

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

March 16, 2018

9:00 A.M.

District Office - 57 Baca Grant Way South
Crestone, Colorado 81131

ATTENDANCE

Directors in Attendance:

Martin Macaulay

Lynn Drake

Robert Salmi

Staff in Attendance:

JoAnn Slivka; District Manager

Joshua Cichocki; Utility Superintendent

Also in Attendance:

Jacob With; Law of the Rockies (via speakerphone)

Special Guests:

Chris Brandewie, P.E., Rural Development-Environmental Specialist

Andrew Rice P.E., Providence Infrastructure Consultants

Members of the Public:

Michael Scully

Janie Thomas

John Loll

Frank Judson

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 Macaulay 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 Macaulay welcomed consultants and guests then reviewed the proposed Agenda for the District's Regular Meeting with the Board of Directors.

*Following discussion, upon motion duly made by
Director Drake,
Seconded by Director Salmi,
And upon vote, unanimously carried, the Agenda was approved.*

CONSENT AGENDA

The Board considered the following actions:

- Approve Minutes from the February 16, 2018 Regular meeting
- Review and accept the unaudited Financial Statement for the period of February 28, 2018

*Following discussion, upon motion duly made by
Director Salmi,
Seconded by Director Drake,
And upon vote, unanimously carried, the Consent Agenda was approved.*

BOARD AND STAFF REPORTS

Following discussion, the Board reviewed and accepted the reports that are attached therein.

- Director Salmi questioned the priority of purchasing the trailer over the Skid loader. Mr. Cichocki explained that it was a prioritization decision and the dump truck was a higher priority for Operations.
- Check pending for TZA: Director Drake explained her reasoning for withholding the current payment to TZA pending final invoice from them. She has concerns regarding the items that will be on the final invoice. Discussion followed; President Macaulay wanted it to be clear that this invoice is not the final bill and it was for work already completed, he feels we should pay it now. Director Salmi agrees with Director Drake to retain the current payment in order to encourage TZA to submit the final payment in a timely fashion. The Board directed the District Manager to notify Mr. Simons the check for the last invoices will be distributed upon receipt of the final invoice.
- Election News: The District received three self-nomination forms from Mr. Salmi, Mr. Scully and a warm welcome to Mr. John Loll. The 2018 Election has been officially cancelled due to the fact that the District received fewer self-nomination forms as seats available. The new Directors will be seated at the May 18, 2018 meeting and commence their office at that time.
- The Town of Crestone new meter has been correctly calibrated. The flow numbers are higher because of the new meter calibration along with the assistance the District provided with the gas tank dewatering project.

Chris Brandewie, P.E., Rural Development-Environmental Specialist: Mr. Brandewie introduced himself and the small rural and wastewater trainings he presents. He is working on a rate model that will consider current, short term improvements and long term capital improvements. A draft copy is anticipated to be ready late spring for the May 18th Board meeting. The Directors discussed their concern to raise rates responsibly in order to not put the District in a bind in a few years in the future. They want to be responsible for setting a good tone for the future of the District and the Board of Directors.

Andrew Rice, P.E., Providence Infrastructure Consultants: Mr. Rice discussed his draft study with the Directors and options that may be available for system redundancy with the infiltration galleries. The Directors were pleased with the progress made on the study and that the report looked good. After much discussion, it was decided that the Board needs to study the report thoroughly and come up with a strategic plan with the new Board on how to use the gallery water rights and set up a redundant system. A number of concerns and questions should be considered such as the year-round water flow, as well as the cost and funding of the project. All agreed that it is important to provide redundancy and diversify our sources; we have options to consider.

PUBLIC COMMENT (ITEMS NOT ON THE AGENDA ONLY. COMMENTS LIMITED TO THREE MINUTES PER PERSON AND TAKEN IN ORDER LISTED ON SIGN IN SHEET).

Ms. Thomas asked for clarity on the water rights in the creek and any connection there may be with our obligation with the current lease; is there any potential interest for involvement? Mr. With explained there may be interest but it would be dependent on a number of factors. It was agreed that we would investigate further and get back to Ms. Thomas.

Mr. Scully suggested the Board have a public luncheon to celebrate the new Board and President Macaulay's departure from the Board of Directors. The Board thanked Mr. Scully and will consider his comment.

FINANCIAL MATTERS

Claims: The Board considered approval of the check register for the period ending March 16, 2018, as follows:

General Fund:	\$	2945.50
Debt Service Fund	\$	-0-
Capital Projects Fund:	\$	101,869.45
Enterprise Fund:	\$	<u>42,677.24</u>
Total:	\$	147,492.19

*Following discussion, upon motion duly made by
Director Salmi
seconded by Director Drake,
and upon vote, unanimously carried, the check register for the period ending
March 16, 2018 was approved.*

OPERATIONAL

Mr. Cichocki updated the Board on the status of the Aspen Wastewater Treatment Plant. The Headworks building is complete and was a very successful project, he was very impressed with Moltz Construction, they did an exceptional job.

CAPITAL IMPROVEMENTS

Sludge Drying Bed Project:

Mr. Cichocki reported that JVA will be contacting CDPHE to submit a new site application and change of status reporting.

EXECUTIVE SESSION MATTERS - §24-6-402(4) (a), (b), (e) and (f)(I), C.R.S.

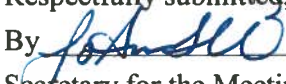
Pursuant to Sections §24-6-402(4)(a), (b), (e) and (f)(I) C.R.S., upon motion duly made by Director Drake, seconded by Director Salmi and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 10:20 A.M. for the purpose of discussing water matters.

The Board reconvened at 11:15.

ADJOURNMENT

*There being no further business to come before the Board at this time,
discussion, upon motion duly made by President Macaulay,
Seconded by Director Salmi,
and upon vote, unanimously carried, the meeting was adjourned 11:16 A.M.*


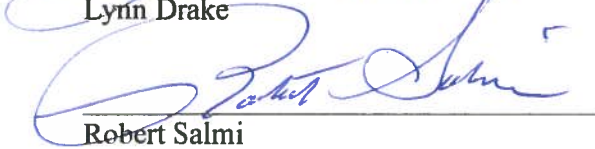
THE NEXT REGULAR MEETING IS SCHEDULED FOR
April 20, 2018

Respectfully submitted,
By 
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 16, 2018 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Martin Macaulay

Lynn Drake

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 MARCH 16, 2018, and it is my opinion that the portion of the executive session that was not recorded constituted attorney-client privileged communications.

Jacob With

General Counsel

Baca Grande Water and Sanitation District

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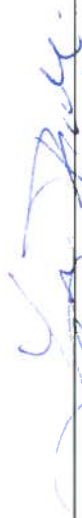
Baca Grande Water and Sanitation District



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

**March 16, 2018
Board Meeting**

Board of Directors Sign-in

Martin Macaulay:	
Lynn Drake:	
Bob Salmi:	