

**ORIENT LAND TRUST (OLT) BOARD OF DIRECTORS REGULAR MEETING  
TIDD RESIDENCE, 28988 COUNTY ROAD 65 (1.5 MILES SOUTH OF OLT)  
SATURDAY, JANUARY 16, 2010**

**MINUTES**

- I. Record Attendance – Dan Jones, Doug Bishop, Harold Pratt, Kai Allen, Mike Blevins, Amy Trainer, and Barbara Tidd present. John Eiseman arrived at 9:22 AM. Paul Zoric was absent. Guests present were: Don G, Marilyn S, Deb H, Terry S, Susan S, John S, Annie P, and Keno M. Jeff J joined the meeting at 11:10 AM. John L joined the meeting at 11:54 AM. Chuck B arrived at 1:08 pm. Neil S joined the meeting at 1:51 PM.
  
- II. Meeting Call to Order – Dan called the meeting to order at 9:05 AM.
  
- III. Changes to Agenda – Dan moved item f. from Old Business to become c. under New Business.
  
- IV. Approve Regular Session Meeting Minutes from October 17, 2009 – Doug moved to approve these minutes. Mike seconded, and the motion was adopted: all in favor, none opposed, no abstentions.  
  
Approve Special Session Meeting Minutes from October 28, 2009 – Harold moved to approve these minutes. Doug seconded, and the motion was adopted: all in favor, none opposed, no abstentions.
  
- V. Questions/Comments from Guests –Guests introduced themselves. John S asked about why naturism was taken out of the Mission statement. Amy explained that it was not actually in the mission statement. It was in the goals supporting the mission statement. Amy explained that we’re now a land trust and that naturism has multiple definitions; to use the label, naturist, it could have different meanings to different people. Dan personally thought clothing optional was more universally identifiable to a broader group of people because some don’t know what naturism is. Keno asked if the elimination of the fireworks was a board or staff decision. The final decision came from Amy after she asked the board about it at their strategic planning session. Amy feels that there are other ways to do outreach. Keno indicated that there are some people who might ask that this decision be reconsidered. Keno believes that it should have been discussed more with the membership, since it had been an ongoing event for 25 years. The cost for fireworks for both July 4 and the Crestone Music Festival (CMF) was about \$7,000. The question was asked, what was OLT getting back from the community for this expense? Keno feels that OLT took something away from the people. Susan agreed with Keno that the fireworks was good public outreach. Annie asked if OLT is going to sponsor fireworks at the CMF. Amy indicated that there’s been some discussion about OLT sponsoring fireworks for the Town of Saguache. Annie is okay with not having fireworks on July 4 at the hot springs. Annie stated that the CMF has much wider exposure and more impact for OLT as far as outreach. People comment about who put on these amazing fireworks. Also, the CMF fireworks cost less than the July 4 fireworks.

Dan read an email that he received on January 16, 2010 from John, Rich, Anne, Robert, Marie, James, Joan, Chris, Barbara, Ron. They requested that he read their email regarding site

development. They requested a more organic approach and made some specific requests. Their email is part of the Board meeting record as correspondence.

## **ED, Officer & Committee Reports**

### **Continue 9:15 AM**

- VI. Executive Director's Report (attached) – Amy highlighted some items in her report. She attended a free sexual harassment training sponsored by CIA Levitt Insurance. As a result of that, Amy inquired with CIA Levitt about OLT's insurance premiums. Amy and Terry met with their representatives and ultimately OLT received a 48% reduction in its insurance premium through CIA Leavitt including its auto and liability insurance. New computers have been installed in the Welcome Center. Amy explained why our email went down. Following a long search, Terry and Amy found a new CPA, David Schwenke, who has helped many land trusts throughout the years. Numerous improvements have been made in the hot springs area. Staff sent out almost 6,000 year-end letters and received significant contributions as a result. Amy will give an update on the Colo. DOW grant in Executive Session. The Seitz donation of the hot springs property, Susman, and Essen transactions closed. We now have about a 4-mile view shed protected. Dan expressed that the Deed Restriction in connection with the VVHS donation was a lot of hard work on the part of Neil, Terry, Amy, and the Board and is something to be really proud of. Amy met with Kirk Navo. He was up last summer with a bat specialist from Florida. The specialist said that he believed we are underestimating the number of bats at the Mine. Kirk is a partner with the Colorado Natural Heritage Program out of CSU and suggested we may obtain funding for research on the bats. It is possible that the bats use the Mine for a staging area, that the colony builds up in the summer, and perhaps they go farther north in summer. Kirk and Amy are looking for about \$10,000 to \$12,000 in funding to do research to determine the Mine bat population. The second SLV Conservation Roundtable will be held January 29, 2010 at the Great Sand Dunes Nat'l. Park. Through BLM, the San Luis Valley was picked as a priority for wetlands funding. The northern part of the Valley doesn't have any strategic land conservation planning whereas the southern portion does. BLM is looking at how they can make it happen in northern part of the Valley. The majority of hot springs creek restoration will happen this year. June 25, 2010 is member appreciation weekend. Reservoir: over one-half of the digging is done. Then, clay will be brought in, then riprap, then the water will be diverted. There will be about 100 yds. of new creek connection to the reservoir. The fish probably cannot be moved until late April early May. Old/Current reservoir breached again. The water Judge and Pat McDermott are fine with the status of what we are doing with our water right and the reservoir at this time.
  
- VII. Board Chair's Report (attached) – Dan reiterated again our gratitude to Neil and Terry for their donation. It's huge. This transaction was extremely challenging for Amy with no history of the organization. We knew it would be a challenge for Amy and Neil and Terry in working through this. It is a real testament to Amy that she kept on the path, and we are now the stewards of this remarkable parcel. Housekeeping matters: Barb/Secretary position has been transferred from a contract position to a staff position. The job description of the ED has been changed to ED/President. The next issue of *LTA Saving Land* will have short interview with Dan about OLT's Board's 100% participation in membership in LTA. Regarding the April meeting: Dan proposes a 3-day meeting – Friday one-half day Board meeting in the Valley with TNC, Saturday regular Board

meeting in the Valley, Sunday Board meeting to wrap up the site planning process, Sunday afternoon Sand Dunes tour.

Amy added that OLT received in December State certification from the Division of Real Estate. Because of past abuses of some land trusts with respect to conservation easement tax credits and the resulting IRS audits of these land trusts, the Colorado legislature enacted new legislation to halt the abuses. The State certification requirement for any land trust that wants to hold conservation easements for which tax credits are claimed is part of that legislation. This is a big step for OLT so that it can hold CEs. OLT could accept a CE at this time if someone walked in tomorrow wanting OLT to hold a CE. Doug pointed out that when we get a CE, that's when we'll fine tune our policies and procedures. Mike asked what would happen if we hold CEs and then lose our state certification. If a land trust goes under, Kai explained another land trust or conservation agency that can hold CEs would have to step in. That's the purpose of the third-party stewardship like what we're doing with TNC. A Crestone Baca member met with Amy this past week and asked Amy if OLT would be interested in holding an easement. Amy said that we would.

- VIII. Secretary's Report/Correspondence – Barb referred to Amy's mention that OLT had been awarded certification to hold conservation easements for which a state tax credit is claimed. A Certification Report was sent with the letter. This certification is effective from Jan. 1, 2010 through Dec. 31, 2010. OLT will be required to renew its certification before the expiration of this period. The letter and report have been provided to Jeff Jones, our AYO consultant.

Barb then reported that she reviewed with Terry the unused check supply for OLT's operating, raffle, land conservation, and stewardship, monitoring and legal defense fund accounts. All was in order. Barb also compared OLT's bank statements (except the Saguache County Credit Union SCCU) statement which had not yet been received) to the Treasurer's report and found no discrepancies that could not be accounted for as of 12/31/09.

- IX. Treasurer's Report – John
- a. John presented the Income Statement, Balance Sheet, Cash Flow Statement, which are through December 31, 2009 (attached). See p. 23. The program revenue is higher than budget; contributions and gifts are remarkably good as well. Ranch improvement costs reflect a lot of work there. Professional fees are higher because much of that is legal fees regarding the Seitz hot springs donation, which was not anticipated at this time last year. There is positive cash flow; only \$25,000 less than anticipated. Some of the additional expenses is from the Bill of Sale for personal property from Seitz that OLT purchased for \$17,000 which included the tractor, fire/water truck and other items. \$1500+ was an in-kind stock contribution from a board member of Crestone Baca Land Trust. Harold asked if we have policy controls for items that go beyond the budget. John explained that the action that has been taken is that Terry and Amy consult with John about large expenditures that may be over budget. John will often determine whether it is necessary for the board to take action. John asked if we need to provoke the board when any particular line item exceeds the budget line item? Doug suggested that we either recast the budget or unlock the funds if an item goes over budget. The 2009 actual and budget were pretty close. John committed to working with the

Investment Committee in developing a policy regarding expenditures that exceed the budgeted amount.

The question arose as to how do we value the hot springs donation on the balance sheet? For the title insurance policy, Amy valued the property at \$2 million because of the donation component and deed restriction which lower its potential value. Dave Schwenke, CPA said that if anyone argues about the value, we can change it. For now, he suggested we use the figure from the title policy. Kate from TNC is looking at not getting a formal appraisal, but rather obtaining an appraiser's opinion.

The Essen parcel is now on the balance sheet as an asset and liability.

P. 28, cash at beginning of 2009 = \$424,363; \$239,542 at year-end. 2009 was a big year for cash outflows. Most of that can be attributed to the purchase of assets and expenses for deferred maintenance. We need to release some of our capital reserve in 2010 and possibly suspend contributing the \$6,000 monthly to the capital reserve fund. We'll be spending some of our capital reserves on the new septic system. We're getting a little tight to put \$177,000 annually into capital reserves. Amy suggested that for the next 3 to 4 winter months that OLT suspend its \$6,000 monthly transfer to capital reserves. Doug suggested continuing the \$6,000 monthly flow to maintain the discipline.

- b. 2009 budget wrap up, how did we end the year? John stated that in view of how much progress was made and new items we dealt with, the budget was remarkable. Thanks to Terry's experience and Amy's tight control over our needs, we can put together a budget like this and stick to it.
- c. CPA selection for 2010 audit & audit/review going forward – Amy met with Dave Schwenke. Amy referred the Board to p. 32 of the board packet. At the bottom of that page, she has a recommended motion. Doug summarized that at this time we don't need an audit although we could get to the point where we need an audit every year. Dave recommends a review for this year which Terry and Amy have scheduled for early February. Dave is scheduled to meet with Amy and Terry at OLT in March. Doug made the following motion: Whereas the OLT Executive Director has performed due diligence with respect to the need for an audit versus a review of OLT's financial accounts and activities, and the OLT Board and its Treasurer are satisfied with the Executive Director's due diligence and her recommendation that the decision to perform an audit versus a review be based on the advice of OLT's Treasurer and CPA advisor, Dave Schwenke; therefore, the OLT Board gives the Executive Director discretion to decide whether an audit or a review of OLT's financial accounts and activities is needed based on the advice of OLT's Treasurer and CPA. John seconded the motion, and the motion was adopted: all in favor, none opposed, no abstentions.
- d. Stats Charts (attached) – Barb reported that notwithstanding a downturn in the economy, OLT's total revenue reflects a year stronger than either of the prior two years. Admission income and the number of admissions were higher than either 2007 or 2008. Donations excluding government were higher than in 2008, but lower than in 2007. However, 2009

donations from individuals only were higher than in either 2007 or 2008. Sales and lodging tax of 3.9% began to be included in the performance stats as of April 1, 2009, when it started being added to rather than included in admission fees. Therefore, John pointed out that the increase in income is actually only about 6% rather than 8%. Terry clarified that the 2009 raffle income of \$18,000 is not included in the stats charts. \$20,000 of raffle income was included in 2007 stats charts – put in as lump sum in Dec. 2007.

- e. Annual Review of Operating Checking Balance – John stated that OLT is operating at sufficient levels on this now. When the Investment Committee works on the controls policy, John wants to work on something that doesn't tie our hands so much, perhaps a line of credit at SCCU.

#### X. Committee Reports –

- a. Board Development (BDC) – Dan reported that the BDC met twice since the last Board meeting. Dan received good input from the BDC on Board Strategy; he'll work on that and bring it back to the BDC. The board matrix that has been developed includes a comprehensive look at where we are today, where we want to be in the future, and how we attain balance on the board. Dan will want the board to review the ED evaluation timeline. The current ED evaluation asks some specific questions about VVHS operations. Mike said the evaluation has redundancy; Doug said that he wasn't able to say what he wanted to say in the ED evaluation because of its current form.
  - i. Election of new director – Dan asked for a motion to elect a new director to the Board. Based on a recommendation of all of the members of the Board Development Committee, Harold moved that Marilyn Sherbring be elected to serve as a member of the Board of Directors of Orient Land Trust, effective immediately, to fill the vacancy for the board member term that expires July 2012. John seconded, and the motion was adopted: Harold, Kai, John in favor, none opposed, Doug and Mike abstained; Mike because he does Marilyn's website. Marilyn joined the board at the table and said she was very honored.
  - ii. Approval of new Board Position Description – Dan stated that the BDC recommends approval. Harold moved that the new Board Position Description marked FINAL 11.10.09 at p. 39-40 of the printed Board packet be approved. Mike seconded the motion. Doug asked if this is a revision. Dan said it does have some revisions and doesn't think it was ever formally approved by the board. Mike has seen something similar to this. Marilyn said that it's right in line with the bylaws. Harold said that we need to recognize that being a board member could be a financial burden on some people. Mike suggested that there should be some provision for financial reimbursement in the event the meeting is somewhere, for example, on the Front Range. Dan called for the vote, and the motion was adopted: all in favor, none opposed, no abstentions. Kai brought up about the varied skills the board may want to consider. Mike brought up about increasing the size of the board. Harold said that at the last meeting it was determined that the board size would not be increased.
  - iii. Approval of Committee responsibilities resolution – Dan explained that this formalizes a process already in place. Doug moved that proposed Resolution No. 2010-01 Concerning Board Development Committee Responsibilities in the printed Board packet at page 41 be approved. Mike seconded, and the motion was adopted: all in favor, none opposed, no abstentions.

- b. Investment – John reported that we have a lot of expenses, so we reduced available cash. A \$100,000 CD at SCCU matured 12/15/2009 and Amy, John and Terry agreed to rollover \$60,000 of it to a CD that matures July 2010 and to transfer \$40,000 of it to the Operating Account. We have about \$170,000 in miscellaneous types of cash. Cash assets and restricted funds were about \$239,000 at year-end 2009. We are going to use a lot of cash in 2010. We'll build back up in 2011. Harold asked if we should do something less conservative with the endowment fund. Money for the endowment fund was set aside in 2005. The Board initially funded it and received a \$10,000 additional donation in 2009. John explained how the funds in an Endowment fund are handled. Harold referred to the Endowment Fund policy. Mike suggested pointing out the endowment fund as part of our fundraising efforts. Debbie H. volunteered to start a committee for seeking major donors. The Endowment Fund is not designated for any specific purpose at this time. It's now in a money market fund, CDs, and other short-term investments. Harold thinks the Investment Committee should reconsider these investments soon. John concurred and will work with the Investment Committee to review the investment of the endowment fund.
- c. Land Action (LAC) – Kai reported no real significant updates. LAC has not met since Oct. The biggest event that has occurred is the SLV Conservation Roundtable. It has a lot of potential, including networking for OLT. Establishing those connections for all of us is very important. The first Roundtable went really well and was successful. It will be a model going forward. The next step is probably establishing a structure for this. Mike indicated everyone at the Roundtable seemed hungry for this type of dialogue. Kai said that it was good for OLT in establishing us as a viable land trust. We have drafts of some policies of how OLT accepts and recommends CEs to the board; they need fine tuning. Kai wants the LAC to work on how it functions regarding voting and its composition with respect to the expertise on the LAC. State certification is a huge step forward for OLT and gives LAC a platform to start doing some work and for us to acquire some CEs.

Dan reassured everyone that we're not going to forget about the hot springs. We're growing the land trust and the hot springs is a part of that. The Board is trying to look at Neil and Terry's much broader vision of protecting the land, wildlife corridors, view shed and ranching lifestyle. It's a huge task, and that was part of bringing Amy on board. The hot springs is a key part of it. The Board is trying to focus its energies on bigger endeavors.

Kai said there is an extraordinary synergy between the hot springs and land trust. You won't find many land trusts that have financial assets of a commercial operation to work together with its land conservation and be able to combine its lifestyle with land conservation. This is incredibly powerful. Land conservation and the hot springs are definitely not separate components. Dan attended a seminar at LTA Rally on 'whole communities' wherein it was emphasized that a land trust cannot just preserve land, but must look at the people, resources and everything that encompasses that land and entire community, the big picture, and take a broad perspective.

- d. Land Management (LMPC) – Doug reported that the LMPC didn't meet since the last Board meeting. Now that the hot springs donation, Susman, and 3-mile view property are completed, it is immediate that we come up with management plans on these properties, including the hot springs property. LMPC will be busy going forward. Doug said that the main reason we get contributions is because we have the hot springs. We have such loyal supporters because we have the hot springs. It's very valuable.
- e. Resource Development (RDC) – Paul was absent. Therefore, there was no report. Minutes of the RDC's two December 2009 meetings were included in the Board e-packet for this meeting. Terry reported that RDC is meeting on this coming Tuesday. Terry reported on the raffle, which grossed about \$18,000 with about \$5,000 to 6,000 outflow in prizes. It netted about \$11,000, including \$1,000 expense from the 2008 raffle that came out of the 2009 funds. RDC is pursuing an auction in 2010 and giving the raffle a break.

Annie said RDC had a lengthy discussion about the vendor policy. Annie asked about the timeline for a policy decision. Amy reported she received staff input last week. They came up with principles. The policy will deal with sales and services separately. The plan is to build a massage deck by May 1 behind the main restroom for 3 massage therapists, which will double as a yoga deck. Every therapist will have to apply; all will be independent contractors, licensed, and insured. OLT will charge a flat fee; thinking of \$40/day in addition to the vendor's admission. It will be the vendors' responsibility to sign up their own clients. There will be possible geothermal heating on the deck and possibly covered. By Feb. 1, 2010, John L. will request comments from OLT membership, gather them, and Amy and John L. will draft the policy, then Amy will work with OLT's attorney on it. Amy will present the policy to the Board at the April meeting, possibly sooner. Early to mid-April, OLT will start taking reservations from vendors based on the same criteria as membership levels, including limiting number of days per month. Annie talked about scheduling clients. Annie is concerned about too many rules affecting people wanting to get massage. Amy said that there will possibly be three massage therapists + one Watsu person. Waivers from clients will be required. Annie said that it will be up to the practitioner to set his/her fees. Many therapists gave back a percentage to OLT without publicizing it. Annie thinks there will be more massage because there will be a decent space for it that will be covered. Deb thinks the cost will be market driven. Dan added that this process is a model of how policy is driven: committee, staff, membership, then recommendation to board. Amy responded to Keno's question that a flat fee will also be charged to vendors selling goods; that amount has not yet been decided.

- f. Steam Room – Mike reported that the steam room is the most requested amenity to enhance a visitor's experience and that it would increase winter visitation; would replace old wood fired sauna. Tara on the committee is an expert on steam room design. The basic design would seat 8-10 people, have hot rocks steam on demand unit in addition to an automatic steam generator, use between 12 and 14Kw, which is acceptable; must be ADA compliant because one type of each facility must be ADA compliant; must allow hydro circuit – steam room, sauna, cold dip, hot tub. The committee must have a low cost contract to provide preliminary design by the April Board meeting. There's no approval yet to build it. It may go out to membership for comments. We want to create a competition or notice for artistic submissions

that would allow us to embellish the steam room with art. For example, have some running water, series of colored glass in the wall in chakra sequence. If all goes well, we could break ground in Fall 2010, budget permitting. \$25,000 is budgeted for it. We could possibly build it for \$40,000 with volunteers. Amy thinks a lot of the work could be done by OLT staff. Oz estimates that it's a \$100K project if we were a corporation contracting the work. Location: Must be located near existing water facilities – looking now between the small hot tub and Site Q; this would allow a hydro circuit. A hydro circuit is not possible and endless ramps would be required if it were put where the old sauna was. Suggestion is to put ADA compliant bath as an addition to the existing pool bath. An additional bath by the pools is needed anyway.

Annie said people ask her about the steam room and overwhelmingly they would like to have a steam room soon without all the bells and whistles to be sure it happens. It's been years. Amy said the existing sauna will remain dry. Mike said it's possible to make the current sauna wet, but it would create maintenance problems because it's wood.

Terry said that the steam room doesn't have to be beautiful; the old sauna was really funky. Mike said the decision rests with the budget. John thinks the decision will be made today. John said that if it's \$25,000 in materials and \$15,000 in labor, it's in the budget.

ADA bath will include an ADA shower. Elevation of the trail ramp is the basis for the ADA compliant facilities. Trails don't have to be concrete; hard packed dirt is okay.

Dan said that the steam room will be guided by some principles that are part of the site development plan. Mike said that the artistic touches will be donated by members and will not necessarily be a cost to OLT. Mike said that we have to take into consideration outdoor temperature extremes for proper construction of the steam room.

Marilyn gave a brief introduction of herself upon Annie's request.

## XI. Unfinished Business

### a. Bylaw Change

i. BDR Policy annual review per LTA – Amy reviewed the policy, IRS regs and LTA S&Ps. At this time, she doesn't think we need an update. The policy requires that we have a baseline done any time we acquire fee simple property or a conservation easement (CE). Amy reported that Jeff is working on a baseline for the TNC CE. When he is done with that, he'll work on the Essen property baseline. She thinks we're not in violation of our BDR policy or LTA S&Ps, so long as we finish a baseline by April or May 2010. Regarding the Mine BDR, Amy will talk more about that in Executive Session in that monitoring is part of the DOW grant.

### b. Policy Change

i. & ii. Whistleblower Policy and Policy Alignment with Employee Handbook – Amy reported that once we joined Mountain States Employers Council, we sent our employee handbook to them for review. The Whistleblower Policy had some substantive changes. 2011 is the target for an ADA compliant cabin. The mine bathroom is not ADA compliant. The sauna



could be made ADA compliant. Harold moved that the Amendments to Employee Handbook at pages 42-44 of the printed Board packet be approved. Mike seconded, and the motion was adopted: all in favor, none opposed, no abstentions.

- c. Reservoir, Pivot Irrigation & Stream Restoration – Reservoir is over 50% excavated. Steve Johnson inspected it on Dec. 17, 2009, and said it was exactly to his specs. Amy reported that it's being dug to a depth of 12 ft. Fish will be moved sometime in April. No pivot irrigation will be done; it's delayed indefinitely. NRCS is fine with this. NRCS will not contribute if we purchase a used pivot. There is not a cost benefit with flood irrigation. We're putting our water to beneficial use so we are not in jeopardy of losing our water right. Sid has designed a way to clean the reservoir and a control box that NRCS has approved. US Fish & Wildlife Service's Partners for Wildlife started surveying Hot Springs Creek for the restoration work. It will remain a riparian area. A lot of the willows have died because they weren't irrigated. Amy asked NRCS to partner with us on weed control, which is in the budget. Knapweed and Russian thistle are really bad. Wildlands Restoration volunteers will bring approximately 30 volunteers in mid-May to replant the entire reservoir and creek connection with willows and native species. Sid will ensure they all take root. A native seed mixture will be put down before the fish are in the creek.
- d. Wastewater Treatment – Brilliam Engineering and Amy decided the mechanical plant is the way to go. It will be on 80 acres caddy corner from the old hydro power plant. The geotech work is done. Amy suggested spreading the costs over 3 yrs. instead of 2 yrs. 2010: lay 6" pipe, which will cost about \$8,000. Staff time is in the budget. We are getting an easement from the State Land Board for part of the pipeline corridor. 2011: get the engineering design and submit our application for a permit to the State. 2012: build mechanical plant, which will cost \$120,000 to 140,000. The effluent will be pretty clean, and this is the best system we could have. State regs. allow surface dispersion of highly treated water into an arroyo. Most of it will be underground. We'll need a building envelope for the plant and dispersion area. Amy suggests we finish paying for this in 2012. We're not out of compliance yet.

Deb asked why we're laying pipe before we're approved by State. Amy said that we're going on expert advice of engineers and because a permit would probably expire before we'd complete it. Doug explained that we're merely laying pipe. Harold commented that there is very little chance that the State wouldn't approve our permit. Amy said the plan is to create a wildlife habitat.

- e. Event to Acknowledge & Celebrate Founders & Their Donation – Amy said there are two pieces. We'd like to create a stone monument by the pool re: the donation and deed restriction. Neil and Terry like this a lot. The monument would be with a native perennial garden that Dan will work on. If the event is going to be offsite, Amy is looking at the Steamplant in Salida for the event with live music. Do we want to keep it in the Valley? It's not a fundraiser; it's a celebration. Neil and Terry feel like nothing is needed. Terry doesn't have a preference on the location for an event. Annie suggests that if we don't do it at OLT, keep it in the Valley. It's about honoring Neil and Terry and about TNC's CE. Fri. night may work best for TNC. Villa Grove Trade is a possibility. The Board is fine with Amy working with a task force on

this. Dan honored Neil and Terry for what they have accomplished and done with their donation to OLT. Harold said there was an element of wisdom in how they gave this gift.

The meeting recessed at approximately 12:00 noon. Following a break from lunch the meeting was called back to order at 12:52 pm. There were no additional questions/comments from guests.

- f. Assess Your Organization (AYO), Getting Started – Amy introduced Jeff Jones. We received a \$2500 grant from CCLT and LTA for an AYO certified assessor to help us with AYO. Jeff is a conservation fellow at CSU. He developed a 501(c)(3) conservation cooperative. Jeff summarized his background for the Board. A guided organizational assessment is a good way to understand the framework for conservation easements. When the process is finished, we'll have information on board priorities, a sense of what policies are in place, what needs to be updated and created, and a written report from Jeff. We'll evaluate our policies to see if they meet LTA S&Ps. We'll be in a better position for the accreditation process. Amy said we need to get CE transactions under our belt before we apply for accreditation. We must show that we are implementing the policies. We must apply for accreditation within 3 yrs. of completing the AYO process. Jeff guessed that one-fourth of CO land trusts are accredited. LTA is only in its third round of accreditations. Kai said that accreditation is a benchmark for land trusts. It takes about one year to go through the accreditation process. CO Cattlemen's Agricultural Land Trust estimates its staff spent 100 to 150 hrs. on the process. Jeff thinks we could apply for accreditation without having a couple CE transactions. Amy referred to our discussions with the State about certification in which they said that they would have preferred that we had at least one CE before applying for certification.

Jeff highlighted the process. He's already been collecting documents, which is step 1. The board will meet in 2 weeks for 2 to 4 hours following review and completion of the AYO booklet. Then, they'll evaluate the process, then move into the implementation stage. It will continue in that we're already creating and amending policies.

The deadline to fill out the workbook is 2 weeks. Bring your workbook to the meeting. The CCLT grant runs out March 31, 2010, but it may be possible to get that extended for a week or so. The Board must reach a consensus on each of the questions in the AYO workbook. The goal is to do a consensus based process and develop a report on values to move forward to writing recommendations, then implementing the policies. This will result in a consensus assessment of LTA S&Ps for OLT. Tues., January 26, 2010 at 5:30 PM will be the meeting/teleconference at Dan's house in Denver to go over workbook responses. Board, Barb, and Amy are to email answers to Jeff's pre-retreat questions this week. Questions need to be answered as of this point in time. Contact Jeff with any questions.

## XII. New Business

- a. 2010 Budget – Amy brought up folding the ranch revenue into the land conservation budget: \$12,000 ranch revenue and \$34,000 ranch expense. Amy did this in her handouts. John started with the Land Conservation P&L budget overview. Treatment of funds can be changed internally so long as it is okay with our CPA and with board approval. It was decided that

people can earmark funds for either Visitor Services or Land Conservation, but we'd prefer that they do not further request that their donation be for a specific project. Kate at TNC estimated our stewardship donation would be \$5,000, but we're budgeting more because of potential issues that might arise in the process. \$34,000 in ranch improvements is to complete the reservoir and weed control. NRCS has also agreed to partner with us on the weed control. NRCS will reimburse us for almost all of the pipe. The \$34,000 includes the cost to remediate the old reservoir.

Professional fees include legal, survey, OLT's share of due diligence and transaction costs for a CE, a lot of which could be reimbursed. The policy is to be written. This line item includes money out that may come in as a grant for consultants. 80% of unrestricted contributions go to land conservation fund; 20% goes to stewardship fund. Now we have just under \$9,000 in the stewardship fund. The formula approved at the Sept. 19, 2009 meeting results in seeking about 15% from a CE owner as stewardship funds for the CE. Harold brought up that there are no salaries or overhead in the Land Conservation budget. John wants to see the overall impact first, then, if we wish to do so and if a CPA recommends, we can move some of that expense into the Land Conservation budget. Jeff does not think that putting salaries into the Land Conservation budget is against LTA S&Ps. Jeff said that the average CE transaction costs a land trust about \$25,000 separate and apart from transaction fees.

Visitor Services (VS) budget: \$32,500 government grants is the NRCS grant. Amy and John believe \$10,000 in vendor fees is a conservative estimate. We are being conservative in our visitor services fees in increasing it less than the 8% increase that we had from 2008 to 2009. Technology consultants line item is mostly for C. Miller for work on the database. \$65,000 new construction: \$15,000 ADA bath, \$8,000 for pipe for wastewater treatment system, \$25,000 steam room, \$5,000 deck, cover, netting? for massage therapists & yoga, \$12,000 for misc. which includes \$3,000 pipe storage building completion. Amy said that new furniture was purchased in December. Geothermal heating of cabins has been put off. Amy sees it 2-3 years out. Governor update was included in the 2009 budget except for \$1100 which is out of the 2010 budget. 2010 includes a summer front desk person for 4 days/week 8 hrs./day. Mike asked Amy about a volunteer coordinator. Amy said this has not yet been decided.

OLT donates to neighboring land trusts, CCLT, LTA and other land trust organizations, and educational programs related to OLT's mission as well as to various fundraising events of related organizations. A lower insurance premium is a savings. Professional (legal) fees was moved to the Land Conservation budget. The budget is seeking to transfer to the visitor services operating account from capital reserve fund \$60,000, which is about 1/3 of the amount in that reserve. While over the next 4 to 5 yrs., VS cash flow is negative, the Land Conservation cash flow is growing. John said that we need to have sufficient funds in the VS budget to continue to make infrastructure improvements. At end of 2013, John's scenarios show that the VS budget has no cash because of the wastewater treatment plant, for example. Land Conservation Specialist in 2011 budget is actually part of Terry's and Barb's time. Harold said that infrastructure improvements are very limited in 2011. How much overhead is going to be out of each fund? Fundraising projects? Conservation projects? John said we need to continue to improve the visitors' experience at the hot springs. Harold said this portends a

dilemma between the budgets and funds taking into account our tag line: 100% of unrestricted funds go to land conservation. Harold pointed out that admission fees probably won't be raised for another 2 yrs. Amy said the steam room is an investment, which may increase winter visitors and therefore, late fall, winter, early spring revenue. John L. doesn't see the rate increase decreasing the number of visitors so far this year. The Board needs to decide if there should be fundraising for visitor services vs. land conservation. People may be coming to us wanting us to purchase their land. Amy thinks we should focus on partnering with agencies and CEs. She thinks that we will not have this much money in 5 years. We will spend it on professional fees, land transactions. Harold said we should in 2010 put our best estimate for overhead into the land conservation budget. Amy thinks we should wait until 2011 to do this after we pay back the Visitor Services operating account for Susman and pay back more of Essen. Harold thinks good accounting procedures would dictate that we do this. Dan asked if there is a middle ground in putting a smaller amount from VS to the land conservation budget. John said that we will estimate a reasonable amount for overhead for land conservation. Doug agrees that we should begin to do this. Kai said it's important that donations are not eaten up by overhead, that there are hard funds for easement acquisitions. Land conservation time: 40% Amy's, 100% land conservation specialist (\$15,000), 40% board sec. + 10% Terry's time = \$53,735. We are using less than one-third of the land conservation budget on overhead. Jeff thinks \$50,000 in land conservation budget for overhead will take a lot of explaining and begs the question of how sustainable the land trust is. Jeff said you have an internal budget and one for audit and accreditation purposes. Dan suggested putting only Jeff's fee into the Land Conservation budget. Harold said the bigger picture is that we're making viable the land conservation budget through the VS budget. Marilyn asked that if we have a significant balance in the land conservation fund in say 5 years, will we be inhibited from using that for visitor services infrastructure? Harold suggested taking out of the Land Conservation budget the \$34,000 for the reservoir. Jeff thinks the \$117,500 in the Land Conservation budget is pretty low but right on. Harold pointed out that we're leveraging the money with overhead and that we have to legitimize this by calling it an investment, not bureaucracy, and not just overhead.

Harold moved as follows:

- accept Amy's handout proposed 2010 Visitor Services budget removing the \$34,000 ranch improvements and removing the \$12,000 ranch revenue line items
- accept Amy's handout proposed 2010 Land Conservation budget adding the \$34,000 ranch improvements and adding the \$12,000 ranch revenue line items
- add \$53,735 in salaries/overhead to the 2010 land conservation budget from the Visitor Services budget based on the following percentages of staff time:
  - Executive Director: 40%
  - Land Conservation Specialist: 100%
  - Board Secretary: 40%
  - Office Manager: 10%
- release \$90,000 from capital reserves with \$40,000 to the Visitor Services operating account and \$50,000 to the land conservation fund.

- suspend setting aside \$6,000 monthly for the capital reserve fund until at least April 2010.

Doug seconded, and the motion was approved, all in favor, none opposed, no abstentions. Amy will email a revised budget to the Board.

- b. Strategic Plan & Vision for OLT Based on Mission, Long-term Goals – Dan said we accomplished a lot of great things during the Sept. 19-20, 2009 weekend. We need to put in place the remaining pieces. He suggests 4-6 hrs. to complete this. Harold would like a facilitator. Harold and Mike were disappointed with the prior facilitator’s work with OLT. Amy suggested rewriting the 2005 strategic plan switching more of the focus to land conservation from hot springs operation based on the revised mission statement and goals. Marilyn and Amy think the Board can do it without a facilitator. Amy said some of it will be in Executive Session. Keno told Dan that there will be an online petition that will bring up issues that members want to talk about with the board. Dan suggested to Keno a dialogue with members in July at the time of the annual meeting. John agreed that we have to reestablish our relationship with the public. Amy said we’re doing that to some extent with the process for the vendor policy and site plans. Deb said that some people who visit the hot springs don’t understand about the land trust. Perhaps an educational piece would be good. We need to look at the bigger purpose. Amy agreed that the membership still needs to be educated, although John said that education has been ongoing for 5 yrs. Harold said that the need to inform and educate will not go away. John is glad that we’re finally putting some money into infrastructure. Jeff suggested a strategic plan for both land conservation and the hot springs and a separate land conservation strategic plan. Amy said that this is part of the GOCO grant. Dan proposed that Barb, Amy, and Dan come up with a detailed agenda for 3 days in April, starting Fri. at 10 or 11 AM with TNC, Sat. full day, Sun. full morning and hopefully time in the afternoon to tour the Sand Dunes. Fri. night will be the big celebration of Neil and Terry’s donation of the hot springs parcel.
- c. Easements – Dan brought up that the Conflict of Interest policy requires him to ask if there is a conflict of interest before any discussion or any vote of the Board pertaining to real property, including regarding land management and acquisition of interests in real property, and if so, it should be brought up. Harold said that the Board needs to decide whether there is a conflict of interest and whether someone should recuse him/herself from a vote; it is not automatic. 1. For TNC CE transaction - Doug noted and Terry and Neil noted that they own adjacent property. Dan has named both OLT and TNC in his estate plan. Amy said that this should have been brought up in July at the time of approval of the resolution on the hot springs donation. Amy thinks Doug is conflicted. 2. For Susman – no conflicts were mentioned. 3. For Essen – Doug has been hired by Essen to do work for him. The Board didn’t feel this presented a conflict.
- i. Nature Conservancy – determine building envelope boundaries - Amy led the discussion of building envelopes. Old governor is inside the building envelope. Harold asked, what can we do outside the bldg. envelope? Whatever we want to do, including any improvements, outside the building envelope must be written in the CE document. Amy said that we have to be very forward thinking. Camp sites will be defined in the CE document as “recreation

sites.” We must give ourselves allowance for additional camping sites, for example, and we must define for example, if ‘primitive campsite’, what that means. Maintenance is different; we may maintain what is already there. There is conservation value in water and therefore it must be preserved. Neil suggested that building envelope attributes must be clearly defined. Neil pointed out with his drawing that in addition to GPSing coordinates, we must consider where the springs are, where they percolate, and how they affect the hillside and identify issues within the building envelope because of the location of water. Based on his experience with CEs and building envelopes, Kai disagrees with going so micro and instead suggested developing building restraints and placing building guidelines within the building envelope. Amy explained that point further in that certain criteria will be defined within the building envelope.

Amy said that we’re creating a list for TNC that will be incorporated into the first draft of the CE, which includes a list Neil is developing and a report from Jeff. Harold pointed out that the site plans tie into the determination of the building envelope. Harold is okay with a larger building envelope if we have specific criteria within the building envelope. Jeff said that what happens within the building envelope that could affect the conservation values of the property TNC will want to weigh in on. Jeff said if he were the CE owner, he would be looking at the big picture. We need to be mindful of the hydrology. The CE owner has more control than the CE holder over the land use in a building envelope. Amy must get the building envelopes surveyed. Amy will bring board recommendations for building envelopes to TNC; once they’re okayed by TNC, Amy will get them surveyed. Kate hasn’t expressed any concern to Amy about building envelopes. TNC wants an official survey. Jeff can’t finish the baseline until the building envelope boundaries are determined. The Board’s consensus is to go with the larger building envelope over the hot springs property. The CE has the potential of being able to rebuild the old ‘bridal’ pool by hand if it is outside the building envelope. Dan pointed out that TNC may come back and ask OLT to shrink the envelope. Harold wants our long-range plans to determine it. Kai explained that we are not required to build to the boundaries. Amy said that some existing structures are driving the boundaries. Kai said, based on his experience, a CE holder tends to be very generous with an owner’s request for building envelopes. Neil said that part of the conservation value is our view. Harold is hearing consensus for two parallel lines on the north and south of the hot springs area.

Kai suggested making the Ranch building envelope bigger unless it significantly affects conservation values. Amy suggested adding another acre to make it 5 acres total. Neil said that there used to be many more buildings on the Everson Ranch. The north side of the driveway is irrigated, so we could extend the building envelope on the south. Jeff and Amy will re-GPS the hot springs bldg. envelope adding about one acre on the north. Further discussion led to the following motion. John Eiseman left the meeting for a short time.

Marilyn moved that the following building envelopes for the TNC conservation easement be as follows modified from the draft building envelopes in the printed board packet:

1. for the Valley View Village area, parallel lines west and east up to 28 acres
2. for the Ranch, 8 to 10 acres

3. for the hydro plant, 4 acres

4. for the wastewater treatment plant, 3 acres

for the above four points, the actual boundaries are to be determined following GPS and walk-through and are subject to final board review and approval.

Harold seconded, and the motion was approved: Doug, Harold, Kai, Marilyn, Mike in favor, none opposed, no abstentions. John was not present for this vote.

- d. Site Plans for Village – evaluate 3 architect’s proposals – Dan will send out an email and will request feedback before Feb. 2 to guide planning for this discussion at the April meetings weekend. John returned to the meeting.

XIII. How did we do today? Self-examination on our governance – Dan asked for feedback. Marilyn thinks the Board deserves a pat on the back. Harold thinks the Board worked through some knotty issues. Doug thinks we stayed on track. Marilyn said we’re staying attuned to everyone’s input. Mike suggested possibly different outreach in order to get out accurate information. The site plans generated feedback. Amy commented on the process for the vendor policy and staff taking the lead on this and the cell phone policy, for example. She complimented John L. on his lead in drafting these policies. Discussion ensued about cell phone usage.

XIV. Executive Session - The regular Board meeting adjourned at 4:47 PM, and the Board reconvened in Executive Session at 4:48 PM.

Submitted by:

Approved by:

\_\_\_\_\_ / \_\_\_\_\_

\_\_\_\_\_ / \_\_\_\_\_

Barbara Tidd, Secretary

Date

Dan Jones, Chair

Date