

## 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  
OCTOBER 15, 2010

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 15th day of October, 2010, 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  
Vicki Matthews, Vice President  
Martin Macaulay, Secretary/Treasurer  
Parvin J. Johnson, Sr., Assistant Secretary

Following discussion, upon motion duly made by Director Macaulay seconded by Director Matthews and, upon vote, unanimously carried, the absence of Philip Madonna was excused.

Also In Attendance Were:

AJ Beckman and Meric Lallier; Special District Management Services, Inc. - Via speakerphone

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

Steven Harrell; District General Manager

Brad Simons; Olsson Associates

Marcus Lock, Esq.; Bratton Hill Wilderson & Lock, LLC  
- Via speakerphone

Kate Steichen and Bill Sutherland; Member of the Public

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### 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. No further conflicts were disclosed.

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### ADMINISTRATIVE MATTERS

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

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

Minutes: The Board reviewed the minutes of the September 17, 2010 regular meeting and the September 24, 2010 special meeting.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the minutes of the September 17, 2010 regular meeting and the September 24, 2010 special meeting.

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### PUBLIC COMMENT

Bill Southerland: Mr. Southerland reviewed areas of the Spanish Wetlands and expressed his concern for water depletions in the wetland areas. He requested that, to the extent possible, the District assist in re-establishing water flows previously diverted from the wetland areas.

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### CUSTOMER REQUESTS

Kate Steichen: Ms. Steichen distributed a memorandum outlining her concerns and a proposal for a reduced extraterritorial service fee that was recently imposed.

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### WATER MATTERS

Outstanding Water Matters with Water Counsel: Attorney Lock discussed the information to be present to the U.S. Fish and Wildlife Service.

EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b) and (e) of the Colorado Revised Statutes, upon motion duly made by Director Macaulay, seconded by Director Johnson and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 10:08 a.m. for the purpose of discussions relating to third party negotiations and determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators as authorized by Section 24-6-402(4)(e), C.R.S. and receiving from the Board's attorney legal advice on specific legal questions as authorized by Section 24-6-402(4)(b), 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 11:08 a.m.

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### OPERATIONS

Mobile Home Estates Wastewater Treatment Facility: Mr. Harrell reported that there are no violations for September but did note that the District is not within discharge limits for October.

Aspen Wastewater Treatment Facility: Mr. Harrell reported that the facility has one exceedence for September due to failures with the ultraviolet light sanitation.

Corrosion Control Study and Compliance Requirements: Mr. Harrell reported that 17 of the 20 required samples have been taken and he is awaiting results for the last six samples.

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Proposal from North Line GIS: Mr. Harrell discussed with the Board the proposal which would be at a rate of \$500 per month and additional work at \$110 per hour. Mr. Harrell recommended that with the current capital projects the service could be postponed to January.

Following discussion, upon motion duly made by Director Macaulay, seconded by director Matthews and, upon vote, unanimously carried, the Board approved the proposal subject to the work taking effect as of January 1, 2011 as discussed.

Recent Emergency Expenditures: Mr. Harrell reported on recent emergency expenditures.

**Wagon Wheel Lift Station.** Mr. Harrell discussed recent emergency expenditures including the rebuilding of a pump at the Wagon Wheel Lift Station for approximately \$1,450.

**Well 18 Variable Frequency Drive ("VFD").** Mr. Harrell discussed the events leading to the damage to the VFD at well 18. The equipment can be re-used at the Motel Well. The cost of the VFD is approximately \$7,350.

**Vector Truck.** Mr. Harrell further reported that the District has spent approximately \$1,350 to diagnose and attempt to make repairs to the existing vector truck. He reported that until the truck is purchased the District will rely on local contractors.

He then discussed the use of his personal vehicle and requested that the Board consider purchasing an additional service truck for 2011.

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### EXECUTIVE SESSION

Personnel Matters - Employee Annual Reviews: EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b) and (e) of the Colorado Revised Statutes, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 12:26 p.m. for the purpose of discussions relating to third party negotiations and determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and

## RECORD OF PROCEEDINGS

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instructing negotiators as authorized by Section 24-6-402(4)(e), C.R.S. and receiving from the Board's attorney legal advice on specific legal questions as authorized by Section 24-6-402(4)(b), 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 1:03 p.m.

### FINANCIAL MATTERS

Claims: Mr. Lallier reviewed the payment of claims with the Board through the period ending October 15, 2010 as follows:

General Fund	\$	20,423
Capital Projects Fund		147,577
Enterprise Fund		30,501
<b>Total Claims:</b>	<b>\$</b>	<b><u>198,502</u></b>

Following review and discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the payment of the claims for the period ending October 15, 2010.

Financial Statements: Mr. Lallier 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 September 30, 2010.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Johnson and, upon vote, unanimously carried, the Board accepted the financial statements for the period ending September 30, 2010.

Cash Flow Analysis: Mr. Lallier reviewed the current cash flow analysis with the Board.

Lockbox Services: Mr. Lallier reported that the accounting software necessary to utilize the lock box

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service will be installed and tested this week.

Resolution Regarding Conversion of Properties to Tax-Exempt Status and Requirement for Agreement for Payments in Lieu of Taxes (the "Resolution"): Attorney Tanaka reported that the Resolution is necessary to set in a place a procedure with the County whereby property seeking tax exempt status would be required to negotiate an Agreement for payment in lieu of taxes with the District.

Following discussion upon motion duly made by Director Matthews, seconded by Director Macaulay and, upon vote, unanimously carried, the Board approved the Resolution. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Outstanding Tap Fee Agreements and Outstanding Payments Due Thereunder: Attorney Tanaka reported that there are six accounts (two property owners) which entered into tap fee agreements with the District but have failed to make the required payments in accordance therewith. Attorney Tanaka noted that the terms of the agreement provide that if payments are not made accordingly that the tap is no longer available to that owner and any payments made to that date are credited towards the purchase of a tap in the future at the then-current rate. The Board discussed the matter and directed Attorney Tanaka to advise the property owners of their breach of the agreement and note that if they bring all payments current by the end of the year, the District will honor the terms of the agreement as though no breach occurred. However, if the payments are not brought current then the District will proceed under the existing terms of the agreement and no taps will be issued to those properties. Upon motion of Director Macaulay, seconded by Director Matthews, the Board unanimously directed Attorney Tanaka to proceed accordingly.

Resolution Certifying Delinquent Water and Sewer Fees to Saguache County Treasurer for Collection (the "Resolution"): The Board considered adoption of the Resolution. Attorney Tanaka reported that notice of the Board's consideration of the certification of the

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delinquent accounts was provided to the affected property owners in accordance with Colorado law.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved Resolution. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Health Insurance for 2011: Mr. Harrell reviewed alternatives for 2011 health care coverage from San Luis Valley HMO.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved alternative No. 2 from the table provided. A copy of the table is attached hereto and incorporated herein by this reference.

Rate Structure: Attorney Tanaka and Mr. Beckman discussed the proposed AoS structure and changes to the rate. The Board determined to schedule a work session to further discuss rates.

2011 Budget: Mr. Lallier reviewed the 2011 draft budget with the Board.

Status of Issuance of General Obligation Refunding and Improvement Bonds, Series 2010: Mr. Beckman reported that the District recently received an investment grade rating which will greatly improve the rate at which the Bonds will be sold.

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### LEGAL MATTERS

Cottonwood Creek Plant Waterline and Road Access Easements: Attorney Tanaka reported that easements have been sent to Mr. Greenway for execution and requested approval.

**Utility Easement from Ulrike Greenway and Partial Vacation of Utility and Driveway Easement.** The Board discussed the Utility Easement from Ulrike Greenway and Partial Vacation of Utility and Driveway Easement.

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Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and upon vote, unanimously carried, the Board approved the Utility Easement from Ulrike Greenway and Partial Vacation of Utility and Driveway Easement, subject to final negotiation by Counsel.

**Utility Easement from the Baca Grand Property Owners' Association ("POA") and Partial Vacation of Utility and Driveway Easement.** The Board discussed the Utility Easement from the POA and Partial Vacation of Utility and Driveway Easement.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and upon vote, unanimously carried, the Board approved the Utility Easement from the POA and Partial Vacation of Utility and Driveway Easement, subject to final negotiation by Counsel.

Waterline Easement from POA for Existing Well 18 Water Line: The Board discussed the Waterline Easement from the POA for the existing well 18 water line.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and upon vote, unanimously carried, the Board approved the Utility Easement from the POA and Partial Vacation of Utility and Driveway Easement, subject to final negotiation by Counsel.

Partial Vacation of Utility and Driveway Easement for Cottonwood Creek Plant for Manitou Property: The Board discussed the Partial Vacation of Utility and Driveway Easement for the Cottonwood Plant for the Manitou Property.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved the Partial Vacation of Utility and Driveway Easement for the Cottonwood Creek Plant for the Manitou Property, subject to final negotiation by Counsel.



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Customer Complaint: The Board discussed the customer complaint regarding lack of services at their neighboring property and a resulting sanitation issue. Mr. Harrell will send a letter to the resident lacking sanitation services advising them of the process for receiving service.

### CAPITAL IMPROVEMENTS

Status of Capital Projects: Mr. Simons reviewed the status of the capital projects with the Board. He reported on the change orders to the project to date and he reported that the drawings for the Well 18 building did not specify the snow load for the roof.

Project Status Summary: Discussion was deferred.

East Dream Way Water and Wastewater Design Options: Mr. Simons reported that he has met with Deb Downs with DOLA to discuss changes to the design. He reported that DOLA is okay with changing the project scope as long as it serves the identified purpose of the grant.

Ultra Violet Disinfection at Aspen Wastewater Treatment Facility: Mr. Simons discussed the need to have a redundant disinfection system in place. He is preparing cost estimates for the redundant system.

Contract Change Orders: **Change Order No. 5 to the Contract with Farner Enterprises, Inc. for the Well 18 Project.** The Board considered approval of Change Order No. 5 with Farner Enterprises, Inc. for an increase to the contract value in the amount of \$9,158.70 for changes to the Casita Park Lift Station.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved Change Order No. 5 with Farner Enterprises, Inc. for an increase to the contract value in the amount of \$9,158.70 for changes to the Casita Park Lift Station.

**Change Order No. 6 to the Contract with Farner Enterprises, Inc. for the Well 18 Project.** The Board considered approval of Change Order No. 6 with Farner Enterprises, Inc. for an increase to the contract value in the amount of \$9,158.70 for changes to the Wagon

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Wheel Lift Station.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved Change Order No. 6 with Farner Enterprises, Inc. for an increase to the contract value in the amount of \$9,158.70 for changes to the Wagon Wheel Lift Station.

**Change Order No. 7 to the Contract with Farner Enterprises, Inc. for the Well 18 Project.** The Board considered approval of Change Order No. 7 with Farner Enterprises, Inc. for a decrease to the contract value in the amount of \$5,384.80 for changes to door hardware at the Well 18 Booster Pump Station.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Johnson and, upon vote, unanimously carried, the Board approved Change Order No. 7 with Farner Enterprises, Inc. for a decrease to the contract value in the amount of \$5,384.80 for changes to door hardware at the Well 18 Booster Pump Station.

**Change Order No. 8 to the Contract with Farner Enterprises, Inc. for the Well 18 Project.** The Board considered approval Change Order No. 8 with Farner Enterprises, Inc. for a decrease to the contract value in the amount of \$17,876.39 for changes to the HVAC at the Well 18 Pump station.

Following discussion, upon motion duly made by Director Matthews, seconded by Director Macaulay and, upon vote, unanimously carried, the Board ratified approval of Change Order No. 8 with Farner Enterprises, Inc. for a decrease to the contract value in the amount of \$17,876.39 for changes to the HVAC at the Well 18 Pump station.

**Change Order No. 9 to the Contract with Farner Enterprises, Inc. for the Well 18 Project.** The Board considered approval Change Order No. 9 with Farner Enterprises, Inc. for an increase to the contract value in the amount of \$250.00 for electrical work at the Well 18 Pump Station

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Following discussion, upon motion duly made by Director Johnson, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved Change Order No. 9 with Farner Enterprises, Inc. for an increase to the contract value in the amount of \$250.00 for electrical work at the Well 18 Pump Station.

**Change Order No. 10 to the Contract with Farner Enterprises, Inc. for the Well 18 Project.** The Board considered approval Change Order No. 10 with Farner Enterprises, Inc. for an increase to the contract value in the amount of \$4,276.00 for automation and telemetry for operator interfaces.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Matthews and, upon vote, unanimously carried, the Board approved Change Order No. 10 with Farner Enterprises, Inc. for an increase to the contract value in the amount of \$4,276.00 for automation and telemetry for operator interfaces.

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### OTHER MATTERS

Crestone Eagle Article for October Publication: Director Johnson reported that he will prepare an article introducing the community to Mr. Harrell and discussing the state of the District.

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### ADJOURNMENT

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

Respectfully submitted,

By

  
Secretary for the Meeting

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THESE MINUTES ARE APPROVED AS THE OFFICIAL  
OCTOBER 15, 2010 MINUTES OF THE BACA GRANDE WATER AND  
SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING  
BELOW:



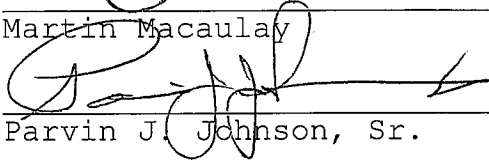
Christine Canaly



Vicki Matthews



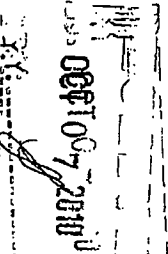
Martin Macaulay



Parvin J. Johnson, Sr.

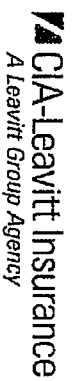
Philip Madonna

## Baca Grande Water & Sanitation District - Medical Alternatives

  
 06/10/07  
 2010

Rates Effective November 1, 2010	Current		Alternate 1		Alternate 2		Alternate 3	
	San Luis Valley HMO	San Luis Valley HMO	San Luis Valley HMO	San Luis Valley HMO	San Luis Valley HMO	San Luis Valley HMO	San Luis Valley HMO	
<b>Desirable</b>	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Employee	None	N/A	None	N/A	\$500	N/A	\$1,000	N/A
Family	None	N/A	None	N/A	\$1,000	N/A	\$2,000	N/A
<b>Out-of-Network Maximum</b>	Does not include deductible	Does not include deductible	Does not include deductible	Does not include deductible	Does not include deductible	Does not include deductible	Does not include deductible	Does not include deductible
Employee	\$1,000	N/A	\$1,500	N/A	\$1,500	N/A	\$1,500	N/A
Family	\$2,000	N/A	\$3,000	N/A	\$3,000	N/A	\$3,000	N/A
Office Visit PCP/Specialist	\$20/\$40	N/A	\$20/\$40	N/A	\$20/\$40	N/A	\$20/\$40	N/A
Lab/X-Ray	50%	N/A	50%	N/A	50% after Ded	N/A	50% after Ded	N/A
Emergency Care	\$150 Copay then 50%		\$150 Copay then 50%		\$150 Copay then 50%		\$150 Copay then 50%	
Inpatient Hospital	50%	N/A	50%	N/A	50% after Ded	N/A	50% after Ded	N/A
Lifetime Benefit Maximum	\$2,000,000	N/A	\$2,000,000	N/A	\$2,000,000	N/A	\$2,000,000	N/A
Rx Plan (gen/brand/nonform.)	\$15/40/55		\$15/40/55		\$15/40/55		\$15/40/55	

Member	Current		Alternate 1		Alternate 2		Alternate 3	
	Current	Alternate	Current	Alternate	Current	Alternate	Current	Alternate
Mark Bluestein	EE Only	\$ 726.74	\$ 1,103.99	\$ 1,077.03	\$ 977.41	\$ 907.51		
Justin Debnon	EE Only	\$ 283.43	\$ 384.35	\$ 374.97	\$ 340.28	\$ 315.95		
Steven Harroll	EE Only	\$ 410.61	\$ 462.04	\$ 450.76	\$ 409.06	\$ 379.81		
Josephine Sivka	EE Only	\$ 563.22	\$ 633.77	\$ 618.30	\$ 561.10	\$ 520.98		
Stephen Wade	EE Only	\$ 461.48	\$ 519.28	\$ 506.60	\$ 459.74	\$ 426.87		
Heaven Wellman	EE Only	\$ 348.84	\$ 392.53	\$ 382.94	\$ 347.52	\$ 322.67		
<b>Estimated Monthly Total</b>		\$ 2,794.32	\$ 3,495.96	\$ 3,440.60	\$ 3,095.14	\$ 2,873.79		
<b>Percentage Difference</b>			25.1%	22.1%	10.8%	2.8%		

  
**CIA-Leavitt Insurance**  
 A Leavitt Group Agency

Note: These rates are for illustrative purposes only and are subject to final approval by the respective carrier. The actual plan document will prevail in any discrepancy.

## Baca Grande Water & Sanitation District - Medical Alternatives

Rates Effective November 1, 2010	Current		Alternate 1		Alternate 2	
	San Luis Valley HMO	Rocky Mountain Health Plans	Rocky Mountain Health Plans	Rocky Mountain Health Plans		
<b>Deductible</b>	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Employee	None	N/A	None	N/A	None	N/A
Family	None	N/A	None	N/A	None	N/A
<b>Out-of-Pocket Maximum</b>	Does not include deductible	Does not include deductible	Does not include deductible	Does not include deductible	Does not include deductible	Does not include deductible
Employee	\$1,000	N/A	\$1,300	N/A	\$2,500	N/A
Family	\$2,000	N/A	\$2,600	N/A	\$5,000	N/A
Office Visit PCP/Specialist	\$20/\$40	N/A	\$25/\$50	N/A	\$40/\$55	N/A
Lab/X-Ray	50%	N/A	\$25/50	N/A	\$25/\$50	N/A
Emergency Care	\$150 Copay then 50%		50% of the first \$1,000, then 20% of the next \$4000		\$150 Copay then 25%	
Inpatient Hospital	50%	N/A	50% of the first \$1,000, then 20% of the next \$4000	N/A	25%	N/A
Lifetime Benefit Maximum	\$2,000,000		No Lifetime Maximum		No Lifetime Maximum	
Rx Plan (gen/brand/nonform.)	\$15/40/55		\$15/40/55		\$15/50/65	

Premium	Current	Alternate 1	Alternate 2
Mark Bluestein	EE Only \$ 726.74	\$ 1,103.99	\$ 1,375.05
Justin Debron	EE Only \$ 283.43	\$ 384.35	\$ 417.04
Steven Harroll	EE Only \$ 410.61	\$ 462.04	\$ 581.92
Josephine Sivka	EE Only \$ 563.22	\$ 633.77	\$ 822.77
Stephen Wade	EE Only \$ 461.48	\$ 519.28	\$ 685.37
Haven Wellman	EE Only \$ 348.84	\$ 392.53	\$ 456.37
Estimated Monthly Total	\$ 2,974.32	\$ 3,793.96	\$ 4,318.52
Percentage Difference		25.1%	55.3%
			51.0%

**CIA-Leavitt Insurance**  
A Leavitt Group Agency

Note: These rates are for illustrative purposes only and are subject to final approval by the respective carrier. The actual plan document will prevail in any discrepancy.

# Baca Grande Water & Sanitation District - Medical Alternatives

Carriers	Percentage Difference
Aetna	Rates unavailable
Anthem	10%
Humana	388%
United Health Care	54%



Note: These rates are for illustrative purposes only and are subject to final approval by the respective carrier. The actual plan document will prevail in any discrepancy.

Resolution No. 2010-10-Q |

**RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
BACA GRANDE WATER AND SANITATION DISTRICT**

**PROVIDING FOR PAYMENTS IN LIEU OF TAXES FOR PROPERTIES CONVERTING  
FROM TAXABLE TO TAX-EXEMPT STATUS**

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WHEREAS, the Baca Grande Water and Sanitation District (the "District") was duly organized and validly exists pursuant to and in accordance with the provisions of the Special District Act, §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, in order to pay, in part, for ongoing operation and maintenance expenses, capital facilities and improvements and debt service on outstanding general obligation debt and other financial obligations of the District (collectively, the "District Expenses"), the Board of Directors of the District (the "Board") imposes a mill levy on all taxable real and personal property within the District; and

WHEREAS, the District relies heavily on tax revenues to pay for the District Expenses; and

WHEREAS, all properties located within the District receive a direct benefit of the District Expenses and, therefore, it is only fair that each property owner pay its proportionate share of the District Expenses so as not to overburden the remaining property owners within the District; and

WHEREAS, each year, certain property owners within the District petition the Saguache County Assessor (the "County Assessor") for tax-exempt status and receive a conversion of their property from taxable property to tax-exempt property; and

WHEREAS, such conversion of property to tax-exempt status results in lost tax revenues to the District thereby making the remaining property owners responsible for the District Expenses despite the tax-exempt property receiving the same benefits as it did prior to the conversion to tax-exempt status; and

WHEREAS, in an effort to recover lost tax revenues, the District desires to enter into payment-in-lieu-of-taxes agreements (the "PILOT Agreement") with all tax-exempt property within the District, which PILOT Agreement shall set forth an agreed upon payment amount equivalent to the amount of taxes that the property owner otherwise would have to pay if such conversion to tax-exempt status did not occur.



NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:

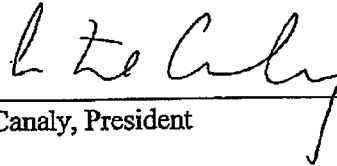
1. PILOT Agreement. Prior to converting the taxable status of property to tax-exempt status with the County Assessor, the owner of the property existing within the boundaries of the District shall contact the office of the general counsel to the District to negotiate the execution of a fair and equitable PILOT Agreement.
2. General Counsel to the District.

Jennifer Gruber Tanaka, Esq.  
White, Bear & Ankele PC  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
(303) 858-1800 – phone  
(303) 858-1801 – fax  
[jtanaka@wbapc.com](mailto:jtanaka@wbapc.com)

3. Recordation of Resolution. This Resolution shall be recorded in the real property records of the Saguache County Clerk and Recorder's Office and shall be binding upon all property located within the District's boundaries.

APPROVED AND ADOPTED THIS 15<sup>th</sup> DAY OF OCTOBER, 2010.

BACA GRANDE WATER AND SANITATION  
DISTRICT



Christine Canaly, President

ATTEST:



Martin Macaulay, Secretary/Treasurer

RESOLUTION NO. 2010-10-02

RESOLUTION  
OF THE BOARD OF DIRECTORS  
OF THE  
BACA GRANDE WATER AND SANITATION DISTRICT

CERTIFYING DELINQUENT WATER AND SEWER FEES TO SAGUACHE COUNTY  
TREASURER FOR COLLECTION

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WHEREAS, the Baca Grande Water and Sanitation District (the "District") was duly organized and validly exists pursuant to and in accordance with the Special District Act, §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the Board of Directors of the District (the "Board") is empowered to fix and from time to time increase or decrease certain fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the District; and

WHEREAS, the District currently imposes various water and sewer fees upon properties receiving services furnished by the District; and

WHEREAS, pursuant to §32-1-1101(1)(e), C.R.S., the District is permitted to have certain delinquent fees, rates, tolls, penalties, charges or assessments made or levied by the District certified to the County Treasurer for collection in the same manner as taxes; and

WHEREAS, the properties reflected on **Exhibit A**, attached hereto and incorporated herein by this reference (the "Delinquent Properties"), are delinquent in their water and sewer fees by at least six (6) months and by more than One Hundred Fifty Dollars (\$150); and

WHEREAS, the Delinquent Properties have outstanding delinquent fees rates, tolls, penalties, charges or assessments in the amounts set forth in **Exhibit A** (the "Delinquent Fees"); and

WHEREAS, pursuant to §32-1101(1)(e), C.R.S., the District may elect, by resolution, at a public meeting held after receipt of notice by the Delinquent Properties, to certify the Delinquent Fees to the County Treasurer for collection; and

WHEREAS, the District has provided notice to the Delinquent Properties and considers adoption of this Resolution at a public meeting; and

WHEREAS, the District, by this Resolution, desires to certify the Delinquent Fees to the County Treasurer for collection.

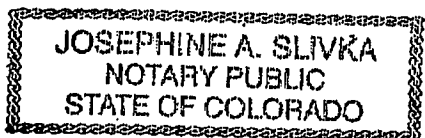
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BACA GRANDE WATER AND SANITATION DISTRICT AS FOLLOWS:

1. CERTIFICATION OF DELINQUENT FEES. The Board hereby elects to have the Delinquent Fees certified to the County Treasurer be collected and paid over by the County Treasurer in the same manner as taxes are authorized to be collected and paid over pursuant to § 39-10-107, C.R.S. The Board hereby directs the District's General Manager to certify to the County Treasurer the Delinquent Fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Certification"). Such Delinquent Fees shall be certified by no later than October 29, 2010 in order to comply with State statutory and County certification deadlines.

*[Remainder of Page Intentionally Left Blank].*

APPROVED AND ADOPTED THIS 15<sup>th</sup> DAY OF OCTOBER, 2010.

BACA GRANDE WATER AND  
SANITATION DISTRICT



*Lu The Candy*  
\_\_\_\_\_  
President

ATTEST:

*Josephine A. Slivka*  
\_\_\_\_\_

**EXHIBIT A**  
**Delinquent Properties and Delinquent Fees**

# Outstanding Liens

Name	Amount of Lien	Lot #	Account #	Lien #	Year Lien was Filed
J. Frederick Herr	\$421.93	CH I 0259	21025901	344942	2004
J. Frederick Herr	\$421.93	CH I 0260	21026001	344943	2004
J. Frederick Herr	\$421.93	CH I 0261	21026101	344944	2004
Dan Cryster	\$202.20	CH I 2066	21206601	361549	2008
Federico O & Edith Guerrero	\$230.40	CH I 2185	21218501	355216	2006
Brandon D Bonneville	\$314.10	CH II 3719	42371901	364290	2009
Usr Investment Inc.	\$202.20	MHE 0046	11004601	361587	2008
Howard Claywell	\$229.11	MHE 0071	11007101	361586	2008
Richard & Robin Yarbrough	\$229.11	MHE 0076	11007601	361585	2008
Usr Investment Inc.	\$202.20	MHE 0101	11010101	361584	2008
Usr Investment Inc.	\$202.20	MHE 0104	11010401	361583	2008
Usr Investment Inc.	\$202.20	MHE 0148	11014801	361581	2008
Albert Lutz	\$202.20	MHE 0157	11015701	361580	2008
Usr Investment Inc.	\$202.20	MHE 0187	11018701	361577	2008
Usr Investment Inc.	\$202.20	MHE 0198	11019801	361576	2008
Usr Investment Inc.	\$202.20	MHE 0236	11023601	361574	2008
Usr Investment Inc.	\$202.20	MHE 0239	11023901	361573	2008
Helen M Nogowski	\$229.11	MHE 0248	11024801	361572	2008
Mattie Zier	\$202.20	MHE 0288	11028801	361570	2008
Vivian Wiseman	\$514.00	MHE 0322	41032201	359626	2007
Dan Cryster	\$202.20	MHE 0366	11036601	361568	2008
Baca Meadows Townhomes LCC	\$314.10	BM II 0008	33000801	364291	2009
Baca Meadows Townhomes LCC	\$254.00	BM II 0008	33000801	359639	2007

9/30/2010