

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
February 8, 2017**

CALL TO ORDER

Chairwoman Stringer called the meeting to order at 9:02 a.m. Board members present were Ed Short, Bill Meany, and Carole Stringer. Board members Ed Burke and Ed Graves were absent. Present as representatives of the Board were Attorney Mike Schmidt; accountants Ken Thompson, Stephanie Sherman, and Chris Shipley; engineer Ashley Williams; and Superintendent Dustin Jacobson. Attorney Michael Schmidt recorded the minutes of the meeting.

AGENDA/MINUTES

Board member Short moved to approve the agenda for this meeting. Board member Meany seconded the motion and the motion thereafter carried.

No minutes were prepared for approval.

ACCOUNTANT

Carole Stringer explained the need for an audit to be conducted, as well as the need to get caught up on past-due audits and come up with a better process for completing them in the future. Stephanie Sherman explained several issues that she was facing, and indicated that she was unable to give any specific dates for completing the audits. Ms. Sherman further explained issues that she was having with obtaining information from the County.

Chris Shipley provided background related to the pending 2014 audit, and stated that the 2013 audit required approximately 300 hours of his time. He also advised the Board that the 2014 audit had thus far taken 100 hours. He explained that he was having difficulty obtaining information, and that the information he was receiving was coming to him in a piecemeal fashion. He explained some of the difficulties arise from the complicated LIDs, the County information, and other items. He indicated that he did not have time to complete the audit by the deadlines for the LID. He suggested that it might make sense for the District to hire another auditing firm that could package the information so that he could maintain his independence and get the audit done more quickly. Ken Thompson explained that the new audit requirements demand more detail than they did in the past, which is why they are having such trouble now.

Danielle Quade pointed out that the DEQ may require other audits on a faster schedule than what Shipley suggested he could accomplish. Mr. Shipley indicated that most auditors are likely booked out due to the tax season. Stephanie Sherman stated that Magnuson McHugh has everything that they should need to complete the audit. Michael Schmidt inquired as to what the harm would be in getting an audit report with a lower grade. Mr. Shipley stated that it would just result in a "modified" opinion pointing out the issues. Mr. Shipley stated that he will look at the email and information Stephanie Sherman had forwarded to determine if he could complete the audit by the timeline.

Danielle Quade indicated that she did not believe that completed audits were listed as a condition of the loan from the DEQ, but she would have to check further. There was discussion as to whether that would mean that the District could hold the DEQ to that or not.

ENGINEER

Ashley Williams updated the Board with the schedule, presented the LID action and timeline, and discussed the need to proceed with publication. Carole Stringer requested that Mr. Shipley respond to her regarding what information is in his possession. Ms. Stringer suggested that if the Board were to adopt the suggested timeline, she would want to make sure that there was enough lead time for implementing a “plan B.” Ms. Williams felt that she could. Ashley Williams and Danielle Quade then discussed several dates and deadlines for the LID process.

Carole Stringer discussed whether the District should accept written comments as part of the LID hearing, or whether the comments should only be gathered prior to the time for testimony. Danielle Quade indicated that the only real items that the public was supposed to address in their comments was whether the assessment reflects the actual benefit derived from the improvements.

Ashley Williams discussed the Engineers’ Report, and provided copies for the Board and staff to review. She summarized its contents, and discussed a couple of instances where the assessment exceeded the value of the parcels, and how that would be handled.

Board member Short moved to accept the Engineers’ Report. Chairman Meany seconded the motion, which thereafter carried.

Board member Meany moved to adopt Resolution 17-1 to call a public hearing, set dates as presented by Danielle Quade, publish notice, and complete the required mailings. The motion was seconded by Ed Short. A roll call vote was held as follows: Bill Meany: Aye. Ed Short: Aye. Carole Stringer: Aye. The motion carried.

Ashley Williams presented the DEQ Reimbursement Request and explained the work it covered. The request was for reimbursement of \$2,436.00.

Board member Short moved to approve the reimbursement request. Bill Meany seconded the Motion. The motion carried.

ATTORNEY

Mr. Schmidt indicated that everything had already been covered as part of the Accountant’s and Engineer’s report, and that he had nothing further to add.

Ashley Williams discussed the process for the presentation during the LID hearing. The Board agreed that a dry run of the presentation should be discussed at the February 22, 2017 Board Meeting. The Board agreed that some question and answer period would be appropriate.

SUPERINTENDANT REPORT

Superintendent Jacobson advised that the truck was estimated for delivery on March 15th, and that the truck that Chris Seward drives had its transmission go out.

BOARD DISCUSSIONS/APPROVALS

Chairwoman Stringer presented a draft resolution for fees for the Board to consider, which had been updated from the prior meeting. The Board should review the schedule of fees for consideration at the next meeting on February 22. Chairwoman Stringer further discussed the possibility that the Board may want to increase the O&M fee above the minimum suggestion.

ADJOURN

With no further business before the Board, Chairwoman Stringer adjourned the meeting at 11:40 a.m.

Carole Stringer, CHAIRWOMAN

Lynn Hagman, ADMINISTRATOR