

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
JULY 10, 2013**

CALL TO ORDER

Chairman Walker called the meeting to order at 9:00 a.m. Board members present were Ed Graves, Carole Stringer, Ed Short and Ed Burke. Attorney Mike Schmidt, Superintendent Dustin Jacobson and Engineer Steve Cordes were present as representatives of the Board. Administrator Lynn Hagman recorded the minutes of the meeting.

AGENDA/MINUTES

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

Following review of the minutes and changes made by Attorney Schmidt, Board member Short moved to approve the minutes of June 26, 2013 as amended. Board member Graves seconded the motion. The motion carried.

ENGINEER

Steve Cordes addressed the Board on the proposed newsletter and the options for the Country Club lift station. Mr. Cordes asked the Board for their comments on the newsletter that will be placed on the web site. Mr. Cordes informed the Board that the next billing that will go out in August will have a paragraph on it directing people to the website for more information.

Mr. Cordes then discussed pump options for the Country Club lift station. Mr. Cordes discussed a couple of quotes from pump suppliers. A quote was received from Whitney Equipment Company on the Flygt submersible pumps that we are starting to use in the other lift stations and another quote was received from Granich Engineered Products for a Gorman Rupp above ground lift station. Mr. Cordes explained the quote for the Flygt pumps and what this quote consists of. The cost for the Flygt pumps would be approximately \$44,363.00. The Gorman Rupp station package would include a full lift station and the cost would be approximately \$83,300.00. Mr. Cordes explained that the estimate on the Flygt pumps would be for the pumps only.

Board member Stringer questioned the operational costs of the underground pumps versus the above ground pumps. Mr. Cordes and Superintendent Jacobson explained the difference between the different pumps that would be in ground versus above ground. Board member Graves stated that the Flygt pumps would not need to be pulled out for maintenance or repair and both pumps do the same work. Mr. Cordes informed the Board that he has not discussed setting up on top of the existing structure with the Country Club. Chairman Walker questioned if the station will be noisier. Mr. Cordes felt that it could be but it is more of an aesthetic issue. Mr. Cordes will research the noise issue. Mr. Cordes suggested the Board take a tour of the H1-D lift station which would be similar to the Country Club lift station when it is complete. Chairman Walker clarified that the Board was in favor of the more expensive Flygt pumps. The next step will be to speak with the Country Club about an easement for more area to work in. Chairman Walker volunteered go with Mr. Cordes to speak with Les Hintz at the Country Club after they have the information on the noise level.

ATTORNEY

Attorney Schmidt reviewed the current buy back and resell policy with the Board. The previous suggestion was that the policy be changed regarding the ER's that the District buys back and what the District sells the ER's for. A suggested change was to allow a person, who had already found a buyer, to come in and allow the person to do a private exchange and the District would track this on the District books. Attorney Schmidt felt that in an effort to find a solution for a few people now, the District may create more problems later. Attorney Schmidt referenced the customer policy and unique circumstances where special situations could be dealt with on a case by case basis.

Attorney Schmidt reviewed some of the problems that changing the current policy for buy back and resell of ER's would cause. The ER should reflect the proportional cost of ownership in a fixed set of assets. The collector lines are worth something and the treatment plant is worth something and an ER represents a proportional share to split the pie into 10,061 ER's which reflects the depreciation, replacement and periodic expansion. There are two types of ER's to keep track of now, one is the ER's for LID6 and the other is our regular ER's. Attorney Schmidt researched other District who would allow someone to sell their own ER and could not find any other municipality that would allow this. Other municipalities leave the buy-back option open as a refund if someone doesn't need the capacity any longer.

Since the District has always had the long standing first in first out refund policy, to depart from this would be solving a small issue now and creating a much bigger issue later. Attorney Schmidt felt that changing the policy could be done, however the District would need to come up with a system to prevent abuse and be fair to everyone and to minimize what problems happen in the future. It would be complicated to create a new policy.

Board member Graves stated that the sale would always need to go through the District to make sure the fees for LID7A has been taken care of. Chairman Walker felt it is cleaner to keep the same policy. Board member Short felt that people manipulating ER's in not realistic and the District shouldn't disallow a private party to sell their ER for whatever they can sell it for. Board member Short stated that as long as the District has system in place that allows variances for people in unique situations, he would be fine with the current policy. Board member Burke felt that there should be a way for people to sell their own ER. Attorney Schmidt reminded the Board that the ER goes with the land not with the homeowner.

Attorney Schmidt updated the Board on the consolidations and non-buildable covenants. There has been one completed and there are a few more to do. Board member Stringer questioned if these are people who have ER's on non-buildable parcels. Attorney Schmidt explained that these are people who have complied with the non-buildable and consolidation letter that was sent to them. Attorney Schmidt discussed some of the issues regarding the ER count and there are a couple of people who will need to purchase an ER. These ER issues will be tracked on the spreadsheet that Ashley Williams from Welch Comer Engineers will be keeping.

Attorney Schmidt discussed the in house professionals and public bidding requirement. Board member Graves has questioned when the District needed to go out for bids. Attorney Schmidt reviewed the Idaho bidding requirements and explained projects versus services. Professional services would be engineering and attorney.

Chairman Walker informed the Board that he had met with Steve Cordes regarding the engineering bills and had some things explained to him. The engineer bill will now become a part of the Board packet. Superintendent Jacobson informed the Board that the engineers plan on being on site for the LID7A projects most of the time during the project. Board member Graves felt that the engineers can inspect during the project rather than be on site all the time. Board member Burke voiced his concerns that there are people in the District who find having Welch Comer as the District engineer for 28 years and no one else having an opportunity or the Board not choosing to give anyone an opportunity to be the District's engineers. Chairman Walker suggested we move forward and as we go we will watch the engineering.

EXECUTIVE SESSION

Board member Burke moved to recess to executive session per ID Code 67-2345 (1) (b) for personnel evaluations. Board member Short seconded the motion. A roll call vote showed; Board member Short, "aye", Board member Burke, "aye", Board member Graves, "aye" and Board member Stringer, "aye". The motion was unanimously carried.

Present in executive session were Chairman Walker, Board members Short, Burke, Graves and Stringer, Attorney Schmidt and Administrator Hagman.

At 10:45 a.m. the Board reconvened to regular session.

Board member Graves moved to approve the recommendations of the Administrator with an increase for Laurie Robb to \$18.00 hr. and for Chris Seward to \$18.00 hr. and no increase for Administrator Hagman or Superintendent Jacobson. Board member Short seconded the motion. The motion carried.

EMPLOYEE CONTRACTS

Administrator Hagman explained that Dustin Jacobson and Chris Seward were asking for no changes to their employment contracts and the changes that would be made will be the number of days of vacation and sick leave that will be carried over and the change in the medical insurance premium. Board member Graves questioned if Superintendent Jacobson's monthly vacation time was normal. Administrator Hagman replied that for the years of service it was.

Board member Short move d to approve the employee contracts with the modifications described by Administrator Hagman. Board member Burke seconded the motion. The motion carried.

COOPERS BAY CLEAN OUT

Chairman Walker informed the Board that Mr. Seward was at the Coopers Bay clean out trying to exercise the valves and found dirt in the valves. Between Superintendent Jacobson and Mr. Seward, they figured out what materials they would need to fix the problem and found out it would take about two weeks to get the materials here. In the meantime Lakes Highway District has a project going on in the same area. The District needs to replace these valves and Superintendent Jacobson has worked this out with Lakes Highway District to be able to replace the valves while they have the street opened up. Lakes Highway District will not charge the Sewer District the permit fee of \$500.00 this time but will in the future if the District cuts a new street.

Chairman Walker discussed manhole work the District has to do after Lakes Highway District repaves and suggested a Board member meet with Lakes Highway District to discuss this further.

ADJOURN

With no further business before the Board, at 11:10 a.m. Board member Short moved to adjourn, seconded by Board member Graves. The motion carried.

Todd Walker, CHAIRMAN

Lynn M. Hagman, ADMINISTRATOR