

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

September 18, 2020

9:00 AM

District Office – 57 Baca Grant Way South

Crestone, Colorado 81131

Meeting held via Zoom due to COVID-19

ATTENDANCE

Directors in Attendance:

John Loll

Robert Salmi

Gregg Conlee

Mike Smith

William Peck

Also in Attendance:

Marcus Lock, District Legal Counsel

Cathy Fromm, District Accountant (for a portion of the meeting)

JoAnn Slivka, District Manager

Gary Potter, District Director of Utilities

Eric Barnes, Fiscal Focus Partners, LLC (for a portion of the meeting)

Members of the Public:

Jim Vanderpool, Baca Grande POA Fire Chief

Dan Gray, Community Member

CALL TO ORDER

President Loll opened the meeting at 9:03 AM.

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 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 CONLEE SECONDED BY DIRECTOR SALMI AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE AGENDA.

CONSENT AGENDA

The board considered the following consent agenda items:

- Approve Minutes from the July 17, 2020 Regular Meeting
- Approve Minutes from the July 23, 2020 Special Meeting
- Approve Minutes from the August 21, 2020 Regular Meeting
- Approve Minutes from the September 3, 2020 Special Meeting

No discussion, questions or comments were presented.

MOTION: UPON MOTION DULY MADE BY DIRECTOR Conlee SECONDED BY DIRECTOR SALMI, AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CONSENT AGENDA.

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.*

- Jim Vanderpool, Baca Grande POA Fire Chief, asked for an update on the Motel Well. Mr. Potter reported on the District's efforts to restore the Motel Well and storage tank. We are up and going, the tank is $\frac{3}{4}$ full of water, staff is getting keys now to distribute to the appropriate parties. There is a lot of sand in the tank and staff is working on removing the sand.
- Dan Gray criticized the board's lack of transparency and public discussions regarding water rights.
 - These allegations are not true, the district has discussed the lease negotiations throughout the year at our monthly meetings. We continue to pursue these efforts and work on the process; information will be shared with the community as it becomes available.

BOARD AND STAFF REPORTS

District Manager Report

- Water Tank Project
Slivka reported that the Brookview Tank project was successfully completed.
- Certification of Delinquent Accounts
Annual Certification of Delinquent accounts is in process. President Loll asked about any delinquents that may be a result of COVID19. Slivka reported that this year's delinquent accounts are historic and not a repercussion of COVID19.
- 2021 Budget planning
 - Preliminary AV report from the Assessor's office has been delayed because of COVID19; normally due August 25, now October 13. Draft budget is due to the board on October 15
 - It is understood that most districts will be revising their budgets because of this delay
 - Directors Peck and Conlee are on the budget sub-committee this year

Operations Update

- Motel Well
 - The new VFD is appropriately sized and the Motel Well is on line. There is a fair amount of sand. Need to reseal the manway to access the tank to clear the sand
 - Salmi asks about the line to a potable system, Potter notes it was a separate line but is now completely disconnected and removed.
 - The well is currently intended for non-potable uses; a "non-potable water" sign will be posted.
 - BGPOA will need to use the meter to account for the water they use. There is also a manual read on the side of the tank.
- Backflow Prevention/Cross Connection Control
 - Potter reported they are still working on a few violations. Staff did a great job; we are in the final phases of inspecting non-residential sites
 - An extension was granted from the State
- Water Accounting:
 - Working on water accounting to focus on unaccounted water and problem areas; Potter's goal is to provide a report at the November meeting.

President Loll thanked everyone for their hard work, the cooperation with the Baca Grande POA, and he looks forward to continuing the good work.

FINANCIAL MATTERS

- 2019 Audit Review:
 - Mr. Barnes discussed the audit process and reviewed highlights of the 2019 Financial Audit
 - This season is a little different because of COVID19; they are completing the final stages of the audit
 - They received the needed information electronically; there was no missing info, and no significant difficulties
 - Internal controls are in place; the board is an important part of the control process and should continue to review the monthly financials as they have been doing
 - The District's financial situation is better than it has ever been
 - 2019 is very comparable to 2018, pretty consistent
 - There will be no issues with the auditor's final report

- o Key areas: stayed within our budget

The Directors thanked Mr. Barnes for his thorough and clear report.

MOTION: FOLLOWING REVIEW AND DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR SALMI, SECONDED BY DIRECTOR SMITH AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE 2019 FINANCIAL AUDIT SUBJECT TO A CLEAN FINAL REVIEW. THE AUDIT WILL BE FILED BY THE 2020 DEADLINE.

- Check Register: The board considered approval of the check register through the period ending August 21, 2020 as follows:

General	\$	1877.37
Capital Projects	\$	282.50
Enterprise	\$	100,028.98
		102,188.85

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR SMITH SECONDED BY DIRECTOR CONLEE, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CHECK REGISTER FOR THE PERIOD ENDING SEPTEMBER 18, 2020.

- Financial Summary
 - o Ms. Fromm reviewed the August financial summary
 - o Fromm and the district manager can look into other investment options
 - o Salmi asked if a budget amendment would be necessary this year. We do not have to do so, only necessary if you go over in expenditures, not revenues

DISCUSSION AND/OR ACTION ITEMS

Board Meetings

- Director Loll led a discussion to consider a change in meeting dates from Friday to Wednesdays.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR CONLEE, SECONDED BY DIRECTOR SMITH AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED CHANGING THE BACA GRANDE WATER AND SANITATION DISTRICT BOARD OF DIRECTOR REGULAR MONTHLY MEETINGS FROM THE THIRD FRIDAY OF THE MONTH TO THE THIRD WEDNESDAY OF THE MONTH.

LEGAL:

Well 17/18 Permits

Mr. Lock reminded the Directors about the decree for Well 17/18 that required the District to submit applications for the new permits, this task was completed and has been submitted; he will let us know when we get them back.

USFW Negotiations

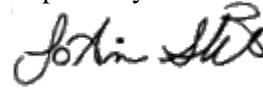
- o At its September 3rd meeting with USFW, the District requested that Applegate and Gerstel agree on a third-party appraiser. Mr. Lock also asked for an update from USFW and has not heard back as of today’s meeting.
- o The Directors discussed where we are at in the process and what actions they can take at this point.

ADJOURNMENT:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE BY DIRECTOR SALMI, SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 10:30 AM.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR
October 21, 2020**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "JoAnn Slivka". The signature is written in a cursive style with a large initial "J" and "S".

JoAnn Slivka
Secretary for the meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL September 18, 2020 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

John Loll

Robert Salmi

Gregg Conlee

William Peck

Mike Smith
