

## **OUTLET BAY SEWER DISTRICT**

### **BOARD MEETING MINUTES**

**MARCH 21, 2024**

The Board of Directors of the Outlet Bay Sewer District met on Thursday, March 21, 2024, at the district office. Present were Tom Bell, Chairman, Directors Jeff Stockdale, Justin Bradbury, Kristy Pettit and Fred Simpson (via phone). Also present were Fritz Broschet, Kari Davis, Frankie Dunn, Peggy Estes, Adam Kasner, Brian Riley and Jake Hill.

Chairman Bell called the meeting to order at 4:00 P.M.

There being no additions or deletions to the agenda, it was approved as written.

The Minutes of the February Meeting were read and corrected to change the ERU's for Hill's Resort contract to 72.15. With this correction the minutes were approved.

#### **NEW/OLD BUSINESS**

##### **Hill's Resort Contract:**

Jake Hill read a prepared statement from Hill's Resort expressing that they were very upset with the draft of the contract sent to them from counsel. Hill's Resort feels its wildly out of line with what was agreed to and discussed in the district's meeting with Hill's Resort representatives and counsel. He stated Hill's Resort is tired of playing nice. Hill's Resort feels that they own the mainline from Hill's Resort to State Highway 57 and will not be turning it over to the district.

Jeff Stockdale explained that in the meeting with Hill's, ownership of the line was brought up and it was agreed by all parties that it needed to be addressed. He also stated that it is the policy of the district to assume ownership of any mainline extension after a one-year period. Ownership of the line is not discussed in the original contract between Hill's Resort and the District, but that portion of the line within district boundaries needs to be owned by the district.

He also pointed out that pursuant to Hill's Resort's request, Hill's Resort may elect to annex into the district and this agreement needs to be in compliance with the district's policies. District documents must take precedence over any agreement. In addition, our insurance only covers lines within district boundaries.

Kristy Pettit pointed out that presently we have six customers connected to that mainline extension, four of which are golf course lots. She also pointed out that the line on highway 57 currently has a capacity issue for in-district customers. According to the engineer, Hill's Resort's sewer volume equates to 126 ERU's which significantly affects our capacity.

Jake Hill stated that only if Hill's Resort annexed into our district that it would be subject to district documents. Kristy Pettit pointed out that Hill's Resort has stated they want to be treated like "in" district customers, not better, and that Hill's is the only metered customers, which was geared "just for you" by past board members.

Jeff Stockdale stated that the proposed #25 paragraph only deals with terms and conditions and needs to take precedence. All public utilities work this way.

Jeff Stockdale asked Jake to please address his concerns with Hill's lawyer and have him work directly with district counsel.

Kristy Pettit also pointed out that the contract also needs to provide payment for situations such as if a main control panel goes down and the district has to hire RC Worst to trouble shoot and repair, etc. Fritz's labor and expertise is covered by the district.

Jeff Stockdale reiterated that we must own the transmission line from Highway 57 to our boundary and that sewer service cannot be sold within our district.

Kristy Pettit stated that the district's draft contract gives Hill's Resort a great deal. The district compromised with the ERU calculations and is grandfathering Hill's approximately 40 ERU's. It also redefined our commercial rates with Hill's Resort's feedback.

Jake Hill brought up the line ownership again. Fritz Broschet expressed his understanding of the agreement was that all customers within district boundaries would be allowed to connect to it. There have been customers connected to that line for 14 years. The district does not grant Hill's Resort the authority to service customers of the district.

Jake Hill explained that annexation into the district would be a nightmare and that Hill's still belongs to Kalispell Sewer District.

The board encouraged Jake to take up these concerns with Hill's counsel.

### **Kasner/PLGC Mainline Extension:**

Adam Kasner brought the board up to speed with his efforts regarding the line extension. The discovery dig was completed and lines located.

He presented two ideas:

Idea #1:

The line is developed and those who can pay their share now would pay and those who cannot would have to be financed.

Idea #2:

The original engineering done in 1993 recommended a 2" line but a 1 ½" line was installed. The installation did not match the engineering. He proposes the district correct this and cover the cost of correction, and that Lots 5 and 15, who are willing to pay for the extension, proceed with the line extension and pay for it to go to and through their lots. Line would stop there. The easement correction costs would be born by Lots 5 and 15.

The board discussed this matter and felt that the district should in fact pay for the upsizing of the existing line. They will review this and finalize an agreement in April board meeting.

### **MAINTENANCE REPORT:**

Fritz reported that he has received the ok from DEQ to do the leak test.

Fritz had a plugged line in Kokanee Park.

Fritz spoke with Donny from Goins Construction regarding the Millie's condos project. He stated that the 1500-gallon drivable tank the district installed last year has to be moved. Fritz will pull the pumps after he returns from vacation.

Kevin Koesel has submitted an operation and maintenance plan for residential pump stations to the DEQ for approval.

Fritz informed the board that he had found a problem with the easement at the PLGC between Lots 3 and 4. We had an easement in 1998 from Lois Hill which was good for only 15 years. That time has lapsed and we have no easement in place. We need to access the list station with a permanent easement.

Fritz will be gone through April 9<sup>th</sup>.

### **SECRETARY/TREASURER'S REPORT**

The board reviewed the monthly bills. Kristy made a motion to approve the bills, seconded by Justin. Motion passed.

Kari spoke with the auditors last week and submitted some additional material to them. Audit should be completed soon.

Kari and Jeff are working on the bidding process for the timber harvesting project.

Kari asked permission to attend a Property Values and Levy Training Seminar put on by the Idaho State Tax Commission May 1-2 in Coeur d' Alene.

There being no further business to be brought before the board, the meeting was adjourned at 5:36 p.m.

Respectfully Submitted,

Kari Davis  
District Secretary