

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT  
MINUTES OF REGULAR MEETING  
APRIL 12, 2017**

CALL TO ORDER

Chairwoman Stringer called the meeting to order at 9:00 a.m. Board members present were Ed Short, Ed Burke, Ed Graves and Bill Meany. Attorney Schmidt, Engineer Ashley Williams and District Superintendent Dustin Jacobson were present as representatives of the Board. Administrator Lynn Hagman recorded the minutes of the meeting.

Citizens present were Russell Johnson and Chris Shipley.

AGENDA/MINUTES

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

**Board member Burke moved to approve the minutes of March 14<sup>th</sup>, 15<sup>th</sup> and 22<sup>nd</sup>. Board member Graves seconded the motion. The motion carried. It was noted that the citizen who spoke at the public hearing on March 14, 2017 and did not give her last name had given a quote in the newspaper and her last name is noted as Bastedo.**

CITIZENS

Russell Johnson, 10851 N. Canterbury addressed the Board regarding his home that is built on a one acre lot and he has been assessed two RU's. Mr. Johnson informed the Board his property is in the City of Hayden Lake Area of City Impact which only allows one acre parcels. He cannot sub-divide his property and therefore requests the District allow him to relinquish the extra RU.

Chairwoman Stringer explained the LID was assessed by number of RU's owned whether the land was vacant or not.

Mr. Johnson presented a letter from the County with other documents showing one residence per acre. Chairwoman Stringer explained the time frame for appeals has passed and Mr. Johnson stated he is filing his objection now.

Attorney Schmidt explained the legalities and time frame for the appeals process. Board member Short explained the District's previous policy on presold capacity and the budgeting for what the District will have to pay in assessment fees. Board member Graves discussed the possibility of selling back some of the District RU's to HARSB. Attorney Schmidt explained the previous buy back list and how there was no market to re-sell RU's. Attorney Schmidt informed Mr. Johnson the District is working to try to transfer RU's to the City of Hayden.

Chairwoman Stringer informed the Board Mr. Johnson was not on the agenda and suggested placing him on a future agenda for further discussion. Administrator Hagman was directed to place Mr. Johnson on the May 10, 2017 agenda. Mr. Johnson stated he understands the District restraints but he cannot do anything with the extra RU and will get legal representation if he needs to.

Attorney Schmidt discussed the Joint Powers Agreement and the proposed amendment to allow RU's to be transferred to the City of Hayden and suggested Mr. Johnson maybe take his story to HARSB.

#### AUDIT

Mr. Shipley, auditor with Magnuson McHugh CPA's, reviewed the 2014 audit with the Board. Mr. Shipley proposed the 2015 and 2016 audit be done together and engaging Ben Johnson to do them. Chairwoman Stringer asked how much effort this would be for Mr. Johnson and Mr. Shipley replied he could probably have them done this summer.

Board member Burke questioned is anything in this audit gave him a red flag. Mr. Shipley stated it was just a matter of getting the work done. Mr. Shipley suggested having oversight on financials, possibly a quarterly review.

**Board member Graves moved to approve the 2014 audit as presented. Board member Burke seconded the motion. The motion carried.**

#### LETTERS

Two letters were received objecting to the LID and to number of RU's assessed. Attorney Schmidt suggested Ashley add these objections to the sheet. The letter received from Hugh Magnussen objected to the assessment because they are on an effluent system only. Chairwoman Stringer stated the grey water needs to be defined; people do not seem to know the difference between grey water and effluent.

The letter received from Mr. Schoemaker was to object to being assessed for 2 RU's because his home straddles the two lots he owns. Ashley felt he could be a candidate for relinquishment but if the District take back RU's now we will have to pay the full assessment.

Ashley Williams reviewed Mr. Weir's objection of having two RU's and he has requested the District allow him to relinquish one of them. Ashley will log this objection into the sheet.

Chairwoman Stringer suggested Attorney Quade draft a memo regarding late comers who are objecting to their assessment and the effect of failure to object on time. A standard response letter was suggested for those who objected after the time line.

Board member Short discussed HARSB offering only a rebate on RU's and amending the JPA (Joint Powers Agreement). Chairwoman Stringer will place the proposed amendment to the JPA regarding RU sell back on the next HARSB agenda. The change would be to allow District to sell directly to the City of Hayden.

ENGINEER

Ms. Williams reported the LID 7A notice of assessment went out there may be some attorney costs after the last DEQ reimbursement request.

Next, Ms. Williams reviewed the presentation for the rate hearing on April 26<sup>th</sup> and asked if the Board would like to have a question and answer session. Chairwoman Stringer replied she would like to have a Q&A but to make sure there is clear distinction between the Q&A and the public testimony once the hearing is opened. The rate increase is to meet expenses and no depreciation is included.

Chairwoman Stringer presented a request for payment from HARSB that had been previously approved but the document has been misplaced.

**Board member Short moved to reaffirm affirmation of payment. Board member Burke seconded the motion. The motion carried.**

The last DEQ reimbursement request in the amount of \$41,882.85 was presented for approval.

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

ATTORNEY

Attorney Schmidt will request Attorney Quade to provide a memo regarding late objections. Attorney Schmidt discussed the LID 6 agreement, specifically the section regarding the increment they will pay at the time of hook up. Attorney Schmidt discussed how the increment would be calculated now.

ADJOURN

With no further business before the Board, Chairwoman Stringer adjourned the meeting at 12:10 p.m.

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Carole Stringer, CHAIRWOMAN

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Lynn Hagman, ADMINISTRATOR