

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

SEPTEMBER 21, 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 Scully

Also in Attendance:

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

Members of the Public:

Clem Gassling
Janie Thomas

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 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 Salmi,
seconded by Director Scully,
and upon vote, unanimously carried, the Agenda was approved.*

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:

- Review and accept the unaudited Financial Statements for the period of August 31, 2018 and current schedule of cash position.
- Ratify approval of Applegate Contract

*Following discussion, upon motion duly made by
Director Scully
seconded by Director Salmi,
and upon vote, unanimously carried, the unaudited Financial Statements for
the period of August 31, 2018 and the Applegate Contract were approved.*

The Minutes from the August 17, 2018 meeting were considered under the Regular Agenda. Director Loll began the discussion; he was not satisfied with the language in the new sentence added to the Mission/Purpose statement.

*Following discussion, upon motion duly made by
Director Loll,
seconded by Director Salmi, and upon vote, unanimously carried, the August
17, 2018 meeting minutes were approved contingent upon the purpose
statement updated to read “The District will reduce its carbon footprint **with
the intention of achieving this goal by 2023.**”*

FINANCIALS:

Ms. Fromm pointed out highlights from the Financial statements. The District spending is on track. Our cash is invested well, earning great interest; last year we made a change in bank savings to a higher earning ratio account resulting in a \$11,000 difference from interest. Director Salmi questioned the safety of these funds, Ms. Fromm explained the low risk factor, specifically for governmental entity funds.

She continued through each fund and explained the required three-month operating reserve that is required for the CWRPDA (Colorado Water Resources and Power Development Authority) loan and the emergency reserve required per TABOR. The District is in great shape overall and trending below budget at this point in the year. Our debt to cash balance ratio is good.

Capital Funds:

The 2010 funds for Capital Projects been spent, everything moving forward would have to come from the General Funds. Projects are being completed; the Flow Equalization Basin project was over budget but the District made it through and completed the project. The District also purchased a few major assets including the Sewer Camera and Valve Turner with cash.

2017 Audit:

Ms. Fromm reviewed items from 2017 Audit for the Directors. Subject to any adjustments made by the auditor this is the final audit.

The Audit was late but we did file for an extension. The Bond refunding will save \$610,000 interest over time.

*Following discussion, upon motion duly made by
Director Scully,
Seconded by Director Salmi,
And upon vote, unanimously carried, the 2017 Audit was approved.*

Applegate Contract

Director Loll asked for an explanation of what the Applegate agreement is about and where it fits in with the District’s mission. He wants his concerns to be completely transparent.

Mr. Lock gave a brief explanation of the tasks and scope of work for the Applegate Contract. He reviewed items 1-3 of the contract, and explained per USFW we have to update our water resource needs. Director Loll asks if Cottonwood will be used; it was explained that is in the scope and Applegate will review the gallery information and what possibilities might be considered.

Director Loll is concerned how all this will fit into the Master plan; how will the information be integrated into the report; what kind of board review will be provided as we go through this process; how does the work JVA Engineers is doing fits into all of this and how does that tie into budget. He wants a clear road map, what the consultant pieces are and how staff integrates with it all. All agreed Director Loll’s points are good; Mr. Cichocki and Ms. Slivka reported on our activities to date with the consultants. Progress reports and updates will be presented to the Board as we move forward and begin to put all the pieces together with the Master Plan.

BOARD AND STAFF REPORTS

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

President Drake reported on the 2018 SDA Conference. She attended a number of good sessions relating to Public and Board relations. Some topics of interest were “How to have better conversations, how to be a better listener, etc.” She especially enjoyed the body language session and the special presentations from former Chief Justice, Hobbs. Mr. Gregg Hobbs is an excellent fascinating speaker. He gave a great history of Colorado as a headwaters state. The Board would love to have him here to be part of a new outreach that would change community values. President Drake concluded by saying it is important that we attend this annual conference.

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

Mr. Clem Gassling reported on a problem they had at his daughter’s house regarding water coming into her home. He came in to the District office Monday to ask for a pressure check. He was disappointed that no one from the District called him to let him know the status. Water accumulated in the basement and he is concerned about mold and mildew; he wanted to know who is responsible for the liability? Ms. Slivka will follow up with Mr. Gassling to determine how much damage was done to the property.

FINANCIAL MATTERS

The Board considered approval of the check register for the period ending September 21, 2018, as follows:

General Fund:	\$	8117.30
Capital Projects Fund:	\$	3001.50
Enterprise Fund:	\$	58,810.89
Total:	\$	69,929.69

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

Operations

Mr. Cichocki reported on the main line break in the area of the Aspen Wastewater Treatment Facility. The PRV did not operate correctly; the Directors are concerned about this problem and suggest that the Operations staff concentrate on this problem and implement a program for replacement.

Steve Haines Request:

The Board reviewed a request from Mr. Haines for reimbursement of supplies and labor for damage to his property resulting from the PRV failure.

CAPITAL IMPROVEMENTS**Status of the Sludge Drying Beds Project**

The Board considered and approved a request for a Special meeting to be held October 4, 2018 to award the bid for a contractor on the Sludge Drying Bed Project:

*Following discussion, upon motion duly made by
Director Loll,
Seconded by Director Drake,
And upon vote, unanimously carried, a Special Meeting of the Baca Grande
Water and Sanitation District Board of Directors will be held 9:00 A.M.,
October 4, 2018 at the District office.*

LEGAL MATTERS

Atalanta: Mr. Lock will draft an easement for the group to help them get started and have the Baca POA approve the easement. He will also include an explanation about the need to subdivide the property through the county land use department.

Rockyview Way Infrastructure: At the 2018 Retreat, it was decided that Mr. Lock would create draft resolution that will act as a roadmap for the Rockyview Way project. Mr. Lock reported that he has begun this project and it is in progress.

Consolidation Process

The Board reviewed the consolidation process and current fees. Discussion followed on how to communicate the process to our constituents.

Saguache County Lots

Discussion regarding the County owned properties followed. Currently buyers are under the impression that they have acquired the land from Saguache County free and clear. They are not aware that there may outstanding fees owed to the Baca Grande Water and Sanitation District. Typically, fees follow the property. Mr. Lock has been attempting to communicate with the county's attorney but has not received a response back. Per the Board's direction Mr. Lock will send a certified letter to the county attorney to inquire who the correct person to discuss this issue with.

EXECUTIVE SESSION MATTERS - §24-6-402(4) (a), (b), (e)(I) and (f)(I), C.R.12.S.

*Upon motion duly made by
Director Scully
seconded by President Drake,
and upon vote, unanimously carried, the Board entered into Executive Session
at 11:13 A.M. for the purpose of discussing legal advice responding to
complaints filed by Mr. Gasseling & Mr. Haines.*

The Board reconvened to regular session at 11:31 A.M.

The Board approved the request from Mr. Steve Haines, contingent upon Mr. Cichocki's assessment and verification that the new parts were installed and working correctly.

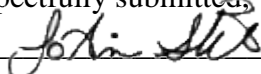
OTHER BUSINESS

There was no other business for discussion.

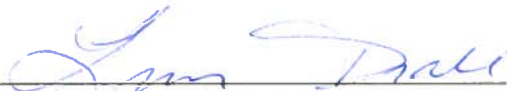
*There being no further business to discuss, upon motion duly made by
Director Scully,
seconded by Director Loll,
and upon vote, unanimously carried,
the Board adjourned the meeting at 11:32. A.M.*

ADJOURNMENT

**THE NEXT REGULAR MEETING IS SCHEDULED FOR
OCTOBER 19, 2017**

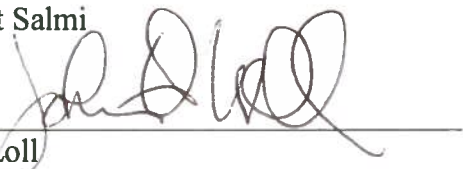
Respectfully submitted,
By 
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 21, 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