

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
NOVEMBER 16, 2018

9:00 A.M.

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

ATTENDANCE

Directors in Attendance:

Lynn Drake (via speakerphone)
 Robert Salmi
 John Loll
 Michael Scully

Also in Attendance:

Marcus Lock; Law of the Rockies (via speakerphone)
 Cathy Fromm; Fromm and Associates
 JoAnn Slivka; District Manager
 Josh Cichocki; Utility Superintendent

Members of the Public:

Daniel Gray
 Janie Thomas
 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. It was 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.

AGENDA

Director Salmi opened the meeting with a review of the agenda.

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

CONSENT AGENDA – These items are considered routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board member so requests; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

*Following discussion, upon motion duly made by
 Director Loll,
 seconded by Director Scully,
 and upon vote, unanimously carried, the Board approved the Consent Agenda.*

BOARD AND STAFF REPORTS

The Board reviewed and discussed the staff reports that are attached therein by this reference.

Operations:

Director Salmi requested a status update on the following items:

The pulling of the Well pumps. Mr. Cichocki replied that he has this scheduled for January, 2019.

Meters: Status of electric meters.

Mr. Cichocki and Ms. Slivka had a meeting in October with sales representatives regarding the meters.

Locates/Line Breaks:

Director Salmi would like to see the valves and line breaks indicated on a map. Mr. Cichocki reported that we had 28 breaks this year. Director Scully suggests that Mr. Cichocki speak with Mr. McDowell to understand the infrastructure history.

Water Production Report:

Mr. Cichocki answered questions from the Directors regarding his report and noted that staff has been fixing meters that were on the non-read exception meter read report.

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

Daniel Gray wants to see usage on sewer for the spiritual centers metered. Mr. Cichocki informed Mr. Gray that water usage is metered.

FINANCIAL MATTERS

Claims: The Board considered approval of the check register for the period ending October 31, 2018, as follows:

General Fund:	\$	6351.64
Capital Projects Fund:	\$	2600.00
Enterprise Fund:	\$	39,084.91
Total:	\$	48,036.55

Financial Summary: Ms. Fromm presented areas of interest contained within the October 31, 2018 financial statements. The District continues to move in a positive direction with the budget. We are earning over \$2000 in interest each month from our ColoTrust account. Director Scully asked if there is any advantage to moving more funds into this account. Ms. Fromm explained that we are in a good position, moving money over may induce additional administrative bank charges.

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

2019 Audit: The Board did not receive the letter of engagement for review from Fiscal Focus Partners, LLC before the November 16 meeting.

Public Hearing to Adopt the 2019 Budget Resolution:

The publication of Notice stating that the Board would consider adoption of the 2019 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

Director Salmi opened the public hearing to consider the proposed 2019 Budget and discuss related issues.

Public Comments

Mr. Gray questioned the assessed valuation. It was explained to him that this is the assessed value of properties within the District that was provided to us by the county.

No additional public comments were received and the public hearing was closed.

2019 Proposed Budget

Ms. Fromm reviewed the estimated 2018 expenditures and the proposed 2019 expenditures. The Gallagher Amendment dropped the residential assessment rate from 7.96% to 7.2% that is why we see a big difference in value from 2017 to 2018. Changes were made to the General Fund that will better classify the expenditures appropriately and limit transfers to the Enterprise Fund. The 2017 refinancing is saving us \$67,000 every year in the Debt service funds.

*Upon motion made by Director Loll to adopt the 2019 Budget, as discussed,
Seconded by Director Scully,
And upon vote, unanimously carried, the 2019 Resolution was adopted and
execution of the Certification of Budget and Certification of Mill Levies was
authorized, subject to receipt of final Certification of Assessed Valuation from
the County on or before December 10, 2018.*

Work Session

The Directors considered having a Work Session to discuss rates and associated service fees. Ms. Slivka will poll the Directors and send a meeting invite once a date and time is established.

CAPITAL IMPROVEMENTS

Status of the Sludge Drying Beds Project

The District has submitted a letter to the Department of Local Affairs requesting a timeline extension for this project.

LEGAL MATTERS

Resolution No. 2018-11-02: 2019 Annual Administrative Matters

The Board considered the Administrative Resolution.

*Following discussion, upon motion duly made by
Director Scully,
seconded by Director Loll,
And upon vote, unanimously carried, the Board approved Resolution No.
2018-11-02, 2019 Annual Administrative Matters.*

VII. EXECUTIVE SESSION MATTERS

*Pursuant to §24-6-402(4)(a)(b),(d), and (e)(I), C.R.S., upon motion duly made
by Director Loll, seconded by Director Scully and, upon vote unanimously
carried, the Board convened in executive session at 10:45 A.M. for the purpose
of receiving legal advice for water negotiations and discussion on security
measures.
The Board reconvened in regular session at 11:05 A.M.*

OTHER BUSINESS

Holiday Schedule: The Board discussed the holiday work schedule proposed by Ms. Slivka. The Board approved the closing of the District office on December 24 and 25, 2018 and December 31, 2018 and January 1, 2019. President Drake is coordinating the holiday party and will work with the Staff to schedule the party.

*There being no further business to discuss, upon motion duly made by
Director Loll,
seconded by Director Scully,
and upon vote, unanimously carried,
the Board adjourned the meeting at 11:32. A.M.*

ADJOURNMENT

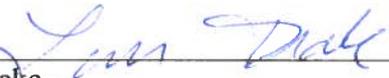
**THE NEXT REGULAR MEETING IS SCHEDULED FOR
December 14, 2018**

Respectfully submitted,

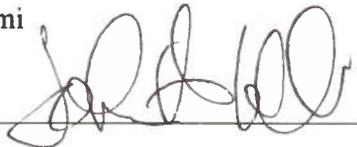
By 

Secretary for the Meeting

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



Lynn Drake

Robert Salmi


John Loll



Michael Scully

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 NOVEMBER 16, 2018, for the sole purpose of providing legal advice§§24-6-402(4)(b), C.R.S. I further attest that it is my opinion the executive sessions discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required by be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.



Marcus J. Lock
General Counsel
Baca Grande Water and Sanitation District