

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

February 21, 2024 - 9:00 A.M.

District Office – 57 Baca Grant Way South

Crestone, Colorado 81131

Meeting held via Zoom

ATTENDANCE

Directors in Attendance:

Vivia Lawson

John Loll

Mike Smith

Rick Hart

David Karas

Also in Attendance:

Marcus Lock, District Legal Counsel

Diego Martinez, District Manager

Natalie DeBon, Administrative Manager

Gary Potter, Director of Utilities

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

Nicholaus Marcotte, Element Engineering

(for a portion of the meeting)

Community Members and Guests:

Dan Gray

CALL TO ORDER

President Lawson called the meeting to order at 9:02 A.M.

Board Roll Call: All Directors were present.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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 potential conflicts were disclosed.

AGENDA

President Lawson requested a change to today's meeting agenda.

MOTION: FOLLOWING DISCUSSION, IT WAS AGREED TO EXCLUDE JANUARY'S, 2024 MINUTES FROM TODAY'S AGENDA. UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE AGENDA.

CONSENT AGENDA

The Board considered the following consent agenda items:

- REVIEW AND ACCEPT UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDING JANUARY 31, 2024 AND CURRENT SCHEDULE OF CASH POSITION.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR SMITH, SECONDED BY DIRECTOR HART AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CONSENT AGENDA.

PUBLIC COMMENT (ITEMS NOT ON THE AGENDA ONLY. NO ACTION MAY BE TAKEN).

In accordance with the Colorado Open Meetings Law, no Board action will take place until a later date, if necessary. Please limit your comments to three minutes or less.

Mr. Gray expressed his concerns regarding a need for propane generators. He also suggested the need for enhanced security around District infrastructure. Mr. Gray also requested clarification about the cost and scope of the wastewater system and the 2024 budget amendment.

FINANCIAL MATTERS

Check Register: The Board discussed and considered approval of the check register through the period ending February 21, 2024 as follows:

General	\$	8,278.91
Capital	\$	75.00
<u>Enterprise</u>	\$	<u>74,932.53</u>
	\$	83,286.44

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CHECK REGISTERS FOR THE PERIODS ENDING FEBRUARY 21ST, 2024.

2024 Budget Amendment: The Board discussed the need for a budget amendment.

Ms. Fromm, the District accountant, presented a budget amendment during the meeting. It included increased expenditures for Vactor truck maintenance, as discussed in the previous month’s meeting. The cost for hydraulic system maintenance and lining the tank totaled \$32,000. Additionally, there was a decrease in the final assessed value (AV), leading to a reduction in property taxes as reflected on the general fund page. President Lawson explained, addressing Mr. Gray’s comment, that the budget amendment was anticipated due to the reduction by the state of the final AV. When the budget was approved in December, we were working from the AV numbers that were correct until the last minute change by the state. The Vactor truck repair expenses were also discussed during the January meeting.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR SMITH AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE AMENDED 2024 BUDGET.

Board of Director Matters:

President Lawson addressed the new potential wastewater position and spoke briefly regarding the salary range for the new position. President Lawson encouraged further conversation during Mr. Martinez’s report.

Vice President Loll expressed a desire to hear the District Manager report before providing additional comments or requesting clarification.

STAFF REPORTS

The Board reviewed and discussed the reports incorporated in the Board packet.

Engineer’s Report

District Discharge Permit: Element Engineering is currently working on the general permit renewal application and plans to have that sent to the District for review by the end of February.

Water Smart Grant: Element is assisting the District with an application for the FY2024 Water Smart grant. This application will be written in support of a project to replace outdated water meters and install meters and meter pits where meters are located in homes. The grant is due by February 22nd.

Water Loss Prevention Project:

Mr. Marcotte provided an update to the Board on receiving two bids, one from RMS Utilities Inc. and the other from Cooley and Sons Excavating, Inc. Both bids significantly exceeded the original estimate made a year ago.

Director Loll asked Mr. Potter and Mr. Marcotte to speak to which aspects of the project are most critical. Mr. Marcotte spoke to the need for additional data from various engineering perspectives. He opined that the installation of flow meters might take precedence over the PRV reallocation. Mr. Potter agreed, delving into discussions with the board on water zones and isolation areas to identify areas with unaccounted water.

The Board engaged in discussions with staff and engineers to explore potential approaches. Mr. Marcotte expressed his intention to further investigate alternatives with the staff, and it was noted that the bids would remain valid for a duration of 60 days. He could approach the vendors for bids on a reduced project.

Wastewater Treatment Plant Project:

Mr. Marcotte reported that he had finalized the updated alternatives analysis. It was sent for staff review and will be presented to the Board at the District's March meeting.

Water Treatment System Improvements:

Mr. Marcotte reminded the Board that the District has been selected to apply for a DOLA grant during the March 1 – April 1 application period to support design and engineering costs of future projects. Element will assist the District in completing the grant application.

District Manager Report

In addition to his written report, Mr. Martinez updated Board on the following:

Water Loss Prevention Project: Further discussions are planned with the District engineer and District staff regarding the water loss prevention project and received bids.

USFW: Negotiations with the USFWS are ongoing, with a meeting scheduled for March 14 in Alamosa.

Town of Crestone IGA: Response from the Town of Crestone regarding the draft IGA has been received and will be discussed during today's executive session.

Water and Energy efficient Grant: Opportunities for water energy efficiency from the Bureau of Reclamation are being pursued, along with a planning and product design grant.

Personnel: Three resignations occurred in the last month, two from the operations side and one from administration side. Efforts are underway to create new job descriptions and determine salary ranges for all positions.

Quotes for short-term and long-term disability benefits are being obtained.

Mr. Martinez shared he has been accepted into the SDA Leadership Academy and will attend four courses during this year.

Mr. Martinez and Mrs. DeBon attended Caselle training to enhance proficiency in generating financial reports in-house.

Potential Wastewater Position:

The board, staff, and legal counsel discussed the new potential wastewater position. President Lawson expressed concern about past violations, areas of need within wastewater, and upcoming demands for that sector of operations. Mr. Potter expressed his opinion that a new high level wastewater position is not needed at this time. All parties agreed that further consideration should be given to a new wastewater position before proceeding with advertising for it. Accordingly, the Board directed the personnel committee to further investigate the need for a new wastewater position.

Administrative Manager Report

In addition to her written report, Mrs. DeBon provided an update on key points, including successful billing of the AOS and renewal of the SDA membership with a 25% discount. She shared updates on the safety grant, waste management, and monthly administrative and billing activities.

Operations Manager Report:

In Addition to his written report, Mr. Potter presented pictures on the report, highlighting concerns about leaks in the District. The water leak prevention project aims to address leaks in areas within different pressure zones.

Aspen Wastewater Treatment Plan:

Mr. Potter provided an update on duplicate samples being analyzed concurrently, with one set processed in-house and the other sent to the Colorado Analytical Laboratory. The purpose of these duplicate samples is to obtain the most accurate data regarding the current plant loading. Discrepancies were noted between ammonia sample results from the lab and in-house analyses. One of the December samples was found to be in violation of the discharge permit, this was reported in the December Discharge Monitoring Report.

Personnel:

Mr. Potter informed the Board that all operations staff signed up for online training and are preparing for water & wastewater exams. Mr. Potter recognized team member Mark Elliott who received his permit for CDL and will be attending CDL Driving school. Mr. Potter also

provided an update on the District facilities clean-up project. The team worked hard and removed 8 truckloads of junk and metal from District facilities, including 1500lbs of electronic recycling.

Mr. Potter shared that the Operations team lost two staff members due to relocation. The District is currently advertising the vacant positions.

New Lead and Copper Rule Revision: Mr. Potter created a spreadsheet of homes that fall into the age range of homes affected by the new law. 120 residences are known to be built before 1988. 192 accounts other accounts are associated with homes for which the tax assessor does not list year built, and require additional research.

Legal Matters:

MBS Sports & Leisure In: Mr. Lock informed the Board that the exclusion order was filed with Saguache County, and a copy was sent to the owner's principal, Josh Levine.

1512 Antelope Way: Mr. Lock engaged in a conversation with the Board and staff regarding a property currently receiving water and sewer services from the District. This particular property is situated outside the District boundaries. Through inadvertence, this property did not go through a legal inclusion process when it was originally connected to the District system. After Board and Staff discussions, the Board approved the following:

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART,
SECONDED BY DIRECTOR KARAS AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD AGREED TO WAIVE
INCLUSION FEES FOR THE INCLUSION OF 1512 ANTELOPE WAY.

EXECUTIVE SESSION

Motion: Upon motion duly made by Director Smith, seconded by Director Loll and, upon an affirmative vote of at least two-thirds of the quorum present, the Board moved to adjourn to executive session pursuant to C.R.S. § 24-6 402(4) (a), (b), and (e), which respectively concern the purchase or lease of real property, specific legal advice from counsel, and determining positions relative to matters subject to negotiation regarding the lease rate for the next 20-year term of the Water Service Agreement and the terms and conditions for continued provision of sewer service to the Town of Crestone as well as negotiations related thereto.

MOTION: DIRECTOR LOLL MOVED; DIRECTOR HART SECONDED TO ADJOURN EXECUTIVE SESSION AND RECONVENE TO REGULAR SESSION AT 11:06 A.M.

ADJOURNMENT:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE DIRECTOR HART , SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 11:07 A.M.

THE NEXT REGULAR MEETING IS SCHEDULED FOR
March 20, 2024

Drafted by Natalie DeBon

Respectfully submitted,

Diego Martinez

THESE MINUTES ARE APPROVED AS THE OFFICIAL February 21st, 2024 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Vivia Lawson

John Loll

Mike Smith

Rick Hart

David Karas

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 February 21, 2024, 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