

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
JUNE 10, 2009**

CALL TO ORDER

Chairman House called the meeting to order at 9:15 a.m. Board members present were Tom DePew, Dave Weinstein, Ken Sewell and George Anderl. Also present representing the Board were Larry Comer, Dustin Jacobson and Mike Schmidt. Administrator Lynn Hagman recorded the minutes of the meeting.

Visitors present were Ken Windram from HARSB and Tammy Strait.

AGENDA

Board member Sewell moved to approve the agenda for this meeting, seconded by Board member Anderl. The motion carried.

VISITOR CONCERNS

Tammy Strait addressed the Board regarding a 25' easement behind her home. Dustin Jacobson, Field Superintendent for the Sewer District, contacted Mrs. Strait about clearing the District's easement. This easement is also shared with Lakes Highway District. Mrs. Strait's fence is extending out to the 25' easement and has been requested to move it back. Mrs. Strait stated that she would like to work with the District and is willing to remove needed trees and move the portion of fence off Lancaster Rd. Mrs. Strait requested the Board to try to make a compromise.

Chairman House explained that this easement is also a drainage easement for LHD and the Board has to look at what type of precedence they would be setting. Board member Weinstein stated that the stronger endorsement of an easement policy may be with LHD due to the fact that it is a drainage easement for them. Board member Weinstein felt that Mrs. Strait may need to speak with LHD first. The Sewer Board should hear what LHD says and then take this under consideration. Chairman House directed Dustin Jacobson to work with Joe Wuest from LHD on this. Board member George Anderl requested to be present at the meeting on site with Mrs. Strait.

PRESENTATION BY KEN WINDRAM (HARSB)

Mr. Windram's presentation included his background experience, budget issues, and responsibilities of each entity involved with HARSB. The 2009 O & M plan included items such as upgrading to SCADA system, meeting the EPA/DEQ permit conditions, bio pad drain system and sludge geotube, new phosphorus and nitrogen limits, new sewer line cleaning truck, new HARSB O & M data

system, design standards for pump stations, developing new HARSB pre-treatment program and a HARSB service agreement with the entities involved.

Phosphorus levels were discussed and Chairman House asked Mr. Windram to take raw samples from Hayden Lake to see what is going into the aquifer. Mr. Windram informed the Board that the nitrogen is in the 5 to 10 range, which is low.

Mr. Windram discussed that data system that is now used, it is hand written and this needs to be upgraded. Mr. Windram discussed the design system for pump stations and stated that the system today is labor intensive and with the SCADA system, as shown by Mr. Windram, this would be much improved. Mr. Windram stated that he would like to have a portable unit for on-call personnel in case they are not at home when a call comes in. Chairman House questioned the reliability of the system and Mr. Windram replied that this system is very reliable.

Mr. Windram then spoke about the HARSB service agreement and what they do and don't do. Mr. Windram will develop a draft document that each entity will comment on. Larry Comer stated that he would like to see a flow chart in the agreement of who is doing what.

HARSB / HLRWSD duties will be defined as well as lift station duties and some of this can be done by SCADA.

Mr. Windram then opened the budget discussion with an ER break down. The break down is to figure payments according to Mr. Windram who then showed a payment schedule to the Board. Income and expense sheets were discussed.

The financial evaluation of HARSB was discussed with Mr. Windram stating that CAP fees pay for the increased waste water treatment plant flow capacity. CAP fee sales versus timing of new waste water treatment plant and flow capacity construction were topics of discussion and who will pay the debt service fee.

The new NPDES treatment standards were discussed and according to Mr. Windram, new CAP fees include the NPDES treatment costs. Board member Weinstein questioned Mr. Windram on the new upcoming standards. Mr. Windram explained the new standards will be in effect in 5 years and we will need to meet them. Funding for the new standards was discussed and Mike Schmidt suggested that a revenue bond is usually how this is done.

The cost for advanced treatment for the plant to meet the phosphorus and nitrogen levels for existing customers will be approximately \$13,000,000. Mr. Windram gave a cost breakdown with an ER percentage cost for the Hayden Lake Recreational Water and Sewer District paying \$3,934,740, with a cost to the users of \$ 2,065.48.

Larry Comer argued that the split is figured with three different lines of logic. The logic based on 2.4 MDG is not right because the Sewer District does not need the 2.4 expansion. Mr. Comer suggested that the calculation on this needs to be revisited for who will pay for the expansion. Mike Schmidt suggested dividing the ER percentage cost, split by the number of ER's rather than the number of customers.

HARSB capital contributions and funds contributed to date were discussed. Larry Comer pointed out that this is not to value and needs to be adjusted to time value of money. Mr. Comer discussed the 2.4 MDG and things that need to be done. The NPDES permit/TMDL permit, JUB and Welch Comer to draft master plan, FCS financial study final report, priorities at HARSB and entity improved management options at HARSB.

Mike Schmidt stated that the Sewer District was left out of the FCS study and no one from the District was ever interviewed. Mr. Windram informed the Board that he would contact FCS and have them contact the Board for interviews. Mike Schmidt stated that he would like to identify his issues under Idaho law. Larry Comer requested memo's 1, 2, and 3 from FCS and he and Mike Schmidt will draft the District's concerns and issues.

ER DATA FOR DISTRICT

Larry Comer informed the Board that he had talked with Councilman Todd Walker on the ER's needed for the City of Hayden Lake and their ACI. Mr. Walker informed Larry that the City is staying with the one acre minimum for now and that is what they will go by to project the number of ER's. Mr. Comer stated that as far as sewer projections for the District, there needs to be other boundaries. Mr. Comer questioned the Board on how far they want to go with their boundaries for this information. Chairman House suggested this subject be placed on the next workshop meeting.

NKWD AVONDALE SURVEY WORK

Dustin Jacobson explained the work that is being done in Avondale and North Kootenai Water District is asking if the Sewer District would like to participate at a cost of \$36,870. GSI is surveying data and doing some mapping. Larry Comer is not convinced that the District needs this and suggested he and Dustin Jacobson and Phil Boyd from Welch Comer, meet and discuss this.

CHAIRMAN HOUSE

Chairman House informed the Board that the annual Hayden Lake Water Shed Assoc. meeting is July 22, 2009. The place for the meeting has not been determined but Chairman House would like the Board to attend.

DUSTIN JACOBSON REPORT

Board member DePew informed the Board that he felt a lap top was needed for the truck. Dustin Jacobson felt that this should wait until we are closer to being on the SCADA system.

Mr. Jacobson informed the Board that they have finished with the camera on Half Mile Lane and everything looks good. There are no breaks or infiltration. Mr. Jacobson requested using the camera on Hart Lane and the end of Half Mile Lane. The cost would be approximately \$3,000. Board member DePew moved to approve the expenditure, seconded by Board member Sewell. The motion carried.

MINUTES

The minutes of May 13th and May 27th were reviewed by the Board. A correction was suggested by Mike Schmidt and with that, Board member Weinstein moved to approve the minutes, seconded by Board member DePew. The motion carried.

ADJOURN

With no further business before the Board, at 12:40 p.m. Board member Anderl moved to adjourn, seconded by Board member DePew. The motion carried.

Kenneth Sewell, SECRETARY

Lynn M. Hagman, ADMINISTRATOR