

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

August 16, 2023- 9:00 AM

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

JoAnn Slivka, District Manager

Gary Potter, District Director of Utilities

Natalie DeBon, District Administrative Services Manager

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

Nicholaus Marcotte, Element Engineering

(for a portion of the meeting)

Community Members and Guests:

Mary Montagano

Matthew Eric Lit

CSH iPhone

CALL TO ORDER

President Lawson opened the meeting at 9:01 AM.

Board Roll Call: Directors Lawson, Smith, Hart and Karas were present. Director Loll joined at 9:12 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 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 SMITH,
SECONDED BY DIRECTOR HART 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 19, 2023 Regular Meeting
President Lawson requested a minor change to the July 19th, 2023 minutes.
- Accept the unaudited financial statements for the period ending July 31, 2023 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 AS AMENDED BY THE DIRECTORS.

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.

- No public comments

FINANCIAL MATTERS

Check Register: The board considered approval of the check register through the period ending August 16, 2023 as follows:

General	\$	10,899.00
Capital	\$.00
<u>Enterprise</u>	\$	<u>45,173.91</u>
	\$	56,072.91

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CHECK REGISTER FOR THE PERIOD ENDING AUGUST 16, 2023.

Cathy Fromm informed the Board that both she and auditor, Eric Barnes visited the District and collaborated with JoAnn Slivka and Natalie DeBon. The 2022 audit will be presented at the September 20th meeting.

Director Hart addressed Ms. Fromm regarding financial reporting matters. Ms. Fromm responded that the financial reporting is under the Consent Agenda items.

Mr. Lock clarified the concept of a "Consent Agenda". If any of the Directors wish to exclude an item from the Consent Agenda, they have the option to request and move it to the Regular Agenda. He proposed that it could be beneficial for the Board to review the budget and potentially schedule financial reviews on a quarterly basis under the Regular agenda.

Mr. Hart just wanted to make sure the Board tracks the revenue and he agreed that a quarterly update would be satisfactory.

BOARD AND STAFF REPORTS

The board reviewed and discussed the reports incorporated herein by this reference.

Board of Director Matters

District Manager Search Committee Update:

Ms. Slivka stated that July 31st was the application deadline and 9 applications were received by that time.

Director Lawson clarified the hiring process and addressed any confusion. Lawson emphasized the purpose of the Search Committee's role is primarily focused on hiring, but she also wants to engage the entire Board in the process. Loll held the view that the responsibility for hiring a successful candidate lies with the entire Board, and therefore, all Board members should play an active role in the interaction with the candidates.

Engineer's Report

Wastewater Treatment Plant:

Mr. Marcotte presented his report from Element Engineering. The United States Department of Agriculture (USDA) funding application has been completed and submitted. We are now waiting for the USDA underwriting process to be completed. They will then generate a letter of conditions that will outline the grant/loan funding package.

Water Treatment System Improvements:

The draft Water System Improvements Project Needs Assessment (PNA) is scheduled to be reviewed by the Board at a Special Meeting to be held August 23rd. A handout summarizing the PNA will be distributed to the Directors prior to the meeting.

Saguache County Grant-Water Loss Prevention Project:

Mr. Marcotte provided an update on the water loss prevention project. Element has been released on design services of the PRV relocation, new PRV installation, and two new meter vaults. Element is completing design and bidding documents so the project can be publicly bid. They expect these documents to be substantially complete by the end of September.

590-CR Line Extension:

The project has been awarded to Cooley and Sons Excavation. All material has been received by the contractor and a pre-mobilization meeting was held on August 14th. Element will oversee the construction and conduct onsite inspections.

District Manager Report

In addition to her written report, the District Manager, JoAnn Slivka, reported on the following:

United States Department of Agriculture - Rural Development (USDA RDApply)

Ms. Slivka informed the Board that on July 17th, 2023 she received a call from USDA acknowledging receipt and initial review of our application and requested further documentation.

Attempted theft:

Ms. Slivka informed the Directors that on July 27th there was an attempted theft of fuel. Ms. Slivka directed staff to draft incident reports. She worked with I.T. and Sheriff Warwick to provide video footage for identification of suspects. Staff will work on repair of the gate.

Caselle Photo Contest:

Ms. Slivka mentioned that a photo she submitted to the Caselle Photo Contest has been selected as one of the winners. As one of thirteen customer winners, the photo will be featured in the 2024 Caselle Community Calendar. The District has a choice of either \$250 off our support bill or \$500 off a purchase of any module as a prize. Congratulations to Ms. Slivka!

Administrative Manager Report

In addition to her written report, Ms. DeBon reported on the following to the Board.

LIHWAP (Low Income Household Water Assistance Program):

Ms. DeBon informed the Board that unfortunately, the LIHWAP program has come to an end. In August, a final report will be provided by LIHWAP, assuring payment to customers whose LIHWAP applications have been approved. We are thankful to their help and collaborative work during these past two years.

Director Lawson requested information on how much total assistance came in during this two years. Ms. DeBon responded she will report on that next month.

Certification of Delinquent Accounts:

Four drafts of the pre-certification spreadsheet have been verified and completed, but further verification is still required. The drafted letter was presented for review by the Board.

On September 1st, 2023, notification letters will be mailed to all recipients from the 2023 pre-certification list via certified mail. Currently we have approximately 100 customers on the pre-certification list. A public hearing for the 2023 Certification is scheduled for the October 18th, 2023, regular meeting of the Board of Directors. Once the account is submitted to Saguache County, delinquent charges and assessments will be certified to the Treasurer to be collected in the same manner as property taxes.

Operations Manager Report

In addition to his written report, Mr. Potter reported on the following:

Aspen WWTP (Waste Water Treatment Plant):

Permit Exceedance:

Mr. Potter informed the Board Aspen WWTP exceeded its total suspended solids effluent permit limit for June. The exceedance was likely due to the equalization basin needing to be cleaned. Equalization basin was cleaned and subsequent samples have been well within compliance. Equalization basin cleaning schedule has been increased to quarterly. Mr. Potter also mentioned that it would be beneficial to have a full time person working at the Plant.

CDPHE (Colorado Department of Public Health and Environment) Inquiry:

Mr. Potter informed that CDPHE contacted the District about a serious inquiry they received regarding the District's water quality. Mr. Potter strongly denied the allegations, saying they are completely untrue. He emphasized that the District strictly follows the water quality standards set by CDPHE. Mr. Potter is committed to keeping our water quality high. Mr. Potter requested that in the future community members first talk to District representative to obtain information instead of going directly to state authorities.

Vector Truck: Vector truck has been repaired and is operating better than ever.

SCADA Computer Upgrade:

SCADA computer was upgraded by Timber Line Electric and Control Corporation. Some follow up will be required for the reporting software.

Legal Matters

United States Fish and Wildlife (USFW):

Mr. Lock shared that he continues to be in communication with USFW. Mr. Lock informed the Board that they would like to schedule a meeting with the District’s water committee.

Town of Crestone: Mr. Lock reported that the he has drafted and submitted a new Intergovernmental Agreement (IGA) and it was sent to the Board for review before being transmitted to the Town of Crestone’s legal counsel.

EXECUTIVE SESSION

MOTION: PURSUANT TO C.R.S. § 24-6-402(4) (A), (B), AND (E), UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR SMITH AND, UPON AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE QUORUM PRESENT, THE BOARD ADJOURNED TO EXECUTIVE SESSION AT 10:02 AM FOR THE PURPOSE OF DISCUSSING MATTERS SUBJECT TO NEGOTIATIONS REGARDING THE LEASE RATE FOR THE NEXT 20-YEAR TERM OF THE WATER SERVICE AGREEMENT, THE TERMS AND CONDITIONS FOR CONTINUED PROVISION OF SEWER SERVICE TO THE TOWN OF CRESTONE AND C.R.S. § 24-6-402(4) (F), AND FOR A DISCUSSION OF PERSONNEL MATTERS INVOLVING THE DISTRICT MANAGER POSITION.

MOTION: DIRECTOR SMITH MOVED; DIRECTOR HART SECONDED TO RECONVENE TO REGULAR SESSION AT 11:17 AM

ADJOURNMENT:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE DIRECTOR KARAS, SECONDED BY DIRECTOR HART AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 11:24 AM.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR
September 20, 2023**

Drafted by Natalie DeBon

Natalie DeBon

Respectfully submitted,

JoAnn Slivka

THESE MINUTES ARE APPROVED AS THE OFFICIAL August 16, 2023 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Vivia Lawson
Digitized with OnTask® - 573764116/942

Vivia Lawson



John Isak



Mike Smith


Digitized with OnTask® - 1495754495

Rick Hart


Digitized with OnTask® - 571614324140

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 August 16, 2023, 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