

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT  
MINUTES OF REGULAR MEETING  
MAY 8, 2013**

CALL TO ORDER

Chairman Sewell called the meeting to order at 9:00 a.m. Board members present were Todd Walker, Carole Stringer, Ed Short and Tom DePew. Attorney Mike Schmidt, Engineers Steve Cordes and Ashley Williams, Stephanie Schultz and Superintendent Dustin Jacobson were present as representatives of the Board. Paul Klatt of JUB Engineering and Ken Windram from HARSB were also present. Administrator Lynn Hagman recorded the minutes of the meeting.

AGENDA/MINUTES

**Board member DePew moved to approve the agenda, seconded by Board member Walker. The motion carried.**

**Following review of the minutes of April 24, 2013, Board member Walker moved to approve the minutes, seconded by Board member Short. The motion carried.**

ATTORNEY

Attorney Schmidt informed the Board that he has been working with Attorney Danielle Quade on the Notice of LID Assessment to be recorded at the County. Attorney Quade suggests that it is better to over notice than to not have enough notice to potential property owners regarding the pending LID assessment. Attorney Schmidt informed the Board that he and Attorney Quade and Larry Comer have worked together to come up with a legal description that will accomplish the needs of the Title Co. Attorney Schmidt explained how the County records their documents and that the memorandum, as it is now, will not show up on a Title search. The Title Co. explained to Attorney Quade that the best way to do this memorandum so they can index it would be to break it down to subdivision, lot and block. The estimate that the Title Co. gave to Attorney Quade to do this breakdown would be approximately \$750.00. Attorney Schmidt recommended the Board authorize Attorney Quade to hire a Title Co. to take the perimeter description and break it down so it will show up on Title searches.

Board member Short questioned if we could just list section, township and range. Attorney Schmidt stated this would not work and informed the Board that the way it is indexed at the Title Co. is by quarter section and explained how they would look at it. Board member Short felt that the Title Co. could do it by quarter section description. Attorney Schmidt stated that the Title Co. stated that this description is what they needed and recommended the Board authorize up to \$1,000 for Attorney Quade to hire a Title Co.

Board member Stringer feels the information already exists in certain data bases and the Title Co. should already be doing this. It is not the Districts job to make sure this data gets to new homeowners. Attorney Schmidt stated that Bond Counsel is recommending this and it will help the District to not have to make this argument down the road. This will ensure that the notice will show up on the Title reports.

**Board member Walker moved to authorize Attorney Quade to expend up to \$1,000 to hire a Title Co. to break down the legal description for the notice to be recorded at the County. Board member Short seconded the motion. The motion carried.**

Attorney Schmidt informed the Board that he and staff at Welch Comer's office have reviewed the construction agreement. Attorney Schmidt reminded the Board of their previous request of wanting each draw request to be submitted in a form that broke down the particular construction items and whether it was regulatory, replacement or expansion. There are eight categories and Mr. Windram will explain these in further details later in the meeting. Attorney Schmidt informed the Board that there will be a month by month accounting of budget versus expenditures.

Attorney Schmidt discussed the process for amending the agreement. There will be one more term added to explain that any change order will need to come before the Sewer District Board and will be attached to the agreement as an addendum. The change order will also go through the spread sheet allocation.

#### SAFETY POLICY

Attorney Schmidt informed the Board that Superintendent Dustin Jacobson and Administrator Lynn Hagman have reviewed the safety policy and felt that for the most part everything in the policy was appropriate. Chairman Sewell questioned 1a referencing the number of employees and felt that the policy did not need to state how many operators we have. Board member Stringer agreed and stated the policy was badly written. Attorney Schmidt explained that most safety policies are written for corporations with many employees and he is trying to break down the policy for three people. Chairman Sewell asked that the words "two field operators" be deleted. Board member Stringer questioned several areas that stated who would be reporting to whom and felt that this was very inconsistent. Chairman Sewell felt that 1 a, b & c should all go through the Administrator. Board member Stringer voiced her concern with the inconsistency throughout the document.

Attorney Schmidt explained several of the concerns and what this policy needs to be. Attorney Schmidt suggested Board member Stringer simplify the policy for better understanding. Board member Stringer suggested the Administrator and Superintendent do a flow chart of what we do here. Board member Walker agreed. Board member Stringer felt the chain of command needs to be consistent. The reporting of hazards and unsafe conditions were discussed. Attorney Schmidt explained 5 a, b and c and why this is the chain of command. Chairman Sewell suggested the policy be available to all contractors in the field. Board member Stringer felt that this policy needs to cover other employees and the building, not just out in the field. Attorney Schmidt suggested taking out the table of contents. Ken Windram questioned if this document was to satisfy loan requirements. Chairman Sewell replied it was and Mr. Windram stated that the LID is looking for a system response plan. Attorney Schmidt explained that this plan addresses safety issues.

#### UTILITY POLICY

Attorney Schmidt presented the customer policy for billing services and reviewed the policy with the Board. Chairman Sewell voiced his concern that the policy does not address people with multiple ER's. Attorney Schmidt stated that the number of ER's did not need to be there because if they are designated 2 ER's then they are billed accordingly. Chairman Sewell questioned the billing cycle and asked if we should have the dates we bill there.

Administrator Hagman felt that it would not be good to be so specific in case the billing cycle changed in the future. Chairman Sewell discussed item 3b, customer to provide stub. Board member Stringer suggested the verbiage be expanded to include different ways of paying. Board member Stringer felt that this should also extend to references to returned checks or uncollectable payments. Chairman Sewell questioned the time period for the 2 returned checks. Administrator Hagman stated that the District rarely gets a returned check and felt that 6 months may be appropriate or to just leave the time period open and at the discretion of the Administrator.

Attorney Schmidt reviewed parts 1, 2 and 3 and took edits from the Board. Board member Stringer questioned section 4 regarding property owners and occupant of the property. Do we need to know who is occupying the property if it isn't the party being billed? Administrator Hagman explained the process for rental property and forms that are filled out. If the renter is not responsible for the bill, we would not need to know who the renter is.

Board member Stringer questioned the denial or termination of service and what does the District do in this circumstance. Attorney Schmidt explained that we would not unhook a property from service. Board member Stringer asked if any other entity should be notified if shut off. Board member Short suggested incorporating the guest house policy into this policy and incorporating the procedure to terminate service. Board member Stringer felt that the guest house policy is spelled out already. Attorney Schmidt stated that the criteria for the guest house policy should be a stand-alone policy and in the interest of getting the customer service policy done we should keep the guest house policy separate.

#### KEN WINDRAM-FUNDING AGREEMENT COST BREAKDOWN

Ken Windram, HARSB manager presented the upgrade cost distribution for Phase 1. Mr. Windram reviewed the existing facility and where the new buildings would be. Mr. Windram informed the Board that January 1, 2013 is the anchor point for establishing the ER count for distribution responsibility. The ER breakdown between each entity was discussed and the percentage for the Sewer District is 26.3%. Mr. Windram then discussed the project dollars per entity. There are three categories, regulatory, replacement and expansion. The Sewer District's portion is \$305,861 and would be for replacement only for the headworks. The next breakdown is the equalization and the Sewer District's responsibility is 26.3% and the dollar amount for the equalization is \$794,282.

The biological nutrient removal portion for the Sewer District will be \$822,649. Mr. Windram explained each description and why the upgrades or repairs are needed. The pilot study, electrical and administration relocation breakdown was reviewed with the Sewer District portion of the pilot study this being still at 26.3% with a dollar amount of \$218,209. Mr. Windram explained that there are 5 meters that feed the facility. The electrical portion for the Sewer District at 26.3% will be \$65,726. This is broken down between replacement and expansion and HARSB will pay \$250,000 for the expansion portion. The administration and sludge shed relocation will cost the Sewer District \$5,258.

The next item discussed by Mr. Windram was the dewatering improvements which was an \$800,000 project and listed as 100% replacement. The Sewer District portion under replacement at 26.3% will be \$233,852. The new administration building was explained and the Sewer District cost will be \$83,114. The total of Phase 1 facility plan project for the Sewer District will be \$2,529,954 broke down under regulatory and replacement.

Mr. Windram discussed tertiary treatment in Phase 2 and discussed the need to pump the effluent back up the hill. Mr. Windram stated that the goal is to not have to put in another pump station. Needed design items are City land purchase, return activated sludge improvements, clarifier rakes replacement and a coverall sludge building. The Sewer District portion for land purchase will be \$48,032 and for the return activated sludge improvements the cost for the District will be \$89,128. Mr. Windram explained what the return sludge improvements will be and why. Mr. Windram informed the Board that the documentation of costs and what is being done will not change after Phase 1, the District will continue to receive reports until the project is completed.

Board member Short questioned the District paying the upfront costs for Phase 1 of the project and what is the benefit. Attorney Schmidt the District needs to close the LID within the next three years. The lift stations will be the last to be constructed so if there are any overages from the plant upgrade we would have some funds left over to cover them. Paul Klatt stated that they will try to keep costs down. Attorney Schmidt stated that administratively it makes sense for the District to pay their portion up front.

## ENGINEER

Ashley Williams addressed the consolidation letter and the buy- back letter that was previously drafted and questioned the Board if the policies were clear and should we include the letter in the newsletter. Board member Walker felt the letter should not be included but should be referenced in the newsletter. Attorney Schmidt felt that it needed to be referenced along with the consolidation form on the web site when all is in final form. Ms. Williams and Administrator Hagman will work together to get the letters out to those people with concerns about consolidation or buy-back.

Ms. Williams requested authority to move forward to work with Attorney Schmidt on the non-District customers. These are people whom we serve but they are not in the District and there are approximately 33 people in this category. Attorney Schmidt stated that all 33 people need to sign an agreement because they cannot be in the LID; however they still need to pay for upgrading the plant. Several scenarios were discussed and Attorney Schmidt stated that there are a lot of intricacies to this agreement. The Board authorized Ms. Williams to work with Attorney Schmidt on this agreement.

Ms. Williams presented the newsletter and stated that the billing information still needs to be added as well as the formula for assessment and payment of the LID.

Steve Cordes discussed the design contracts and informed the Board that everything will be converted to three phase power. Where three phase power is not available, we will use variable frequency drives to convert single phase power to three phase power. Multi Smart control panels will be used on all lift stations and the telemetry will be provided by others. This will standardize all of the lift stations.

Additional phases are right of way services which included the survey that is already included and will aid with easements if needed. Permitting services will be the permit needed from Lakes Highway District and any others that may be needed. Additional services will be corresponding with the homeowners.

The total for design and surveys is \$187,210; hourly services total is at \$31,270 with the additional services at \$20,000 which is a total of \$238,480.

The budgeted amount for the facility plan is \$283,800. There is a savings of \$65,320 if the additional services are not used and all of the hourly services are used or a savings of \$45,320 if all hourly services and additional services are used. Mr. Cordes stated that a SWPP will be done also for a cost of \$7,000. Board member Walker questioned if a SWPP is needed for the lift stations because it will make the bids higher. Ms. Williams informed the Board that the SWPP was included in the environmental documents and the SWPP will be prepared for the entire project. Superintendent Jacobson felt that having the SWPP will give better storm water control.

Board member Stringer questioned if the District can get economy of scale on the smart panels by ordering several panels at once. Mr. Cordes stated that we would and that is the plan. Board member Short questioned if any of our pumps can be re-used. Superintendent Jacobson stated that he would keep the pumps that are pulled for a period of time and then maybe surplus them out or sell to the contractor. Mr. Jacobson could specify to the contractors that all materials removed from the lift stations are to come back to the District.

**Board member Stringer moved to approve Task Orders 13-04 and 13-05 with Welch Comer. Board member DePew seconded the motion. A roll call vote was taken; Board member Stringer, "aye", Board member Short, "aye", Board member DePew, "aye" and Board member Walker, "aye". The motion carried.**

#### MILES / STRAHORN RD

Ms. Williams informed the Board that the preliminary results are back for the coring samples that were done. The samples were taken 6' down and showed that we will need to put ballast in but it is suitable for trench material. Ms. Williams stated that they still need more topographical data. Board member Short questioned if the line could go in the right of way rather than in the middle of the road. Mr. Cordes informed the Board that there is a water line in the right of way now. Ms. Williams informed the Board that she will have final results by the end of the week. Mr. Cordes will coordinate with the City of Hayden and the Forest Hills group regarding the landscaping.

#### CHECK SIGNERS

Chairman Sewell appointed Board members Todd Walker and Carole Stringer to be new check signers for the District effective May 30, 2013.

#### ADJOURN

**With no further business before the Board, at 12:00 noon Board member DePew moved to adjourn, seconded by Board member Walker. The motion carried.**

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Kenneth Sewell, CHAIRMAN

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Lynn Hagman, ADMINISTRATOR

