

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF PUBLIC INFORMATIONAL MEETING
OCTOBER 12, 2012**

Chairman Sewell opened the meeting at 2:00 p.m. Board members present were Todd Walker, Carole Stringer and Tom DePew. Board member Dave Weinstein was absent. Larry Comer and Ashley Williams from Welch Comer & Associates, Attorney Mike Schmidt, Attorney Danielle Quade, Ken Thompson, Ken Windram from HARSB, Laurie Robb and Chris Seward were all 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. forced 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 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 28th. 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.

Ken Haagenson questioned Mr. Comer on how thick the slip line would be. Mr. Comer replied that the slip line is not one of the recommendations. Rock coating would be recommended because it is much cheaper and can do many of the lift stations at the same time.

Caron Miller asked if there will be more people who will hook to the sewer that are past the Clark House. Mr. Comer explained the District service area and it ends at Sandy Cove and this has not changed. Mr. Comer explained that it is a density issue and there is no plan to extend the sewer.

Ken Haagenson questioned the costs. Mr. Comer reviewed the LID costs and pointed out the assessment per ER and the dollar amount of the annual payment as well as what it would be on a monthly basis. Mr. Haagenson asked if the new standards were from the EPA. Mr. Comer explained that there are two parts to the LID, the plant upgrades and the collection system. Mr. Haagenson asked when the new regulations took effect. Mr. Windram explained the US Supreme Court ruling. Attorney Schmidt discussed the on-going law suit regarding the new regulations. Mr. Haagenson asked if the lift stations could be done on an as needed basis. Mr. Comer explained the low interest loan from DEQ and it would be less cost to do more than one at a time. Attorney Schmidt discussed the 2% interest rate on the DEQ loan and the flexibility with fees that we would not have to pay. The money is a draw down, we only use what we need, when we need it and we only pay interest on what we use.

Ken Windram discussed the relief on phosphorus that we got on a seasonal average. Elaine Haagenson questioned borrowing the money all at once. Attorney Danielle Quade explained that the funds are only spent as it is used and the rest stays with DEQ until we need it.

Mary Ann McCleary asked about payments on the LID. Larry Comer explained that the assessment can be paid off at any time. Board member Walker explained that the District has been looking at this for the last year and put our name on the list for the low interest DEQ loan. Board member Walker assured the citizens that the Board has researched this issue very carefully and has been put on the list for the DEQ loan to save money. Board member Stringer stated that if things change over the next ten years, the DEQ money could change also.

Mrs. Haagenson felt that the costs should be indicated in the next newsletter that is sent out. Mr. Comer replied that it will be for the public hearing notice.

Caron Miller asked if other land comes into the District, what they will pay. Mr. Comer explained the current vacant lots that have an ER are being included in the LID and vacant land that comes in after would pay the current capitalization fee plus the LID costs and interest.

With no further questions for the Board, the public meeting was adjourned at 3:35 p.m.

Kenneth Sewell, CHAIRMAN

Lynn M. Hagman, ADMINSTRATOR