

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
NOVEMBER 10, 2010**

CALL TO ORDER

The regular meeting was called to order by Chairman Sewell at 9:00 a.m. Board members present were Dave Weinstein, Tom DePew, Todd Walker and Carole Stringer. Attorney Mike Schmidt, Larry Comer and Dustin Jacobson were present as representatives of the Board. Ken Windram from HARSB and Gerry House were also present. Administrator Lynn Hagman recorded the minutes of the meeting.

AGENDA & MINUTES

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

Following review of the minutes of October 27, 2010, **Board member DePew suggested corrections to typographical errors and moved to approve the minutes. Board member Weinstein seconded the motion. The motion carried.**

EXECUTIVE SESSION

At 9:10 a.m. Board member Walker moved to recess to executive session per ID Code 67-2345 (f) to discuss pending litigation on the HARSB matter as well as the Jackson tort claim and Assisted Living issues. Board member DePew seconded the motion. A roll call vote showed; Board member Stringer, "aye", Board member Weinstein, "aye", Board member DePew, "aye" and Board member Walker, "aye". The motion carried.

Present in executive session were Chairman Sewell, Board members Weinstein, DePew, Walker and Stringer. Larry Comer, Ken Windram, Attorney Mike Schmidt and District Administrator, Lynn Hagman.

At 9:20 a.m. Ken Windram excused himself from the executive session.

At 10:20 a.m. the Board reconvened to regular session and took a 10 minute recess. At 10:30 a.m. the meeting resumed.

NEWS LETTER

Larry Comer informed the Board that Attorney Gary Allen had reviewed and edited the news- letter and was now ready for print. Board member DePew asked that the word "by" be removed from the first paragraph under Key elements of our position include:,

with this being done, **Board member Weinstein moved to approve the news-letter with Attorney Allen's edits and the removal of the word by. Board member Stringer seconded the motion. The motion carried.** The letter will be sent to the rate payers of the HLRWSD.

CAPITAL IMPROVEMENT PLAN - 2011

Larry Comer and Dustin Jacobson presented an updated 2011 capital improvement plan to the Board. Page 1, capital improvements, of the plan did not change from the previous draft; page 2, operations and maintenance, was changed regarding the SCBE air pac. The previous cost was estimated at \$3,000 and it changed to \$6,000 and page 3, planning, had no changes.

Board member Walker questioned the Hart Lane extension and Superintendent Jacobson explained that this was part of LID2 originally but at that time there were no houses there so the extension did not get done. Since Hemlock Hills, which is close, will be going in, now is a good time to get this extension done.

Board member Stringer questioned the process of the capital improvement plan and why it is not done in the budgetary process. Larry Comer explained how the CAP fee funds come in and when CAP fee funds are spent. The budget is different from the capital improvement plan process. This plan is to let the Board know of upcoming projects and the priority concern for each. The District will only do what the budget will allow. Board member Weinstein suggested the words "discretionary actions" be placed at the top of the capital improvement plan list. **Board member DePew moved to accept the capital improvement plan with the added words of discretionary actions being placed at the top of the page. Board member Walker seconded the motion. The motion carried.**

BY-LAWS

Attorney Schmidt previously emailed several examples of other entities By-Laws and the section of the Idaho Code that regulates Sewer Districts. Attorney Schmidt informed the Board this process could take considerable time and expense and suggested the Board look at this in increments. Attorney Schmidt questioned whether or not the District needed By-Laws because the Idaho Code governs the District. Attorney Schmidt suggested each Board member draft out what they would like to see in the By-Laws.

Board member DePew felt that the Sewer District has functioned for over 20 years without By-Laws and we don't need them now, the Idaho Code works. Board member Weinstein questioned not having By-Laws and operating under the Idaho Code. Attorney Schmidt explained that By-Laws would help future Boards in understanding of policy and procedures. However, not having By-Laws presents less reason for or risk for litigation. Board member Walker felt that By-Laws wouldn't help give direction. Board member Stringer stated that she brought this forward for succession planning.

Board member Weinstein felt that the time and expense to do this, it may not be profitable and this should be considered only after all other issues on the table are final. Chairman Sewell suggested tabling the By-Laws for six months. **Board member Weinstein made a motion to table the By-Laws for six months, seconded by Board member Walker. The motion carried.**

BOARD REPORT

Chairman Sewell reported that he had a meeting with Stephan Chatwin, Administrator from the City of Hayden. Chairman Sewell was questioned about presenting the idea of the City of Hayden or the HLRWSD taking over HARSB to the Sewer Board. Board member DePew stated that this has been discussed several times in the past and if the Board let the City of Hayden take over HARSB, the District would lose control and are at the mercy of the City of Hayden. Board member DePew was against any take-over.

Board member Walker explained what a take-over would mean. We would have to dissolve the joint powers agreement. Board member Stringer felt that allowing Mr. Chatwin to give his proposal to the Board would be fine. Board member Weinstein was opposed to having Mr. Chatwin present a proposal because it would be a waste of his time and the Board's time.

Attorney Schmidt informed the Board that he and Larry Comer researched the records on this subject and gave the Board a re-cap of prior actions taken. This issue would require a new joint powers agreement which in the past, both entities could not agree on the content of a new agreement. Attorney Schmidt stated there would be little gained if the District allowed take-over the plant.

Board member DePew questioned the floating ER's that the District had at the plant. Larry Comer explained what the floating ER's were to new Board members and the equity in the land used for land application in the summer months. Attorney Schmidt felt that the Board needs to question why they should let the City of Hayden take over the plant and why do they want to take it over. Attorney Schmidt suggested having HARSB look at how the District could utilize them better to cut cost and be more efficient.

Board member Stringer questioned the presentation from Mr. Chatwin to the Board and how this was presented to Chairman Sewell. Chairman Sewell explained his discussion with Stephan regarding the take-over suggestion. Mr. Chatwin feels two Boards are duplicating employees among other things. Board member Stringer felt that the Board owed the constituents a service and let Stephan present his proposal.

At 11:45 a.m. Attorney Schmidt excused himself from the meeting.

Chairman Sewell questioned the Board on allowing the presentation. Board member Weinstein, DePew and Walker replied they did not want the presentation and Board member Stringer stated that she wanted to hear his proposal. Chairman Sewell will contact Stephan and explain that the majority of the Board is not interested in the presentation.

END OF THE YEAR BONUS

Administrator Lynn Hagman informed the Board of past bonuses received by employees and Board member DePew suggested the District give the same as last year which was \$250.00 for each employee. Board member Stringer objected to bonuses with respect to religious holidays. Board member Weinstein suggested the bonuses be called year-end bonus and Board member Stringer was fine with that and stated her concern was how they are reflected. **Board member Weinstein stated the bonuses are given by money available and moved to call the bonus a year-end bonus and grant the Superintendent and Administrator \$500.00 each and the Billing Clerk and Chris Seward \$300.00 each.** Board member Stringer suggested in the future the Board might consider incentive for employee's saving the District money.

Board member Walker then suggested the Superintendent should receive a \$700.00 bonus and the Administrator would receive \$500.00 with the Billing Clerk and Chris Seward receiving \$300.00 each. **Board member Weinstein felt it was unfair for the Superintendent to receive more of a bonus than his supervisor and amended his motion to \$650.00 for Administrator and Superintendent and \$300.00 to the Billing Clerk and Chris Seward.** Board member Stringer suggested going back to the original amount of \$500.00 and \$300.00 and look at the incentive. Board member Weinstein felt that the employees have been especially conscious of their spending and they deserved the higher amount. **Board member DePew seconded the motion. The motion carried.**

ADJOURN

With no further business before the Board, at 12:10 p.m. Board member DePew moved to adjourn, seconded by Board member Walker. The motion carried.

Dave Weinstein, SECRETARY

Lynn M. Hagman, ADMINISTRATOR

