

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

July 20, 2022- 9:00 AM

District Office – 57 Baca Grant Way South

Crestone, Colorado 81131

Meeting held via Zoom

ATTENDANCE

Directors in Attendance:

Vivia Lawson
 John Loll
 Mike Smith
 Rick Hart
 Bill Peck

Also in Attendance:

Marcus Lock, District Legal Counsel
 Cathy Fromm, District Accountant (for a portion of the meeting)
 JoAnn Slivka, District Manager
 Gary Potter, District Director of Utilities
 Natalie DeBon, District Administrative Services Manager
 Nicholas Marcotte, District Engineer (for a portion of the meeting)

Community Members and Guests:

Tom McCracken
 Parke Hess
 Vicki H.
 Michael Scully
 dan gray
 Elizabeth Namgyel
 Steve Smith
 JMH (Mike)
 Rachel H.
 Communist Party of China

CALL TO ORDER

President Lawson opened the meeting at 9:04 AM.

Board Roll Call: Directors Lawson, Loll, Smith, Hart and Peck were present.

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

Director Peck's Conduct: The Board entered into discussion regarding Director Peck's conduct.

MOTION: FOLLOWING DISCUSSION, DIRECTOR LOLL MOVED TO REQUEST MR. PECK RESIGN FROM THE BACA GRANDE WATER AND SANITATION DISTRICT BOARD OF DIRECTORS BASED ON MATERIALS PRESENTED IN THE JUNE BOARD PACKET. DIRECTOR SMITH SECONDED. UPON VOTE, FROM A MAJORITY OF THE BOARD, WITH DIRECTOR PECK OPPOSED, THE BOARD MOVED TO REQUEST MR. PECK RESIGNATION AS A BOARD DIRECTOR.

9:30 AM- Mr. Peck agreed to resign. The Directors took a five-minute recess to allow time for Mr. Peck to submit his written resignation.

9:35 AM – The Directors reconvened and accepted Mr. Peck's written resignation.

CONSENT AGENDA

The board considered the following consent agenda items:

- Approve Minutes from the June 15, 2022 Regular Meeting

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

There were no public comments.

BOARD AND STAFF REPORTS

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

Board Matters

BGWSD Blog

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR HART, SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED INITIATION OF A DISTRICT BLOG AND APPROVED DIRECTOR LAWSON'S CONTRIBUTION TO BE SUBMITTED TO THE CRESTONE EAGLE FOR ITS AUGUST 2022 PUBLICATION.

Board Governance

Director Lawson led a discussion on the subject of conflicts of interest. Mr. Lock stated that this is a complicated part of the law and board members should always err on the side of caution. There are multiple Colorado statutes concerning conflicts of interest applicable to board members of a special district : If you feel that there is any possibility that you have a conflict of interest regarding any action or business of the district board, you should:

1. Within at least 72 hours prior to the meeting where the subject will be considered, give advance written notice to the district board and to the Colorado Secretary of State. The Secretary of State's website includes a form for filing notice of your potential conflict of interest, which should be completed and filed electronically. Your district manager or the district's attorney can assist you in filing this form. §18-8-308(1), C.R.S. Failure to follow these steps of disclosure is a class 2 misdemeanor. §18-8-308(3) C.R.S.
2. When the subject comes up for discussion, you should announce the existence of a conflict of interest, remove yourself from the discussion (physically or virtually as applicable), and abstain from voting on the issue. You should not do anything to influence the consideration or voting by other Board members.

Failure to disclose the conflict as described above is a criminal violation and can be prosecuted. Furthermore, any contract, vote, or other official act in which a Director had a potential conflict, not cured by disclosure, may result in the act or the contract being void.

OFFICE ADMINISTRATION

Industrial Tower West: Public notice of Community Meeting has been posted and published in three Valley newspapers. Other forms of communication regarding the meeting consist of billing inserts, posting on the District web site, the Crestone Eagle website and email communication to District customers. We asked for comments by August 1 and have already received a number of comments and have responded to these as we were able.

SDA Conference: The annual SDA conference will be held in Keystone, Colorado September 13-15. Director Hart is interested in learning more about the conference.

OPERATIONS

Compliance Inspection of Domestic Wastewater Treatment: Nick Marcotte reported on the report from CDPHE.

FINANCIAL MATTERS

Check Register: The board considered approval of the check register through the period ending July 20, 2022 as follows:

General	\$ 7,723.50
Debt Services	\$ -0-
<u>Enterprise</u>	<u>\$ 67,605.95</u>
	\$ 75,329.45

MOTION: FOLLOWING DISCUSSION, UPON MOTION DULY MADE BY DIRECTOR SMITH, SECONDED BY DIRECTOR HART, AND, UPON VOTE, UNANIMOUSLY CARRIED, THE BOARD APPROVED THE CHECK REGISTER FOR THE PERIOD ENDING JULY 20, 2022.

Financial Statements:

Ms. Fromm reviewed the financial statements with the Board of Directors.

EXECUTIVE SESSION

MOTION: PURSUANT TO C.R.S. § 24-6-402(4) (A), (B), (E) AND (F), UPON MOTION DULY MADE BY DIRECTOR LOLL, SECONDED BY DIRECTOR HART AND, UPON AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE QUORUM PRESENT, THE BOARD ADJOURNED TO EXECUTIVE SESSION AT 10:58 AM FOR THE PURPOSE OF DISCUSSING THE PURCHASE OR LEASE OF REAL PROPERTY, RECEIVING SPECIFIC LEGAL ADVICE FROM COUNSEL, AND DETERMINING POSITIONS RELATIVE TO MATTERS THAT ARE SUBJECT TO NEGOTIATION CONCERNING THE LEASE RATE FOR THE NEXT 20-YEAR TERM OF THE WATER SERVICE AGREEMENT, THE PROVISION OF SEWER SERVICE TO THE TOWN OF CRESTONE, AND PERSONNEL MATTERS RELATED TO A MOTOR VEHICLE ACCIDENT INVOLVING A DISTRICT VEHICLE AND TRAILOR. PURSUANT TO C.R.S. § 24-6-402(2) (D.5), (II), (B), NO RECORDING WILL BE KEPT OF THE PORTION OF THIS EXECUTIVE SESSION THAT, IN THE OPINION OF THE BOARD'S ATTORNEY, CONSTITUTES PRIVILEGED ATTORNEY-CLIENT COMMUNICATION PURSUANT TO SECTION C.R.S. § 24-6- 402(4) (B).

MOTION: DIRECTOR SMITH MOVED; DIRECTOR HART SECONDED TO RECONVENE TO REGULAR SESSION AT 12:15 PM.

Other Business:

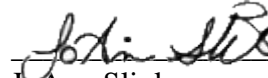
None.

ADJOURNMENT:

THERE BEING NO FURTHER BUSINESS TO DISCUSS, UPON MOTION DULY MADE DIRECTOR LOLL, SECONDED BY DIRECTOR SMITH AND UPON VOTE, UNANIMOUSLY CARRIED, THE MEETING WAS ADJOURNED AT 12:05 PM.

THE NEXT REGULAR MEETING IS SCHEDULED FOR
August 17, 2022

Respectfully submitted,



JoAnn Slivka
Secretary for the meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL July 20, 2022 MINUTES OF THE BACA GRANDE WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Vivia Lawson

John Loll

Mike Smith

Rick Hart

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 July 20, 2022, 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