

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
NOVEMBER 13, 2013**

CALL TO ORDER

Chairman Walker called the meeting to order at 9:00 a.m. Board members present were Ed Short, Ed Burke, Ed Graves and Carole Stringer. Superintendent Dustin Jacobson, Attorney Mike Schmidt, Ken Thompson, Stephanie Sherman, Engineers Larry Comer and Steve Cordes were present as representatives of the Board. Administrator Lynn Hagman recorded the minutes of the meeting.

Visitors present were Katie Brodie and Jim English.

AGENDA / MINUTES

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

The Board reviewed the minutes of October 23, 2013. A correction was made by Board member Stringer and with that **Board member Short moved to approve the minutes, seconded by Board member Burke. The motion carried.**

CITIZEN ISSUES

Mr. Comer addressed the Board regarding the ER issue for Mr. Giffing. Katie Brodie and Attorney Jim English were present at the meeting representing Mr. Giffing. Mr. Comer informed the Board that in the research of the Welch Comer records he found two supplemental documents to what the District already has which confirm that there is an ER missing. Mr. Comer explained that the number 53 in the documents relates to water not dollars. Mr. Comer felt that there were two issues, where the water would flow efficiently and then what was paid. Attorney English agreed that IFI only paid for 49 lots and IFI paid the District before they had to. Attorney English feels that a mistake was made but it was not IFI's mistake.

Superintendent Jacobson explained that the District and the City of Hayden had just started working together in 2004 on CAP fees for District served properties within the City of Hayden. Mr. Jacobson explained how the process worked in 2004 with the City of Hayden properties. Mr. Comer explained how the District ended up with hook ups within the City of Hayden.

Chairman Walker summarized what was paid for in the District records. Board member Short questioned Mr. Comer if there is any doubt that the District is missing an ER. Mr. Comer replied that the records show we are missing the ER for Mr. Giffing.

Attorney Schmidt informed the Board that the District has the power to collect the total amount for the ER however, there are special circumstances in this case and a compromise may be in order. Attorney Schmidt questioned Attorney English and Katie Brodie if there was any kind of proposal to pay some amount, keeping in mind that at least \$4,000 that will be due for the plant upgrades would be charged regardless. Attorney Schmidt felt that all research shows that an ER was not paid for and the Board wants to be fair.

Attorney English stated that he did not have an offer at this time; he would need to speak with John Richards from IFI.

Chairman Walker made a proposal that IFI purchase the ER at the price they should have paid at the time all of the other ER's were purchased for that sub-division which was \$ 5,560.00. Ms. Brodie made a phone call to Mr. Richards for approval.

Attorney Schmidt discussed the ER plus the plant upgrade fee of an estimated \$ 4,000.00 less the collector system amount to come up with an amount of \$7,760.00. Attorney Schmidt explained that the property owners who live outside the District but are served by the District cannot be in the LID 7A and therefore need to pay their share of the upgrades up front. Board member Burke felt that the Board should reconcile the ER issue with IFI first and the other issues need to be addressed with Mr. Giffing. Chairman Walker and Board member Short agreed that the District should deal with Mr. Giffing regarding the plant upgrades.

Katie Brodie, on behalf of Mr. Richards agreed to pay \$5,560.00 for the ER on Mr. Giffing's lot as long as there is nothing further for Mr. Giffing's to pay except his own amount for the upgrades. Katie Brodie asked the District to write a letter to Mr. Giffing stating that the ER is paid in full. Attorney Schmidt felt that if the District is willing to accept the \$ 5,560.00 then the District can say the ER is paid for. Attorney Schmidt suggested the District send a letter to Mr. Giffing and copying it to Katie Brodie and Attorney English and clarifies that in 2015 Mr. Giffing will have to pay the improvement component, the same as the LID 7A amount.

Board member Short moved to accept the payment of \$ 5,560.00 for the ER. Board member Burke seconded the motion. The motion carried. Attorney Schmidt will prepare a release document and send to Attorney English.

ACCOUNTANT

Ken Thompson discussed the RFP (request for proposal) previously given to the Board and pointed out a couple of changes he made. Closing date will be December 20, 2013. Board member Graves questioned if a certificate of liability insurance is required. Mr. Thompson informed the Board that this is in the RFP. The document will be published in the paper, put on the District web site and sent to four auditing firms. Chairman Walker gave Mr. Thompson direction to publish.

SUPERINTENDENT REPORT

Dustin Jacobson, superintendent for the District informed the Board that he had received the Fox Hollow sub-division plat request from the County for comment. The developers, known as the Landings LLC and Greg Snyder are re-applying for this sub-division. Mr. Jacobson explained that they are part of LID6 and asked the Board how they wanted the will serve letter done and how involved does the District want to get with the storm water.

Chairman Walker discussed the District's previous storm water issues with other sub-divisions and how the District got more involved with the storm water issues. Chairman Walker feels that the District should ask for the same storm water preparation as the other sub-divisions in the area. The Board should be able to see the SWPPP and maybe look at the storm water plan.

Steve Cordes informed the Board that the developer will need a detailed storm water plan and the Board can ask to have a copy of that. They will also get a site disturbance permit from Kootenai County who will require them to put up a bond. Chairman Walker felt the Board should get a copy of the SWPPP and be involved with the County on the storm water. Board member Stringer felt the will serve letter should include wording that the developer file a SWPPP and possibly post on the property where it is available. Board member Short questioned Attorney Schmidt if it is our legal right to enforce the storm water requirements.

Attorney Schmidt informed the Board that the County is the only one who can pass the site disturbance requirements. The Board can keep an eye on the storm water and let the County know of any concerns you have.

Superintendent Jacobson asked the Board if it would be better to have the Attorney write a will serve letter that could be used as a template for upcoming sub-divisions. Board member Stringer felt the letter should address the upcoming LID 7A assessment. Chairman Walker directed Attorney Schmidt to draft the will serve letter for review.

ENGINEER

Steve Cordes gave an update on the Canterbury Cove project and reported that the first phase is in. Mr. Cordes then spoke about the proposed by-pass for Thames Ct and presented a map to the Board for review. The ditch through the Avondale property would be approximately 850 feet and is an estimated 21 feet deep. Mr. Cordes informed the Board that test pits will be done and then a cost estimate can be made.

Board member Short questioned Mr. Jacobson if the Avondale Golf Club was in favor of the easement. Mr. Jacobson stated that it has been tentatively approved; however it has not gone before their Board yet.

A pay request from DEQ in the amount of \$167,343.21 was previously presented to Chairman Walker for review. Chairman Walker informed the Board that it was all in order and entertained a motion to approve the request. **Board member Burke moved to approve the pay request from DEQ, seconded by Board Short. The motion carried.**

Mr. Cordes discussed the Country Club DEQ documentation funding and pointed out that the original master plan and EID were paid out of O & M and not the LID funds. Mr. Cordes felt that the Board could do the same on the amendment for the Country Club if they chose to. Superintendent Jacobson felt that everything that can be paid out of O & M should be. Board member Stringer reminded the Board that we can bill the LID later if we need to. Chairman Walker asked for Ken Thompson's opinion where the funds should come from. Mr. Thompson questioned Mr. Cordes on the amount and Mr. Cordes replied it would be under \$20,000.00. The Board directed Ken Thompson to take this from the O & M fund.

Mr. Cordes discussed several changes that will be done at the Country Club lift station with one being the structure will have an enclosure and the panels will be moved inside. The contract amendment will include structural changes and engineering for the Country Club lift station. The amendment will be \$42,000.00 for the design and there is a budget for right of way and permitting. Chairman Walker suggested the contract be sent to the Board and addressed at the next meeting.

Superintendent Jacobson informed the Board that he had spoken to Mr. Nerras regarding moving Clark House lift station across the street. Mr. Nerras is in favor of doing this.

ATTORNEY

Attorney Schmidt informed the Board that the consolidations are still moving forward. The three party consolidations between DePasquale, Martinez and Stackow are pending. Administrator Hagman informed the Board that she had talked to Mr. Martinez who came into the office asking for an explanation of the documents he received. A second letter was sent to them as a reminder.

Attorney Schmidt reported that Mr. Ratelle has paid the CAP fee for his ER. A letter was sent to North Kootenai Water District explaining the property they own and suggested if they want to make one of them unbuildable they can by submitting the non-buildable covenant.

Attorney Schmidt revisited the Fox Hollow sub-division and Administrator Hagman explained the separation of ER's. Fifty ER's belong to the Landings LLC and ten ER's belong to Mr. Greg Snyder. The ER's were assessed in LID6 as one lump sum for each property owner. Administrator Hagman informed the Board that when the final plat is approved an account number will be assigned to each lot and block. Since the lots are owned by two different people, it may be a problem figuring out which lots will go to which owner. Attorney Schmidt felt that the easiest way for this to occur is for all lots to be transferred to one owner. Attorney Schmidt informed the Board that the work done by the District for this sub-division can be charged to the property owners.

Attorney Schmidt stated that the LID6 increment will need to be paid at the time of hook-up and an agreement should be drafted for the property owners to sign that will put future purchasers on notice that there is an increment to be paid at the time of hook-up.

Board member Stringer asked that in the will serve letter, could the District propose that these lots be designated to each property owner and the District can apportion them according to our records. Attorney Schmidt will address this issue in the agreement.

ACCIDENT PREVENTION AND SAFETY POLICY

Attorney Schmidt then addressed the Accident Prevention and Safety Policy and informed the Board that he had received edits from Board member Stringer. Attorney Schmidt will accept all of the edits. The Board reviewed the edits that were made by Board member Stringer. Board member Graves questioned if MSDS (material safety document sheets) are required. Superintendent Jacobson explained that they have these in the lift stations now.

Chairman Walker questioned the emergency response plan and questioned if this should be referred to in the safety policy. Board member Graves questioned if the District had to follow the OSHA safety requirements and Mr. Jacobson replied that we did not. Following the review of the policy the Board agreed to place the policy on the next agenda with the emergency response plan.

SERVICE AGREEMENT

The service agreement between the City of Hayden Lake and the Sewer District was present for approval. **Board member Short moved to approve the service agreement, seconded by Board member Burke. A roll call vote showed; Board member Graves, "abstained", Board member Stringer, "aye", Board member Short, "aye" and Board member Burke, "aye". The motion was unanimously carried.**

DELINQUENT PAYMENTS

Administrator Hagman informed the Board that Mr. and Mrs. Chmura are now three months delinquent in their monthly payments to the District and the interest on the last delinquency has not been paid either. Attorney Schmidt mentioned that some legal fees were incurred for the last notice sent and more legal fees will be incurred if the Board chooses to do the same.

Attorney Schmidt explained the options to the Board, one being to give the Chmura's proper notice and if they don't pay the Board can accelerate all of the indebtedness and bring a lawsuit to recover and get a judgment against them or send another letter like the last one. Board member Short asked for the history of the lawsuit that took place. Attorney Schmidt explained how the lawsuit with the Chmura's came about. Board member Short questioned if there was acceleration on the note. Attorney Schmidt replied there was and suggested a default letter be sent to the Chmura's and follow up with a complaint to collect and require that they pay late fees and Attorney fees as part of the default. Chairman Walker approved of the letter.

INCENTIVE BONUSES

Chairman Walker informed the Board that the District has a Christmas dinner every year and the employees usually receive an incentive bonus. Chairman Walker felt that the employees had done more work this year than other years due to the LID 7A. Chairman Walker informed the Board of the amount the employees received the previous year. Board member Short felt the bonuses were deserved and Board member Graves felt they should be the same as the previous year. Board member Burke felt that this was an exceptional year and suggested a raise over the previous year. Board member Stringer opposed the bonuses stating that they should not be tied to a holiday and feels that bonuses in the public sector are not a good idea.

Attorney Schmidt stated that an incentive bonus promotes employees to do a good work and save money. **Board member Burke move to give the bonuses with a \$100.00 increase over last year's amount for each employee. Board member Short seconded the motion. Board member Stringer abstained from the vote. The motion carried.**

MEETING SCHEDULE

Chairman Walker explained that the next meeting would fall on the eve of Thanksgiving and asked the Board for a date to reschedule the meeting to. Following discussion, the meeting was rescheduled to Tuesday, November 26, 2013 at 4:00 p.m.

Administrator Hagman informed the Board that the District has received a check from DEQ and requested permission to issue a check to HARSB for the payment of the first four reimbursement requests. **Board member Short moved to issue the check to HARSB, seconded by Board member Graves. The motion carried.**

ADJOURN

With no further business before the Board, at 11:30 a.m. the meeting was adjourned.

Todd Walker, CHAIRMAN

Lynn Hagman, ADMINISTRATOR

