

RECORD OF PROCEEDINGS

MINUTES OF A RECONVENED REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
APRIL 1, 2009

A reconvened regular meeting of the Board of Directors of the Baca Grande Water and Sanitation District (referred to hereafter as "Board") was held on Wednesday the 1st day of April, 2009, at 9:00 a.m. at the offices of the District, BGWS&D Shop, 57 Baca Grant Way South, Crestone, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:
Christine Canaly, President - via speakerphone
Philip Madonna, Vice President
Parvin J. Johnson, Sr., Assistant Secretary - via speakerphone

Following discussion, upon motion duly made by Director Madonna, seconded by Director Johnson and, upon vote, unanimously carried, the absences of Vicki Matthews and Lisa Cyriacks were excused.

Also In Attendance Via Speakerphone Were:
AJ Beckman; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq.; White, Bear and Ankele Professional Corporation

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. President Canaly 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: Mr. Beckman reviewed the proposed agenda for the District's reconvened regular Board meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Madonna, seconded by Director Johnson and, upon vote, unanimously carried, the agenda was approved.

FINANCIAL MATTERS

Bond Issuance: The Board entered into discussion regarding the status of additional documentation necessary to effectuate the issuance of the Private Placement Bank Qualified Tax Exempt General Obligation Bonds, Series 2009 in the approximate principal amount of \$2,825,000.

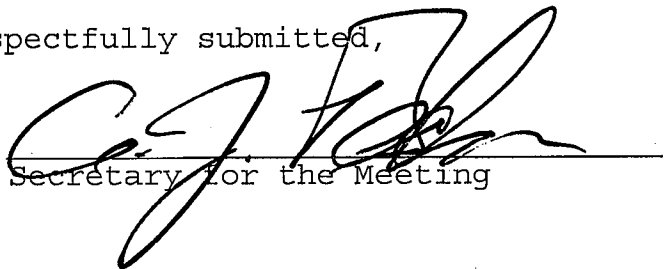
Mr. Beckman explained that Vectra Bank is still in the process of performing its due diligence and may require an independent consultant to tour the Aspen Wastewater Treatment Facility and review reports proved by Mr. Rogers. No action was taken at this time.

ADJOURNMENT

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


Respectfully submitted,

By

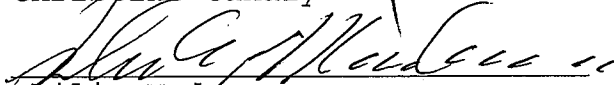

Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL
APRIL 1, 2009 MINUTES RECONVENED MEETING OF THE BACA
GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF
DIRECTORS SIGNING BELOW:



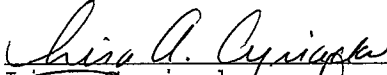
Christine Canaly



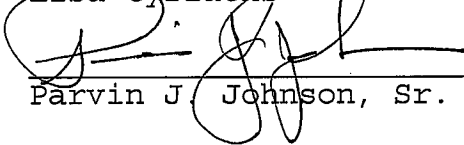
Philip Madonna



Vicki Matthews



Lisa Cyriacks



Parvin J. Johnson, Sr.