

BAILEY WATER & SANITATION DISTRICT

PO BOX 422

BAILEY, CO 80421

Agenda of Meeting of the Board of Directors

Regular Meeting of the Board of Directors

Wednesday, May 27, 2026, at PCCC and

via Zoom.

- I. Call to Order.
- II. Approval of the Agenda for May 27, 2026 meeting.
- III. Approval of Minutes from April 22, 2026 meeting.
- IV. Public Meeting to consider increase in fees/rates.
- V. Guests.
 - A. Peter Trela.
- VI. Legal.
 - A. Updated on Bezzant Property.
 - B. Memo from water attorney.
- VII. Operator Reports.
 - A. April.
- VIII. Maintenance.
 - A. Updates.
- IX. Engineering.
 - A. Updates.
- X. Administrative.
 - A. Adjustments.
 - B. Billing Register.
 - C. Past Due Accounts.
 - D. System Totals Report.
 - E. Sales and Receivables.
 - F. Balance Sheet.
 - G. Transaction List by Vendor.
 - H. Deposit Detail.
- XI. Old Business.
 - A. Employee handbook.
 - B. Storage Tank Liner.
- XII. New Business.
 - A. New CPA for BWSD.
 - B. Packets for meetings.
- XIII. Public Comment.
- XIV. Adjournment.

March 25, 2026 Meeting Minutes

- I. Call to Order (6:33 pm).
- II. Attending.
 - A. Board Meeting.

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|---------|--------|----------|------------|-----------|
| Chip T. | Tom K. | Sadie S. | Darrell E. | Miguel G. |
|---------|--------|----------|------------|-----------|

- III. Approval of the Agenda for March 25, 2026.
 - A. Motion to approve the March 25, 2026 Agenda.
 - 1. TK motion
 - 2. CT seconded.
 - 3. Approved.
- IV. Approval of Minutes from February 25, 2026
 - A. Motion to approve the February 25, 2026 Minutes.
 - 1. TK motion.
 - 2. SS seconded.
 - 3. Approved.
- V. Guests.
 - A. Craig.
 - 1. Discussion about where the financials are currently compared to the previous report in October. Discussion about the funds in comparison to the current cost of the spending for the Water project.
 - 2. Craig is recommending that the district stop the project until we can get more cash flow in through grants and other funding to ensure we can pay the recurring monthly expenses.
 - 3. Craig also recommends we go to DOLA and request an emergency loan to provide a buffer for the district. He thinks we should do this before we start looking into/utilize water rights. Anita and Craig will coordinate on talking with DOLA
 - 4. Discussion about the Bezzant property and requirements for closing.
 - 5. Discussion about upcoming income for the district and what to expect in the coming months. Craig recommends the district look at additional income revenues that the district will have to take in order to start eating away at the income deficit.
- VI. Legal.
 - A. Updated on Bezzant Property.
 - 1. The subdivision is approved by BOCC. Have a couple conditions to complete to finish out the full subdivision.
 - 2. Anita is reviewing the closing instructions to ensure we have everything set for the closing.
 - B. Memo from water attorney.
 - 1. Discussion about upcoming drought issues that Colorado could be facing. Discussion about how water rights work and how droughts could affect those rights.
 - 2. Discussion about when the BWSB aug plan was set up and what water rights the district has. We are talking with a water attorney to review the water rights and Anita would like to chat with Chip and Mac about the water rights based on their

knowledge. We also have a claim to some of the water in the reservoir by the high school.

3. The goal of the district is not to sell the water rights but to lease the water.

C. Executive session to discuss personnel (end of meeting).

1. Motion to move into an executive session for personnel matters involving Paul, our operator. This is pursuant to 24-6-402(4)(f), C.R.S. Our attorney, Anita Marchant, agrees this constitutes an executive session.

2. Motion to move into executive session (8:15pm).

a) SS motion.

b) TK seconded.

c) Approved.

3. Motion to leave executive session (8:30pm).

a) DE motion.

b) TK seconded.

c) Approved.

VII. Operator Reports.

A. February.

B. Discussion about possible options for additional income.

VIII. Maintenance.

A. Updates.

1. Water sales.

a) After the repair, the turbidity of the water coming out of sales was high. The turbidity is slowly lowering, but if it does not clear out, we will have to repair the chamber.

b) CDOT is also requesting that the water plant be moved. Once the new plant is built, we will be moving the station anyways once we have the new plant.

c) Discussion about raising rates on the station.

2. We still need to fill in some asphalt from digging. We will have to postpone the asphalt until we have more funds opened up.

IX. Engineering.

A. Updates.

1. Discussion about the CR 64 project and that it is delayed. We can submit for a grant for the work we already did for the project.

2. Discussion about upcoming grants. The payment #6 is delayed until June.

3. Working with CDOT for our access and subdivision.

4. We have to own the land to get the construction loan. This would be closer to the Sept. area.

5. DOLA grant for \$1,000,000 is coming up in May. Will have to do a 15 mins presentation in Cannon City. Will bring it up at the next meeting as a reminder.

6. Waiting on PC LWTF grant that was submitted.

X. Administrative.

A. Adjustments.

B. Billing Register.

C. Past Due Accounts.

D. System Totals Report.

E. Sales and Receivables.

F. Balance Sheet.

G. Transaction List by Vendor.

H. Deposit Detail.

- XI. Old Business.
 - A. Employee handbook (draft).
 - 1. Will send a copy of the handbook to maintenance and board.
 - B. New signers for bank accounts.
 - 1. The board is going to go in on April 2nd and sign.
 - C. Online options.
 - 1. Discussion about an online option that would update our invoices, utility system, etc in one place.
- XII. New Business.
 - A. Peter Trela email.
 - 1. Discussion about his current system and what his goal for this project is. Discussion about deterioration on the line in that area and what would need to happen to fix it.
 - 2. The board would like to do a special meeting with Will to address what the district can do for this property and how we can move forward with this project.
- XIII. Public Comment.
- XIV. Adjournment (8:25 pm).
 - A. TK motion.
 - B. SS seconded.
 - C. Approved.

April 22, 2026 Meeting Minutes

- I. Call to Order (6:30 pm).
- II. Attending.

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| Chip T | Darrell E | Tom K | Sadie S |
|--------|-----------|-------|---------|

- III. Approval of the Agenda for April 22, 2026.
 - A. CT motion.
 - B. TK seconded.
 - C. Approved.
- IV. Approval of Minutes from March 25, 2026
 - A. CT motion.
 - B. SS seconded.
 - C. Approved.
- V. Guests.
- VI. Legal.
 - A. Discussion about different CPA's to take Craig's place. Will get a couple quotes for the board.
 - B. Rate study.
 - 1. Will sent some numbers to the board for fee adjustments for the district to review.
 - 2. Discussion about doing a rate study.

- a) One of the grants wanted to do a rate study. Anita recommends we get some quotes and show the district cannot afford the rate study at this time.
 - b) Will did a preliminary study and was able to provide the board with recommendations (see below under engineer updates).
 - c) Discussion about vendors for the district and if we should re-evaluate and get quotes. A lot of vendors have to be approved by the state.
 - 3. Amendment to the purchase and sales agreement.
 - a) Will recommends we do an extension for the subdivision clause.
 - b) Sent to the Bezzants for the subdivision approval. We have the subdivision approved, but still have a couple things to get done for the division through the county.
 - C. Water Rights.
 - 1. The water attorney said we could not sell the water rights from the reservoir.
 - 2. Anita said she could send out for a second opinion.
- VII. Operator Reports.
 - A. March.
- VIII. Maintenance.
 - A. Updates.
 - 1. Working with CORE to take the meter out at the W/S to repair. Logan has an electrician set up.
 - 2. Logan is talking to someone to come evaluate the generator at the sewer plant to see if it can be fixed or replaced.
 - 3. Water station.
 - a) Placed an NSF filter at the water station for the garden hose side.
 - b) Working on getting a canister installed for the two inch side.
 - c) Discussion about the canister that Alma donated and options for the canister. The board agrees Paul should be the final decision on what canister would be best for the district.
 - B. Water station.
 - 1. Discussion about rates and adjusting amounts.
 - 2. Motion to increase water rate to .10 a gallon.
 - a) CT motion.
 - b) DE seconded.
 - c) Approved.
- IX. Engineering.
 - A. Updates.
 - 1. Water Treatment Facility.
 - a) Access Easement.
 - (1) Need to complete the access easement purchase.
 - b) Minor subdivision Process Update.
 - (1) Need the Access Easement to be completed first.
 - c) Land acquisition.
 - (1) The deadline is April 30, 2026.
 - (2) The district should consider a short extension.
 - d) Loan Application.
 - (1) W2E loan application and will update the info regarding grants by mid-May.
 - (2) Loan application deadline June 5, 2026.
 - e) Park County LWTF Grant.
 - (1) BOCC work session May 5, 2026 at 9am.

- f) DOLA EIAF Grant.
 - (1) Reviewed the draft presentation with DOLA staff on April 20, 2026.
 - (2) W2E will present to the DOLA EIAF Grant board on May 6, 2026 at 8:45am in Canon City.
 - g) Center of Colorado Water Conservancy District.
 - (1) W2E is pursuing a grant from the above organization.
 - 2. CR64 Design.
 - a) Received a reimbursement of \$14,240 from PC.
 - b) This is paused until water treatment facility funding is sorted.
 - 3. Trela Property.
 - a) W2E developed a conceptual approach to providing water and sanitary sewer service to the property which was provided to the owners.
 - 4. Rates.
 - a) W2E reviewed the District's rates and developed the following preliminary recommendations.
 - (1) Water and Sewer should be separate. Will is going to review the bill and figure out the appropriate split for rates.
 - (2) Base rates need to increase \$41/month to balance the budget (based on 2025 actual and 2026f budget numbers).
 - (3) Discussion about different options for revenues.
- X. Administrative.
 - A. Adjustments.
 - B. Billing Register.
 - C. Past Due Accounts.
 - D. System Totals Report.
 - E. Sales and Receivables.
 - F. Balance Sheet.
 - G. Transaction List by Vendor.
 - H. Deposit Detail.
- XI. Old Business.
 - A. Employee handbook (tabled).
 - B. New signers for bank accounts (tabled).
 - C. Peter Trela project (see above).
- XII. New Business.
 - A. Update water sales building.
 - 1. The water sales could use some touch-ups when funds are available.
 - B. Craig retiring.
 - 1. Craig sent in his notice of retirement to the district.
 - C. Storage Tank Liner.
 - 1. The liner is ready, we just have to schedule. It is an additional \$27,000 for installation.
 - 2. The tanks are in ok conditions and the light winter has helped. We added the pumps in to help with any freezing.
 - D. Rate Study, Pre-hearing Rates and Fees Discussion, and Debt Repayment Approach (see above).
- XIII. Public Comment.
- XIV. Adjournment (8:05 pm).
 - A. SS motion.
 - B. DE seconded.
 - C. Approved.