

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

June 22, 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- Absent
Mike Smith
Rick Hart
David Karas

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)
Nicholaus Marcotte, Element Engineering
(for a portion of the meeting)

Community Members and Guests:

Michael Scully
Charlie Whipple

CALL TO ORDER

President Lawson opened the meeting at 9:02 AM.

Board Roll Call: Directors Lawson, Smith, Hart and Karas were present. Director Loll was previously excused from today's meeting.

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 HART,
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 May 17, 2023 Regular Meeting
- Approve Minutes from June 8, 2023 Special Meeting
- Accept the unaudited financial statements for the period ending May 31, 2023 and current schedule of cash position

President Lawson requested minor changes of both May 17th, 2023 and June 8th 2023 minutes.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR SMITH,
 SECONDED BY DIRECTOR HART AND UPON VOTE, UNANIMOUSLY CARRIED,
 THE BOARD APPROVED THE CONSENT AGENDA AS AMENDED BY THE DIRECTORS.

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.

- Mr. Scully made a comment on the June 8th Board of Directors Special Meeting.

FINANCIAL MATTERS

Check Register: The board considered approval of the check register through the period ending June 21, 2023 as follows:

General	\$ 7,176.95
Capital	\$ 25,930.00
<u>Enterprise</u>	<u>\$ 48,633.41</u>
	\$ 81,740.36

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR SMITH,
 SECONDED BY DIRECTOR KARAS AND, UPON VOTE, UNANIMOUSLY CARRIED,
 THE BOARD APPROVED THE CHECK REGISTER FOR THE PERIOD ENDING JUNE 21ST, 2023.

Director Hart inquired about the approval status of the \$20,650.00 capital expense allocated for trench equipment. In response, Mr. Potter clarified that it received approval from the Board during the April Board Meeting.

BOARD AND STAFF REPORTS

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

Engineer’s Report

590-CR Hillcrest Overlook Water and Sewer Main Extension Process

Mr. Marcotte informed the Board of Directors that Element Engineering has received three proposals from contractors who expressed interest in the Hillcrest Overlook Water and Sewer Main Extension Project.

The following contractors submitted their proposals:

- Potter Excavation BID - \$106,640.00
- Robins Construction BID - \$97,380.00
- Cooley and Sons Excavating BID - \$80,250.00

The initial estimate for the project from Element Engineering was \$111,884.00. However, Mr. Marcotte noted they received more conservative bids, and the lowest bid came from Cooley and Sons Excavating, Inc., amounting to \$80,250. Element staff are familiar with Cooley and Sons Excavating and have confidence in their ability to fulfill the project requirements outlined in the

plans and specifications. Therefore, Element recommends that the District Board of Directors award the Hillcrest Overlook Water and Sewer Main Extension Project to Cooley and Sons Excavating for the sum of \$80,250.

Director Hart expressed concern about the varying prices of the received bids and questioned the potential risk of low quality. In response, Mr. Marcotte pointed out that Cooley and Sons Excavating has successfully completed several similar projects in the nearby area, indicating their competence. Additionally, Element's Construction Service Manager will be present during the inspection process to ensure quality control.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR SMITH, SECONDED BY DIRECTOR KARAS AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED AND AWARDED THE BID TO COOLEY AND SONS EXCAVATING, INC. FOR THE AMOUNT OF \$80,250.00 FOR THE 590-CR HILLCREST OVERLOOK WATER AND SEWER MAIN EXTENSION PROJECT.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD VOTED AND APPROVED SIGNATURES FROM THE DISTRICT FOR THE NOTICE TO PROCEED AND THE OWNER AND CONTRACTOR AGREEMENT UPON ACCEPTABLE DOCUMENTS PROVIDED BY THE CONTRACTOR.

Wastewater Treatment Plant

Mr. Marcotte reported the completion of the Environmental Report.

Water Treatment System Improvements

Element finalized a draft of the Project Needs Assessment and transmitted it to the District Staff on May 9, 2023. Element has to review the PNA with District Staff. Element will work to resolve any initial questions and/or comments.

President Lawson had a question on how we should utilize Element Engineering in terms of working with the Town of Crestone. The key aspects for consideration are documentation and establishing trust among the community.

Mr. Marcotte spoke about the following points:

- Understanding the nature of discharge: It is important to comprehend what types of substances or materials are being discharged into the environment.
- Required skills and credentials for assessment: Identifying the necessary expertise and qualifications to evaluate the situation accurately.
- Conducting wastewater analyses: Performing thorough analyses of wastewater samples to determine its composition and potential impact.

President Lawson acknowledged that one of the challenges lies in the intermittent presence of the discharge. It can be challenging to address an issue that occurs sporadically.

Mr. Marcotte pointed out that there are no specific industrial requirements in this context. However, it is crucial to inform individuals about what should not be disposed of down the drain.

The Town's Operations staff should also be notified about substances that should be avoided when draining wastewater.

District Manager Report

In addition to her written report the District Manager JoAnn Slivka, reported on the following:

USDA-RD Apply

Ms. Slivka spoke regarding her collaborative work with Element Engineering on the RD Apply Loan Application for the Wastewater Improvements Project. Together, they successfully completed all the necessary steps to submit the application.

Ms. Slivka also informed that, as part of the process, a public notice was published in the Crestone Eagle and Saguache Crescent newspapers to inform the local community about the District's intention to apply for a loan with the USDA. The notice specifically encouraged the public to reach out to the District if they had any questions or concerns regarding the project. Ms. Slivka included a copy of the notice in her written report.

CDPHE DWRP Pre-Loan Planning Grant Project

Ms. Slivka informed the Board that she has successfully submitted Pay Request #3, amounting to \$4,224.00, for payment from the \$10,000 CDPHE Pre-qualification Grant. This payment has reduced the fund balance to \$1,968.00.

Additionally, Element Engineering has submitted the draft of the Project Needs Assessment for water system improvements. The document is currently undergoing staff review. Following this, Ms. Slivka will forward it to the Board for their evaluation and schedule a meeting to discuss its contents. In a similar manner to the wastewater Preliminary Engineering Report, Element will prepare summary handouts for easy reference.

Saguache County American Rescue Plan Act Grant

Ms. Slivka reported, the Saguache County Board of Commissioners has given its approval for the District's application for grant funds towards the District Water Loss Prevention Plan Program (WLPPP). The grant request consisted of two components:

1. Water Meter Vault
2. Pressure Reducing Valve (PRV) Vault

The commissioners agreed to provide funding for both components, utilizing the remaining ARPA funds as well as a portion from their Payment In Lieu of Taxes funds, resulting in a total grant amount of \$137,000. The District has received the grant check and will collaborate with Element Engineering to oversee the project. Ms. Slivka expressed gratitude to the Saguache County commissioners and Wendi Maez for their continuous support of the District and the community. Additionally, it was mentioned that the commissioners have requested a follow-up meeting with the District, on August 9th, 2023.

Bond and Loan Payments

Ms. Slivka informed Directors that Ms. Fromm initiated and Ms. Slivka approved the UMB and ColoTrust wires for the District Bond and Loan payments for the first half of our 2023 commitments.

Amendment No. 1 Water Services Agreement between the USFW and BGWSD

Ms. Slivka also reported that the short term rate reduction for the Water Services Agreement between the USFW and BGWSD has been fully executed. Beginning with the July invoice for June usage, the District will begin paying \$75 per acre/foot for water vs. the \$244.27 acre/foot we have been paying since June 2015. It was noted that this is a substantial reduction that will save the District an estimated \$58,000.00 over the upcoming year.

June 8th Special Board Meeting: Ms. Slivka noted the District has been happy to work with the Town of Crestone's new legal counsel and representatives and it was good to meet everyone for this meeting.

Administrative Manager Report

In addition to her written report Ms. DeBon reported on the following to the Board.

Real Time Payments: Ms. DeBon informed that she is currently working on implementing the "Real Time Payments" module that would be syncing data between the billing software and Xpress Bill Pay in real time and would also help to have more automated processes.

Grants: Ms. DeBon was happy to inform that the Colorado Special District Property Liability Pool safety grant was approved and we are currently awaiting the payment.

Security Cameras Installation: On June 8th the installation was successfully completed. Ms. DeBon informed the Board she prepared and mailed the Grant report to Saguache County.

Assessor's Report: Ms. DeBon mentioned a list of vacant properties located in the Baca Grande Water and Sanitation District that now include residential improvements was sent to Saguache County Assessor office.

PILOT: Ms. DeBon was also happy to inform the District received a payment in lieu of taxes from Shumei in the amount of \$3,525.39.

President Lawson thanked Ms. DeBon for her efforts.

Operations Manager Report

In addition to his written report, Mr. Potter reported on the following:

Shoring equipment: Mr. Potter was happy to report the new trench and shoring safety equipment has arrived. Operations staff will begin implementing the equipment into trenching activities this summer. Mr. Potter shared a picture of staff replacing a meter using the new trench equipment. Mr. Potter thanked the Directors for their support and approval on purchasing this important equipment.

Well 18: Mr. Potter reported the motor for Well 18 Booster Pump 2 has failed. The motor is being rebuilt. Two boosters are running but a third one is being assessed.

Vactor Truck: The truck is currently in Alamosa. Vactor still has loss of power issues, a new vendor is trying to identify the problem. Mr. Potter is hoping to have this issue resolved soon.

Safety: There have been no accidents in the month of May.

Water Conservation Plan: District received grant funding from the County. The funds will be used for a project that will help us narrow the focus in the search for water loss. Mr. Potter noted the bidding process for this project would be similar to 590-CR Line Extension bid process.

Meter Pits Issue: Mr. Potter brought to the Board's attention that the equipment supply continues to be an issue, it is a continuous game with the supply chain, 10 meters are still installed without radio reading devices and we are waiting on 9 MXU's ordered back in December 2021 and 20 meters and 20 MXU's ordered in May 2022.

Aspen Online Monitoring Equipment:

District staff installed monitoring equipment, which will help with having a better process.

Annual Fire Hydrant Maintenance: Almost all fire hydrants are serviced. Operations typically replace two fire hydrants per year in addition to all the yearly maintenance, operation staff are currently identifying which fire hydrants would be best to replace. A big thank you to Larry Lewis for working on the fire hydrant maintenance project.

LEGAL MATTERS

Mr. Lock, District legal attorney shared with Public, Board and Staff the following:

- June 8th Special meeting with Town of Crestone went well.
- USFW: Mr. Lock followed up with Colleen Burnidge, who informed him that USFWS is evaluating new attorneys to assist on this matter because Ms. Chartrand has moved on to another position. We have reached a one year short term agreement and Mr. Lock would like to continue to work on the long term agreement. We are all committed to working on a permanent solution. USFW would like to schedule another meeting with the District.

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 10:04 AM TO DISCUSS THE PURCHASE OR LEASE OF REAL PROPERTY, RECEIVING SPECIFIC LEGAL ADVICE FROM COUNSEL, AND DETERMINING POSITIONS RELATIVE TO 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 AS WELL AS NEGOTIATIONS RELATED THERETO AND C.R.S. § 24-6- 402(4) (F), FOR DISCUSSION OF A PERSONNEL MATTER INVOLVING THE DISTRICT MANAGER, WHO WAS PREVIOUSLY INFORMED OF THE MEETING.

MOTION: DIRECTOR HART MOVED; DIRECTOR SMITH SECONDED TO RECONVENE TO REGULAR SESSION AT 10:47 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 10:48 AM.

THE NEXT REGULAR MEETING IS SCHEDULED FOR
July 19, 2023

Respectfully submitted,



Natalie DeBon

THESE MINUTES ARE APPROVED AS THE OFFICIAL June 22, 2023 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Signed with OnTask.io -- 929cd667d0e

Vivia Lawson


Signed with OnTask.io -- 50ae7d08860

John Loll


Signed with OnTask.io -- 22b41c55e0f3

Mike Smith


Signed with OnTask.io -- a6c0a49392a3

Rick Hart

David Karas

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 June 22, 2023, and it is my opinion that the portion of the executive session that was not recorded constituted attorney-client privileged communications.



Marcus J. Lock

General Counsel

Baca Grande Water and Sanitation District