

EAGLE SEWER DISTRICT

January 11, 2010

Regular Monthly Meeting

6:00 p.m.

Minutes

I. Roll Call

Chairman Jim Brooks called the meeting to order at 6:01 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, Gruber seconded, to approve the minutes of the December 14, 2009 Regular Meeting. Discussion: Brooks asked Lake to confirm the total flow figures listed under his report (Item IV C.). Lake stated the total flow amount should be corrected to 49.84 million gallons. The motion to approve the corrected minutes passes unanimously.

III. FY2009 Audit Report: Tim Folke, Folke CPAs

The District used a new auditing firm for the fiscal year 2009 audit and Mr. Folke introduced himself and gave a brief overview of the District's Fiscal Year 2009 audit report. A copy of the report was included in the Directors' meeting packets.

Folke reported that the cash balance was "dead on" and that the accuracy of the bookkeeping was "quite sufficient". The District is in compliance with all publication, hearings, and budgeting requirements. The required reserves are in place. Folke stated that this year's change in net assets is a negative \$157,471, but that figure was to be expected due to the large construction projects that were in place during the year. The projects were all within budgeted amounts, and the District's financials are still very healthy.

Folke stated that the material weakness noted in the audit is regarding the District's segregation of duties. The audit report states, "That although the District has implemented various checks and balances in internal control to the degree possible given available staff, it does not have a complete segregation of duties over assets. However, substantial changes cannot be expected until the benefits are deemed to outweigh the costs of hiring additional staff."

Folke recommended the District investigate the Caselle asset management application to streamline asset management and depreciation. Folke also stated that the District is currently using a capitalization limit of \$400 and he suggested the District consider adopting a formal capitalization policy and raising the capitalization amount to \$5,000.

After discussion, Ferguson moved, Gruber seconded, to accept the fiscal year 2009 audit report. The motion passes unanimously

IV. Monthly Reports

A. Eagle City Council/Norm Semanko – Semanko reported that at tomorrow night's council meeting Jeanne Jackson-Heim would be leaving the council and Semanko and John Grasser would be sworn in for their new council positions. The council will select the council president and review their individual liaison positions. Semanko stated he would like to remain as the council liaison to Eagle Sewer District. Brooks stated that the District will call Mayor Bandy to let him know the District would like Semanko to return as the District's council liaison.

Twenty-five individuals have volunteered to serve on the City Hall Options task force. The task force will review the options of keeping city hall in the existing building--either with a lease extension or purchase of the building---or possibly moving city hall to a different location. The Mayor and council have been reviewing the list of names and will select 12 individuals at tomorrow's council meeting.

Also on tomorrow's council agenda: The mixed-use development proposed for the northeast corner of Linder Road and State Highway 20 has requested an extension of time in an attempt to resolve some of the neighbors' concerns. The council will hold a public hearing to gather input on Allied Waste's proposed co-mingling recycle bins.

B. ESD Board of Directors:

Ballou reported that he and Ferguson had their monthly meeting with Moser and Lake and had reviewed the new headworks project and the new storage facilities at the plant site. Ferguson stated that with the recent rain it has become very muddy at the project sites. There were no other director reports.

C. Operations Report/RJ Lake – Lake reported the total plant flow for December 2009 was 49.92 million gallons, for an average of 1.61 million gallons per day. The Operations crew has been busy with general maintenance work. Two gear boxes are being repaired, one in the fine screen unit and one in a deck aerator. Brooks stated that in last month's Operations report Lake stated there had been some discrepancy in the flow reporting from the Lakemoor liftstation. Lake and Moser reported that there had been no other issues in the flow reporting and the billing received from Boise Public Works was correct.

V. Unfinished Business

A. Wastewater Headworks Project – Johnson reported that even with bad weather and the holidays, the project is moving along and the contractor feels that they are well ahead of the revised schedule.

B. Wastewater Treatment Facility/Equipment Storage Building Project – Lake reported that the walls and roof are complete on both buildings. The metal I-beam between the two buildings is in. The contractor is preparing to pour the floor slabs. Lake said that assuming materials are delivered timely and the weather holds, the project should be completed by the end of the month.

VI. New Business

A. Board Bid Approval/Dry Creek Crossing Project – A copy of Johnsons' recommendation letter and the Bid Price Summary Sheet were included in the Directors' meeting packets. The bids were publicly opened on December 15. Seven bids were received, but one was eliminated as non-responsive. The Engineer's Opinion of Probable Construction Cost for the project was \$200,000. The apparent low bid was submitted by Sommer Construction at \$147,815.30. Moser stated that \$300,000 had been budgeted for this project and approximately \$50,000 has already been spent on engineering.

Johnson reported that after reviewing the bid documents, it appears that Sommer Construction is technically qualified and of sufficient financial soundness to undertake this project. Johnson stated he was very pleased with the reports he received from Sommer's references. Johnson recommends acceptance of the Sommer bid for the amount of \$147,815.30. Ferguson moved, Gruber seconded, to approve the Sommer bid in the amount of \$147,815.30 and authorize Moser to sign the contract. The motion passes unanimously.

B. Proposal to Replace Operation Vehicle – A memorandum from Lake was included in the Directors' meeting packets. Lake is seeking approval to purchase a 2010 GMC Sierra 2500HD. The District will be trading in a 2002 GMC Sierra 2500HD that has just over 90,000 miles on it. The truck is considered the District's heavy-duty truck for heavy trailer pulling and it has a longer box for hauling material that won't fit in the smaller half-ton trucks.

Lake reported that including the listed options, the Idaho State bid price for the new vehicle is \$22,618. The offered trade-in value of the 2002 truck is \$10,750, leaving a total purchase cost of \$11,868. Moser reported that \$20,000 had been budgeted for the replacement pickup. After some discussion, Hendershot moved, Gruber seconded, to approve the purchase of the 2010 GMC Sierra 2500HD. The motion passes unanimously.

C. February 2010 ESD Board of Director Election – Moser reported that only two election petitions were submitted, and no write-in declarations were received prior to the January 8th deadline. In compliance with Idaho State Code, with only two candidates filing for the two open seats, the election has been cancelled. Jim Brooks and Ed Hendershot have both been retained for full, six-year terms. The Oath of Office and the election of Board officers will be conducted at the February meeting.

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

Ferguson moved, Hendershot seconded, to adjourn the meeting. The motion passes unanimously. The Regular Meeting adjourned at 6:48 p.m.

Respectfully submitted:

Lynne Sedlacek