

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF SPECIAL MEETING
February 10, 2017**

CALL TO ORDER

Chairwoman Stringer called the special meeting to order at 10:05 a.m. Board members present were Ed Short, Bill Meany, and Carole Stringer. Board members Ed Burke and Ed Graves were absent. Attorneys Mike Schmidt and Danielle Quade were present as representatives of the Board. Ben Johnston and Mary Richter were also present. Mr. Schmidt recorded the minutes of the special meeting.

AGENDA

Board member Short moved to approve the agenda for this meeting. Board member Meany seconded the motion and the motion carried.

BOARD DISCUSSIONS/APPROVALS

Ben Johnston, from Ben Johnston CPA PLLC introduced himself and discussed his qualifications. He advised the Board that he had spoken with Chris Shipley to gain perspective on what would be required to wrap up the 2014 audit, and what further information he might need to meet the deadline in April for finalizing the LID and meeting DEQ loan requirements.

Danielle Quade advised that she had spoken with the DEQ, and that an audit would be required because in 2014 the District used \$505,000 in federal funds, thereby putting it over the \$500,000 limit which would not have required an audit. Ms. Quade further advised Mr. Johnston of the timeline that the District was following for closing out the LID, and questioned whether or not he felt he could help package the necessary information for Mr. Shipley to complete the audit. Mr. Johnston advised that after speaking with the auditors, he felt that with his help he could get the information put together, but that there were a number of unknowns that he would have to familiarize himself with before he could be certain.

Mr. Johnston explained the audit process to the Board, and his proposal for reviewing the information to package it for the auditor's use. He further addressed questions related to the Kootenai County collection process, and how the County was not fulfilling its duties with respect to providing enough information for auditing purposes.

Carole Stringer questioned Mr. Johnson as to whether it was plausible that the District could meet the upcoming deadlines. Timing details were discussed related to dates for printing, mailing, publishing, and holding the required hearing.

Board Member Burke moved to proceed with the schedule set out at the prior Board meeting, and permitting Carole Stringer to retract the authorization in the event the accounting staff determined that the deadlines could not be met. Board Member Meany seconded the motion and the motion carried.

Board Member Burk moved to hire Ben Johnston to assist with researching and packaging the necessary accounting information for the 2014 audit. Board Member Meany seconded the motion, and the motion carried.

Chairwoman Stringer briefly discussed accountant Stephanie Sherman's resignation, and her proposal for continuing with assistance as part of the hand-off to the District's next accountant.

ADJOURN

With no further business before the Board, Chairwoman Stringer adjourned the meeting at 10:55 a.m.

Carole Stringer, CHAIRWOMAN

Lynn Hagman, ADMINISTRATOR