

NORTH LAKE RECREATIONAL SEWER & WATER DISTRICT

MINUTES

Public Hearing & Regular Monthly Board Meeting Friday June 9, 2023

11:00 AM Monthly Board Meeting

1. Call to Order at 11:03am
2. Roll Call: The following directors were present: Chris Renfro, Dave Parrish and John Sommerwerck.

Also present were Cheryl Beach, District Treasurer; Travis Pryor, District Operations Manager; and Trever Oakey

Jordan Zwygart was present on behalf of Zwygart John & Associates CPA's, PLLC

REGULAR MONTHLY BOARD MEETING

3. Approval of minutes of preceding meetings
 - a. May 12, 2023 **ACTION ITEM:** There was discussion and request from John Sommerwerck to correct the spelling and use of the word Capitol vs. Capital in points 4 and 5 of the minutes.
Dave Parrish motions to approve minutes with the corrections. John Sommerwerck seconds. All in favor.
4. Treasurer's Report
 - a. May 31, 2023 **ACTION ITEM:** There were no questions for the treasurer's report. John Sommerwerck motions to approve the Treasurer's report and Dave Parrish seconds. All in favor.
 - b. No discussion needed for approval of Resolution 23-1 to increase sewer and water rates as already discussed and approved in May 12th meeting. **ACTION ITEM:** John Sommerwerck motions to approve and adopt Resolution 23-1 to increase sewer rates by \$2 and water rates by \$1. Chris Renfro seconds. All in favor. Discussion on notice to customers regarding rate increases. The information has been printed on June bills, posted on the district's official web page and a notice will be posted on the Administrative Office front door.
 - c. Date and time set for budget workshop as Monday, June 12th at 4pm. Cheryl will complete a draft budget for July 14th monthly Board Meeting.
5. Audit Presentation
 - a. Audit presentation by Jordan Zwygart of Zwygart John & Associates CPA's, LLC. The audit was completed for the year ending November 30, 2022. Jordan covered material as presented in the distributed prepared packet. Specific discussion and questions were as follows.

- i. Discussion of use of capital assets vs. investments. John Sommerwerck requested clarification of the accounting standards used to complete the audit. GASB or government accounting standards board methods were used.
 - ii. Jordan suggested adding an inventory line item for pumps or miscellaneous items that are stored or “sit on the shelf” until they are needed for use. These items would not show depreciation in capital investments until they are put into use.
 - iii. “Construction in Progress” line item under capital assets was clarified as works in progress over a period of time.
 - iv. John Sommerwerck raised the question of implementing formal policies for conduit or pass-through debt in which entities are not current on their debt to the district. Set aside issue for further discussion in a future meeting. What policies can be put in place to ensure payments are made?
 - v. John Sommerwerck also requested clarification of the check signing process for paying the district’s bills. All current board members are signers. Discussion of rotation for who signs monthly checks. Jordan stated that there are no concerns with the current process of Cheryl and Kurt signing but there are good reasons to include a rotation. An invoice/payment report was requested to be given to all members at time of paying bills.
 - vi. Dave Parrish requested clarification of the PERSI pension plan and the 5-year flow.
 - vii. John Sommerwerck made the suggestion of developing a policy for 3-6 months of operations expenses to be restricted from use of cash available.
- b. Action Item for July 14th regular board meeting to accept audit report.

Break from 12:21pm to 12:25pm

6. Operations Manager’s Report

- a. Master Plan update. Keller has given a firm commitment that they will have a draft of the waste water portion of the plan for the regular July 14th meeting. All board members will receive a copy of the draft plan via email before the meeting and Keller will be present to review comments and answer questions. After board approval, the proposed plan will go to Central District Health for approval. Water master plan drafts will be presented at the regular August board meeting.
- b. Employee Compensation/Land Application Operator Designation **ACTION ITEM**: Discussion to increase hourly pay rate for Bryan Strong by \$2 or 5.01%. Bryan recently acquired his land application license and can now represent the district with this certification eliminating the need to continue to use the land application license of Black Water LLC or Mike Black. John Sommerwerck motions to approve a \$2 per hourly rate increase for Bryan Strong effective July 1st for July 2023 pay period. Dave Parrish seconds. All in favor.
- c. Contract Operator/Termination of Contract Notice Approval **ACTION ITEM**: Discussion to send termination notice to Black Water LLC for use of land application license. Dave Parrish motions to start termination process with Black Water LLC as June 9, 2023. John Sommerwerck seconds. All in favor.
- d. General Update. Well 4 at Tamarack is not being utilized at this time due to dark water. Pumps will be pulled and cameras will be used to find potential issues which will be an

initial expense of up to \$7500. These expenses are variable with findings. The district is continuing its lead/copper testing.

Timberline Development's proposal for 324 apartment units and 10 single family building lots in The Meadows were discussed. The original conditions of approval for the original planned unit development have expired. Developer will be required to re-apply to the district for the new plan and additional needed EDU's. If the new proposed PUD is approved through Valley County, the developer will also be required to petition the board for amended conditions of annexation.

7. Adjournment **ACTION ITEM**

- a. Motion by Board to adjourn: Dave Parrish motions to adjourn. John Sommerwerck seconds. All in favor. Meeting adjourned at 1:14pm