

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT  
MINUTES OF PUBLIC INFORMATIONAL MEETING  
OCTOBER 10, 2012**

At 6:00 p.m. Chairman Sewell opened the public meeting. Board members present were Tom DePew, Todd Walker and Carole Stringer. Larry Comer and Ashley Williams from Welch Comer & Associates, Attorney Mike Schmidt, Ken Windram from HARSB, Stephanie Schulman and Attorney Danielle Quade were also present as representatives of the Board. Administrator Lynn Hagman recorded the minutes of the meeting.

Chairman Sewell introduced the panel who would speak and then turned the meeting over to Larry Comer. Mr. Comer discussed the Hayden Lake Recreational Water and Sewer District background and then turned the presentation over to Ashley Williams to talk about the collection system.

Ms. Williams informed the audience that a facility plan has been done for the collection system and for the plant. Ms. Williams explained that the District has 17 lift stations with pressure and gravity lines. Future growth estimates were discussed and the ER allocation at HARSB treatment facility was explained as well as how many ER's the District is billing and how many ER's we have on vacant lots. Slides were shown of the existing conditions of some of the lift stations and Ms. Williams then explained the ratings that were done on the structural/mechanical condition of the lift stations as well as the lift station rating results.

There are three options for the lift stations, option A is rehabilitation, option B is replacement and option C is slip line. Ms. Williams explained what each of the options would entail. An Environmental Analysis was done on each of these options as well as an option of doing nothing.

Ms. Williams discussed the summary of lift stations controls and how it works and what is missing for each lift station. Ms. Williams explained the tiered approach to the lift station controls. Tier 1 would be high flow/high risk stations, tier 2 would be moderate flow/moderate risk stations and tier 3 would be lower flow/lower risk stations. Ms. Williams then discussed the cost/benefit information for the Strahorn R. and Miles Ave. gravity relief lines. Some of the benefits would be percent of flow would be eliminated from the Country Club lift station which would also eliminate the need to upgrade the Country Club lift station. Added value of bypass for Lakeview Dr. force main and the window of opportunity to share costs with City of Hayden Lake.

The challenges would be obtaining an easement from the Avondale Country Club and the City of Hayden Lake agreeing to share costs. Ms. Williams explained the environmental analysis done on the relief lines. The sewer collection system capital improvement options were explained. There are three phases, phase A would be near term need, phase B would be midterm need and O & M would be long term need. Ms. Williams discussed the costs for each phase with phase A being \$2,265,700, phase B being \$1,823,700 and O & M being \$689,000. This would round down to \$4,200,000 for phase A and B and the O & M amount of \$689,000 would come from O & M funding.

Mr. Ken Windram from the Hayden Area Regional Sewer discussed the treatment facility and what the State of Washington Department of Ecology has set for the standard for Lake Spokane for dissolved oxygen and how this affects the new NPDES permit from EPA. Mr. Windram explained the new treatment plant upgrades and that it will be done in phases. The new limits on phosphorus, total nitrogen, TSS and CBOD will need to be met within 10 years. The phosphorus removal will be 99.9%. Mr. Windram explained the re-use farm and what time of year it is used. The first phase will be flow equalization and biological nutrient removal and then a tertiary filter, disinfection and pump station.

Larry Comer addressed the audience and explained the HARSB capital project funding. Mr. Comer explained that there are three categories of costs, the NPDES regulatory quality improvement with a cost of \$16.35 million, replacement (unfunded depreciation) with a cost of \$5.16 million and Increased capacity with a cost of \$6.66 million. Mr. Comer explained that the increased capacity would be growth driven and only the new comers would pay for this. The NPDES permit and the replacement would come to \$21.51 million and would be split between the City of Hayden, the Sewer District, the County and HARSB. The Sewer District share would be \$5.65 million

Mr. Comer went on to discuss the funding options for the District collector system and the HARSB upgrades. The District collector system would be \$4.2 million and the HARSB upgrades would be \$6.2 million for a total of \$10.4 million. Mr. Comer explained the long term for the collector system would come from O & M depreciation fund, the near and mid - term would be an LID bond with a DEQ loan or Bond Bank. The HARSB upgrade would be LID bond with DEQ loan.

Mr. Comer discussed the DEQ funds and the low interest of 2%. If the District were to receive the DEQ loan for the \$10.4 million the estimated assessments would be \$4,000 per ER which would equate to \$265.00 per year. Mr. Comer explained possible future upgrade requirements for the years 2023 – 2032. The upgrades could be up to \$1.5 million which would be funded by a dedicated reserve fund to be accumulated over 10 years through a rate increase. The monthly operations and maintenance cost projections were discussed. The Sewer District currently pays \$44.00 per month with \$19.00 a month going to the District for operations and maintenance and \$25.00 going to HARSB. In the future a suggested \$6.50 per month would need to go to the reserve fund. This would mean an increase.

Mr. Comer went over the proposed schedule if an LID is initiated. A notice of LID hearing would go out in late October with a hearing date of November 14, 2012. The District Board would make their decision on forming and LID on November 28<sup>th</sup>. Final application to DEQ for the loan would be January, 2013 and to secure the DEQ low interest loan would be July, 2013. This being the end of the presentation, Mr. Comer turned the meeting over to Chairman Sewell and the Board for questions and comments.

Ron Erickson addressed the Board and asked if the environmental analysis and the facility plan would be available to review. Mr. Comer stated that both would be available at the District office. Mr. Erickson questioned the construction options and asked if the State needed to approve them. Mr. Comer replied that the District Board makes the decision but at this point no decision has been made. The Board is protecting the interests of the constituents. Mr. Erickson stated he would like no action to be taken. Mr. Comer explained that the sewer system needs to be preserved and what is not done a deal is how to pay for it. Mr. Erickson questioned is the City of Hayden and the County were going through the same process to get funding. Mr. Comer explained that each partner has to pay their share and that they were all going through a

process for funding. Mr. Erickson questioned what will happen if we don't get the DEQ funding. Mr. Comer explained that the next step would be to go out to sell bonds. Mr. Erickson questioned how an ER is determined. Mr. Comer stated that each house equals one ER.

Board member Walker explained that the Board has been waiting for numbers and that the District put their name in for this loan a year ago and we are now close to the top position on the list for the funds. Mr. Erickson questioned why some of the homes with a large number of bathrooms were not charged more. Board member DePew explained that the charge is not based on bathrooms. Board member Stringer stated that the Board will always be looking for creative solutions.

Mr. Steve Caiden asked the Board if there were no other options. Attorney Mike Schmidt explained the litigation is on-going and he explained the history of the lawsuit. Ken Windram stated that the TMDL structure that was issued got a stay in court which gave us more flexibility with the phosphorus. Mr. Caiden questioned if the LID was a majority vote or was it decided by the Board. Attorney Danielle Quade explained that the Board can take action. Mr. Caiden voiced his concern with the extra monthly costs being very hard on people with fixed incomes.

Mr. Art Brown felt that the presentation did not do justice to the fact of what people will be paying. Mr. Brown asked the Board to get the cost down as low as possible. The presentation did not show the monthly costs. Mr. Brown asked that the Board look at future costs and make sure they are in the numbers. Mr. Brown would also like to see a breakout of costs for maintenance of the upgrades and the upgrades to meet environmental standards.

Mr. Comer informed the audience that HARSB will hold a public meeting on November 1<sup>st</sup> on the facility plan and comments will be taken there as well.

ADJOURN

The public meeting was adjourned at 7:30 p.m.

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Kenneth Sewell, CHAIRMAN

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Lynn M. Hagman, ADMINISTRATOR