

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF THE LID 6 WORKSHOP MEETING
FEBRUARY 24, 2010**

Chairman House called this meeting to order at 4:00 p.m. Board members present were Dave Weinstein, Tom DePew, Ken Sewell and George Anderl. The consortium was present and they included Steve Meyers, Del Kerr, Rick Gunther, and Jack Smetana, engineer for the consortium. Larry Comer, Mike Ormsby, Mick Schmidt and Ken Thompson were also present as representatives of the District. Lynn Hagman recorded the minutes of the meeting.

Larry Comer discussed a memorandum previously handed out that reported the cost differences for LID 6. Mr. Comer stated that the original estimates for construction were given to him by SI Construction, Mr. Mike Sperle. Chairman House questioned Ken Thompson on how much interest the District is paying each month that this is delayed. Mr. Thompson replied that the cost is between \$9,000 and \$10,000 each month in interest.

Larry Comer explained the financing of the LID and the early pay off by the developer. Mr. Comer stated that there are three company's interested in funding. Mr. Thompson recommended D.A. Davidson. The short term interest rate could be 2 to 3% and the longer term could go up to 9%. Mr. Ormsby informed the group that the LID is set up for 15 year financing.

Ken Thompson felt that he and Chairman House needed to have authorization to move away from D.A. Davidson or who ever buy the bonds if any problems arise.

Mr. Kerr questioned when he could arrange his own financing. Ken Thompson informed the developers that there will be a 30 day pre-payment time where anyone can prepay their assessments. Mr. Ormsby stated that the 30 days begins now until March 26, 2010. Mr. Ormsby felt that it may be less expensive to finance by selling the bonds. Mr. Ormsby went on to explain the pre-payment penalty if someone were to pay off the assessment after the 30 days. There would be a one year interest added to the payoff at that point.

Mr. Comer explained that the Falls at Hayden have not had their lots assessed yet. Mr. Comer went on to discuss exemptions on properties.

Mr. Meyer's discussed the proposed late comer agreement and stated the since the overage was \$2,000,000.00 the late comer fee would be \$3,000.00. The late comer agreement would only apply to those within the boundary of LID 6. Mr. Meyer gave each Board member a copy of the draft agreement for their review. The time on the agreement would be 15 years with a 10% fee for administration by the District and there would be one check issued to Rimrock Sewer LLC each year.

Board member Anderl stated that the Sewer District also needs to recover the million dollars that they have put into the LID. Larry Comer explained that the net capital that the District contributed was \$500,000.00 and the other \$500,000.00 was an interim loan.

Mike Schmidt will review the late comer agreement. Chairman House stated that the Board will move forward with the LID hearing and the late comer agreement is a separate issue.

The workshop closed at 5:00 p.m.

Kenneth Sewell, SECRETARY

Lynn M. Hagman, ADMINISTRATOR