

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
BACA GRANDE WATER AND SANITATION DISTRICT
MAY 17, 2019

9:00 A.M.

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

ATTENDANCE

Directors in Attendance:

Lynn Drake
Robert Salmi
John Loll
Michael Scully

Also in Attendance:

Marcus Lock; Law of the Rockies (via speakerphone)
Cathy Fromm; Fromm and Associates (via speakerphone for
a portion of the meeting)
JoAnn Slivka; District Manager
Joshua Cichocki; Utility Superintendent

Members of the Public:

Ted Kinsman
Gregg Conlee
Mark Evans
Janie Thomas
Frank Judson
Desiree Marceau

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. 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 Drake reviewed the Agenda for the District's Regular Meeting with the Board.

Following discussion, upon motion duly made by Director Loll, seconded by Director Scully, and upon vote, unanimously carried, the Agenda was approved as amended with the addition of a request from Ms. Desiree Marceau.

CONSENT AGENDA

The Board considered the following consent agenda items:

- Approve Minutes from the April 19, 2019 regular meeting.
- Review and accept the unaudited Financial statements for the period ending April 30, 2019 and current schedule of cash position.

Following discussion, upon motion duly made by Director Scully, seconded by Director Loll and upon vote, unanimously carried, the Board approved the Consent Agenda.

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

Ms. Thomas stated that the District is doing a good job and to keep up the good work.

BOARD AND STAFF REPORTS

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

District Manager Report: The Board would like to have a workshop to discuss both the Water Supply and Demand Update report and the Master Plan before the June Board meeting.

Utility Superintendent Report: Director Salmi asked about the reservoir hatches. Mr. Cichocki provided a brief update. Mr. Cichocki also reported that the Unidirectional Water Main Flushing (UDF) program is scheduled to begin in August.

Director Loll would like to see a preventative maintenance schedule and have it documented moving forward. This will help keep the sequence going forward so that we can budget appropriately.

FINANCIAL MATTERS

Check Register: The Board considered approval of the check register through the period ending May 17, 2019, as follows:

General Fund:	\$	8,965.54
Capital Projects Fund:	\$	98,669.07
Enterprise Fund:	\$	<u>38,217.58</u>
Total:	\$	145,852.19

Following discussion, upon motion duly made by President Drake, seconded by Director Salmi, and upon vote, unanimously carried, the Board approved the check register for the period ending May 17, 2019.

BOARD of DIRECTOR MATTERS

Paid Time Off (PTO) Policy: Director Loll was satisfied with the investigation of the PTO program and it was agreed that there is no problem at this time of staff not being able to take time off. The Board requests to be notified if there becomes a problem in the future. Director Loll's expectation of the investigation of the PTO program was met. The Board agrees that it is important that staff be encouraged to take the time off throughout the year as appropriate.

Appointment of Director: The Board received letters of interest from Gregg Conlee and Ted Kinsman for the vacant Board seat.

Mr. Conlee has been a resident of the Baca Grande for 4 1/2 years. He would like to take an active part in helping the District. Last year the drought brought to everyone's attention the

importance of water in our lives. Mr. Conlee is involved in the community as part of Crestone End of Life Project and helps garden with the Atalanta Group. He was also a member of a community-based water system located on Maury Island in Puget Sound, Washington, where he participated in member meetings and was actively involved in preventing the destruction of an island-based aquifer. He has a technical aptitude. He would appreciate the opportunity to serve this community. Being of service is important to him.

Mr. Kinsman then addressed the Board. He has recently returned to Crestone after an absence of approximately 10 years. He is in the process of building a house here in the Chalets. Coming back, he realizes how precious this area is. He feels he can help with critical issues; his expertise is looking at financial statements. He would like to become a more integral part of the community and serve the town and fellow residents in maintaining the uniqueness and quality of life we enjoy here. He feels that a position on the board of W&S would be a great way to begin his service. He described his business and how it operates; he has been educating corporate managers and executives to better understand the impact of their operational decisions on the financial performance of the organization. He would enjoy learning about the operations of the water and sanitation department and hopes that his financial/accounting expertise would be of some use to the board and members. He would offer more of a financial approach.

The Board recognized and acknowledged that both candidates were clearly qualified to serve on the Board.

Following discussion, upon motion duly made by President Drake, seconded by Director Scully, and upon vote, unanimously carried, the Board appointed Mr. Gregg Conlee as Director to fill the vacant seat on the Board of Directors.

CUSTOMER REQUEST

Ms. Desiree Marceau approached the board of directors and reminded them of her request from October 2017, and Board approval of a payment plan for a hookup application. Since the approval at the October 20, 2017 meeting, she was not able to make any payments toward her outstanding balance. She recently attended the Baca Grande POA EAC meeting and they conditionally approved her building permit provided that the water and sanitation district provide a letter stating that she has a payment plan for a water/sewer hookup. It was explained to Ms. Marceau that the District currently offers payment plans for delinquent accounts only.

Following discussion, upon motion duly made by Director Salmi, seconded by President Drake, and upon vote, unanimously carried, the Board denied the request from Ms. Marceau to enter into a payment plan for water-sewer hook-up fees.

MOTEL WELL: Director Scully requested the topic of the Motel Well be discussed as it relates to supplying the Golf Course when needed and to provide water for firefighting activities.

Topics of concern to him include:

1. Last year, the entire water use for the Golf Course came from the treated main water supply.
2. With a shift to supplying the Golf Course from the Motel Well, there would be less wear & tear on our primary system.
3. In the past, when there was the need for out of irrigation season water, it had to be pumped

into a tanker from the treated main water supply. The decree for the Motel Well does not have a seasonal restriction so obviates the need to ever get water from the treated main water supply.

The Directors agreed that the subject should be explored; they would like to see a comparison of the different wells, the benefits and effects of using each, the financial impacts and considerations for the future. It was agreed that the rates should reflect the cost of the water used, that way it is up to the customer (BG POA) to make a decision on how much water they use, that way both the public and the POA understands the cost of irrigating the golf course. Further, the directors would like to know how much it would cost to get the Motel Well on line.

STATUS OF INFRASTRUCTURE MASTER PLAN

Andrew Sparn and JVA associates plan on coming to the District on May 31 to review their draft report with Mr. Cichocki and Ms. Slivka in preparation for their presentation to the Board of Directors at the June 21 meeting.

CAPITAL IMPROVEMENTS:

There are no additional updates at this time. The Bobcat has been ordered and delivered. The Caselle Connect utility billing software order has been placed and we are awaiting further instructions at this time.

LEGAL MATTERS

Status of Cielo Telecommunications Site Lease

President Drake and Ms. Slivka have a meeting scheduled with Mr. Howard to finalize the terms of the Lease Agreement.


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

*Director Loll moved and Director Scully seconded that the Board of Directors enter into Executive Session for the purpose of receiving legal advice regarding personnel.
The motion carried unanimously and the Board entered into Executive Session at 10:43 AM.*

Ms. Slivka and Mr. Cichocki left the meeting at this time.
The Board reconvened to regular session at 11:58 AM.


ADJOURNMENT:

There being no further business to discuss, upon motion duly made by President Drake, seconded by Director Scully and upon vote, unanimously carried, the meeting was adjourned at 12:05 PM.

Respectfully submitted,
By 
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MAY 17, 2019 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Lynn Drake


Robert Salmi


John Loll


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 May 17, 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