

# EAGLE SEWER DISTRICT

July 13, 2009

## Regular Monthly Meeting

6:00 p.m.

### Minutes

#### I. Roll Call

Chairman Jim Brooks called the meeting to order at 6:00 p.m. Board members present: Ed Hendershot, Jim Gruber, Jim Brooks, Chuck Ferguson, and Erv Ballou. A quorum is present.

Consultants present: Evan Robertson, legal counsel and Phil Johnson, MWH Engineers.

Staff present: Lynn Moser, General Manager; RJ Lake, Operations Manager; and Lynne Sedlacek, Business Manager.

#### II. Approval of Minutes

Ferguson moved, Ballou seconded, to approve the minutes of the June 8, 2009 Regular Meeting. The motion passes unanimously.

#### III. Public Hearings

There were no public hearings

#### IV. Reports

**Eagle City Council/Norm Semanko** – Semanko reported on the council's decision to table the smoking-ban ordinance. The next council meeting contains several Design Review applications, including the Fred Meyer project approved for the northeast corner of Linder Road and Chinden Boulevard. The council will be holding a special meeting next week to review the revenue and expenditure totals for the fiscal year 2009 budget. This special meeting, and the review of the 2009 fiscal year totals, is the first step in beginning the fiscal year 2010 budget process.

#### **B. ESD Board of Directors:**

Ballou reported that he had attended the monthly operations meeting and had toured the new headworks project and the Palmer Road liftstation project. Ballou stated he is pleased with the way the storm water retainage basin at the Palmer liftstation has been modified.

Gruber reported that he had met with the Chairman Brooks and staff to begin the fiscal year 2010 budget process. He also met with Brooks, ESD staff, Mayor Bandy and Bill Vaughan, the city's Zoning Director, to discuss the Tri-Cedars purchase contract and a possible property donation by ESD. The city is asking ESD to donate property as a grant match for the proposed Idaho Viticulture Research Center.

**C. Operations Report/RJ Lake** – Lake reported the total plant flow for June 2009 was 50.72 million gallons, for an average of 1.69 million gallons per day. A major leak was discovered in the Ancona Business Park. A contractor installing fiber optic line had apparently hit the sewer line. The leak has been repaired and the fiber optic contractor has been billed for the costs. Six leaking manholes were detected and repaired in the Island Woods and River's End subdivisions. The delivery of the new jet truck is on schedule.

## **V. Unfinished Business**

### **A. Analysis of Monthly Service Rate**

The Eagle Sewer District has recently received two inquiries—from one residential customer and one commercial customer—regarding ESD's policy of billing vacant homes and office buildings. ESD policy states, *"Once a building, home, apartment or mobile home space connected to the Sewer System has been occupied, the District shall continue to assess and bill the applicable monthly user charge regardless of whether or not the same remains occupied."* At the June 8 meeting, the Board requested staff investigate the pros and cons of changing this policy.

Moser reported on the staff analysis of the \$30 monthly service fee against the actual expense figures for Fiscal Year 2008. Moser also reported on the survey of other sewer utilities. Most sewer utilities that have control of the potable water base their sewer fees on water consumption. The utilities that do not have access to the water consumption reports use a flat sewer fee. After discussion, Hendershot moved, Ferguson seconded, to table this item indefinitely. Roll call vote: Hendershot, aye; Gruber, aye; Brooks, aye; Ferguson, aye; Ballou, aye. The motion passes unanimously.

**B. Progress on Palmer Road Lift Station** – Johnson reported that the stone veneer on the outside of the building would not be removed and replaced. A compromise has been developed in which ESD will receive a deductive change order for \$4500, with the contractor recognizing that the stone was not installed to the manufacturer's specifications. In addition, the ESD will receive two pallets of uncut stone veneer that can be used if stones need to be replaced.

To remedy the visual shortcomings of the stone, the contractor has agreed that when the gap between the stones is larger than a #2 pencil, they will either fill the gap with mortar or take some of the stone down and reinstall it with smaller gaps between the stone. Hendershot stated that if mortar is added, the contractor needs to make sure the mortar is raked in and not installed flush with the stone so that it better matches the existing mortar.

Johnson stated that the landscaping at the site is nearly complete and the waterproofing inside the facility is essentially done. Johnson stated he will be scheduling a "walk through" of the project and a punch list will be compiled of items that must be completed before he recommends the 5% retainage amount be paid.

**C. Update on Wastewater Headworks Project** – Johnson reported the dewatering process and groundwater retainage basin are working well. The sub-base drain rock and filter fabric have been installed in the base of the structure and the contractor will begin pouring the foundation next week. The contract is on schedule.

**D. ESD Financial Procedures Manual/Lynne Sedlacek** – To comply with audit requirements, Sedlacek has compiled the ESD financial procedures into a formal Financial Procedures Manual. The written procedures were prepared by Sedlacek and the Utility Billing clerks. The manual has been reviewed and edited by Robertson and was included in the Directors' meeting packets. After brief discussion, Gruber moved, Ferguson seconded, to adopt the Financial Procedures Manual. The motion passes unanimously.

**E. Miscellaneous** – Moser explained that during the last legislative session, changes were made in the "open meeting law". The intent is for meeting agendas to provide more information regarding each agenda item. To this end, the "Miscellaneous" sections under both new and old business will be removed from future ESD agendas. Robertson has reviewed the new law and will be providing the District with a memorandum that better explains the changes.

## **VI. New Business**

**A. Stillwater Project/Tri-Cedars, LLC** – *In June, 2007 Tri-Cedars, LLC and the Eagle Sewer District entered into a Real Estate Purchase and Development Agreement in which Tri-Cedars was to purchase 4.239 acres of District property for the appraised price of \$508,680. An addendum to the agreement, which allowed the closing date to be extended, was signed by both entities in August 2008.*

Brooks reported that ESD has received a request from Bill Sali, representing Tri-Cedars, LLC, to pull this item from tonight's agenda. Brooks also gave a brief report on the issues being proposed and the meeting he, Gruber, and staff had earlier in the day with Mayor Bandy and Bill Vaughan, the city's zoning administrator. It appears that the donated lot pledged by Tri-Cedars, LLC as an in-kind grant match is located on a portion of the ESD property that is encumbered by the purchase contract. The lot cannot be pledged as an in-kind match until the existing contract provisions have been executed and the property is owned by Tri-Cedars.

Tri-Cedars has indicated an unwillingness to finalize the purchase contract for the agreed upon price. They feel they paid too much for the property and they want the ESD to consider lowering the contract price and/or donate the lot for the grant match to the City of Eagle. This situation has complicated the grant application to the point that there is concern the city may lose the grant and the intended project, the Idaho Viticulture Research Center. A meeting between all involved parties has been scheduled for Friday.

After substantial discussion, Brooks instructed Moser to attend the Friday meeting as the ESD representative and to contact Mr. Lloyd Mahaffey and ask him if he could give the Board a presentation on the proposed Idaho Viticulture Research Center.

**B. 2010 Budget Committee Recommendation** – Gruber and Moser gave a brief report on the preliminary Fiscal Year 2010 budget figures. A copy of the proposed budget was included in the Directors' meeting packets. Ferguson moved, Gruber seconded, to take the preliminary figures to public hearing at the August 10, 2009 meeting. The motion passes unanimously.

**C. Miscellaneous** – None

**VII. Ratification of Claims Paid Against the District**

Ferguson moved, Ballou seconded, to pay the claims against the District. The motion passes unanimously.

**VIII. Adjournment**

Gruber moved, Ferguson seconded, to adjourn the meeting. The motion passes unanimously. The Regular Meeting adjourned at 7:25 p.m.

Respectfully submitted:

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Lynne Sedlacek