

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

April 20, 2018

9:00 A.M.

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

ATTENDANCE

Directors in Attendance:

Martin Macaulay
Lynn Drake
Robert Salmi

Also in Attendance:

Marcus Lock; Law of the Rockies (via speakerphone)
Cathy Fromm; Special District Solutions; (via speakerphone)

Staff in Attendance:

JoAnn Slivka; District Manager
Joshua Cichocki; Utility Superintendent

Members of the Public:

Michael Scully
Janie Thomas
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. President Macaulay noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting.

ADMINISTRATIVE MATTERS

AGENDA

President Macaulay opened the meeting with a review of the proposed Agenda for the District's Regular Meeting with the Board of Directors.

*Following discussion, upon motion duly made by
Director Salmi, seconded by Director Drake,
And upon vote, unanimously carried, the Agenda was approved.*

CONSENT AGENDA

The Board considered the following actions:

- Approve Minutes from the March 16, 2018 Regular Meeting
- Review and accept the unaudited Financial Statements for the period of March 31, 2018 and current schedule of cash position.

*Following discussion, upon motion duly made by
President Macaulay, seconded by Director Drake,
And upon vote, unanimously carried, the Consent Agenda was approved.*

BOARD AND STAFF REPORTS

Following discussion, the Board reviewed and accepted the reports that are attached therein.

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

Town of Crestone Flow Meter: Mr. Scully mentioned that he spoke with Adam from the Town of Crestone. The Crestone town trustees are concerned about the higher flow rates since the maintenance was performed and the new meter was installed by the Baca Grande Water and Sanitation District. Further, they are concerned that the new meter is calibrated correctly. Mr. Cichocki reported that he received a very recent email from the town treasurer concerning the higher flows and billing charges. He explained that the town's portion of the billing for March was separated from the portion of usage that was used for dewatering on the recent gas station project. Director Macaulay reminded the group that Crestone has been undercharged for many years. Mr. Cichocki further explained that in response to a prior conversation he had with the town treasurer, Operations staff observed flows at the same time every day for several days to verify any visual issues as a result of the new meter calibration. They found no issues; the meter indication observed on a daily basis is exactly in line with industry standards. Although the District has verified the operation on our side, out of courtesy and due diligence we agree that it is in everyone's best interest to have the meter calibration verified by an outside source. Mr. Cichocki will follow up with the town treasurer.

Kudos to Mr. Charlie Sommers: Director Macaulay would like to acknowledge Charlie Sommers and all the good work he has done for the community. Mr. Sommers worked for the Town of Crestone recently as their Wastewater Operator in Responsible Charge. He is ill and will not be returning to work. We wish he and his family the best and thank him for the work he has done throughout the community.

FINANCIAL MATTERS

Claims: The Board considered approval of the check register for the period ending April 20, 2018, as follows:

General Fund:	\$	5725.48
Debt Service Fund	\$	-0-
Capital Projects Fund:	\$	3041.51
Enterprise Fund:	\$	<u>40,703.33</u>
Total:	\$	49,470.32

The Board of Directors discussed the final invoices for TZA. Pending receipt of final records, the District is ready to release the checks. The District will make sure we state our intentions and communicate clearly with the request of items we need- all final records, as-built drawings, especially electrical, etc., as soon as we get these items the checks will be released.

*Following discussion, upon motion duly made by
Director Drake, seconded by Director Salmi,
and upon vote, unanimously carried, the check register for the period ending
April 20, 2018 was approved.*

Feasibility Study Report

Mr. Cichocki has some comments on the study he would like to discuss with Mr. Rice before issuing a final completion on the feasibility study report.

Status of 2018 Vehicle Procurement

Mr. Cichocki reported on the conversation he had with the car dealership. The terms of the original deal on the purchase order are not what they appeared to be. Since submitting the original purchase order in December 2017, the District has paid the 2018 installment for the 2016 Ford fleet purchase, but the dealership would not adjust the price accordingly. There is one more annual payment on the 2016 Ford lease agreement due January 2019. We suggest doing the needed maintenance on our current service trucks and focus on the District's infrastructure before entering into another vehicle lease agreement. Mr. Cichocki recommends we acquire bids from local auto representatives, then establish a service agreement for auto repairs on the District's service trucks.

*Following discussion, upon motion duly made by
Director Drake, seconded by Director Salmi,
and upon vote, unanimously carried, Purchase Order #4345 for Stevenson
Chevrolet will be cancelled.*

Valve Exercising Unit Purchase

The amount quoted for the valve exercising unit has increased since the original quote the District received in late 2017. Mr. Cichocki explained to the Directors what the unit is and how the valve turner operates for main line repair and replacement. The unit will reduce the manual labor entailed to turn main line valves as well as provide for a safer operation for staff.

*Following discussion, upon motion duly made by
Director Salmi,
seconded by Director Drake,
and upon vote, unanimously carried, the price increase for the Valve
Exercising Unit was approved for a total purchase price of \$53,035.32.*

May Facility Tour

The date for the Facility Tour has been set for Wednesday, May 30, 2018. Details will follow.

Conservation Easement

The Board discussed a previous request from Mr. Ron Garcia, USFW Refuge Manager. The Directors would like to meet with Mr. Garcia to discuss this project in detail. Mr. Lock advised that in order to dispose of public property the District does need to receive fair market value so an appraisal is needed before any negotiations can be considered.

OPERATIONS

Mr. Cichocki reported his findings out at Elk Park as documented in his Summary Report #2. The Operations staff followed the service lines and discovered the water lines were charged and leaking. Staff worked diligently to discover the source of the leak; they have turned the valves off and the water is now terminated. Discussion with the POA and Fire Department is planned.

LEGAL MATTERS

Mr. Lock will put together a bullet point memo for the public that explains our water rights in a one-page summary.

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

Pursuant to Sections §24-6-402(4)(a), (b), (e)(I), and (f)(I) C.R.S., upon motion duly made by Director Salmi, seconded by Director Drake and, upon vote unanimously carried, the Board convened in executive session at 10:10 A.M. for the purpose of discussing 23 Alpine Overlook, 3898 Rarity Way, and certain personnel matters.

The Board reconvened at 10:47 A.M.

Upon motion duly made, President Macaulay moved, seconded by Director Drake and, upon vote, unanimously carried, the Board accepted the offer received from Mr. Gray's insurance company in the amount of \$5000 in full settlement of the District's judgment against Mr. Gray.

Upon motion duly made by Director Drake, seconded by Director Salmi and, upon vote, unanimously carried, the Board moved to settle all claims related to all damages incurred at 23 Alpine Way in the amount of \$808.75.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by President Macaulay, seconded by Director Salmi, and upon vote, unanimously carried, the meeting was adjourned 10:50 A.M.

THE NEXT REGULAR MEETING IS SCHEDULED FOR
May 18, 2018

Respectfully submitted,

By _____

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 20, 2018 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Martin Macaulay



Lynn Drake



Robert Salmi

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 April 20, 2018, and it is my opinion that the portion of the executive session that was not recorded constituted attorney-client privileged communications.

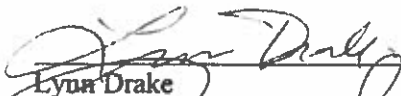
Marcus Lock

General Counsel

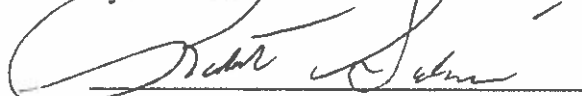
Baca Grande Water and Sanitation District

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Marcus Lock
General Counsel
Baca Grande Water and Sanitation District



Bacawater
P.O. Box 520 | 57 Bacawater Way S
Crestone, CO 81131-0520

**April 20, 2018
Board Meeting**

Board of Directors Sign-in

Martin Macaulay:	
Lynn Drake:	
Bob Salmi:	



Baca Grande Water and Sanitation District
 P.O. Box 520 | 57 Baca Grant Way S
 Crestone, CO 81131-0520

April 20, 2018
 Board Meeting

Please print your name, address and contact information along with any issues you are interested in addressing at today's Board Meeting.

Name	Address	Telephone/Email	Would you like to speak?	Issues to be addressed
Sarie Thomas	203 Camino del Oro West Casita Park	256-5916	Sure	
MICHAEL SCULLY	87 IBERIA CT MOFFAT CO 81143	256-5728	OF COURSE!	