

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

November 07, 2019

2:00 PM

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

ATTENDANCE

Directors in Attendance:

John Loll
Robert Salmi
Gregg Conlee
Michael Scully

Also in Attendance:

Marcus Lock; Law of the Rockies (via speakerphone)
Cathy Fromm; Fromm and Company
Andrew Rheem; Raftelis (via speakerphone)
Richard Hood; JVA (via speakerphone)
Andrew Sparr; JVA (via speakerphone for a portion of the meeting)
JoAnn Slivka; District Manager
Joshua Cichocki; Utility Superintendent

AGENDA

President Loll called the Special meeting of the Baca Grande Water and Sanitation District to order at 2:00 PM.

The purpose of the special meeting was for the board to meet with staff and consultants to discuss capital improvements and recent updates to the proposed 2020 budget. Various discussions were held over the past couple of weeks with the budget committee consisting of Directors Loll and Conlee, Ms. Fromm, Mr. Cichocki and Ms. Slivka as well as with Mr. Rheem.

Agenda Update: Mr. Cichocki submitted an updated proposal to the group this morning which has been added to today's meeting materials for discussion.

Budget Committee Update:

Updates to the proposed 2020 budget included the following:

1. Moved Benefits to General Fund for related payroll and Directors' fees.
2. Increased Specific Ownership Tax to \$70,000 for 2020 in General Fund.
3. Decreased Admin Remodel to \$50k in General Fund.
4. Increased Hookup/Inspection Fees to \$10,000 in Enterprise Fund.
5. Took out Water Project Grant Revenue of \$1.5 million and related expense in Capital Projects Fund.
6. Consolidated 2020 Capital items still pending Committee approval to one line-item noted as TBD in Capital Projects (CIP) Fund.

Capital projects funds left or carried over in the budget include:

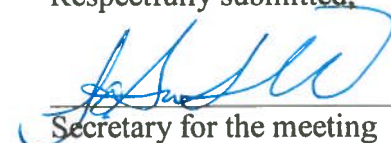
1. The sustainability funds- to match the grant received
2. Generator
3. Monitoring equipment
4. Moonlight and Ridgeview transfer station
5. SCADA
6. Manhole Project: split ½ funds for 2019 and ½ funds for 2020

The Capital Project fund is currently included as one lump sum of \$167,000 until the details can be determined. Discussion continued regarding the very limited funding for capital projects and the need to consider a rate increase to take care of our aging infrastructure and water rights acquisition.

Mr. Cichocki explained his rationale on the Strategic Plan he submitted for consideration and the recommended \$1.5 million Budget line item amount. Among the points of discussion was the need for a feasibility study, cost and what it includes; clarification of projects, ability to match funds, and timing of the application and other district agreements currently under consideration. The board agreed that this is a good project but needs more information to make an informed decision.

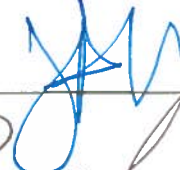
Water-Wastewater Funds: Director Salmi inquired as to the ability and possible benefits of separating the water and wastewater expenses. On the revenue side it is easy to do on the general ledger. Mr. Rheem noted that on the rate study he just did a 50/50 split at this time until further discussion. Mr. Cichocki noted that he is not currently splitting the time for Operations personnel.

Respectfully submitted,

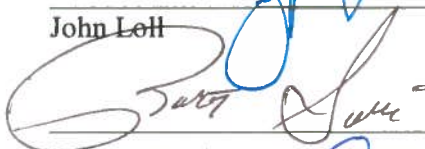


Secretary for the meeting

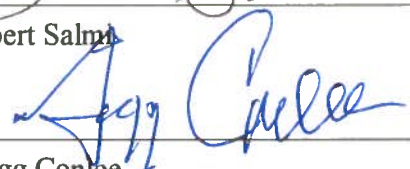
THESE MINUTES ARE APPROVED AS THE OFFICIAL November 7, 2019 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:




John Loh



Robert Salma



Gregg Conlee



Michael Scully