

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

May 17, 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)

Alice Arsenault, Element Engineering (for a portion of the meeting)

Community Members and Guests:

Michael Scully

Mary Montagano

CALL TO ORDER

President Lawson opened the meeting at 9:02 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.

Introduction of new Board Directors and Appointment of Officers:

The Board entered into discussion regarding the appointment of officers.

MOTION: DIRECTOR HART MOTIONED, TO APPROVE THE SAME BOARD OF DIRECTOR POSITIONS IF THERE ARE NO OBJECTIONS; SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD AGREED TO APPROVE THE CURRENT APPOINTMENT OF OFFICERS AND REVISIT IN ONE YEAR.

President Vivia Lawson

Vice President John Loll

Treasurer/ Secretary Mike Smith

Mr. Lock discussed and reviewed Conflicts of Interest for the new and current Directors.

Useful documents and resources for the Board of Directors include:

- The Special District Association (SDA) is a good resource to learn about Special Districts in Colorado.
- Work with the District Manager to receive materials regarding Director Responsibilities and District matters.
- The annual SDA Board manual is a good resource.

AGENDA

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL,
 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 April 19, 2023 Regular Meeting
- Accept the unaudited financial statements for the period ending April 30, 2023 and current schedule of cash position

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL,
 SECONDED BY DIRECTOR HART AND UPON VOTE, UNANIMOUSLY CARRIED,
 THE BOARD APPROVED THE CONSENT AGENDA.

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 May 17, 2023 as follows:

General	\$	15,411.79
Capital	\$	4,000.00
<u>Enterprise</u>	<u>\$</u>	<u>36,525.82</u>
	\$	55,937.61

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 MAY 17, 2023.

It was discussed that maintaining consistency and having the same Board members sign checks can serve as a sound business practice to mitigate the risk of fraud. Ms. Fromm expressed her belief that our current segregation of duties is very effective.

BOARD AND STAFF REPORTS

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

Board Matters

President Lawson discussed the importance of the Board of Director’s manual and the Special District Association manual. She highlighted that the Special District Association provides valuable support and offers a wide range of resources. Lawson also mentioned the annual SDA conference organized by the association which the Board can attend. Directors were encouraged to participate in the conference if they are interested.

Engineer's Report:

Ms. Arsenault, from Element Engineering provided an update on behalf of Mr. Marcotte. Wastewater project progress has slightly slowed down compared to earlier stages. A letter from the Colorado Department of Public Health and Environment (CDPHE) was received regarding the water project. The letter confirms that the project is eligible to proceed, but it hasn't been awarded yet.

Wastewater Treatment Plant:

The RDApply application and Preliminary Engineering Report (PER) have been finalized in draft format. The Environmental Report is nearly complete. Element Engineering is finalizing correspondence with the State Historic Preservation Office (SHPO). Further environmental compliance reporting may be required, and they are scheduling a meeting with SHPO to determine the necessary scope of this additional work, if any. It is anticipated they will finalize conversations with SHPO by the end of May.

Water Treatment System Improvements:

CDPHE has provided a pre-qualification review letter after our January meeting. The review letter (dated April 19, 2023) is attached to this report. The letter clarifies that the District is eligible for a planning grant (already obtained), a design and engineering grant, and Bipartisan Infrastructure Law (BIL) funding.

Element finalized a draft of the Project Needs Assessment (PNA) and transmitted it to District staff on May 9, 2023. It is recommended the district board schedule a work session or special meeting to review the final PNA during the month of June. In the meantime, Element and District staff will work to resolve any initial questions and/or comments.

590 Hillcrest Overlook Line Extension:

This project has been publicly bid for construction per state statute. A publication was posted in the local paper of record, on the Element Engineering website, and on the District's website. The bid schedule is as follows:

- RFP Release Date: Week of May 18th
- Plans and Specifications Available: May 12th at 10:00 AM
- Last Day to Request Interpretations of the Documents May: 19th at 4:00 PM
- Last Day to Issue Addenda May 26th: at 4:00 PM
- Bids Due (via email to nmarcotte@elementengineering.net) June 2nd, at 4:00 PM

Upon completion of the bidding process, Element will provide the district with a summary of bids received and a recommendation for award.

Director Hart asked about the scenario of not receiving any bids, which Ms. Arsenault said is unlikely.

District Manager Report:

ELECTION: In addition to her written report the District Manager JoAnn Slivka, reported on the results of the successful 2023 Special District election. The newly elected Board Directors shall each serve four-year terms.

Next Regular Election Dates:

- May 6, 2025 – Directors Lawson, Loll and Hart
- May 4, 2027 – Directors Smith and Karas

Ms. Slivka also reported that Ms. DeBon administered the Oath of Office to the newly elected Directors.

Directors discussed the Election process emphasizing the significant time it requires. President Lawson spoke of the District's budgeted cost of \$18,000.00 for the Election, and in addition to that we also had District staff costs and significant time that staff had to spend on Election. It was noted that the overall Election cost is enormous.

SDA ANNUAL WORKSHOP: Ms. Slivka informed that the SDA regional workshop is coming June 12, 2023, Monday morning, at the Scout Hut, Salida. The SDA workshops are a great way for Board members to learn about the special district world. Attendees will receive the new 2023 SDA Board Member Manual and the legislative update for 2023.

The annual SDA Conference is in September.

Saguache County Grant: Ms. Slivka reported that we are waiting on final approval from Saguache County.

Personnel: Ms. Slivka provided positive feedback on new personnel; staff is doing a great job with smooth onboarding process. Please welcome Johann McKee who has joined the team as a new part-time administrative personnel. Additionally, Ms. Slivka reported, Tim Allen has returned part-time.

Administrative Manager Report:

Office Activities: In addition to her written report, Ms. DeBon reported on April's billing activities including April's property closings and transfers, consolidations and subdivisions and water-sewer hookup application activities. Ms. DeBon also acknowledged the great collaboration between Ms. Jenkins and Mr. Allen on the AOS project, recognizing their hard work and efforts. Ms. DeBon also reminded that annual AOS fees for vacant properties is due on June 30th, 2023.

PILOT: Ms. DeBon reported that invoices were created and mailed to current customers with PILOT agreements, and we have already received a check in the amount of \$ \$11,304.68 from Colorado College.

Directors and staff had a brief discussion about consolidations and subdivisions and its impact on the District's future.

Operations Manager Report:

Operations Activities: In addition to the written report Mr. Potter reported on the Dharma Ocean pump and the motor for Well 18 Booster pump. The pump and motor were sent to Denver for the repairs.

Mr. Potter reported that the District's Vactor truck has been tuned up but currently has issues; Wagner Truck and Tire is in the process of diagnosing and repairing this issue.

Safety: No accidents occurred in the month of April. Operations have a good shift on the way they think about safety. New trench and shoring equipment has been purchased.

CDPHE Lead and Copper: Mr. Potter reported on a new CDPHE regulation that is being introduced regarding lead and copper. It requires a thorough verification of the material used in each line and a comprehensive plan needs to be devised to address this situation.

There was discussion between Board and Staff on the following:

- CDPHE rules and funding
- Water Loss
- Aspen WWTP loading capacity
- Town of Crestone contribution of the organic load

LEGAL MATTERS EXECUTIVE SESSION

MOTION: PURSUANT TO C.R.S. § 24-6-402(4) (A), (B), AND (E), UPON MOTION DULY MADE BY DIRECTOR SMITH, SECONDED BY DIRECTOR LOLL AND, UPON AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE QUORUM PRESENT, THE BOARD ADJOURNED TO EXECUTIVE SESSION AT 10:37 AM FOR THE PURPOSE OF DISCUSSING MATTERS SUBJECT TO NEGOTIATIONS REGARDING THE WATER SERVICE AGREEMENT, AND THE TERMS AND CONDITIONS FOR CONTINUED PROVISION OF SEWER SERVICE TO THE TOWN OF CRESTONE.

MOTION: DIRECTOR HART MOVED; DIRECTOR SMITH SECONDED TO RECONVENE TO REGULAR SESSION AT 11:06 AM.

UNITED STATES FISH AND WILDLIFE SERVICE (USFWS):

Approval of Amendment No. 1 to August 28, 1997 Water Service Agreement between the United States Fish and Wildlife Service and the Baca Grande Water and Sanitation District

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED AMENDMENT NO. 1 WITH USFWS, FOR THE TERM OF THIS AGREEMENT, THE DISTRICT AGREES TO PAY THE USFWS A MONTHLY SUM OF \$75.00 PER ACRE FOOT. FOR ANY AMOUNT OF WATER EXCEEDING 500 ACRE-Feet DURING THE TERM OF THIS AMENDMENT NO. 1, THE DISTRICT WILL PAY THE USFWS PURSUANT TO THE TERMS OF THE UNAMENDED SECTION 3 OF THE AGREEMENT, THEREBY SAVING THE DISTRICT ~\$50,000 ANNUALLY.

ADJOURNMENT:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE DIRECTOR LOLL, SECONDED BY DIRECTOR HART AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 11:10 AM.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR
June 21, 2023**

Respectfully submitted,



Natalie DeBon

THESE MINUTES ARE APPROVED AS THE OFFICIAL May 17, 2023 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



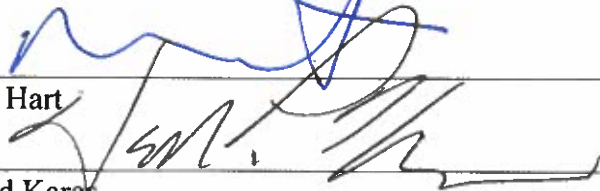
Vivia Lawson

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 sessions on May 17, 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