

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

June 16, 2021

9:00 AM

District Office – 57 Baca Grant Way South

Crestone, Colorado 81131

Meeting held via Zoom

ATTENDANCE

Directors in Attendance:

John Loll

Gregg Conlee

Mike Smith

William Peck

Also in Attendance:

Marcus Lock; District Legal Counsel

Cathy Fromm; District Accountant

JoAnn Slivka; District Manager

Gary Potter; District Director of Operations

Andrew Rheem; Senior Manager Raftelis (for a portion of the meeting)

Vivia Lawson

Michael Scully

Parke Hess

Darlene Yarbrough

CALL TO ORDER

President Loll opened the meeting at 9:00 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 PECK AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE AGENDA AS AMENDED BY PRESIDENT LOLL TO MOVE ITEMS #

II. B. VACANCY APPOINTMENT CONSIDERATION, AND III. PUBLIC COMMENT, TO THE TOP OF THE AGENDA BEFORE 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.

Darlene Yarbrough addressed the board and read a letter on behalf of Ms. Kate Steichen regarding an easement request update for sewer services. Mr. Parke Hess requested a copy of the letter; Ms. Yarbrough agreed to forward it on to him.

APPOINTMENT OF DIRECTOR

The Board received a letter of interest from Vivia Lawson for the vacant board seat. Ms. Lawson introduced herself to the board and gave a synopsis of her background as well as her interest to serve on the district board by being a positive contributor to the community.

President Loll discussed with Ms. Lawson that she may be required to consider recusing herself from certain matters in order to avoid a conflict of interest or the appearance of a conflict of interest. Ms. Lawson stated that she is not interested in advancing any personal interest and would certainly not participate in any discussion that would be a conflict of interest. She further stated that we are a small community and she is a district member interested in looking at the big picture for the long term good of the community.

MOTION APPROVED: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR SMITH SECONDED BY DIRECTOR CONLEE AND, UPON VOTE, UNANIMOUSLY CARRIED, MS. LAWSON WAS APPOINTED TO THE FILL THE VACANT SEAT ON THE BOARD OF DIRECTORS UNTIL THE NEXT REGULAR ELECTION TO BE HELD MAY 3, 2022.

CONSENT AGENDA

The board considered the following consent agenda items:

- Approve Minutes from the May 19, 2021 Regular Meeting

MOTION APPROVED: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR CONLEE, SECONDED BY DIRECTOR PECK AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CONSENT AGENDA.

BOARD AND STAFF REPORTS

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

Further Discussion of POA Easement Request: Mr. Potter discussed with the Board the issue of the original survey design for the Mountain View / Pepperwood OL area. There is concern that the current easement design and size may not make grade to the existing sewer line. The only way to be sure is to do another survey at an estimated cost of \$3000-\$4000. The reason to pursue a new survey is to be certain that all customers on approximately thirteen plus lots will be able to receive sewer service. The district does not want to build and be responsible for a lift station to serve these lots. A lot of time and money has been spent on this matter to date. Should the district continue to spend funds to complete another survey and study to better understand if the easement will work?

MOTION APPROVED: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR CONLEE, SECONDED BY DIRECTOR PECK AND, UPON VOTE, WITH THREE DIRECTORS VOTING YEA; THE MOTION CARRIED TO CONTINUE COMPLETION OF A NEW SURVEY FOR AN EASEMENT. PRESIDENT LOLL RECUSED HIMSELF FROM THE VOTE.

FINANCIAL MATTERS

Check Register: The board considered approval of the check register through the period ending June 16, 2021 as follows:

General	\$	4,549.00
Capital	\$	945.00
<u>Enterprise</u>	\$	<u>54,422.86</u>
	\$	59,916.86

MOTION APPROVED: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR SMITH, SECONDED BY DIRECTOR CONLEE, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CHECK REGISTER FOR THE PERIOD ENDING JUNE 16, 2021.

Financial Statements: Ms. Fromm reviewed the financial statements with the Board. We are starting to see an increase in property tax revenue and are ahead \$25,000 as we were in last year. The first annual payment this year for the bond and loan payments has been posted.

RATE STUDY REPORT

Rate Study: Mr. Andrew Rheem from Raftelis, addressed the Board of Directors on progress thus far. He referred to his June 10, 2021 memo and reported that they are working diligently to complete Task 4 of the study and the tap fee analysis. He anticipates having preliminary results over the next few weeks then finalizing the overall study and presentation at the August meeting. A key component of the study includes the cost-of-service analysis for the Town of Crestone. President Loll emphasized his concern about the time line and importance of the substance of the report before we can have a discussion with the Town. February 28, 2022 is the deadline to have the Town of Crestone agreement in place.

LEGAL MATTERS

An executive session was not necessary to receive an update from Mr. Lock regarding negotiations with USFW. The District and USFW continue to meet; the meetings have been productive. A request was made for legal counsel to draft a letter of intent outlining the structure of the purchase request. Review of how to incorporate the Cottonwood Gallery into the letter of intent is being carefully considered.

COVID UPDATE:

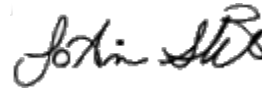
This week there were 81 known reported cases in the San Luis Valley with a 3.32% positivity rate, still maintaining under the 5% goal.

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 10:31 AM.

THE NEXT REGULAR MEETING IS SCHEDULED FOR
July 21, 2021

Respectfully submitted,



JoAnn Slivka
Secretary for the meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL June 16, 2021 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

John Loll

Gregg Conlee

William Peck

Mike Smith