

**CITY OF HAYDEN LAKE
MINUTES OF REGULAR MEETING
MAY 1, 2012**

CALL TO ORDER

Mayor Beck called the regular meeting to order at 6:00 p.m. Council members present were Jim Ackerman, Tommy Frey, Tom Gorman and Ed Graves. Attorney Bredeson and Code Enforcement Officer Dick Pelton were present as representatives of the Council. Clerk Hagman recorded the minutes of the meeting.

The only visitor present was Phil Boyd from Welch Comer Engineers.

Mr. Boyd led us in the pledge of allegiance.

AMENDED AGENDA

Councilman Gorman moved to approve the amended agenda for this meeting, seconded by Councilman Frey. The motion carried.

Councilman Graves then moved to approve the consent agenda including the minutes of April 17th and April 24th and the list of invoices for payment. Councilman Gorman seconded the motion. The motion carried.

BUILDING PERMIT EXTENSION

Mayor Beck explained to the Council that there had been some confusion on the expiration date of Mr. Morris's building permit extension. Mayor Beck spoke with Mr. Morris who requested the he be allowed to attend the meeting May 15, 2012 meeting. **Councilman Gorman moved to table the discussion of the building permit extension until the next meeting. Councilman Frey seconded the motion. The motion carried.**

WATER SYSTEM

Phil Boyd from Welch Comer Engineers presented a brief history of the city's water system and the rates. Mr. Boyd presented a financial summary and reviewed with the Mayor and Council. Mr. Boyd felt that the water fund was in good shape with a good depreciation build up. The water fund help pay for 25% of certain general fund expenses and salaries. Clerk Hagman explained how this done by inter-fund transfer. Mr. Boyd stated that this is not an unusual practice for cities. Mayor Beck stated that the 25% needs to be justified and set appropriately. Councilman Frey questioned if the 25% could be raised. Clerk Hagman explained that the budget for FY 2012-2013 will reflect a 5% increase for the inter-fund transfer.

Mr. Boyd then discussed the considerations for transferring or leasing the water system to another water purveyor. There would be two choices for the city, one would be Avondale Irrigation and the other would be North Kootenai Water District. If the city were to transfer or lease to N.K.W.D. there would be no need for a booster station. Councilman Gorman questioned if Councilman Ackerman's suggestion of drilling our own well would be feasible. Mr. Boyd explained that there are examples of wells with N.K.W.D. and Avondale Irrigation. The city would need to find a target location and then research the cost to drill.

Councilman Gorman asked if there was a way to figure out what it would cost to pump our own water. Mr. Boyd explained that the city can extend the facilities beyond the city limits by getting permits from Lakes Highway District. Mayor Beck stated that the city has no staff for the well scenario.

Mayor Beck questioned what the process would be if the city were to transfer the asset to Avondale Irrigation. Mr. Boyd stated that typically other entities say they won't pay for the taking of another utility; it is possible that the city would have to give the asset to Avondale Irrigation with no cost attached. Avondale could then spread their debt load with our constituents. It is possible that negotiations could be done. Mayor Beck asked what would happen to the funds in the bank. Mr. Boyd explained that losing the water system can also cause problems with not having control over maintenance of the lines, cutting of streets and bad repairs. Councilman Ackerman questioned where the 25% of the water funds would come from if the city transferred the water system. Mayor Beck replied that the general fund would have to cut costs by 25%.

Councilman Graves felt that the city would lose an asset and control of it, however, the city would also lose the liability. Mr. Boyd informed the Council that the city could have its own well and contract out the maintenance. Mayor Beck asked Mr. Boyd for an estimate on drilling a well. Mr. Boyd replied that building the facility and running lines and drilling the well, the city could expend up to a million dollars. Mr. Boyd stated that elevated storage may be an issue. Mayor Beck felt that water rights may be an issue also. Mr. Boyd feels unlikely that water would be shut off. Councilman Ackerman questioned if Avondale was bound by contract to serve the city or could they terminate when they wanted. Councilman Ackerman questioned the option of sinking a well and not putting it on line. Mr. Boyd replied that the city would have to show beneficial use.

Councilman Gorman voiced his concern with the one million dollar figure and the city only has \$400,000 in the bank. Councilman Frey stated that in ten years the city may have enough funds in the water system to pay for our own system. Mr. Boyd informed the Council that one of the costs of owning your own system is testing for contaminants.

Mayor Beck suggested Mr. Boyd look at the cities rates and the contract with Avondale Irrigation to give the Council the status of the water system. Mr. Boyd questioned adding a brief summary of the well option. **Councilman Graves moved to authorize Mr. Boyd to do a water evaluation study on the city water system and a brief summary of the well option. Councilman Ackerman seconded the motion. The motion carried. Mr. Boyd will report at the June 5, 2012 meeting.**

ATTORNEY

Attorney Bredeson stated that an executive session would not be needed for this meeting. Attorney Bredeson informed the Council that he had a conversation with Pat Braden at the County regarding the two people who owe the City an impact fee and how it will be collected. There was no decision made on how this would be done. Mr. Braden will be in contact with Attorney Bredeson on this. Mayor Beck asked Attorney Bredeson to inform him of when Mr. Braden responds to this question.

CODE ENFORCEMENT REPORT

Mr. Pelton informed the Mayor and Council of two significant building permits that have gone out and explained what they were for.

PUBLIC WORKS REPORT

Councilman Gorman reported that the design work for Miles Ave. needs to be reviewed by LTAC who cannot review for at least two months. This won't be in time to try to get the \$400,000 that is available.

Councilman Gorman informed the Mayor and Council that Lakes Highway District will do the maintenance on pot holes for Strahorn Rd. The striping needs to be done throughout the city with crosswalks and a stop line on the south bound lane of Strahorn Rd. needs to be moved up and then add three more stop lines at the intersection. Lakeview Dr. will be striped with a 10' width and the one way on Strahorn Rd. will have the solid white line and bicycle markings.

Councilman Frey informed the Mayor and Council that some of the City buoys have sunk and/or have been moved around. Councilman Frey suggested the City purchase buoys that are for ice. Mayor Beck asked Councilman Frey to research the buoys and report at the next meeting.

Councilman Ackerman discussed the drainage issue in Pt. Hayden and informed the Mayor and Council that two quotes were received. The quotes were from Ken Bettis Excavating in the amount of \$1,750.00 and the other quote was from JH Landworks in the amount of \$3,475.00. Following a brief discussion, **Councilman Graves moved to accept the quote from Ken Bettis Excavating. Councilman Frey seconded the motion. A roll call vote showed; Councilman Frey, "aye", Councilman Ackerman, "aye", Councilman Graves, "aye" and Councilman Gorman, "aye". The motion carried. The clerk will instruct the contractor to coordinate with Councilman Ackerman.**

Mayor Beck informed the Council that due to the election on May 15th, the next regular meeting will need to be rescheduled. **Councilman Gorman moved to reschedule the next meeting to May 14, 2012 at 6:00 p.m. Councilman Frey seconded the motion. The motion carried.**

ADJOURN

With no further business before the council, at 7:30 p.m. Councilman Gorman moved to adjourn, seconded by Councilman Frey. The motion carried.

Chris Beck, MAYOR

Lynn M. Hagman, CITY CLERK