



---

## RECORD OF PROCEEDINGS

---

### REGULAR MEETING OF THE BOARD OF DIRECTORS THREE LAKES WATER AND SANITATION DISTRICT MONDAY, JULY 8, 2019 6:30 PM

1. **CALL TO ORDER**

A regular meeting of the Board of Directors was called to order by Chairwoman Farmer, at 6:35 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

Staff Present: Katie Nicholls – District Manager  
Mike Gibboni – Superintendent

2. **COMMENTS BY THE CHAIRWOMAN**

Chairwoman Farmer noted Director Scott Huff's absence due to a planned vacation. By **MOTION**, second, and unanimous vote the Board excused Director Huff's absence.

3. **INTRODUCTIONS OF PUBLIC PRESENT**

None.

4. **ACCEPTANCE OF MINUTES**

By **MOTION**, second, and unanimous vote the June 10, 2019 Minutes were approved as presented.

5. **MATTERS BEFORE THE BOARD**

a. **McMahan and Associates, LLC – 2018 Audit Presentation**

Dan Cudahy, McMahan and Associates, presented the preliminary 2018 financial statements. He stated that the audit went well, and there was a significant improvement in the number of adjustments needed. They recommend the District reconcile Quickbooks against ADG monthly. He further stated that the District was financially sound as of December 31, 2018 with about \$2.6 million in available resources, with a net increase of \$720,000. He concluded by stating that the District significantly improved in preparing for the audit this year. The Board inquired if McMahan and Associates would provide a more competitive bid for 2019. Mr. Cudahy stated he believed that was likely due to the positive changes made by the District.

District Manager Nicholls stated that prior to approval of the audit the Board will need to amend the 2018 budget to account for expenditures in excess of appropriations. She reminded the Board that this was discussed as a possibility when the Board opted to pay off the vmSCADA system instead of opting for the lease-purchase agreement with the high interest rate. After a brief discussion it was decided to amend the budget and approve the audit at the regularly scheduled meeting in August.

b. **Consideration of bidding out 2019 audit**

District Manager Nicholls inquired if the Board would like to officially bid out the 2019 audit. She noted that it has been the Board's practice to change auditors after three years, and this was the fourth year that McMahan has completed the District's audit. She further noted that the Board had enlisted the services of Day & Associates for monthly high-end accounting services. Discussion ensued regarding the previous practice of changing auditors, time and monetary advantages of keeping the same auditor, and the addition of the accountant services. After a brief discussion the Board decided to table the item until the final bill from McMahan was received to see if the contingency clause of the agreement was engaged and if it was reasonable.

c. **Resolution 2019-7-1; a resolution approving an addition to the Employee Handbook to include certification increases**

District Manager Nicholls stated that per the Board's request the resolution will officially insert the certification increase scale into the employee handbook. By **MOTION**, second, and unanimous vote the Board approved Resolution 2019-7-1; a resolution approving an addition to the Employee Handbook to include certification increases.

A brief discussion ensued regarding the Lead Operator's wages. The Board directed Staff to make the necessary wage increase effective immediately.

d. **Consideration of request to temporarily suspend user fees for property located at 70 Mad Moose Lane, due to an individual catastrophic event**

District Manager presented the request of Mark McLean, owner of 70 Mad Moose Lane. Mr. McLean was recently a victim of a house fire. By **MOTION**, second, and unanimous vote the Board approved the request to temporarily suspend user fees as outlined in 7.17 of the Rules and Regulations for property located at 70 Mad Moose Lane, due to an individual catastrophic event.

e. **Discussion regarding requirement for bathrooms located within detached garages**

District Manager Nicholls stated the installation of bathrooms within garages is a frequent question from property owners who like to utilize their garages for more than just the storage of vehicles. The District does not have anything addressing the matter in the Rules and Regulations. Historically Staff have rated a bathroom in a detached garage at 0.50 SFE and have required a separate service line to the building. She noted that if a homeowner installs a breezeway from the home to the garage, Staff has been considering the garage attached.

A lengthy discussion ensued regarding tap requirements, system load, the potential effects of allowing service line to service line connections, if breezeways constitute being attached, length of breezeways, and potential financial impacts to the District. The Board directed Staff to research the number of existing half taps, tap fees paid, and impact on user fees.

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 April were reviewed and accepted as presented.

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

Vice Chairman Reed inquired about confined space training for the operators, noting that the Grand Lake Fire Department has offered to provide this and other training sessions upon request.

9. **SUPERINTENDENT REPORT**

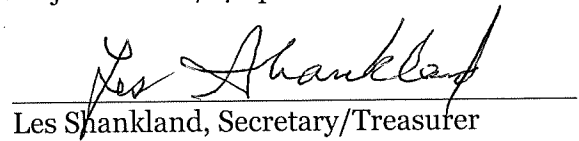
Superintendent Gibboni presented the Superintendent Report. A discussion ensued regarding the upcoming meeting with the County and other sanitation districts concerning the need for a sludge disposal facility located within the county.

10. **DISTRICT MANAGER REPORT**

District Manager Nicholls presented the District Manager Report. Secretary/Treasurer Shankland requested that the rate study be available in an interactive capacity for the tap fee and user fee discussion at the next meeting.

With no further business before the Board, the meeting was adjourned at 7:40 p.m.

  
Katie Nicholls, Reporting Secretary

  
Les Shankland, Secretary/Treasurer