

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
SEPTEMBER 14, 2016**

CALL TO ORDER

Chairwoman Stringer called the meeting to order at 9:00 a.m. Board members present was Ed Short, Ed Burke and Bill Meany. Board member Ed Graves was absent. Also present were Attorney Mike Schmidt, Superintendent Dustin Jacobson, Engineer Ashley Williams, Accountant Stephanie Sherman and Attorney Danielle Quade all representing the Board. Ken Windram, HARSB System Administrator was present as a visitor.

AGENDA/MINUTES

Board member Burke moved to approve the agenda, seconded by Board member Meany. The motion carried.

Board member Short moved to approve the minutes of August 24, 2016. Chairwoman Stringer presented an edit on page one and Attorney Schmidt presented an edit on page 2. With that, Board member Short amended his motion to include the edits made. Board member Meany seconded the motion with the edits made by Chairwoman Stringer and Attorney Schmidt. The motion carried.

ACCOUNTANT

Stephanie Sherman addressed the Board about additional help with the audit. Mary Richter, CPA has submitted a consulting engagement letter for the Board's review. Ms. Sherman explained there is a short time frame in which the District could utilize her help and she would very much appreciate it if the Board would authorize this.

Following discussion, Board member Burke moved to hire Ms. Richter for a period of time designated by Stephanie Sherman to complete the 2014 audit and to expend no more than \$2,000. Board member Short seconded the motion. There will be edits made to the engagement letter to include the \$2,000 cap and Chairwoman Stringer will be authorized to sign the letter. The motion carried.

CITIZEN ISSUES

Administrator Hagman informed the Board Mr. Paulauskis had requested to attend the Board meeting by phone and wanted to speak to the Board about his RU's. Attorney Schmidt explained the history of Mr. Paulauskis 5 lots and informed the Board he and the District office had been dealing with Mr. Paulauskis on and off on this issue for a few months.

Mr. Paulauskis was called for the meeting. Mr. Paulauskis discussed the letter he recently sent to the Board requesting reimbursement for his extra RU along with consolidation documents from Kootenai County on his lots. Mr. Paulauskis informed the Board he now has two extra RU's and would like to take the value of them and use that to pay for LID 7A assessment.

Attorney Schmidt informed Mr. Paulauskis the Board cannot make decisions because this was not on the agenda. Attorney Schmidt also informed Mr. Paulauskis of the new Ordinance regarding buy backs and

explained this to him. Attorney Schmidt suggested Mr. Paulauskis be placed on the next agenda for the Board to ask questions and have a discussion.

ENGINEER

Ashley Williams and Attorney Danielle Quade discussed the new LID roll. Ms. Williams explained there are several different categories describing parcels to be dealt with. There are consolidations, consolidations with home over previous lot line, lot split or new parcel creation, lot re-arrangement or other special case and those who do not benefit. Ms. Williams discussed letters to go out to those who fall under one or more of these circumstances. The letters will be done and sent out for comments.

The LID 7A time line for hearing dates and other things that need to be done to close out the LID was discussed. Ms. Williams informed the Board the Country Club lift station's punch list is being completed. The O&M Manual is being reviewed by Dustin Jacobson and will be finalized soon. Ms. Williams suggested the LID letters go out within 2 weeks to allow time to respond. They should be sent out on September 30, 2016 and allow response until October 14, 2016.

Ms. Williams informed the Board that DEQ requires 42 days to review the O&M manual and suggested the Board could possibly have a public informational meeting in October. Chairwoman Stringer suggested October 26th for the public informational meeting and will try to keep a short agenda. A notice will be placed on the October/November sewer bill.

Next, the spare pump warranties were discussed. The warranty on the pumps is 5 years. Superintendent Jacobson informed the Boards the emergency response plan says we will have spare pumps. Ms. Williams stated the O&M plan also states we will have spare pumps. Ms. Williams and Superintendent Jacobson proposed the District purchase three pumps at \$20,000 out of the LID funds. Ms. Williams reminded the Board there were funds budgeted for this.

Board member Burke moved to authorize three pumps, Board member Short seconded the motion. The motion carried.

Pay request #14 from Road Construction Northwest was presented in the amount of \$1,140.00 for a fence. Ms. Williams requested authorization for the Chairwoman Stringer to sign once the contractor has signed.

Board member Short moved to approve Chairwoman Stringer to sign the pay request once the contractor has signed. Board member Burke seconded the motion. The motion carried.

BOARD

HARSB pay request was presented in the amount of \$4,136.75.

Board member Short moved to approve the pay request, seconded by Board member Burke. The motion carried.

The proposal from HARSB regarding the purchasing of District RU's was discussed. Chairwoman Stringer updated the Board on the discussion the HARSB Board had on this. Board member Short informed the Board that HARSB wants to buy the District's extra RU's and the District wants to sell them, how this is done is the issue.

Attorney Schmidt stated the Board would need an agreement with HARSB. Board member Short informed the Board HARSB feels they can only pay original cost of RU when it was purchased from HARSB which was approximately \$1,100.

Chairwoman Stringer discussed all of the District's constituents having the opportunity to relinquish extra RU's. Their benefit is, not having to pay the upgrade cost. The relinquishment of the RU's would involve zero compensation to the RU holder.

Board member Burke questioned if the Board is in agreement for selling the District's extra RU's to HARSB. The Board was all in favor of selling. Chairwoman Stringer suggested a meeting with Attorney Schmidt, Ashley Williams to craft a policy and Ken Windram to draft a counter proposal.

ADJOURN

With no further business before the Board, Chairwoman Stringer adjourned the meeting at 11:20 a.m.

Carole Stringer, CHAIRWOMAN

Lynn Hagman, ADMINISTRATOR