

**GREENFERRY WATER DISTRICT
MINUTES OF THE REGULAR BOARD OF DIRECTORS**

August 16, 2021 4:00 pm, via Zoom and at the Greenferry Office, Coeur d'Alene, Idaho

CONVENE MEETING AND ROLL CALL

Chairman Stephen Tanner opened the meeting via Zoom at 4:00 pm. A roll call confirmed Vice Chairman Carol Rassier, Bob Stiger, Rex Grace and Secretary Treasurer Ron Utz were also present, with Mr. Grace and Mr. Utz at the office. Staff present was John Austin, Manager, Stephanie Mueller and Debbie Swenson, Practical Accounting Solution Accountants at their office via Zoom, and Roger Glessner, District Engineer, Bob (office) and Ian Kuchenski, Water Operators via Zoom. Guest was Tony Matson from Hayden Ross CPAs and Penny Jane Morgan, Greenferry Water District resident (via Zoom).

NEW BUSINESS

The Board then heard from Mr. Matson on the FY 2019 audit, including graphs showing the financial highlights from FY 2013 to date. Mr. Utz asked why financials did not show all pages (to page 5 and skips to page 14) at which Mr. Matson replied the report needs to be approved by the Board and then an auditor opinion will be included. He noted PAS is doing a great job with no audited adjustments like many of his clients. Mr. Matson provided charts for financial review from FY 2013 to FY 2019 where FY 2019 was a 17-month fiscal year.

Action: Chairman Tanner asked for Mr. Austin to put the Audit and Audit Financial Charts on the Greenferry Website. Mr. Matson was asked to send the Auditor's Contract of Engagement for year 2013, multi-year contract for 2014-2018 and 2019 to Secretary Treasurer Ron Utz for his records. Mr. Matson will also provide the FY 2020 engagement letter for approval at the September meeting.

OLD BUSINESS

Next, the Board reviewed the revised minutes of the meeting of July 19, 2021, which were approved following a motion by Ms. Rassier and second by Mr. Utz. The Board reviewed the revised minutes of the meeting of July 30, 2021, which were approved following a motion by Dr. Stiger and second by Mr. Grace. The Board reviewed the revised minutes of the meeting of August 4, 2021, which were approved following a motion by Mr. Grace and second by Dr. Stiger. The Board then tabled the minutes of the July 21, 2021 special meeting.

Next, the Board heard from Mr. Bob Kuchenski on the Water Operator Report, including usage over the last several years. He reported that there was an increase in water usage because of the hot weather. Chairman Tanner asked if the water usage was high then would the unaccounted water percentage be lower. Mr. Kuchenski said yes that's a factor. Another issue was the leak they found on Michael Way. It's been fixed but was leaking for some time.

Mr. Bob Kuchenski reported on Zoom equipment for future Board Meetings at the Greenferry Office. Equipment is partially hooked up now. He said the cost estimate for equipment, LG Monitor, wall mount, USB, microphone, and Webcam, is around \$800.00.

Action: Mr. Kuchenski was directed to install the equipment so its operational for the September Board Meeting.

Next, the Board heard from Ms. Mueller on the Financial Report, Invoice Approval List and Delinquent List. On receivables for the hydrant repair, Mr. Utz noted there were additional costs to bill the party. Ms. Swenson said she would include those costs in the billing, and then upon receipt return the \$10,000 check held as a deposit. She then discussed the Delinquent List for approval. Currently, there are no late fees applied to billing. Mr. Grace asked how the value of assets is computed and Ms. Mueller said they are based on Cost. Chairman Tanner asked if the DEQ assessment is paid annually and Ms. Mueller replied it was. Mr. Bob Kuchenski commented that this could change because of the number of connections and Greenferry might be required to pay on a Quarterly basis. Mr. Utz then made a motion, seconded by Dr. Stiger to approve the Report and Lists.

Action: Mr. Glessner will look at Greenferry book value compared to current market value. Mr. Utz will initial a copy of financial reports and leave at Greenferry office.

The Board then heard from Mr. Austin about the letter sent to Robert Norris on his 2014 request for a meter. He discussed the terms of the letter, including the owner's options if he still wishes to connect to the system. He said during the meeting he had received a text from Mr. Norris, who wishes clarification on the two options to connect to the system.

Action: Mr. Grace directed Mr. Austin to add Mr. Norris's decision to the September Board Agenda.

The Board then heard from Mr. Austin about Sandy Young's request for a second meter on a single parcel, which is against the Board's policy.

Action: Mr. Austin was directed to send a letter to that effect to Ms. Young.

Next, the Board tabled the Well #3 issue.

Next, the Board discussed the Sferra septic issue, moving the system to be outside the 100-foot set back from the wells. Mr. Glessner stated he had received a new quote and the details. He noted the cost could be lower if the District replaces the fence, as it has been discussed. Mr. Grace asked if the project would affect the work on the Well #3 site and Mr. Glessner said it would not. Chairman Tanner stated the project would have no impact on the project because of its distance from the well site. He stated he had heard from Bob Haynes on an inspection from the Idaho Department of Water Resources, which upon approval will allow the additional water right for running both wells at the same time. He said the Well #3 water right could then be applied for at a fee of \$650.

Action: The Board approved the low estimate (Davis Excavating) following a motion by Mr. Grace and second by Mr. Utz.

Next, the Board discussed the neighbor's fence and his request for assistance on the cost. Mr. Grace stated the Thurston neighbor to the west had installed a chain link fence, with a gate because he has an easement. Chairman Tanner said the District should have a secure fence since there will be generators at the site.

Ms. Rassier said the fence is constructed and is not a security fence. Mr. Bob Kuchenski said the DEQ would require a security fence similar to the new booster stations at Riverview Heights (6-foot with top rail).

Action: The Board directed that Mr. Austin write a letter to owner that the District will not assist with the neighbor's fence, following a motion by Dr. Stiger and second by Ms. Rassier.

Next, the Board discussed staffing for minute taking. Mr. Grace stated it was a better process and was in favor of Ms. Swenson taking the minutes with edits by Mr. Austin.

Action: The Board directed that Ms. Swenson take the minutes with edits by Mr. Austin prior to submittal to the Board.

Next, the Board discussed backup generators at the well site and booster stations. Mr. Glessner said a 20W generator to run two pumps at the same time would be \$160,000. He said backups at the booster stations would be \$42,000 each. In a related issue, Mr. Bob Kuchenski recommended that KEC upgrade their service to run all three wells. He also recommended propane for powering them. Ms. Rassier recommended a surge protector. Chairman Tanner recommended that the whole well project be looked at, including proceeding with the engineering on an expanded well house.

Action: The Board directed Mr. Glessner to prepare an engineering report on the well site to include the well house, Well #3 and backup generators.

The Board then discussed the easement issue on the Thurston property, noting it has been recorded.

Action: PAS staff will place the document in the office for future reference.

Mr. Glessner then updated the Board on Riverview Heights, stating he has a punch list of items to address. He said the boosters stations are nearly ready to accept, along with the rest of the property. Ms. Rassier asked about repair to the road and Mr. Glessner said that had not occurred yet. Once the items are addressed, he recommended acceptance, at which time a warranty bond for a year would be required.

Action: Mr. Glessner will review the punch list and inspect site before acceptance, per Chairman Tanner.

Mr. Bob Kuchenski said the Variable Frequency Drives have been ordered and are waiting for KEC to upgrade the power issue at the well.

Action: Mr. Ian Kuchenski and Mr. Austin will get an update on KEC progress

Mr. Glessner then updated the Board on the Greenferry Terrace/Riverview Construction Contract. He said La Riviere has a 15-day acceptance period to get documents to the State of Idaho. The Board then asked about the timing of the financing and terms of the bonds.

Mr. Austin gave an update on Bond Financing. He recommended Banner Bank at a rate of 2.47% with a term of 20 years fixed. He also stated Bond Counsel is preparing the opinion letter that the issue is tax exempt for investors. This ensures the lowest interest rate possible. Dr. Stiger asked about the District's finances in the event the Board issued the full bond authority of \$1.8 million. Mr. Austin said he'd prepare a cash flow analysis for the Board to review to ensure all contingencies are addressed.

Action: Mr. Austin was directed to prepare a cash flow analysis of the District's finances, following direction from the Board. He was also directed to engage Bond Counsel to provide the tax-exempt financing option on the bonds.

Next, Mr. Utz asked if the Board intended to follow the Hydrant Usage Policy Update. The Board discussed changing the policy for smaller users so there is no \$1,000 deposit, as recommended by Ms. Rassier. Mr. Ian Kuchenski reported that all hydrants have locks except Cedar Creek and Crystal Bay.

Action: Mr. Ian Kuchenski will get locks for the two remaining hydrants and install. The Board will review the policy on the use of hydrants at their September meeting.

NEW BUSINESS

The Board then discussed Crossflow Connection. Ms. Mueller said 59 accounts have not responded. Dr. Stiger commented that the Lawn Care companies that perform the crossflow inspection are very busy.

Action: The Board directed that turn off letters go to those accounts.

The Board tabled the following issue: Changing Board of Directors Meeting Place and Time.

Next, the Board discussed the Release of Warranty for Cedar Creek. Mr. Glessner said he inspected the system and there were no problems. He recommended release of the bond, which was approved following a motion by Mr. Utz and second by Ms. Rassier.

Next, the Board considered the Resolution for Funds Transfer 2021-01, directing that the Secretary Treasurer would request funds transfers for approval by the Board.

Action: the Board approved the Resolution for Funds Transfer 2021-01, following a motion by Mr. Utz and second by Dr. Stiger.

Next, the Board heard from Mr. Austin and Ms. Mueller on Issues from Property Owners on \$15 Cap Reserve Fee.

Action: Board directed PAS staff to inform the residents to follow the policy.

Chairman Tanner then stated he had met with IRWA on a Review of the District Operations. He said he discussed with them and they are available for the review.

Mr. Utz stated it would be good to have third party review. Ms. Mueller stated from an accounting standpoint that is what Mr. Matson, the District's auditor is for. Chairman Tanner requested that Ms. Mueller provide a cost estimate of the accounting portion of the review. Mr. Utz asked about the management arrangement, where Mr. Austin contracts with Ms. Mueller's firm, and if there were other instances of this. Mr. Austin stated Practical Accounting Solutions has the same arrangement with three other Districts, including two water and sewer districts.

Action: The Board directed that IRWA attend the September meeting to discuss the review and for Ms. Mueller to provide an estimate of the cost of the accounting and financial function.

The Board then tabled the issue of the Administrative Policy and Procedures.

ADJOURN

With no more business to come before the Board, Mr. Utz motioned to adjourn the meeting. Dr. Stiger seconded it and the meeting adjourned at 7:59 pm.

Respectfully Submitted,

Stephen Tanner, Chairman

John Austin, Manager/Stephanie Mueller, Co-Manager,
Debbie Swenson, Accountant

RESOLUTION NO. 2021-01

A RESOLUTION ESTABLISHING A POLICY FOR THE TRANSFER OF FUNDS

WHEREAS, it is the desire of the Greenferry Water and Sewer District to adopt a policy to guide decisions regarding all transfers of funds between the District's checking and savings accounts, and

WHEREAS, adherence to a policy regarding the transfer of funds helps to ensure that the District maintains a sound financial position and that credit quality is protected.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Greenferry Water and Sewer District that the transfer of funds policy for the District be adopted as follows:

1. The Treasurer, in accordance with Title 42, Chapter 32 of Idaho Code, shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the District, in permanent records.
2. The Treasurer shall present each request to transfer funds between the District's checking and savings accounts to the Board of Directors at a properly noticed public meeting.
3. The Board of Directors shall, after reviewing the request to transfer funds, approve or disapprove the Treasurer's request to transfer funds between the District's checking and savings accounts.

PASSED and approved by the Board of Directors of the Greenferry Water and Sewer District this ___ day of _____, 2021.

APPROVED:

Stephen Tanner, Chairman

ATTEST:

John Austin, Manager