

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
JUNE 8, 2016**

CALL TO ORDER

Chairwoman Stringer called the meeting to order at 9:00 a.m. Board members present were Ed Short, Ed Burke and Ed Graves. Attorney Schmidt, Engineer Steve Cordes, Accountant Stephanie Sherman and District Superintendent Dustin Jacobson were present as representatives of the Board. Visitors present were Jeff Bond, representing Steele Family Trust, Laurie Frank, also representing Steele Family Trust and Jeneen Espe and Kaydee Steele. Administrator Hagman recorded the minutes of the meeting.

AGENDA / MINUTES

Board member Short moved to approve the agenda for this meeting and to continue the minutes of May 25, 2016 to the next meeting for approval. Board member Burke seconded the motion. The motion carried.

ENGINEER

Steve Cordes discussed the flow and load chart from HARSB. The City of Hayden's flow is lower however everyone is staying within their allocation. Mr. Cordes stated the allocation of O&M will continue to be based on active RU's. Mr. Cordes discussed infiltration and inflow with the Board explaining the difference between the two. The District has more inflow due to the clay in the soil and drainage issues.

ATTORNEY

Attorney Schmidt reviewed the annexation process as per ID Code 42-3218 (c). Conditions on the annexation versus conditions on the will serve for sewer were discussed. Chairwoman Stringer discussed the engineer bringing boundary maps and any other visuals pertaining to the annexation hearing to the meeting. Attorney Schmidt informed the Board after speaking with Attorney Quade, if the property is annexed they would not participate in LID 7A.

Mr. Jeff Bond requested clarification of the will serve letter and stated there is no need to annex if they can't get sewer. Mr. Bond informed the Board the Steele property has unique zoning that will allow for a subdivision to go in. Mr. Bond felt that do no harm to what exists will cover what they want to do during this annexation. Superintendent Jacobson explained once the property is annexed, the District will have jurisdiction over septic tanks.

Attorney Schmidt discussed the financing of the service truck reporting his conversation with Nancy Stricklin on HARSB loaning the District the funds to purchase the truck. Ms. Stricklin proposes HARSB loan the money to the District as an inter-departmental loan. Attorney Schmidt informed the Board that a conventional loan is available but would take more time and would be more expensive. Attorney Schmidt is comfortable with borrowing the money from HARSB. Ms. Stricklin had suggested 3.15% interest on a 5 year loan with \$175,000 total loan amount and payments would be made annually. The Board was in agreement with this and instructed Attorney Schmidt to draft a resolution to this effect.

Board member Short moved to submit the resolution drafted by Attorney Schmidt, stating the District resolves to borrow from HARSB up to \$175,000, to pay interest on amounts owed only at a rate of 3.15% per annum, amortized over 5 years, with yearly payments due on September 30, 2017 and each year thereafter, with final payment of all interest and principal no later than September 30, 2021. No early payment penalties. Board member Burke seconded the motion. The motion was carried.

Attorney Schmidt discussed the City of Hayden hearing regarding CAP fees and informed the Board the hearing is to discuss the return of CAP fees. The methodology for determining fees was discussed with Attorney Schmidt explaining how important this is. The City of Hayden has a new Resolution for CAP fees which has been provided to Steve Cordes.

ACCOUNTANT

Stephanie Sherman presented a budget overview and explained to the Board that it was incomplete at this time due to more information needed. Chairwoman Stringer requested the July 13, 2016 meeting be dedicated to the budget.

Chairwoman Stringer discussed the relinquishment of Ru's and suggested a transfer to HARSB or the City of Hayden as an option. This topic will be continued to the next meeting on June 22, 2016.

SUPERINTENDENT'S REPORT

Superintendent Jacobson presented the final package for the service truck and requested the Board approve the quote from Jomac Service Truck Bodies and Cranes of \$239,070.14. Following discussion the Board directed Mr. Jacobson to move forward with the truck.

BOARD DISCUSSION

Administrator Hagman reported on the newsletter that was sent out and informed the Board of the extra newsletters that went out and the many phone calls that came in.

Smoke testing was discussed with Chairwoman Stringer informing the Board that HARSB has requested the District budget for this to be done each year. Superintendent Jacobson explained what smoke testing is and why it is done. The cost is approximately \$3,200 a year for the equipment and the bombs or the liquid that is needed. It helps to find illegal hook ups and infiltration. Chairwoman Stringer suggested this be discussed further during the budget workshop.

ADJOURN

With no further business before the Board the meeting was adjourned at 11:25 a.m.

Carole Stringer, CHAIRWOMAN

Lynn Hagman, ADMINISTRATOR