

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF REGULAR MEETING
FEBRUARY 24, 2010**

CALL TO ORDER

Chairman House called the regular meeting to order at 6:00 p.m. Board members present were Dave Weinstein, Tom DePew, Ken Sewell and George Anderl. Larry Comer, Ken Thompson, Dustin Jacobson and Mike Schmidt were present as representatives of the Board. Lynn Hagman recorded the minutes of the meeting.

There were several citizens present to hear the deliberations on the rate increase.

AGENDA

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

ACCOUNTANT REPORT

Ken Thompson informed the Board that the District needs to purchase 4 more ER's before the price goes up. Mr. Thompson also stated that all of the LID 6 prepayments need to be kept separate. Chairman House informed the Board of the upcoming HARSB public hearing to raise CAP fees where all three entities will be involved. Board member Anderl requested a line item detailed report of the Sewer District's expenses with HARSB. **Board member Anderl moved to purchase 4 ER's from HARSB, seconded by Board member DePew. The motion carried.**

Mr. Thompson then reviewed the invoices for approval stating that these invoices need to be deducted from line 13 on the balance sheet. Mr. Thompson informed the Board that the underwriter for LID 6 will want the guarantee fund to be higher than it is.

Chairman House felt that the District had passed a Resolution that homes had to be built within a certain time. Larry Comer informed the Board that this verbiage is not recorded on the plat. Larry Comer suggested a meeting with Lynn Hagman, Mike Schmidt and Ken Thompson to discuss the record keeping of LID 6. The meeting will be set for March 24, 2010 at 4:00 p.m. With no further discussion of the financial report, **Board member DePew moved to approve the invoices for payment and the financial report. Board member Anderl seconded the motion. The motion carried.**

Ken Thompson discussed the bond underwriter and recommended Mr. McClaughlin from D.A. Davidson out of Spokane. Mr. Thompson requested the Board authorize him to work with Mr. McClaughlin on the bond information. **Board member Weinstein moved to give Ken Thompson the latitude to work with Mr. McClaughlin and to also work with one of the other two options if D.A. Davidson opts out. Board member Sewell seconded the motion. The motion carried.**

MINUTES

Following a review of the minutes of January 27th and February 10th and 16th, **Board member DePew moved to approve all three sets of minutes. Board member Anderl seconded the motion. The motion carried.**

ENGINEER REPORT

Larry Comer discussed the HARSB CAP fee increase and informed the Board that the rate is currently \$5,158 and the proposed increase will be 26% which is \$1,357. This will bring the new CAP fee to \$6,515. HARSB will hold a public hearing first to adopt this rate and then the entities will hold their own public hearings on any increase they may propose. The District share in the CAP fee is now at \$2,442. Board member Weinstein requested a careful analysis of the study that HARSB is going by for this increase.

O&M RATE INCREASE

Chairman House announced that this is the time for the Board to deliberate on the O&M rate increase. Mike Schmidt summarized his thoughts on the different fee structure for those who have septic tanks. There is good legal support for charging according to the number of people in the home. There have been court challenges on similar issues. Mr. Schmidt discussed the reasoning for just fees; however, it is up to the Board if they choose to have a different rate structure.

Board member Anderl stated that effluent is much harder to treat and cost as much to get to the treatment plant. The overhead is about the same when you add in the expense for deodorization and carbon filters.

Chairman House explained the rules of the public hearing process that was held at the previous meeting on the O&M rate increase. Mr. Bob Brooks was present at this meeting and wanted to give more testimony.

Board member Weinstein questioned if the District could be challenged if the rates were different based on raw versus effluent. Mike Schmidt replied that it would be alright if the rates were based on science to support the different charges.

Board member Sewell stated that there were three concerns that the public had. One was the raw versus effluent, another was distance to the plant and the last was number of people living in the home. Board member Sewell felt that the Board acted irresponsibly by not raising the rate in smaller increments. **Board member Sewell moved to raise the O&M fee from \$31.50 per month to \$36.50 per month to all constituents, including Canterbury Cove and to hold another public hearing for another rate increase in February of 2011.**

Board member Weinstein felt that if the previous Boards were negligent in not raising fees, it is not right to raise them \$11.00 a month now. The District needs cut costs as well.

Board member Anderl felt that the \$11.00 will get the District to just break even. Member Anderl stated that even if the District raises the O&M in small increments, the costs will be the same or more. Board member Weinstein stated that the District needs to cut costs with an incremental increase of \$7.00 or \$8.00 to the O&M fees.

Mr. Brooks strongly attempted to give further comments and Mr. Schmidt informed him why no further comments could be given. Mr. Brooks felt he was being muzzled and left the meeting.

Board member Sewell questioned Ken Thompson on the financial status of the District if the increase was \$5.00 a month. Mr. Thompson stated he would prefer at least \$6.00 a month increase and stated that if costs are cut the District may be alright for awhile. Board member Anderl suggested professional staff not attend meetings when they are not needed and to cut the workshop meetings out if they don't need to have one.

Board member Sewell amended his previous motion to \$37.50 per month and to include those in Canterbury Cove. Board member Weinstein seconded the motion. The vote was 3 to 1 and the motion carried. The effective date of the increase will be April 1, 2010.

Board member Weinstein questioned if Dustin Jacobson could help one of the constituents who, at the public hearing, had testified that he was going through a lot of pumps. Dustin will look at his system.

SUPERINTENDENT REPORT

Dustin Jacobson informed the Board that he had been contacted by a property owner who lives on the north side of Lancaster who stated that Lakes Highway District is now finishing up their project there and would the Sewer District be interested in annexing the existing properties on the north side of Lancaster.

Board member Weinstein felt the property owners should see if there is any support for an LID in between them. Mr. Jacobson volunteered to speak with the property owners to see what the interest is. Board member Anderl recommended not talking to the property owners until the Board decides if there is any interest in annexing them into the District.

Chairman House felt that the Board should maybe talk to the Forest Service who is on the south side of Lancaster to see if there is a possibility of getting stimulus funds to get them off of septic. Board member Weinstein felt that the public should come to the Board and not to Mr. Jacobson.

CITY OF HAYDEN MEETING

Board member Sewell informed the Board that he did not attend the City of Hayden meeting and felt that any information pertaining to the Sewer District could be gotten at the HARSB meeting. Member Sewell recommended that he not attend the City of Hayden meeting any longer and this will save on expenses. The Board agreed.

ADJOURN

With no further business before the Board, at 7:15 p.m. the meeting was adjourned with a motion from Board member Weinstein and a second from Board member Anderl. The motion was carried.

Kenneth Sewell, SECRETARY

Lynn M. Hagman, ADMINISTRATOR