

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

November 17, 2021- 9:00 AM

District Office – 57 Baca Grant Way South

Crestone, Colorado 81131

Meeting held via Zoom

ATTENDANCE

Directors in Attendance:

John Loll
 Dale Halley
 Mike Smith
 William Peck
 Vivia Lawson

Also in Attendance:

Marcus Lock, District Legal Counsel
 Cathy Fromm, District Accountant
 JoAnn Slivka, District Manager
 Gary Potter, District Director of Operations

Community Members:

Michael Scully
 Pamela Ramadei
 Parke Hess
 Laurie Domler

CALL TO ORDER

President Loll opened the meeting at 9:03 AM.

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 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 SMITH, SECONDED BY DIRECTOR HALLEY AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE AGENDA.

CONSENT AGENDA

The board considered the following consent agenda items:

- A. Approve Minutes from the September 15, 2021 Regular Meeting
- B. Approve Minutes from the October 20, 2021 Regular Meeting

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR PECK, 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.

- There was no public comment received.

Lot 1842 Agenda Request

Ms. Pamela Ramadei addressed the Board of Directors regarding fees assessed on county lots she recently purchased. Following discussion, the Board of Directors denied any exceptions regarding requests on waiver of any fees incurred from the purchase of Saguache County lots. The decision is that the Policy stays as is. Detailed information regarding the fees on Ms. Ramadei's account will be provided to her.

BOARD AND STAFF REPORTS

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

Board Matters

Director Lawson brought up the subject of an upcoming meeting to be held by the Saguache Board of County Commissioners where they will hold a public hearing to consider proposed changes to the Saguache County Land

Development Code changes. Discussion followed regarding communication from the County and the necessity of the District to provide comment on these types of matters.

Operations

KTTG Request for assistance with road repair: Mr. Potter reported on his discussion with Mr. Njal Schold, KTTG Director, regarding the repair of the road to the Cottonwood Tank and Stupa. They are requesting eight cubic yards of material for the repairs to smooth out the road and to direct water off of the road. Mr. Potter is waiting to hear back on the cost of the materials. Discussion followed regarding ownership and easements of the road.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LAWSON, SECONDED BY DIRECTOR HALLEY, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD VOTED TO SUPPORT MR. POTTER’S RECOMMENDATION TO PROVIDE MATERIALS FOR THIS PROJECT.

Inventory Shortage: Mr. Potter reported on the shortage of meter pits and related parts for new water/sewer hookups. The District has still not received orders that were placed in April 2021. Vendors report that parts will not be shipped until May 2022, the high demand for these parts are exceeding the District’s budgeted line items for these items. Discussion followed on suggestions on how to proceed with current applications.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LAWSON, SECONDED BY DIRECTOR HALLEY, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD DIRECTED STAFF TO:

- 1). NOTIFY CURRENT APPLICANTS OF THE SITUATION AND REFUND FUNDS; ADVISE THEM OF INCREASED COSTS IN 2022
- 2). PROVIDE A REVISION TO THE CURRENT RULES AND REGULATIONS REGARDING FEES FOR HOOKUPS
- 3). BEGINNING IN JANUARY 2022, PEOPLE CAN PAY A DEPOSIT TO GET ON A WAITING LIST ONCE PARTS BECOME AVAILABLE AND WE KNOW WHAT THE COSTS OF THOSE PARTS WILL BE.

Water Loss: Mr. Potter presented an analysis from Raftelis that shows the District lost \$200,000 in revenue from leaks and we are tracking the same for 2021.

Unaccounted Loss: Operations staff repaired a leak in the S Crestone zone and eliminated ten pre-taps to prevent future problems. This saved thousands of gallons of water due to leakage from the pre-taps- the Board applauded the efforts of the Operations staff.

Personnel: The District Operations department is now fully staffed with the addition of Mr. Nate Albrecht.

FINANCIAL MATTERS

Check Register: The board considered approval of the check register through the period ending October 17, 2021 as follows:

General	\$ 6,355.31
Capital Projects	\$ 280.00
<u>Enterprise</u>	<u>\$ 28,692.24</u>
	\$ 35,327.55

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HALLEY, SECONDED BY DIRECTOR PECK, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CHECK REGISTER FOR THE PERIOD ENDING NOVEMBER 17, 2021.

Financial Statements:

Ms. Fromm reviewed the financial statements with the board of directors. Bonds and CWRPDA loan payments will come out at the end of the month. This will complete the expected expenditures in the debt service fund for 2021.

2021 Audit:

The Board reviewed the engagement letter from Fiscal Focus Partners, LLC to perform the 2021 Audit.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LAWSON, SECONDED BY DIRECTOR HALLEY, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD ACCEPTED THE LETTER OF ENGAGEMENT OF FISCAL FOCUS PARTNERS, LLC TO PERFORM THE 2021 AUDIT IN THE AMOUNT OF \$9950.00.

Public Hearing to Adopt the 2022 Budget and Associated Resolutions.

Director Loll opened the public hearing to consider the proposed 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

Ms. Fromm reviewed the estimated 2021 expenditures and the proposed 2022 Budget.

The preliminary AV came in significantly higher than last year. We based the 2022 budget on these figures and do not anticipate any major changes to the AV to be received from the county by December 10, 2021.

No additional public comments were received and the public hearing was closed.

MOTION: DIRECTOR HALLEY MOTIONED TO ADOPT THE 2022 BUDGET, AS DISCUSSED, DIRECTOR SMITH SECONDED THE MOTION, AND UPON VOTE, UNANIMOUSLY CARRIED, THE RESOLUTION WAS ADOPTED AND EXECUTION OF THE CERTIFICATION OF BUDGET AND CERTIFICATION OF MILL LEVIES WAS AUTHORIZED, SUBJECT TO RECEIPT OF FINAL CERTIFICATION OF ASSESSED VALUATION FROM THE COUNTY ON OR BEFORE DECEMBER 10, 2021. MS. FROMM WAS AUTHORIZED TO TRANSMIT THE CERTIFICATION OF MILL LEVIES TO THE BOARD OF COUNTY COMMISSIONERS OF SAGUACHE COUNTY AND THE DIVISION OF LOCAL GOVERNMENT, NOT LATER THAN DECEMBER 15, 2021, AND TO TRANSMIT THE CERTIFICATION OF BUDGET TO THE DIVISION OF LOCAL GOVERNMENT, NOT LATER THAN JANUARY 30, 2022. A COPY OF THE ADOPTED RESOLUTION IS ATTACHED TO THESE MINUTES AND INCORPORATED HEREIN BY THIS REFERENCE.

CAPITAL PROJECTS:

S. Crestone Tank Rehabilitation Project:

Mr. Potter provided an update on the South Crestone tank rehabilitation project. He reported that the project should be completed by November 23-24, 2021 and the system should be up to normal operating status by Thanksgiving.

LEGAL MATTERS:

Resolution No. 2021-11-02 Certifying Delinquent Water and Sewer Fees to Saguache County Treasurer for Collection:

The Board reviewed the Resolution as well as a written request from property owner, Lynn Drake to be removed from any further mailings from the District regarding her delinquent account.

The Directors also heard from Ms. Domler regarding her charges for Availability of Service fees ("AOS").

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE DIRECTOR HALLEY, SECONDED BY DIRECTOR SMITH AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED RESOLUTION NO. 2021-11-02 CERTIFYING DELINQUENT WATER AND SEWER FEES TO SAGUACHE COUNTY TREASURER FOR COLLECTION. A COPY OF THE RESOLUTION IS ATTACHED HERETO AND INCLUDED HEREIN BY THIS REFERENCE. THE BOARD DIRECTED STAFF TO FILE THE RESOLUTION WITH THE COUNTY TREASURER BY THE DECEMBER 10, 2021 DEADLINE.

USFW Negotiations: Mr. Lock provided an update regarding negotiations with USFW. Ms. Burnridge sent a response to the Letter of Intent (LOI); USFW will be doing some research to determine the best course of action.

EXECUTIVE SESSION

MOTION: PURSUANT TO C.R.S. § 24-6-402(4) (A), (B), AND (E), UPON MOTION DULY MADE BY DIRECTOR LAWSON, SECONDED BY DIRECTOR SMITH AND, UPON AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE QUORUM PRESENT, THE BOARD CONVENED IN EXECUTIVE SESSION AT 11:23 A.M. FOR THE PURPOSE OF DISCUSSING NEGOTIATIONS WHICH RESPECTIVELY CONCERN THE PURCHASE OR LEASE OF REAL PROPERTY, RECEIVING 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 POTENTIAL PURCHASE OF WATER RIGHTS FROM THE UNITED STATES FISH AND WILDLIFE SERVICE AND §24-6-402(4)(F), C.R.S., PERSONNEL MATTERS, REGARDING MANAGEMENT POSITIONS. PURSUANT TO C.R.S. § 24-6-402(2) (D.5), (II), (B), NO RECORD WILL BE KEPT OF THE PORTION OF THIS EXECUTIVE SESSION THAT, IN THE OPINION OF THE BOARD'S ATTORNEY, CONSTITUTES PRIVILEGED ATTORNEY-CLIENT COMMUNICATION PURSUANT TO SECTION C.R.S. § 24-6-402(4) (B).

The Board reconvened in regular session at 11:54 A.M.

PERSONNEL COMMITTEE:

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE DIRECTOR LAWSON, SECONDED BY DIRECTOR PECK AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE FORMATION OF A PERSONNEL COMMITTEE CONSISTING OF DIRECTORS PECK AND HALLEY TO ASSIST IN EVALUATIONS OF MANAGEMENT AND CREATING SYSTEMS FOR FUTURE EVALUATIONS AND PAY INCREASES.

OTHER BUSINESS:

Seeing no other business, President Loll adjourned the meeting.

ADJOURNMENT:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE DIRECTOR SMITH, SECONDED BY DIRECTOR PECK AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 11:56 AM.

THE NEXT REGULAR MEETING IS SCHEDULED FOR
December 15, 2021

Respectfully submitted,



JoAnn Slivka
Secretary for the meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL November 17, 2021 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



John Loll



Dale Halley



Mike Smith



William Peck



Vivia Lawson

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 November 17, 2021, 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