

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

A Regular Meeting of the Board of Directors (referred to hereafter as "Board") of the Baca Grande Water and Sanitation District (referred to hereafter as "District") was held at the offices of the District, 57 Baca Grant Way South, Crestone, Colorado.

**August 18, 2017 at 9:00 A.M.**

The meeting was open to the public.

**ATTENDANCE**

Directors in Attendance:

**Michael Scully**

Martin Macaulay-Absent

Lynn Drake

Matthew Ghourdjian - Absent

Robert Salmi

Also in Attendance:

Marcus Lock; Law of the Rockies  
(via speakerphone)

JoAnn Slivka; District Manager

Chad Tate; Utility Maintenance Technician III

Members of the Public:

Janie Thomas

Marika Popovitz

*Following discussion, upon motion duly made by President Scully, seconded by Director Salmi, and upon vote, unanimously carried, the absence of Directors Macaulay and Ghourdjian was excused.*

**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. Attorney Lock has noted that conflicts have been filed for applicable Directors at least 72-hours prior to the meeting. President Scully 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 Scully reviewed the proposed Agenda for the District's Regular Meeting with the Board.

*Following discussion, upon motion duly made by President Scully, seconded by Director Salmi, and upon vote, unanimously carried, the Agenda was approved.*

Consent Agenda

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*Following discussion, upon motion duly made  
by President Scully,  
seconded by Director Drake, 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.

**Operations Report:**

President Scully asked for an explanation about the incorrect finished water being reported. Mr. Tate explained that the prior numbers being reported did not appear to include all the water sold.

President Scully asked how the water well level is recorded. Mr. Tate explained that he uses the test well next to the main well to help him determine the water well levels.

**Sub-Committee Updates**

Sub-committee reports are due for the September 8 Board meeting. A preliminary calendar has been established for the Budget planning committee. Director Drake reported that there has been good research to date on the PILT project. She will work with Director Macaulay upon his return from his vacation.

**Rocky Mountain Fire Extinguisher, LLC**

The Board considered the 2017 Service Agreement for fire extinguisher inspection services.

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*Following discussion, upon motion duly made  
by President Scully,  
seconded by Director Drake, the Service Agreement between Rocky Mountain Fire  
Extinguisher, LLC and the Baca Grande Water and Sanitation District was approved.*

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**Town of Crestone Agreement**

Mr. Tate expressed his concerns about the long delay in getting the agreement returned to us. It is late in the season and the District no longer has temporary summer staff. He further stated his concerns about the time that it would take and the proposed cost for the maintenance. The contract has been signed and so we need to honor it. Ms. Slivka clarified that this 2017 Maintenance Service Agreement with the town is only for this year. The purpose was to clean and assess the condition of the sewer lines to better understand the terms that should be considered for the renewal of the 2002 Town of Crestone Intergovernmental Agreement. Mr. Lock advised that moving forward we should include a "return by" date on future agreements.

**PUBLIC COMMENTS:**

Ms. Popovitz expressed her concern about the purchase of the water rights. She spoke with Mr. Ron Garcia (USFW) who stated that he has had productive conversations with the District. Mr. Lock explained that the status of the negotiations is basically ongoing. Once we received the appraisal, it has changed our approach. Discussions continue, he will have additional information to report by the end of the year.

Ms. Thomas wanted to clarify that the Board will not use solar for emergency backup. President Scully explained that solar is not a reliable method for an emergency backup. Mr. Tate expressed concern about batteries, he doesn't see it being viable for long term needs.

Ms. Popovitz offered to have a solar engineer provide an appraisal of using solar for emergency backup.

The Board agrees that there would be interest in working with the group to analyze the situation to give us a starting point to use solar energy.

## FINANCIAL MATTERS

### Check Register

The Board considered approval of the check register through the period ending April 21, 2017, as follows:

General Fund	\$ 3314.00
Debt Service Fund	\$ - 0 -
Capital Projects Fund	\$ 3242.94
Enterprise Fund	\$ 43,570.23
<b>Total Claims:</b>	<b>\$ 50,127.17</b>

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*Following discussion, upon motion duly made by  
President Scully,  
seconded by Director Drake,  
and, upon vote, unanimously carried, the Check Register was approved.*

### **2017 Financial Statements:**

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*Following discussion, upon motion duly made by  
President Scully,  
seconded by Director Salmi,  
and, upon vote, unanimously carried, the Financial Statements were approved.*

## OFFICE ADMINISTRATION

**White Eagle, LLC:** The Board discussed the request from Mr. Alder Lakish regarding outstanding fees and a line reduction on the White Eagle Lodge property. Concerns from the public in the neighborhood about the water line reduction as it relates to fire protection were heard. The Board would like to meet with Mr. Lakish to better understand his plans. Ms. Slivka is directed to invite Mr. Lakish to the next meeting and ask him to provide his plans before the meeting to be included in the meeting packet for the Boards review. Staff will work with Mr. Lock on any legal parameters that should be considered.

**Baca POA Lease Parcel No. 1, MHE Parcel K:** The Board discussed a request from Mr. Curtis Goodnight regarding the parcel he leases from the Baca P.O.A. Consideration should be given to state regulations for the sewer system. To receive water and sanitation services the property owner would need to purchase a tap fee, complete a water/sewer hookup application, install a lift station and consider the excavation costs.

## CAPITAL IMPROVEMENTS

The Board discussed the current capital projects and how to handle projects moving forward.

**Flow Equalization Project:** The Flow Equalization Project is progressing well. The concrete for the first wall section was completed on Thursday, August 17. The second wall section concrete pour is scheduled for the upcoming week of August 21. Ms. Slivka distributed an updated progress report provided by TZA.

**Biosolid Drying Bed Project:** President Scully provided a background on how we received the grant for the project. After discussion of the proposal from TZA for engineering services on the biosolid project, the Board directed Ms. Slivka to expedite a request to TZA to work with Moltz Construction to integrate a design/build of the drying beds into the current basin project.

#### LEGAL MATTERS

There were no legal matters to discuss in public session.

#### EXECUTIVE SESSION

Pursuant to Sections §24-6-402(4)(a), (b), (e)(I) & (f)(I) C.R.S., upon motion duly made by Director Salmi, seconded by President Scully and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 11:06 A.M. for the purpose of Personnel Matters, as authorized by Sections §24-6-402(4)(a), (b), (e)(I) & (f)(I) C.R.S.

The Board reconvened in regular session at 11:20 A.M.

#### OTHER BUSINESS

**Firefighter Policy:** The District is subject to and will comply with the provisions of §§ 24-33.5-801, *et seq.*, C.R.S., and §§ 31-30-1101, and will not adopt a separate policy regarding volunteer firefighters employed by the District. A reference to this effect will be included in an update to the employee handbook.

#### ADJOURNMENT

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*There being no further business to come before the Board at this time, upon motion duly made by Director Salmi, seconded by President Scully, and, upon vote, unanimously carried, the Meeting was adjourned at 11:21 A.M.*

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Respectfully submitted,

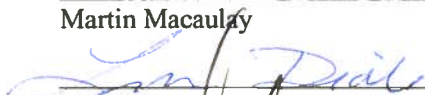
By 


Secretary for the Meeting


THESE MINUTES ARE APPROVED AS THE OFFICIAL July 21, 2017 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
Michael Scully

  
Martin Macaulay

  
Lynn Drake

  
Matthew Ghourjian

  
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 APRIL 21, 2017, and it is my opinion that the portion of the executive session that was not recorded constituted attorney-client privileged communications.

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Marcus J. Lock

General Counsel

Baca Grande Water and Sanitation District