

Hayden Lake Recreational Water and Sewer District

Informational Newsletter

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LID 7A Background

In April 2013, the District Board approved LID #7A for purposes of making some much-needed improvements to the sewer collection system, as well as upgrades to the sewer treatment plant.

- ⇒ The sewer collection system upgrades consisted of lift station rehabilitation/replacement.
- ⇒ The treatment plant upgrades were required in order to meet new EPA permit requirements for discharging treated wastewater into the Spokane River. The cost of the treatment plant upgrades are being shared on a pro-rata basis with the City of Hayden and Kootenai County. This partnership of municipalities, which is responsible for operating the treatment plant, is formally known as the Hayden Area Regional Sewer Board, or "HARSB."

The LID costs were approved for a total of no more than \$10.4 million. In July of 2013, the Miles/Strahorn gravity relief lines were eliminated from the project because they could not be completed for the amounts originally budgeted. Accordingly, the estimated LID cost was revised downward by \$600,000 to \$9.8 million.

Project Update

The Project began in 2013 and is proposed to be completed by summer of 2016. Within the District's sewer collection system, there were three main projects: two phases of lift station improvements (Phase A and Phase B) and improvements to the lift station adjacent to the Hayden Lake Country Club.



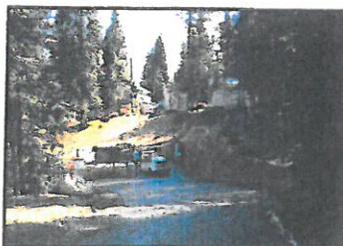
Sandy Cove (before)



Sherwood Court (before)



HARSB Treatment Facility



Sandy Cove (after)



Sherwood Court (after)



HARSB Treatment Facility Upgrade (after)

LID 7A Anticipated to Close by Winter 2016

The LID #7A projects are anticipated to conclude in the summer of 2016. The District Board anticipates closing the LID in Winter 2016/2017.

The District Wants You to be Informed

The District currently maintains a website (www.hlrwsd.us) for public information and updates. Copies of this newsletter are available at the District Office.

Assessment Estimate

Assessment Method

In order to determine the amount that will be assessed to District customers and properties, the District must divide the total cost of the improvements by the number of properties and customers that are benefitted by the improvements.

A single family residence will be assessed as a single "Residential Unit" or "RU."* Single vacant lots that are benefitted by the improvements will typically be assessed a single RU, but development properties/subdivisions will be assessed multiple RUs. Some restaurants or other commercial establishments discharge more wastewater than a typical residence and are therefore assessed according to their actual wastewater usage, which may be multiple RUs.

The District has a total of 2,600 RUs for purposes of determining the assessment that will be applied to each RU.

Assessment Cost Estimate

Assuming a total Project cost of no more than \$9.8 million, and a denominator of 2,600 RUs, the District estimates that each owner of a residential wastewater unit will be charged \$3,770.

$$\frac{\$9.8 \text{ million}}{2,600 \text{ LID parcels and RU's}} = \$3,770/\text{parcel or RU}$$

District property owners owning more than one RU will pay \$3,770 for each RU they own. This assessment is \$230 less than the \$4,000 the District had originally anticipated. Because the project is not yet complete, the final assessment may be different. However, this is the best estimate the District has at the moment, and District constituents should plan accordingly.

In order to finance the project, the District secured a loan from the Idaho Department of Environmental Quality (IDEQ) at an effective interest rate of 3% over 20 years. Property owners who elect to pay the LID assessment in annual installments would receive an annual LID assessment notice of **approximately \$250/yr (per RU)**.

**The term "residential unit" has replaced the previously used term "equivalent residence" or ER.*

Proposed LID Payment Schedule

After the Project is completed the final LID assessment will be computed. The District Board will then send out notice of the LID assessment and confirmation hearing, as well as the final assessment amounts. Each property owner will then have the opportunity to file an objection to their assessment. Otherwise, each property owner will have the option to pay their assessment **in full without interest within the first 30 days**, OR elect to pay their assessment in 20 equal **annual installments**, most likely beginning in **late 2017**.

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