

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
JULY 10, 2009

A special meeting of the Board of Directors of the Baca Grande Water and Sanitation District (referred to hereafter as "Board") was held on Friday, the 10th day of July, 2009, at 9:45 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
Philip Madonna, Vice President
Vicki Matthews, Secretary/Treasurer
Lisa Cyriacks, Assistant Secretary
Parvin J. Johnson, Sr., Assistant Secretary

Also In Attendance Were:
AJ Beckman; Special District Management Services, Inc.
- via conference call

John R. Hill Jr., Rufus O. Wilderson and Marcus J. Lock; Bratton, Hill, Wilderson & Lock, LLC

Steven Harrell; District General Manager

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. It was 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 special Board meeting.

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Following discussion, upon motion duly made by Director Cyriacks, seconded by Director Matthews and, upon vote, unanimously carried, the Agenda was approved.

LEGAL MATTERS

Special Counsel Interviews: The Board conducted interviews for Special Counsel with representatives from Bratton, Hill, Wilderson & Lock, LLC. No action was taken.

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 10, 2009 MINUTES 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.