

HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT

MINUTES OF REGULAR MEETING

December 15, 2010

CALL TO ORDER:

The first regular December meeting of the Hayden Lake Recreational Water and Sewer District ("District") was called to order at 5 p.m. by Chairman Kenneth Sewell. Also in attendance were Board members Dave Weinstein, Tom DePew, Todd Walker, and Carole Stringer. Larry Comer, Ken Windram and Michael Schmidt were also present as representatives of the Board. District Superintendent Dustin Jacobson was also present.

AGENDA APPROVAL:

The Board first considered the Agenda for the December 15, 2010 meeting. No changes were proposed, and Board Member Tom Depew moved to approve the Agenda,, which motion was seconded by Dave Weinstein, and thereafter unanimously carried.

MINUTE APPROVAL

The minutes for November 23, 2010 and December 1, 2010 were next addressed considered for approval. Carole Stringer noted that the last paragraph from the November 23rd minutes needed to be corrected to reflect the fact that Dave Weinstein abstained from the vote. Tom Depew moved to accept the minutes with the noted correction, which motion was seconded by Dave Weinstein, and thereafter unanimously carried.

CITIZEN ISSUES

There were no citizens present.

ACCOUNTANT REPORT

Ken Thompson was not in attendance to present the financial report, but the Board reviewed the Invoices for approval.

ENGINEER REPORT

Avondale Loop Generator Repair: Larry Comer briefed the board on the status of the generator repair, advising that he had communicated to H2O Well Service, who confirmed the part had been ordered, and the District and H2O would be splitting the cost.

Sewer Rate Review / Public Communications in early 2011: Larry Comer next discussed with the Board their decision during the previous financial year to put off a rate review until February of 2011, which it was now time to start preparing for consideration and presentment to District constituents. Carol Stringer questioned the details of the rate hearing and decision-making process. Todd Walker and Larry

Comer explained it would involve reviewing expenses and current rates with accountant Ken Thompson, Dustin Jacobson, and his office, conducting an analysis of the financials, and conclude with a presentment of a number of rate options for the Board's consideration. Mr. Comer explained that the analysis and options will be related to the way the District wishes to treat reserves. Larry Comer proposed to have the analysis and review prepared for the January meeting. Carole Stringer requested that the report include some history on the budget and rates of previous years, including income trends, expenses, and how rates affect surpluses or reserves.

Ken Windram then presented a powerpoint presentation to cover the HARSB side of the rates. Mr. Windram explained HARSB responsibilities, including its duties related to review of the lift stations and its work with Dustin Jacobson. Dave Weinstein inquired as to whether the new "smart panels" would help with the expenses on the lift stations. Mr. Windram indicated it could, and might also help identify new efficiencies that the District could take advantage of, including starting and resetting pumps remotely. However, the smart panels would not eliminate the need for weekly servicing of lift stations. Mr. Windram also explained that HARSB can respond to spills as well.

Mr. Windram further explained that the Budget and apportionment is based on ER's. Every month we get a document reflecting the allocation of billable ER's. The current status reflected a breakdown (as of 9-1-10) of Hayden having 6094.67 ER's total, with 5,859.02 Billable ER's. The District had a total of 2645.1 total, with 1906 billable, and 24.5 ER's for sale. 714.6 ER's had been sold but are not billed. The County maintains a total of 117 ER's, with 78.7 billable. See attached printout of powerpoint. The Budget is then allocated based on the percentage of total "ownership" of capacity, reflecting 74.7% to Hayden, 24.3% to the District, and 1% to the County. Some costs (i.e., the Interceptor) are shared 50/50 between the District and the City. The collector costs (work and maintenance on system conducted by HARSB) were 68% to the City, and 32% to the District. The figures are based on the prior 6-months for the current period of expenses.

Mr. Windram stated that it was anticipated that Airport expansion may result in an increase in County percentage in the budget.

The HARSB budget was also discussed. It reflected a total 2010-2011 budget of \$1,728,809, with 2009-2010 actual costs of \$1,508,899. Legal expenses were an anomaly at \$230,000, which was directly related to the TMDL litigation. The treatment plant costs/budget was \$388,700. The re-use farm expenses totaled \$138,141. O&M treatment plant expenses totaled \$714,095. Interceptor costs were \$11,500, while collector expenses were \$14,250.

Mr. Windram then discussed the payment schedule, and how it related directly to the prior budget numbers and percentage allocations. Carole Stringer requested that Ken Windram provide a file to Lynn Hagman and Mike Schmidt for appending to the minutes (see attached).

Larry Comer suggested having Ken Windram be present during the February hearing on setting rates so he could explain to District constituents the details related to the money that is paid to HARSB. Larry Comer further asked Mr. Windram how the District could save money.

Dave Weinstein and Tom Depew discussed having Ken Windram present at the budget hearing. Ken explained that legal expenses and the outcome of the litigation will greatly affect fees and rates, in that the litigation is expensive, and the TMDL standard that results from the litigation will greatly affect rates. If it is a strict standard, rates would increase greatly.

BOARD DISCUSSION

Pay Request from S.I. Construction: Chairman Sewell next discussed the pay request from SI Construction, which was tabled at the last meeting. Larry Comer explained that it was the final amount to be paid under LID construction. Tom Depew moved to approve and pay the invoice, which motion was seconded by Dave Weinstein and thereafter unanimously carried.

Vactor Truck: Chairman Sewell next explained that North Kootenai Water District had expressed interest in purchasing HARSB's vactor truck. Dave Weinstein explained more detail concerning how NKWD and the District had been made aware of the possibility of purchasing the Vactor Truck. Chairman Sewell discussed whether the District should front the money to purchase the Truck with Larry Comer and Dustin Jacobson. Mr. Jacobson stated he had no interest in that particular truck because the District has access to HARSB's newer truck anyway. Dustin further explained that NKWD may also no longer be interested in the truck. Dave Weinstein and Tom Depew expressed their view that if Ken Windram, Dustin Jacobson and Larry Comer did not see a need for it, it should not be considered for purchase any further.

EXECUTIVE SESSION:

At 6:20 p.m., Board member Carole Stringer moved to recess to executive session per I.C. § 67-2345(f) to discuss pending litigation or threatened litigation with the Assisted Living facilities, HUD, and the Jackson tort claim. Board member Weinstein seconded the motion. A roll call vote was taken; Board member Weinstein, "aye", Board member Depew, "aye", Board member Walker, "aye", and Board member Stringer, "aye", The motion carried.

Present in the executive session were attorney Michael Schmidt, Board members Weinstein, Depew, Walker, Stringer, and Chairman House.

At 7:20, the meeting was reconvened to regular session.

ADJOURN

With no further business before the Board, at 7:20, Board member Tom Depew moved to adjourn, which motion was seconded by Board member Walker, and thereafter unanimously carried.

Attachments:

Power Point Presentation from Ken Windram / HARSB