



RECORD OF PROCEEDINGS

REGULAR MEETING OF THE BOARD OF DIRECTORS THREE LAKES WATER AND SANITATION DISTRICT MONDAY, JULY 12, 2021 6:30 PM

1. **CALL TO ORDER**

A regular meeting of the Board of Directors was called to order by Chairwoman Farmer, at 6:35 p.m. The meeting was held remotely.

Directors Present: Pat Farmer – Chairwoman
Scott Huff – Secretary/Treasurer
Mike Golden – Director
Judy Acierno – Director
Matt Reed – Vice Chairman – *arrived at 7:06 p.m.*

Staff Present: Katie Nicholls – District Manager
Mike Gibboni – Superintendent
Tara Knutson – District Bookkeeper

2. **COMMENTS BY THE CHAIRWOMAN**

By MOTION, second, and unanimous vote the Board excused Vice Chairman Reed's absence from the previous meeting.

3. **INTRODUCTIONS OF PUBLIC PRESENT**

Dan Cudahy – McMahan & Associates, LLC
Allison Ulmer – Collins, Cockrel & Cole, P.C.
Carolyn Steffl – Moses, Wittemyer, Harrison & Woodruff, P.C.

4. **ACCEPTANCE OF MINUTES**

By MOTION, second, and unanimous vote the June 14, 2021 Meeting Minutes were approved as presented.

5. **MATTERS BEFORE THE BOARD**

a. **Presentation of 2020 Audit – McMahan & Associates, LLC**

Dan Cudahy presented the 2020 audited financial statements. He stated that the audit went well with no difficulties. Internal controls are good and they did not have any recommendations for improvement. The District is financially sound as of December 31, 2020 with about \$4 million in available resources on a budget of about \$2.8 million. There were only a few adjustments. Director Golden questioned how the District compares to other

Districts of similar size. Mr. Cudahy stated the District's position is very strong and likely among the top 20 percent in savings.

b. **Motion to approve 2020 Audit**

By **MOTION**, second, and unanimous vote the Board approved the 2020 audited financial statements.

c. **Discussion: legal counsel representation**

District Manager Nicholls stated that Carolyn Steffl has informed the District that she is leaving her current firm, Moses, Wittemyer, Harrison and Woodruff on August 1, 2021. The firm will only be offering water legal representation following her departure, no general counsel will be offered. The District will be required to change firms for general counsel. Carolyn will be joining the firm Dietze and Davis. She further stated that an alternate firm, Collins, Cockrel and Cole (CCC), was asked to provide a proposal due to their history of special district legal representation.

Carolyn Steffl re-introduced herself to the Board and provided a brief outline of her resume and history with the District. The Board inquired into the firm's ability to provide representation during potential absences. Allison Ulmer with CCC introduced herself to the Board and provided a brief outline of her resume. Both attorneys excused themselves from the meeting. A lengthy discussion ensued regarding the individual attorneys, both firms resources, fees, and transition from the current firm.

Vice Chairman Reed arrived at 7:06 p.m.

d. **Motion to engage legal counsel representation**

By **MOTION**, second, and unanimous vote the Board approved engagement of general legal counsel services with Collins, Cockrel and Cole P.C.

e. **Consideration of request to refund tap fee: 562 GCR 47**

Item was removed from the agenda.

f. **Resolution 2021-7-1: a resolution approving amendment to the employee handbook**

District Manager Nicholls stated that per the Board's direction she has drafted up the change to the Employee Handbook to remove the Pay for Performance Incentive section, modify the cost-of-living adjustment, and add merit increases. By **MOTION**, second, and unanimous vote the Board approved Resolution 2021-7-1; a resolution approving amendment to the employee handbook.

g. **Special Request: Consideration of temporary variance for 1247 GCR 47**

District Manager Nicholls stated that Michael and Pamela Golden, owners of 1287 GCR 47, are seeking an extension of their temporary variance from connection due to denial of necessary easements. Mr. Golden has provided an updated easement denial letter, letter of

request, and a check for the required \$750 special request fee. By **MOTION**, second, and unanimous vote the Board approved the temporary variance for 1247 GCR 47. Director Golden abstained as he was the applicant.

h. Discussion: short term rental assessment

Vice Chairman Reed stated that one of the County Commissioners is trying to get some traction on regulating short term rentals through zoning. The commissioner inquired if other entities could benefit from it and had a stance. A lengthy discussion ensued regarding general opinions, usage impact, research on other Districts, and community impact. The Board decided that no action could be made at this time.

6. PUBLIC COMMENT

None.

7. FINANCIAL REPORTS

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

8. MATTERS OF DISCUSSION AS BROUGHT FORTH BY BOARD MEMBERS

Director Acierno stated that her nephew is having difficulty getting connected. He purchased a tap two years ago and cannot get anyone out to connect him despite persistent efforts. A discussion ensued regarding contractors, user fee commencement, and the overall building environment.

9. SUPERINTENDENT REPORT

Superintendent Gibboni presented the Superintendent report.

10. DISTRICT MANAGER REPORT

Manager Nicholls presented the District Manager report. She noted that August could be a remote meeting, and the September 13th meeting will need to be moved due to SDA Conference travel for the majority of the Board. The Board decided to move the September meeting to September 20, 2021. The meeting will be in person meeting, with remote option, due to a likely Public Hearing to increase user fees for 2022.

With no further business before the Board, the meeting was adjourned at 8:22 p.m.


Katie Nicholls, Reporting Secretary


Scott Huff, Secretary/Treasurer