

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

**September 25, 2024 - 9:00 A.M.**

District Office – 57 Baca Grant Way South

Crestone, Colorado 81131

Meeting held via Zoom

**ATTENDANCE**

Directors in Attendance:

Vivia Lawson

Rick Hart

David Karas

John Loll

Also in Attendance:

Marcus Lock, District Legal Counsel

Diego Martinez, District Manager

Natalie DeBon, Administrative Manager

Chad Tate, Director of Utilities

Nicholaus Marcotte, Element Engineering

Cathy Fromm, District Accountant (for a portion of the meeting)

Community Members and Guests:

Eric Barnes

Kevin Durkin

Daniel Bitran Arizpe

**CALL TO ORDER**

President Lawson called the meeting to order at 9:12 A.M.

Board Roll Call: All Directors were present, except Director Smith, who had an excused absence.

**DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

*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 potential conflicts were disclosed.*

**AGENDA**

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

**CONSENT AGENDA**

The Board considered the following consent agenda items:

- REVIEW AND ACCEPT UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDING AUGUST 31, 2024 AND CURRENT SCHEDULE OF CASH POSITION.
- APPROVE MINUTES FROM THE AUGUST, 2024 REGULAR MEETING.

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

**PUBLIC COMMENT (ITEMS NOT ON THE AGENDA ONLY. NO ACTION MAY BE TAKEN).** *In accordance with the Colorado Open Meetings Law, no Board action will take place until a later date, if necessary. Please limit your comments to three minutes or less.*

No Public comments.

**BOARD ACTION REQUEST**

1270-C Bear Grass Way – Variance Request.

Director Hart recused himself from the following discussion due to a potential conflict of interest and temporarily left the meeting. District Manager, Mr. Martinez presented to the Board a request from Daniel Bitran Arizpe, the owner of 1270-C Bear Grass Way, located in Chalet I, to install a septic system. Mr. Martinez explained that the engineer’s cost estimate for the required line extensions at 1270-C Bear Grass Way came back significantly higher than expected. Upon review and discussion with Element Engineering, it was determined that the high estimate is due to the engineer taking a conservative approach to avoid potential overages. Mr. Martinez and Mr. Arizpe have discussed and agreed to explore alternative options to reduce costs of a line extension.

Although each variance request is unique, Mr. Lock noted to the Board the importance of consistency in granting any variances in order to avoid setting a precedent.

No action was taken by the Board at this time.

After the discussion was concluded, Director Hart returned to the meeting.

**FINANCIAL MATTERS**

Check Register: The Board discussed and considered approval of the check register through the period ending August 21, 2024 as follows:

General	\$	12,730.70
Capital	\$	171,693.50
<u>Enterprise</u>	\$	<u>24,415.85</u>
	\$	208,840.05

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR HART AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CHECK REGISTER FOR THE PERIOD ENDING AUGUST 21, 2024.

**2023 DRAFT FINANCIAL AUDIT:**

Eric Barnes, representing Fiscal Focus Partners, LLC, presented the draft audited financial statements for the year 2023, along with the independent auditor's report, to the Board.

The audit involved examination of compliance with financial regulations and a thorough evaluation of record-keeping accuracy. Mr. Barnes noted that for an organization of our size, the District has excellent procedures, stating, "It’s as good as it gets."

He further mentioned that the audit process went very smoothly. Overall, the 2023 draft audit indicates a healthy financial position for the District, with no concerns identified. The audit will be filed on time, and the Board is encouraged to continue its diligent oversight practices.

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR HART AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE 2023 FINANCIAL AUDIT, SUBJECT TO A FINAL REVIEW BY THE AUDITOR.

### **Preliminary Assessed Valuation Report:**

Ms. Fromm delivered the Preliminary Assessment Report on the Assessment Value (AV) from Saguache County to the Board, noting a slightly higher increase, the final AV will be received in November.

### **BOARD MATTERS**

Director Loll announced his resignation from the Board of Directors, effective in September 2024. Mr. Loll praised the District, calling it one of the best governmental institutions in the San Luis Valley. He also spoke of the integrity and dedication of the team and management, expressing his deep gratitude for their work. Additionally, he acknowledged and respected the contributions the community has made. Mr. Loll will be submitting his resignation in writing to President Lawson. All Directors and management thanked Mr. Loll for his service.

### **STAFF REPORTS**

The Board reviewed and discussed the reports incorporated in the Board packet; the staff reports are attached to the minutes as supporting documents.

**Hybrid Board of Directors Meetings:** The Board requested to keep this discussion on the agenda for the next meeting.

### **4/10 Schedule Update:**

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR LOLL AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED TO EXTEND A FOUR DAY WEEK SCHEDULE, FOR ANOTHER THREE MONTHS.

### **Insurance Costs:**

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR LOLL, AND SUBJECT TO FINAL APPROPRIATION AND FINAL BUDGET APPROVAL, THE BOARD APPROVED INCREASING HEALTH COVERAGE BENEFIT FOR EMPLOYEES' DEPENDENTS BY COVERING 50% OF THE COST, STARTING IN 2025.

UPON VOTE AND DISCUSSION, THE MOTION CARRIED WITH THREE VOTES IN FAVOR AND ONE OPPOSING VOTE FROM DIRECTOR KARAS.

**LEGAL MATTERS**

1512-C Antelope Way – Public Hearing for Inclusion:

Mr. Lock presented the Inclusion Resolution to the Board, along with proof of notice of the public hearing, published in local newspapers. The public hearing was opened at 11:27 A.M. With no members of the public present and no public comments received, the public hearing was closed at 11:33 A.M.

MOTION: DIRECTOR LAWSON MOVED, AND DIRECTOR HART SECONDED, THE BOARD UNANIMOUSLY APPROVED AND ADOPTED RESOLUTION 2024-09-07, GRANTING PROPERTY 1512-C ANTELOPE WAY INCLUSION INTO THE DISTRICT.

**EXECUTIVE SESSION**

MOTION: UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR LOLL AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD ADJOURNED TO EXECUTIVE SESSION AT 11:34 A.M., PURSUANT TO C.R.S. § 24-6-402(4) (A), (B), AND (E), WHICH RESPECTIVELY CONCERN, THE PURCHASE OR LEASE OF REAL PROPERTY, 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 TERMS AND CONDITIONS FOR CONTINUED PROVISION OF SEWER SERVICE TO THE TOWN OF CRESTONE.

MOTION: UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR LOLL AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD ADJOURNED FROM EXECUTIVE SESSION AT 11:46 A.M.

**ADJOURNMENT:**

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE DIRECTOR LOLL SECONDED BY DIRECTOR HART AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 11:47 A.M.

THE NEXT REGULAR MEETING IS SCHEDULED FOR

October 16, 2024

Drafted by Natalie DeBon

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Respectfully submitted,

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Diego Martinez

THESE MINUTES ARE APPROVED AS THE OFFICIAL September 25th, 2024 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

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Vivia Lawson

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Rick Hart

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Mike Smith

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David Karas

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John Loll

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 session on September 25th, 2024 and it is my opinion that any portion of the executive session that was not recorded constituted attorney-client privileged communications.

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Marcus Lock

General Counsel

Baca Grande Water and Sanitation District