

**CITY OF HAYDEN LAKE
MINUTES OF SPECIAL MEETING
APRIL 30, 2014**

CALL TO ORDER

Mayor Beck called the special meeting to order at 6:00 p.m. Present were Council members Ackerman, Gorman and Frey. Attorney Bredeson was present representing the Council. Bob Chandler and Barb Dawson from Avondale Irrigation were also present.

There were four citizens present.

Mayor Beck led the pledge of allegiance.

Mayor Beck explained this meeting was called as a public information meeting to answer questions from the citizens about the election on May 20, 2014 to convey the City water system to Avondale Irrigation.

Mayor Beck explained the City's options for getting out of the water business and what the City has accumulated in depreciation funds. Mayor Beck stated that the City has the option of drilling a well which would be at a very high cost or convey the water system to another water district. North Kootenai Water District and Avondale Water District were contacted and since the City purchases water from Avondale Water District it made sense to work with them on taking over the Cities system. North Kootenai would have to charge higher rates which would be of no benefit to the users.

The conveyance of the water system requires a vote of the people and then Avondale will have to annex those on the system into Avondale Irrigation District.

Bob Chandler from Avondale Irrigation District gave the citizens the background of Avondale Irrigation District and explained the City is already receiving their water. Mr. Chandler reviewed the water charges that Avondale would be charging and stated that the water pressure and quality of the water would remain the same as it is now. Their billing is annually and can be paid in two payments. The rates would decrease for the City of Hayden Lake water users. Mr. Chandler explained that if Avondale were to take over the water system, the first thing they would do is to change out the meters to radio read meters.

Mayor Beck opened the floor for questions. It was asked who would pay for the meter change out. Mr. Chandler stated that Avondale Irrigation would pay for the new meters which will cost approximately \$84,000 and this will include putting the new accounts in the mapping system.

A question was asked about the billing system. Mr. Chandler explained that Avondale Irrigation bills one time a year and can be paid semi-annually. The annual bill is in advance. Meters are read for overage, mostly in the summer months. Mr. Chandler stated that the water users in Hayden Lake will not be billed for the first six months in the event Avondale takes over the system.

It was asked if there was any down side to the take-over. Mayor Beck explained the Cities budget issues and the water fund helps pay for some of the general expenses. This will have to be made up by increasing taxes and cutting administration costs.

A citizen voiced his concern with the possibility of Avondale Irrigation being acquired. Mr. Chandler explained that there would be a small chance of this happening as Avondale Irrigation was formed by the government. Mr. Chandler informed the citizens that Avondale Irrigation holds a Board meeting on the first Tuesday of each month and the public is welcome.

A question was asked as to when Avondale Irrigation would take over the system if the election passed. Mr. Chandler stated they would be ready to take the system on June 1, 2014.

Mayor Beck reminded the citizens that the polling place will be at City Hall on May 20, 2014 and polls are open from 8:00 a.m. to 8:00 p.m. Councilman Ackerman asked Mr. Chandler how many customers Avondale Irrigation has now. Mr. Chandler replied there are approximately 2,500.

ADJOURN

**Councilman Gorman moved to adjourn at 6:30 p.m., seconded by Councilman Ackerman.
The motion carried.**

Chris Beck, MAYOR

Lynn Hagman, CITY CLERK