

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

February 15, 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

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)
Nick Marcotte, District Engineer (for a portion of the meeting)

Community Members and Guests:

Mary Montagano
William Folk
Charles Whipple
David Karas

CALL TO ORDER

President Lawson opened the meeting at 9:02 AM.

Board Call: Director Lawson, Loll, Smith, and Hart 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 APPROVED: 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 January 18th, 2023 Regular Meeting
- Accept the unaudited financial statements for the period ending January 31, 2023 and current schedule of cash position

MOTION APPROVED: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR SMITH 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.

- Ms. Montagano introduced herself; she moved here from Wisconsin in 2020 and bought a place in Chalet II. She is interested in learning more about the District and its systems.
- Mr. Folk, a long time District customer, greeted everyone.

CUSTOMER REQUEST FOR WAIVER OF FEES

The District received a request from Mr. Burrill to dispute charges on his account. Mr. Burrill was not present at the meeting. The board reviewed the request together with documentation and the account history presented by District Administrative staff.

Director Lawson summarized the account actions and charges. Mr. Lock, District Legal Counsel commented that Director Lawson summarized the issue well. He further stated that all the charges are appropriate and in compliance with District fees. Director Hart also agreed that charges are correct.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD CONFIRMED THAT ALL CHARGES ARE CORRECT AND MR. BURRILL IS RESPONSIBLE FOR PAYMENT OF THE FEES THAT HAVE BEEN APPLIED TO HIS ACCOUNT.

FINANCIAL MATTERS

Ms. Fromm reviewed the check register with the board of directors.

MOTION APPROVED: 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 FEBRUARY 15, 2023.

General	\$ 8,972.00
Debt	\$ 400.00
<u>Enterprise</u>	<u>\$ 28,247.75</u>
	\$ 37,619.75

OPERATIONS DEPARTMENT BUDGET REQUEST

Aspen Wastewater Treatment Plant (AWWTP) Analytical Equipment

Mr. Potter presented a request for analytical equipment that he did not include in the 2023 budget. Director Lawson asked Mr. Potter if it was an unexpected expense since it was not included in the 2023 budget. Mr. Potter said the cost of the equipment was higher than he expected.

He reported that staff is having trouble keeping the Plant in order and it is difficult for them to make process decisions for the Plant.

Director Loll asked if the equipment will help the District keep in compliance. Potter- yes it should; this analytical equipment will monitor the Plant 24/7, will give good information about the Plant and will interface with SCADA and that will help staff stay in compliance. It would also give an indication of issues occurring at the Plant and staff will be able to address these issues to prevent problems that may occur. Having data that is be monitored 24/7 will allow staff to adjust as needed.

Director Loll suggested that it would be a necessary purchase if it would support staying in compliance.

Director Hart questioned a timeline of installation and maintenance obligations. Staff will have to keep up on the necessary annual and routine maintenance. Mr. Potter stated there will be ongoing costs; sensors typically last a year.

Director Smith asked who would do the installation. Potter said it is an easy installation that staff can handle.

Then the programmer will have to come down and set up the SCADA system.

Director Lawson asked where the funds would come from. The funds will come out of the AWWTP enterprise fund line item. Ms. Fromm stated we will monitor the budget and if needed, we can do an amendment at the end of the year.

MOTION PASSED: DIRECTOR LOLL MADE A MOTION TO APPROVE THE EXPENDITURE OF \$21,000 FOR THE MONITORING EQUIPMENT FOR THE ASPEN WASTEWATER TREATMENT PLANT, DIRECTOR SMITH SECONDED THE MOTION AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE REQUEST.

BOARD AND STAFF REPORTS

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

Board Matters:

Director Lawson informed the public of a PER Work Session on the 23rd of February. The Board of Directors will discuss the Preliminary Engineer Report with district staff and Element Engineering.

Engineer's Report:

Wastewater Treatment Plant Improvements

Mr. Marcotte reviewed the monthly report with the Directors.

He reported on working with the District Manager on the ARPA application to Saguache County. The draft Preliminary Engineer Report (PER) was reviewed with staff on January 23, 2023. The updated PER has been provided to the district along with a PER summary handout in preparation for the Board work session scheduled for Thursday, February 23rd at 2:00 PM.

USDA has informed Element that based on the suggested project scope, an Environmental Report (ER) is required. Element Engineering will prepare the report. After review of the PER by the Board and any necessary updates, the PER and ER will be submitted to USDA along with the RDApply, Rural Development Application, to finalize the grant and loan funding request.

Water Treatment System Improvements

Mr. Marcotte also reported on the prequalification meeting that was held with the Colorado Department of Public Health and Environment (CDPHE) to discuss the funding process specific to the BGWSD water project. The District qualified for the planning grant of \$10,000 to support compilation of the Project Needs Assessment (PNA). The planning grant requires a local match of \$2,500, for total funding of \$12,500 for the Project Needs Assessment. Element has compiled a proposal to complete the PNA on behalf of the district.

The Board of Directors reviewed the proposal included in the packet for their consideration.

MOTION APPROVED: FOLLOWING DISCUSSION, DIRECTOR HART MOTIONED AND DIRECTOR SMITH SECONDED, TO APPROVE THE WATER SYSTEM IMPROVEMENTS PROJECT NEEDS ASSESSMENT (PNA), THE SCOPE OF WORK AND THE FEE PROPOSAL SUBMITTED BY ELEMENT ENGINEERING, AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE PROPOSAL FOR AN AMOUNT NOT TO EXCEED \$12,500.

Hillcrest Line Extension

Mr. Marcotte reported that the survey for the Hillcrest Line Extension has been completed. Element is currently working on completing the design of the extension.

Director Lawson asked if the line extension is 100% paid for by the customer and what is the cost for the extension. Yes, the customer is responsible for 100% of the costs for the line extension. Mr. Marcotte said they are currently working on the cost estimate for the project then it will have to go to bid to find a contractor.

District Manager's Report:

Grant Funding: Slivka reported staff have been busy working on two grant requests. She is working with Element to finalize the work on the ARPA grant for a water loss project. Ms. DeBon is the lead on the application for the County Sales Tax Grant.

Elections: If there are community members interested in running for the board, please complete a self-nomination form and return it to the District office no later than end of business, Friday, February 24.

Culture of Safety: Slivka reported she is working with a Safety Consultant group. An onsite visit is scheduled for March 9, 2023, Mr. Potter and Ms. DeBon will join her for this group discussion at that time. This year we have been working on creating a culture of safety; there has been an overall good team effort towards this goal.

Kudos to Staff: Slivka recognized the efforts of district staff and the positive start to the new year. Concerning the January 21 water break, Operator Howard worked Friday night into the early morning hours searching for the leak. Ms. DeBon called customers on Saturday to check on them and inform them of the leak.

Operator Elliott was also recognized for working over a month of Fridays as the "lone Operator" due to scheduling and staff shortages. We appreciate his good attitude during this time.

Continuing with the Administrative team- when the new rates were implemented in January, staff were proactive in informing District customers of the rate changes through billing messages, email blasts and phone calls. Admin staff went above and beyond to reach out to customers with auto pay limits to inform them of the change and assisted with updates to their accounts.

CONGRATULATIONS! Ms. Slivka announced that Ms. DeBon has been accepted into the Special District Association (SDA) Leadership Academy. We congratulate her on this wonderful opportunity and look forward to learning with her as she progresses throughout the year.

Administrative Manager's Report:

LIHWAP: Ms. DeBon reported that Admin staff is working with customers and the Low Income Household Water Assistance Program (LIHWAP). The District is expecting to receive more payments soon for customers who applied to the program.

Billing and Financials: Ms. DeBon reported on a successful AOS billing in January and on the acceptance of a Safety grant application to our property and liability pool, CSDPLP, receiving 50% reimbursement for Operation's nitrile gloves.

Ms. DeBon further reported on PILOT payment from Colorado College for 2022.

Education and Training: Ms. DeBon reported on her acceptance to the SDA Leadership Academy. She is excited to share her experience with us as she goes through the program.

Congratulations to Jennifer Jenkins for completion of her Notary certification!

Operations:

Casita Park PRV: Mr. Potter spoke about the picture from his report of operations staff using safety equipment at the Casita Park PRV maintenance project and working with admin staff on informing customers of possible service interruption.

Well 17 VFD: Mr. Potter reported that the VFD for Well 17 has been installed and is operational.

Safety and Vehicles: Mr. Potter reported Truck 2 has been repaired and ready to work and no accidents in the month of January. He is also currently working on the safety manual for operations.

Meters/ Inventory: The District received a large order of backordered water meters and MXUs and we are covered for this year.

Water Line Breaks: Mr. Potter reported four breaks total in the month of January and thanked staff for doing their best.

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 LOLL AND, UPON AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE QUORUM PRESENT, THE BOARD ADJOURNED TO EXECUTIVE SESSION AT 10:19 AM TO DISCUSS THE PURCHASE OR LEASE OF REAL PROPERTY, 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.

MOTION TO RECONVENE: DIRECTOR SMITH MOVED; DIRECTOR HART SECONDED TO RETURN TO REGULAR SESSION AT 11:20 AM.

ADJOURNMENT:

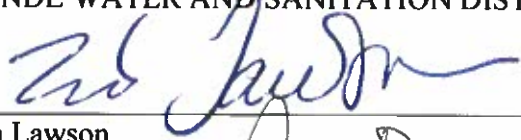
There Being No Further Business To Discuss, Upon Motion Duly Made Director Smith, Seconded By Director Hart And Upon Vote, Unanimously Carried, The Meeting Was Adjourned At 11:25 AM.

THE NEXT REGULAR MEETING IS SCHEDULED FOR
MARCH 15, 2023

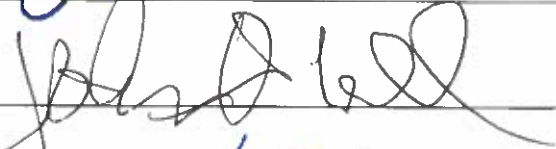
Drafted by Natalie DeBon

Submitted by JoAnn Slivka

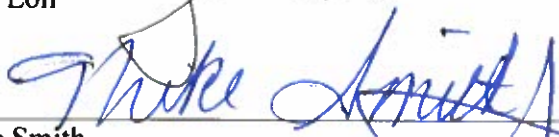
THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 15, 2023 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:




Vivia Lawson



John Loll



Mike Smith



Rick Hart

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 February 15, 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

