

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
DECEMBER 14, 2018**

9:00 A.M.

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

ATTENDANCE

Directors in Attendance:

Lynn Drake
John Loll
Michael Scully

Also in Attendance:

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

Absent:

Robert Salmi

Members of the Public:

Daniel Gray

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.

AGENDA

President Drake opened the meeting with a review of the agenda.

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

*Following discussion, upon motion duly made by President Drake, seconded by
Director Scully, and upon vote, unanimously carried, Director Salmi was
excused from the December meeting.*

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.

The Board considered the following actions:

- Approve Minutes from the November 16, 2018 Regular Meeting
- Approve Minutes from the November 28, 2018 Work Session
- Review and accept the unaudited Financial Statements for the period of November 30, 2018 and current schedule of cash position.

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

PUBLIC COMMENT

Mr. Gray asked what the enterprise fund is and what is the total amount of the enterprise fund.

The Enterprise Fund is used for the operations that are financed and operated in a manner similar to a private business, where the intent is that the costs of providing services to the public are funded primarily through usage charges. The primary sources of revenue for this fund is from water and wastewater usage funds and tap fees. The total Enterprise Fund Budget for 2019 is \$1,057,249, that is the total budget to expend. The Enterprise Fund had an estimated Ending Fund Balance at 12.31.18 of \$132,951. That amount comes forward to 2019.

BOARD AND STAFF REPORTS

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

FINANCIAL MATTERS

Financial Summary and Review of Final Assessed Value Report: Ms. Fromm presented areas of interest contained within the December 31, 2018 financial statements. The check register was higher this month than usual; included is \$32,000 for Property and liability insurance 2019. It is a pre-paid expense due on January 1, 2019 that is why it is included in the 2018 expenses. 3898,.00 payment is 32,000 of the 67,000. Is for the property insurance. She noted that the AV went up this year as compared to last year where it went down.

Claims: Consider approval of the check register for the period ending December 14, 2018, as follows:

General Fund:	\$	6956.18
Debt Service Fund:	\$	200.00
Capital Projects Fund:	\$	112.50
Enterprise Fund:	\$	<u>67,222.32</u>
Total:	\$	74,491.00

President Drake requested clarification on items on the check register;

1. Training Education Expenses: Mr. Cichocki reported the training classes were for operator certifications. There are four disciplines; distribution, collection, water, wastewater. He explained that District staff needs to have a higher level of efficiency to be compliant.
2. Energy Sustainability Line Item: \$70,000 Mr. Cichocki explained that he is working on propane generators- research and acquisition, backup power gensets, and vehicles. He plans on getting CNG truck sets for two vehicles. Director Loll cautioned that we need to see how it balances out- he doesn't want the district to move in another direction. Look at ways we can reduce our carbon footprint where we can.

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

EIAF #A-0036 BGWSD Infrastructure Master Plan Grant

The District was awarded \$25,000 (50% match) from the State of Colorado's Energy and Mineral Impact Assistance funds to assist with completing a Master Plan for the District's water and wastewater infrastructure. We are currently waiting for the contract.

Fiscal Focus Partners, LLC

The Board reviewed and accepted the engagement letter from Fiscal Focus Partners for the 2018 Audit.

*Following discussion, upon motion duly made by
Director Loll,
seconded by Director Scully and upon vote, unanimously carried, the Board
accepted the letter of engagement from Fiscal Focus Partners for the 2018
audit.*

OPERATIONAL FOLLOW-UPS

1. Mr. Cichocki further reported on the following:
Radio-SCADA work was completed this week, they worked out alarm and equipment bugs and improved areas from the new Equalization Basin project.
2. Meter readings for unaccounted water loss has gone down considerably.

WATER RESOURCE COMMITTEE

Mr. Cichocki discussed having a water resource committee. This committee usually consists of himself, the District Manager and legal counsel as well as a couple of board members. Discussion followed on what is the objective and who may be interested in being on the committee. Director Scully nominated himself; all directors in attendance were interested in being on this committee and feel it might just be best to have these conversations as a full Board instead of it being a separate committee.

*Following discussion, upon motion duly made by
Director Scully,
seconded by Director Loll and upon vote, unanimously carried, the Board
agreed to discuss formation of this committee again once Director Sahmi is
present for discussion.*

Mr. Gray suggests we involve a POA member on this committee. Director Loll suggests we get expanded comments as a public process to build community support.

LEGAL MATTERS:

Resolution #2018-12-01 Sixth Amended and Restated Resolution Concerning the Imposition of Various Fees, Rates, Tolls, Penalties and Charges for Water and Sewer Service and Facilities.

Mr. Lock wanted to be sure everyone understands the wording on the consolidation piece. There is a base fee of \$450 for the consolidation of the first lot and \$300 per additional lot thereafter.

The Board of Directors tabled the discussion regarding the fees and rates pending further details.

EXECUTIVE SESSION MATTERS - §24-6-402(4) (a), (b), (e)(I) and (f)(I), C.R.12.S.

There were no matters to discuss in executive session.


OTHER BUSINESS

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

ADJOURNMENT

**THE NEXT REGULAR MEETING IS SCHEDULED FOR
January 18, 2019**

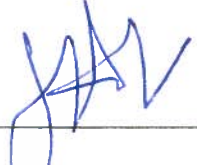
Respectfully submitted,


By 
Secretary for the Meeting

MINUTES ARE APPROVED AS THE OFFICIAL DECEMBER 14, 2018 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Lynn Drake

_____ absent _____
Robert Salmi

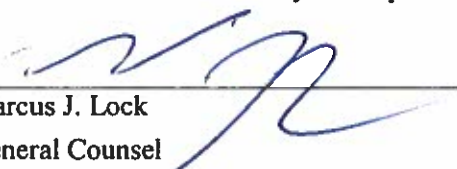

John Loll


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 session on December 14, 2018, 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