

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF LID 7A AND SEWER RATE INCREASE PUBLIC HEARINGS
APRIL 9, 2013**

CALL TO ORDER

Chairman Sewell called the meeting to order at 6:00 p.m. Board member present were Ed Short, Tom DePew, Todd Walker and Carole Stringer. Larry Comer, Ashley Williams, Attorneys Mike Schmidt and Danielle Quade, Ken Thompson, Stephanie Schultz, Superintendent Dustin Jacobson and Operator Chris Seward were also present as representatives of the Board. District Administrator Lynn Hagman recorded the minutes of the meeting.

Chairman Sewell turned the meeting over to Mr. Comer for his presentation.

Mr. Comer explained to the public that there would be three parts to this meeting, the first part will be a presentation of the proposed project scope, costs, and LID process. The second part will be a formal sewer rate increase public hearing and the third part will be a formal LID 7A amendment public hearing.

Mr. Comer began his presentation by explaining to the public why it is necessary for the Sewer District to have another public hearing on the LID 7A and the rate increase. Mr. Comer reviewed the background of the Sewer District and reminded the public of the public hearing that was held on November 28, 2012. Mr. Comer discussed the Board's decision that was made on December 12, 2012 regarding LID 7A and informed the public that LID 7A has been formed in the amount of 7 million dollars in which 6.2 million will go to the treatment plant and approximately \$800,000 will be for the Strahorn Road sewer line.

Mr. Comer explained that 3.4 million is still needed for the collector system and there are two options available to the Board. The first option is pay as you go with increasing the operations and maintenance fees and doing the improvements in smaller increments over the next 10 years. The second option is to amend LID 7A and add the 3.4 million to the existing 7 million and do the improvements within the next 2 to 3 years.

Mr. Comer reviewed the existing condition of the lift stations and showed the public pictures of the corrosion and deterioration. Mr. Comer explained that there are better materials now for coating the lift stations that need it, however some lift stations are not meeting the electrical code safety standards and this needs to be addressed as well. Mr. Comer explained that the gravity relief line for Miles Ave. from Lakeview Dr. to Strahorn Rd. was not included in the 7 million dollar LID 7A. This line would be included in the improvement costs to the collection system which will be approximately 3.4 million dollars.

Mr. Comer informed the public that the Sewer District has two options for financing these improvements. Option one is to raise the operations and maintenance fees by \$19.00 a month over the next 10 years and complete the upgrades in small quantities over the 10 year period. This financing option would include only the rate payers. Option two would be to amend the existing LID 7A to add 3.4 million to it and complete the upgrades within 2 to 3 years. All 2,600 District constituents would participate in this option. Mr. Comer reviewed the monthly equivalent cost projections and reminded the public of the articles in the news media lately regarding other entities with the same problems.

PUBLIC HEARING – O & M RATE INCREASE

At 6:30 p.m. Chairman Sewell opened the public hearing on the Operations and Maintenance increase. Attorney Schmidt explained the process for the public hearing and informed the public that they will have three minutes to speak.

Mike Sadler, 10637 Friar Dr. #13 addressed the Board stating that according to his calculations option one costs would be \$8,200 per unit and option two costs being \$5,440.

Mr. Sadler feels that if proper maintenance had been done to prevent the corrosion and rust we would not be in this situation and it is cheaper to maintain as you go.

Ed Blanchette, 10900 N. Westview Dr. testified that he has no problem with the improvements to the system but questioned how long these improvements will last. Mr. Blanchette asked what precautions were being taken by the District to protect the system and who will oversee this.

Rick Gunther, 701 W. Lakeshore Dr. informed the Board that he is the developer for the Fox Hollow subdivision. Mr. Gunther felt that this was a scare tactic by the Board and the same discussion as before. Mr. Gunther questioned what guarantees there were that the improvements will be done and will be maintained. Mr. Gunther feels this has all been blown out of proportion and if it isn't broke then don't fix it. Mr. Gunther stated that the new draft of the County Comprehensive Plan may make it and if it does he may not be able to use all of his ER's.

Dennis Kline, 1138 N. Friar Dr. commented that on December 12th the District passed the 7 million dollar LID because it was necessary. Mr. Kline questioned if the added 3.4 million is for things we would "like" to do in the District.

Richard Holland, Grandview Dr., commented that he has a septic tank and pays \$44.00 a month for sewer and feels that all 2,600 should pay for these improvements.

Martin Thurman, 3531 St. James, stated that he is 100% against all construction. Mr. Thurman feels the Board has not followed the concerns of the citizens. Mr. Thurman also feels that the District has purchased property and has built on this property without citizen comment.

Mr. John Beutler, 1836 NW Blvd., questioned where the money has gone from the CAP fee increases and does the District have a reserve fund. Mr. Beutler felt that the District could put \$500.00 a month in a fund and accumulate the 4 million dollars in a short time. Mr. Beutler requested the Board to take a closer look at what is being done and to not use these scare tactics.

Patricia Ohop, 11985 Avondale Loop questioned the citizens, since she could not get any answers from the Board, if she has any options on paying this LID.

Del Kerr, W. 175 Honeysuckle, informed the Board that he was part of the LID 6 group and when that LID went through the costs doubled. Mr. Kerr asked how solid the numbers were for this LID.

With all testimony given, Chairman Sewell closed the public hearing on the O & M rate increase at 6:55 p.m.

LID 7A AMENDMENT PUBLIC HEARING

Chairman Sewell opened the public hearing for the LID 7A amendment at 6:55 p.m. Attorney Danielle Quade explained the public hearing process for an LID hearing and reminded the public that there would be a 3 minute time limit.

Attorney Mike Schmidt read the names of those who had submitted written comments before the public hearing into the record.

Martin Thurman, 3531 St. James, questioned how the Board could predict 10 million dollars paid over a 20 year period. Mr. Thurman stated that the numbers and construction did not add up to him.

Robert Conguergood, 9401 Clarkview Place, stated that he was in favor of the LID and that it was the best way to go.

Rick Gunther, 701 W. Lakeshore Drive, questioned the costs in the long term and how much money has already been spent and where. Mr. Gunther feels that if the system is not broke then don't fix it. This is a bad economy to be asking people for more money.

Dennis Kline, 1138 N. Friar Drive, felt that all of the written comments from the November 28th public hearing pertain to the 10.4 million dollar LID so why ask for more comments now.

Diane Christianson, 5278 Upper Hayden Lake Road, commented that she cannot afford this but if it needs to be done then she feels it should be spread out over all 2,600 constituents.

Ed Blanchette, 10900 N. Westview Drive, stated that he has a non-buildable lot that is being assessed but he doesn't disagree that the 2,600 people should be paying for the upgrades. Mr. Blanchette questioned if new people come on to the sewer system could they help pay for the LID. Mr. Blanchette felt that vacant or non-buildable lots should be pro-rated until they are built on.

With all testimony given by the public, Attorney Mike Schmidt read the names of the written comments received during the public hearing. Attorney Danielle Quade informed the public that the Board would now deliberate and have discussion at the April 11, 2013 Board meeting at 5:00 p.m. at the District Office.

At 7:15 p.m. Chairman Sewell closed the public hearing and the Board was excused.

Kenneth Sewell, CHAIRMAN

Lynn Hagman, ADMINISTRATOR

