

**HAYDEN LAKE SEWER DISTRICT
MINUTES OF REGULAR MEETING
APRIL 24, 2019**

CALL TO ORDER

Chairwoman Stringer called the Hayden Lake Sewer District Board Meeting to session at 4:04 pm. Board members Michael Clark, Bill Meany, and Carole Stringer were present. Superintendent Dustin Jacobson and attorney Michael Schmidt were also present as representatives of the Board

AGENDA/CONSENT AGENDA

Board member Clark moved to approve the agenda and consent agenda, which motion was seconded by Board member Bill Meany. The Motion carried.

CITIZEN ISSUES

There were no citizen issues

ATTORNEY

Mr. Schmidt presented the Second Amendment to Funding Agreement, and explained the proposed amendments related primarily to the timing of the construction financing agreement “true up.” The amendment also involved the changing of an exhibit for the construction components that have been updated. The construction components needed to be updated because the initial exhibit for phase two components was made several years ago and lacked the detail we now have.

Board Member Clark moved to adopt the draft second amendment to the construction financing agreement as presented. The motion was seconded by Mr. Meany. A roll call vote was held as follows:

Board Member Clark: Aye. Board Member Meany: Aye. Board Member Stringer: Aya. The motion passed unanimously.

SUPERINTENDENT

Superintendent Jacobson updated the Board regarding his recent work at the park, as well as his work related to utility easement issues. The City’s placement of boulders is proceeding alongside the District’s in making an access way. Mr. Jacobson presented a packet related to the Ntaken Village sewer line and access issues. Mr. Jacobson discussed the need to confirm access to service sewer infrastructure. The system components were originally a community-owned system that was acquired by the District. Mr. Jacobson indicated that the construction is in a location where a concrete line is located, which is presenting problems. He indicated that the concrete line is also deteriorating. While there is an easement in place, it needs to be better maintained and improved for access. Mr. Jacobson indicated that an old access road that was used to access an old septic tank and pump station exists. The pump station no longer exist but was part of the original system that was overtaken/acquired by the

District. If this access could be improved, it could provide better access. Mr. Jacobson would like to improve this access and confirm/establish a permanent easement in the location as well.

Ms. Stringer questioned whether there were funds in the budget for this. Mr. Jacobson indicated that there were funds, but it would be implemented in “phases”, so it would not significantly affect the budget. Mr. Jacobson also indicated that it would be a matter of a couple weeks for the phased construction, not months or years.

Mr. Jacobson questioned attorney Schmidt whether cap fees could be utilized for the project. Mr. Schmidt indicated that exactly what can and cannot be paid for with cap fees is fairly debatable, but expansion is technically prohibited. To the extent the improvements are for replacement, or to provide for better operations or servicing of equipment, it should be fine.

Mr. Jacobson described significant cleanup work and safety issues that need to be addressed. This would also involve determining what old infrastructure exists. Mr. Jacobson described an old septic tank structure that was used by the property owners as one of the infrastructure items.

Mr. Meany Moved to direct Superintendent Jacobson to commence the phased access clean up and inventory of infrastructure to address the problems as discussed, with a maximum limit on spending of \$24,070. The Motion was seconded by Mr. Clark. The motion passed unanimously.

BOARD DISCUSSION / ACTION

Discussion on Rate Increase and Wage Increase: Ms. Stringer brought up issues related to preparation for budgeting purposes and wanted to address possible rate increases and wage increases as part of the process.

With respect to the rate increase topic, Ms. Stringer pointed out that there have historically been periods where the District did not monitor rates as closely as at other times. During periods when rates were not adequately monitored or increased, there was push back among the constituents at rate hearings because they saw that funds were available in the capitalization fee fund. Over time those were capitalization fees were depleted. Ms. Stringer suggested that rates should keep pace responsibly and modestly so that funds are not depleted in a similar fashion as they were in the past. Mr. Meany and Mr. Clark both indicated that this would be appropriate. Mr. Jacobson indicated that Welch Comer created an analysis regarding needs and projected availability of funds as part of a rate study presented at a prior rate hearing.

With respect to the wage increase topic, Ms. Stringer pointed out that wage increases are typically considered in connection with employee contract renewals and felt it would be appropriate to include for budgeting purposes, without committing to any increases. The Board also agreed it would be appropriate to consider wage increases.

Ms. Stringer next addressed the HARSB proposal to amend the Joint Powers Agreement, which will need to be listed as an agenda item at an upcoming meeting. She further indicated that HARSB administrator Ken Windram has been actively working with the engineers to design and work on the project, although

the HARSB board directed that he should not be working as an engineer. This role has helped to save HARSB money, and Chairwoman Stringer was generally satisfied that this would be a good move to authorize him to continue this work.

Chairwoman Stringer further updated the Board that bidding a vendor for the entire integrated tertiary treatment system has also been undertaken at HARSB. Other vendors that will be part of phase two components for purposes of bidding will relate to elements of construction and engineering that need to be integrated up front, so that work and those items needed to be evaluated individually. An RFP has also been put out for the solar dryer structure, which involves looking at greenhouse construction companies.

HARS has also begun the budgeting procedure, and a first draft has been passed along to Lynn Hagman so that she has a basis for working on the District budget as well. These are preliminary budgeting estimates that will need to be revised before consideration or adoption by HARSB or the District.

ADJOURN

With no further business before the Board, the meeting was adjourned at 5:30 pm. Chairwoman Stringer adjourned the meeting.

Carole Stringer, CHAIRWOMAN

Lynn Hagman, ADMINISTRATOR