estimate for the SCCBPC projected future scenario of lots lost to consolidation.

The future consumptive use and future demand are dependent to a significant degree on the number of lot consolidations within the District. Increased lot consolidation will lead to diminished demand and less consumptive use by the District in the future.

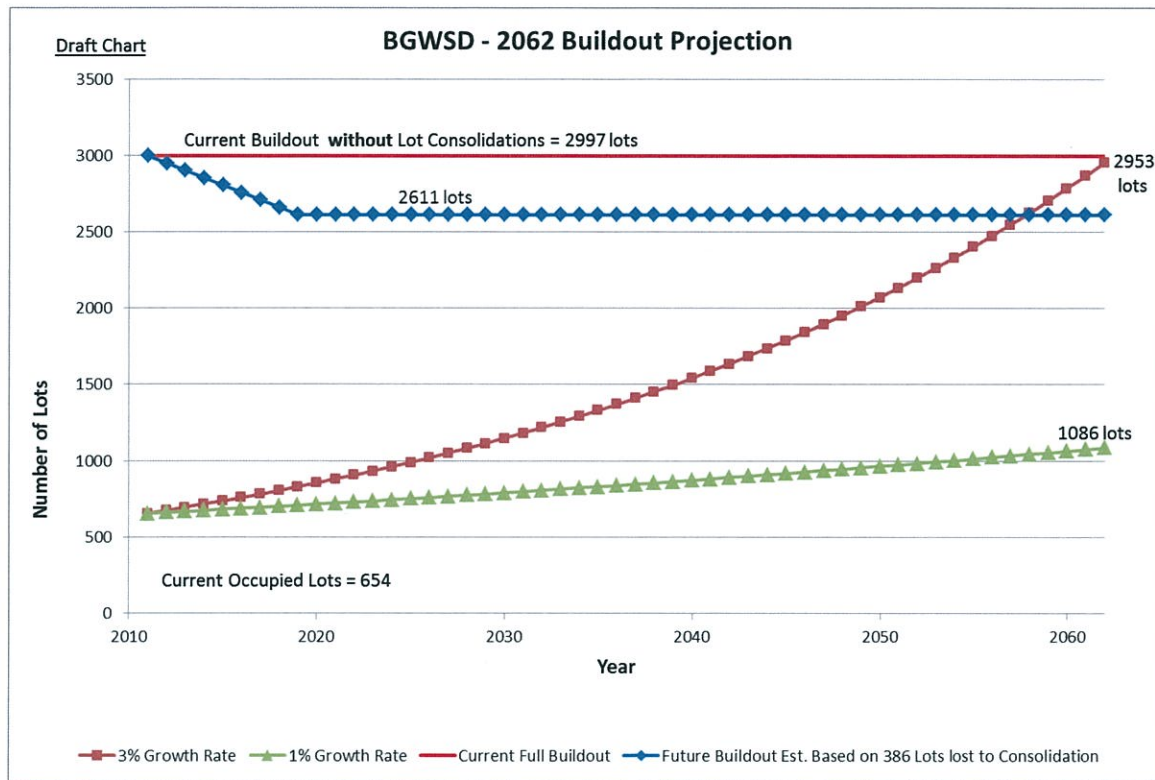


Figure 1

### 2.3 Future Water Demand

The estimates of future demand and consumptive use were made using the above described methods of calculation for demand/consumptive use. Future buildout was projected using SCCBPC’s estimate of future lots lost to consolidation in the Crestone Baca Comprehensive Plan Background Issue Report (May 2011) as discussed above. The demand/consumptive use estimates are based on the projected number of lots at buildout (2,611 lots) and assume an additional 386 lots lost to consolidation within the District (2,997 current lots at buildout minus 386 lots lost = 2,611 lots at buildout, as shown in the Table 1). This 2,611 lot value was derived using the projection from the SCCBPC report in which an additional 500 lots lost to



consolidation within all Baca Subdivisions was predicted. This projected number includes the Grants Subdivision which is not served by the District; therefore the Grants' share has been excluded from our calculations (the above mentioned 386 lots consist of the MHE & Chalets I-III share of the 500 lots lost to consolidation).

In this scenario, future ultimate demand is estimated to be 587 acre-feet annually with 424 acre-feet (72%) required during the irrigation season (see Table 5 below). The District is known to have a "leaky" system, and reducing system losses is a high priority for District management and Board of Directors. The engineers agree that the District development of a more efficient delivery system is essential. Without improvements, system losses could cause the annual water requirement at full build-out to exceed 587 acre-feet.

### **2.3.1 The Grants Subdivision**

The Grants subdivision may petition for inclusion at some point, but it is not likely that the District will be serving The Grants in the foreseeable future. The vast majority of the permitted wells in The Grants - 144 of 152 total permitted wells, or 95% - are for household use only, with no outside uses permitted. Therefore, The Grants subdivision has not been included in the estimates.

Also included in the future demand table is an annual estimate with, and without, the golf course and golf course ponds. Excluding these two water uses, District water demand at buildout is estimated at 518 acre-feet annually.

### **2.3.2 Future Consumptive Use**

Table 5 includes an estimate of future consumptive use. The ultimate future consumptive use of the District is estimated to be a maximum of 170 acre-feet annually. The future consumptive use calculations include all lots within the District, even those currently without availability of

service (i.e. lots farther than 100 feet from the closest water line) and the golf course ponds. If the golf course and golf course ponds are excluded, the estimate of ultimate consumptive use is 119 acre-feet annually for the District.

### **3 Discussion of Related Issues**

Within the framework of the engineers' discussions on purely water resources engineering issues such as water demand, consumptive use, and buildout, several related issues still exist. These issues, which are closely related to engineering aspects but which are also closely tied to the realms of policy or law, have been, to some degree, addressed. In this section are a number of points that require further discussion between the parties in order to reach agreement.

#### **3.1 Water Rights Conveyance**

There are several points that need to be considered in the context of conveyance of water rights from the USFWS to Baca WSD:

- The demand and consumptive use forecast estimates as discussed in this document are just that: estimates. Although the engineers feel the estimates and projections are reasonable, it is possible that less water or more water will be needed than has been developed in the engineering estimates. The numbers discussed in this document should not be interpreted as “never to be exceeded” figures.
- As the District's demand and consumptive use increase in future, there will be an attendant dry-up of irrigated lands on which the water rights for augmentation historically and currently are used.
- Any dry-up of irrigated lands will be gradual, and demand-driven, throughout the estimated 50-year period of District buildout beyond 2012.

### 3.2 Uses of Water

- The 9-hole golf course / open space area, the adjacent ponds, and the adjacent playing fields are recreational open space lands currently in use. During discussions, it became clear that these features are valued in the community, and that many community members clearly feel they should be preserved. The engineers have estimated water demand and consumptive use for these existing water uses. Estimates of the water demand and CU excluding the demands associated with these features have been developed and are presented in the tables and text of this report.
- The engineers do not anticipate expansion of the current irrigated acreage or water demands for the golf course / open space uses.
- The engineers recommend that water transferred from USFWS to the District be limited to municipal uses within the District's boundaries (which, it is understood, may change in the future).
- It is recommended that any water transfer agreement between USFWS and the District reflect the anticipated slow rate of growth in District water demands by incorporating a review mechanism (perhaps on a 5-year or a 10-year cycle) which will identify changes to the total volume of water to be sold or transferred, based upon actual needs and developments. This would diminish the immediate impacts to the Baca National Wildlife Refuge by transferring only the water actually needed by the District for use within its boundaries at any given time.
- The engineers are aware that the Town of Crestone is not a party to the Water Services Agreement and is not within or served by the District. However, in the interest of completeness of this report for future planning purposes, the engineers have included water demand and consumptive use estimates for Crestone as an Appendix to this report (see Appendix A).
- The possibility of an agreement between BWSD and USFWS to subordinate diversions or forbear issuance of a call on diversions by BWSD (with appropriate and agreed-upon limits and conditions) should be considered. This may be a more efficient way than the sale of specific water rights to provide certainty of BWSD supply while maintaining maximum operational and management flexibility for the Baca National Wildlife Refuge.

Any such agreement for subordination or forbearance would need to consider the positions of other water users.

### 3.3 System efficiency

- Current system losses appear to be excessive and there may be many sources of indicated losses, such as meter inaccuracy or unmetered uses in addition to system leakages.
- The engineers recognize that system losses may often be non-consumptive. At the same time, the importance of reducing losses to acceptable levels and the desirability of minimizing losses from their basins of origin will help to diminish the impacts of water rights transfers.
- The engineers recommend that the District commit to Best Management Practices for water conservation and system efficiency as stated in Colorado Statewide Water Conservation Best Practices Guidebook<sup>2</sup> to reduce system losses to an acceptable level.

### References

Aquacraft, Inc. for the Colorado Water Conservation Board, 2010, Colorado Waterwise Guidebook of Best Management Practices for Municipal Water Conservation in Colorado. 226 pages.

Conejos Water Conservancy District Plan for Augmentation: Findings of Fact, Conclusions of Law and Ruling of the Referee in Case No. 93CW040, entered by the Division 3 Water Court on June 24, 1994.

Jehn Water Consultants, Inc., May 29, 2008, Town of Crestone Hydrologic Study. Unpublished consultant's memorandum, 10 pages (including tables and figures.)

Saguache County Crestone – Baca Planning Commission (SCCBPC), May, 2011, Crestone Baca Comprehensive Plan Background Issue Report.

San Luis Valley Conservancy District Plan for Augmentation: Findings of Fact, Conclusions of Law and Ruling of the Referee in Case No. 94CW62, entered by the Division 3 Water Court on December 10, 1998.

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<sup>2</sup> <http://cwcb.state.co.us/technical-resources/best-management-practices/Pages/main.aspx>

**Table 4 Current Demand & Consumptive Use**

BGWSD - Current Demand & CU Summary																
Current Demand Estimate - AF	Days															
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Irrigation Season (Apr-Oct)	Non-Irrigation Season	Comments
Chalets' I-III (year-round residents)	4.64	4.19	4.64	6.26	6.41	6.26	6.41	6.41	6.26	6.41	4.49	4.64	67	44.40	22.61	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. year-round residents (50%), 50% irrigation of 1000.Sq. Ft. of lawn
Chalets' I-III (seasonal residents)	2.34	2.12	2.34	4.08	4.15	4.08	4.15	4.15	4.08	4.15	2.27	2.34	40	28.84	11.42	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. seasonal residents (50%), 180 days
Chalets' I-III (7 commercial lots)	0.48	0.44	0.48	0.47	0.48	0.47	0.48	0.48	0.47	0.48	0.47	0.48	6	3.35	2.36	Commercial Estimate for Chalets' I-III, based on District's 09 consumption report.
Casita Park (Mobile Home Estates - year-round residents)	0.67	0.61	0.67	0.85	0.87	0.85	0.87	0.87	0.85	0.87	0.65	0.67	9	6.00	3.27	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. year-round residents (75%), 50% irrigation of 1000.Sq. Ft. of lawn
Casita Park (Mobile Home Estates - seasonal residents)	0.13	0.12	0.13	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.13	0.13	2	1.45	0.64	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. seasonal residents (25%), 180 days
Casita Park (8 commercial lots)	0.72	0.65	0.72	0.69	0.72	0.69	0.72	0.72	0.69	0.72	0.69	0.72	8	4.95	3.50	Commercial Estimate for Casita Park, based on District's 09 consumption report.
9-Hole Golf Course	0	0	0	3.37	8.98	8.98	15.72	7.86	11.23	3.37	0	0	60	59.51	0.00	Based on 20.7 acres, CIR 2.3 FT, 80% sprinkler effic. & monthly
Parks & Soccer Field	0	0	0	0.68	1.81	1.81	3.17	1.58	2.26	0.68	0	0	12	11.99	0.00	Based on 4.36 acres, Avg. CIR 2.2 FT, 80% sprinkler effic. & monthly GC Weill %s
<b>Overall</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>17</b>	<b>24</b>	<b>23</b>	<b>32</b>	<b>22</b>	<b>26</b>	<b>17</b>	<b>9</b>	<b>9</b>	<b>204</b>	<b>160</b>	<b>44</b>	
<b>Overall without Golf Course</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>13</b>	<b>15</b>	<b>14</b>	<b>16</b>	<b>14</b>	<b>15</b>	<b>14</b>	<b>9</b>	<b>9</b>	<b>145</b>	<b>101</b>	<b>44</b>	
<b>Current CU Estimate - AF</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>	<b>Irrigation Season (Apr-Oct)</b>	<b>Non-Irrigation Season</b>	<b>Comments</b>
Chalets' I-III (year-round residents)	0.23	0.21	0.23	1.64	1.64	1.64	1.64	1.64	1.64	1.64	0.22	0.23	13	11.49	1.13	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. year-round residents (50%), 50% irrigation of 1000.Sq. Ft. of lawn
Chalets' I-III (seasonal occupancy)	0.12	0.11	0.12	1.56	1.56	1.56	1.56	1.56	1.56	1.56	0.11	0.12	12	10.93	0.57	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. seasonal residents (50%), 180 days
Chalets' I-III (7 commercial lots)	0.02	0.02	0.02	0.06	0.18	0.37	0.61	0.03	0.72	0.17	0.01	0.01	2	2.14	0.06	Commercial Estimate for Chalets' I-III, based on District's 09 consumption report.
Casita Park (Mobile Home Estates year-round residents)	0.03	0.03	0.03	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.03	0.03	1	1.33	0.16	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. year-round residents (75%), 50% irrigation of 1000.Sq. Ft. of lawn
Casita Park (Mobile Home Estates - Seasonal Occupancy)	0.01	0.01	0.01	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.01	0.01	1	0.48	0.03	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. seasonal residents (25%), 180 days
Casita Park (8 commercial lots, 5 on Septic)	0.01	0.01	0.07	0.08	0.07	0.10	0.12	0.09	0.07	0.02	0.01	0.01	1	0.55	0.12	Commercial Estimate for Casita Park, based on District's 09 consumption report.
9-Hole Golf Course	0	0	0	2.69	7.19	7.19	12.58	6.29	8.98	2.69	0	0	48	47.61	0.00	Based on 20.7 acres, CIR 2.3 FT
Parks & Soccer Field	0	0	0	0.54	1.45	1.45	2.53	1.27	1.81	0.54	0	0	10	9.59	0.00	Based on 4.36 acres, Avg. CIR 2.2 FT
<b>Overall</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>12</b>	<b>13</b>	<b>19</b>	<b>11</b>	<b>15</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>86</b>	<b>84</b>	<b>2</b>	
<b>Overall without Golf Course</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>38</b>	<b>36</b>	<b>2</b>	

**Table 5 Future Demand & Consumptive**

BGWSD - Future Demand & Consumptive Use Summary																	
Days	31												Total	Irrigation Season (Apr-Oct)	Non-Irrigation Season	Comments	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec					
Future Demand Estimate - AF (Based on 2611 total lots & assumes 886 lots lost to future consolidation)														266	176.35	89.81	
Chalets' I-III (year-round residents)	18.44	16.65	18.44	24.85	25.45	24.85	25.45	24.85	25.45	17.84	18.44	18.44	266	176.35	89.81	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. year-round residents (50%), 50% irrigation of 1000 Sq. Ft. of lawn seasonal residents (50%), 180 days	
Chalets' I-III (seasonal residents)	9.15	8.26	9.15	15.91	16.20	15.91	16.20	15.91	16.20	8.85	9.15	9.15	157	112.52	44.56	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. seasonal residents (50%), 180 days	
Chalets' I-III (7 commercial lots)	0.72	0.65	0.72	0.69	0.72	0.69	0.72	0.69	0.72	0.69	0.72	0.72	8	4.95	3.50	Commercial Estimate for Chalets' I-III, based on District's 09 consumption report	
Casita Park (Mobile Home Estates - year-round residents)	3.72	3.36	3.72	4.68	4.80	4.68	4.80	4.68	4.80	3.60	3.72	3.72	51	33.23	18.10	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. year-round residents (75%), 50% irrigation of 1000 Sq. Ft. of lawn seasonal residents (25%), 180 days	
Casita Park (Mobile Home Estates - seasonal residents)	0.63	0.57	0.63	1.61	1.66	1.61	1.66	1.61	1.66	0.61	0.63	0.63	15	11.46	3.08	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. seasonal residents (25%), 180 days	
Casita Park (8 commercial lots)	0.72	0.65	0.72	0.69	0.72	0.69	0.72	0.69	0.72	0.69	0.72	0.72	8	4.95	3.50	Commercial Estimate for Casita Park, based on District's 09 consumption report	
9- Hole Golf Course	0	0	0	3.37	8.98	8.98	15.72	7.86	11.23	3.37	0	0	60	59.51	0.00	Same as current demand. No plans to expand to 18 hole course.	
Golf Course Ponds	0	0	0	6.64	0.47	0.59	0.60	0.49	0.42	0.28	0	0	9	9.49	0.00	Based on fill of 1.05 ac pond, and 3.6' evaporation/year, assumed empty or filled over Nov-Mar	
Parks & Soccer Field	0	0	0	0.68	1.81	1.81	3.17	1.58	2.26	0.68	0	0	12	11.99	0.00	Based on 4.36 acres, Avg. CIR 2.2 FT, 80% sprinkler effic. & monthly GC Well %s	
Overall	33	30	33	59	61	60	69	59	62	54	32	33	587	424	163		
Overall without Golf Course	33	30	33	49	51	50	53	51	51	50	32	33	518	355	163		
Future Consumptive Use Estimate - AF (Based on 2611 total lots & assumes 886 lots lost to future consolidation)																	
Chalets' I-III (year-round residents)	0.93	0.84	0.93	6.54	6.57	6.54	6.57	6.54	6.57	6.57	0.93	0.93	50	46	5	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. year-round residents (50%), 50% irrigation of 1000 Sq. Ft. of lawn seasonal residents (50%), 180 days	
Chalets' I-III (seasonal occupancy)	0.46	0.41	0.46	6.09	6.10	6.09	6.10	6.10	6.09	6.10	0.46	0.46	45	43	2	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. seasonal residents (50%), 180 days	
Chalets' I-III (7 commercial lots)	0.02	0.02	0.02	0.06	0.18	0.37	0.61	0.03	0.72	0.17	0.01	0.01	2	2.14	0.06	Commercial Estimate for Chalets' I-III, based on District's 09 consumption report	
Casita Park (Mobile Home Estates)	0.19	0.17	0.19	1.05	1.05	1.05	1.05	1.05	1.05	1.05	0.19	0.19	8	7	1	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. year-round residents (75%), 50% irrigation of 1000 Sq. Ft. of lawn seasonal residents (25%), 180 days	
Casita Park (Mobile Home Estates - Seasonal Occupancy)	0.03	0.03	0.03	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.03	0.03	3	3	0	Based on Decree 94CW62, 85 gpd/person, 2 people/lot, # of est. seasonal residents (25%), 180 days	
Casita Park (8 commercial lots, 5 on Septic)	0.01	0.01	0.07	0.08	0.07	0.10	0.12	0.07	0.07	0.02	0.01	0.01	1	0.55	0.12	Commercial Estimate for Casita Park, based on District's 09 consumption report	
9- Hole Golf Course	0	0	0	2.69	7.19	7.19	12.58	6.29	8.98	2.69	0	0	48	48	0	Based on 20.7 acres, CIR 2.3 FT	
Golf Course Ponds - Evaporation	0	0	0	0.34	0.47	0.59	0.60	0.49	0.42	0.28	0	0	3	3.19	0	Based on fill of 1.05 ac pond, and 3.6' evaporation/year, assumed empty or filled over Nov-Mar	
Parks & Soccer Field	0	0	0	0.54	1.45	1.45	2.53	1.27	1.81	0.54	0	0	10	9.59	0	Based on 4.36 acres, Avg. CIR 2.2 FT	
Overall	2	1	2	18	23	24	31	22	26	18	2	2	170	162	8		
Overall without Golf Course	2	1	2	15	16	16	17	15	17	15	2	2	119	111	8		

## Appendix A

### Town of Crestone

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The engineers are aware that the Town of Crestone is not served by the District; that it is not within the District's boundaries or service area at this time; and is not a party to the Water Services Agreement. An estimate for the Town of Crestone has been included in this Appendix because the Town's representatives have made inquiries of the District about the provision of augmentation water to replace out of priority depletions from existing wells and diversions.

As shown in the table below, the current demand for the Town of Crestone is estimated to be 5 acre-feet per year and the current consumptive use is estimated to be 3 acre-feet per year. The current demand value is taken from Jehn Water Consultants, Inc. Table 1 from August 2010 and the future consumptive use is 10% of the future consumptive use estimate (based on the demand ratio 4.55/46.42af). The table below also shows the estimated ultimate water demand of 46 acre-feet and the estimated ultimate consumptive use of 30 acre-feet. These future estimates are based on the 2008 Jehn Water Consultants, Inc. memorandum, "Town of Crestone Hydrologic Study", and the amounts are prorated monthly based on the District's well use.



Town of Crestone Current and Future Demand/CU Summary

Town of Crestone - Current & Future Demand/CU Summary																
	Days															
	31	28	31	30	31	30	31	30	31	30	31	30	31			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Irrigation Season (Apr-Oct)	Non-Irrigation Season	Comments
<sup>1</sup> Current Demand Estimate - AF	0.46	0.22	0.31	0.35	0.29	0.41	0.48	0.70	0.50	0.32	0.16	0.36	5	3.05	1.50	Based on Jehn Water Consultants, Inc. Table 1 from Aug 2010
<sup>2</sup> Current CU Estimate - AF	0.30	0.14	0.20	0.23	0.19	0.26	0.31	0.45	0.32	0.21	0.10	0.23	3	1.97	0.97	No current CU numbers available, used 10% of future est.
<sup>3</sup> Future Demand Estimate - AF	4.71	2.23	3.14	3.56	2.96	4.17	4.89	7.13	5.13	3.26	1.63	3.62	46	31.09	15.33	Based on 2008 Jehn Water Consultants, Inc. Report
<sup>3</sup> Future Consumptive Use Estimate - AF	3.04	1.44	2.03	2.30	1.91	2.69	3.16	4.60	3.31	2.11	1.05	2.34	30	20.08	9.90	Based on 2008 Jehn Water Consultants, Inc. Memo
<sup>1</sup> Current Demand values taken from 2010 Jehn Water Consultants, Inc., Table 1 Estimated Current Water Demands.																
<sup>2</sup> Current CU values estimated at 10% or 4.55/46.42 of future values. Future CU values taken from 2008 Jehn Water Consultants, Inc. Memo, Town of Crestone Hydrologic Study.																
<sup>3</sup> Future demand & CU values taken from 2008 Jehn Water Consultants, Inc. Memo, Town of Crestone Hydrologic Study.																

**BACA GRANDE WATER AND SANITATION DISTRICT  
ENGINEER'S REPORT  
January 11, 2017**

**ADMINISTRATIVE MATTERS**

The first Action Item (AI) conference call of 2017 was conducted on January 4, 2017, with JoAnn Slivka, Justin DeBon, Marcus Lock, Michael Scully, and Brad Simons participating.

Brad Simons was asked during the AI call to research examples of existing intergovernmental agreements (IGAs) between sanitation districts and municipalities for wholesale sewage treatment. Brad contacted the Town of South Fork's Manager, but was told the South Fork Water and Sanitation District is the sewer collection and treatment agency. A representative of the South Fork Water and Sanitation District confirmed there is not an IGA in place. Brad also contacted the Manager of the South Adams County Water and Sanitation District, but they are the sewer collection and treatment agency for the City of Commerce City. The Manager of the South Adams County Water and Sanitation District did provide TZA with a copy of their Sewage Treatment and Disposal Agreement with the Metro Wastewater Reclamation District which has been forwarded to Marcus Lock, JoAnn Slivka, and Justin DeBon for consideration.

TZA's staff communicated with SDMS's accounting group about the Small Communities Grant Reimbursement process to transition the efforts to the District's in-house staff. During our review of the process and submittals to date, we determined the reimbursement requests filed have been incomplete, but SDMS staff worked with the Division's Capital Construction Project Manager to resolve the reimbursement requests prior to the end of 2016. David Wiggins will work with JoAnn Slivka on reimbursement requests moving forward so the requests represent accurate values for the amounts that are the District's responsibility and values that should be reimbursed to the District by the Division.

On November 30, 2016, I provided Alison McClure additional information regarding the next Department of Local Affairs Energy/Mineral Impact Assistance Fund Grant application deadline (now February 1, 2017) for consideration on the Looping C Water Line or Biosolids Drying Beds projects. I will be meeting with Justin DeBon on January 19, 2017 to discuss project prioritization and funding.

**LAMP RYNEARSON COMPANIES**

## **CAPITAL PROJECTS**

Headworks/Flow Equalization Basin – The site location amendment was approved by the Water Quality Control Division (Division) on December 28, 2016 (attached). TZA is finalizing the Process Design Report and anticipates it will be submitted to the Division by January 13, 2017. Brad Simons will review the construction plans and specifications with Justin DeBon on January 19, 2017. TZA anticipates submitting the construction documents to the Division for review and approval by January 31, 2017. Once submitted to the Division for review, TZA will work with JoAnn Slivka on the notice and invitation to bid requirements in anticipation of Division approval of the design. Construction is still scheduled for completion in 2017.

One item that remains unresolved in our design efforts for the Headworks/Flow Equalization Basin is confirmation of the right-of-way (ROW) for the access road adjacent to the WWTP site, but our design takes Saguache County's verbal representations into consideration.

Capital Project Summary Sheets – Brad Simons and Justin DeBon will review the Capital Project Summary sheets for the Biosolids Drying Beds and the Looping C Water Line on January 19, 2017 to prioritize the projects and discuss grant application(s).

Stables Lift Station Warranty Inspection – The 11-month warranty inspection for the 2016 improvements to the Stables Lift Station is due in April of 2017. Justin DeBon will advise the contractors for the work of the date and time of the inspection.



**COLORADO**  
Department of Public  
Health & Environment

Dedicated to protecting and improving the health and environment of the people of Colorado

December 28, 2016

Michael Scully, Board President  
Baca Grande Water and Sanitation District  
57 Baca Grant Way  
Crestone, CO 81131

Subject: Regulation 22 Amendment of Site Location Approval No: 4687 (Aquifer Case # ES.16.SA.02895)  
Baca Grande Water & Sanitation District, Headworks and Flow Equalization Basin Project  
Colorado Discharge Permit System (CDPS) No. CO0046914  
Saguache County  
GLU Project No. FAAA2016\*2861

Dear Mr. Scully:

The Water Quality Control Division (Division) has reviewed and evaluated the site location application package for the construction of a headworks facility and equalization basin to improve the treatment ability of the sequencing batch reactor process. Site location approval number 4687 and subsequent amendment was issued for the existing facility on July 29, 2003 and March 25, 2010, respectively. The facility is proposed to be located as follows: The 0.5 miles south of Section 12, Township 43N, Range 11E, Saguache County. The facility will continue to discharge to an unnamed dry tributary to South Creston Creek.

The site location application has been found to be in conformance with the Water Quality Control Commission's *Site Location and Design Approval Regulations for Domestic Wastewater Treatment Works, 5 CCR 1002-22* (Regulation No. 22) and is approved. This site location approval addresses the following summary of the proposed design and the associated conditions:

1. Based upon application information, the system design will be as follows:  
  
The existing hydraulic and organic capacity ratings for the facility, Maximum Month Average Daily Flow Capacity 0.15 MGD and Organic Loading Capacity (max. month average) 300 lbs. BOD<sub>5</sub>/day will remain unchanged as a result of this amendment.  
  
This approval addresses the following facility modifications/improvements:
  - Addition of a headworks facility consisting of mechanical screen, grit removal, and manual screen within the by-pass channel.
  - Construction of equalization basin prior to the sequencing batch reactor.
2. The existing treatment processes, dual train sequencing batch reactor with UV disinfection will remain unchanged except as specified in item 1.
3. All conditions of the original Site Location Approval No. 4687 apply except as modified in this amendment.

This site location approval does not constitute design approval for construction. In accordance with Regulation No. 22, Section 22.11(1), in addition to approval of the site location application the applicant must obtain approval of the design of the treatment works from the Division prior to beginning construction.



This site location approval will expire on **June 28, 2018**. If construction has not commenced by this date, the approval will expire and a new application for site location approval may be required. Construction is defined as entering into a contract for, or for in-house work forces, initiation of any action towards the erection or physical placement of materials, equipment, piping, earthwork or buildings which are to be a part of a domestic wastewater treatment works.

In accordance with Regulation No. 22, Section 22.3(15), this site location approval is subject to appeal pursuant to the State Administrative Procedures Act.

This approval does not relieve the owner from compliance with all local, state, and federal regulations prior to construction nor from responsibility for proper engineering, construction and operation of the facility.

The Engineering Section is interested in gaining feedback about your experience during the engineering review process. We would appreciate your time to complete a Quality-of-Service Survey regarding your experience during the engineering review process leading up to issuance of this decision letter. The Engineering Section will use your responses and comments to identify strengths, target areas for improvement, and evaluate process improvements to better serve your needs. Please take a moment to fill out our survey at the following website: <http://fs8.formsite.com/cohealth/form627710151/index.html>.

If you should have any questions please contact Paul Kim by phone at 303-692-3279 or by electronic mail at [paul.kim@state.co.us](mailto:paul.kim@state.co.us).

Sincerely,

Bret Icenogle, P.E.  
Engineering Section Manager  
Water Quality Control Division  
Colorado Department of Public Health and Environment

cc: Brad Simons, TZA Water Engineers  
David Wiggins, TZA Water Engineers  
David Daboll, Saguache County Public Health  
Doug Camrud, WQCD ES Engineering Review Unit, Unit Manager  
Paul Kim, WQCD ES Senior Review Engineer  
Bradley Monson, WQCD Grants and Loans Unit Work Group Lead  
Paul young, WQCD Grants and Loans Unite Project Manager  
Site Application File 4687 | Discharge Permit File (CO-0046914)

Check Issue Date	Payee	Invoice Number	Invoice GL Account	Account Title	Check Amount
<b>90171</b>					
01/20/2017	A&M Pest & Termite Control, Inc	115144	4-503000	Repair & Maint	75.00
Total 90171:					75.00
<b>90172</b>					
01/20/2017	BlueTarp Financial, Inc.	37045228	4-503019	Repair & Maint-Aspen TP	114.99
Total 90172:					114.99
<b>90173</b>					
01/20/2017	Colorado Analytical Lab, Inc.	161207026	4-500250	Testing	112.00
01/20/2017	Colorado Analytical Lab, Inc.	161207028	4-500250	Testing	56.00
01/20/2017	Colorado Analytical Lab, Inc.	170105025	4-500250	Testing	122.00
01/20/2017	Colorado Analytical Lab, Inc.	170105026	4-500250	Testing	56.00
Total 90173:					346.00
<b>90174</b>					
01/20/2017	Colorado Spec Dist Property & Lia	30C48699-35	4-115000	Prepaid Expenses	34,078.85
Total 90174:					34,078.85
<b>90175</b>					
01/20/2017	Deluca Gas Company, Inc.	U0124602	4-505026	Shop, Yard, Office-Propane	170.42
Total 90175:					170.42
<b>90176</b>					
01/20/2017	Fair Point Communications	1701-243	4-505027	Office / Cell Phones	384.49
Total 90176:					384.49
<b>90177</b>					
01/20/2017	FirstBank	16012-0500	4-500500	Training and Education	550.04
01/20/2017	FirstBank	16012-0662	4-500662	Vehicle-Repairs and Maint	694.50
01/20/2017	FirstBank	16012-3000	4-503000	Repair & Maint	32.66
01/20/2017	FirstBank	16012-3002	4-503002	Repairs & Maint-Sewer(Gravity)	18.01
01/20/2017	FirstBank	16012-3008	4-503008	Repairs & Maint-Well No. 18	19.34
01/20/2017	FirstBank	16012-3019	4-503019	Repair & Maint-Aspen TP	134.49
01/20/2017	FirstBank	16012-3025	4-503025	Repair & Maint-Office	29.01
01/20/2017	FirstBank	16012-5027	4-505027	Office / Cell Phones	277.36
01/20/2017	FirstBank	1612-0401	4-500401	Postage	56.42
01/20/2017	FirstBank	1612-0661	4-500661	Gas and Oil	104.58
Total 90177:					1,916.41
<b>90178</b>					
01/20/2017	Freedom Mailing Services, INC	30201	4-500460	Utility Billing	439.14
01/20/2017	Freedom Mailing Services, INC	30489	4-500460	Utility Billing	375.24
Total 90178:					814.38
<b>90179</b>					
01/20/2017	Haynies Inc	087025	4-500662	Vehicle-Repairs and Maint	61.29
01/20/2017	Haynies Inc	090761	4-500662	Vehicle-Repairs and Maint	148.39
01/20/2017	Haynies Inc	417716	4-500662	Vehicle-Repairs and Maint	103.03

Check Issue Date	Payee	Invoice Number	Invoice GL Account	Account Title	Check Amount
Total 90179:					312.71
<b>90180</b>					
01/20/2017	Kutak Rock, LLP	2251530	2-500357	Arbitrage Calculations	1,250.00
01/20/2017	Kutak Rock, LLP	2251547	2-500357	Arbitrage Calculations	2,000.00
Total 90180:					3,250.00
<b>90181</b>					
01/20/2017	Law of the Rockies	1612-LAW	1-506030	Legal	2,725.50
01/20/2017	Law of the Rockies	1612-LAW	3-517150	Water Rights Acquisition	270.00
Total 90181:					2,995.50
<b>90182</b>					
01/20/2017	National Benefit Services LLC	571492	4-530500	Health Insurance	75.00
01/20/2017	National Benefit Services LLC	574488	4-530500	Health Insurance	75.00
Total 90182:					150.00
<b>90183</b>					
01/20/2017	Peregrino, Dora	161215-PER	4-503025	Repair & Maint-Office	100.00
01/20/2017	Peregrino, Dora	161228-PER	4-503025	Repair & Maint-Office	100.00
01/20/2017	Peregrino, Dora	170105-PER	4-503025	Repair & Maint-Office	100.00
Total 90183:					300.00
<b>90184</b>					
01/20/2017	Quill	2519345	4-500403	Office Supplies	115.95
01/20/2017	Quill	2519345	4-500451	Supplies	9.99
Total 90184:					125.94
<b>90185</b>					
01/20/2017	Special Dist Management Svcs	11279	1-506040	Management	97.12
01/20/2017	Special Dist Management Svcs	11281	1-506040	Management	330.00
01/20/2017	Special Dist Management Svcs	11282	1-506040	Management	132.00
01/20/2017	Special Dist Management Svcs	11283	1-506045	Accounting	1,372.80
01/20/2017	Special Dist Management Svcs	11284	1-506045	Accounting	250.80
01/20/2017	Special Dist Management Svcs	11285	1-506040	Management	409.20
01/20/2017	Special Dist Management Svcs	11287	1-506040	Management	277.20
Total 90185:					2,869.12
<b>90186</b>					
01/20/2017	Titan Machinery Inc CO Springs	8831914 GP	4-500662	Vehicle-Repairs and Maint	413.12
Total 90186:					413.12
<b>90187</b>					
01/20/2017	TZA Water Engineers, Inc.	4607.01-026	4-503333	Bio Solids Disposal	1,785.00
01/20/2017	TZA Water Engineers, Inc.	4607.01-26	4-506020	Professional Fees	396.00
01/20/2017	TZA Water Engineers, Inc.	4607.01-26	3-517055	Casita Park Interconnect	108.00
01/20/2017	TZA Water Engineers, Inc.	4607.01-26	4-506020	Professional Fees	1,725.00
01/20/2017	TZA Water Engineers, Inc.	4607.01-27	4-506020	Professional Fees	198.00
01/20/2017	TZA Water Engineers, Inc.	4607.01-27	3-517055	Casita Park Interconnect	290.52

Check Issue Date	Payee	Invoice Number	Invoice GL Account	Account Title	Check Amount
01/20/2017	TZA Water Engineers, Inc.	4607.01-27	4-506020	Professional Fees	675.00
Total 90187:					5,177.52
<b>90188</b>					
01/20/2017	UMB Bank N.A.	438658	2-552500	Trustee / Paying Agent Fees	200.00
Total 90188:					200.00
<b>90189</b>					
01/20/2017	UNCC	216120058	4-500530	Locates	4.29
Total 90189:					4.29
<b>90190</b>					
01/20/2017	Univar USA Inc	DV916336	4-503300	Chemicals Maintenance	2,118.00
01/20/2017	Univar USA Inc	DV916336	4-503310	Waste Water Treat. Chem.	70.00
Total 90190:					2,188.00
<b>90191</b>					
01/20/2017	Upper Case Printing, Ink	11434	4-500460	Utility Billing	99.60
Total 90191:					99.60
<b>90192</b>					
01/20/2017	US Fish and Wildlife Service	USFW-1612	4-500100	Raw Water USFSWS	4,885.40
Total 90192:					4,885.40
<b>90193</b>					
01/20/2017	USA BlueBook	142796	4-503008	Repairs & Maint-Well No. 18	196.72
01/20/2017	USA BlueBook	142796	4-503019	Repair & Maint-Aspen TP	69.95
Total 90193:					266.67
<b>90194</b>					
01/20/2017	Valley Communications	1610-VAL2	4-505025	Shop, Office, Yard	102.00
01/20/2017	Valley Communications	1611-VAL	4-505025	Shop, Office, Yard	102.00
Total 90194:					204.00
<b>90195</b>					
01/20/2017	Waste Management Monte Vista	0973234-252	4-505029	Trash and Recycling Services	156.31
Total 90195:					156.31
<b>90196</b>					
01/20/2017	World Fuel Service, Inc. Land	124622-4110	4-500661	Gas and Oil	429.63
01/20/2017	World Fuel Service, Inc. Land	124622-4110	4-500663	Diesel Fuel	587.39
Total 90196:					1,017.02
<b>90197</b>					
01/20/2017	Xerox Corp.	087559079	4-500402	Copier Lease and Equipment	168.35



Check Issue Date	Payee	Invoice Number	Invoice GL Account	Account Title	Check Amount
Total 90197:					168.35
Grand Totals:					62,684.09

## AGREEMENT TO PROVIDE ACCOUNTING & ADMINISTRATIVE SERVICES

THIS AGREEMENT TO PROVIDE SERVICES (“Agreement”) is made and entered into as of the 20<sup>th</sup> day of January, 2017 by and between the **BACA GRANDE WATER AND SANITATION DISTRICT**, a Colorado Title 32 Special District (the “District”) and **SPECIAL DISTRICT SOLUTIONS, LLC**, a Colorado limited liability company (the “Company”) (collectively, District and Company are the “Parties”).

### RECITALS

WHEREAS, the Parties desire to enter into this Agreement to establish the terms by which the Company will provide certain services to the District;

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

### I. APPOINTMENT OF COMPANY

1.1 Appointment of the Company. The District hereby retains the Company and the Company agrees to perform certain services for the District (“Services”) pursuant to the terms and conditions set forth herein.

1.2 Independent Contractor Status. The Company is an independent contractor as provided in § 8-40-202(2)(b)(I)-(IV), CRS, as amended, and nothing herein contained shall constitute or designate the Company or any of its employees, agents, subcontractors or suppliers as employees of the District. **The Company is not entitled to workers' compensation benefits through the District and is obligated to pay federal and state income tax on any moneys earned pursuant to the contract relationship.** The work performed by the Company shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Company for the work performed as provided herein. The District shall not be responsible for the Company’s means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto.

### II. DUTIES AND AUTHORITIES

2.1 General Limitations and Requirements. The Company shall perform the Services in the Scope of Work in **Exhibit A**. The Company shall have no right or authority, express or implied, to take any action, expend any sum, incur an obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Company shall at all times conform to the stated policies established and approved by the District.

2.2 Compliance with Applicable Law. The Company shall provide the Services set forth herein in full compliance with all applicable laws, rules and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

2.3 Unauthorized Immigrants.

A. Certification. The Company hereby certifies that, at the time of this certification, it does not knowingly employ or contract with an unauthorized immigrant who will perform work under this Agreement and that the Company will participate in either the E-Verify Program administered by the United States Department of Homeland Security and Social Security Administration or the Department Program administered by the Colorado Department of Labor and Employment to confirm the employment eligibility of all employees who are newly hired to perform work under this Agreement.

B. Prohibited Acts. The Company shall not knowingly employ or contract with an unauthorized immigrant to perform work under this Agreement or enter into a contract with a subcontractor that fails to certify to Company that the subcontractor shall not knowingly employ or contract with an unauthorized immigrant to perform work under this Agreement.

C. Verification.

- i. If the Company has employees, Company has confirmed the employment eligibility of all employees who are newly hired to perform work under this Agreement through participation in either the E-Verify Program or the Department Program.
- ii. The Company shall not use the E-Verify Program or Department Program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.
- iii. If the Company obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an unauthorized immigrant who is performing work under this Agreement, the Company shall: notify the subcontractor and the District within three (3) days that the Company has actual knowledge that the subcontractor is employing or contracting with an unauthorized immigrant who is performing work under this Agreement; and terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required pursuant to subsection 1 hereof, the subcontractor does not stop employing or contracting with the unauthorized immigrant who is performing work under this Agreement; except that the Company shall not terminate the subcontract if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an unauthorized immigrant who is performing work under this Agreement.

- iv. **Duty to Comply with Investigations.** The Company shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation conducted pursuant to C.R.S. § 8-17.5-102(5)(a) to ensure that the Company is complying with the terms of this Agreement.
- v. **Certificate of Compliance.** The Company shall execute a certificate of compliance, which is attached as Exhibit B that certifies the Company has complied with the provisions of §§ 8-17.5-101 & 102, et. seq, CRS.

2.4 **No Right or Interest in District Assets.** The Company shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein. In the event of any early termination, the District shall pay the Company for all the Services satisfactorily performed prior to the designated termination date. Without limiting the generality of the foregoing, the Company shall have no authority to sign checks, drafts or otherwise make withdrawals of any of the District's funds from any bank account or other deposit account of the District.

2.5 **General Duties and Authority.** In connection with its specific duties, the Company agrees to:

- A. Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required by Part V hereof.
- B. Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.
- C. Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Company shall be obligations of the Company which shall hold the District harmless therefrom.
- D. "Work Product" shall consist of all written materials maintained by the Company in connection with performance of this Agreement, including but not limited to all correspondence, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Company shall maintain copies of all Work Product in files, including reproducible drawings of any project drawings which it obtains, shall make them available for the District's use, and shall provide such copies to the District upon request at commercial printing rates, or in an electronic form. The Work Product shall be the property of the District. The Company shall be

entitled to retain copies of all work products at its own expense in the event of termination.

### III. COMPENSATION

3.1 Compensation. The Company services are billed on an hourly basis. The Company's current fee schedule is attached hereto as **Exhibit C**. Individual billing rates change from time to time, but not more frequently than annually. The District will be billed for work performed by personnel of the Company in increments of one-tenth of an hour; billing will be submitted to the District on a monthly basis. It is understood by the Parties that all bills are due upon receipt and if not paid within 30 days after the District is billed, the Company may cease providing services to the District. The District may terminate the Agreement at any time upon payment of all amounts owing to the Company, in accordance with Section 4.2 hereof.

3.2 Exceptions to Compensation. Certain exceptions to the compensation arrangements may be agreed to by the Parties in advance.

3.3 Costs. In addition to fees, the Company will incur costs in the handling of District matters. Costs are billed by the Company at no markup to the District and are included in the monthly billing.

### IV. DURATION AND TERMINATION

4.1 Term. The term of this Agreement shall begin on the date set forth above, shall be effective as of such date regardless of the date of execution hereof, and shall expire on December 31 of the then current year. The Agreement is deemed to be renewed annually unless written notice of termination is given by one party to the other pursuant to section 4.2 hereinafter.

4.2 Termination. Either party may terminate this Agreement for convenience, in whole or in part, at any time by delivery to the other party a written notice of termination at least 30 days prior to the effective date of termination. Such notice shall specify the extent of termination and the effective date. The District shall have the right to terminate this Agreement immediately for cause at any time by giving written notice of termination to the Company.

In the event of termination, the District shall pay the Company for all Services satisfactorily performed prior to the designated termination date based upon the compensation formula provided in **Exhibit C**.

Upon any termination, the Company shall transfer and deliver to the District all Work Product (paper and electronic) which shall be deemed from and after the effective date of this Agreement to be the property of the District.

## V. INSURANCE

5.1 Insurance Coverage Requirements. The Company shall acquire and maintain during the term of this Agreement, including any extensions of the term, insurance in the following minimum amounts:

- A. Worker's Compensation insurance as required by law.
- B. Comprehensive general liability insurance, in the minimum amount of \$1,000,000 combined single limit for bodily injury and property damage, each occurrence; \$1,000,000 general aggregate; and \$1,000,000 products and completed operations aggregate.
- C. Commercial Automobile Liability Insurance, \$1,000,000 each accident, any auto.
- D. Professional liability (Errors and Omissions) insurance, in the minimum amount of \$1,000,000.

The Company shall provide to the District at the beginning of the term of this Agreement certificates of insurance demonstrating appropriate coverage in the amounts designated above. The Company shall furnish certificates of insurance coverage upon request and such certificates shall provide that coverages afforded thereunder shall not be cancelled without sixty (60) days prior written notice to the District.

## VI. MISCELLANEOUS

6.1 Assignment. Except as set forth herein, neither this Agreement, nor any of the Parties' rights, obligations, duties or authority hereunder may be assigned in whole or in part by either party without the prior written consent of the other party which consent shall not be unreasonably withheld.

6.2 Subcontractors. The Company is solely and fully responsible to the District for the performance of the Services under this Agreement. Use of any subcontractor by the Company shall be pre-approved in writing by the District. The Company agrees that each and every agreement of the Company with any subcontractor to perform the Services under this Agreement shall be terminable not-for-cause, and that all such contracts shall terminate immediately upon termination of this Agreement. The Company further agrees to require each subcontractor to carry insurance forms and amounts satisfactory to the District in its sole discretion and that all warranties (express or implied) resulting from any subcontracts shall inure to the benefit of the District and its successors and assigns.

6.3 Modification. This Agreement may be modified, amended or changed, in whole or in part, only by an agreement in writing duly authorized and executed by both Parties.

6.4 Integration. This Agreement contains the entire agreement between the Parties, and no statement, promise or inducement made by either party or the agent of either party that is not contained in this Agreement or any written modification or amendment as provided in Section 6.3 shall be valid or binding.

6.5 Persons Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or to give to any person, other than the Parties hereto, any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all of the covenants, terms, conditions, and provisions in the Agreement by and on behalf of the Parties shall be for the sole and exclusive benefit of the Parties hereto.

6.6 Notices. Any notice required or desired to be given by the Parties shall be in writing and may be personally delivered; mailed, certified mail, return receipt requested; sent by telephone facsimile with a hard copy sent by regular mail; sent by a nationally recognized receipted overnight delivery service for earliest delivery the next business day; or sent by electronic mail. Any such notice shall be deemed given when personally delivered; if mailed, three (3) delivery days after deposit in the United States mail, postage prepaid; if sent by telephone facsimile or electronic mail, on the day sent if sent on a business day during regular business hours (9 a.m. to 5 p.m.) of the recipient, otherwise on the next business day; or if sent by overnight delivery service, one (1) business day after deposit in the custody of the delivery service. The addresses, telephone numbers, and electronic mail addresses for the mailing, transmitting, or delivering of notices shall be as follows:

District Mailing Address:

Baca Grande Water and Sanitation District  
Attention: JoAnn Slivka  
57 Baca Grant Way South  
P.O. Box 520  
Crestone, CO 81131  
[frontdesk2@bacawater.com](mailto:frontdesk2@bacawater.com)

Company Mailing Address:

Special District Solutions, LLC  
8310 S. Valley Highway  
Suite 300  
Englewood, CO 80112  
[Kurt@SpecialDistrictSolutions.com](mailto:Kurt@SpecialDistrictSolutions.com)

6.7 Recovery of Costs. In the event of any litigation between the Parties concerning the subject matter hereof, the Court shall award to the party that substantially prevails in such litigation, in addition to the amount of any judgment or other award entered therein, all reasonable costs, expenses and attorney's fees incurred by the party that substantially prevails in such litigation.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

THE COMPANY:

SPECIAL DISTRICT SOLUTIONS, LLC

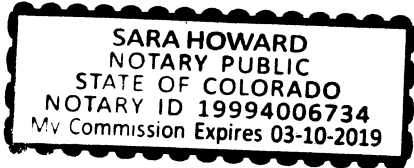
By: *Kurt C Schlegel*  
Kurt C. Schlegel, CEO

STATE OF COLORADO )  
COUNTY OF *El Paso* ) ss.

The foregoing instrument was subscribed, sworn to and acknowledged before me this *13<sup>th</sup>* day of *January*, 2017, by *KURT C SCHLEGEL* as *C.E.O.* of *SPECIAL DISTRICT SOLUTIONS, LLC.*

My commission expires:

(S E A L)



*Sara Howard*  
Notary Public



THE DISTRICT:

BACA GRANDE WATER AND SANITATION  
DISTRICT

By:

*Michael Scully*

Michael Scully, President

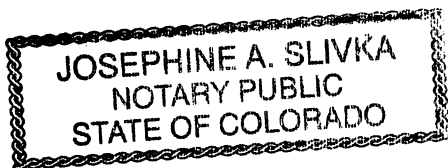
STATE OF COLORADO )

COUNTY OF *Saguache* )

The foregoing instrument was subscribed, sworn to and acknowledged before me  
this *20<sup>th</sup>* day of *January*, 2017, by *Michael Scully* as  
*President* of the *Baca Grande Water and Sanitation District Board of Directors*.

My commission expires: *October 17, 2017*

(SEAL)



*[Handwritten Signature]*  
Notary Public

## **EXHIBIT A**

### **SCOPE OF WORK**

#### **Accounting, Budgeting, and Finance**

- ✓ Provide accounting oversight for the District as needed
- ✓ Prepare and / or review financial statements for Board review, including monthly cash position statements
- ✓ Maintain account ledgers and supporting financial documentation
- ✓ Monitor and track District cash flow and investments and reconcile bank accounts on a monthly basis
- ✓ Prepare annual tax summaries including any required Internal Revenue Service documentation, if applicable
- ✓ Prepare annual budgets for review, adoption, and submission to the State
- ✓ Prepare and certify MILL levies to Saguache County for the collection of property taxes
- ✓ Prepare documents needed for annual financial audits and work with the District's auditor to successfully complete and submit required documentation to the State Auditor

#### **District Management and Administration**

- ✓ Provide exceptional customer service to the Board of Directors and taxpayers of the District
- ✓ Support the District's Board of Directors and Administrative Manager in oversight of ongoing or planned projects

#### **Special Services**

Special Projects are any services performed, in addition to the standard services previously listed, at the direction of the Board and may include but are not limited to the following:

- ✓ Management Discussion and Analysis for the annual Audit Report
- ✓ Assist with and / or coordinate District elections as required by Colorado State Law
- ✓ Other projects deemed necessary by the Board of Directors, not included in the scope of services listed in this proposal

All of the above services will be billed on a time and materials basis in accordance with our attached rate sheet (EXHIBIT C).

**EXHIBIT B**

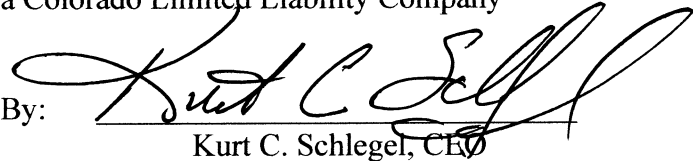
**CERTIFICATION OF COMPLIANCE WITH § 8-17.5-101 & 102, CRS**

The undersigned acting on behalf of the Company, Special District Solutions, LLC, hereby certifies to the District that as of the date listed below, it does not knowingly employ or contract with an unauthorized immigrant and it participates in either (i) the “E-Verify Program”, jointly administered by the United States Department of Homeland Security and the Social Security Administration; or (ii) the Department Program administered by the Colorado Department of Labor and Employment in order to confirm the employment eligibility of all employees who are newly hired to perform work under this contract and verify that it does not knowingly employ any unauthorized immigrants.

Dated this 20<sup>th</sup> day of January, 2017.

**SPECIAL DISTRICT SOLUTIONS, LLC**  
a Colorado Limited Liability Company

By:

A handwritten signature in black ink, appearing to read "Kurt C. Schlegel", is written over a horizontal line. The signature is stylized and cursive.

Kurt C. Schlegel, CEO

**EXHIBIT C**

**SPECIAL DISTRICT SOLUTIONS, LLC**

**2017 RATE SHEET**

**Per Hour Charges**

**District Consulting, Management, & Administration:**

Principals & Managers	\$150.00
Assistant Managers & District Administrators	\$ 90.00 - \$110.00
Administrative Support Personnel	\$ 60.00 - \$ 90.00

**Finance & Accounting:**

Principals & Certified Professional Accountants	\$150.00
Assistant Accountants	\$ 90.00 - \$110.00
Accounting Administration	\$ 60.00 - \$ 90.00

**Additional Expenses:**

Direct non-salary expenses incurred, identifiable and not applicable to general overhead, will be charged at actual invoice cost, including but not limited to travel-related expenses, project equipment and supplies.

Automobile travel will be charged at the mileage rate allowed by the Internal Revenue Service.

Photocopies will be charged at a cost of \$0.10 per page for black and white and \$0.25 per page for color.

American Family Insurance Company   
 American Family Mutual Insurance Company if selection box is not checked.  
 6000 American Pky Madison, Wisconsin 53783-0001

Insured's Name and Address  
 Special District Solutions, LLC  
 8310 South Valley Highway Suite 300  
 Englewood, CO 80112

Agent's Name, Address and Phone Number (Agt./Dist.)  
 Jeff Champine Agency, Inc.  
 9250 E Costilla Ave Ste 603  
 Greenwood Village, CO 80112  
 (303) 706-1766 (160/304)

**This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder.  
 This certificate does not amend, extend or alter the coverage afforded by the policies listed below.**

<b>COVERAGES</b>				
This is to certify that policies of insurance listed below have been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions, and conditions of such policies.				
TYPE OF INSURANCE	POLICY NUMBER	POLICY DATE		LIMITS OF LIABILITY
		EFFECTIVE (Mo, Day, Yr)	EXPIRATION (Mo, Day, Yr)	
<b>Homeowners/ Mobilehomeowners Liability</b>				Bodily Injury and Property Damage Each Occurrence \$ ,000
<b>Boatowners Liability</b>				Bodily Injury and Property Damage Each Occurrence \$ ,000
<b>Personal Umbrella Liability</b>				Bodily Injury and Property Damage Each Occurrence \$ ,000
<b>Farm/Ranch Liability</b>				Farm Liability & Personal Liability Each Occurrence \$ ,000 Farm Employer's Liability Each Occurrence \$ ,000
<b>Workers Compensation and Employers Liability †</b>				Statutory ***** Each Accident \$ ,000 Disease - Each Employee \$ ,000 Disease - Policy Limit \$ ,000
<b>General Liability</b> <input checked="" type="checkbox"/> Commercial General Liability (occurrence) <input type="checkbox"/> <input type="checkbox"/>	05-W5789-01	01/28/2016	01/28/2017	General Aggregate \$ 2,000,000 Products - Completed Operations Aggregate \$ 2,000,000 Personal and Advertising Injury \$ ,000 Each Occurrence \$ 1,000,000 Damage to Premises Rented to You \$ ,000 Medical Expense (Any One Person) \$ 5,000
<b>Businessowners Liability</b>				Each Occurrence †† \$ ,000 Aggregate †† \$ ,000
<b>Liquor Liability</b>				Common Cause Limit \$ ,000 Aggregate Limit \$ ,000
<b>Automobile Liability</b> <input type="checkbox"/> Any Auto <input type="checkbox"/> All Owned Autos <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Auto <input type="checkbox"/> Nonowned Autos <input type="checkbox"/>				Bodily Injury - Each Person \$ ,000 Bodily Injury - Each Accident \$ ,000 Property Damage \$ ,000 Bodily Injury and Property Damage Combined \$ ,000
<b>Excess Liability</b> <input type="checkbox"/> Commercial Blanket Excess <input type="checkbox"/>				Each Occurrence/Aggregate \$ ,000
<b>Other (Miscellaneous Coverages)</b>				
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / RESTRICTIONS / SPECIAL ITEMS Terrorism not included				† The individual or partners <input type="checkbox"/> Have shown as insured elected to be covered under this policy. <input type="checkbox"/> Have not †† Products-Completed Operations aggregate is equal to each occurrence limit and is included in policy aggregate.

<b>CERTIFICATE HOLDER'S NAME AND ADDRESS</b>	<b>CANCELLATION</b>
	<input type="checkbox"/> Should any of the above described policies be cancelled before the expiration date thereof, the company will endeavor to mail *(            days) written notice to the Certificate Holder named, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives. *10 days unless different number of days shown <input checked="" type="checkbox"/> This certifies coverage on the date of issue only. The above described policies are subject to cancellation in conformity with their terms and by the laws of the state of issue
DATE ISSUED 01/29/2016	AUTHORIZED REPRESENTATIVE Eugene Waara

# CERTIFICATE OF LIABILITY INSURANCE

01/29/2016

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Jeff Champine Agency, Inc. 9250 E Costilla Ave Ste 603 Greenwood Village, CO 80112 (303) 706-1766 (160/304)	<b>CONTACT NAME:</b> Jeffrey A Champine <b>PHONE A/C No. Ext:</b> (303) 706-1766 <b>FAX (A/C No.):</b> (866) 953-5815 <b>E-MAIL ADDRESS:</b> JCHAMPIN@amfam.com														
<b>INSURED</b> Special District Solutions, LLC 8310 South Valley Highway Suite 300 Englewood, CO 80112	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A: American Family Mutual Insurance Company</td> <td style="text-align: center;">19275</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: American Family Mutual Insurance Company	19275	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A: American Family Mutual Insurance Company	19275														
INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

<b>COVERAGES</b>	<b>CERTIFICATE NUMBER:</b>	<b>REVISION NUMBER:</b>
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR VWD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/>						BODILY INJURY (Per person)      \$ BODILY INJURY (Per accident)      \$ PROPERTY DAMAGE (Per accident)      \$ BODILY INJURY      \$ \$
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Professional Liability/E&O <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER			#001033628	01/28/2016	01/28/2017	EACH OCCURRENCE      \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence)      \$ MED EXP (Any one person)      \$ PERSONAL & ADV INJURY      \$ GENERAL AGGREGATE      \$ 1,000,000 PRODUCTS - COMP/OP AGG      \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE      \$ AGGREGATE      \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N					<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E. L. EACH ACCIDENT      \$ E. L. DISEASE - EA EMPLOYEE      \$ E. L. DISEASE - POLICY LIMIT      \$
	DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) \$5,000 deductible						

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 \$5,000 deductible

<b>CERTIFICATE HOLDER</b>	<b>CANCELLATION</b>
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  Eugene Waara

After Recording, Return to:  
LAW OF THE ROCKIES  
525 N. MAIN  
GUNNISON, CO 81230

**Resolution No. 2017-01-01**

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

**CONCERNING INCLUSION FEES FOR ATALANTA ASSOCIATION**

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WHEREAS, the Baca Grande Water and Sanitation District (the “**District**”) was formed pursuant to C.R.S. §§ 32-1-101, *et seq.*, as amended (the “**Special District Act**”), by order of the District Court for Saguache County, Colorado, and after approval of the District’s eligible electors at an election; and

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

WHEREAS, Section 1.11 of the District’s Rules and Regulations provides that the District has the power to amend, modify, suspend and waive provisions of its Rules and Regulations

WHEREAS, pursuant to C.R.S. §§ 32-1-401, *et seq.*, Atalanta Association, a Colorado nonprofit corporation (“**Petitioner**”) has petitioned to the District for inclusion of certain property more particularly described in such petition by Petitioner executed September 20, 2016 into the boundaries of the District (the “**Inclusion Petition**”); and

WHEREAS, the District’s Rules and Regulations provide in Section 2.10.4.1.2 for the payment of an initial deposit of \$10,000.00 that is non-refundable as well as certain other amounts for petitioners seeking inclusion within the boundaries of the District; and

WHEREAS, Petitioner has paid certain amounts as required but is unable to make the full, \$10,000.00 initial deposit at this time and has demonstrated to the Board financial hardship and a genuine commitment to this process; and

WHEREAS, the District desires to allow Petitioner to proceed with its petition provided that Petitioner maintains such deposits as are necessary to ensure that the District does not incur any fees or costs in excess of the amount on deposit and provided the Petitioner ultimately pays the full amounts required by the District’s Rules and Regulations.

NOW, THEREFORE, be it resolved by the Board as follows:

1. ORDER OF PAYMENT. Notwithstanding any other provision in the District's Rules and Regulations, Petitioner shall make an Initial Deposit of \$3,000. No work will commence on the Inclusion Petition until the Initial Deposit is made. When the amount of the Initial Deposit remaining is One Thousand Five Hundred Dollars (\$1,500), the Manager shall notify the Petitioner in writing and request that an Incremental Refundable Deposit in the amount One Thousand Five Hundred Dollars (\$1,500) be remitted to the District. Such Incremental Refundable Deposit shall be deposited with the District within 15 days of a request for such deposit by the Manager. When the remaining amount of the Initial Deposit and the Incremental Refundable Deposit is One Thousand Five Hundred Dollars (\$1,500), the Manager shall proceed in the same manner as set forth above for obtaining additional Incremental Refundable Deposits, each in the amount of One Thousand Five Hundred Dollars (\$1,500). All work on the Inclusion Petition shall continue until so long as Petitioner has deposited with the District funds in an amount sufficient to pay for such work. In the event Petitioner fails to timely provide a requested Incremental Refundable Deposit, or there are not funds in an amount sufficient to pay for work on the Inclusion Petition on deposit with the District, the District's consultants, including legal, management and engineering, shall cease all work until an Incremental Refundable Deposit is remitted to the Manager, at which time work shall resume. The purpose and intent of this provision is to ensure that Petitioner is financially responsible for all costs and expenses of the District relating to the Inclusion Petition. At the conclusion of the inclusion process, whether successful or unsuccessful, or if Petitioner formally abandons its Inclusion Petition by written notice to the District, any amounts on deposit with the District that have not been exhausted after payment of all costs and expenses incurred by the District in connection with the Inclusion Petition shall be returned to Petitioner within a reasonable time. Petitioner shall not be entitled to inclusion of its subject property within the boundaries of the District until such time as Petitioner has paid in full all costs and expenses incurred by the District in connection with the Inclusion Petition. Except as expressly provided herein, all provisions of the District's Rules and Regulations shall apply.

1. EFFECTIVE DATE; WAIVER. This Resolution shall become effective as of January, 2017. This Resolution shall be considered a waiver under Section 1.11 of the District's Rules and Regulations specific to Petitioner and shall not be deemed a continuing waiver or amendment.

ADOPTED this 20 day of January, 2017.

BACA GRANDE WATER AND SANITATION  
DISTRICT, a quasi-municipal corporation and  
political subdivision of the State of Colorado

Michael Senly  
Officer of the District

ATTEST:

MW.



APPROVED AS TO FORM:

LAW OF THE ROCKIES

A handwritten signature in blue ink, consisting of several stylized, overlapping loops and a long horizontal stroke extending to the right.

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General Counsel to the District



WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101, *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets and to file copies of the budgets and amendments thereto with the Division; and

WHEREAS, § 39-5-128, C.R.S., requires the District to certify its mill levy to the Board of County Commissioners on or before December 15; and

WHEREAS, § 29-1-205, C.R.S., requires the District to prepare an informational listing of all contracts in effect with other political subdivisions and submit said list to the Division within thirty (30) days after receiving a written request; and § 29-1-205 further requires that the District file with the Division a copy of any contract establishing a separate governmental entity pursuant to [§ 29-1-204](#), C.R.S., or an amendment or a modification thereof, within ten (10) days after the execution of such contract, amendment, or modification.; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities must file an annual report with the Department of Local Affairs within sixty (60) days of the close of the fiscal year; and

WHEREAS, pursuant to § 29-1-604(1), C.R.S., any local government where neither revenues nor expenditures exceed One Hundred Thousand Dollars (\$100,000) in any fiscal year commencing on or after January 1, 1998, may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-604(2)(b), C.R.S., any local government where revenues or expenditures for any fiscal year commencing on or after January 1, 2015, are at least One Hundred Thousand Dollars (\$100,000) but not more than Seven Hundred and Fifty Thousand Dollars (\$750,000), may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-606(7), C.R.S., if the District has authorized but unissued general obligation debt as of the end of the fiscal year, the District shall submit its audit report or a copy of its application for exemption from audit to the Board of County Commissioners; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that political subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, §§ 32-1-101, *et seq.*, C.R.S., requires the District to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, the Directors may receive compensation for their services subject to the limitations imposed by §§ 32-1-902(3)(a)(I) & (II), C.R.S.; and

WHEREAS, pursuant to § 32-1-902(1), C.R.S., the Board shall elect officers of the District; and

WHEREAS, the Directors are governed by § 32-1-902(3)(b), C.R.S., which requires a Director to disqualify himself or herself from voting on an issue in which s/he has a conflict of interest, unless the Director has properly disclosed such conflict in compliance with law and files said conflict disclosure statements at least seventy-two (72) hours prior to any regular or special meeting of the District; and

WHEREAS, § 24-6-402(2)(c), C.R.S., specifies the duty of the Board to designate a posting place for notices of meetings which are not otherwise posted under Title 32, C.R.S., as regular or special meetings; and

WHEREAS, § 32-1-903, C.R.S., requires that the Board shall meet regularly at a time and in a place to be designated by the Board and requires that notice of such meetings be posted in at least three (3) public places within the boundaries of the District and in the County Clerk and Recorder's Office at least seventy-two (72) hours prior to said meeting; and

WHEREAS, elections may be held pursuant to the Colorado Local Government Election Code, §§ 1-13.5-101, *et seq.*, C.R.S., Special District Act, §§ 32-1-101, *et seq.*, C.R.S., and the Uniform Election Code of 1992, §§ 1-1-101, *et seq.*, C.R.S., for the purpose of: (1) electing members of the Board; (2) presenting certain ballot issues to the eligible electors of the District as required by Article X Section 20 of the Colorado Constitution; and (3) presenting certain ballot issues and questions to the eligible electors of the District; and

WHEREAS, § 1-5-102, C.R.S., specifies that the Board shall designate polling places for nonpartisan elections, other than coordinated elections, no later than twenty-five (25) days prior to an election; and

WHEREAS, § 1-11-103(3) and § 32-1-1101.5, C.R.S., require the District to notify the Division of the results of any elections held by the District within thirty (30) days after the election and to certify results of any election to incur general obligation indebtedness via certified mail to the Board of County Commissioners within forty-five (45) days after the election; and

WHEREAS, §§ 32-1-1604, C.R.S., requires the Board to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring said indebtedness; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., the Board of County Commissioners may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, pursuant to § 32-1-207(3)(c), C.R.S., the District, if requested, may be required to file an annual report with the Board of County Commissioners, the Division, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S.; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., the Board is given authority to obtain insurance.

WHEREAS, in accordance with the Workers' Compensation Act of Colorado, §§ 8-40-101 – 8-47-101, *et seq.*, C.R.S., the District is required to carry workers' compensation coverage for its employees, but the Board members may opt out of such coverage by the methods prescribed in the Workers' Compensation Act of Colorado.

WHEREAS, in accordance with C.R.S. § 32-1-809(1), not more than sixty (60) days prior to and not later than January 15 of each year, the District shall provide notice to the District's eligible electors in the manner set forth in C.R.S. § 32-1-809(2); and.

WHEREAS, pursuant to C.R.S. § 32-1-104.8(1), the District is required to record a public disclosure document and map of the boundaries of the District with the County Clerk and Recorder, such public disclosure document shall contain certain information pertaining to the District as further described in C.R.S. § 32-1-104.8(1), and, pursuant to C.R.S. § 32-1-104.8(2), such public disclosure document and map shall be recorded with the County Clerk and Recorder and such public disclosure document(s) and map(s) shall be recorded with the County Clerk and Recorder at the same time of any decree or order confirming the inclusion of any real property into the boundaries of the District is recorded pursuant to C.R.S. § 32-1-105.

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

1. The Board directs the District's engineer to prepare an accurate map of the District and for legal counsel to keep accurate maps on file with the Division, County Assessor, and County Clerk and Recorder and shall submit any changes to the maps on or before January 1.
2. The Board directs the District's manager to file a copy of the notice otherwise required by § 32-1-809(1), C.R.S., with the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, and the Division on or before January 15.
3. The Board directs the District's accountant to submit a proposed budget to the Board by October 15, to prepare a final budget, including any amendments thereto, if necessary, and directs the District's manager and legal counsel to schedule a public hearing on the proposed budget, to prepare all budget resolutions and to file the budget resolution with the Division on or before January 30.
4. The Board directs the District's manager to certify the mill levy with the Board of County Commissioners on or before December 15.

5. The Board directs the District's manager to provide the Division a current list of all contracts in effect with other political subdivisions within thirty (30) days after receiving a written request, pursuant to Section 29-1-205, C.R.S. Within ten (10) days after execution of a contract establishing a separate governmental entity pursuant to Section 29-1-204, C.R.S., or an amendment or modification thereof, the Board directs the District's manager to file a copy of such contract, amendment or modification with the Division, pursuant to Section 29-1-205(2), C.R.S.
6. The Board directs the District's manager to prepare and file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year.
7. The Board directs the District's auditor to prepare an audit of the financial statements and submit such draft audit to the Board before June 30; further, the Board directs that the auditor file the final audit with the State Auditor by July 31.
8. The Board directs the District's accountant and auditor, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, as follows: (1) if the District is eligible for an audit exemption pursuant to §§ 29-1-604(1) or (2), C.R.S., then, pursuant to § 29-1-606(7), C.R.S., the District's accountant shall submit a copy of the District's application for exemption to the Board of County Commissioners; and (2) if the District is required to submit an annual audit pursuant to §§ 29-1-601, *et seq.*, C.R.S., then, pursuant to § 29-1-606(7), C.R.S., the District's auditor shall submit its audit report to the Board of County Commissioners.
9. The Board directs the District's manager to prepare the Unclaimed Property Act report and submit the same to the State Treasurer.
10. The Board designates the Saguache Crescent as a newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes in the Saguache Crescent.
11. The Board determines that each Director shall receive compensation for services as Directors in accordance with §§ 32-1-902(3)(a)(I) & (II), C.R.S.
12. The Board hereby elects the following officers for the District:

Michael Scully, President  
Martin Macaulay, Vice president  
Lynn Drake, Secretary  
Matthew Ghourdjian, Treasurer  
Robert Salmi, Assistant Secretary

13. The District hereby determines that each present and future member of the Board shall complete conflict disclosure forms and directs legal counsel to file the conflict disclosure forms with the Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board.
14. The Board designates the District Office located at 57 Baca Grant Way South, Crestone, CO 81131 as the District's posting place for notices of meetings which were not otherwise posted under §§ 32-1-101, *et seq.*, C.R.S.
15. The Board determines to hold regular meetings on the 3rd Friday of every month except December (second Friday) at 9:00 AM at the offices of Baca Grande Water and Sanitation District, 57 Baca Grant Way South, Crestone, CO 81131. In addition, regular and special meetings notices shall be posted at three (3) separate locations within the boundaries of the District and in the County Clerk & Recorder's Office at least seventy-two (72) hours prior to said meeting. Meeting notices are posted at the following locations:
  - 57 Baca Grant Way South, Crestone, Colorado
  - Desert Sage Restaurant, Camino Baca Grande, Crestone, Colorado
  - Baca Grande Library, 67487 CR-T Crestone, Colorado
16. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in § 24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.
17. JoAnn Slivka, Administrative Services Manager of the District, is hereby appointed as the "Designated Election Official" of the Board for any elections to be held during 2017 and any subsequent year. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board and cancellation, if applicable, of the election.
18. For the convenience of the electors of the District, and pursuant to its authority set forth in § 1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§ 1-13.5-1101, *et seq.*, C.R.S., unless otherwise deemed necessary and expressed in a separate election resolution adopted by the Board.
19. In accordance with § 1-11-103(3) and § 32-1-1101.5, C.R.S., the District directs legal counsel and the Designated Election Official to notify the Division of the results of any elections held by the District within thirty (30) days after the election and to certify results of any election to incur general obligation indebtedness to the Board of County Commissioners within forty-five (45) days

after the election and to file a copy of such certification with the Division of Securities.

20. In accordance with § 32-1-1604, C.R.S., the Board directs legal counsel to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness.
21. The Board directs legal counsel and the District's manager to prepare and file with the Board of County Commissioners, if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.
22. The Board directs the District's manager to prepare and file, if requested, the special district annual report.
23. The Board directs the District's manager to obtain proposals for insurance to insure the District against all or any part of the District's liability for injury; to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. The Board will annually review all insurance policies in effect.
24. The Board hereby opts to include elected or appointed officials as employees within the meaning of § 8-40-202(1)(a)(I)(A), C.R.S., and hereby directs the District's Manager to obtain workers' compensation coverage for the District.
25. In accordance with C.R.S. § 32-1-809(1), the Board hereby directs the District's manager, not more than sixty (60) days prior to and not later than January 15 of each year, to provide notice to the District's eligible electors in the manner set forth in C.R.S. § 32-1-809(2). Further, the Board hereby designates the following website as the District's official website for the purposes thereof: [www.bacawater.com](http://www.bacawater.com).
26. Pursuant to C.R.S. § 32-1-104.8(1), the Board hereby directs the District's legal counsel to prepare and record any amended public disclosure document(s) and map(s) with the County Clerk and Recorder pursuant to C.R.S. § 32-1-105 should any property be included into the boundaries of the District.
27. The Board hereby directs its legal counsel, accountant, manager, and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.
28. The Board confirms its obligations under § 24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition includes elected and appointed officers.



29. The Board hereby appoints JoAnn Slivka, Administrative Services Manager of the District, as the official custodian for the maintenance, care, and keeping of all public records of the District, in accordance with §§ 24-72-202, *et seq.*, C.R.S.
30. The Board directs its accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

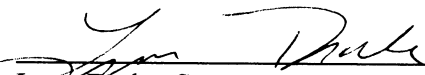
Whereupon, the motion was seconded by Director Macaulay, and upon vote, unanimously carried.

ADOPTED AND APPROVED this 20<sup>th</sup> day of January, 2017.

BACA GRANDE WATER AND SANITATION  
DISTRICT

  
\_\_\_\_\_  
Michael Scully, President

ATTEST:

  
\_\_\_\_\_  
Lynn Drake, Secretary

**Resolution No. 2017-01-03**

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

**DESIGNATING THE DISTRICT'S 24-HOUR POSTING LOCATION**

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WHEREAS, the Baca Grande Water and Sanitation District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 24-6-402(1)(a), C.R.S., the District is a local public body and subject to the provisions of §§ 24-6-401, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-903(2), C.R.S., notice of the time and place for meetings of the Board of Directors of the District (the "Board") is required to be posted in three (3) public locations within the boundaries of the District at least seventy-two (72) hours before any regular or special meeting; and

WHEREAS, § 24-6-402(2)(c), C.R.S., provides that, in addition to any other means of full and timely notice, a local public body shall be deemed to have given full and timely notice if the notice of the meeting is posted in a designated public place within the boundaries of the local public body no less than twenty-four (24) hours prior to the holding of the meeting; and

WHEREAS, pursuant to § 24-6-402(2)(c), C.R.S., the public place or places for posting such notice shall be designated annually at the local public body's first regular meeting of each calendar year; and

WHEREAS, the Board has determined to designate one of the three posting locations used for meeting notices in satisfaction of § 32-1-903(2), C.R.S. as its designated posting location for notices under § 24-6-402(2)(c), C.R.S.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. Pursuant to § 24-6-402(2)(c), C.R.S., the Board hereby designates the following location for the posting of its twenty-four (24) hour meeting notices:


The District's Shop, located at 57 Baca Grant Way South, Crestone, Colorado.

ADOPTED this 20<sup>th</sup> day of January, 2017.

BACA GRANDE WATER AND SANITATION  
DISTRICT

  
\_\_\_\_\_  
Officer of the District


ATTEST:

  
\_\_\_\_\_

APPROVED AS TO FORM:

Marcus Lock

Law of the Rockies

  
\_\_\_\_\_

General Counsel to the District

*[Signature Page to Resolution Designating the 24-Hour Posting Location.]*

PUBLIC NOTICE OF 2017 REGULAR MEETINGS OF THE  
BOARD OF DIRECTORS OF THE  
BACA GRANDE WATER AND SANITATION DISTRICT

PUBLIC NOTICE is hereby given that the regular meetings of the Board of Directors of the Baca Grande Water and Sanitation District, of Saguache County, State of Colorado, shall be held on the third Friday of each month except for December (2<sup>nd</sup> Friday, December 15, 2017) at 9:00AM, at 57 Baca Grant Way South, Crestone, Colorado. At such meetings, the Board shall conduct the regular business of the District and other business which may come before the Board. All meetings shall be open to the public.

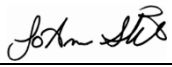
IN WITNESS WHEREOF, this notice is given and duly posted pursuant to statute this 20<sup>th</sup> day of January, 2017.

BACA GRANDE WATER AND SANITATION DISTRICT

By: /s/ Lynn Drake  
Secretary

CERTIFICATION

I certify that this Notice was posted in at least three places within the limits of the Baca Grande Water and Sanitation District this 20<sup>th</sup> day of January, 2017.

By: 

**CERTIFICATION**

I, Lynn Drake, Secretary of the Board of Baca Grande Water and Sanitation District, do hereby certify that the annexed and foregoing resolution is a true copy from the records of the proceedings of the Board of said District on file at the District Office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District this 20<sup>th</sup> day of January, 2017.

  
\_\_\_\_\_  
Lynn Drake, Secretary



Certified Public Accountants and Business Consultants

December 29, 2016

To the Board of Directors and Management  
Baca Grande Water and Sanitation District  
Saguache County, Colorado

We are pleased to propose audit services and to confirm our understanding of the services we are to provide Baca Grande Water and Sanitation District (the District) for the year ended December 31, 2016. We will audit the financial statements of the governmental activities, the business-type activities, and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. If the District chooses to omit MD&A, as in prior years, our report will include a statement that management has chosen to omit MD&A.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund
- 2) Pension Related Required Supplementary Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 3) Schedules of revenues, expenditures and changes in fund balances – budget and actual (budgetary basis) – enterprise fund
- 4) Reconciliation of actual (budgetary basis) to statement of revenues, expenses and change in net position
- 5) Schedule of debt service requirements to maturity

#### **Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Barnes Griggs & Associates, PC

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Other Services**

We may also prepare the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Barnes Griggs & Associates, PC and constitutes confidential information.

We expect to begin our audit on a date mutually agreeable to your accountants and our firm, and to issue our reports no later than July 31, 2017, or September 30, 2017 if management requests an extension of time from the state auditor. Eric Barnes is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be \$8,950 (the same fee as the prior year) plus out-of-pocket costs (such as postage, mileage, etc.). Our invoice for services will be presented upon the issuance of draft financial statements and is due upon presentation. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fees are based on anticipated cooperation from your personnel, contractors, and professionals, and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.



**Contractor Certification Regarding Illegal Aliens – Public Contracts for Services**

Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., we hereby certify to the District that we do not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that we participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of Barnes Griggs & Associates, PC who are newly hired to perform work under the Agreement.

In accordance with Section 8-17.5-102(2)(a), C.R.S., we shall not:

- 1) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or
- 2) Enter into a contract with a subcontractor that fails to certify to us that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

We represent and warrant that we have confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

We are prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

If we obtain actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, we shall:

- 1) Notify the subcontractor and the District within three days that we have actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- 2) Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that we shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

We shall comply with any reasonable request by the Colorado Department of Labor and Employment ("Department") made in the course of an investigation that the Department is undertaking, pursuant to the law.

If we violate any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and we shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by us to the Colorado Secretary of State, as required by law.

We appreciate the opportunity to be of service to Baca Grande Water and Sanitation District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Barnes Griggs & Associates, PC*

Barnes Griggs & Associates, PC

RESPONSE:

This letter correctly sets forth the understanding of Baca Grande Water and Sanitation District.

Authorized signature: \_\_\_\_\_

Title: DIRECTOR

Date: 1/3/18

*Michael Scully* PRESIDENT BOD