

Southside Water and Sewer District  
P.O. Box D, Sandpoint, Idaho 83864  
January 20, 2021

## **REGULAR MEETING MINUTES**

**Call to Order and roll call:** Chairman Jack Howard opened the meeting via GoogleMeet at 1:45 pm and a roll call confirmed that Jim Haynes, Brent Sleep, Brett Babcock and Doug Bopp were also present.

**Others Present:** Treasurers Julia MacDonald, Stephanie Mueller-Sherman and John Austin, Operator Brad White, Susan Weeks, Tony Matson, Auditor. The guests were Randy Allen and Brandon Staglund.

### **Approval of the Agenda:**

Next, Mr. Haynes made a motion, seconded by Mr. Sleep to approve the agenda and it passed unanimously.

### **Members of the Public:**

Ms. Weeks discussed issues concerning adjusting policies and procedures for vacation rentals and commercial properties. Mr. Bopp asked about impact fees on new development and Ms. Weeks presented the code section on an impact fee, and it is to address capital improvements required by new development. She thinks changing a use may be a purpose for an impact fee, but that's an issue for the District's engineer. Chairman Howard thanked Ms. Weeks for meeting with the Board to discuss this issue facing the District.

Mr. Allen then discussed a request for annexation on Birch Bay Lane. Chairman Howard stated it's difficult to annex property when the District has capacity issues currently. The question then discussed was if the property was in the District could it hook up since the sewer line runs through the property and Mr. Sleep stated the line through their property is not the District's. Mr. Allen asked if they could do a guest house and Mr. Sleep said that's allowed in the District but the property would still require annexation, and those have been denied in the past due to the aforementioned capacity issue.

### **New Business – Action Items:**

**Audit Presentation:** The Board then heard from Mr. Matson on the FY 2019-20 audit. He stated he removed the comment from FY 2019 about internal control because his review indicated the District's process is now done correctly. He stated for the first time the Water and Sewer funds were split out and presented in the financials. He said the balance sheet will be so represented in FY 2021. He then presented graphs of the financial position of the District, including net position. He stated in the equity position, the District has roughly five months of operating expense reserve. Whereas the minimum requirement is two months the District is solvent, but additional cash reserves would be better. By fund, he showed a net income in the water fund but a net loss of \$76,000 in the sewer fund (resulting from depreciation, which is a non-cash item. Mr. Austin asked if a rate increase would allow for the full funding of depreciation and he stated that it would.

**Clearwater Development:** Chairman Howard then tabled the discussion since the audio with Brandon Staglund from Sewell and Associates was not working.

**Old Business – All Items are Action Items:**

**Water Rate structure:** Chairman Howard then presented an analysis of rate structures, including as is and with tiered rates. He said with tiered rates the larger users (who Mr. Austin said are being subsidized by the smaller users) would effectively fund the connection to the Mountain Springs water system.

**SCADA Telemetry System:** Mr. Haynes stated his analysis of the system at Dover was not different from what Mr. White discussed at the last meeting.

**Water System Improvement Update:** The Chairman stated he had no new information on the interconnect so the issue was tabled.

**Consent Agenda:** Mr. Haynes made a motion, seconded by Mr. Babcock to approve the attached Consent Items:

**Treasurer's Report**

**Minutes**

**Approval of Financials**

**Water Reclamation Report**

**Adjournment:** A motion by Mr. Haynes and second by Mr. Sleep was made to adjourn the regular meeting of the Board of Directors at 2:50 pm. Motion carried unanimously.

Respectfully Submitted and Approved:

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Julia MacDonald, John Austin  
Secretary/Treasurers

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Jack Howard  
Chairman of the Board