

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
MARCH 9, 2011**

CALL TO ORDER

Chairman Sewell called the meeting to order at 9:00 a.m. Board members present were Todd Walker, Carole Stringer, Dave Weinstein and Tom DePew. District Superintendent Dustin Jacobson and Larry Comer were also present as representatives of the Board. Administrator Lynn Hagman recorded the minutes of the meeting.

AGENDA & MINUTES

Board member DePew moved to approve the agenda for this meeting, seconded by Board member Weinstein. The minutes of January 26, 2011 and February 23, 2011 were reviewed and Board member Stringer moved to approve the minutes of January 26, 2011, seconded by Board member Walker. The motion carried.

Board member DePew made an amendment to the February 23, 2011 minutes and then moved to approve them as amended. Board member Weinstein seconded the motion. The motion was carried.

SEWER RATES

Larry Comer presented the options for the sewer rates to the Board for discussion. Mr. Comer stated the Board needed to weigh the pros and cons of how to fund capital improvement to the plant and how to fund depreciation for the District. Mr. Comer discussed the depreciation from the O & M fees and how this would only come from the users and may not be fair. Mr. Comer suggested that some of the depreciation come from the proposed LID so the vacant lot owners are sharing in the investment.

Chairman Sewell questioned if the District could levy more taxes instead of raising the rates. Mr. Comer informed the Board that the tax levy is limited to 3% per year and would not be enough. Other options are to pass a revenue bond or a general obligation bond, this is done by a 2/3 majority vote, but the best solution is to form an LID to get everyone to participate. Board member Stringer questioned why HARSB isn't going out for funding on capital improvement on the plant. Mr. Comer explained that HARSB is an inter-agency body and only has the right to do what the other bodies or partners can do. Partners want to keep their debt distinct and have control. Member Stringer voiced her concern that the District's interest and the interest of the constituents are protected.

Mr. Comer felt that it will be up to the District to explain the partnership with the City of Hayden and HARSB to the constituents. The plant upgrades will need to be done within the next three years. DEQ funding was discussed and Mr. Comer stated that the facilities plan needs to be updated first. Board member Stringer questioned if DEQ could speak to the Board about the funding. Mr. Comer will contact DEQ and ask for John Tindell to come to a meeting. Mr. Comer felt that DEQ evaluates based on need.

Board member Weinstein suggested moving the regular meeting to Thursday, March 24th and inviting Mr. Tindell. The meeting on the 23rd of March would be for the LID6 late comer agreement only.

Following discussion of the meeting schedule, Chairman Sewell announced that the tentative schedule will be the LID6 meeting on Wednesday, March 23rd at 5:00 p.m. and the regular meeting on Thursday, March 24th at 5:00 p.m. pending confirmation of Attorney Mike Schmidt and Ken Thompson being able to attend both meetings and the response from John Tindell for attending the meeting on the 24th.

Larry Comer stated that he will have the draft news-letter for the sewer rates at the next meeting. Board member Weinstein would like to hear from Mr. Tindell before deciding on the rate. Mr. Comer will also invite Mr. Tindell to the rate hearing. Board member Weinstein would like to invite Ken Windram from HARSB to the rate hearing as well. Mr. Comer will draft the news-letter after Mr. Tindell's presentation on funding. The draft news-letter will be presented at the first meeting in April. Board member Weinstein felt the District should use the CDA Press for publishing a story on the public hearing for sewer rates.

HEMLOCK HILLS

Board member Weinstein informed the Board that he had talked with Jay Lockhart, planner for Hemlock Hills. They are asking for 47 lots and the property is very steep. The County is aware of the steepness and denied this application the first time it was presented. Sandy Young is now representing the owner of this property and will be re-submitting to the planning commission. Board member Weinstein questioned Mr. Lockhart if there was anything in this application for the Sewer Board to be looking at. Mr. Lockhart replied that there wasn't. Board member DePew has a concern with the sandy soil to build a road on.

District Superintendent Dustin Jacobson questioned the Board on his direction to take on the County submittals regarding variances or other issues where we don't have sewer. The Board agreed there should be a no comment response. Larry Comer stated that a standard response would be to reflect the County storm water ordinance be complied with. The District expects the ordinance to be followed.

PASSWORD AGREEMENT

Following discussion of the annual Password Services Agreement for locates, **Board member Walker moved to approve the agreement. Board member DePew seconded the motion. A roll call vote was taken; Board member Walker, "aye", Board member Stringer, "aye", Board member Weinstein, "aye" and Board member DePew, "aye". The motion carried.**

BOARD DISCUSSION

Administrator Lynn Hagman brought to the attention of the Board that there has been a lot split on Kensington Ave. with no ER purchased for the new lot. The owner of this lot is Connie Evans and she is in the process of trying to sell it. After reviewing where the lot is in conjunction to the sewer line, Mr. Comer stated that the owner would need to extend the line to the new lot as well as pay the cap fee. The Board asked that Larry Comer and Dustin Jacobson draft the letter to this homeowner, to be sent certified mail.

Administrator Lynn Hagman informed the Board that a similar issue has been found on Lower Loch Haven View Manor. There has been a short plat done and there are five new lots without an ER. No cap fees were paid when the lots were created. Dustin Jacobson informed the Board that a letter was sent to the County regarding sewer service being available but there was no further correspondence.

Some sewer stubs were put in during the LID process but cap fees were not paid. Larry Comer will work with Lynn Hagman and Dustin Jacobson on a draft letter to Michael Klika, owner of the property.

Dustin Jacobson felt that the District should not approve a minor sub-division until all cap fees are paid. Board member Weinstein voiced his concern with developers paying for cap fees before they know if the County approves their sub-division. Board member Walker suggested that the County adopt a policy for short plats to have the District sign off on them. Administrator Lynn Hagman suggested that a file be set up in the front office and a copy of the application from the County be given to the front office, which will then keep track of the progress of the short plat.

Administrator Lynn Hagman then brought forward information on three homes that have been built in the Forest Hills sub-division with no hook up permit. The homes were built in 2000, 2002 and 2004. Since there was no hook up permit issued, there have been no O & M fees assessed. Following extensive research we have concluded that these homes are in the Hayden Lake Recreational Water and Sewer District. The policy of the Board is to bill the owner for four years. **Board member Walker moved to send the letter to the property owners and bill for four years at the current rate. Board member Weinstein seconded the motion. Chairman Sewell felt that the charge should be at whatever the rate was for that year. Board member Walker amended his motion to charge O & M fees at whatever the rate was for that year. The motion carried.**

The Board discussed a request for inspection and District Superintendent Dustin Jacobson explained that the soil is sandy in that area and the homes are high end homes so he feels that the hook up is probably bedded well and is not worried about the hook up being done properly.

Board member Stringer felt that the letter should also advise the homeowner that the District does not assume responsibility because there was no inspection done by the District. The letter should include the waiving of the \$512.00 inspection fee and a release of liability should be attached to the letter. Board member Stringer also felt that a note explaining the District's ongoing efforts to identify sewer service beneficiaries that are not being billed and to remedy such situations could be inserted in the upcoming news-letter.

ADJOURN

With no further business before the Board, at 11:20 a.m. Board member Walker moved to adjourn, seconded by Board member DePew. The motion carried.

Dave Weinstein, SECRETARY

Lynn M. Hagman, ADMINISTRATOR