

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
APRIL 19, 2019

9:00 A.M.

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

ATTENDANCE

Directors in Attendance:

Lynn Drake
 Robert Salmi
 John Loll
 Michael Scully

Also in Attendance:

Marcus Lock; Law of the Rockies (via speakerphone)
 Cathy Fromm; Fromm and Associates (via speakerphone for
 a portion of the meeting)
 JoAnn Slivka; District Manager
 Joshua Cichocki; Utility Superintendent

Members of the Public:

Deborah Crowley
 Daniel Gray
 Kate Steichen
 Harry Sutton
 Janet Woodman

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 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

President Drake reviewed the proposed Agenda for the District's Regular Meeting with the Board.

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

CONSENT AGENDA

The Board considered the following consent agenda items:

- Approve Minutes from the February 15, 2019 regular meeting.
- Review and accept the unaudited Financial statements for the period ending February 28, 2019 and March 31, 2019 and current schedule of cash position.

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

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

There was no public comment.

BOARD AND STAFF REPORTS

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

Utility Superintendent:

Pressure Reducing Valves (PRV)

Mr. Cichocki showed the components of a new PRV to the group. A small ring is causing the component to fail. Operations staff have spoken with the vendor to ask for replacements on the malfunctioning parts. The life span of a PRV is typically 15-20 years. We have a number of new PRV's that have failed. The staff is also researching other manufacturers for these parts.

Director Salmi inquired about the status of electronic meters. Mr. Cichocki reported he is working on this.

FINANCIAL MATTERS

Check Register: The Board considered ratifying approval of the check register through the period ending March 15, 2019, as follows:

General Fund:	\$	4,706.00
Capital Projects Fund:	\$	38,718.68
Enterprise Fund:	\$	<u>39,444.09</u>
Total:	\$	82,868.77

Following discussion, upon motion duly made by Director Loll, seconded by Director Salmi, and, upon vote, unanimously carried, the Board ratified the check register for the period ending March 15, 2019.

The Board then considered approval of the check register through the period ending April 19, 2019, as follows:

General Fund:	\$	2,349.50
Capital Projects Fund:	\$	18,545.88
Enterprise Fund:	\$	<u>30,535.15</u>
Total:	\$	51,430.53

President Drake is concerned about the constant expenditures for inventory and parts and if this trend will continue. Mr. Cichocki reports that yes, this trend will continue. Operations staff are replacing the line setters and replacing the check valves; they are putting in new parts when they fix a problem. He states that he will strive to reduce these expenditures.

Following discussion, upon motion duly made by Director Loll, seconded by Director Salmi, and, upon vote, unanimously carried, the Board approved the check register for the period ending April 19, 2019.

Financial Summary: Ms. Fromm presented areas of interest contained within the March 31, 2019 financial statements.

BOARD of DIRECTOR MATTERS

Paid Time Off (PTO) Policy: Ms. Slivka and Director Loll have been in communication regarding the District's PTO Policy; it is understood that Director Loll would like a recommendation on how to manage excess PTO hours at years end. Discussion was deferred.

Board Vacancy Update: Ms. Slivka gave a brief update regarding the vacant seat. We have received a number of inquires and encouraged interested parties to come to the Board meetings. We have received one letter of interest. Letters are due by the end of the business day May 6, 2019.

RENEWABLE WATER RESOURCES (RWR)

Water Export Proposal Presentation Update-

As interested community members, the District's board members attended the RWR Listening Session held during the Saguache County's Commissioner's meeting held Tuesday, April 9. Director Scully gave a brief update on his perspective of the meeting. There were no questions allowed from the public; no hydrologist or legal representatives were there.

STATUS OF INFRASTRUCTURE MASTER PLAN

The Board reviewed the progress report provided by JVA Engineers on their efforts to date as well as the project schedule. Director Loll would like to see the draft Master Plan at least a week before the Board meeting presentation.

SOLAR POWER DEVELOPMENT

Mr. Boris Feldman from Base Energy LLC joined the meeting via telephone to answer questions from the Directors regarding his proposal for the design and installation of a solar and storage system for the District. Director Drake stated that questions during this presentation was limited to Directors only at this time.

Director Scully asked for a broad overview for the layman, he would like to understand how this solar design works.

Mr. Feldman provided a background on his experience with this company. He has eleven years' experience in project development throughout the country. Mr. Feldman proceeded to describe the proposed project and estimated cost of the proposed project.

SLV REC/CIELLO

The Board reviewed a comparison chart of the District's electric accounts comparing current rate schedules with the new schedule. We will continue to monitor usage and demands to improve efficiencies.

CAPITAL IMPROVEMENTS

Status of Sludge Drying Bed Project: The Board was informed that the Sludge Drying Bed Project is now complete. Ms. Slivka reported on her meeting with DOLA; it went well and they were satisfied that we met our requirements on the project management.

Bobcat/Skidsteer Purchase: Mr. Cichocki presented a quote for the skid steer received from Bobcat of the Rockies. He reported that the rollout program is no longer an available option. The new quote is \$11,000 more than the used skid steer that Mr. Cichocki was considering.

Following discussion, upon motion duly made by Director Loll, seconded by Director Scully, and, upon vote, unanimously carried, the Board approved the purchase of the skid steer from Bobcat of the Rockies in the amount of \$42,212.00

TimberLine Electric Controls (TLECC) Effluent Pump Control Panel Quote:

The Board considered a quote from Timberline Electric for a control panel. They then directed Mr. Cichocki to gather more quotes on the control panel.

CUSTOMER REQUEST

The Board reviewed and considered a letter from Ms. Matie Belle Lakish requesting waiver of certain fees accrued on property she purchased from Saguache County.

Following discussion, upon motion duly made by Director Salmi, seconded by Director Scully, and, upon vote, unanimously carried, the Board approved the request from Ms. Lakish to relieve the back fees.

LEGAL MATTERS

Mr. Lock gave an update on the Well 17-18 matter. We should see a final decree at the end of the month and we will have to apply for the well permits. The newest well will then be known Well 17A.

New Division 3 Rules: Update on Rules

Court entered an order effective March 15, 2019 which means that by March 15, 2021, we have to have a contract with the sub-district or have filed to have our own plan of augmentation that complies with the new rules. Mr. Lock has been in touch with Mr. Caruso and is trying to get a meeting set up between the District representatives and USFWS representatives. Once we have the Applegate report, then we can sit with USFW in person. President Drake expressed interest in being part of this meeting.

Status of Cielo Telecommunications Site Lease

Mr. Lock provided an update on the Cielo tower agreement negotiations.

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

Director Scully moved and President Drake seconded that the Board of Directors enter into Executive Session for the purposes of receiving legal advice regarding the telecommunication site lease.

The motion carried unanimously and the Board entered into Executive Session at 11:24 AM.

The Board reconvened to regular session at 12:13 AM.

OTHER BUSINESS:

- Ms. Slivka announced that she will be out of the office beginning Wednesday, May 1 through Tuesday, May 7.
- Staff will be celebrating World Water Week at the Saturday Market in Crestone May 11. They will be celebrating water and will not be representing the District. Staff will gather any questions specific to the District if there are any inquires.
- Director Scully offered to give chair massages for the operators if anyone is interested.

ADJOURNMENT:

There being no further business to discuss, upon motion duly made by President Drake, seconded by Director Loll and upon vote, unanimously carried, the meeting was adjourned at 12:20 PM.

Respectfully submitted,


By _____

Secretary for the Meeting

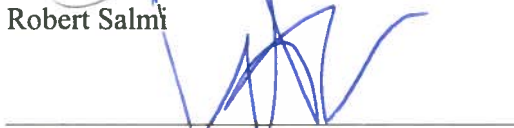
THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 19, 2019 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



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 April 19, 2019, 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