

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
MAY 25, 2011**

CALL TO ORDER

Vice Chairman Tom DePew called the meeting to order 5:00 p.m. Board members present were Dave Weinstein, Todd Walker and Carole Stringer. Chairman Ken Sewell was absent. Ken Thompson, Larry Comer, Attorney Mike Schmidt and Dustin Jacobson were present as representatives of the Board. Administrator Lynn Hagman recorded the minutes of the meeting. Visitors present were Sandy Young.

AGENDA

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

FINANCIAL REPORT

Ken Thompson reviewed the financial report with the Board and informed them that the budget may need to be modified for the \$440,000 that was used to call outstanding bonds for LID6. Board member Stringer asked Mr. Thompson if he could give a budget comparison report on the income for the District. Mr. Thompson will have the report in the next financial report. Board member Walker moved to approve the financial report and the invoices for payment. Board member Stringer seconded the motion. The motion carried.

ATTORNEY

Attorney Schmidt reviewed the Welch Comer contract with the Sewer District and informed the Board that this contract is consistent with the old contract. It does require Welch Comer to be named as an insured. Attorney Schmidt recommended adding a one page addendum to the contract regarding breach of contract and other small changes for the Board to review.

Board member Stringer questioned whether or not Welch Comer could be insured by project. Larry Comer felt that this could be done by increasing the insurance according to the project. Board member Walker moved to direct Attorney Schmidt to draft the addendum for the Board to review. Board member Stringer seconded the motion. The motion carried.

ENGINEER

Larry Comer discussed the scope of work for the facilities plan and for DEQ purposes the cost will be approximately \$47,130 for the study and report phase. Mr. Comer explained that on the task order under #8 there are three more options to consider.

These three options are not required by DEQ however, the District at some point will need to address them. Option A is the depreciation analysis, option B is the emergency response plan and option C is future sewer service area planning. If option A and B were to be included the cost would go up to \$72,485. Board member Walker moved to approve the facilities plan task order and include option A. Board member Stringer seconded the motion.

Further discussion was Board member Walker explaining that he felt Superintendent Dustin Jacobson could do a portion of the emergency response plan, option B. Option C is planning which is contingent on whether or not the District wants to grow and this needs more discussion. Board member Stringer questioned Ken Thompson on the resources available to undertake this project. Mr. Thompson assured the Board that the money is in the budget and the District needs to have this done to get the DEQ funding. Vice Chairman DePew then called for the vote and the motion to approve the facilities plan task order and including option A was carried unanimously.

SUPERINTENDENT

Superintendent Dustin Jacobson discussed the possibility of a sewer line down Strahorn Rd. Mr. Jacobson would like to add options B and C to the facilities plan at a later date.

Mr. Jacobson gave an update on the Hayden Lake Dam. The by-pass is working well however there were some issues with several call outs. Mr. Jacobson would like to take the pump off line and go back to running a cross the dam. Board member Walker concurred that what the Corp of Engineers has done with the build -up of the dam, the line should be safe. Board member Walker moved to take it off line and run the sewer across the dam. Board member Stringer seconded the motion. The motion carried. Larry Comer commended Dustin Jacobson for the work he had done on this project.

LID6 – ADMINISTRATION FEE

Ken Thompson presented a chart of estimated fees that would be collected if everyone paid on an annual basis. The suggested change to the administration fee is to lower it to 1/2 %, (one half percent). Mr. Thompson suggested a segregation fee be included in the amount of \$300.00 per lot. Board member Walker moved to drop the one percent administration fee to one half percent and to include a segregation fee of \$300.00 per lot. Board member Weinstein seconded the motion. Board member Stringer questioned if an ordinance needs to be done for the fee change. Mr. Thompson explained that this can be done through the budget ordinance. The segregation fee will be charged when the property is platted into lots and are approved by the District. Vice Chairman DePew called for the vote. The motion carried unanimously. The direction from the Board was for Attorney Schmidt and Administrator Lynn Hagman to work on a fee schedule for the District.

LOWER LOCH HAVEN MANOR

Administrator Lynn Hagman informed the Board that Mr. Klika has not paid the cap fees on this property and asked for direction from the Board. Following discussion, the Board directed Mrs. Hagman to send another letter with a number of days for Mr. Klika to respond. If no response is made, this matter will be placed in the District's Attorney's hands.

Administrator Hagman then explained to the Board how the District office is auditing the vacant lots in the District and the research that is done on lots that have changed or been built on. The District billing clerk, Laurie Robb, contacts the county assessor's office quarterly to verify the vacant lots.

JOINT POWERS AGREEMENT

Discussion to have Attorney Schmidt work on and represent the District in the amendments to the Joint Powers Agreement. Board member Weinstein moved to direct Attorney Schmidt to represent the Board on this issue. Board member Walker seconded the motion. Board member Stringer questioned the number of attorney's that were working on the agreement. Board member Weinstein replied that to his knowledge Nancy Stricklin and Mike Schmidt were the only attorney's working on the agreement. Board member Stringer asked if the amendments to the agreement were to bring the agreement in line with the Hailey decision. Attorney Schmidt explained his concerns that the Joint Powers Agreement contains language that might be taken as inconsistent with Hailey, but that despite this language the District has confirmed through engineering valuations of the infrastructure that the amount charged for the capitalization fee was also an appropriate buy-in under Hailey. Vice Chairman DePew called for the vote; the motion carried 2 to 1.

EXECUTIVE SESSION

At 7:00 p.m. Board member Weinstein moved to recess into executive session per ID Code 67-2345 (f) legal issues regarding assisted living. Board member Walker seconded the motion. A roll call vote was taken; Board member Weinstein, "aye", Board member Walker, "aye", Board member Stringer, "aye". The motion carried.

Present in executive session were Vice Chairman DePew, Board members Weinstein, Walker and Stringer, Attorney Schmidt and Administrator Hagman.

At 7:20 p.m. the Board reconvened to regular session.

ADJOURN

With no further discussions before the Board, at 7:22 p.m. Board member Walker moved to adjourn, seconded by Board member Weinstein. The motion carried.

David Weinstein, SECRETARY

Lynn M. Hagman, ADMINISTRATOR