

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
JUNE 22, 2016**

CALL TO ORDER

Chairwoman Stringer called the meeting to order at 4:01 p.m. Board members Present were Ed Graves, Ed Short and Ed Burke. Attorney Mike Schmidt, Superintendent Dustin Jacobson, Accountant Stephanie Sherman and Engineer s Steve Cordes and Ashley Williams were present as representatives of the Board. Administrative Assistant Laurie Robb recorded the minutes of the meeting with cassette recorder. Visitors present were William Schafer, Steve Meyer, Lori Frank, Jeneen Espe, Kaydee Steele and Jeff Bond.

AGENDA/MINUTES

Board member Graves moved to approve the agenda seconded by Board member Short. The motion carried.

Board member Short moved to approve the minutes of May 25, 2016 and June 8, 2016 as prepared. Board member Burke seconded the motion. The motion carried.

PUBLIC HEARING – ANNEXATION

Chairwoman Stringer opened the public hearing at 4:02 p.m. for the Steele Family Trust annexation. Chairwoman Stringer asked for any written testimony, there was none.

Mr. Cordes explained where the Sewer District service areas are in conjunction to where the Steele property is located. Mr. Cordes explained how the District would serve the property if they were to be annexed. Mr. Cordes discussed the earlier analysis that was done and in the short term it was determined the District would be able to serve the Steele property within our own collection system for now. The “will serve” letter was discussed and Chairwoman Stringer reminded the Board that this will come at a later date, we are only hearing comments on the annexation at this time.

Mr. William Schafer, Lancaster Rd. addressed the Board about the size of the sewer line and the number of homes to be hooked up. Board member Burke requested Mr. Cordes to explain the feasibility study that was done by Welch Comer Engineers. Mr. Schafer questioned any extra costs due to development. Board member Short replied that if there were new costs this would be handled by a possible new LID (local improvement district) for those who would benefit from the new line. Attorney Schmidt explained there could be conditions on the annexation if the Board chooses.

Board member Short requested a condition be placed on the annexation that allows the District to treat the Steele property differently and at such time a “will serve” letter is requested the District may require the developer to run the sewer line down Lancaster Rd. Board member Burke was in agreement with this condition. Attorney Schmidt discussed a possible sub-district north of Lancaster. Board member Graves also voiced his approval of the annexation with this condition. Chairwoman Stringer requested the Board to recess this hearing in order to take this input and have legal counsel draft a resolution with the proposed conditions.

Attorney Schmidt suggested an agreement that can be recorded and require that they're signing off on the agreement will be a condition to their annexation and that agreement would set forth they are in the District but not necessarily entitled to sewer service. Also by coming into the District they are taking up capacity the other constituents already paid for so at some point in the future they will serve letter may have some conditions as well. Chairwoman Stringer questioned Attorney how long it would take to draft the agreement. Attorney Schmidt replied he would have it ready for the next meeting. The documents will be sent out to Board for review and placed on the July 13, 2016 agenda.

Chairwoman Stringer recessed the hearing at 4:46 p.m., to be reconvened on July 13, 2016 at 9:00 a.m.

ENGINEER

Steve Cordes informed the Board the Country Club lift station is done and operational. Mr. Cordes then presented change order #3 from Accelerated Construction in the amount of \$7,495.40. This would extend the electrical rack concrete pad and to lower the water main.

Mr. Cordes then presented a pay request for Accelerated Construction in the amount of \$44,381.57. Mr. Cordes informed the Board there are a couple of items to be done still before the retainage is released.

Board member Short moved to approve change order #3 and the pay request for Accelerated Construction. Board member Graves seconded the motion. The motion carried.

Ashley Williams presented the ArcGIS online protocol that outlines who the primary users will be, staff responsibilities and the maintenance and updating of the system.

ATTORNEY

Attorney Schmidt discussed the existing policy regarding relinquishment of ER's. The reason for this was when Mr. Steve Meyers came in and discussed his ER's (residential units) in excess of his current needs and plans with the property he has. Mr. Meyers would like to transfer his ER's to new growth that may happen north of Lancaster and be compensated for the ER's. Attorney Schmidt discussed the LID6 agreement that Mr. Meyers is involved in. Attorney Schmidt informed the Board there is no requirement, legal or otherwise, that the District agrees to allow an exchange or allow a re-purchase arrangement. The question of the value of relinquished ER's was discussed. Board member Graves suggested using the value of the system and they would be sold at whatever the value is at that time.

Mr. Meyers discussed LID6 and why it was formed, which was to help build the Lancaster Rd. extension. Attorney Schmidt reviewed the discussions previously had regarding the Lancaster Rd. extension. Mr. Meyers stated he is not particular in how the ER's are sold one at a time or several at once; he does not want to just sit on them. Board member Burke would like to see the District's ER's is taken off the books first. Attorney Schmidt informed the Board the District needs to keep track of the ER's and who has them. Chairwoman Stringer feels a conversation should be had with HARSB to see if they would buy these ER's back. The Board agreed and Chairwoman Stringer will discuss the possibility of HARSB buying back the ER's at the next HARSB meeting.

Attorney Schmidt presented Resolution 16-1 for the financing of the service truck. The resolution is a quasi-internal loan resolution. The District will borrow \$175,000 from HARSB at 3.15% interest per annum with the first payment of \$35,000 to be due September 30, 2017 and equal payment thereafter with final payment due no later than September 30, 2021.

Board member Short moved to adopt the financing arrangement and to adopt Resolution 16-2 a HARSB resolution regarding the quasi-internal loan. Board member Burke seconded the motion. The motion carried.

ACCOUNTANT

Stephanie Sherman reported on the financial status of the District and reviewed the invoices for approval. Ms. Sherman informed the Board that at their request she has moved \$5,000 to the capital replacement and \$1,000 into the sewer truck line item. Once the sewer truck line item is used for the down payment on the service truck, Ms. Sherman suggested the Board replenish the truck fund at a minimum of \$1,500 per month and use this for the debt service that will be owed to HARSB every year. Board member Short stated this would not be enough money to cover the payment. Ms. Sherman stated the \$1,500 is a minimum and said there should be more. Ms. Sherman suggests switching the \$5,000 to go to the truck fund and the \$1,000 to go to the capital reserve fund. The Board agreed with the suggestion.

Board member Burke moved to approve the financial report and pay the invoices. Board member Short seconded the motion. The motion carried.

BOARD DISCUSSION/APPROVALS

The HARSB pay requests were reviewed for approval. Chairwoman Stringer informed the Board there were several requests in small amounts and they are all for the Blue Water Pilot Study.

Board member Burke moved to approve the pay requests, seconded by Board member Short. The motion carried.

Ashley Williams presented the DEQ reimbursement request in the amount of \$56,459.19.

Board member Graves moved to approve the DEQ reimbursement request, seconded by Board member Burke. The motion carried.

ADJOURN

With no further business before the Board, the meeting was adjourned at 6:17 p.m.

Carole Stringer, CHAIRWOMAN

Lynn Hagman, ADMINISTRATOR

