

# EAGLE SEWER DISTRICT

September 14, 2009

## Regular Monthly Meeting

6:00 p.m.

### Minutes

#### **I. Roll Call**

Vice Chairman Chuck Ferguson called the meeting to order at 6:05 p.m. Board members present: Jim Gruber, Chuck Ferguson, and Erv Ballou. Jim Brooks and Ed Hendershot are absent. 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**

Ballou moved, Gruber seconded, to approve the minutes of the August 10, 2009 Regular Meeting. The motion passes unanimously.

#### **III. Public Hearings**

None

#### **IV. Monthly Reports**

**Eagle City Council/Norm Semanko** – Semanko reported on the City of Eagle's fiscal year 2010 budget hearing. Semanko stated it is an austere budget, with \$550,000 held in the reserve fund. There will be no more cuts to the library, police contract or city employees. An amount has been set for the city's landscape maintenance, but the council is still investigating whether or not the maintenance will be contracted out or brought in-house.

The \$240,000 annual lease payment on the city hall building is also being reviewed. The council may call for an advisory vote to gage public support for purchasing the building.

Semanko reported that a proposed rock crushing operation on Mace Road has caused concern and made for a long public hearing over the matter. The council has left the hearing open and is still gathering information regarding the proposed project.

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

Ballou and Ferguson reported that they had their monthly meeting with the Operations Manager and had toured the Palmer Liftstation project and the new headworks facility being constructed at the treatment plant site. There were no other reports.

**C. Operations Report/RJ Lake** – Lake reported the total plant flow for August 2009 was 51.16 million gallons, for an average of 1.65 million gallons per day. The operations staff has been attending training sessions at the new Palmer Liftstation. The training sessions have been recorded for future reference. The new jet truck has been primed and is currently being painted. The truck is on schedule for a September 25, 2009 delivery date. Repairs have been made on the Old Valley liftstation. The liftstation's 3-phase power went down last Friday and took out some of the pump and controller components.

#### **V. Unfinished Business**

**A. Palmer Road Lift Station Project** – Johnson reported that a walk-through of the project will be done this Thursday by Johnson, Lake and Moser. A punch list of uncompleted items will be prepared. Johnson stated that there are only two weeks left on the extended construction schedule. Sommer Construction has been put on notice regarding the possibility of the District pursuing liquidated damages if the project is not completed on time.

**B. Wastewater Headworks Project** – Johnson gave a brief progress report. The project is going well and is on schedule.

#### **VI. New Business**

##### **A. Tri Cedars, LLC and Eagle Sewer District Purchase and Development Agreement**

*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--among other things-- allowed the closing date to be extended, was signed by both entities in August 2008.*

*The District has learned that Tri Cedars has pledged property as an in-kind match for an Idaho Rural Community Development Block Grant (RCDBG), and that the pledged property is part of the ESD ground that is to be purchased by Tri Cedars. In addition, Tri Cedars has notified the Board that they feel they paid too much for the property. They emailed a new proposal to ESD just prior to the Board's August 3, 2009 special meeting. After careful review, the board voted to reject the proposal and drafted a response letter that declined the Tri Cedars proposal.*

Board Director Jim Gruber has notified the District that his employer, Sage Community Resources, has been selected to administer the RCDB Grant. Gruber has asked that this information be placed on tonight's agenda so that the discussion can be made part of the public record.

Gruber explained that he wanted the other board members to be aware that his employer is administering the grant, but he does not feel he has any conflict of interest in participating in the discussion regarding the current Tri Cedars purchase contract of the ESD property.

Robertson drafted the purchase agreement currently in place between ESD and Tri Cedars and he reported that he has also reviewed the grant application and the RCDBG guidelines. Robertson stated he does not see anything in state statutes or the grant specifications that would indicate Gruber has any conflict of interest.

As a related matter, Moser reported that ESD has received notice of a September 22 city hearing to discuss Tri Cedars' request to modify their development agreement. The requested modification would be to allow Tri Cedars' proposed Stillwater Business Park to utilize a temporary access point to State Highway 44. The original purpose of Tri Cedars' purchase of ESD property was to gain State Highway 44 access for the business park at the new signalized intersection planned at Ballantyne Lane and State Highway 44.

**B. Corrente Bello Subdivision/Emergency Sewer Repairs** – Moser reported on the sewer line blockage and road collapse in Corrente Bello's west entrance. After investigation, the District learned that during repair work on a fountain located in the entrance, two support pillars had been drilled under the fountain and both of the support pillars had been drilled into the sewer line. Apparently, leaking water had then followed the pillars down into the sewer line bedding and filled the sewer line with gravel. The underground erosion also caused the roadway to collapse.

The District has been pumping the line each day until repair the work can be completed. The collapsed road has required the Ada County Highway District (ACHD) to become involved. Moser stated the necessary ACHD repairs go far beyond ESD's damaged sewer line. Robertson and Moser reported on ESD's efforts to coordinate the repair work with ACHD and the concern over trying to secure reimbursement for the repairs from the Corrente Bello's Homeowners' Association and/or their insurance company.

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

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

#### **VIII. Adjournment**

Ballou moved, Gruber seconded, to adjourn the meeting. The motion passes unanimously. The Regular Meeting adjourned at 6:35 p.m.

Respectfully submitted:

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Lynne Sedlacek