

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT  
MINUTES OF REGULAR MEETING  
DECEMBER 18, 2013**

CALL TO ORDER

Chairman Walker called the meeting to order at 9:15 a.m. Board members present were Ed Short, Ed Burke, Ed Graves and Carole Stringer. Attorney Mike Schmidt, Engineers Steve Cordes and Mike Hathaway, Accountant Ken Thompson, Stephanie Sherman and Superintendent Dustin Jacobson were present as representatives of the Board. Administrator Lynn Hagman recorded the minutes of the meeting.

Visitors present were Lonne Jordahl, Greg Snyder and Rick Gunther.

AGENDA

**Chairman Walker added the HARSB request for payment to the agenda. The request was just received and not addressing this could result in expense and liability for the District. With that, Board member Burke moved to approve the amended agenda, seconded by Board member Short. The motion carried.**

MINUTES

**Following review of the minutes of November 26, 2013, Board member Burke moved to approve the minutes as written. Board member Short seconded the motion. The motion carried.**

FOX HOLLOW

Mr. Lonne Jordahl introduced himself as an investor in the Landings LLC which is an owner and developer of the Fox Hollow sub-division. Mr. Jordahl thanked Attorney Schmidt for the draft will serve letter he had received that day and asked for clarification of the second, third and fourth paragraphs of page 2.

Attorney Schmidt explained the issue with having two separate property owners in the proposed sub-division and reviewed the will serve letter and the conditions imposed. Mr. Jordahl questioned if a property owner would be subject to any foreclosure. Attorney Schmidt explained properties that have a paid ER could be foreclosed upon if necessary, but that the District would likely try to omit an innocent property owner if there were a foreclosure and that were possible. Attorney Schmidt proposed the 2008 will serve letter be included with the current will serve letter. Attorney Schmidt explained that because the ownership of the underlying to-be-subdivided properties does not match the proposed lot arrangements as subdivided, there exists a risk that should there be a default on the bond obligations, the District may have to go forward with a foreclosure that could include one or more (or part of some) subdivision lots. Mr. Schmidt explained that the District must reserve all of its legal rights related to the bonding and security for the bonds. Mr. Jordahl requested the Board move forward and approve the will serve letter. Chairman Walker felt that the letter meets what the District has sent out for other sub-divisions.

**Board member Burke moved to approve the will serve letter for the Fox Hollow sub-division. Board member Short seconded the motion. The motion carried.**

## ENGINEER

Steve Cordes informed the Board that the right of way survey has been done for the Country Club lift station.

Mike Hathaway explained the right of way and the easement and informed the Board that the District will need to acquire more right of way from the Country Club than what is now available. Mr. Cordes asked for at least one Board member to accompany him to speak with the Country Club Board to ask for more right of way. Chairman Walker felt that Ed Burke or Ed Graves would be the appropriate Board member to go with Mr. Cordes.

Mr. Cordes informed the Board that most of the lift stations will need some type of temporary construction easement. Documents were presented to the Board showing easements needed for each of the lift stations. Board member Graves questioned a fail-safe maintenance plan. Mr. Cordes felt that the District should have one. Board member Graves gave some suggestions such as heat trays.

Mr. Cordes informed the Board that Avondale lift station is first on the list. Superintendent Jacobson stated that the homeowners there are already not happy with the District so this may be more difficult to get the temporary construction easement. Board member Graves questioned the taking of land. Attorney Schmidt explained that the Board has the right to do this. Mr. Cordes stated that each lift station is different and we will have to deal with them on a case by case basis. Mr. Cordes suggested Superintendent Jacobson first talk with each of the property owners.

Mr. Cordes presented the DEQ reimbursement request in the amount of \$194,113.25. **Board member Graves moved to approve the request and send to DEQ. Board member Short seconded the motion. The motion carried.**

Board member Stringer discussed the GIS system and asked if the easement data would be entered into the system. Mr. Cordes stated that the data could be entered and Welch Comer is doing the GIS system.

## ATTORNEY

Attorney Schmidt informed the Board that Mr. Giffing has paid for his ER and signed the letter. The three way split and consolidation update was given, Mr. Schmidt informed the Board that Mr. Ratelle consolidation is done. One of the property owners of the three way split has responded with the consolidation covenant and a check. The check will be sent back to the property owner and the amount is to be deducted from the proceeds of the ER reimbursement. We are still waiting for the other two property owners. Reminders have been sent out. Mr. Anderl has not responded and Mr. Ackerman consolidation is being tracked. North Kootenai Water District was sent a letter with no response yet.

Attorney Schmidt then discussed the Chmura collection and default letter to be sent.

Attorney Schmidt explained that the personnel policy was 22 pages long and the Board may want to review this policy a portion at a time. The Board had not reviewed the policy in depth so Chairman Walker felt that this item should be continued to the next meeting. Board member Stringer suggested the Board members edit the policy and make their list of good and bad sections and forward to the Administrator for placing on the agenda for discussion. Attorney Schmidt could then review.

The HARSB request for payment was reviewed and Chairman Walker informed the Board that the JUB Engineers invoices were in order. **Board member Burke moved to approve the request for payment, seconded by Board member Short. The motion carried.**

ACCOUNTANT

Mr. Thompson reviewed the financial report and the invoices for payment with the Board and discussed the DEQ funds. Mr. Thompson informed the Board that the audit proposals are due in by Friday, December 20, 2013. **Board member Short moved to approve the financial report and invoices for payment. Board member Burke seconded the motion. The motion carried.**

#### BOARD DISCUSSION

Board member Graves addressed the concerns he previously emailed to the Board. The first concern being how many paid participants are at the meetings. Board member Graves questioned why the paid people are here for the entire meeting. Chairman Walker explained that when they are done with their portion of the agenda they are to leave. Board member Graves then questioned the accountant charges. Chairman Walker explained that the accountant's bill each month is for the accounting and he does not charge to be at the meetings.

Board member Short felt that the Board has made significant changes recently with having the engineers and attorney leave when they are done with their section. The meetings have been shortened as well. Board member Stringer felt that Superintendent Jacobson could be a point person with the engineers and present a report at the meetings. Chairman Walker feels it is important for the engineers to be present at one of the meetings and Superintendent Jacobson have a report at the other meeting.

Board member Graves voiced his concern with engineering costs and feels the District should be getting competitive pricing. Board member Burke agreed and felt that it is important for the Board to do its fiduciary responsibility in representing the public. Chairman Walker informed the Board that the District does have a services agreement with Welch Comer and they do have institutional knowledge and feels the District may be going backwards if we change firms. Board member Graves explained that his concern is that the engineering firm knowing that they have to be competitive. Board member Burke felt that the District needs to go through the process of bidding. Chairman Walker explained that the annual services contract could be put out for competitive bid.

#### ADJOURN

With no further business before the Board, at 11:10 a.m. the meeting was adjourned.

---

Todd Walker, CHAIRMAN

---

Lynn Hagman, ADMINISTRATOR