

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
JUNE 13, 2012**

CALL TO ORDER

Chairman Sewell called the meeting to order at 9:00 a.m. Board members present were Todd Walker, Carole Stringer, Dave Weinstein and Tom DePew. Larry Comer, Attorney Mike Schmidt, Superintendent Dustin Jacobson and Ken Thompson were present as representatives of the Board. Administrator Lynn Hagman recorded the minutes of the meeting.

AGENDA

Board member Stringer moved to approve the agenda for this meeting. Board member DePew seconded the motion. The motion carried.

The approval of minutes for the May 23, 2012 meeting was continued to the next meeting.

ACCOUNTANT

Ken Thompson discussed the upcoming budget notice with the Board. Mr. Thompson informed the Board that the notice includes the 3% property tax increase and there has been \$30,000 budgeted for the study fund. Board member Stringer questioned what the "other" expense line item was in the O & M fund and felt that \$150,000 was high for this type of item. Ken Thompson explained that the "other" line item is for unexpected expenses that may come up. Board member Stringer questioned if this would be published this way and Mr. Thompson stated that it had never been questioned by the public. Board member Stringer felt that the budget should be conservative considering future projects.

Mr. Thompson explained that the reserve/capital line item has \$250,000 for depreciation and \$28,000 is for the GIS system and what is left can also be used for unexpected expenses. Board member Stringer asked Mr. Thompson if some of the \$150,000 could be redistributed to the reserve/capital line to make the "other" line item smaller and less questionable. Board member DePew felt that \$100,000 should be moved to reserve/ capital and leave \$50,000 in other. Mr. Thompson suggested changing the reserve/capital line to reserve capital/depreciation to better explain what the money is for. Board member Stringer then questioned the \$20,000 in "other" in the general fund and why was it double from the previous year. Board member Walker suggested changing this figure back to \$10,000. The Board agreed to keep the figure at \$20,000.

Board member Walker moved to approve the notice of public hearing to be published with the changes made. Board member Stringer seconded the motion. A roll call vote was taken; Board member Weinstein, "aye", Board member DePew, "aye", Board member Walker, "aye" and Board member Stringer, "aye". The motion carried.

ATTORNEY

Attorney Schmidt discussed the Fair Housing training notice. The training session will be held on September 25, 2012 at the District facilities.

Attorney Schmidt informed the Board that he changed the wording on the notice from sponsored by to facilities provided by and this notice will be an insert in the District Newsletter.

Resolution 2012-01 establishing the voting date for the Board of Directors was discussed. The Board previously held their elections in August and with the new law the election dates are now in May and November. **Board member Stringer pointed out grammar changes in the document and then moved to approve Resolution 2012-01 with the edits. Board member DePew seconded the motion. The motion carried.**

Resolution 2012-02 establishing a fee schedule for regularly charged fees was discussed. Board member Stringer suggested spelling out the words capitalization fee and using CAP fee in parenthesis after. Board member Stringer questioned the costs charged to the LID6 consortium. Attorney Schmidt explained those costs and they are situation specific. Board member Stringer suggested the fee schedule be reviewed annually. Board member Walker felt that the administration fee should be increased to \$200.00 and the Board agreed. Superintendent Jacobson suggested eliminating the \$12.00 locate ball fee and leaving the \$500.00 hook -up fee as is. The Board agreed. Attorney Schmidt will make these changes and the Resolution will be ready for approval at the next meeting.

ENGINEER

Larry Comer discussed the sewer user growth projections and the projections on build outs. Also reviewed were the statistics of ER's and hook-up permits sold since 2000. Mr. Comer stated that the saturation build-out of the remainder of the District's SMA service area would result in an additional 823 ER's per the HLRWSD Facilities Plan.

Mr. Comer questioned the Board on their thoughts for future expansion of the service area and would they want to participate in the Hayden Canyon project. Mr. Comer explained that the project will be developing up to Strahorn Rd. Board member Walker questioned the funds for the Strahorn bypass versus going west on Lancaster and would one project take away from the other. Attorney Schmidt questioned if the District wanted more ER's would this be included in the funding of the expansion of the plant.

Board member Weinstein questioned what the value would be to the District to get involved in the Hayden Canyon project and who will maintain the phase that the District has involvement in. Board member DePew voiced his concern with adding a big load to the H1D lift station. Mr. Comer's opinion is not to bother with the Hayden Canyon project unless the District wants to expand the sewer service area. If the District plans to go north, then cooperation from other entities is good. Mr. Comer stated that the previous focus of the Board has been to protect the lake. Board member Weinstein felt that if the District gets involved in the Hayden Canyon project we would be planning for growth that may never occur. Mr. Comer stated that the cash flow to participate in Hayden Canyon would be difficult for the District. Board member Walker voiced his opinion of no participation in Hayden Canyon and the Board agreed.

Mr. Comer asked the Board if in his response letter to Paul Klatt of JUB Engineers, the District would like to reply with staying with the ER's we have and if extra is needed the District assumes they would be in the floating pool. The Board agreed this is what the response letter should reflect. Board member Stringer questioned the number of ER's in the floating pool and the common access to the partners. Mr. Comer will add this to the response letter as well. The response letter will also reflect the Board's decision to not participate in Hayden Canyon.

BOARD DISCUSSION

The response to Board member Stringer's questions to Ken Windram was discussed. Board member Stringer stated that her questions were not answered. Board member Stringer voiced her concerns with the data capability of the ICOM3 system and how it will work with the GIS system. Board member Stringer feels there are misconceptions of what this product is going to do for the District and HARSB. Board member Weinstein stated that more information is needed.

Board member Stringer questioned the audit response letter that was emailed to the Board members by Attorney Schmidt. Ken Thompson and Attorney Schmidt explained the letter is a letter from the auditor for the Attorney to verify if the District is in litigation.

Employee wages were briefly discussed and Board member Walker asked to have this issue continued to the next meeting due to his not having time to review the proposal by the Administrator.

ADJOURN

At 11:35 a.m. Board member Walker moved to adjourn, seconded by Board member Weinstein. The motion carried.

Dave Weinstein, SECRETARY

Lynn M. Hagman, ADMINISTRATOR