

**City of Hayden Lake  
Minutes of Regular Meeting  
December 3, 2013**

CALL TO ORDER

Mayor Beck called the meeting to order at 5:00 p.m. Present were Council members Gorman, Ackerman and Graves. Councilman Frey was absent. Attorney Bredeson and Clerk Hagman were present as representatives of the Council. Clerk Hagman recorded the minutes of the meeting.

Mayor Beck led the pledge of allegiance.

AGENDA / MINUTES

**Councilman Gorman moved to approve the agenda including the minutes of November 19, 2013 and invoices for payment. Councilman Graves seconded the motion. The motion carried.**

CODE ENFORCEMENT REPORT

Code Enforcement Officer Rand Wichman reported that AVISTA has been doing a project in the City and there have been 31 road cuts with 16 being in the asphalt. There have been no new building permits issued in the last month.

NEW BUSINESS

Mayor Beck reported on a meeting he had with Avondale Irrigation District regarding taking over the City water system. Present at this meeting were Bob Chandler from Avondale Irrigation and Steve Cordes from Welch Comer Engineers. Mayor Beck informed the Council that Avondale Irrigation is interested in taking over the system and stated that the cost to customers would be less. It would take a general election of citizens to deed the water system to Avondale. Mr. Chandler felt that it would take approximately \$100,000 to bring the water system up to their standards. Mayor Beck stated that he is in favor of Avondale taking over the system.

Councilman Ackerman questioned if North Kootenai Water District had been notified. Mayor Beck stated that they hadn't and we purchase our water from Avondale. Councilman Graves would like to look at where the City would make up the funds that the water fund contributes to the general fund for expenses. Clerk Hagman discussed the financial status of the City with the water fund contributions every month. The annual contribution to the general fund is approximately \$50,000. An increase in property tax was discussed as well as the foregone amount that the City has.

Councilman Ackerman suggested Avondale give the City a percent of the total balance of the water fund. Councilman Gorman suggested Avondale pay the City a specified amount per year for the water system until the City can restructure the budget. Mayor Beck questioned Attorney Bredeson if it would be possible to do something like that. Mayor Beck felt that the City could possibly keep \$100,000 for future expenses until we get the taxes and budget in order. Councilman Graves questioned if we had franchise fees and how are they set. Attorney Bredeson replied that we have fees with AVISTA and Time Warner.

Mayor Beck questioned if we could have a franchise agreement with Avondale and Attorney Bredeson replied that we could. Councilman Ackerman felt that North Kootenai Water District should be allowed to comment. Councilman Graves suggested a balance sheet for franchise fees and keeping \$100,000 at the time they take the system over.

Future street expenses were discussed. Councilman Graves suggested moving forward with a good plan. Mayor Beck explained the Development Impact Fees and what they can be used for. Mayor Beck discussed the time line for the take over and the City would need to have an election in May. A five year plan was suggested, 2014 to 2019 and Councilman Gorman discussed Avondale paying the City a dollar amount over a five year period.

**Councilman Gorman made a motion to move forward on researching the fiscal impacts on Avondale taking over the water system and to also notify North Kootenai Water District. Councilman Graves seconded the motion. The motion carried.**

ATTORNEY

Attorney Bredeson discussed the sign ordinance and informed the Council that the planned Hayden Lake City signs do not seem to comply with the City ordinance and oddly there are no exemptions in the sign ordinance for the City. Attorney Bredeson suggested an amendment to the ordinance to allow an exemption. Mayor Beck suggested waiting until spring to modify this ordinance in case other issues come up with other ordinances.

CLERK

Clerk Hagman gave the report on the annual street revenue and expenditures. **Councilman Gorman moved to approve the report, seconded by Councilman Graves. The motion carried.**

ADJOURN

**At 6:10 p.m. Councilman Gorman moved to adjourn, seconded by Councilman Graves. The motion carried.**

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Chris Beck, MAYOR

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Lynn Hagman, CITY CLERK