

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF SPECIAL MEETING
MAY 9, 2008**

CALL TO ORDER

Chairman House called the special meeting of the Hayden Lake Recreational Water and Sewer District to order at 3:00 p.m. Present were Board members Anderl, DePew, Weinstein and Sewell. Also present were Lakes Highway District Board members Monty Montgomery and Marv Lekstrum and Joe Wuest was also present from Lakes Highway District. District Administrator Lynn Hagman recorded the minutes of the meeting.

The EPA report and fine was discussed. Chairman House asked if the Board members from Lakes Highway District could see anything other than the \$3,000 as what the Sewer District would owe in this fine. Board member Anderl questioned Mr. Montgomery and Mr. Lekstrum if Lakes Highway District would want to challenge the fine.

Mr. Lekstrum felt it would be too costly to challenge and Mr. Montgomery stated that he would fight it if it was him personally but he too felt that it would be too expensive for LHD to fight. Board member Weinstein voiced his concern with meeting the deadline to settle or the fine could become more.

Chairman House discussed the administrative review process by EPA. Chairman House informed those present that the Sewer Districts legal counsel said that it is the Contractor who is responsible for obtaining the necessary permits. Chairman House felt that LHD has done their job for storm water and erosion control.

Joe Wuest discussed the reasons for the fine from not having the Sewer District's name on the permit to using the wrong forms. Mr. Wuest also discussed the time frame in which we need to respond by and stated that LHD is ready to respond to the issues of using the wrong forms. The date to respond by is May 28, 2008 and all documents will go to Seattle and Pittsburg. Board member Weinstein questioned if the Sewer District and Lakes Highway District could pay the entire fine and then take SI Constructions portion off the end of their contract. Chairman House asked Mr. Montgomery and Mr. Lekstrum what they felt the Sewer District owed.

Joe Wuest informed the Sewer Board that LHD has expended approximately \$15,000 already on EPA issue and the opening was also for sewer pipes to be laid. Chairman House suggested each party pay 1/3 of the fine and move on. Joe Wuest suggested talking with Chris Gebhart from EPA on reducing the fine regarding the paperwork issues.

Board member Weinstein felt that the talks need to be done by May 22nd. All parties agreed to trying to reduce the fine and any reduction or extension needs to be in writing. Board member Anderl felt that the Sewer District should not be paying for the pollution part of the fine. Joe Wuest will meet with SI Construction and LHD Board member Marv Lekstrum will look at the contract with JUB Engineering.

With no further discussions, the meeting was adjourned at 4:15 p.m.

Ken Sewell, SECRETARY

Lynn M. Hagman, ADMINISTRATOR