

**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.

APRIL 21, 2017 at 9:00 A.M.

The meeting was open to the public.

ATTENDANCE

Directors in Attendance:

Michael Scully
Martin Macaulay
Lynn Drake
Matthew Ghourdjian
Robert Salmi

Also in Attendance:

Marcus Lock; Law of the Rockies (via speakerphone)
JoAnn Slivka; Interim District Manager
Justin DeBon; Operations Manager
Members of the Public:
Janie Thomas (for a portion of the 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 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 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 Macaulay, and upon vote, unanimously carried, the Agenda was approved.

District Manager Search Process

Attorney Lock provided the background and steps taken for the District Manager search. The need for a District Manager arose upon the resignation of Special District Management Services from the Baca Grande Water and Sanitation District as they had previously served this role for the District. Title 32 of the Special District Act contemplates that each Special District will have a chief executive officer who is answerable to the Board, serving at the pleasure of the Board.

As reflected in the January 20, 2017 minutes, the Board authorized commencement of the search process, and a search committee comprised of Directors Drake and Ghourdjian was established. The search committee established job search goals, including the writing of a job description, deadlines for applications, requirements for applicants, selection procedures, and the time frame for appointing and employing a new District Manager. The job description was posted, applications were received and reviewed, qualified applicants were interviewed, and the list of all finalist under consideration for the position was made public at least fourteen days prior to this April 21, 2017 meeting of the Board.

Attorney Lock then entertained any questions from the Directors at this time. Director Macaulay questioned why the Executive Session was moved from the end of the meeting to the beginning. President Scully explained the decision was made in anticipation of having members of the public who may have been attending the meeting solely to hear about this important decision. Having the Executive Session at the beginning of the meeting was in consideration of the public's time.

Director Ghourdjian commented that the search committee used Mountain States Employment Council (MSEC) for guidance to compose the new job posting and listing; MSEC was very helpful and responsive. He stated this is a useful service and a good decision to be a member of the MSEC.

Director Salmi suggested that in the future consideration should be given for all postings by the District be included in the local paper and legal publication (if any) to eliminate any concerns the community may have of not being notified of the District's job opportunities. It was noted that our legal newspaper of record is the Saguache Crescent. President Scully also explained because the Crestone Eagle is a monthly publication, the deadline for submission of articles often does not coincide with particulars of the District's postings. It was agreed by all that the District will publish notifications locally as we are able.

EXECUTIVE SESSION

Pursuant to Sections §24-6-402(4)(b), (e)(I) & (f)(I) C.R.S., upon motion duly made by President Scully, and seconded by Director Macaulay, and upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session to discuss the details of a potential offer of employment for the District Manager position. Ms. Slivka and Mr. DeBon were excused.

The Board reconvened in open session at 9:50 AM.

After further discussion with the Board in open session, Director Ghourdjian recommended an offer for the position of District Manager be made to JoAnn Slivka.

Following discussion, upon motion duly made by Director Ghourdjian, seconded by Director Macaulay, and upon vote, unanimously carried, the Board moved to offer the position of District Manager to Ms. Slivka.

Attorney Lock prepared a contract, which was signed by President Scully and countersigned by Ms. Slivka. The contract being fully executed and acknowledged, Ms. Slivka was formally appointed to the position of District Manager commencing May 1, 2017.

President Scully thanked all the applicants and especially Directors Lynn Drake and Matthew Ghourdjian for their due diligence and extra work performed as members of the search committee. Director

Ghourdjian also thanked all the applicants and expressed his surprise and delight with the qualifications of the individuals that applied from our small community; it was a difficult choice.

CONSENT AGENDA

The Board considered approval of the Consent Agenda:

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

Board and Staff Reports

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

Operations Report

- **2017 Capital Projects-Storage Tank:**
Director Salmi reported on his site visit to the Brookview and Moonlight reservoirs, he was appalled to see that there were no hatches on the tanks. Per Mr. DeBon, during the 2016 tank inspections, the divers were unable to enter the two tanks but they provided a quote for the hatch covers. Director Salmi will assist with the efforts to purchase the hatches; it is a priority to accomplish this task.
Mr. DeBon clarified which tanks were inspected and the condition of each.
We have 6 tanks in all.
Divers entered 3 tanks, 2 have no hatches so could not be inspected, 1 did not have enough water in it at the time of inspection.
- **Cross Connection Program:** Director Macaulay asked about the cross connection program. Mr. DeBon explained that this is a new state requirement.

Operations Manager Report

President Scully requested consistency on the legends (years) for the two bar graphs on the OM Reports as well as the addition of the equivalent acre feet to gallons to be reflected on the report.

USFW/Water Rights

An in-depth discussion will be considered for the May, 19 meeting agenda.

FINANCIAL MATTERS

Check Register

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

General Fund	\$ 27,096.10
Debt Service Fund	\$ - 0 -
Capital Projects Fund	\$ 4322.46
Enterprise Fund	\$ 12,472.00
Total Claims:	\$ 43,890.56

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

PUBLIC COMMENT

There were no public comments.

OFFICE ADMINISTRATION

Ms. Slivka presented a suggestion from Cathy Fromm, CPA, regarding the transfer of funds to a ColoTrust fund for a higher interest yield. After discussion, Ms. Slivka was directed to follow-up with Ms. Fromm regarding questions from the Board and to invite her to the May meeting to discuss risks and investment opportunities with a focus on understanding these funds as a fiduciary duty to the community.

OPERATIONS

Operational follow ups: Mr. DeBon notified the Directors that we will begin to advertise for two summer Operators in May.

Mr. DeBon reported that the Sensus Permalog devices will be here in the next couple of weeks, they have a four week lead time. He is currently waiting for the shipment confirmation.

Sewer Inspection Camera

Director Salmi inquired about the sewer inspection camera and how it relates to summer help. Discussion was deferred to the May meeting once the camera demonstrations are scheduled.

Baca Refuge Tour Dates

The Board discussed possible dates for the tour of the refuge. Ms. Slivka will ask Mr. Garcia to consider the following dates for a tour; May 30 or June 5 or 6.

CAPITAL IMPROVEMENTS

Headworks/Flow Equalization Basin Project: Ms. Slivka informed the Board that the District just received the approvals from CDPHE for the Process Design Report and Final Plans and Specifications for Construction on April 20, 2017. TZA has compiled a tentative calendar for the construction bidding.

LEGAL MATTERS

Out of District Water Sales: President Scully led a discussion on the background and issue of selling water to out of District customers, contractors and water hauling operators. He explained the concern is how this might impact our water decree. He proposed various options that could be considered to enable a system to allow the sale of water to types of entities. The Board considered moving forward to sell the water within the "Community" meaning the reason for this effort is the water will stay in our community; the Grants, Town of Crestone and goes towards the good will of our immediate neighbors not in the District. Mr. Lock explained the legal parameters that needed to be considered. Clearly no water that comes from Well 17/18 can be sold outside of the District per our decree. The Motel Well could be considered. The Board authorized Mr. Lock to discuss the issue with Water Resources and USFW.

Town of Crestone Intergovernmental Agreement for Wastewater Maintenance:
The Board considered adoption of the Town of Crestone IGA.

*Following discussion, upon motion duly made
by Director Salmi,
seconded by Director Macaulay
and, upon vote, unanimously carried, the **Town of Crestone Intergovernmental
Agreement for Wastewater Maintenance** was approved.*

Water Right Purchase Next Steps:

The Board discussed what the next steps are in the process of possibly purchasing the water rights. USFW are waiting on the District for a decision on whether we want to move forward or not. Mr. Lock suggests the Board conduct a Request for Proposal for evaluation of the engineers report so that we can make an informed decision.

The Board directed Mr. Lock to draft a Request for Proposal for consideration at the May meeting.

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 Director Macaulay and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 12:42 P.M. for the purpose of receiving legal advice, to discuss the Royal Electric status, 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 12:53 P.M.

OTHER BUSINESS

A. Royal Electric: The Board decided to not pursue the matter further.

B. The Board moved to acknowledge Ms. Slivka's acceptance of the offer for the position of District Manager.

*Following discussion, upon motion duly made by
Director Macaulay,
seconded by Director Ghourdjian.,
and, upon vote, unanimously carried,
the fully executed offer letter was acknowledged.*

ADJOURNMENT

*There being no further business to come before the Board at this time, upon motion
duly made by Director Macaulay,
seconded by President Scully,
and, upon vote, unanimously carried, the Meeting was adjourned at 11:54 A.M.*

Respectfully submitted,

By 

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 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.

Marcus J. Lock

General Counsel

Baca Grande Water and Sanitation District



Bacawater Water and Sanitation District
P.O. Box 520 | 57 Bacawater Way S
Crestone, CO 81131-0520

April 21, 2017
Board Meeting

Board of Directors Sign-in

Michael Scully	<i>Michael Scully</i>
Martin Macaulay	<i>[Signature]</i>
Lynn Drake	<i>[Signature]</i>
Matthew Ghourdjian	<i>[Signature]</i>
Bob Salmi	<i>[Signature]</i>



Baca Grande Water and Sanitation District
 P.O. Box 520 | 57 Baca Grant Way S
 Crestone, CO 81131-0520

April 21, 2017
 Board Meeting

Please print your name, address and contact information along with any issues you are interested in addressing at today's Board Meeting.

Name	Address	Telephone/Email	Would you like to speak?	Issues to be addressed
Shirley Thomas	POB 480 Magnet CO 81143	256-5910	No	
Frank Jackson	803C	303 918 5503	No	