

RECORD OF PROCEEDINGS

MINUTES OF A RECONVENED REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
HELD
MARCH 26, 2009

A reconvened regular meeting of the Board of Directors of the Baca Grande Water and Sanitation District referred to hereafter as "Board") was reconvened on Thursday, the 26th day of March, 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
Philip Madonna, Vice President
Lisa Cyriacks, Assistant Secretary
Parvin J. Johnson, Sr., Assistant Secretary - via speakerphone

Following discussion, upon motion duly made by Director Johnson, seconded by Director Cyriacks and, upon vote, unanimously carried, the absence of Vicki Matthews was excused.

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.
- via speakerphone

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

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. 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.

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ADMINISTRATIVE MATTERS

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

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

FINANCIAL MATTERS

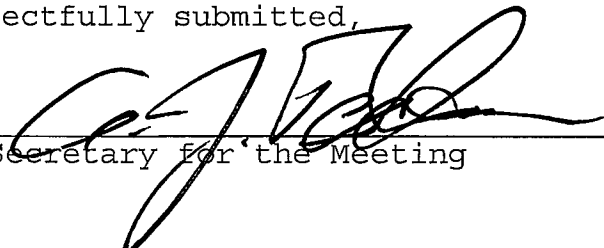
Bond Issuance: The Board entered into discussion regarding the status of any additional documentation necessary to effectuate the issuance of the Private Placement Bank Qualified Tax Exempt General Obligation Bonds, Series 2009 in the approximate principal amount of \$2,525,000. No action was taken at this time.

CONTINUANCE

There being no further business to come before the Board at this time, upon motion duly made by Director Cyriacks, seconded by Director Madonna and, upon vote, unanimously carried, the meeting was continued to Wednesday, April 1, 2009 at 9:00 a.m. to discuss the bond issuance further.

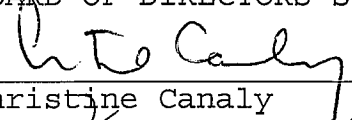
Respectfully submitted,

By

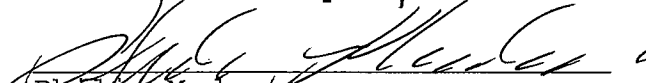

Secretary for the Meeting

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THESE MINUTES ARE APPROVED AS THE OFFICIAL
MARCH 26, 2009 MINUTES FROM THE CONTINUED MEETING OF
THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE
BOARD OF DIRECTORS SIGNING BELOW:



Christine Canaly



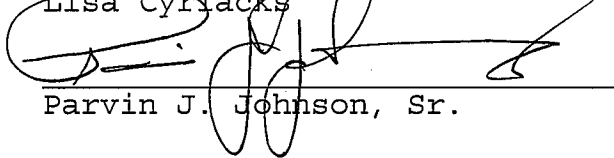
Philip Madonna



Vicki Matthews



Lisa Cyriacks



Parvin J. Johnson, Sr.