

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
OCTOBER 23, 2013**

CALL TO ORDER

Chairman Walker called the regular meeting to order at 4:00 p.m. Board members present were Ed Short, Ed Burke and Carole Stringer. Board member Ed Graves was absent. Attorney Mike Schmidt, Engineer Steve Cordes, Accountants Ken Thompson and 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 Katie Brodie, Attorney Jim English and Mr. Giffing.

AGENDA / MINUTES

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

Following review of the minutes of September 25th and October 9, 2013 Board member Stringer made edits to the minutes. Board member Burke then moved to approve the minutes of September 25th and October 9th, seconded by Board member Stringer. The motion carried.

CITIZEN ISSUES

Attorney Jim English, representing Mr. Giffing addressed the Board regarding an ER for Mr. Giffing's lot. Attorney English informed the Board that IFI (Idaho Forest Industries) made an agreement with Welch Comer (Larry Comer) and the Sewer District that the ER's for Forest Hills would be purchased upfront. Mr. English stated that there were 53 lots and all the lots that were in the Sewer District boundary were paid for. Attorney English stated that there are no records for IFI any longer; however he testified to Jim Fulmer's writing on a map that said there were 53 lots paid for by IFI.

Mr. Giffing's home was built in 2004 and Attorney English felt the Sewer District had an agreement with IFI to pay upfront and this is one of the 53 lots. Chairman Walker explained that all lots in the Sewer District paid for their ER upfront, not just IFI.

Attorney Schmidt stated that the agreement is not the issue. A review was done of the Sewer District records, which explains that lot 2; block 6 is out of the District boundaries but is served by the District. Chairman Walker asked Mr. Cordes if Welch Comer could look into their records and possibly speak to Larry Comer regarding this issue. Ms. Brodie offered to meet with Mr. Comer and Chairman Walker stated that the District will contact her when more information is received.

FINANCIAL

Ken Thompson reviewed the financial report and the invoices for payment with the Board. Board member Burke moved to approve the financial report and the invoices for payment, seconded by Board member Stringer. The motion carried.

Mr. Thompson then presented a draft of an RFP (request for proposals) for professional services for independent financial statement audit. Mr. Thompson requested the Board to review the RFP and explained that the District needs a Firm with single audit concepts. Mr. Thompson requested that one or two Board members review the proposals when they come in. Board member Stringer would like the RFP sent to whoever will be doing the HARSB and the City of Hayden audit. Board member Stringer would also like to have a summary of the RFP published and posted on the web site. Mr. Thompson stated that the RFP can include the price with and without the formatted financial statement. The Board gave Mr. Thompson the direction to send out the RFP, publish and post to the web once it has been finalized.

ENGINEER

Steve Cordes from Welch Comer Engineers discussed the Canterbury Cove easements and informed the Board that they have been signed and the work will now get underway. Chairman Walker informed the Board that negotiations took place with Mr. Anhood. Mr. Anhood had asked to have his sewer fees dismissed as one of the conditions of the easement and Chairman Walker explained that this would be against District policy. Mr. Anhood then agreed to a dollar amount of \$10,000 plus 12 fruit trees in exchange for the easement. This amount is comparable to money spent on the easement from Mr. Schmutz.

Mr. Cordes then informed the Board that the lift station designs are in the process of moving forward.

The possibility of a by-pass at Thames Court, which would eliminate this lift station, was discussed, Superintendent Jacobson explained where the lift station is located and Mr. Cordes explained the proposed by-pass and informed the Board that it would have to go through a small portion of Avondale golf course. Chairman Walker questioned the cost associated with this lift station. Mr. Cordes stated that a rehab of this lift station would be approximately \$250,000. Mr. Cordes questioned the Board if they would like Welch Comer to research the by-pass possibility. Board member Burke felt that if Avondale Golf Club would allow it and the cost for the research would not exceed \$3,000 to \$4,000 then it would be worth pursuing. The Board directed Superintendent Jacobson to speak with the Avondale Golf Club and if they agree then Mr. Cordes would be allowed to proceed with the research and testing.

Board member Short moved to authorize Welch Comer Engineers to proceed with the preliminary investigation as long as Avondale Golf Club is agreeable to the concept and capping the amount to not exceed \$5,000. Board member Stringer seconded the motion. The motion carried.

ATTORNEY

Attorney Schmidt reviewed the consolidation and non-buildable letters that have been sent out and informed the Board that they are being tracked. The District has received a response from some of the consolidation letters.

The Canterbury Cove easement has been signed by Mr. Schmutz and now by Mr. Anhood so this is complete. Mrs. Dickenson's easement is still pending until we get the Canterbury Cove project completed.

There has not been a response to the letter for consolidation sent to Mr. DePasquale, Mr. Martinez and Mr. Stackow regarding their 3-way property split and Attorney Schmidt suggested a follow up letter be sent to each owner. Mr. Doty's consolidation is done and to date Mr. Anderl has not responded to his consolidation letter.

Attorney Schmidt reviewed the Service Agreement with the City of Hayden Lake and reviewed edits to the agreement such as the hourly wage with and without the use of the truck and on-call pay. The Board agreed to all of the edits. Attorney Schmidt will send the agreement to the City Attorney for Council approval.

Policy discussion regarding approach to drafting and adoption of various policies was discussed and Attorney Schmidt reminded the Board of the policies that DEQ requires the District to have in place. Attorney Schmidt has drafted some of these policies for Board review and suggested the Board go through each policy one at a time. Chairman Walker felt that the employees should be reviewing the policies.

Attorney Schmidt asked the Board how they would like to approach these policies. Board member Burke suggested doing one policy per month and when it is done then move on to the next. Board member Stringer questioned what the process will look like, who will generate the policies. Chairman Walker felt staff should be involved in the policy making. Chairman Walker felt the Board could start with the safety policy and complete one policy at a time.

Board member Stringer questioned the guest house policy and again felt that the Board needs to figure out the process for policies. Attorney Schmidt felt that the policies are being tracked and will be discussed one at a time. The first policies to be addressed should be the ones that DEQ would like the District to have in place. Board member Stringer disagreed and felt that there are other policies that should come first. Chairman Walker agreed and the guest house policy may be one that needs to be discussed before some of the DEQ policies.

EXECUTIVE SESSION

At 5:35 p.m. Board member Burke moved to recess to executive session per ID Code 67-2345 (1) (f) threatened litigation. Board member Stringer seconded the motion. A roll call vote was taken; Board member Short, "aye", Board member Burke, "aye" and Board member Stringer, "aye". The motion was unanimously carried.

Present in executive session were Chairman Walker, Board members Short, Burke and Stringer, Attorney Schmidt and Administrator Hagman.

At 5:43 p.m. the Board reconvened to regular session.

HARSB REQUEST FOR PAYMENT

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

HARSB REPORT

Board member Stringer reviewed the report and informed the Board that the surplus funds from the HARSB budget will be returned to the entities. There has been concern and discussions at HARSB regarding the cost of the new administration building at HARSB.

ADJOURN

With no further business before the Board, at 5:50 p.m. Board member Burke moved to adjourn, seconded by Board member Short. The motion carried.

Todd Walker, CHAIRMAN

Lynn Hagman,
ADMINISTRATOR/ SECRETARY