

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF SPECIAL MEETING
MAY 5, 2008**

CALL TO ORDER

Chairman House called the special meeting to order at 1:00 p.m. Board members present were George Anderl, Dave Weinstein, Tom DePew and Ken Sewell. District Administrator Lynn Hagman recorded the minutes of the meeting.

EPA / SETTLEMENT

Board member DePew questioned if any other utility companies had received violations for this project and what were their fines. Chairman House informed the Board that Joe Wuest from Lakes Highway District has been questioned by Congressman Sali. Mr. Wuest felt that the Hayden Lake Recreational Water and Sewer District should not have been named in this violation. Chairman House also informed the Board of a conference call that took place with two Board members from Lakes Highway District, Chairman House and Larry Comer, Chris Gebhart from EPA and Tina Jacobson, a legal aide from Congressman Salis' office. Mr. Gebhart from EPA asked Ms. Jacobson to leave the conference call.

As the call continued, Mr. Gebhart stated he felt this violation was the worst he had ever seen and felt the fine was justified and fair. Chris stated that it would be up to the people who were fined to figure out who will pay what portion of the fine.

Board member Weinstein felt that the Sewer District should be talking with Lakes Highway District at this point. Chairman House stated that the Sewer District is not a polluter and if this settlement goes on the record, it would perceive us to be polluters.

Chairman House informed the Board that he discussed the options with Larry Comer after the conference call was over. Mr. Comer felt the Sewer District has to option of calling to a higher authority such as the Deputy Administrator and negotiate our own agreement with the fine, separate from SI Construction and Lakes Highway District and request no press release. Chairman House felt that if we go with this option and the fine, there will be a press release. Chairman House felt that the decision to pay the fine needs to be made by all parties involved.

Board member Weinstein questioned the news release depicting the Sewer District as polluters. Board member Anderl asked if the Sewer District could also have a news release letting people know that our fine was for a technicality.

Chairman House stated that the fine is unfair and the Sewer District name not being on the permit was not intentional. The EPA has the discretion to look at this technicality.

Chairman House informed the Board that the legal opinion is that the cost will be high to fight the fine. Larry Comer is working on a new permit with the Hayden Lake Recreational Water and Sewer District name on it. There will be separate applications from Lakes Highway District and SI Construction and the work area will be defined. Board members Anderl and Weinstein asked to see the permit.

Chairman House discussed the option of agreeing to the settlement and do our own press release. The Board recommended meeting with Lakes Highway District and making a phone call to a higher source in EPA. Chairman House stated that if the Sewer District pays, we can also write a letter to EPA. Board member Weinstein felt the Sewer District should sign the agreement and meet with Lakes Highway District to discuss the fine. Board member Weinstein feels the Sewer District portion should be no more than \$3,000. Chairman House informed the Board that all three entities will need to sign the agreement and agreed that the Sewer District should meet with Lakes Highway District next.

Administrator Lynn Hagman made a phone call to Lakes Highway District and set up a meeting for Friday, May 9, 2008 at 3:00 p.m.

With no further business to discuss, the meeting was adjourned at 3:00 p.m.

Ken Sewell, SECRETARY

Lynn M. Hagman, ADMINISTRATOR