

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.

September 29, 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 for a portion of the meeting.)

Cathy Fromm; CPA (via speakerphone for a portion of the meeting.)

JoAnn Slivka; District Manager

Chad Tate; Utility Maintenance Technician III

Members of the Public:

Marika Popovitz

Cheryl Waschenko

Swaha (aka Kathryn Van Note)

Lisa Cyriacks

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 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 as amended; move the
Public Comments up to hear them first, then review the Audit and Financial
statements.*

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.

Proposal for study of Infiltration Galleries

Director Salmi began a discussion regarding a study to review the infiltration galleries. Following the discussion, Mr. Salmi has been directed to request an agreement for services from SGM Engineers for review and approval by the District Manager.

FINANCIAL MATTERS

Audit Report: Ms. Fromm reviewed the draft audit with the Board.

*Following discussion, upon motion duly made
by Director Macaulay
seconded by Director Ghourdjian
and upon vote, unanimously carried, the Board approved the draft and authorized the
District Manager to approve the final report provided there are no material changes.*

Directors Ghourdjian and Salmi suggest the District develop a budget fund for depreciation / replacement costs.

Director Macaulay expressed his gratitude to Ms. Fromm and Ms. Slivka for their efforts in gathering the 2016 financial info and the work performed for the audit.

Ms. Fromm suggested we plan for an engagement letter to be approved at the October 20th meeting in order to get on the schedule for an earlier appointment on the calendar for the 2018 Audit.

The Board reviewed and acknowledged receipt of the preliminary Assessed Value report from the Saguache County Assessor.

Check Register

The Board considered approval of the check register through the period ending August 30, 2017, as follows:

General Fund	\$ -0-
Debt Service Fund	\$ - 0 -
Capital Projects Fund	\$ 133,017.00
Enterprise Fund	\$ 38,518.78
Total Claims:	\$ 171,535.78

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

PUBLIC COMMENT

Energy Audit: Marika Popovich, representing the Crestone/Baca Resiliency Water Action Group provided contact information for a solar energy consultant in Alamosa who would like to meet with staff regarding solar power for the District facilities. The Board considered the group's offer and discussed their concerns which included funding, battery storage and location of the solar arrays to name a few.

Director Salmi would also like the Board to consider inviting Mr. Loren Howard, President of the SLV REC to a meeting to discuss alternate energy and how to tie it all together. Following discussion with the Board, all agreed that an energy audit should be performed first then we can move forward with a feasibility study and plan. Ms. Slivka was directed to schedule the energy audit.

Water Rights: Ms. Popovich requested an update on the status of the water rights. President Scully explained that this is an ongoing process. Mr. Lock reported that upon review of the appraisal from USFW and the approach on how the study was completed, the District reconsidered how best to move forward.

The purchase needs to be compliant with the groundwater rules in which the sub districts will be involved; this should be formed by the end of year. We are waiting for that to be completed before we can move forward to finish our discussions with USFW.

CAPITAL IMPROVEMENTS

Headworks/Flow Equalization Basin Project: Ms. Slivka informed the Board about the first change order regarding the procurement of the heating equipment replacement for installation in the new headworks building. Mr. Tate gave an update on the progress and reported that the project is going well.

OFFICE ADMINISTRATION

Ms. Slivka announced that René Evenson has been selected as the new member of the Administrative staff. René comes with a background in utilities as a residential accounts coordinator from the Fort Collins area. A warm welcome to René.

OPERATIONS

Mr. Tate was directed to investigate other vendors for the repair of motors and pumps. The Board also directed him to keep accurate records of all repairs and maintenance for the District's vehicles.

Director Macaulay asked for an explanation about the recalculation of the water loss noted at the August meeting. Mr. Tate explained that it appeared they did not include all the water sold in prior reports. President Scully inquired as to why we have not been compliant for the few months. Mr. Tate reported that we had E.Coli exceedances in June and July, and for the BOD in July. He continued to explain that they were directed inaccurately as to how to measure the samples. They have been correcting the issues with assistance from the Colorado Rural Water Association (CRWA) and SourceWater Consulting. President Scully requested a legend or chart be included with the report to better understand what the limits are for each sample. The Board inquired about the status of the Wagon Wheel lift station; Mr. Tate

explained that there are a couple of things going on. The contactor is bad and they need to drain the pump station down for the repair. Director Ghourdjian suggested this would be a good time to install a transfer switch at that location. Mr. Tate thought there was a transfer switch there already.

LEGAL MATTERS

Mr. Lock updated the Board on the matter involving Mr. Gray. Mr. Gray sued the District and further attempted to serve the District with improper subpoenas. Representatives of the District arrived in court at the appointed time but Mr. Gray did not show. We requested a \$7500/ default judgment and entered the evidence against Mr. Gray. Mr. Lock asked the Board to consider the following:

- a. Should we ask the court for attorney fees?
- b. How far should we go with the judgment? At a minimum we could record a transcript of judgment with the county as it acts like a lien. If Mr. Gray sells the lot the District would then be able to collect the judgment at that time. Alternatively, the District could seek to have the property sold at a Sheriff's sale to satisfy the judgment. Mr. Lock tried repeatedly to convince Mr. Gray not to pursue litigation, but he persisted, and it costs the District time and money to have his claims dismissed and obtain a judgment against him.
- c. Marcus will reach out to Mr. Gray one more time to explain the process and what is going on.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Ghourdjian, and, upon vote, unanimously carried, the Board agreed to have Mr. Lock file a bill of costs. Once the judge enters a final judgment, we will then record a transfer of judgment. Then make a final decision at the 10/20 meeting. was approved.

The Board reviewed and discussed the memo received from Ms. Maez at the Saguache County Land Use department regarding water source considerations for a local grow operation. The Board directed Ms. Slivka to follow up with Ms. Maez on the requirements for a legal source of water.

At this point in the meeting, customer Mr. Dave Miller came in and thanked the Board and staff for our service.

Director Salmi gave an update on the purchase of Ford trucks. He feels that we should have a vehicle for the District to perform for site visits, etc. He suggests he and staff visit the dealership in Salida.

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 11:42 P.M. as authorized by Sections §24-6-402(4)(a), (b), (e)(I) & (f)(I) C.R.S.

The Board reconvened in regular session at 11:56 P.M.

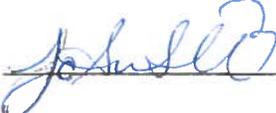
OTHER BUSINESS

There were no other business matters to discuss.

ADJOURNMENT

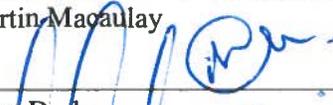
There being no further business to come before the Board at this time, upon motion duly made by President Scully, seconded by Director Drake, and, upon vote, unanimously carried, the Meeting was adjourned at 11:57 A.M.

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 Ghourdjian


Robert Salmi



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

September 29, 2017
Board Meeting

Board of Directors Sign-in

Michael Scully	<i>Michael Scully</i>
Martin Macaulay	<i>(M)</i>
Lynn Drake	<i>Lynn Drake</i>
Matthew Ghourdjian	<i>Matthew Ghourdjian</i>
Bob Salmi	<i>Bob Salmi</i>



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 Crestone, CO 81131-0520

September 29, 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
Lisa Cyriades	504 Arrowhead Way	250-4140	Y	budget
Manika Popovits	1338 W. Badger Rd.	737-7782	Y.	water rights purchase
Cheryl Waschenko	1474 W. Badger Rd	480-2002	N/A	