

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

JULY 20, 2018

9:00 A.M.

District Office - 57 Baca Grant Way South
Crestone, Colorado 81131

ATTENDANCE

Directors in Attendance:

Lynn Drake
Robert Salmi
John Loll
Michael Sully

Also in Attendance:

Marcus Lock; Law of the Rockies (via speakerphone)
JoAnn Slivka; District Manager
Josh Cichocki; Utility Superintendent

Members of the Public and

Kathleen Willow
Martin Macaulay

the Baca Grande Property Owners (POA) Association

Steve Dossenback – BGPOA President
Sugandha Brooks - POA
Ayla Hoevers - POA
Tad Crawford - Baca Emergency Services
Connie Estrada - POA
Shawn Hollmer - POA
Bob Prather - POA

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 or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. It was noted that a quorum was present and requested that members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting.

Agenda

President Drake opened the meeting with a review of the agenda.

*Following discussion, upon motion duly made by
Director Loll,*

Seconded by Director Salmi,

And upon vote, unanimously carried, the Agenda was approved.

BACA GRANDE PROPERTY OWNERS ASSOCIATION (“POA”) Water Concerns:

President Drake addressed the members of the POA explaining the drought conditions throughout the state of Colorado. She reviewed the watering schedule the Utility Superintendent outlined for the POA maintenance department. Ms. Hovers stated they have an issue with the schedule, it does not work for them. Casita Park and golf course grass is dying and they need to save their assets before they're gone. She wants a copy of the water lease so that they can better understand how we operate.

Mr. Macaulay questioned why the POA aren't using the water they are allocated. Mr. Hollmer explained that they do not use as much water because the District has them shut the water off. Director Salmi suggests that there needs to be better communication.

Mr. Dossenback says they are all here because they are looking for a solution. In the future, they want to do their fair share, be it fix the irrigation system, update their equipment, etc. They need help now so that they don't lose the parks and golf course. The question arose as to how many people use the golf course. Ms. Hovers responded that they really don't know.

A meeting will be scheduled in the next week between District staff and POA maintenance staff for discussion and to answer questions and work out any misunderstandings.

Consolidation Fees

The Board of Directors discussed and considered two separate requests for special consideration of payment for lot consolidation fees.

The first request was for an extended period of time to pay for the fees over a number of years. It is important to note that newly consolidated lots should be paid off before the annual Availability of Service fees are assessed in January.

The second request was for a reduction of fees. Both requests were denied to be fair to all customers. It was agreed by the Board that they will consider the fee structure for lot consolidations during the Retreat scheduled in August.

Consent Agenda

These items are considered routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board member so requests; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

The Board considered the following actions:

- Approve Minutes from the June 22, 2018 meeting.
- Review and accept the unaudited Financial Statements for the period of June 30, 2018 and current schedule of cash position.

*Following discussion, upon motion duly made by
Director Scully,
Seconded by Director Loll,
And upon vote, unanimously carried, the Consent Agenda was approved.*

Board and Staff Reports

The Board reviewed and discussed the reports that are attached therein.

Discuss Disclosure of Potential Conflicts of Interest

Marcus Lock presented and discussed the Conflict of Interest statement with the Board. He provided a summary from Chapter VII – Conflict of Interest from the Special District Association Board Member Manual. Basically, if a Director thinks there is anything that may constitute a conflict of interest they are encouraged to call Mr. Lock and they can decide if there

is an issue or not. A Director is to disqualify themselves from participating or voting on a matter that may present a conflict of interest. The conflict is to be disclosed at least 72 hours before the meeting. Examples of conflicts can be found under paragraph D of the SDA summary. Other acts to consider include use of confidential information and acceptance of gifts. Director Loll thanked Mr. Lock for this information. He stated that he is a member and vice-chair of the Resiliency Group. To the extent possible we should all be aware that if his group has a request for the Board, he will disclose this 72 hours before the board meeting. Also, he will not vote in any discussion, so there would not be a conflict of interest. Director Loll just wanted to remind everyone of this important information.

Special District Association (SDA) Annual Conference

President Drake will attend the 2018 SDA Conference with the district manager.

2018 Energy Audit

Director Loll agreed the energy audit provided a start on this issue but we need to do more work, especially specific to our District. The Directors would like to see the SLVREC billing statement to see how and where our electrical costs go and to get a sense of how much power is needed in the event of a crisis. Mr. Loll continued the discussion on what would happen if we had an extended electrical outage; does it make sense to collaborate with local entities, perhaps coordination between agencies could be better for grants etc. Mr. Cichocki also notified the Board that we have applied for a small hydro grant and all this will work with our master plan.

PUBLIC COMMENT (ITEMS NOT ON THE AGENDA ONLY. COMMENTS LIMITED TO THREE MINUTES PER PERSON AND TAKEN IN ORDER LISTED ON SIGN IN SHEET).

There were no public comments.

Financial Matters

Claims: Consider approval of the check register for the period ending June 22, 2018, as follows:

General Fund:	\$	4,862.44
Capital Projects Fund:	\$	5,974.18
Enterprise Fund:	\$	<u>44,560.59</u>
Total:	\$	55,397.21

*Following discussion, upon motion duly made by
Director Salmi
Seconded by Director Scully
And upon vote, unanimously carried, the Check Register was approved.*

Water-Sewer Rate Study

The Board reviewed the Water-Sewer Rate Study audit from Chris Brandewie. Director Loll suggested we move the discussion regarding the rate study to the Retreat, Director Salmi agrees. Director Loll would like to see that we not give up the thought that a small incremental increase is desirable.

Water Resource Engineer

The District put out a Request for Proposal for a water resource engineer to assist with review, evaluation, and update of our past water usage reports with recent data. The proposals are due July 25, 2018.

Operations

Mr. Cichocki reported that the jetting schedule had begun but has been delayed. We are now on a 5-year schedule. Currently we have completed 4000 linear feet so far.

Capital Improvements**Sludge Drying Beds Project**

The District is still waiting for news from the State.

Water-Sanitation Services – Main Extension

The District received a detailed request from a property owner on the Rocky View Way loop. She is requesting the District consider installing infrastructure for water-sewer services in the area as there is none at this time. The Directors agreed this project is of interest and will pursue what will be involved to undertake this project.

Legal**Atalanta Group Inclusion Agreement**

Mr. Lock and Ms. Slivka met with the Atalanta group to discuss where we are at with the inclusion process. Mr. Lock has drafted a simple agreement but it is not complete; we are waiting on the group to complete a couple of tasks. Once these tasks are complete then our engineers will design a plan for services. Then we can incorporate the subdivision and take care of the easement issue, complete the agreement, hold the public meeting and move forward.

EXECUTIVE SESSION MATTERS - §24-6-402(4) (a), (b), (e)(I) and (f)(I), C.R12.S.

The Board entered into executive session.

*Following
discussion, upon motion duly made by Director Loll
seconded by Director Scully, and upon vote, unanimously carried, the Board
entered into Executive Session at 12:11 P.M. for the purpose of discussing
personnel matters.*

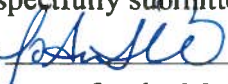
*Following discussion, upon motion duly made by
Director Scully,
seconded by Director Loll,
and upon vote, unanimously carried, the Board came out of Executive Session*

Other Business

*There being no further business to discuss, upon motion duly made by
Director Salmi,
seconded by Director Loll,
and upon vote, unanimously carried,
the Board adjourned the meeting at 12:37 P.M.*

Adjournment

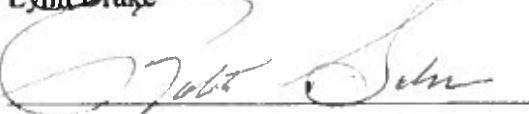
**THE NEXT REGULAR MEETING IS SCHEDULED FOR
AUGUST 17, 2017**

Respectfully submitted,
By  _____
Secretary for the Meeting

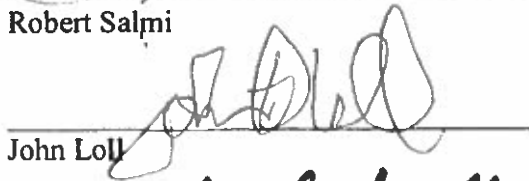
THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 20, 2018 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Lynn Drake



Robert Salmi



John Loll



Michael Scully

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 session on June 22, 2018, and it is my opinion that the portion of the executive session that was not recorded constituted attorney-client privileged communications.



Marcus Lock

General Counsel
Baca Grande Water and Sanitation District