

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT  
MINUTES OF REGULAR MEETING  
MAY 22, 2013**

CALL TO ORDER

Chairman Sewell called the meeting to order at 5:00 p.m. Board member present were Todd Walker, Carole Stringer, Ed Short and Tom DePew. Ashley Williams and Steve Cordes from Welch Comer Engineers, Ken Thompson, Stephanie Schultz, Attorney Mike Schmidt, Superintendent Dustin Jacobson, Operator Chris Seward and Board member elect Ed Burke were also present.

AGENDA / MINUTES

**Board member DePew moved to approve the agenda for this meeting, seconded by Board member Walker. The motion carried.**

The minutes of May 8<sup>th</sup> were reviewed and Board member DePew proposed an amendment to the minutes. **Board member Stringer moved to approve the minutes with the amendment, seconded by Board member Walker. The motion carried.**

Chairman Sewell had invited the newly elected Board members to this meeting to introduce themselves and find out a little about the District. Mr. Burke introduced himself to the Board.

ACCOUNTANT

Ken Thompson gave the financial report and reviewed the invoices for payment. Mr. Thompson pointed out the payments that have been made by LID6 and the District will call in approximately \$115,000 worth of bonds with this. Mr. Thompson presented a list of budget issues that will need to be discussed at the June meeting. **Board member DePew moved to approve the financial report and the payment of invoices. Board member Stringer seconded the motion. The motion carried.**

ATTORNEY

Attorney Schmidt informed the Board that the staff met and reviewed the issues regarding the buy -back policy and relinquishment requests and non -District customers. Attorney Schmidt explained that we have several people who do not want to be assessed and we have had some consolidation requests as well as an offer to relinquish an ER to the District. During this meeting, staff came up with some recommendations for the Board to consider.

The first category is unbuildable lots and since they are not being benefited, they cannot be charged for the LID7A. It is recommended that the District buy-back these ER's. The second category is people who want to consolidate. The Board policy is to pay the owner back upon resale, the amount the owner originally paid for the ER and they would have to execute a consolidation covenant to be recorded at the County. There was discussion of selling ER's back to HARSB and after reviewing the issues that would come with this option the staff felt that this would not be a good option. It is recommended by staff that the people who want to consolidate can pay the fee for the consolidation covenant to be drafted and recorded and their ER would be listed for sale.

At the time the ER is sold the property owner is paid what they originally paid for the ER. If the consolidation is after the assessment for LID 7A has been made the District will take the proceeds from the resale of the ER and pay off the assessment. The problem with this equation is that the cost of an ER does not include the collection system yet and this leads to an estimated \$1,700 increment on top of the \$12,400 for the ER. Attorney Schmidt stated there are two options that have been confirmed by Bond Attorney Danielle Quade. First option is when it sells and is paid off before the assessment the new owner would then be assessed as part of the LID 7A the estimated \$1,700. Second option is to charge the purchaser what the amount is anticipated to be, (\$1,700) when they purchase the ER.

Board member Short questioned how many people want to sell back their ER's. Ashley Williams felt that there are approximately 20. Board member Stringer suggested determining a par value each year for the ER's. With the Board having concerns regarding the buy-back procedure, Chairman Sewell asked Attorney Schmidt to draft other alternatives and bring to the next meeting. Attorney Schmidt informed the Board that there is nothing that obligates the District to buy-back ER's. In the past the District has had the policy to pay the people back the same amount they paid for the ER less administration fees. Attorney Schmidt clarified the Boards direction to find out what the numbers are and see if we can't come up with something where the District pays them off now to re-buy them.

Superintendent Jacobson questioned if someone came in to buy an ER at \$12,400, can the District pass this amount to the seller of the ER minus administration costs. Attorney Schmidt felt that this may be possible.

Ashley Williams discussed the consolidation letter and questioned getting direction to sending this letter out and putting it on the web site. Board member Walker was in favor of the buy-back formula that Attorney Schmidt explained. Board member Walker feels this is a good proposal to put in the letter. The Board felt that the current policy should be in the letter and that the District is also considering other options.

Attorney Schmidt informed the Board that the District has received an offer to relinquish an ER. The pros are that the District can sell the ER for \$12,400 and the cons are that it will be a long time before it sells. The recommendation of the staff is to do nothing with respect to telling people that they can relinquish ER's to us but if they want to make the offer the District would consider these on a case by case basis.

Attorney Schmidt informed the Board that there are 33 customers who own a cap fee and 13 are receiving service but are not in the District. Options of how the District would have these customers pay for LID 7A was discussed. Attorney Schmidt stated that the staff recommendation is sending a letter advising these 33 customers that a charge of approximately \$4,000 is going to come due in 2015 and they will need to make arrangements to pay at that time. Failure to pay in 2015 could result in the District shutting off or discontinuing service to the property. Board member Walker questioned what to do with the customers that are not hooked up. It was suggested to lien the property. With the Board approval Attorney Schmidt would like to draft the letter.

Attorney Schmidt gave an update on the construction contract. Ken Windram presented the exhibit that he had previously presented to the Sewer District, to the HARSB Board. Attorney Stricklin raised some concerns and will have Attorney Quade discuss them with her.

Attorney Schmidt reviewed the financial control policy and felt that it was in a more coherent fashion. The word Administrator is used throughout the policy.

The next policy is the customer policy and incorporates Board member Stringer changes. Attorney Schmidt asked the Board to review and send any suggestions to him by email. The safety policy is still under review.

## ENGINEER

Ashley Williams discussed the newsletter and stated it will go out on Friday or Monday. Ms. Williams informed the Board that the District is on the DEQ priority list. There is a list of items that Ms. Williams is working on for DEQ.

Steve Cordes discussed the Cooperative Agreement and informed the Board that the survey was done down Miles and Strahorn and the survey shows a hump as you turn the corner from Miles to go down Strahorn. This result of this is that the sewer is going down and the road is going up which results in a large portion of the sewer being very deep. This will cause an increase in cost and there may be a problem with physically going down Strahorn with the narrow roadway. Mr. Cordes informed the Board that the options are to move forward and configure the sewer line. A concern with this is that the money that the City of Hayden Lake and the Highway District contributes is fixed. Another option is to relocate the Country Club lift station from its current location to a spot not far away or just rebuild the lift station which would be very costly. Another option would be to upgrade the existing lift station in the location that it is in or add another lift station on Miles Ave. and a pressure sewer line on the original route and tie in to the pressure sewer on Ladybug Lane. Other options were discussed but at a high cost.

If the District goes with the original plan with Miles Ave. and Strahorn Rd. we will have to take money away from the lift station projects. Mr. Cordes advised the Board to not sacrifice the lift station upgrades to do the relief line on Strahorn and Miles Ave. Board member DePew questioned if Mr. Cordes had considered a booster station at the low spot. Mr. Cordes stated that is an option, however, the District would still have to do some deep excavation which would be costly. Superintendent explained that it would have to be a lift station and not just a booster station.

Attorney Schmidt questioned if Attorney Quade had approved of the funds being used for a different scope of work and if so, how different can the project be. Ms. Williams felt that the scope would still cover the project because it is for replacement or rehabilitation. The District may have to send a letter to DEQ with the change in work to be done. Board member Walker stated that if the relief line is not put in, there will be extra funds that the District won't have to use. Board member Short clarified that if we are not going to do the Strahorn and Miles relief lines than we will have to use some of those funds to upgrade the Country Club lift station .

Superintendent Jacobson explained that if there is a break in the line or a repair, they can splice in valve and a cleanout so it can be hooked up to the above ground pump to pump around the problem. The cost estimate for upgrading the Country Club lift station is discussed in the facility plan and Ms. Williams stated this was done assuming the Board would not do Strahorn and Miles Ave. Ms. Williams stated that the estimate is minor and could be added to. The Board discussed the option of re-routing the relief line through the Country Club grounds and there were several reasons that this would not be practical.

Mr. Cordes felt that the money is better spent on the lift stations. Board member Walker will meet with the City of Hayden Lake and Lakes Highway District to discuss the Boards wishes on the Strahorn Rd. and Miles Ave. project.

**Board member Stringer made a motion to direct Board member Walker and Board member Short to communicate to the City that the District no longer intends to move forward with the Miles and Strahorn Rd. project. Board member Short seconded the motion. A roll call was taken; Board member Short, “aye”, Board member DePew, “aye”, Board member Walker, “aye” and Board member Stringer, “aye”. The motion was unanimously carried.**

Ms. Williams will follow up with Attorney Quade to discuss the changes in the scope of work and what the process is. Ms. Williams will also contact DEQ to find out what they will require. Attorney Schmidt asked Ms. Williams if she could request the information from Attorney Quade by email and Ms. Williams replied she would and copy this to Attorney Schmidt.

#### HARSB REPORT

Chairman Sewell informed the Board that there was discussion on the H3 generator spill with a cost of \$20,000 to \$30,000. Board member Walker explained the spill to the Board and 200 gallons of diesel was lost.

Chairman Sewell stated that the HARSB Board approved the renewal of the tier one civil contract for robots.

Ms. Williams informed the Board that in discussion with Paul Klatt at JUB Engineering and there was a metals issue that has been discussed previously and DEQ has wanted to change the limit on metals to a load base instead of a concentration base. Mr. Windram has been trying to get DEQ to back down from this and it sounds like they will go back to the concentration basis.

Board member DePew reported on the Aquifer Protection District and stated that there have been several meetings on the budget.

Chairman Sewell said his farewells to the Board and wished them well.

#### ADJOURN

**With no further business before the Board, at 7:30 p.m. Board member Stringer moved to adjourn, seconded by Board member Walker. The motion carried.**

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Todd Walker, CHAIRMAN

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Lynn Hagman, ADMINISTRATOR

