

RECORD OF PROCEEDINGS

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS THREE LAKES WATER AND SANITATION DISTRICT

HELD

Monday, July 9, 2018
6:30 p.m. at the Administration Building
1111 County Road 48
Grand Lake, CO 80447

A regular meeting of the Board of Directors was called to order by Chairwoman Farmer, at 6:30 p.m.

The following Directors were present and acting:

Pat Farmer
Scott Huff
Matt Reed
Les Shankland

Staff present: Katie Nicholls, District Manager
Mike Gibboni, Chief Operator
Jessica Selvog, District Secretary

COMMENTS BY THE CHAIRWOMAN

Chairwoman Farmer had no comments.

INTRODUCTIONS OF PUBLIC PRESENT

John Waller
Nancy Goes
Steph Wall – arrived late

ACCEPTANCE OF MINUTES

By **MOTION**, second, and unanimous vote the June 11, 2018 and June 18, 2018 Minutes were approved as presented.

MATTERS BEFORE THE BOARD

John Waller – 2365 US Highway 34 (Lot 13, Block 8 Pine Beach Subdivision) – User fees on vacant land property
Katie stated that John Waller is the current owner of Pine Beach Subdivision Lot 13, Block 8, more commonly known as 12365 US Highway 34. The property has 10.5 taps, which were originally purchased in 1982 at \$2,500 each for a 19 unit motel and one residence. In 2001, one unit was abandoned and the SFE usage changed to 10 SFE's, the tap record remained at 10.5 taps. On June 14, 2011 a fire occurred resulting in the demolition of the buildings on the property. The user fees have continued to be charged per this policy. Mr. Waller is in disagreement with having to pay user fees on the inactive taps.

John Waller stated that the District and the County required him to cap off the lines prior to approving his building permit to tear the building down to keep surface water out of the system. The bills from the District are for user fees, but he is unable to use the system since it is capped off. He further outlined billing inconsistencies within the District. Stating some property owners pay user fees while others do not. A discussion ensued regarding the rules and regulations, tap abandonment, value of a tap, and available use of the tap.

Sloopy's Grill – 39 GCR 48 – Payment of 1 sfe tap

Katie stated that per the Board's request Sloopy's Grill is before the Board for consideration of payment of the 1 sfe tap purchase required. Promissory notes are given by the District for a period of four years with an interest rate of prime plus one percent. A discussion ensued regarding the error in delay of the reassessment by previous staff, amount of time to allow for repayment, sale of the property, and if a precedent would be set. By **MOTION**, second, and unanimous vote, the Board approved a zero percent interest promissory note and lien for a period not to exceed 120 months, due in full upon sale of the property to pay for the previously agreed upon \$7,000 tap fee. Additionally, the agreement shall state the surrounding circumstances of the decision granting these terms are due to an error in delay of reassessment by previous staff.

Consideration of intergovernmental agreement with the Town of Grand Lake – additions of MPMC and SCADA antennae

Katie stated that at the June 18, 2018 Special Meeting, the Board indicated their desire to consider the joint request from Middle Park Medical Center (MPMC) and the Town of Grand Lake to delay the payment for a period of three years of the additional sfe taps required for a proposed medical clinic located at the Grand Lake Center. Since this time, the District has identified the need to place a SCADA antennae on top of the Town's water tower for use with the District SCADA system. While the water operator has verbally agreed to the placement of the antennae, it is to the District's benefit to get the agreement in writing. A discussion ensued regarding public recognition from MPMC and the Town of Grand Lake for agreeing to the delay in fees, and the Town expediting District project approvals. By **MOTION**, second, and unanimous vote the Board approved the intergovernmental agreement with the addition of public recognition by the Town, the Town providing adequate power to the antennae at no cost to the District, and the Town shall promptly issue permits on projects located within Town limits.

Consideration of engagement with McMahan and Associates, LLC to perform Agreed-upon Procedures

Katie briefly outlined the proposal by McMahan and Associates regarding customer billings and collections. By **MOTION** and second, and unanimous vote, the Board approved engagement with McMahan and Associates, LLC to perform Agreed-upon Procedures for the District.

PUBLIC COMMENT

None.

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.

MATTERS OF DISCUSSION AS BROUGHT FORTH BY BOARD MEMBERS

Director Huff stated he felt that the Board should look at the issue raised by Mr. Waller regarding user fees on non-connected taps. A discussion ensued regarding the rules and regulations, lack of a catastrophic events policy, and the cost of service study.

CHIEF OPERATOR REPORT

See attached written report.

DISTRICT MANAGER REPORT

Golf Course Fire

The whole community was very lucky with the Golf Course fire, which was located across the street from the District office. The District had some issues with the SCADA system and water tests were lost.

Audit

The 2017 audit has been extended until September 30, 2018. The auditors are unable to make our August or September regular meetings, so a special meeting will have to be set for their presentation. The Board set a Special Meeting for August 20, 2018 at 6:30 p.m.

Copper Compliance

Katie stated that Staff and Kennedy/Jenks met with CDPHE, CWRPDA, and DOLA for the prequalification meeting for the State Revolving Fund loan needed for the copper compliance project. Confirmation of initial eligibility has since been received. While there are several steps in between, application submittal is planned for November 15th, with approval by the funding board in January 2019. Signature will not occur until after the Governor signs the state revolving fund in March.

Condominium and Modular Update

Katie provided an update on the properties. The condominium will be listed following some cleaning and repairs already scheduled. The modular will not be listed unless Wes House has declined interest.

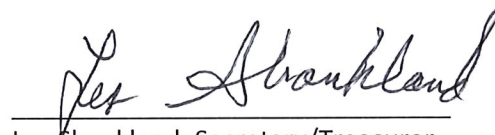
Budget & Accounting Forum

SDA is having a Budget & Accounting Forum in Evergreen, CO on Tuesday, July 31, 2018 from 9 am to 4 pm.

With no further business before the Board, the meeting was adjourned at 7:46 p.m.



Katie Nicholls, Reporting Secretary



Les Shankland, Secretary/Treasurer

July, 2018

Chief Operator Report

Lift Stations /Call Outs:

All lift stations are operating properly with regular checks and maintenance.

Treatment Plant:

Operating normally.

Engineering on copper compliance continues. I would expect to have a preliminary design from Kennedy Jenks in the next month or so.

We have gone on 3 basins to maximize treatment for the summer season and I expect to continue to run that way through the next few months.

Water Systems:

1. North Shore: Operating normally.
2. Columbine: Operating normally.

Other:

I spoke with Paul Harrington of Harrington Landscaping concerning the placement of trees or other landscaping at Beach and Columbine Lift stations and it is his recommendation to perform this work in the fall to ensure that transplanted trees survive. He can't give us a price until we all agree what will be installed. When it gets closer I plan on meeting with him and someone from the town for Beach and someone from the HOA at Columbine so we can come to a solution that everyone agrees with.

Mike