

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT  
MINUTES OF REGULAR MEETING  
MARCH 24, 2011**

CALL TO ORDER

The regular meeting was called to order at 5:00 p.m. by Chairman Sewell. Board members present were Todd Walker, Carole Stringer, Dave Weinstein and Board member Tom DePew arrived late. District Superintendent Dustin Jacobson, Larry Comer, Ken Thompson and Attorney Mike Schmidt were present as representatives of the Board. District Administrator Lynn Hagman recorded the minutes of the meeting.

Visitors present were Jack McLaughlin and Michael King from D.A. Davidson, Mr. and Mr. Ken Beatty, Dan Reardon from 24 Hour Electric, Dan Olson from Mr. Rooter and Ken Windram from HARSB.

AGENDA & MINUTES

**Board member Walker moved to amend the agenda to add an executive session per ID Code 67-2345 (f) litigation and a HARSB update and then approve the agenda. Board member Weinstein seconded the motion. The good faith reason being information was received after agenda was posted. The motion carried.**

**Board member Stringer moved to approve the minutes of March 9, 2011, seconded by Board member Walker. The motion carried.**

D.A. DAVIDSON – JACK MCLAUGHLIN

Mr. McLaughlin addressed the Board with a discussion of possible upcoming financing for LID6. Mr. McLaughlin discussed the market and where it is right now and wanted the Board to know that D.A. Davidson is available if the Board has any questions on any delinquent assessments and how to handle them.

Mr. King then gave a short presentation and discussed various funds around an LID issue and gave a handout with the Idaho Code referenced. To date, the delinquent amount owed to the District is approximately \$15,000. Ken Thompson informed Mr. King that the District will call bonds on April 15, 2011. A letter will be sent on time to call the bonds.

FINANCIAL REPORT

Ken Thompson gave a financial report and reviewed the invoices for payment with the Board. **Board member Weinstein moved to approve the financial report and the invoices for payment. Board member Walker seconded the motion. The motion carried.** Mr. Thompson informed the Board that approximately \$440,000 will be used to call in bonds on LID6.

## SEWER ISSUE ON FRIAR DR.

Mr. Beatty addressed the Board regarding a question of a failed sewer. A letter was submitted to the Board by Mr. Beatty from his house sitter regarding the incident. Mr. Beatty explained that his sewer was plugged by debris shortly after he had installed a new pump which Mr. Olson, from Mr. Rooter said was working properly. Mr. Olson was working on the sewer problem when District Superintendent Dustin Jacobson arrived. Mr. Beatty explained procedures taken by Mr. Jacobson to fix the problem and found that the debris was stuck in the pump. Mr. Beatty presented pictures of this to the Board.

Dan Reardon from 24 Hour Electric feels that the debris came from the Sewer District side. Mr. Comer questioned if the home had its own check valve and was it operable? Mr. Reardon stated there was a failure with the second check valve. Dustin Jacobson clarified which service he worked and explained that the box had to be broken due to freezing. Mr. Comer questioned if both check valves failed and stated that the logic of both check valves failing, Mr. Comer feels it couldn't happen because there would be too much water flowing in. Mr. Comer explained that when a septic tank is pumped, something could get through the baffles.

Dustin Jacobson explained his procedure of what he did to check the problem. The pump was working when he got there. Mr. Olson stated that the pump was running but it was not pumping. Mr. Beatty informed the Board that the pump was replaced two weeks before the debris got stuck. Mr. Comer explained that the check valve would either stick open or it would stick closed. Mr. Beatty questioned Dustin Jacobson on how often the valves are checked. Mr. Jacobson replied that it is not required to do so; therefore, they are not checked very often.

Mr. Comer explained that if the valve failed shut, it can't pump and if it failed open, there would be continuous flow into the house. If debris came from the District side of the line, the failure would have been failed open, which would result in continuous flow into the home. Mr. Beatty questioned an intermittent flow and Mr. Comer explained the same scenario would happen.

Board member Weinstein questioned Mr. Beatty on how long did the effluent back up into the house? Attorney Schmidt stated that the District is not necessarily liable for this, things fail sometimes. Board member Weinstein also questioned Dustin Jacobson on whether or not it is the District procedure to check valves from point A to point B.

Dustin Jacobson stated that Chris Seward usually did this when time allowed. They open the box, check for insulation and if everything is running. The inspection is visual only. Board member Weinstein questioned if the house is below grade and if this would make a difference. Dustin Jacobson and Larry Comer both replied that it would not make a difference.

Chairman Sewell announced that the Board would take this information and deliberate at another meeting and contact Mr. Beatty with their findings. After reviewing of the bills submitted by Mr. Beatty for reimbursement, Board member Walker felt that the replacement of the pump is not the District's responsibility. Mr. Comer discussed failure of the check valve closed and stated this could have happened. Board member Stringer questioned if the debris was just a coincidence of the problem. Mr. Comer stated the material sound in the impeller so it is a part of the failure.

Ken Windram described what would happen if debris came through the main. Board member Walker stated that the ordinance states that the homeowner is responsible for their check valve. Board member Stringer questioned if any people down the line had been affected. Mr. Comer replied they had not and the problem would have been catastrophic at the one residence.

Attorney Schmidt asked two things, a) is there anything wrong with the District equipment and b) did the District fail. Chairman Sewell stated the Board will take this under advisement at the next meeting.

## DEQ – JOHN TINDEL

Larry Comer gave an update on the Spokane River TMDL. Ken Windram informed the Board that he will keep them updated on this issue. Larry Comer presented a memo to the Board on new anti-degradation rules signed by the Governor and stated that the EPA still needs to sign it. Mr. Windram and Mr. Tindel discussed the anti-degradation rules and how it may affect the District.

Larry Comer discussed the time line for the upgrades at the plant. The memo discussed financing and DEQ funding for the District's share in the treatment plant upgrades. Mr. Comer informed the Board that the first thing to do for the DEQ funds is a facilities plan. Mr. Tindel explained the process to get funding from DEQ. A plan is needed from HARSB for the plant and a plan is needed from HLRWSD for capital improvement. Board member Walker questioned how much funds are available and what if the City of Hayden or the Sewer District doesn't get the funds, what is plan "b".

Mr. Tindel explained that the funds may come at different times. Larry Comer informed the Board that a USDA loan may also be a possibility. Board member Stringer asked if the components were the same for applying with these agencies. Mr. Comer replied that it would be basically the same with some minor differences. All partners have to be ready at the same time. Board member Stringer asked if there are any other matching fund grants available. Mr. Tindel stated that the District needs to get the documents ready and suggested checking with Mr. Bill Jerrel of the Bond Bank. Mr. Comer will look into this for the Board. Mr. Tindel discussed what will be needed and Board member Stringer asked how current does the Environmental Report have to be. Mr. Tindel replied 5 years would be fine.

Ken Windram discussed phases of the upgrades and what needs to be done first. HARSB needs to be a class A water. Larry Comer questioned the Board on drafting a scope of work for the facilities plan for the collection system. Ken Thompson agreed that this process needs to get started. The Board agreed on the scope of work and Mr. Comer will have it ready in a month.

## SEWER RATES

Board member Walker suggested moving forward with option D, a potential increase of \$6.50 with a breakdown of 30% depreciation. Board member Weinstein agreed. Chairman Sewell questioned increasing the property tax by 3% incrementally in the future and using this instead of a rate increase. Chairman Sewell also questioned using 1% of the possible late comer agreement if this is allowable.

Ken Thompson felt that in the previous meeting with the developers, they wanted the 1% cut in half or decreased in some way.

Mr. Thompson stated that the District can't use this money to help bill property owners in the District. Board member Stringer agrees with the 3% on the taxes should be taken every year. Larry Comer discussed the newsletter and informed the Board that he will have a draft ready for the April 13, 2011 meeting.

#### EXECUTIVE SESSION

**At 8:15 p.m. Board member Walker moved to recess to executive session per ID Code 67-2345 (f) to discuss the assisted living issue. Board member DePew seconded the motion. A roll call vote showed; Board member Walker, "aye". Board member Stringer, "aye", Board member Weinstein, "aye" and Board member DePew, "aye". The motion carried.**

At 8:25 p.m. the Board reconvened to regular session.

#### ADJOURN

At 8:30 p.m. Chairman Sewell adjourned the meeting.

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Dave Weinstein, SECRETARY

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Lynn M. Hagman, ADMINISTRATOR