

OUTLET BAY SEWER DISTRICT

MEETING MINUTES

December 21, 2023

The Board of Directors of the Outlet Bay Sewer District met on Thursday, December 21, 2023, at the district office. Present were Chairman Tom Bell, Directors Jeff Stockdale, Kristy Pettit, Justin Bradbury and Fred Simpson via phone. Also present were Fritz Broschet, Kari Davis, Craig Hill, Missy Hill, Jake Hill, Brian Reilly and Lee Lubig.

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

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

The Minutes of the November meeting was read and approved. Jeff Stockdale made a motion to publish the approved board meeting minutes on our website. Kristy Pettit seconded the motion. Motion passed.

NEW/OLD BUSINESS:

HILL'S RESORT

Craig Hill addressed the board regarding a recent meeting between himself, Lee Lubig and two of our board members, Justin Bradbury and Jeff Stockdale. This meeting was recorded without notification or consent of the board members. Craig explained to the board that he recorded the meeting to reference back to what they discussed so he could pass the information on to his family. He apologized to the board for not giving notice of the recording.

Craig provided a handout (attached hereto and incorporated into these minutes by reference) which outlined his thoughts on the Contract for Wastewater Services he has with the district and how he feels about the flows and the ERU's assessed to Hill's Resort. In this handout was a proposal of how he feels the ERU's should be counted and what his recommendation would be for a compromise with the District on how his resort is assessed. Craig also proposed a seasonal restaurant seat count to be done in the summer and in the winter, and then average the two for a fairer assessment. The board thanked Craig for his efforts on this and will made a final determination as to what the assessments will be from now until the end of the contract in 2029. Jake Hill commented that he wants to see a long-term solution to the disputed ERU count.

Jeff Stockdale explained that pursuant to advice from district counsel, any negotiated agreement will be limited to the remaining terms of the contract and that the board is in the process of updating its Rules and Regulations and commercial rate policies so that its clearer going forward.

Jeff also said he felt that Craig's proposal was very reasonable and all board members felt it was fair to both sides. However, because the district's fiscal year budget was based upon Hill's Resort being assessed 109 ERU's and now we are reducing that to 72.5, it affects our budget and we will need to possibly amend the budget, which means a public hearing, etc. In the January meeting we will make a final decision on this and move forward.

Lee Lubig gave some history to the board of dry hook-up fees, and how when he was serving on the board the phases were brought into the district.

FACILITIES USE PLAN

The DEQ approved our Facilities Use Plan. Jeff contacted Kevin Koesel and reviewed the next steps we need to take to get our projects out to bid. Because we did not receive any grant money, except for the FUP grant, we do not have to go through a public hearing process on the FUP, it can be approved as submitted. Jeff will be outlining all eight projects on our website, along with a link to the FUP for the public to review.

Kevin outlined the steps necessary:

- a) Officially accept the FUP
- b) Authorize engineer to complete the preliminary engineering report
- c) Draw up construction plans for review and approval
- d) Put project out to bid
- e) Tentatively break ground in September

Lee Lubig asked for an explanation of the projects and who was paying for them. Jeff explained they are outlined in detail in the FUP which was provided to him in his records request on December 5, 2023. All upgrades are paid for through System Development Charges assessed to developers. The district will have all funds collected for the necessary project and in the bank before we go out to bid.

Jeff Stockdale made a motion to adopt the Facilities Use Plan, seconded by Kristy Pettit. Motion unanimously passed.

Jeff Stockdale made a motion to begin the Preliminary Engineering Report for the improvements necessary to bring the Millie's/Eagle Subdivision online. Justin Bradbury seconded the motion. Motion unanimously passed.

MAINTENANCE REPORT:

Fritz reported that the district received approval for the tanks at the employee housing development on the PLGC. The tanks have now been installed.

Fritz installed a tank in Green Acres and one in Shady Pines. A tank will also be going in on Luby Bay Road next week.

Fritz had a broken line at the golf course at Linda Wolcott's residence.

Fritz had the line repair in Shady Pines scheduled; however, the Bonner County Road Department said that no permits to dig will be issued after October 31, 2023. Even though we have a right of way easement, the department said we must also have a permit to dig in that easement. Fritz explained that it was an emergency line repair. The county required the district to put up a \$4,000 cash bond, which they will hold for two years before we can request it returned to the district. They also required compaction testing results. Sewell Engineering tested 6 lifts and it was compacted at 95%.

When Fritz dug up the line, he found it had been broken and someone had attempted to fix it with a cupler and zip ties. It was also torn apart several feet further. It has now been fully repaired.

Fritz took his continuing education class this week so he's compliant for another year.

Fritz has started his annual report for DEQ. Jeff Stockdale told the audience that the Selkirk Alliance had done a report on all sewer districts at Priest Lake and did a report card on all. Our District received an A- with high praise for how Fritz operates and maintains our district.

SECRETARY/TREASURER'S REPORT

Kari drew up an agreement regarding the 4-plex connection timing for Brende/Burke to have in place in lieu of outlining the conditions of connection on the building location permit. This satisfied the county's requirements, and assured that the district would not connect the 4-plex and 8-plex until all was approved by DEQ.

The board reviewed the monthly bills. Justin Bradbury made a motion to pay the bills, seconded by Jeff Stockdale. Motion passed.

ICRIMP is requesting the district to sign an authorization allowing communications to be done electronically. Board agreed and signed.

Kari has submitted everything to auditors for the fiscal year audit.

The board went into executive session.

The board came out of executive session. The board announced each employee shall receive a \$100 Christmas bonus.

There being no further business to be brought before the meeting, it was adjourned at 6:10 p.m.

Respectfully Submitted,

Kari Davis
District Secretary