

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
AUGUST 10, 2011**

CALL TO ORDER

Chairman Sewell called the regular meeting to order at 9:00 a.m. Board members present were Tom DePew, Carole Stringer, Todd Walker and Dave Weinstein. Larry Comer and Superintendent Dustin Jacobson were present as representatives of the Board. Ken Windram from HARSB was the only visitor. Administrator Lynn Hagman recorded the minutes of the meeting.

AGENDA

Board member Stringer moved to approve the agenda for this meeting, seconded by Board member Walker. The motion carried.

HARSB BUDGET DISCUSSION

Board member Stringer opened by budget discussion with asking Mr. Windram about the TMDL issues and how this is billed to the Sewer District. Mr. Windram replied that this is included in the monthly bill the District received from HARSB. Board member Stringer then went on to ask why the consulting line item decreased from \$20,000 to \$12,000. Mr. Windram explained the HARSB staff has taken on some of the duties of the duties from this line item and the cost has resulted in being less.

Superintendent Jacobson questioned why the Sewer District is expected to lower their costs and HARSB continues to go up. Mr. Windram stated that last year there was a 90% increase in the chlorine costs not to mention increases in electrical costs and costs in maintaining the system. Mr. Jacobson felt that some of the things being done at the plant could be done at a later date. Mr. Windram stated that delaying the purchase of equipment only costs more in the future. The purchases are Board decisions and one of the largest expenses in the budget is labor.

Board member Stringer addressed the labor costs and questioned the cola increase in the budget. Mr. Windram informed the Board that there is a 3% cola budgeted which comes to approximately \$12,000. Board member Weinstein questioned why a 3% cola was even considered. Mr. Windram stated that it was placed in the budget proposal. Board member Walker questioned if there were any temporary workers and if there was a separate line item for the land application. Mr. Windram replied that they do use jail crews when they can and when anyone works on the farm doing the land application it is charged to land application in the budget.

Larry Comer discussed the operations and maintenance (O & M) current expenses, reserve/replacement fund and where expenses fall within the budget. The CAP fees are a source of depreciation. The budget is up \$115,000 from last year with \$100,000 for depreciation. Mr. Jacobson questioned the expenses from 2006 to current date and asked Mr. Windram why it has not been cut back a little. Mr. Windram had to reply to this question.

Board member Walker questioned the re-painting of the clarifier and where this cost was coming from. Board member Weinstein asked if there should be a new line item for this. Board member Walker discussed the concerns with the product only lasting one year when it should have lasted at least five years. Mr. Windram informed the Board that it is only one section of the clarifier that needs re-painting. Mr. Comer stated that the problem is with the application and suggested HARSB go to the contractor and negotiates the fix on the clarifier. The re-painting should not be paid in full and a contractor should not be paid in full for fixing their own work.

Board member Weinstein suggested Mr. Windram pursue this vigorously with the contractor. Board member Stringer felt that the contractor should be questioned as to why this happened to the one section of the clarifier. Board member Walker stated that the problem with the budget is that it is under operations and maintenance costs.

Board member Stringer went on to discuss the SCADA system and pointed out the overage in the current budget for this line item. Under the joint powers agreement this overage should have come to the entities for a vote first. Board member Stringer questioned if all SCADA upgrades had to be done at one time. Mr. Windram explained the upgrades that were needed and that were done. Board member Stringer questioned the \$8,000 for a new server. Mr. Windram informed the Board that this was not part of the SCADA system, the new server is an administration server.

Board member Stringer questioned Mr. Windram on whether or not he had any technical consulting done on the systems. Mr. Windram replied that he had and stated that some of the HARSB funds from the SCADA system are put into the Sewer Districts lift stations.

Mr. Comer discussed the facility planning and lift station upgrades and stated that the District and HARSB needs to look at options and cost benefits. Mr. Windram stated that plugged pumps are an issue. HARSB spends a lot of overtime on this problem.

Board member Stringer referred back to the SCADA budget line item and questioned the \$40,000 for upgrades and what the other \$22,000 was for. Board member Walker felt that this is a capital improvement and should not be in the operations and maintenance budget. Mr. Windram explained that this will increase flows and he will check on where this should be placed in the budget. Superintendent Jacobson questioned the need for \$80,000 for a camera. Mr. Jacobson's suggestion was to have a reserve fund for this and put an amount aside each year for this and purchase in the future. Mr. Windram explained that the camera follows the vector truck to check for problems.

Board member Weinstein agreed that creating a sinking fund over a 3 year period and they purchase the camera. Should delay purchasing as long as possible and start a reserve fund. Mr. Windram informed the Board that the camera will come out of CAP fees. Mr. Windram stated that the money is in the bank and the old vector truck has been sold with one-half of the payment received.

Mr. Windram informed the Board that he will go back to his office and get more information on the re-painting of the clarifier and check on having the SCADA system come from the CAP fee fund.

At 10:15 a.m. Mr. Windram excused himself from the meeting.

Mr. Jacobson explained the inflow and infiltration in the District and stated that HARSB feels the District has problems with this and this is why they feel the camera is needed. Mr. Jacobson stated that this is not so and the camera, in his opinion, is not necessary at this time.

Board member Weinstein will report back to HARSB with the District's budget concerns with a new camera, the SCADA system and where it will come out of the budget and the remaining \$22,000 and what is it for as well as the 3% COLA being asked for.

Board member Walker felt that if HARSB could cut and / or flatten out their expense in operations and maintenance then he would be willing to approve a 3% increase in wages. Board member Stringer would like to see a breakdown of the SCADA line item.

At 11:15 a.m. Larry Comer excused himself from the meeting.

EMPLOYMENT CONTRACT

Administrator Lynn Hagman explained the changes in the contract to the Board. Changes were wage amount, sick leave carryover and vacation carryover amount. Board member Stringer questioned why there was a cap of 780 hours on the sick leave. Mr. Jacobson asked the Board to remove the 780 cap on the sick leave. Board member Stringer and Weinstein agreed.

Board member Stringer moved to remove the 780 hour cap on the sick leave and let the sick leave accumulate as it is earned. Board member Weinstein seconded the motion. The motion carried.

Chairman Sewell discussed the medical insurance and how much the District pays. Chairman Sewell suggested that in the future the District place a cap of \$1,000 for the District share of the medical insurance premium. Mr. Jacobson stated that the medical insurance is with HARSB and he would like to see it stay consistent with HARSB. Board member Weinstein questioned if the District has ever shopped around for other insurance. Board member Stringer suggested talking with a broker and Board member Weinstein agrees. The Board would like to research this when Chris Seward returns to work.

Chairman Sewell discussed the \$500.00 cap on expenses and approval. **Board member Stringer moved to give Mr. Jacobson the discretion of purchasing up to \$1,500 and anything over this amount would need approval of the Administrator or a Board member. Board member Walker seconded the motion. The motion carried.**

Board member Stringer then moved to adopt the employment contract for Dustin Jacobson for 2011-2012 with the amendments. Board member Walker seconded the motion. The motion carried unanimously.

ADJOURN

At 12:00 noon Board member Stringer moved to adjourn, seconded by Board member Walker. The motion carried.

Dave Weinstein, SECRETARY

Lynn M. Hagman, ADMINISTRATOR

