

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
MARCH 27, 2013**

CALL TO ORDER

Chairman Sewell called the meeting to order at 5:00 p.m. Board members present were Todd Walker, Carole Stringer, Ed Short and Tom DePew. Larry Comer, Ashley Williams, Attorney's Schmidt and Quade, Ken Thompson, Stephanie Schultz and Superintendent Jacobson were also present as representatives of the Board. Administrator Hagman recorded the minutes of the meeting.

AGENDA/MINUTES

Attorney Schmidt added election issues to the agenda and explained that the District just received information from the County Clerk regarding the election. **Board member Stringer moved to approve the agenda subject to the amendment from Attorney Schmidt. Board member Walker seconded the motion. The motion carried.**

Following review of the minutes of March 13, 2013, Attorney Schmidt informed the Board of some edits that he made. **Board member Stringer moved to approve the minutes with Attorney Schmidt's edits. Board member Walker seconded the motion. The motion carried.**

MR. CLARK-1673 EVERGREEN

Mr. Clark addressed the Board regarding his guest house at 1673 Evergreen Dr. in Hayden Lake. Mr. Clark informed the Board that the guest house has not been used as a guest house for several years and his son has been using it for storage. Mr. Clark is requesting the Board to allow him to disconnect from the sewer and stop the billing.

Superintendent Jacobson explained the policy for disconnecting the sewer. Attorney Schmidt discussed previous conversations regarding guest houses and feels a permanent severance from the sewer needs to happen to ensure no one else could hook up at a later time. Board member DePew suggested putting a plug of some kind in the line and then fills with concrete and the Superintendent will inspect.

The Board discussed the District Ordinance and Policy regarding guest houses with more than one opinion on how it was recalled. Attorney Schmidt suggested he look at the Ordinance and Policy for further discussion at a later meeting. Board member Short suggested allowing Mr. Clark to disable the sewer and stop the billing. Mr. Clark stated his willingness to permanently sever the sewer to District standards. Board member Short requested Superintendent Jacobson draft standards for disabling the sewer connection. The Board agreed.

FINANCIAL

Ken Thompson reported on the District financial status. Mr. Thompson explained the adjustments that were made and the US Bank bill that was being paid.

The US Bank invoice is for LID 6 debt service. The invoices for payment were reviewed; Mr. Thompson commented that the bills were minimal this month.

Board member Walker moved to approve the financial report and the invoices for payment. Board member DePew seconded the motion. The motion carried.

Mr. Thompson then presented the audit for 2011. Mr. Thompson reviewed the audit with the Board and explained that in the audit the 2010 audit was restated to comply with the auditors rule.

ATTORNEY

Attorney Schmidt discussed Resolution 2008-1 and the March 21st letter with corresponding documents to HARSB regarding this Resolution. The Board has also received these documents and Attorney Schmidt suggested they read them and let him know if they have questions.

Attorney Schmidt explained the District election process and who will be eligible to vote. The County Clerk has informed the Administrator that they won't help with the District election. Administrator Hagman explained how far we are in the election process and that the District will be responsible for the election clerks and election judge. Administrator Hagman has suggested Nancy Morris for the election judge. Ms. Morris will be responsible for overseeing the counting of the ballots and calling all candidates after the election with the results. Attorney Schmidt suggested Board member Walker or Stringer to swear in new Board members since Administrator Hagman will be gone.

Attorney Schmidt explained that the District does not comply with the term of "Recreational Water and Sewer District anymore and we should look into becoming a regular Water and Sewer District to avoid idiosyncrasies regarding elections or other issues.

ENGINEER

Ashley Williams informed the Board that the newsletter and notice of hearing went out on Friday and there have been a couple of calls.

Larry Comer reviewed the presentation he will do for the public hearing on April 9th at the Hayden Meadows Elementary. There were suggestions from the Board and Mr. Comer will make a couple of edits before the hearing.

Ms. Williams presented the task orders for the Strahorn Rd. and Miles Ave. projects. The Board discussed the costs and Ms. Williams reported that there will need to be new ballast on Miles Ave. which brings the cost up. Ms. Williams informed the Board that for the Miles Ave. project the District will take on the roadway design project going from an overlay to full rebuild. The City of Hayden Lake will pay the original amount of \$97,000 towards the project and Lakes Highway District will pay their share and the Sewer District will pay anything over.

Ms. Williams stated that the Strahorn Rd. project will be done with the City of Hayden Lake only and the City has \$100,000 budgeted for this project. Ms. Williams presented the total estimated costs for these projects to the Board and stated that the construction and bidding is included.

Board member Walker feels the City would be fine with less than 12" for the ballast on Miles Ave. Member Walker informed the Board that he has talked with Mayor Beck and feels the Mayor would negotiate on this part which would save the District a considerable amount of

money. Larry Comer felt that more negotiations are needed with the City and the Board should choose a negotiating team for future meetings.

Mr. Comer discussed the standards for roads and informed the Board that Lakes Highway District pulled their bid on the Miles Ave. project for the Sewer District so the District is now committed to participating in some way on this project.

Superintendent Jacobson suggested an option for the sewer line on Miles Ave. and has discussed this with the engineers. Mr. Comer will look at this option during the survey process. Board member Stringer felt there should be two Board members to participate in negotiations with the City. Chairman Sewell recommended Board members Walker and Short to be the negotiating team. Mr. Comer informed the Board that there is an existing Memorandum of Understanding Agreement between the City and Lakes Highway District for this project. Attorney Schmidt will draft an agreement with the City of Hayden Lake if they could negotiate the City possibly paying more and spreading it out of the next couple of years for the Strahorn Rd. project.

Ms. Williams explained the task orders for Miles Ave. and Strahorn Rd. and stated there will be a topographical survey and a geotechnical survey done and the additional services will be permitting, right of way assistance/ easement procurement and property owner coordination. A task order for the SWPPP development services was also discussed.

A master contract between Welch Comer & Associates and the Hayden Lake Recreational Water and Sewer District was presented and Attorney Schmidt submitted an addendum to the agreement that included conflicts and controlling agreement, non-assumption of liability, engineering professional's standard of care, accrual of claims, termination and applicability to task orders. **Board member Stringer moved to proceed with the 2013 master contract with the addendum submitted from Attorney Schmidt and the three task orders and asked if the District could draw data for other projects regarding Miles Ave. and Strahorn Rd. Mr. Comer replied that the data is site specific. Board member Walker seconded the motion. The motion carried.**

Ms. Williams discussed the DEQ loan funding and informed the Board that the District is number 5 on the list for the 7 million. Ms. Williams recommended the Board submit a letter to DEQ after the hearing for the request of the 3.4 million. Ms. Williams stated that it is prudent to ask permission to incur costs for this design. Attorney Quade suggested a reimbursement resolution for reimbursement of funds spent already and to approve it at the April 11th meeting. Attorney Schmidt recommended Attorney Quade to draft the resolution.

HARSB REPORT

Chairman Sewell informed the Board that the Chairman of the HARSB Board tabled the discussion of the 2008-1 and the 2013-1 resolutions. The discussion of the land purchase from the City of Hayden was also tabled.

BOARD REPORTS

Board member DePew gave a report on the Spokane River Conference he attended and informed the Board that he has a CD on water law and pamphlets from the conference.

Board member Walker informed the Board that he went to the meeting that the Sewer District supports at the Spokane Community College and stated that their discussions included checking boats for mussels. Board member Walker suggested the Sewer District not support this conference with the \$150.00 any longer. They have many contributors and don't need the funds.

Mr. Comer reviewed the slides for his presentation and discussed the three parts. Part A will be the presentation of the proposed project scope, costs and LID process. Part B will be the formal sewer rate increase public hearing and part C will be the formal LID #7A public hearing.

Board member Stringer suggested a Q & A to be placed on the web site. Ms. Williams will work on this and send it to Administrator Hagman.

ADJOURN

At 8:00 p.m. Board member DePew moved to adjourn, seconded by Board member Walker. The motion carried.

Kenneth Sewell, CHAIRMAN

Lynn Hagman, SECRETARY