

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
JUNE 26, 2013**

CALL TO ORDER

Chairman Walker called the meeting to order at 4:00 p.m. Board members present were Ed Graves, Carole Stringer and Ed Short. Board member Ed Burke was absent. Engineers Steve Cordes and Ashley Williams, Attorney Mike Schmidt, Superintendent Dustin Jacobson, Accountant Ken Thompson and Stephanie Schultz were also present as representatives of the Board. Administrator Lynn Hagman recorded the minutes of the meeting.

AGENDA / MINUTES

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

Following review of the minutes of June 12, 2013 and amendments made by Attorney Schmidt, Board member Stringer moved to approve the minutes. Board member Short seconded the motion. The motion carried.

CITIZENS

Administrator Hagman pointed out the two letters received from Connie Church and explained that one letter is in reference to a guest house and Ms. Church not wanting to pay the one half O&M on it. The second letter is again referencing the guest house and the fact that there is an ER attached to it. Ms. Church would like to give the ER back to the Sewer District.

Chairman Walker informed the Board that he had a conversation with Ms. Church and explained to her that she could be put on the buy-back list. Chairman Walker felt that in the past when someone had an ER on a guest house the Sewer District would purchase the ER. Ms. Church is in this position and should be treated the same. Attorney Schmidt reminded the Board that the Sewer District would only buy back an ER if the funds are available. The policy has been to put them on a list. Allowing people to give back their ER will put a strain on the District finances.

Chairman Walker stated that if the District takes back Ms. Church's ER the District would then be responsible for the upgrade of that ER.

Board member Short questioned if the ER's can be sold outside the District. Attorney Schmidt explained that the District cannot create a commodity between private parties. Board member Short asked if the District can restrict the price of an ER that is sold from the buy-back list. Attorney Schmidt replied that the District does have the right to restrict the price because it is not a commodity. Board member Short discussed letting a person give or sell their ER to someone within the District. Attorney Schmidt explained that the ER is attached to the property not the person.

The Board discussed at length the ER buy-back and the cost of an ER that is sold from the buy-back list. Chairman Walker directed Attorney Schmidt to research this issue for future discussion. Chairman Walker also directed Attorney Schmidt and Ken Thompson to look into the lien issue on an ER.

Board member Stringer stated that if someone wants to gift an ER to the District, we should not deny them. Attorney Schmidt will draft a letter to Ms. Church regarding the resell and O&M policy and deny the proposed gift of the ER back to the District, with a comment that the Board is considering its policy and expanding resell options

ENGINEER

Ashley Williams reported to the Board on the ER count and stated that there is a discrepancy between the LID roll and what the District records indicate for ER's that the District owns. Administrator Hagman and Laurie Robb are working with Welch Comer on this to find the discrepancy. Ms. Williams discussed some of the circumstances in which some errors have been found and the count is down to a difference of 9 ER's.

Two of the non-District customers were found to have not purchased an ER. They will receive a second letter following the non-District customer letter that will be sent. Attorney Schmidt informed the Board that the options would be to ask them to pay \$14,100 now which incorporates the \$12,400 which is the cost of an ER and the estimated \$1,700 which would be for the collector system. The problem with this option is if the District doesn't spend current estimated amount then there may be an overpayment or underpayment regarding the \$1,700. Attorney Schmidt recommended two options, one to charge the \$14,100 as a full and final payment, or sell the ER for \$12,400 now and they will pay the actual cost of the collector system component in 2015. The Board considered the recommendations and selected the second option.

Superintendent Jacobson informed the Board that in the past there have been similar situations where the District sold the ER for the amount that it was at the time they should have purchased it. Mr. Jacobson feels that the properties are in Forest Hills and the homeowner may not have been told that they needed to come to the Sewer District to purchase an ER. Chairman Walker suggested the homeowner pay what the ER was in 2002 when they should have purchased it and then pay the \$4,000 for the LID. Chairman Walker also felt that the District could possibly use the two ER's that are available and sell to the two who need them at the rate they should have paid in 2002. Attorney Schmidt will send a letter to the property owners to invite them to come to the Board meeting to discuss the special circumstances of having no ER.

Ms. Williams informed the Board that the consolidation and non-buildable letters have been sent out but the non-District customer letter is being held until the ER count is correct.

Administrator Hagman informed the Board of the new billing system that will be in place by August 1st. This new system will allow customers to pay by credit card and they will receive a paper bill with return envelope as well as a space on the bill for comments or information from the District. Ms. Williams informed the Board that the newsletter to let people know that the District is not doing Miles Ave. and Strahorn Rd. will be put on the web site and notification will be placed on the August 1st sewer bill. Board member Stringer asked Ms. Williams to email a draft of the letter early to the Board for review.

Ms. Williams gave an update on the Canterbury Cove lift station. The thought was to abandon this lift station and re-route the sewer line. There were some easement issue associated with this and Ms. Williams felt that there may be an alternate route to use that would significantly reduce a number of properties that we would have to get easements from. Welch Comer will finalize the route and then find out who we need to get easements from.

Steve Cordes discussed the Country Club lift station and the plan for the upgrade. Mr. Cordes informed the Board that the lift station needs to keep running while it is being worked on. A comparison of H1-D was shown where the pumps are above ground. The existing lift station sits next to the lake and has the pumps underground. The new design would be to have the pumps above the wet well where they are much easier to work on. Mr. Cordes stated that if something happens, there is not a lot of response time. To increase response time the District could build a bypass overflow basin to reserve sewer capacity. Board member Short questioned having the existing pumps in the reserve tank and will this allow being off line to replace the lift station with the Flygt pumps.

The same concept as the H1-D could be used for the Country Club lift station. Board member Short questioned where the generator would be placed. Mr. Cordes felt that it would most likely go on the side of the lift station. A temporary easement will be needed from the Country Club. Board member Graves stated that he does not particularly like the submersible pumps.

Board member Stringer questioned the funding in the LID for this. Ms. Williams stated that some of the projects at other lift stations were given up in order to do the upgrade at the Country Club lift station. Chairman Walker felt that the Board has shown their approval for the above ground pumps. Board member Short would like to see a comparison of the above ground versus submersible pumps for cost.

Ms. Williams reviewed what would be given up on the other lift stations and it came to approximately \$400,000. Ms. Williams stated that the District needs to clarify the changes to DEQ and the District may need to deal with the flood plain issue with possibly having to get an Archeologist to review the site. Board member Short questioned the priority of the Country Club lift station. Ms. Williams informed the Board that the lift station would be in group one.

Ms. Williams then gave an update on the GIS mapping project. Locates are done by the Sewer District and then Welch Comer follows behind with picking up into the GIS mapping system. The project is approximately 75% done.

ATTORNEY

Attorney Schmidt informed the Board that HARSB, the City of Hayden and the County have all signed the funding agreement.

Attorney Schmidt presented the funding agreement for adoption. Board member Stringer questioned if her edits had been made. Chairman Walker questioned why the resolution was published. Attorney Schmidt explained that it is most likely a statutory requirement. Attorney Schmidt will bring the edits to Attorney Quade's attention. At 5:50 p.m. a call was placed to Attorney Quade with no answer.

Board member Stringer moved to adopt the funding agreement, seconded by Board member Graves. A roll call vote showed: Board member Short, "aye", Board member Graves, "aye" and Stringer, "aye". The motion was unanimously carried.

At 6:00 p.m. a second call was placed to Attorney Quade. Board member Stringer questioned Attorney Quade about the resolution and why the Board did not have it in a timely manner. Attorney Quade informed the Board that it was sent out on June 16th to the Administrator. Board member Stringer discussed her edits to the resolution with Attorney Quade.

Attorney Schmidt discussed the approval of the resolution and exhibits subject to the amendments. Attorney Quade will make the suggested changes.

Board member Stringer moved to approve the resolution and exhibits subject to the changes being made. Board member Short seconded the motion. A roll call vote was taken; Board member Stringer, “aye”, Board member Short, “aye” and Board member Graves, “aye”. The motion was unanimously carried.

Attorney Schmidt discussed the loan agreement and informed the Board that the loan agreement with the attachments will need to be provided IDEQ. **Board member Graves moved to approve the loan agreement with attachments, seconded by Board member Short. A roll call vote showed: Board member Graves, “aye”, Board member Stringer, “aye” and Board member Short, “aye”. The motion carried.**

ACCOUNTANT

Ken Thompson reviewed the financial report and invoices for payment with the Board. Board member Graves questioned the money being spent on LID 7A. Mr. Thompson explained that this was for mostly engineering and legal fees. Board member Graves asked if the District went out for bids on the design work. Attorney Schmidt explained that the District has a general contract with Welch Comer Engineers and they do task orders for specific projects. Board member Graves questioned if this is legal to have the work done the way we are doing it. Chairman Walker explained the task orders already approved for Welch Comer. Board member Short questioned if the District has ever put out for engineering bids. Chairman Walker replied that we have not. Chairman Walker suggested Board member Graves meet with Larry Comer from Welch Comer Engineering to discuss his concerns.

Mr. Thompson discussed the bank accounts and Board member Graves asked for clarification of the IIB general account. **Board member Graves moved to approve the financial report and the payment of invoices. Board member Stringer seconded the motion. The motion carried.**

Mr. Thompson then discussed the budget and informed the Board that the certification fee is in place this year. Mr. Thompson informed the Board that there is not a lot of money in the general fund for studies this year. Mr. Thompson discussed the property tax and questioned the Board on their preference of taking the allowed 3%. Mr. Thompson informed the Board that there is also approximately \$10,000 in the foregone amount as well. Attorney Schmidt explained what the tax money can be used for versus the O&M fees. Board member Graves is in favor of taking the 3% in order to save on the LID 7A money. Board member Short agrees with taking the 3% also. Chairman Walker directed Mr. Thompson to budget in the 3% increase in property tax.

HARSB REPORT

The HARSB report, written by Board member Stringer, was previously given to Board members. Chairman Walker discussed the new lift station that the City of Hayden has built at the corner of Strahorn Rd. and Honeysuckle. The HARSB Board discussed a flow meter on this lift station that would tell how much flow is coming from the Sewer District and who will pay for it. HARSB will put a new meter on and the Sewer District will pay 26% of the cost.

ADJOURN

With no further business before the Board, at 7:00 p.m. Board member Graves moved to adjourn, seconded by Board member Short. The motion carried.

Todd Walker, CHAIRMAN

Lynn M. Hagman, ADMINISTRATOR