

**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.

October 20, 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; District Manager

Chad Tate; Utility Maintenance Technician III

Members of the Public:

Desiree Marceau

William Alder Lakish

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 Director Scully, seconded by Director Drake, and upon vote, unanimously carried, the Agenda was approved.

Consent Agenda

The Board considered the following actions:

Approve Minutes from the September 29, 2017 regular meeting.

Review and accept unaudited financial statements for the period ending August 31, 2017 and current schedule of cash projection.

*Following discussion, upon motion duly made
by Director Salmi,
seconded by Director Ghourdjian
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

Leak Repair: Mr. Tate updated the Board on a recent service line repair discovered by a customer on Crestwood Overlook.

Collection System Cleaning: Mr. Tate updated the Board on the jetting maintenance. The Town of Crestone jetting is complete; the flow meter still needs to be installed. Following discussion, staff is directed to make the Vactor pump repair a priority. Director Salmi suggested that once the system has been jetted and cleaned it would be a good idea to have it flushed at the same time. Director Macaulay requested a report on the sanitary overflow. Mr. Tate explained that the seal on the door did not engage correctly on the Vactor.

Leak Detection: Mr. Tate reported that the Perma Logs do not work correctly on our current equipment and he is trading them out per warranty.

The Golf Course irrigation ceases November 1.

SUB-COMMITTEE UPDATES:

Vehicle Replacement: Director Ghourdjian provided a brief update on research for the purchase/trade in of service trucks. He has a spreadsheet that he will provide at the November meeting; he feels it is a revenue neutral decision, 4 new trucks with warranties, low maintenance costs, fuel savings and good financing.

The Board directed Mr. Ghourdjian to get solid prices on the trucks. They also discussed having a car for District use and the advantages of this. Financing is good right now, he will check on options for a District car.

PILT (Payment In Lieu of Taxes): Director Drake gave an update on the tasks completed to date. The committee will look at the accounts one at a time.

Emergency Response Plan and Security: We have finally made connection with a fencing company to make an appointment for a bid.

Budget sub-committee: Director Ghourdjian gave a brief update, the committee will next meet to review the capital projects and prioritize them.

White Eagle: William Alder Lakish approached the Board to discuss his request for waiver of fees and water service. Director Salmi noted that Mr. Lakish has not provided any official documents which the Board has requested from him. Mr. Lakish requested that the District waive the portion of the overdue fees currently due on the White Eagle Lodge and ready to go to the county for certification of delinquent fees. A request such as this must come from the property owner or a legal representative of the property. The Board requested evidence of ownership from Mr. Lakish before they could consider his request.

FINANCIAL MATTERS

Check Register

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

General Fund	\$ 8950.00
Debt Service Fund	\$ - 0 -
Capital Projects Fund	\$141,825.50
Enterprise Fund	\$ 32,360.22
Total Claims:	\$183,135.72

*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

Ms. Desiree Marceu approached the Board with a request for a payment plan for a water/sewer hookup. After discussion the Board granted her request for a one-time agreement for payments over four months, beginning November 1, 2017, ending February 2018.

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

OFFICE ADMINISTRATION

Ms. Slivka updated the Board on the Energy Audit that was performed recently. She presented initial information gathered from Pete Huisman of the Colorado Rural Water Association. The Board looks forward to a follow up of the findings and discussion in more detail at the November meeting.

OPERATIONS

Mr. Tate reported that the lab incubator at the plant broke down this week. Staff is working with Sangre de Cristo lab in Alamosa for testing of required samples. He will gather quotes for a new incubator.

He further reported on impacts from the power outage that occurred during the morning of Saturday, October 7. The event emphasized the urgency in getting the SCADA upgrades completed.

CAPITAL IMPROVEMENTS

Headworks/Flow Equalization Basin Project: The Board approved payment application #3 from Moltz Construction for the amount of \$141,825.00.

Biosolids: Director Salmi expressed his concern about the technology of the proposed drying beds. After discussion the Board agreed to move forward with the scope of the project as specified in the Grant application.

Following discussion, upon motion duly made by Director Macaulay, seconded by Director Ghourdjian, and, upon vote, the Biosolids Drying Bed Project was approved upon notice of the accounting of precisely where the money is coming.

2018 Audit:

The Board reviewed the engagement letter from Wagner Barnes & Griggs, PC to perform the 2018 Audit. Following discussion, the Board approved the engagement letter, and directed Ms. Slivka to process the accepted letter immediately in order to get scheduled earlier in the year for the audit.

Following discussion, upon motion duly made by Director Ghourdjian, seconded by Director Macaulay, and, upon vote, unanimously carried, the Board approved the engagement of Barnes, Wagner Barnes & Griggs, PC to perform the 2018 Audit, in the amount of \$9900.00.

LEGAL MATTERS

Resolution 2017-10-01 Certifying Delinquent Water, Sewer and Availability of Service Fees to Saguache County Treasurer for Collection. The Board reviewed the Resolution.

Following discussion, upon motion duly made by President Scully, seconded by Director Ghourdjian, and, upon vote, unanimously carried, the Board adopted Resolution No. 2017-10-01 Certifying Delinquent Water, Sewer and Availability of Service Fees to Saguache County Treasurer for Collection.

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 11:08 A.M. for the purpose of discussing Water Matters, Personnel Matters, and the White Eagle LLC, as authorized by Sections §24-6-402(4)(a), (b), (e)(I) & (f)(I) C.R.S.

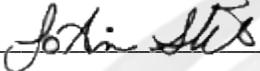
The Board reconvened in regular session at 12:27 P.M.

OTHER BUSINESS

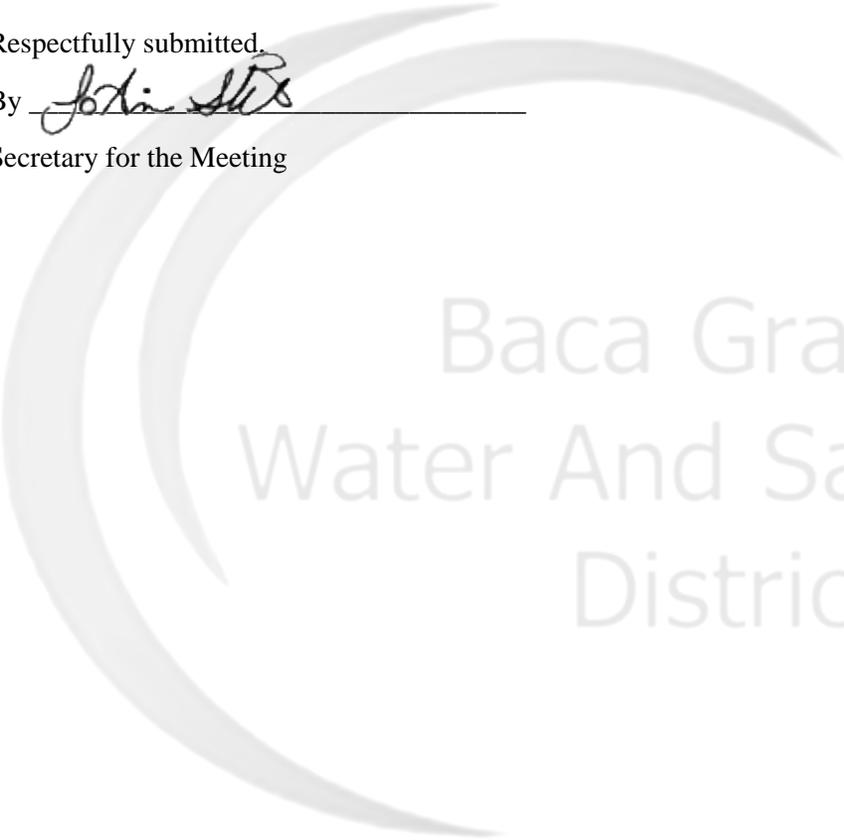
There were no other business matters to discuss.

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

Respectfully submitted,

By 

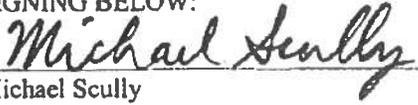
Secretary for the Meeting



Baca Grande
Water And Sanitation
District

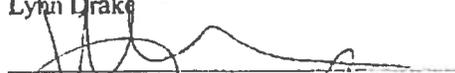
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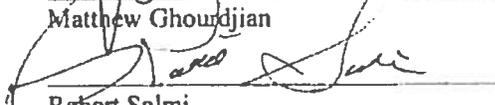
THESE MINUTES ARE APPROVED AS THE OFFICIAL October 20, 2017 MINUTES OF THE
BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:


Michael Scully


Martin Macaulay


Lynn Drake

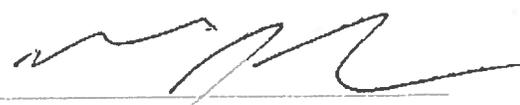

Matthew Ghoudjian


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 October 20, 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