

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT HELD MARCH 18, 2016

A Regular Meeting of the Board of Directors (referred to hereafter as “Board”) of the Baca Grande Water and Sanitation District (referred to hereafter as “District”) was held on Friday, the 18<sup>th</sup> day of March, 2016, at 9:00 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:

Martin Macaulay  
Michael Scully  
Kyle Grote  
Judy DeLuca

Following discussion, upon motion duly made by Director Scully, seconded by Director DeLuca and, upon vote, unanimously carried, the absence of President Reinhardt was excused.

##### Also In Attendance Were:

Lisa A. Johnson; Special District Management Services, Inc. (via speakerphone)

Zachary P. White, Esq.; White Bear Ankele Tanaka & Waldron, (via speakerphone)

JoAnn Slivka; Administrative Services Manager

Justin DeBon; Operations Manager

Brad Simons; TZA Water Engineers (via speakerphone for a portion of the meeting)

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

Lynn Drake; Director Elect after May 3, 2016 election

Joanna Dokson; Atalanta Association (for a portion of the meeting)

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### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosure of Potential Conflicts of Interest:** The Board discussed 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 White noted that conflicts were filed for applicable Directors at least 72-hours prior to the meeting. Director Macaulay 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 new disclosures were made.

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### ADMINISTRATIVE MATTERS

**Agenda:** Director Macaulay reviewed the proposed Agenda for the District's Regular Meeting with the Board.

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

**Consent Agenda:** The Board considered the following actions:

- Approve Minutes from the February 19, 2016 regular meeting
- Review and accept unaudited financial statements for the period ending February 29, 2016 and current schedule of cash position.
- Ratify approval of a Lease Agreement with Ford Motor Credit Company for procurement of two Ford F-150 service trucks.
- Approve Gateway and Administrative Service Agreement with Xpress Solutions, Inc. for bill pay services.

Following discussion, upon motion duly made by Director Scully, seconded by Director Grote and, upon vote, unanimously carried, the Board approved the Consent Agenda.

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

**Status of May 3, 2016 Election:** Ms. Slivka reported that the election was cancelled because she did not receive more self-nomination and acceptance forms or write-in candidate affidavits than seats available. The notice to cancel the election has been submitted to the newspaper for publication. The new board members will take their oath of office after May 31, 2016.

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### FINANCIAL MATTERS

**Check Register:** The Board considered approval of the revised check register through the period ending March 18, 2016, as follows:

General Fund	\$	14,523.03
Debt Service Fund	\$	-0-
Capital Projects Fund	\$	18,209.79
Enterprise Fund	\$	<u>52,040.10</u>
Total Claims:	\$	84,772.92

Following discussion, upon motion duly made by Director Scully, seconded by Director DeLuca and, upon vote, unanimously carried, the Board approved the revised check register for the period ending March 18, 2016 subject to verification of costs owed to Valley Courier.

**Financial Summary:** Ms. Johnson presented areas of interest contained within the February 29, 2016 financial statements.

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### PUBLIC COMMENT OFFICE ADMINISTRATION

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

**Administrative Follow-Ups:** There was nothing new to report.

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### OPERATIONS

**Operational Follow-Ups:** Mr. DeBon updated the Board on recent water main repairs within the district as well as the recent inspection of the propane tank at the Shop. It was noticed during the visit to fill the tank that the tank regulator was leaking. When the service technician arrived to repair the regulator he noticed that other appurtences related to the propane regulators were not in compliance with building code. Mr. DeBon will have the issues corrected next week.

**Status of Payment to US Standard Products:** Mr. DeBon summarized the events since the last meeting regarding the snow melt and safety glasses received from US. Standard Products. Upon staff review of the letter drafted by Attorney White and further investigation, he found that 1 ½ of the 4 units of snow melt had been utilized by staff. In addition, the safety glasses were returned to the company by Ms. Slivka at a cost of approximately \$20. Ms. Slivka has verified that the safety glasses were received by the company and is awaiting a revised invoice for the snow melt.

The Board discussed the circumstances and determined to utilize the remaining snow melt and directed staff to discontinue ordering products from this company in the future.

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**Summary of Meeting Regarding Alternative Energy Options:** Mr. DeBon summarized the discussions he had at a recent meeting with Leslie Danzinger. Ms. Danzinger is a resident who is interested in helping the District identify alternative energy options in particular a back-up power supply to some of the District's facilities. Mr. DeBon reported the meeting went well and Ms. Danzinger was planning to provide a proposal including this information for presentation to the Board at a future meeting.

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### **CAPITAL IMPROVEMENTS**

**Capital Funding Sources and Uses:** Ms. Johnson presented and the Board reviewed the Capital Funding Sources and Uses worksheet.

**Stables Lift Station Improvements Project:** Mr. DeBon gave an update on the Stables Lift Station Improvements Project. The manual transfer switch has been completed and Timber Line Electric & Control is planning to begin their work the week of March 28, 2016..

**2016 Equipment Procurement:** Mr. DeBon reported that the service trucks were procured and are in use. The trailer and dump truck are expected to be delivered by end of April.

### **Flow Equalization Basin Project:**

**Approval of Intergovernment Contract with State of Colorado:** The Board reviewed the Intergovernment Contract with the State of Colorado for receipt of grant funds in the amount of \$426,150.

Following discussion, upon motion duly made by Director DeLuca, seconded by Director Scully and, upon vote, unanimously carried, the Board approved the Intergovernment Contract with the State of Colorado for receipt of grant funds in the amount of \$426,150.

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### **LEGAL MATTERS**

**District Response Procedures when Receiving Information Regarding Cultivation of Marijuana within the District:** Attorney White presented a revised Standard Operator Procedure ("SOP") to be used internally by administrative staff in responding to receiving information related to cultivation of marijuana within the District's boundaries.

The Board discussed the revised SOP and directed Attorney White to work with administrative staff to implement the SOP and policy.

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### EXECUTIVE SESSION

**EXECUTIVE SESSION:** Pursuant to Sections 24-6-402(4)(b), C.R.S., upon motion duly made by Director Scully, seconded by Director DeLuca and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 10:38 a.m. for the purpose of receiving legal advice, as authorized by Sections 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 11:21 a.m.

### Request for Variance to allow Construction of Greenhouse and Office Building:

Following discussion, upon motion duly made by Director DeLuca, seconded by Director Grote and, upon vote, unanimously carried, the Board determined to deny the request for variance to allow construction of greenhouse and office building and directed Attorney White to draft a letter to the requestor regarding the Board's decision. Director Macaulay will review and approve the letter prior to transmission to the requestor.

**Atalanta Association Pre-Inclusion Request:** The Board acknowledged Atalanta Association's rescission of their request to connect to water only on the proposed inclusion property. The Association will connect to both water and sewer if included into the District's boundaries.

The Board then considered their other request to retain the unmetered use of their domestic well to be used on the property that will not be included in the district and determined to grant their request.

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### OTHER BUSINESS

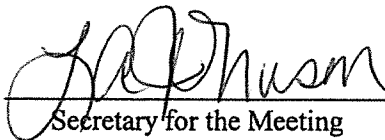
**Other Business:** There was no other business.

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### ADJOURNMENT

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

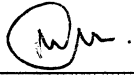
Respectfully submitted,

By   
Secretary for the Meeting

**RECORD OF PROCEEDINGS**

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THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 18, 2016  
MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT  
BY THE BOARD OF DIRECTORS SIGNING BELOW:



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

\_\_\_\_\_  
Cindy Reinhardt

\_\_\_\_\_  
Kyle Grote



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

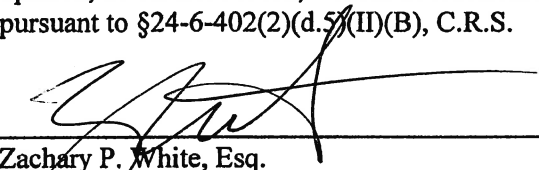
\_\_\_\_\_  
Judy DeLuca

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### 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 March 18, 2016, for the sole purpose of providing legal advice§24-6-402(4)(b), C.R.S. I further attest that it is my opinion that a portion of the executive sessions 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.

  
\_\_\_\_\_  
Zachary P. White, Esq.  
General Counsel  
Baca Grande Water and Sanitation District



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

March 18, 2016

Board of Directors Sign-in

Cindy Reinhardt	
Martin Macaulay	
Kyle Grote	
Michael Scully	
Judy Deluca	





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

March 18, 2016

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
Cyril Drake	P.O. Box 621	956-4790	NO	-
Jonna Keston	PO Box 488	256-6200	AMOUNT	-



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

Date: March 11, 2016  
To: Baca Grande Water and Sanitation District, Board of Directors  
From: Lisa A. Johnson, District Manager  
Re: March 18, 2016 District Manager's Report

**Agenda Action Items**

**I.C. Consent Agenda**

1. Approve Minutes from the February 19, 2016 Regular Meeting.
2. February 29, 2016 Financial Statements and current Cash Position.
3. Ratify approval of a Lease Agreement with Ford Motor Credit Company for procurement of two Ford F-150 Service Trucks
4. Approval of Gateway and Administrative Service Agreement with Xpress Solutions, Inc. for bill pay services.

**I recommend approval of the consent agenda items.**

**I.C.F. Atalanta Association Pre-Inclusion Request**

Attorney Lock, Attorney White, Mr. Simons, Ms. Slivka, Mr. DeBon and I met via conference call shortly after the last meeting to discuss the pre-inclusion request received from Atalanta Association. The conference call was to provide a summary of the request and to determine the consultant fees associated with providing information to the Board to aide them in taking action on the request.

The fee estimate was provided to the Association. Fees were collected and a meeting was scheduled.

Staff met with representatives from the Atalanta Association to discuss the pre-inclusion requests. At that meeting, staff was informed that Atalanta has decided to rescind their request to connect to water service only and, should they choose to move forward with the inclusion process, the property will be served by both water and sewer services.

Ms. Johnson informed the group that Attorney Lock had reviewed their request to waive the requirement to convey the water rights associated with the entire property to the District included in the District's Rules and Regulations. Attorney Lock will discuss his

recommendations with the Board at the meeting.

#### **II.A. March 18, 2016 Check Register**

The March 18, 2016 check register is enclosed in the board packet. Ms. Slivka and Mr. DeBon have reviewed and recommend approval of the invoices for February.

**I recommend approval of the March 18, 2016 check register.**

#### **VI.D.1 Intergovernment Contract with State of Colorado**

Staff attended a conference call with the representatives of the State of Colorado regarding the review of the Intergovernment Contract associated with the recent award of grant funds in the amount of \$426,150. Minor revisions to the draft contract were requested and the final agreement is ready for execution by the President of the Board.

**I recommend approval of the Intergovernment Contract with the State of Colorado.**

#### **VII.B. Request for Variance to allow Construction of Greenhouse and Office Building**

Ms. Slivka recently spoke with Mr. Mike Smith regarding a request related to the District's water use restrictions. Mr. Smith has plans to construct a greenhouse and office building for the retail cultivation and manufacturing of marijuana. The location of the project is Lot 1 Elk Park Subdivision and the property is currently zoned commercial.

Attorney Lock, Attorney White, Ms. Slivka, Mr. DeBon and I participated in a conference call to discuss the request and to prepare points for discussion by the Board at the March meeting. Per the attorneys, this discussion will be held in executive session.

#### **Update on Other District Matters not on the Agenda**

##### *Administration Analysis*

Ms. Slivka and I have continued to meet via conference call to discuss and review the administrative analysis. I have completed a draft of two of the parts of the analysis and Ms. Slivka has completed the final part of the analysis. The drafts of the information prepared were submitted to the committee the second week of March. The committee will review the information and communicate to me how they would like to proceed with review and discussion of the information.

##### *2016 Director Election*

See Administrative Report for an update on the May 2016 Director Election.



March 2016

## OPERATIONS MANAGER REPORT

To: Board of Directors, Baca Grande Water and Sanitation District  
From: Justin DeBon  
Date: February 10 – March 9, 2016

**Equipment and Vehicle Procurement:** The old service trucks #1 & #2 were traded at the Ford dealer and the two new F-150's were picked up and are now in use at the District. The heavy equipment trailer was ordered by the dealer on February 19<sup>th</sup> and will be delivered with the dump truck. The new dump truck has been ordered and will be assembled the beginning of April and the chassis will be delivered to the dealer mid-April. The chassis will then go the body company to have the Colt rock dump bed installed. The new truck is expected to be complete late April.

**Main leaks:** Using the SCADA trending graphs it was noticed there was a large leak somewhere in the system that began around March 6<sup>th</sup>. A small leak was found on Alfresco Way but it was not a substantial enough leak to drain the tanks. As of today (March 9<sup>th</sup>) the large leak or possible leaks have not been located, but are possibly in the Casita Park system and South Crestone System.

**Stables Lift Station Update:** SLVREC came to the lift station to replace a fuse and tested the power line from the meter to the building and informed us that 2 of the 3 lines had small faults (spots in the line that the insulation may be damaged and was allowing electricity to escape the line and go into the ground) with small faults in the line the pumps were not getting equal amounts of power and this could be the reason for the pump break down. Alpine Electric came to find the faults and after a half day of digging and locating, concluded with the line in such poor condition it would be better and cheaper to install a new power line. Tad was able to quickly excavate a new trench and Alpine Electric placed new conduit and line to the building. The line was tested and were each supplying correct even voltage. A new pump was installed, switched on and the station was back in operation.

**US Standards:** An update on the return of the products. There was some confusion in the order return process and the safety glasses order was returned but at the cost of the District, the four containers of ice melt were brought back to the office by staff, but one of the containers had been used and a second one was opened and partially used. We now only have the two unopened containers of ice melt.

**Operator Certification:** Tad and Rebecca have signed up for the spring certification exams. Tad has signed up for the class D Water treatment exam and Rebecca has signed up for the class D Wastewater treatment exam. Each week staff meets for an hour to study for the exams, improve their industry knowledge and discuss any water or wastewater questions as a group.

**Vehicle and Equipment Logos:** New District logos were ordered for the two new service trucks, Vactor, future dump truck and heavy equipment. The Vactor and heavy equipment did not have logos in the past. The logos were installed by staff to save the cost of the installer coming and to avoid an ICA.

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

1. MHE Lagoon reclamation
2. Screening/Sorting of Aspen spoils area
3. Fire hydrant Maintenance Project
4. Collection System Video Inspection and Cleaning Project
5. Manhole Infiltration Prevention Project
6. Stables Lift Station Upgrade Project
7. Facility Weed Control Project
8. Leak Detection-On going

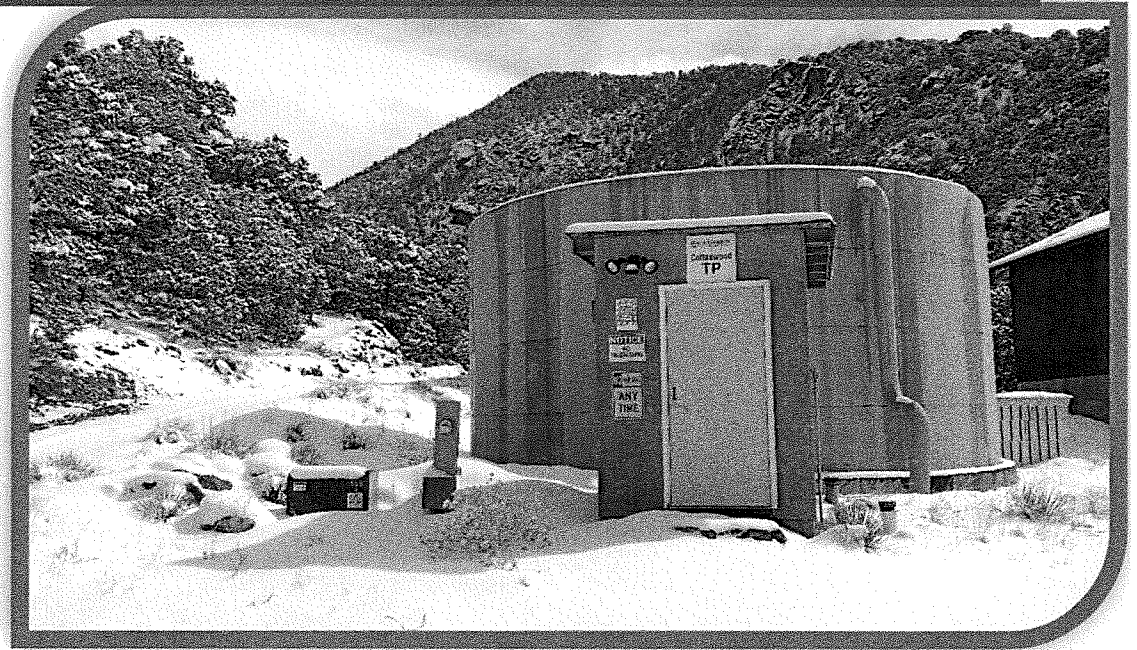
**2015 Projects Completed:** The following is list of projects that were completed in 2015.

- ~~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~~



Baca Grande  
Water And Sanitation  
District

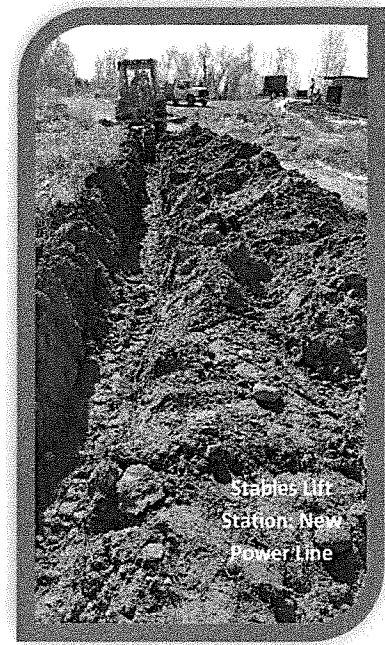
# Report On District Operations



Cottonwood Water Tank

Operations Report  
Baca Grande Water and Sanitation District  
March 18, 2016

Report from: February 10 – March 9



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 Wastewater Compliance & Testing.....3  
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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"/>	
Water Main Repairs	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Collection System Cleaning	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
GPS/GIS	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Water/Sewer Hookups	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Accidents	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	

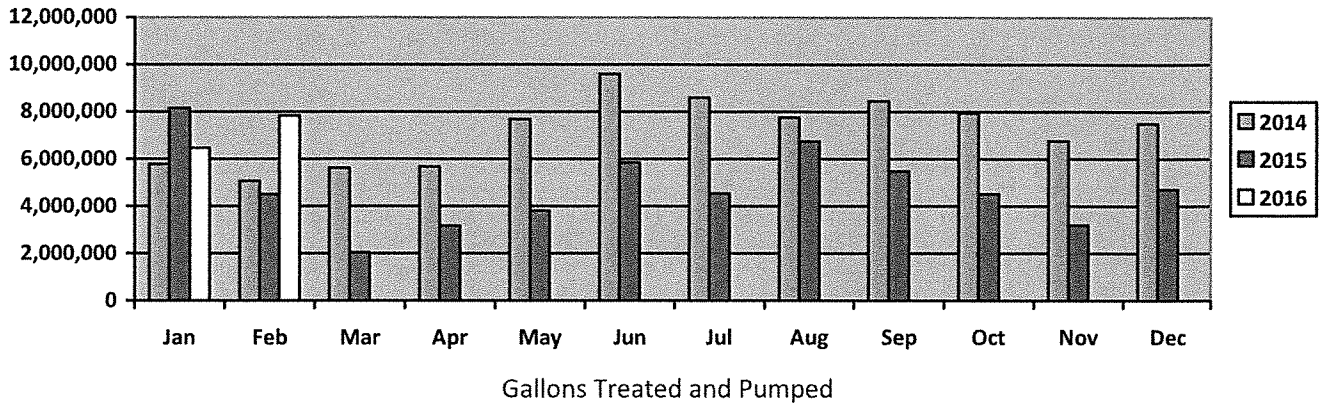
Total Water Treated

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				
April 2016				
May 2016				
June 2016				
July 2016				
August 2016				
September 2016				
October 2016				
November 2016				
December 2016				
<b>Total Treated 2016</b>	<b>14,298,000</b>	<b>4,216,000</b>	<b>3,455,000</b>	<b>10,082,000</b>

Golf Course Well

April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016

Baca Grande Chalet & Casita Park



January	February	March	April	May	June
6,457,000	7,841,000				

July	August	September	October	November	December

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				
April				
May				
June				
July				
August				
September				
October				
November				
December				

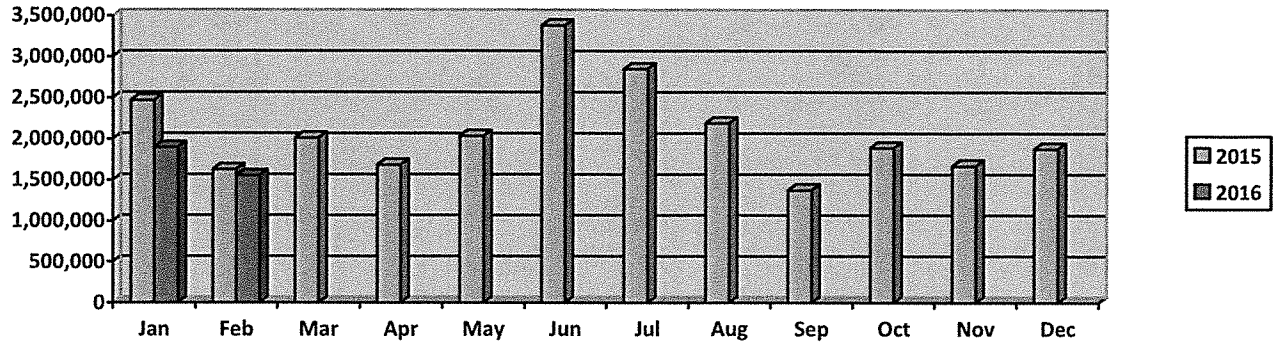
As a result of increased leak detection and leak repair operations in 2015:

- Reduced water production by 30%
- Reduced energy consumption by 34%
- Saved 25,375,000 Gallons of Water.





Aspen Wastewater Treatment Facility



Wastewater Treated in Gallons

January	February	March	April	May	June
1,901,000	1,554,000				

July	August	September	October	November	December

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					
April					
May					
June					
July					
August					
September					
October					
November					
December					

Bio Solids	Quantity
Stored Bio Solids – Aspen Storage Lagoon	190,600 Gallons
Bio Solids pumped and applied to land application site 2016	0
Bio Solids pumped into Aspen Storage Lagoon 2016.	0

## Other Reporting

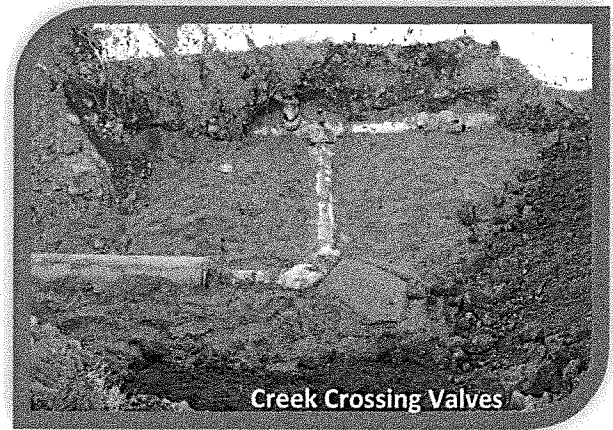
Monthly Safety Meeting	Trench Safety
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## Infrastructure Fixed Assets

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 – Operational

Drinking Water Distribution System	Wastewater Collection System
Water Mains = 64 Miles	Sewer Mains = 45 Miles
Gate Valves = 528 Units	Manholes = 798
Service Accounts = 695	
Curb Stops = 695	Lift Stations = 5
Fire Hydrants = 278	MHE LS – Operational
Well 17/18 Water Treatment Plant- Facility Fully Operational.	Stables LS – Operating on one pump
<del>MHE Motel Well Water Treatment Facility- Decommissioned DEC 2015</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 33% 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  
OSHA Trained in Construction Standards for  
Excavation

### **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**

Laboratory & Analysis  
Operator

New Utility Maintenance  
Worker – In Training

### **Tad Crawford**

Heavy Equipment & Safety  
Operator

New Utility Maintenance  
Worker – In Training  
Class A Commercial Driver



## Administrative Report

To: Baca Grande Water and Sanitation District Board of Directors

From: JoAnn Slivka, Administrative Services Manager

Meeting Date: March 18, 2016

### 2016 UTILITY BILLING ACTIVITIES

#### February Billing

- Delinquent account summary:
  - 33 - Delinquent notices mailed – 25 owners, 8 tenants
  - 13 - Paid in full
  - 11 - Paid delinquent balance
  - 1 - Shut off
- ACH: 224 accounts paid \$14,021.80
- Credit cards: 108 accounts paid \$12,407.44
- Late fee accounts billed: 77
- Water turn On/Off fees: 6
- NEW WATER-SEWER HOOKUPS:
  - 1 new application received
- Customer Communications: The current billing statement included the following message regarding address updates-

Moving? Address change?

Remember to contact the Baca Grande Water and Sanitation District office with your new billing address and contact phone number. Simply call our office @ 719-256-4310, Monday thru Friday, 9:00 AM to 4:30 PM. Or, better yet, you can email your new billing address and phone number to [frontdesk1@bacawater.com](mailto:frontdesk1@bacawater.com). Having the correct address on file ensures you get your bills on time!

#### Property Activity

- Transferred Properties:
  - Realtors: closings – 3 SFRs & 6 lots
  - From SC Clerk's site review: 2 lots
  - Treasurer's Deed Sale: 1 lot
- Consolidations
  - 2 new applications received
- Water-Sewer Hookups
  - 1- New application received

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## **2016 PROJECTS**

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### **Rate Study Project**

Sandy Skibinski continues to compile the data for TZA Engineers on the rate study project capturing billing trends throughout the winter season.

### **Pie Charts**

Pie Charts were approved at the February Board of Directors meeting and posted to the Baca Grande Water and Sanitation District.

### **Administrative Analysis**

Lisa Johnson and I have continued our tele-conferences to discuss how to value and analyze the options for transition of District services. JoAnn has provided the initial analysis for Part Two; to determine the costs, staffing needed and benefits and/or detriments to transition all district management services from SDMS to Baca staff.

Lisa Johnson has tackled Part Three; to determine the costs and benefits and/or detriments to transition all administrative services currently residing with Baca Staff to a consultant/consultants.

### **Xpress Bill Pay**

Mr. White and the legal team at Xpress Bill Pay have agreed to a version of the contract agreement. The agreement will be presented to the Board of Directors at the March 18, 2016 board meeting for approval. Finally we are on our way to making this important customer service happen!

### **Staff Evaluations**

Admin staff have scheduled evaluations for the week of March 14

### **2016 Board of Directors Election**

- ◆ The 2016 Special District Elections has been cancelled.
  - SD-11 Notice of cancellation has been posted
    - At the office - 57 Baca Grant Way S
    - At the County Clerk and Recorder's office
    - Will be published in the April 2016 Crestone Eagle
  - After the date of the regular election, May 3, 2016
    - Director oaths will be taken
    - SD-12 The notice of cancellation along with the resolution canceling the election, oaths of office, and a current faithful performance bond for each director will be filed with the Division of Local Government

### **Inclusion Process**

Staff continues to work with the Atalanta Group regarding their request for inclusion to the District. A meeting is scheduled on Friday, March 11 with group representatives Joanna Dokson & Frederick Dunets, local Baca staff and professional consultants, Lisa Johnson, Brad Simons and Zachary White to further discuss this request.

### **Property & Liability Insurance**

The appointment for a site visit with our insurance broker to review the 2016 property & liability renewal assets has been delayed and is now scheduled for some time in March.

### **Insufficient-Service-Customers**

Staff have met to discuss the three properties within the District regarding insufficient water pressure flows. Justin and JoAnn have been collecting data regarding the properties and their histories.

### **Customer Account Audit**

The Baca Administrative staff is currently reviewing services on all customer accounts for accuracy and fairness in billing with particular attention to the following;

- ◆ Availability Of Services (AOS)
  - Justin is working with Admin staff to verify services to each lot. A total of 8 work orders has been created. As of this writing the first work order is complete, covering the NE corner of Chalet 1.
- ◆ Equivalent Residential Usage (EQR)
  - Currently staff is gathering the information we have regarding EQR and how the District has been applying this service charge
    - Table rates and codes have been identified
    - A list of all District properties with EQRs has been created
    - A Standard of Performance is being developed
- ◆ PILOT Agreements
  - Admin staff is reviewing tax-exempt properties that fall within the District boundaries
    - A tax-exempt properties list has been generated
    - Accounts have identified in the Caselle database
    - Checklist has been established identifying accounts that have been reviewed and any further action needed

### **Water Use Restrictions**

The District is in receipt of a customer request to open a commercial business in the District and need a variance on the water use restrictions. Local Baca staff met via telephone with attorneys Marcus Locke, Zachary White and Lisa Johnson for initial review. This matter will be added to the March meeting agenda for further discussion.

**BACA GRANDE WATER AND SANITATION DISTRICT  
ENGINEER'S REPORT  
March 9, 2016**

**ADMINISTRATIVE MATTERS**

Water and Wastewater Rates – On May 15, 2015, I presented the results of a rate study to the Board. At the meeting, the Board directed staff and consultants to track the current rate structure against the proposed rate structure to evaluate overall revenue impacts. I reviewed the June, July, August, September, and October reports prepared by Sandy and the results are tabulated below.

	Current Rates			Proposed Rates		
	Water	Sewer	Total	Water	Sewer	Total
June	\$23,988.30	\$19,266.00	\$43,254.30	\$29,010.00	\$13,927.00	\$42,937.00
July	\$27,301.40	\$19,266.00	\$46,567.40	\$32,052.00	\$13,927.00	\$45,979.00
August	\$26,430.34	\$19,292.00	\$45,722.34	\$31,161.00	\$13,946.00	\$45,107.00
September	\$25,634.27	\$19,084.00	\$44,718.27	\$30,048.00	\$13,946.00	\$43,994.00
October	\$23,448.09	\$19,084.00	\$42,532.09	\$27,804.00	\$13,946.00	\$41,750.00

As previously presented, the slight reduction in the Proposed Rates total for each month can be attributed to the fact that each account is currently assumed to use only the minimum amount of water and therefore only being charged the base rate. However, there are accounts that exceeded the base usage allowances and would end up paying more for their sewer usage. I reviewed the November through February water usage data provided by Sandy, and it appears the monthly sewer revenue based upon a 4-month period would be \$14,465 per month, resulting in similar totals under “Current” and “Proposed” rates.

Due to the seasonal changes in water usage from winter months to summer months, I recommend the District monitor the water usage records for the months of March through October, providing for one year of data to complete the overall analysis.

Funding Opportunities – District staff and consultants are researching a variety of other funding sources for possible support on a variety of projects.

- SEARCH (Special Evaluation Assistance for Rural Communities and Households) Grants and the Predevelopment Planning Grants available from the USDA’s Rural Development may be options for the biosolids management needs of the District. Brad will follow-up with USDA’s local contact in Alamosa.
- The Colorado Water Conservation Board’s Water Efficiency Grant program may be the most applicable to the District’s current water conservation efforts. Specifically, this program may support a water loss control audit. Brad will follow-up with CWCB’s Denver-based staff.

**LAMP RYNEARSON COMPANIES**



## OPERATIONAL MATTERS

Insufficient Water Service Customers – TZA has participated in a couple of conference calls regarding insufficient water pressure flows to three (3) properties within the District. At this time, Justin and JoAnn are collecting additional data regarding the properties and their histories.

Biosolids Removal – Justin DeBon asked TZA to review the 2015 Biosolids Report due to the Water Quality Control Division by February 19, 2016. Our recent efforts to evaluate a Flo Trend installation for use at the District going forward have not resulted in any applications in or around Colorado. I believe the Flo Trend technology may be of benefit to the District long-term and will pursue other options for evaluating it.

Well 18 Booster Pump Station Problems – Any legal activities associated with this topic will be addressed separately due to attorney-client privileges. Also, I have recommended Justin include energy consumption, energy billings, and water production information for the Well 18 complex, taking into consideration the Casita Park water facilities utility account, in future Operations' reports.

Nutrients Management Control Regulation (Regulation No. 85) - Justin DeBon managed the 2015 sampling efforts and should identify any 2016 requirements to be noted in future reports.

## CAPITAL PROJECTS

Compliance Evaluation Inspection (Dharma Ocean and Stables Lift Station) – The Water Quality Control Division issued site location approvals for the Dharma Ocean and Stables lift stations on April 23, 2015. The Water Quality Control Division issued design approvals for these lift stations on September 1, 2015, which is good news and saved us from having to restate all of the information generated and communicated during the site location approval efforts. TZA has worked with Justin DeBon on equipment procurement and contractor coordination. Timber Line Electric and Control Corporation is scheduled to complete the instrumentation and controls installation the week of March 28, 2016.

Headworks/Flow Equalization Basin - TZA Water Engineers is awaiting grant confirmation from the Water Quality Control Division before proceeding with any site investigations or design activities.

Casita Park Water Line Interconnect – The line connecting the Well 18 yard piping to Mobile Home Estates was put into service on November 30, 2015. The redundant stream crossing was completed by RMS on December 18, 2015. An 11-month warranty inspection should be considered in November of 2016.

Water Meter Transmitter Replacement Project - TZA has asked Justin DeBon to review the meter reading results with pump station metering reports in an effort to assess pressure zones that should be the focus of any future leak detection activities. This information may benefit an application to the Water Efficiency Grant program discussed above under “Funding Opportunities”.

Capital Project Summary Sheets – No additional activity since November of 2015.



## **OTHER ACTIVITIES**

Atlanta Inclusion – TZA Water Engineers participated in an initial staff call regarding the potential for the inclusion of this property on February 24, 2016. Following the February 24 conference call, I e-mailed Lisa Johnson on February 25 regarding information needed for consideration. A follow-up call on the matter is scheduled for March 11.

Storage Tank Rule – The Water Quality Control Division has adopted a new version of the Colorado Primary Drinking Water Regulations (Regulation 11). Effective April 1, 2016, the District will be required to develop a written plan for finished water storage tank inspections. In addition to quarterly periodic (visual) inspections, the District will need comprehensive inspections to be scheduled at least every five years.

New Chlorine Residual Requirements – The Water Quality Control Division has adopted a new version of the Colorado Primary Drinking Water Regulations (Regulation 11). Effective April 1, 2016, the District will be required to maintain a minimum of 0.2 milligrams per liter chlorine residual throughout the distribution system. Justin DeBon has indicated this is an achievable standard based upon his assessments in the latter months of 2015.