

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT

March 15, 2023- 9:00 AM

District Office – 57 Baca Grant Way South

Crestone, Colorado 81131

Meeting held via Zoom

ATTENDANCE

Directors in Attendance:

Vivia Lawson

John Loll

Mike Smith

Rick Hart

Also in Attendance:

Marcus Lock, District Legal Counsel

JoAnn Slivka, District Manager

Gary Potter, District Director of Utilities

Natalie DeBon, District Administrative Services Manager

Cathy Fromm, District Accountant (for a portion of the meeting)

Nick Marcotte, District Engineer (for a portion of the meeting)

Community Members and Guests:

Seth Walker

Michael Scully

LeRoy West

Bill Folk

dan gray

CALL TO ORDER

President Lawson opened the meeting at 9:00 A.M.

Board Roll Call: Directors Lawson, Loll, Smith, and Hart were present.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Attorney Lock has discussed with the Board the requirements pursuant to Colorado law to disclose any potential conflicts of interest to the Baca Grande Water and Sanitation District Board of Directors and to the Secretary of State. It was noted that a quorum was present and members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No new disclosures were made.

AGENDA

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL,

SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE AGENDA.

CONSENT AGENDA

The board considered the following consent agenda items:

- Approve Minutes from the February 15, 2023 Regular Meeting
- Accept the unaudited financial statements for the period ending March 15, 2023 and current schedule of cash position

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART,

SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CONSENT AGENDA.

PUBLIC COMMENT (ITEMS NOT ON THE AGENDA ONLY. NO ACTION MAY BE TAKEN).

The district is subject to the Colorado Open Meetings Law, which states that no Board discussion or action will take place until a later date, if necessary. Please limit your comments to three minutes or less.

Dan Gray: Mr. Gray read a prepared speech and expressed his concern that the District is not functioning well. He further mentioned his disapproval of the political situation in the District, Town of Crestone and POA.

Seth Walker: Mr. Walker introduced himself; he is an interim attorney for the Town of Crestone. He then extended an invitation and offer to speak with the Board in order to move forward with the IGA and gain a mutual understanding. He appreciates everyone and is glad to meet everyone.

Mr. Lock commented that he spoke with Mr. Walker, and he sees his involvement as a positive sign.

President Lawson welcomed Mr. Walker and said it's very nice to meet him.

FINANCIAL MATTERS

Check Register: The board considered approval of the check register through the period ending March 15, 2023 as follows:

General	\$ 3,655.00
Capital	\$ 1,400.00
<u>Enterprise</u>	<u>\$ 42,855.14</u>
	\$ 47,910.14

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CHECK REGISTER FOR THE PERIOD ENDING MARCH 15, 2023.

BOARD AND STAFF REPORTS

The Board reviewed and discussed the reports incorporated herein by this reference.

President Lawson asked Mr. Marcotte to present his report first.

Engineer's Report:

Mr. Marcotte discussed the Engineer's report that was included in Board packet. Mr. Marcotte said the focus is on the wastewater improvement project; he then mentioned that the Preliminary Engineer Report (PER) report was reviewed together during the special meeting that was held on February 23rd. Element Engineering is currently in the process of preparing the Environmental Report (ER). The Environmental Report and RDAApply application will be completed by the end of April 2023.

Water Treatment System Improvements: Mr. Marcotte reported that the prequalification meeting was held on January 31, 2023 to discuss the CDPHE funding process specific to the BGWSD water project. The Board approved the Project Needs Assessment (PNA) to move ahead

during the February meeting. Mr. Marcotte reported that the work is ongoing, and Element Engineering plans to complete the PNA by the end of April 2023.

590 Hillcrest Overlook Extension: Mr. Marcotte reported that a completed design and the construction cost estimate has been provided to the District.

Mr. Potter has reached out to set up a meeting with the owner and Element Engineering to discuss the construction cost estimate.

Mr. Marcotte mentioned the survey was completed, but they are still waiting for the invoice from the surveyor. It is a reimbursable expense to the District; developer is responsible for this expense.

President Lawson expressed that the February PER work session was very good and she felt that it was very helpful. Then, President Lawson addressed a community member statement claiming that the Board of Directors did not review the PER report before the meeting, which the Board did. President Lawson then spoke of importance of the Board working collaboratively with the community, as well as understanding and cooperating with staff and engineers. Director Hart stated that the community member statement was inaccurate.

Board Matters

President Lawson spoke on the importance of sharing current and relevant information with the public and suggested establishing a protocol for the Board to identify what information can be shared consistent with Colorado law. Mr. Lock, District Legal Counsel, agreed and mentioned that the board agenda and packets are publicly available, but privileged information must remain confidential to protect the District's interests. Mr. Lock also suggested checking with the District Manager, JoAnn Slivka, before sharing any documents with the public.

The District Manager noted that the new website will provide information before the meetings that will include the agenda and supporting documents, such as reports from staff.

President Lawson thinks the District's website is fabulous and increases its functionality.

District Manager Report:

Grants: In addition to her written report District Manager, JoAnn Slivka, reported that two grants were submitted to Saguache County, ARPA and Tax grant.

Election: Ms. Slivka provided an update on the election preparations. She acknowledged the time commitment and the hard work of the administrative staff together with District DEO Judy Egbert, in getting everything ready. Ms. Slivka noted that ballots will be mailed by April 10th.

Website and Blog: Ms. Slivka reported that District's new website now features a blog and that will be used to communicate with the community. Further improvements and new features will be added over time.

Safety consultation: Ms. Slivka reported on safety consultation and training for the District. On March 9th, staff met with Josh Barkley and Kyle Brown from McGriff Insurance who discussed available programs and services focused on safety and accident prevention. They also discussed possibly doing a full on-site facility audit.

Administrative Services Manager Report:

Office Activities: In addition to her written report, Ms. DeBon reported on billing activities and that the administrative staff has been working on several projects in February. Projects include preparing for May Election, continuing work on the AOS verification project, cleaning up the database, and installing MXU's in the billing software. Ms. DeBon also noted the admin staff handled very well a water main break in February by promptly informing affected customers.

SDA Leadership Academy: Ms. DeBon shared her participation in the SDA Leadership Academy, she said it was great to meet other Special District members and share experiences. She then shared a collage of words from each SDA participant, describing leadership in one word.

Director Hart asked Ms. DeBon how many water-sewer hookup applications were received in March. Ms. DeBon said, one application was received in March.

Operations Manager Report:

Water Main Breaks: In addition to the written report, Mr. Potter reported on two water main breaks in February on Moonlight Overlook and Camino Baca Grande. Mr. Potter spoke to the pictures shared in the report and pointed out that the recent water main breaks were a clear illustration of the original pressurized pipe that was glued together, and how it is not a proper way of installation. Mr. Potter mentioned that many similar pipes were installed this way in the District during the original infrastructure installation by developers and these installations result in water leaks throughout the district.

Vehicles: Mr. Potter reported that Truck # 2 is back and operational. He also mentioned there were several vehicle expenses for the dump truck for the alternator and oil that were replaced in February.

Safety: Mr. Potter shared that emergency response and safety SOPs have been completed and are part of the safety and audit review with the safety consultants.

MXU: Mr. Potter reported that Operation and Admin staff are working together to accomplish the installation of meter pits and MXU's, but more MXU's are needed. In a recent conversation with our sales rep, Mr. Potter said we probably won't see any MXU's coming in this year.

ASPEN WWTP: Mr. Potter reported that Operations are spending an enormous amount of time in keeping the Plant in compliance. The Plant was out of compliance in December and January.

REVIEW OF MEETING FORMAT

Board Directors discussed in-person and Zoom meeting formats. Zoom meetings are being preferred for its larger attendee capacity. The small board room at the District office is a concern for in person meetings and another big concern is security.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD WILL CONTINUE WITH ZOOM MEETINGS FOR THE NEXT SIX MONTH AND CONTINUE TO BE OPEN FOR HYBRID SPECIAL MEETINGS.

LEGAL MATTERS
EXECUTIVE SESSION

MOTION: PURSUANT TO C.R.S. § 24-6-402(4) (A), (B), AND (E), UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND, UPON AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE QUORUM PRESENT, THE BOARD ADJOURNED TO EXECUTIVE SESSION AT 10:12 A.M. FOR THE PURPOSE OF DISCUSSING MATTERS SUBJECT TO NEGOTIATION REGARDING THE LEASE RATE FOR THE NEXT 20-YEAR TERM OF THE WATER SERVICE AGREEMENT AND THE TERMS AND CONDITIONS FOR CONTINUED PROVISION OF SEWER SERVICE TO THE TOWN OF CRESTONE AND DISCUSSION OF SAGUACHE COUNTY REQUEST FOR A WORK SESSION.

MOTION: DIRECTOR LOLL MOVED; DIRECTOR HART SECONDED TO RECONVENE TO REGULAR SESSION AT 10:54 AM

ADJOURNMENT:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 10:57 AM.

THE NEXT REGULAR MEETING IS SCHEDULED FOR
April 19, 2023

Respectfully submitted,

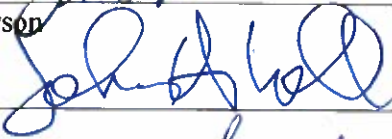


Natalie DeBon

THESE MINUTES ARE APPROVED AS THE OFFICIAL March 15, 2023 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Vivia Lawson



John Loll



Mike Smith

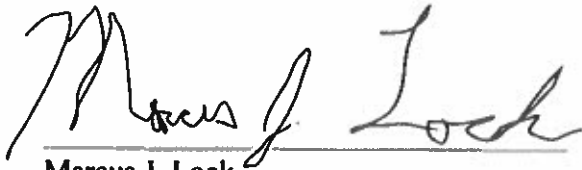


Rick Hart

ATTORNEY STATEMENT

Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2) (d.5) (II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Baca Grande Water and Sanitation District, I attended the executive sessions on March 15, 2023, and it is my opinion that the portion of the executive session that was not recorded constituted attorney-client privileged communications.

A handwritten signature in cursive script that reads "Marcus J. Lock". The signature is written in black ink and is positioned above a horizontal line.

Marcus J. Lock

General Counsel

Baca Grande Water and Sanitation District

