

RECORD OF PROCEEDINGS  
MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
**BACA GRANDE WATER AND SANITATION DISTRICT**  
**JANUARY 19, 2018**

9:00 A.M.

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

ATTENDANCE

Directors in Attendance:

Martin Macaulay  
Lynn Drake  
Matthew Ghourdjian  
Robert Salmi

Also in Attendance:

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

Members of the Public:

Cheryl Waschenko  
Michael Scully  
John Loll  
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. President Macaulay 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.

ADMINISTRATIVE MATTERS

Agenda

President Macaulay reviewed the proposed Agenda for the District's Regular Meeting with the Board of Directors.

*Following discussion, upon motion duly made  
by President Macaulay  
seconded by Director Ghourdjian  
and, upon vote, unanimously carried the agenda was approved.*

CONSENT AGENDA

The Board considered the following actions:

- Approve Minutes from the December 12, 2017 Special Meeting.
- Review and accept the unaudited Financial Statements for the period of December 31, 2017 and current schedule of cash position.

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*Following discussion, upon motion duly made  
by Director Drake  
seconded by Director Salmi  
and, upon vote, unanimously carried the consent agenda was approved.*

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## BOARD AND STAFF REPORTS

The Board reviewed and discussed the staff reports which are attached hereto and incorporated herein by this reference.

- District Manager Report
- Administrative Stats
- Operations Report

## 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

Check Register: Consider approval of the check register for the period ending January 19, 2018, as follows:

General Fund:	\$	10,663.71
Debt Service Fund	\$	16,163.14
Capital Projects Fund:	\$	174,592.32
Enterprise Fund:	\$	<u>32,542.16</u>
<b>Total:</b>	<b>\$</b>	<b>233,961.33</b>

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*Following discussion, upon motion duly made  
by Director Ghourdjian  
seconded by President Macaulay  
and, upon vote, unanimously carried the check register was approved.*

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### Financial Summary:

The Directors reviewed and discussed the Financial Summary for the period ending December 31, 2017. All funds ended within budget and revenues were up putting us on good course to move into 2018.

## OPERATIONS

Mr. Cichocki reported to the Board that he is working on quantifying the Operations and Asset Management plan and suggested that the District consider implementing a strategic plan.

## CAPITAL IMPROVEMENTS

### Status of Headworks/Flow Equalization Basin Project

The Board reviewed and discussed the explanation regarding Change Order #2 for the heating units provided by Brad Simons, TZA Water/Wastewater Group Leader. Director Macaulay notified the Board that he signed off on Change Order #2 as it was necessary to keep the project moving forward. The project start-up occurred the week of January 15, 2018.

### BioSolids Sludge Drying Beds Project (2017 Grant Award)

Ms. Slivka provided an update to the Board of activities to date regarding the BioSolids Drying Bed Grant. Following discussion the Board directed Ms. Slivka to gather costs spent to date on this project.

## LEGAL MATTERS

1. The Board considered adoption of Resolution No. 2018-01-01 Annual Administrative Matters.

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*Following discussion, upon motion duly made  
by Director Salmi  
seconded by Director Ghourdjian  
and, upon vote, unanimously carried the Annual Administrative Resolution  
2018-01-01 was approved.*

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2. The Board discussed Resolution No. 2018-01-02 Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Water and Sanitary Sewer Services and Facilities.

Mr. Lock discussed the notification requirements of increasing rates and fees with the Board. The Board now needs to make a decision to either implement the rate increase that was approved at the December 15<sup>th</sup> regular meeting or rescind this decision should they decide to adjust the rates in a different way. After much discussion, Director Macaulay proposed that the Board rescind the rate increase approved at the December 15<sup>th</sup>, 2017 regular meeting until further research has been completed and residents and key account holders have been properly notified.

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*Following discussion, upon motion duly made  
by President Macaulay  
seconded by Director Ghourdjian  
and, upon vote, unanimously carried, the Board rescinded the rate increase  
approved at the December 15<sup>th</sup>, 2017 meeting.*

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Director Drake proposed a work session to further discuss the rates and fees in detail. Mr. Lock advised the Board that no action should take place at a work session and to be sure the proper notices are posted as required.

3. Consider Adoption of Resolution of The Board of Directors of The Baca Grande Water and Sanitation District Concerning Regular Election To Be Held May 8, 2018

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*Following discussion, upon motion duly made  
by Director Drake  
seconded by President Macaulay  
and, upon vote, unanimously carried Resolution 2018-01-03 Concerning  
Regular Election To Be Held May 8, 2018 was approved.*

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#### VIII. EXECUTIVE SESSION MATTERS

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*Pursuant to Sections §24-6-402(4)(a), (b), (e)(I) and (f)(I) C.R.S., upon motion duly made by Director Drake, seconded by Director Salmi and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 10:18 A.M. for the purpose of discussing contract matters.*

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#### IX. OTHER BUSINESS

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*There being no further business to come before the Board at this time, upon motion duly made  
by President Macaulay,  
seconded by Director Drake  
and, upon vote, unanimously carried the Board adjourned the meeting at  
11:00 A.M.*

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- X. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR  
FEBRUARY 16, 2018**

Respectfully submitted,

By   
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 19, 2018 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



\_\_\_\_\_  
Martin Macaulay



\_\_\_\_\_  
Lynn Drake



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Matthew Ghourdjian



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Robert Salmi

#### 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 JANUARY 19, 2018, for the sole purpose of providing legal advice §24-6-402(4)(b), C.R.S. I further attest that it is my opinion the executive sessions discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required by be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.

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Marcus J. Lock  
General Counsel  
Baca Grande Water and Sanitation District

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Martin Macaulay

  
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Lynn Drake  
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Matthew Ohourdjian  
\_\_\_\_\_  
Robert Salmi

**ATTORNEY STATEMENT**

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Marcus J. Lock  
General Counsel

Baca Grande Water and Sanitation District