

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

November 15, 2019

9:00 A.M.

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

**ATTENDANCE**

<u>Directors in Attendance:</u> John Loll Robert Salmi Gregg Conlee Michael Scully	<u>Also in Attendance:</u> Marcus Lock; Law of the Rockies (via speakerphone) Cathy Fromm (via speakerphone) JoAnn Slivka; District Manager Joshua Cichocki; Utility Superintendent
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See list for additional attendees

**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**

President Loll opened the meeting at 9:00 A.M. with a review of the Agenda.

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*APPROVED: Following discussion, upon motion duly made by Director Salmi, seconded by Director Conlee and upon vote, unanimously carried, the board approved the Agenda.*

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**Conduct Public Hearing on the Proposed 2020 Budget**

A Public Hearing was held to discuss the proposed 2020 Budget and solicit comments on possible water and sewer rate changes. President Loll opened the public hearing to consider the proposed 2020 Budget and discuss related issues. It was noted that publication of Notice stating that the Board would consider adoption of the 2020 Budget and the date, time and place of the public hearing was made in the Crestone Eagle, having general circulation within the District as well as in the Saguache Crescent, the legal publication for the county. One written objection was received prior to this public hearing regarding any possible rate increases.

Ms. Fromm discussed the proposed budget and explained that we are still going through the rate study and reviewing the Capital Improvement program and what the available funds are. There are a number of Capital Projects in our future. This is a public meeting to receive input and comments from our constituents.

Town of Crestone: Ms. Gwynn Busby, Crestone Town Treasurer, expressed her concern about any further increases for the sewer collection services the district provides. She wants to point out again that they went from \$17,000 to \$40,000 and she wants to be sure that they don't see the rates increase. Ms. Karina Danforth, stated that we have the Intergovernmental Agreement with the terms. They came to listen and they are acutely concerned, their customers are not happy. Director Salmi expressed appreciation that they came to our meeting to discuss their concerns and we have a problem that we need to solve together. It was agreed that we all want to work together.

Spiritual Centers.

Sewage system concern: Mr. Daniel Gray stated he would like to see the spiritual center bills broken out. He wants to be sure they pay their fair share. It was explained to Mr. Gray that other than the Town of Crestone, the district does not meter sewer flows. It is an expensive proposition to do so.

No additional public comments were received and the public hearing was closed at 9:18 A.M.

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

Matie Belle Lakish:

Ms. Lakish recently purchased a home and extra lot in Casita Park and she has applied to consolidate the properties. She received the letter from the district explaining our consolidation fees and she is here to refute the fees. An updated Fee Resolution was given to Ms. Lakish that clarified the language concerning consolidation fees. She will contact the district if she has further comments regarding Resolution 2018-05-01 Concerning the Imposition of Various Fees, Rates, Penalties and Charges for Water and Sanitation Sewer Services and Facilities.

**CONSENT AGENDA**

The board considered the following consent agenda items:

- Approve Minutes from the October 18, 2019 regular meeting.
- Review and accept the unaudited financial statements for the period ending October 31, 2019 and current schedule of cash position.

Ms. Fromm reviewed the October financial statements with the board.

Director Scully inquired as to whether there will be another transfer from the General Fund before the end of the year. The transfer is dependent upon expenditures for the remainder of the year. Per Mr. Cichocki, RMS Utilities will begin the Manhole Project during the first week of December. Mr. Cichocki is also working on purchasing a generator now.

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*APPROVED: Following discussion, upon motion duly made by Director Scully, seconded by Director Conlee and upon vote, unanimously carried, the board approved the Consent Agenda.*

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**BOARD AND STAFF REPORTS**

The board reviewed and discussed the staff reports that are attached and incorporated herein by this reference.

**OPERATIONS:**

Composite Sampling Project Status: The district just received the Sampling Results Summary report from JVA Engineers and will be discussing the results at a later time.

Brookview and Moonlight Tank Hatches: Mr. Cichocki reported that he has received an updated design for the hatches. JVA is currently working on an advertisement for bid and project manual for our review.

Capital Improvement Funds: Mr. Cichocki made initial contact with Matt Stearns with CWCB to initiate a dialog with them. Because of the comprehensive scope of the grant/loan project, Mr. Cichocki sent the whole project to Mr. Stearns who will review the project with his staff.

Distribution: Mr. Cichocki reported on the water production numbers; we are seeing lower numbers on water production and a 30% loss on average over the last nine years. President Loll would like to see the percentage of change over time. Mr. Cichocki reported he is trying to establish a base line first, and that he is focusing on this. He is looking at a nine-year average, also comparing what we were doing last year to what we are doing this year. We are looking for more accurate meter reads, hoping that the leakage is not as severe as originally thought. Director Conlee asks if it would be better to see a percentage representation of this data. Director Salmi would like to see the numbers for the 2019 sewage flow from the Plant. Mr. Cichocki stated he does have this data on paper but he needs to discuss this with JVA first. He is not comfortable reporting on that at this point. Water use is now being metered at the district office.

Stables: Mr. Cichocki is coordinating and communicating with the Stables for the Manhole Project. Director Salmi clarifies that we are actually repairing and replacing the sewer pipes as well. President Loll asks if they are communicating with the customers on Badger Rd. Mr. Cichocki stated that he established that the contractor will coordinate with the customers and that no, he has not communicated with people who live in the neighborhood. Mr. Cichocki does not see it affecting anyone. The board’s concern is any impact that will occur when they work on Badger Road. Mr. Cichocki will look at the scope exactly and figure out the schedule.

Ms. Lakish inquired as to the status of the Casita Park area. Mr. Cichocki reports that they have visited all the valves out there and repaired or replaced all the valves with the exception of one. Ms. Lakish then asked about the health of the water and sewer lines. Mr. Cichocki feels more confident with the system out there. They are worried about keeping a constant pressure. He further reported there are no more pressure spikes out there. He is exploring options to upgrade the Motel Well tank.

CDPS PERMIT NUMBER: CO0046914: Mr. Cichocki reported that the state is changing the classification for operator certification from “C” to “B”. He wants to appeal. The decision is based on the type of plant we have.

**FINANCIAL MATTERS**

Check Register: The board considered approval of the check register through the period ending November 15, 2019 as follows:

General Fund:	\$	7130.99
Capital Projects Fund:	\$	7155.70
Enterprise Fund:	\$	40,183.75
<b>Total:</b>	<b>\$</b>	<b>54,470.46</b>

*APPROVED: Following discussion, upon motion duly made by Director Scully, seconded by Director Conlee, and, upon vote, unanimously carried, the board approved the check register for the period ending October 15, 2019.*

**BOARD of DIRECTOR MATTERS**

Director Scully told a story about how he met Donald Valdez, member of the Colorado State House of Representatives. This is in line with Mr. Scully’s idea that we should put ourselves on the map to meet our state representatives.

**LEGAL MATTERS**

Mr. Lock gave a brief update on the water rights negotiations. Originally USFWS was to meet with the staff today. Mr. Caruso reached out and cancelled today's meeting as they did not have much to report at this time, but they have been making progress. Engineers from the Law of the Rockies, Applegate, USFWS, and the state of Colorado have been working with the focus on what consumptive use rate should be used for the district.

**EXECUTIVE SESSION MATTERS - §24-6-402(4) (b), (e)(I), and (f)(I), C.R.S. – Legal advice, Negotiations, and Personnel Matters**

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*Director Conlee moved and Director Scully seconded that the Board of Directors enter into executive session for the purpose of receiving legal advice to discuss certain personnel matters. All directors were present. It was requested that Ms. Slivka and Mr. Cichocki leave the meeting at this time. The motion carried unanimously and the Board entered into executive session at 10:05 AM.*

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*Director Scully moved and Director Conlee seconded that the Board of Directors reconvene to regular session. The motion carried unanimously and the board closed the executive session at 11:20 AM.*

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*Director Salmi moved and Director Conlee seconded to terminate Mr. Cichocki's employment with the district. As an at-will employee no cause is necessary for the termination but Mr. Cichocki will be terminated for cause; including disrespectful treatment of the District's customers and employees, insubordination, lack of cooperation and coordination with other District employees; failure to follow direction and instructions from superiors; untimeliness in delivery of work products and other materials and misrepresenting information or providing misleading information to the public.*

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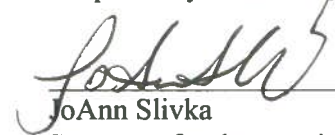
**ADJOURNMENT:**

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*There being no further business to discuss, upon motion duly made by Director Conlee seconded by Director Scully and upon vote, unanimously carried, the meeting was adjourned at 11:30 AM.*

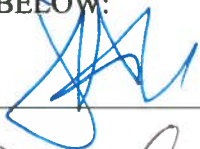
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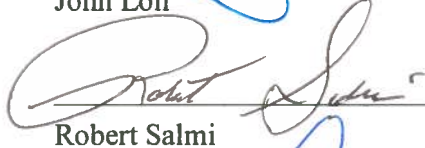
Respectfully submitted,

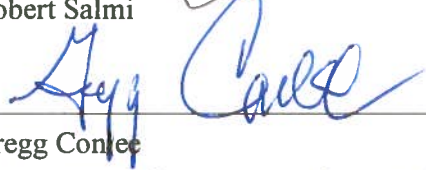


JoAnn Slivka  
Secretary for the meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL November 15, 2019 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
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John Loll

  
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Robert Salmi

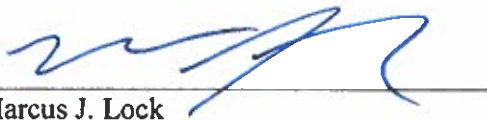
  
\_\_\_\_\_  
Gregg Conjee

  
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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 sessions on November 15, 2019, 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



Baca Grande  
Water And Sanitation  
District

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

November 15, 2019  
Board Meeting

Board of Directors Sign-in

Bob Salmi:	
John Loll:	
Michael Scully:	<i>Michael Scully</i>
Gregg Conlee:	



Baca Grande  
Water And Sanitation  
District

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

November 15, 2019  
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
Daniel Gray	3898 Raverty way	970-497-6010	NO	
KARINA	248 W SILVER CRESTONE	256-5445	NO	
Gwynn Bushy	360 E Iron Ave Crestone	940-634-9980	NO	
Metic Ball Jank	63 Aspen Dr	719-256-4252	Yes	
Janie Thomas	203 Camino del Oro West	256-5910	yes	
Jim Vanderpool	K.G. POA	256-4171		