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## RECORD OF PROCEEDINGS

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### REGULAR MEETING OF THE BOARD OF DIRECTORS THREE LAKES WATER AND SANITATION DISTRICT MONDAY, AUGUST 12, 2019 6:30 PM

1. **CALL TO ORDER**

A regular meeting of the Board of Directors was called to order by Chairwoman Farmer, at 6:30 p.m. at the Administration Building, 1111 County Road 48, Grand Lake, CO 80447

Directors Present: Pat Farmer – Chairwoman  
Matt Reed – Vice Chairman  
Les Shankland – Secretary/Treasurer  
Judy Acierno – Director  
Scott Huff – Director

Staff Present: Katie Nicholls – District Manager

2. **COMMENTS BY THE CHAIRWOMAN**

None.

3. **INTRODUCTIONS OF PUBLIC PRESENT**

Stan Spencer and Jim Simoni were present.

4. **ACCEPTANCE OF MINUTES**

By **MOTION**, second, and unanimous vote the July 8, 2019 Minutes were approved as presented.

5. **MATTERS BEFORE THE BOARD**

a. **Consideration of request for reimbursement of costs from William Babich**

District Manager Nicholls presented the request for reimbursement costs from William Babich. Payment of \$11,058 is being requested for the replacement of a tree with an irrigation system. She noted that the invoice was not clear and that the attorney for the District requested an itemized invoice, which was not provided. A discussion ensued regarding the invoice, settlement requirements, attorney costs, and location of the tree to various utility easements. The Board directed Staff to reiterate that they will not consider any requests until all invoices are submitted at once with a release of claim.

b. **PUBLIC HEARING: Resolution 2019-8-1; a resolution adopting supplemental budget and appropriation for 2018**

Chairwoman Farmer opened the Public Hearing. District Manager Nicholls explained that the Debt Service Fund was \$70 over appropriation in 2018 due to County Treasurer Fees. A supplemental budget and appropriation needs to be adopted by the District. There being no public comment on the matter Chairwoman Farmer closed the Public Hearing. By **MOTION**, second and unanimous

vote the Board approved Resolution 2019-8-1; a resolution adopting supplemental budget and appropriation for 2018.

c. **Approval of 2018 Audit by McMahan and Associates, LLC**

District Manager Nicholls stated that the 2018 audit report was adjusted with the adoption of the supplemental budget adjusting appropriation for the \$70 in county treasurer fees. By **MOTION**, second, and unanimous vote the Board approved the 2018 Audit by McMahan & Associates, LLC.

d. **Continued discussion regarding requirement for bathrooms located within detached garages**

District Manager stated that the Board needed to continue their discussion regarding District requirements for bathrooms located within garages. Topics for clarification were breezeways, service line to service line connection, and assessment rating. The Board acknowledged Stan Spencer, 1380 GCR 64. Mr. Spencer provided relevant information pertaining to discussions he witnessed recently at the Grand County Commissioners Meetings. Discussion ensued regarding the definition of a breezeway and property still being considered detached, allowing service line interconnection for accessory units that are not dwellings, single family equivalent rating for service line interconnections versus individual service lines, and existing half taps. The Board directed Staff to prepare the recommended changes for a public hearing for approval at the next board meeting.

e. **Resolution 2019-8-2; a resolution designating the District's website as the location for posting notice of regular and special meetings of the Board of Directors**

District Manager Nicholls stated that the resolution was in response to a new law that went into effect on August 2, 2019 designating District websites as the location for posting meeting notice. By **MOTION**, second and unanimous vote the Board approved Resolution 2019-8-2; a resolution designating the District's website as the location for posting notice of regular and special meetings of the Board of Directors.

f. **Discussion regarding tap fee and user rate fees based upon updated rate**

District Manager and Treasurer Shankland presented the updated Rate Study to the Board. Noting changes made to the workbook, the removal of tap fees in the equation as they cannot be counted on as a revenue source, and the revenue requirements for the next 10 years. Discussion ensued regarding the required rates to keep the District solvent and the need to educate the constituents. The Board directed Staff to prepare a public hearing for a \$2.00 per month or \$6.00 per quarter increase for 2020, and also prepare a press release regarding the necessary continued rate increases.

g. **Discussion regarding potential Bylaws changes to match legislative updates**

District Manager Nicholls stated that the District Bylaws need to be updated to match recent legislative updates. Changes proposed are to meeting notice, election year information, and Director compensation to match current state statute. The District Bylaws require changes be discussed at a separate meeting prior to adoption.

h. **Approval of Day & Associates, PC Invoice**

District Manager Nicholls stated that Day & Associates, PC invoice exceeded the amount in their engagement letter. This was due to an under estimation on their part in the work needed to close out the books, it took twice as long as anticipated. They had to recreate the depreciation schedule from scratch and make many more account postings than expected. While this work was necessary in closing out the books, it also overlaps with the work required in preparing the books for them to

begin creating the monthly statements, which is expected to occur in the next couple of months. By **MOTION**, second and unanimous vote the Board approved the invoice from Day & Associates, PC.

6. **PUBLIC COMMENT**

None.

7. **FINANCIAL REPORTS**

By **MOTION**, second, and unanimous vote the checklist for the month of July was approved. The financial documents for July were reviewed and accepted as presented.

8. **MATTERS OF DISCUSSION AS BROUGHT FORTH BY BOARD MEMBERS**

Vice Chairman Reed stated he felt that the District should attend some of the UCC meetings held throughout the county. A brief discussion ensued and Staff was directed to attempt to attend at least a couple a year.

9. **SUPERINTENDENT REPORT**

District Manager Nicholls presented the Superintendent Report.

10. **DISTRICT MANAGER REPORT**

District Manager Nicholls presented the District Manager Report. A discussion ensued regarding the ACH and terminating all banking ties with Wells Fargo.

With no further business before the Board, the meeting was adjourned at 8:17 p.m.

  
Katie Nicholls, Reporting Secretary

  
Les Shankland, Secretary/Treasurer