

EAGLE SEWER DISTRICT

August 10, 2009

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, Ballou seconded, to approve the minutes of the July 13, 2009 Regular Meeting and the August 3, 2009 Special Meeting. The motion passes unanimously.

III. Public Hearings

Proposed Fiscal Year 2010 Budget – Moser gave a brief overview of the proposed budget. He reported that this is a “no growth” budget with service revenue based on the number of existing equivalent connections, and only 50 new connection permits were forecast to be sold in fiscal year 2010. Most line items in the budget were decreased.

Brooks opened the public hearing. No one attended the hearing and no written testimony was received. Brooks closed the hearing. After brief discussion, Ferguson moved, Gruber seconded, to approve the proposed FY2010 budget as presented. The motion passes unanimously.

IV. Reports

Eagle City Council/Norm Semanko – Semanko reported that the council has held four budget workshops and has adopted a proposed budget to take to public hearing on August 25. Semanko pointed out specific areas where the City of Eagle has cut the budget including a 50% cut in the council members’ pay, a 2.5% reduction in pay in each of the next two years for the mayor, and a 5% “across-the-board” pay reduction for all city staff.

B. ESD Board of Directors:

Ballou reported that he and Ferguson had their monthly meeting with the Operations Manager on July 20th and conducted site visits at the two construction projects: the Palmer Lane liftstation and the new headworks facility.

Ferguson stated the construction projects appear to be moving along well and that the fencing and landscaping are in at the Palmer Lane liftstation.

Gruber reported that his time this month was devoted primarily to meetings with the Tri Cedars representatives.

C. Operations Report/RJ Lake – Lake reported the total plant flow for July 2009 was 49.72 million gallons, for an average of 1.60 million gallons per day. The operations staff continues to find and repair infiltration leaks. Denver Bear has passed his Class IV Collections test. The new jet truck is currently on the assembly line and is on schedule for delivery.

Lake reported on the crushed sewer line located in the Corrente Bello subdivision. The collapsed line is approximately 20 feet deep. Lake stated that there is minimal flow in this sewer line with less than 10 occupied homes on the line. There is enough line capacity to hold the flow overnight and the operations staff is using the jet truck to clean the line each day.

Preliminary investigation indicates that the Corrente Bello entrance fountain has malfunctioned and the leaking water may have undermined the fountain structure and the pump building. The water may have eroded away the pipeline bedding gravel causing the line to collapse. The road way into Corrente Bello is also caving in. Ada County Highway District is aware of the problem but it appears that ACHD is waiting for the Eagle Sewer District to fix the line and the roadway.

Robertson has visited the site and is reviewing the District's legal options. Robertson stated this is an emergency and the line collapse requires that ESD take immediate action. If the leaking water fountain is the cause of the damage, then the Homeowners' Association or the developer is responsible for the repair costs. Both the fountain and the pump building are located in ESD's sewer line easement and will need to be moved to accommodate the repair work. Moser stated that the matter has been documented by taking pictures and Johnson has prepared engineering documentation. All costs are being tracked for future reimbursement.

Hendershot moved, Ferguson seconded, to declare the sewer line damage in Corrente Bello an emergency and to authorize the operations staff to forego the bidding process and hire a contractor to get the line fixed immediately. The motion passes unanimously.

V. Unfinished Business

A. Palmer Road Lift Station Project – Johnson reported the construction is complete and they are now programming the initial start up and testing of the facility. At the end of this month, a walk-through will be conducted and a punch list created. All items on the list will need to be completed before the retainage funds are released to the contractor.

B. Wastewater Headworks Project – Johnson reported the project is on schedule. There have been no problems with the contractor and they are executing the project well. Johnson stated that Ewing's field supervisor is very well qualified.

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 allowed the closing date to be extended, was signed by both entities in August 2008.

The District recently learned that Tri Cedars has pledged property as an in-kind match for an Idaho Block Grant, 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 have hired Bill Sali to represent them and they emailed a new proposal to ESD just prior to the Board's August 3, 2009 special meeting.

Brooks has prepared a draft memorandum that rejects the new Tri Cedars' proposal, outlines the various issues that need to be discussed, and provides possible options to the Tri Cedars' proposal. A copy of the draft memo was included in the Directors' meeting packets. Brooks started the discussion by acknowledging Bill Sali's attendance at tonight's meeting. The Board then reviewed the memo line by line, and with the assistance of Robertson and Moser, made modifications to the document.

When the Board was satisfied with the modifications, Gruber moved, Ballou seconded, to approve the document with the changes made this evening and to authorize the formalization of the draft document into a letter to be sent to Tri Cedars as a response to their proposal presented in their August 3, 2009 email; subject to a final review by Robertson before the letter is sent out. Brooks requested a roll-call vote: Hendershot, aye; Gruber, aye; Brooks, aye; Ferguson, aye; Ballou, aye. The motion passes unanimously.

VII. Ratification of Claims Paid Against the District

Ferguson moved, Hendershot 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 7:25 p.m.

Respectfully submitted:

Lynne Sedlacek