

## **REGULAR MEETING MINUTES OF THE BOARD OF DIRECTORS**

Southside Water and Sewer District  
P.O. Box D, Sandpoint, Idaho 83864  
February 15, 2023

**Call to Order and roll call:** Chairman Jack Howard opened the meeting at the District Maintenance Shop at 2:00 pm and a roll call confirmed that Jim Haynes, Doug Bopp and Kass Larson were also present.

**Others:** Treasurer Julia MacDonald, Operators Brad White and Jason Barnhart and Engineer Kyle Meschko were present.

**Guests:** Bailee Schnider, Chris Roberts and Tony Matson, all from Hayden Ross, PLLC

**Approval of the Agenda:** Next, Mr. Haynes made a motion, seconded by Mr. Larson to approve the agenda and it passed unanimously.

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

#### **New Business – All Items are Action Items**

##### **FY 21-22 Audit Presentation – Hayden Ross:**

Tony Matson from Hayden Ross presented the final audit for FY 21-22. He added that there were no disagreements with management, internal controls are being followed and they are happy with Board and Management. Mr. Matson then reviewed the revenues and expenses for each fund, the restricted funds for capital and debt service, and the net position of the District. Next, Chairman Howard discussed the issue of defining the restrictions to using connection fees specifically for additional land purchase or lease. Mr. Haynes added that the District has commitments to a part of the District and would like to see the ability to use the future connection fees for improving our capacity to provide service. Chairman Howard added the additional property is also needed to facilitate the maintenance of the current infrastructure. Mr. Matson said he wants to look at state statutes to see if the issue is defined for capital fee use and will consult with the District attorney to answer the question. Next, Mr. Haynes asked about the issue of FDIC insurance and Mr. Matson replied that it is required to be noted in the audit and the Board can minimize the level of risk by keeping funds to the insurance limit.

##### **Authorization for Amended Contract for Services – Keller – Emergency Sewer Project:**

Mr. Meschko presented the reasons for the \$15,000 increase in the contract and with a motion by Mr. Haynes and a second by Mr. Larson the amended contract was authorized.

##### **USDA Note Payment – Fry Creek LID - Authorization to Request a Reduced Payment:**

Next, Ms. MacDonald presented the reduced payment request to USDA for the current year LID Payment of \$44,470 and with a motion by Mr. Haynes and a second by Mr. Bopp Staff was directed to request the reduced payment from USDA.

##### **PFAS Cost Recovery Retainer:**

Next, The Board considered the retainer for the PFAS recovery program. The matter was tabled for the next meeting and Ms. MacDonald will continue to reach out to IRWA to confirm their support of the retainer and Chairman Howard will consult with the District attorney.

### **Water Rights – Progress Update:**

Mr. Bopp gave an update on the progress of the water rights application. He informed that he met with Evan at Idaho Water Resources in January and got the applications filed and that IWR had said that the actual adjudication may not happen for several years. Next, the Board discussed the process of changing the surface right on the shallow well to a subsurface right and the Chairman stated that the ARPA funds are available for the water projects and to move forward with the new deep well project. Mr. Meschko suggested to break out the well project into specific job parts and that DEQ will need the hydro geologist report to get started and he will send the District the scope of work for the project.

### **Admin Credit Card Limit Increase Request:**

Next, Ms. MacDonald presented the current monthly credit card expenses and a request for an increase in the admin credit card limit and with a motion by Mr. Haynes and a second by Mr. Larson the approved limit was increased to \$3,000.

### **Fuel & Propane Review:**

Next, the Board discussed ways to reduce expenses for heating the shop. They discussed replacing the propane with natural gas and installing a thermostat. Mr. White noted that he has requested an application from Avista to lay a natural gas line to the building and that they may do it for free. After discussion, the Chairman directed staff to look at alternatives to present at the next meeting.

Next, the Chairman presented the fuel costs for the year and ways to save on fuel by using a courier service for test samples. Mr. White said the courier service doesn't keep the sample chilled to meet DEQ standards. Mr. Bopp discussed how the operators used to have coolers to send down with the couriers and they would bring them back the next week. After discussion, the Chairman tabled the item for the next meeting.

### **Capital Project Review FY 22-23:**

- **Approval to Add Hawkins Booster Station New Pump & Panel – Est \$9,500**  
Next, the Board discussed the project scope as it relates to the water facility plan and with a motion from Mr. Haynes and a second from Mr. Bopp, the Board unanimously approved to add the project to the capital list for \$9,500 and allocate the funds from the water capital ADHOC bucket.
- **Authorization to transfer Q1 Capital Expenditures from Capital Asset account to O&M account**  
Next, Ms. MacDonald requested authorization to transfer Q1 Funds from Capital asset account 2906 to the O&M fund 0494 of \$38,273 and with a motion from Mr. Bopp and a second from Mr. Haynes, all approved the funds transfer.

**New Building Permit Review:** None Presented

### **Board Member Status - Upcoming Election & Declaration Requirements:**

Next, the board discussed the upcoming Board elections with two positions on the ballot and the declaration of candidacy that is due by March 17<sup>th</sup>. Ms. MacDonald informed the Board of notifications that have been sent out to the patrons and if anyone is interested to call or come into the office for candidate forms. Director Haynes stated that he has been in office since 2006 and is planning on retiring from the Board this year.

**Operator Succession Plan:**

Next, Mr. White informed the Board that he is planning to retire at the end of the year and is planning to stay in the area and will keep his licenses current and available for use if needed. The Board expressed their support for Mr. Barnhart to succeed in filling the position.

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

**Sewer Line Repair:**

Next, Mr. Meschko reported that he will coordinate with the land owner for easements and stated that DEQ had a question about back up power for the District. Mr. White commented that IRWA is approving trailer-able generators to use for free to use in emergency situations. Then, the Chairman directed that the District is working on incorporating back up power.

**Additional Re-Use Land - Funding:**

Next, Chairman Howard reported on the progress with the attorney on the lease agreement. Then the Board discussed USDA funding requirements and the rules for requesting funds and the Chairman stated he will provide a new report to discuss at the next meeting.

**Consent Agenda**

Mr. Larson then made a motion, seconded by Mr. Haynes to approve the attached consent items and the motion passed with Mr. Bopp voting no.

**Minutes**

**Treasurer’s Report**

**Paid Invoices**

**Maintenance Report**

**Approval of Financials**

**Water Reclamation Report**

**Roll Call for executive session:** Citing Idaho Code 74-206 (a) to consider personnel matters, the Board entered executive session with all Board members voting yes at 3:49pm. Mr. Haynes moved to exit executive session at 4:06pm.

**Adjournment:** A motion by Mr. Haynes and second by Mr. Larson was made to adjourn the regular meeting of the Board of Directors at 4:10 PM. Motion carried unanimously.

Respectfully Submitted and Approved:

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Julia MacDonald  
Treasurer/Administrator

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Jack Howard  
Chairman of the Board