

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD JULY 19, 2013

A Regular Meeting of the Board of Directors of the Baca Grande Water and Sanitation District (referred to hereafter as "Board") was held on Friday, the 19th day of July, 2013, at 8:00 a.m. at the offices of the District, BGWSD Shop, 57 Baca Grant Way South, Crestone, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Vicki Matthews
Martin Macaulay
Cindy Reinhardt
Kyle Grote

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

Also In Attendance Were:

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

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

Kendall Burgemeister, Esq. (for a portion of the meeting); Wilderson Lock & Hill, LLC - Via speakerphone

Steven Harrell; District General Manager

See attached sign-in sheet

RECORD OF PROCEEDINGS

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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

ADMINISTRATIVE MATTERS

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

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

The Board discussed the absence by Director Johnson. Director Macaulay noted that he will discuss with Director Johnson his ability to regularly attend future meetings.

Consent Agenda: The Board considered the following actions:

- Engineer's Report.
- Operations Report.
- August 2013 Article for publication in Crestone Eagle.

It was noted that Director Reinhardt requested that the Engineer's and Operations reports include follow up items for issues that are discussed at Board meetings. Following discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board reviewed, approved and accepted the above items.

The Board discussed the Minutes of the June 21, 2013 Regular Meeting.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Reinhardt and, upon vote, unanimously carried, the Board approved the Minutes of the June 21, 2013 Regular Meeting, as amended.

RECORD OF PROCEEDINGS

PUBLIC COMMENT

Public Comment: Mr. Baen addressed the Board. He explained that he is in attendance on behalf of the Crestone Baca Water Counsel ("CBWC") and discussed the current watershed management practices of the SLV / Baca National Wildlife Refuge. He distributed and reviewed with the Board a sample resolution and background information. He requested that the District take an official position, on record, as being in support of the watershed management practices proposed by the CBWC. Mr. Beckman recommended that the potential support by the District be discussed with the District's Water Attorney prior to taking an official position. Director Reinhardt inquired as to the deadline for submittal of comments or adoption of the sample resolution. Mr. Baen explained that there is no deadline at the present time.

OPERATIONS

Corrosion Control Study: Mr. Beckman reported that McLaughlin Engineering, Ltd. is on track to have the report submitted by August 1st. Mr. Harrell reported that all of the pipe loop tests are complete.

Soda Ash Discoloration: Mr. Harrell reported that there appears to be no reason for the discoloration of the heating element within the teapot owned by Ms. Onewing, as reported by her at the last meeting. Director Macaulay recommended additional testing. Following discussion, the Board directed Mr. Harrell to conduct a pH test at Ms. Onewing's home and to perform an in-house test of the same device using distilled water and raw water.

Motel Well: Mr. Harrell reported that he has requested a proposal from Center Pump Company, Inc. for upgrades to the Motel Well. He expects to have a proposal for review by the Board at the next meeting. He further reported that the District is currently able to use the Golf Course Well as the water rights are in priority.

Dharma Ocean Lift Station: Mr. Harrell reported that failures in the controls and pumps are being addressed and will be pursued as an insurance claim. He expects the repairs to be completed by August 16, 2013.

Pavement Repairs on Moonlight Way: Mr. Harrell reported that the street cut has been undergoing a compaction process and will be paved by the County. He noted that repaving is expected within the next couple of weeks.

Operational Follow-Up: The Board requested that a reoccurring agenda item be added regarding operational follow-ups.

RECORD OF PROCEEDINGS

CAPITAL IMPROVEMENTS

Water Conservation Project: Mr. Harrell reported that TST Inc. of Denver ("TST") has completed development of the basis for the model in AutoCAD and anticipates receiving pump station operating curves from the District the week of July 15th. TST staff will be on-site July 23rd to conduct fire hydrant testing and to verify ground data.

Supplemental Environmental Project ("SEP"): TST, Mr. Beckman and Mr. Harrell will be discussing the water meter upgrade project on July 24th to establish the desired means of water usage data collection given the options of manual read, remote read, and the FlexNet Communications System.

Biosolids: Following the July 24th meeting referenced above, the District will define the roles and responsibilities of the parties involved in the effort of the removal and hauling of Biosolids.

Capital Funding Scenarios: Mr. Beckman reported that the scenarios have not been updated with the expenditures from the current period. Once they have been updated they will be circulated via email. Going forward the scenarios will be presented through the prior period.

FINANCIAL MATTERS

Claims: Mr. Beckman reviewed the payment of claims with the Board through the period ending July 19, 2013 as follows:

	Period Ending July 19, 2013
General Fund	\$ 22,219.59
Cap. Projects Fund	15,997.23
Debt Service Fund	-0-
Enterprise Fund	79,832.07
Total Claims	\$ 118,048.89

Following review and discussion, upon motion duly made by Director Reinhardt, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the payment of the claims for the period ending July 19, 2013, as presented and directed.

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

Financial Statements: Ms. Ross reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, and budget analysis and accounts payable vouchers for the period ending June 30, 2013. Director

RECORD OF PROCEEDINGS

Reinhardt inquired as to offsetting revenues for parts associated with new services. Ms. Ross reported that she will add a revenue line item to and expense item to specifically address the revenues and expenditures. It was noted that the expenses have historically been booked to the water meter's line item and the revenues have been booked to tap fees.

Following discussion, upon motion duly made by Director Grote, seconded by Director Macaulay and, upon vote, unanimously carried, the Board accepted the financial statements for the period ending June 30, 2013.

LEGAL MATTERS

Legal Matters: There was nothing new to discuss.

EXECUTIVE SESSION

Attorney Burgemeister joined the meeting via speakerphone at this time.

EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4) (b), (e) and (f), C.R.S., upon motion duly made by Director Macaulay, seconded by Director Grote and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 10:03 a.m. for the purpose of discussions relating to negotiations with third parties, for receiving legal advice and for discussing personnel matters, all as authorized by Sections 24-6-402(4)(b), (e) and (f) C.R.S.

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

The Board reconvened in regular session at 10:50 a.m.

OTHER BUSINESS

Consulting Contracts: Director Reinhardt discussed the termination provisions of the amendment to the consulting contracts for Special District Management Services, Inc., and White, Bear & Ankele Professional Corporation. Attorney Tanaka inquired into whether the Board would be interested in considering an agreement with White, Bear & Ankele for an annual retainer for legal services to ensure consistent fees for regularly occurring legal services. The Board noted it would be interested in considering this. Mr. Beckman reported that he would check on the possibility of preparing a similar contract with Special District Management Services, Inc. for consideration by the Board. Ms. Tanaka and Mr. Beckman will present the Board with proposals at the August or September meeting for consideration.

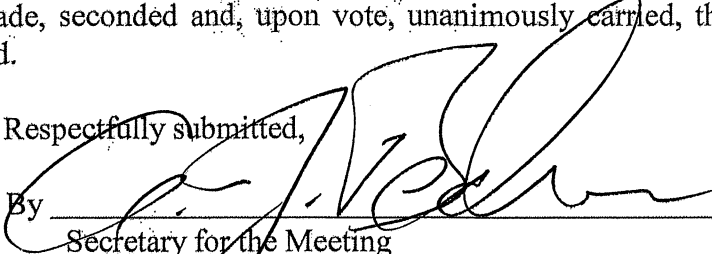
RECORD OF PROCEEDINGS

ADJOURNMENT

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

Respectfully submitted,

By


Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 19, 2013 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

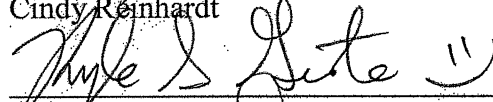
Vicki Matthews



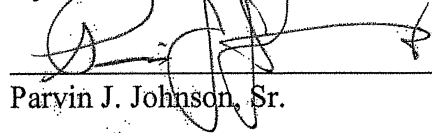
Martin Macaulay



Cindy Reinhardt



Kyle Grote

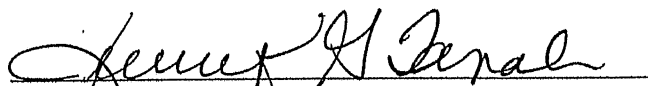


Parvin J. Johnson, Sr.

RECORD OF PROCEEDINGS

ATTORNEY STATEMENT

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 session convened on July 19, 2013 for the sole purpose of discussing matters subject to negotiation with third parties, personnel matters and matters seeking legal advice, as authorized by §§24-6-402(4)(b), (e) and (f), C.R.S. I further attest that it is my opinion that a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required by be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.


Jennifer Gruber Taraka, Esq.
General Counsel
Baca Grande Water and Sanitation District



Baca Grande Water and Sanitation District
P.O. Box 520 | 57 Baca Grant Way S
Crestone, CO 81131-0520

July 19, 2013

Please print your name, address and contact information along with any issues you are interested in addressing at today's Board Meeting.

Name	Address	Telephone/Email	Would you like to speak?	Issues to be addressed
Noah Baem	131 Skyview Way PO Box 1059	256-4182 noahbaem@yahoo.com	yes	watershed/BNWR plan
MICHAEL SCULLY	PO Box 952 C CO 81131	256-5728	—	—
Cindy Sauti	P.O. 1139 CO 81131	(208) 290-3916	—	—
Belinda Stein				

BACA GRANDE WATER AND SANITATION DISTRICT
ENGINEER'S REPORT
July 12, 2013
Page Two

CAPITAL IMPROVEMENTS

Water Conservation Project (Hydraulic Model) – TST has completed development of the basis for the model in AutoCAD and anticipates receiving pump station operating curves from the District the week of July 15. TST staff will be on-site July 23/24 to conduct fire hydrant testing and to verify ground data.

Supplemental Environmental Project (Green Project) – TST, the District Manager, and the District's General Manager will be discussing the water meter upgrade project on July 16 to establish the desired means of water usage data collection given the options of manual read, remote read, and the FlexNet Communications System.

Removal and Hauling of Biosolids – See report above under Operations Support. Following the July 16 meeting, the District will define the roles and responsibilities of the parties involved in the effort.

OTHER ACTIVITIES

Other TST activities since the June Board meeting include:

- Review the Action Item list and participate in monthly staff meeting.
- Met with District's General Manager regarding water line data for hydraulic model.
- Reviewed field conditions of Dharma Ocean Lift Station with District's General Manager and recommended replacement pumps.
- Researched water quality concerns associated with open-element electric tea pot and residue on plastic.

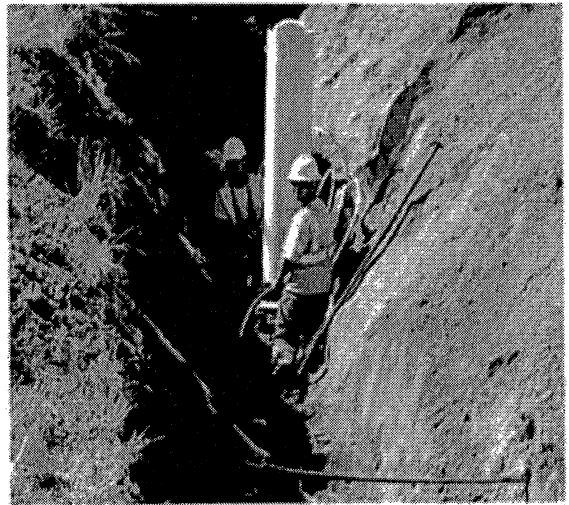


Water is Life – Water is Our Business

Report on District Operations

CONTENTS

District Operations.....	2
Water Usage, Compliance and Testing.....	3
Infrastructure.....	6
Certification Corner, Administration	7



WATER METER BOX INSTALLATION

Steven Harrell
General Manager
Baca Grande Water and Sanitation District
July 19, 2013

BACA GRANDE CHALET

Water – Well 18	Gallons Pumped	Compliant	Result
Gallons Pumped January 2013	4,561,914		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.19 mg/L
Gallons Pumped February 2013	5,513,616		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.30 mg/L
Gallons Pumped March 2013	4,561,914		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.31 mg/L
Gallons Pumped April 2013	5,213,616		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.21 mg/L
Gallons Pumped May 2013	8,472,126		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.32 mg/L
Gallons Pumped June 2013	7,168,722		
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.28 mg/L
Gallons Pumped July 2013			
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L
Gallons Pumped August 2013			
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L
Gallons Pumped September 2013			
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L
Gallons Pumped October 2013			
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L
Gallons Pumped November 2013			
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L
Gallons Pumped December 2013			
Total Coliform Reporting		Yes	Absent
Free Chlorine Residual PWSID # CO 0155200		Residual	0.00 mg/L

July 19, 2013

TOTAL WATER TREATED

	Finished Water Combined Well-18 & Motel Well	Wastewater Treated	Estimated Unaccounted Water
Gallons Pumped January 2013	6,191,169	2,656,000	3,535,169
Gallons Pumped February 2013	6,491,169	2,383,000	4,108,169
Gallons Pumped March 2013	5,539,467	2,260,000	3,279,467
Gallons Pumped April 2013	6,191,169	2,000,000	4,191,169
<i>Irrigation Season Started In April - Unaccounted water is high due to irrigation season</i>			
Gallons Pumped May 2013	17,921,805	2,313,000	15,608,805
Gallons Pumped June 2013	13,359,891	2,337,000	11,022,891
Gallons Pumped July 2013			
Gallons Pumped August 2013			
Gallons Pumped September 2013			
Gallons Pumped October 2013			
Gallons Pumped November 2013			
Gallons Pumped December 2013			

WASTEWATER DISCHARGE SAMPLE RESULTS

June	Limit	Compliant	Result
Effluent BOD ₅	30/45 mg/L 30 DAY AVG/7DMAx	Yes	4.1 mg/L
Percent Removal BOD ₅	85% or greater	Yes	98 %
Effluent TSS	30/45 mg/L 30 DAY AVG/7DMAx	Yes	2.0 mg/L
Percent Removal TSS	85% or greater	Yes	99 %
Fecal Coliform	200/400 Colonies/100/mL 30 DAY GEO.MEAN/7DMAx	Yes	3/100 mg/L

Aspen Wastewater Treatment Plant Has No Discharge Permit Violations

TOTAL AMMONIA AS N, MG/L

Month	Limit	Compliant	Result
January	5.0 mg/L	Yes	January 0.5 mg/L
February	4.1 mg/L	Yes	February 0.3 mg/L
March	4.4 mg/L	Yes	March 0.15 mg/L
April	3.9 mg/L	Yes	April 0.6 mg/L
May	3.3 mg/L	Yes	May 1.2 mg/L
June	3.4 mg/L	Yes	June 0.4 mg/L
July	3.0 mg/L		July 0.0 mg/L
August	2.2 mg/L		August 0.0 mg/L
September	2.6 mg/L		September 0.0 mg/L
October	2.5 mg/L		October 0.0 mg/L
November	3.8 mg/L		November 0.0 mg/L
December	4.0 mg/L		December 0.0 mg/L

July 19, 2013

CERTIFICATION CORNER

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

ADMINISTRATION

Customer Complaints	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Monthly Safety Meetings	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Vactor Safety