

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
OCTOBER 22, 2008**

CALL TO ORDER

Chairman House called the regular meeting to order at 5:00 p.m. Board members present were Tom DePew, Dave Weinstein, Ken Sewell and George Anderl. John Austin, Ken Thompson, Larry Comer, Chris Seward and Mike Schmidt were present as representatives of the Board. Administrator, Lynn Hagman recorded the minutes of the meeting.

Visitors at the meeting were Attorney Mike Ealy, representing Mr. and Mrs. Linehan, Robert Tate of Tate Engineering also representing Mr. and Mrs. Linehan, Raymond and Lark Linehan and Joe Fabiano.

MR. LINEHAN

Mr. Ealy, representing Mr. and Mrs. Linehan addressed the Board regarding the conditional use and variance application that the Linehan's have submitted to the County to add more beds to their existing adult care facility on Thames Ct. Kootenai County has asked for comments from the Sewer District which is what brought this facility to the Board's attention. Following some research it was determined that the facility had not paid to total number of CAP fees for the facility, nor had they been paying the correct amount of O & M fees.

Mr. Ealy explained that he was attending the meeting to respond to the letter the Linehan's had received from Mr. Schmidt, the Sewer District Attorney. Mr. Schmidt's letter informed Mr. Linehan that the amount owing for the CAP fees and back O & M fees had been calculated at \$83,000. Mr. Ealy questioned the Board to consider the special circumstances and to calculate water usage to figure the ER number. Mr. Tate stated that he has done this as the Linehan's engineer and presented a report for the usage over the past year.

Mrs. Linehan explained that they purchased the business through a bank repossession and the conditional use permit was in existence at that time. When they (Linehan's) wanted to sell they found that the conditional use permit had gone through the County procedures but was never paid for, therefore, was not valid. The application that is now being presented is actually a re-application for what has already been in use. Mrs. Linehan asked the Board to look at the circumstances and calculate the water usage and then calculate the fees owed.

Mr. Tate requested the Board to allow Mr. Comer to sit down with him and review the report he has submitted. Chairman House explained the precedence and policy on back charges.

Mr. Ealy explained that the County will be holding the hearing for Mr. and Mrs. Linehan on November 20, 2008 and the comments from the Sewer District need to be in before then. Chairman House stated that if the data is available for the Board to review at the November 5, 2008, 9:00 a.m. meeting, then a decision could be made then. Attorney Mike Schmidt questioned Mrs. Linehan on how many beds are there now and how many are they asking for. Mrs. Linehan informed the Board that they are licensed for 15 beds plus 2 occupants and the State limits them to 16.

This topic will be continued to the November 5, 2008 workshop meeting at 9:00 a.m.

MINUTES

Following the review of the minutes of October 8, 2008, **Board member DePew moved to approve the minutes. Board member Anderl seconded the motion. The motion carried.**

FINANCIAL REPORT

Ken Thompson gave a report on the financial status of the District. Mr. Comer and Mr. Thompson will be meeting to do an accounting on the Lancaster LID for the next meeting.

Invoices were reviewed and with that **Board member DePew moved to approve the financial report and the invoices for payment. Board member Sewell seconded the motion and the motion was carried.**

ATTORNEY REPORT

Mr. Schmidt reported on the Gem Shores/ Hayden Haven take over agreement. The assets, equipment, water rights and property that the system is located on as well as all easements will be transferred at the expense of approximately \$40,500. There is a reimbursement note for this amount to be paid back to the Sewer District over a period of 11 years at \$390.00 per month. This money will be put back into the water fund and the Sewer District will continue to bill and collect for LID 1 and LID 4.

Ken Thompson voiced his concern with confirming that the people who owe on LID1 and LID4 are aware that they will need to continue to pay the Sewer District so in turn, the Sewer District can pay off the bonds. Mr. Schmidt assured Mr. Thompson that on page 4, paragraph 6a this issue is addressed.

With no further discussion, **Board member Anderl moved to approve the takeover agreement for Gem Shores / Hayden Haven. Board member Sewell seconded the motion.**

A roll call vote showed: Board member Weinstein, “abstained”, Board member DePew, “aye”, Board member Sewell, “aye” and Board member Anderl, “aye”. The motion was carried with three ayes and one abstains.

DRAFT NEWSLETTER

Larry Comer reviewed the draft news letter with the Board. The news letter will address sewer rates as well as EPA requirements and new user capitalization fees. Mr. Comer informed the Board that the District is showing a deficit of \$160,000 on O & M. Mr. Comer suggested researching not only the District’s income but the expenses also. Mr. Comer also suggested a rate increase of approximately \$7.23 per month.

Board member DePew questioned Mr. Comer if in the research of the District expenses, could they be categorized such as personnel costs, lift station costs, etc. so that the public can understand better.

Board members Sewell and Anderl felt that all ER’s that are not hooked up yet should be paying a dry user fee. Ken Thompson will do a 5 year comparison on the expenses and Larry Comer suggested the news letter go out in January or February, 2009.

ENGINEER REPORT

Mr. Comer gave a report on the status of the Lancaster project, Meadow Wood project and the Strahorn Rd. project. These projects are part of LID 6 and Mr. Comer informed the Board that he will meet with John Austin and Ken Thompson to calculate the expenses so far.

Mr. Comer presented a Change Order #3 on the Lancaster extension for \$14,800. Following discussion, **Board member Sewell moved to approve the change order, seconded by Board member Anderl. The motion carried.**

Mr. Comer then presented a Change Order #1 for the Strahorn Rd. project in the amount of \$5,674.00. **Board member Sewell moved to approve this change order, seconded by Board member DePew. The motion carried.**

Mr. Comer informed the Board that OSI will be stock piling the pipe for the winter months for the Meadow Wood project.

Mr. Comer then informed the Board that the Cooper’s Bay restoration on the lift station is complete. The guide rails were changed and there are new pump connections, however, they are not in operation yet. The Board discussed the storm water issues briefly.

BOARD DISCUSSION

Chairman House informed the Board that the Hayden Lake Water Shed Association has hired Todd Walker as their water shed manager.

Chairman House also informed the Board that he will summarize his paper on the NPEDS permitting issue. Chairman House has requested permission from the Board to represent the Sewer District at the Land Use Forum meeting on December 3, 2008. **Board member DePew moved to approve, seconded by Board member Sewell. The motion carried.**

Lynn Hagman informed the Board that the Christmas party is set for December 17th at the Avondale Golf Course. The time is yet to be determined. The District meeting has been moved from 5:00 p.m. to 4:00 p.m. on December 17th.

ADJOURN

With no further business before the Board, at 6:45 p.m. **Board member Sewell moved to adjourn, seconded by Board member Anderl. The motion carried.**

Kenneth Sewell, SECRETARY

Lynn M. Hagman, ADMINISTRATOR