

RECORD OF PROCEEDINGS

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

A Special 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.

MARCH 30, 2017 at 9:00 A.M.

The meeting was open to the public.

ATTENDANCE

Directors in Attendance:

Michael Scully

Lynn Drake

Matthew Ghourdjian (via speakerphone; for a portion of the meeting)

Martin Macaulay

Robert Salmi

Also in Attendance:

Marcus Lock; Law of the Rockies

JoAnn Slivka; Interim District Manager

Justin DeBon; District Operations Manager

Guests in Attendance:

Lori Caramanian; Department of Interior Solicitors Office (SOL)

Brian Caruso; Chief of Water Resources

Ron Garcia; Baca National Wildlife Refuge Manager, U.S. Fish and Wildlife Service (USFWS),

Peter Striffler; USFWS Water Resources Division Hydrologist

District Customers:

Marika Popovits

Janie Thomas

Cheryl Waschenko

Jim Starry

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. Any necessary conflicts were filed for applicable Directors at least 72-hours prior to the meeting. 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

Introductions:

President Scully welcomed everyone to the Special Meeting and invited the attendees to introduce themselves and the organizations they represent.

The community members in the audience were representing a newly formed focus group with an interest in water sustainability.

Agenda:

President Scully reviewed the proposed Agenda for the District’s Special Meeting with the Board of Directors.

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

United States Fish and Wildlife (“USFW”) Water Rights Discussion

The Board welcomed special guests from the U.S. Fish and Wildlife Service Water Resources Division, the Baca National Wildlife Refuge, and the Department of Interior Solicitors Office to discuss the potential purchase of water rights. Attorney Lock provided an overview of the District’s water rights and history of negotiations with USFW. The District has been leasing water rights through a long standing Water Service Agreement with the USFW/Baca National Wildlife Refuge. For a number of years now, the group has been working towards the possibility of purchasing the water rights. The group had a productive discussion and agreed to consider certain tasks each entity will undertake should the District decide to consider a purchase agreement.

ADMINISTRATIVE MATTERS CONTINUED...

Director Scully moved to excuse Director Ghourdjian from the remainder of the meeting.

*Following discussion, upon motion duly made
by President Scully,
seconded by Director Drake,
and upon vote, unanimously carried, Director Ghourdjian was excused for the
remainder of the meeting to attend to personal matters.*

CONSENT AGENDA:

The Board considered approval of the consent agenda:

*Following discussion, upon motion duly made
by Director Salmi,
seconded by Director Macaulay,
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
- Operations Manager Report
- Administrative Report
- Engineer’s Report

Operations Report

Tank Inspections: Mr. DeBon reported that the inspections are 50% complete; he is still waiting on more bids for the recoating. South Crestone tank will cost \$50,000 inside and \$50,000 outside. Staff may be able to paint the outside but the inside needs to be done by a professional company.

Administrative Matters

District Files

Director Macaulay inquired as to the status of the District files received from SDMS. Discussion followed regarding the disorganization and lack of file naming standards making it difficult to recover certain financial information.

Financing Options

The Board directed Ms. Slivka to work with Ms. Fromm regarding possible financing options for the potential purchase of water rights.

District Manager Position

April 7th is the deadline to announce the finalists for the District Manager position. The announcement is to be placed in the same publications as the job opening. There will be an executive session at the April 21st meeting where the Board will consider the recommended candidate along with terms of employment. Then, in open session a motion could be made to offer the position to a particular candidate.

FINANCIAL MATTERS

Check Register

The Board considered approval of the check register through the period ending March 17, 2017, as follows:

General Fund	\$	5,052.25
Debt Service Fund	\$	- 0 -
Capital Projects Fund	\$	3,239.00
Enterprise Fund	\$	39,292.07
Total Claims:	\$	47,583.32

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

PUBLIC COMMENT

Janine Thomas of the water sustainability group commented that she enjoyed the group discussion this morning.

OFFICE ADMINISTRATION

Ms. Slivka reported that Mr. Nagel made the payment on his outstanding account balance and relayed his apologies to the Board and Attorney Lock for the extra work incurred surrounding the matter.

OPERATIONS

Leak Detection Equipment: Mr. DeBon presented his leak detection memo and reviewed the procurement request with the Board of Directors. He further explained how the Sensus PermaLog leak detection equipment works.

Following discussion, upon motion duly made by Director Macaulay, seconded by President Scully, the purchase of 5 units @ \$991.00 each of the PermaLog+ system was approved for a total purchase price of \$4,955. The purchase price includes all necessary software and integrates with our current metering reading equipment; no further costs will be required for the purchase of this PermaLog equipment.

Mr. Debon has set a first-year goal of locating and repairing 10% of the District's leaks or ~5 million gallons with the new equipment.

Sewer Pipe Inspection Camera: Discussion is deferred to the April 21, 2017 meeting. Mr. DeBon is to provide a memo detailing various options and the necessity for this equipment or service.

Cross Connection Policy: Mr. DeBon provided an overview of the Colorado Department of Public Health & Environment Policy for Backflow Prevention and reviewed the draft Cross-connection Control Rule Implementation Policy for replacement in the District Rules and Regulations.

LEGAL MATTERS

The Board considered adoption of Resolution No. 2017-03-01 Amending Rules and Regulations (New Cross Connection Rule).

Following discussion, upon motion duly made by Director Macaulay seconded by President Scully and upon vote, unanimously carried, Resolution No. 2017-03-01 Amending Rules and Regulations (New Cross Connection Rule) was adopted.

Sale of Water to Out of District Customers:

A local contractor has begun a business delivering water with a 4000 gallon water truck and has approached the District about supplying water for the truck. The Board considered the ramifications of the request. Following discussion Mr. DeBon was directed to provide a memo once he investigates options and costs for water supply stations; including what is involved in the set up, security needs, how much water might be needed and what is involved with the County permit process.

Town of Crestone Sewer Maintenance Agreement:

The Board discussed the details of a proposed agreement for maintenance of the Town's sewer system. Following discussion, the Board directed Attorney Lock to draft a simple agreement between the District and the Town of Crestone for the sewer system maintenance.

*Following discussion, upon motion duly made
by Director Macaulay
seconded by President Scully
and upon vote, unanimously carried, it was agreed that President Scully is authorized
to approve the Town of Crestone Sewer Maintenance Agreement prior to the April
meeting if needed.*

Royal Electric:

Discussion deferred to the April meeting.

OTHER BUSINESS

Pundarika Foundation Retreat Cabins: Ms. Slivka reported that Mr. Gary Simonson, representing the Pundarika Foundation, called the District on March 29th regarding the Group's plans to begin building the first of 10 retreat cabins this Spring. The Group would like approval from the District for a greywater system for the cabin. Mr. Simonson will send a memo with details of the request for the Board's consideration.

ADJOURNMENT

*There being no further business to come before the Board at this time, upon motion
duly made
by Director Macaulay,
seconded by President Scully,
and, upon vote, unanimously carried, the Meeting was adjourned at 11:54 A.M.*

Respectfully submitted,

By  _____

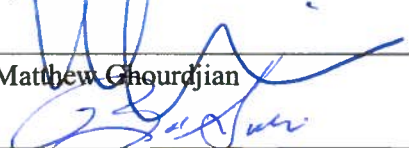
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 30, 2017 MINUTES OF THE
BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:


Michael Scully


Martin Macaulay


Lynn Drake


Matthew Ghourjian


Robert Salmi