

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

July 19, 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

William Folk

Daniel Gray

CALL TO ORDER

President Lawson opened the meeting at 9:01 AM.

Board Roll Call: Directors Lawson, Loll, Smith, Hart and Karas were present.

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 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:

- Approve Minutes from the June 22, 2023 Regular Meeting
- Approve Minutes from June 28, 2023 Special Meeting
- Accept the unaudited financial statements for the period ending June 30, 2023 and current schedule of cash position

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 July 19, 2023 as follows:

General	\$	2,695.00
Capital	\$	120.00
<u>Enterprise</u>	\$	<u>32,309.30</u>
	\$	35,309.30

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 JULY 19, 2023.

Director Hart commented on benefiting from the new lease rate with United States Fish and Wildlife Service for water.

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:

President Lawson informed the Board that the search committee received numerous applications and resumes for the District Manager position indicating promising progress in the search process. She highlighted that the District has taken proactive measures to promote the vacancy extensively. The job was advertised through various professional organizations at both the local and national levels such as the American Water Works Association, the Special District Association and the Colorado Rural Water Association. Additionally, the District extended its outreach by posting the position online and in various print publications locally as well as those circulated on the western slope and northern Colorado regions.

The application deadline is July 31st, 2023.

Discussion followed regarding the process and criteria for interviewing potential candidates.

Engineer's Report

Wastewater Treatment Plant:

Mr. Marcotte reported to the Board that the wastewater project has successfully completed all the necessary requirements for publication with the United States Department of Agriculture (USDA) and the application has been submitted. We are now in a waiting phase as the USDA proceeds with their internal processes. Mr. Marcotte will follow up with USDA if we do not hear from them in a timely manner.

Water Treatment System Improvements:

Element has finalized the draft water system improvements Project Needs Assessment (PNA). The Board discussed potential dates for a special meeting prior to submittal of the PNA to the Colorado Department of Health and Environment. A tentative date of August 23rd at 2:00 PM was suggested. Ms. Slivka will circulate the suggested date and time for the meeting along with the draft PNA for the Board's review and consideration.

Saguache County Grant-Water Loss Prevention Project:

Element Engineering submitted a proposal for engineering services for the water loss prevention project. The proposal is included in the packet for the Board's review.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR HART AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE PROPOSAL FROM ELEMENT ENGINEERING FOR ENGINEERING SERVICES NOT TO EXCEED \$7,000 FOR THE CONSTRUCTION PLANS AND SPECIFICATIONS AND \$8,500 FOR THE BID DOCUMENTS AND BIDDING PROCESS.

District Manager Report

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

Hillcrest Overlook Line Extension:

Mr. Marcotte and Westley Ferraro, Element Engineering Construction Services Manager will hold a pre-construction meeting for the Hillcrest Overlook project on Thursday, July 20. Participants will include Cooley and Sons, District personnel, the property owner and her general contractor.

2022 Audit:

Ms. Slivka informed the Board that an extension of time will be submitted for the 2022 audit. The auditor will be on-site in August and a draft will be presented at the August board meeting.

Administrative Manager Report

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

Xpress Bill Pay (XBP) Notice: Ms. DeBon has notified the Board that the District received a notice from XBP regarding their fee schedule. Starting August 1st, 2023, there will be a slight increase in the monthly recurring fees payable by the District.

Payment in Lieu of Taxes:

Ms. DeBon was happy to inform that the District received a payment in lieu of taxes from Pundarika Foundation in the amount of \$775.98 for 2022 and 2023.

Special District Association (SDA) Annual Conference:

Ms. DeBon shared with the Board that the SDA annual conference is scheduled to take place in Keystone, CO. from September 12th - 14th. She also mentioned the availability of a grant through

the Colorado Special District Property and Liability Pool that could potentially help cover some of the conference expenses. Ms. DeBon requested that if any of the Directors are interested in attending the SDA Conference they should let her know.

Certification of Delinquent Accounts:

Ms. DeBon informed the Board of the upcoming annual certification of delinquent accounts to the County Treasurer. She engaged in a discussion with the Board on this matter. Currently, the admin team is working on the precertification list, and she plans to present a draft letter for the Board's approval at the August meeting.

Operations Manager Report:

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

Mr. Potter shared pictures he has in his report, one picture is from a water leak, he said it was a small pool of water but ended up taking 16 hours for the operation team to fix it. It was a long day but the staff did great and restored water services.

The other picture was of a new monitoring display at Aspen WWTP. Mr. Potter thanked the Board once again for approving this purchase. This monitoring equipment is a great tool to help operations, it helps with operating the plant and is a huge step forward for the District.

Dharma Ocean Lift Station:

Mr. Potter informed the Board that repairing the pump would not be cost-effective and the purchase of a new pump would be needed.

Vactor Truck:

The truck still has loss of power issues, the truck was taken to another mechanic to diagnose the problem. Mr. Potter is hoping to have this issue resolved soon.

Sanitary Sewer Overflow:

Mr. Potter brought to the Board's attention that on June 26th staff identified and repaired a sanitary sewer overflow near the Wagon Wheel Lift Station and the report was sent to the State as required.

Annual Fire Hydrant Maintenance:

All fire hydrants are serviced, staff is currently identifying which fire hydrants would be best to replace.

Meter Pit Issues:

Mr. Potter shared that the District received 20 MXUs (radio reading devices) and 15 meters in June. Long lead times continue to be an issue.

Mr. Potter mentioned that they have additional meter pits in reserve. However, the problem arises from the fact that the meter pits they ordered arrived late, impacting the current budget that had been allocated in the previous year. He needs to order more pits this year, but there's a possibility that they won't arrive until next year.

LEGAL MATTERS

United States Fish and Wildlife:

Mr. Lock, shared that he continues communication with Colleen M. Burnidge from USFW. Mr. Lock will continue to update the Board of the progress.

Town of Crestone:

Mr. Lock is also in communication with Seth Walker, Crestone Town Attorney, Mr. Lock appreciates Mr. Walker’s transparency and they will be working on creating the draft IGA.

EXECUTIVE SESSION

MOTION: PURSUANT TO C.R.S. § 24-6-402(4) (A), (B), AND (E), UPON MOTION DULY MADE BY DIRECTOR HART, 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 10:14 AM TO RECEIVE 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 AND C.R.S. § 24-6- 402(4) (F), FOR DISCUSSION OF PERSONNEL MATTERS INVOLVING THE DISTRICT MANAGER POSITION.

MOTION: DIRECTOR SMITH MOVED; DIRECTOR HART SECONDED TO RECONVENE TO REGULAR SESSION AT 10:49 AM.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE BY DIRECTOR SMITH, SECONDED BY DIRECTOR HART AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 10:50 AM.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR
August 16, 2023**

Drafted by Natalie DeBon

Respectfully submitted,

JoAnn Slivka

THESE MINUTES ARE APPROVED AS THE OFFICIAL July 19, 2023 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 session on July 19, 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