

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT  
MINUTES OF REGULAR MEETING  
FEBRUARY 13, 2013**

CALL TO ORDER

Chairman Sewell called the meeting to order at 9:00 a.m. Board members present were Todd Walker, Carole Stringer and Tom DePew. Attorney Mike Schmidt, Attorney Danielle Quade, Ashley Williams, Larry Comer, Ken Thompson, Stephanie Schulman and Superintendent Dustin Jacobson were also present as representatives of the Board. Administrator Hagman recorded the minutes of the meeting.

AGENDA and MINUTES

**Board member Walker moved to approve the agenda, seconded by Board member Stringer. The motion carried.**

**Following review of the minutes for January 9<sup>th</sup>, January 23<sup>rd</sup> and January 29<sup>th</sup> 2013 Board member Walker moved to approve the minutes with suggested corrections. Board member DePew seconded the motion. The motion carried.**

ENGINEER

Larry Comer discussed the recordation of LID #7A boundary. Attorney Quade has drafted a document to attach to the map and will be recorded. This document will be let new buyers know about LID #7A before they buy.

Mr. Comer presented a handout regarding LID #7A on estimates, timelines and how it can be paid for. Attorney Quade discussed options and revisions to LID #7A. Attorney Quade informed the Board that there are no statutes for guidance on amending the LID ordinance. The Board can change the scope of work or what they want to spend the money on, however, staying within the 7 million dollar range. Making changes would restart the comment period. If the Board wanted to change the assessment amount then the entire process would need to be re-done.

Attorney Schmidt questioned if this would mean forming the LID all over again or just the publishing and public hearing. Attorney Quade felt that the public hearing and the publishing may be enough. Attorney Quade stated that she would not be comfortable with giving information on this until she can research the options and at this time she does not recommend changing the amount of the LID. Attorney Quade informed the Board that the DEQ loan cannot be signed until the comment period is over.

Board member Stringer questioned if it would be advantageous to publish the old ordinance with strike through next to the new ordinance. Attorney Quade felt that it would and it could also be posted at the office and in the newsletter.

Mr. Comer questioned the Board as to when a decision will be made on the Strahorn Rd. line. Chairman Sewell felt that the Strahorn Rd. would stay in the LID and we would do Miles Ave. with our own money.

Ken Thompson voiced his concern with the funds that the District has available and what they may need these funds for in the future such as buy backs and emergencies. Board member Walker is also concerned with things at the lift stations that need to be fixed now.

Board member DePew stated that the buy backs would be put on a list. Attorney Schmidt explained to the Board that the District would buy back those that are non-buildable and the consolidations go on the list. Attorney Schmidt discussed price of an ER regarding District buying them back. Board member Stringer felt that the District should evaluate the par value of an ER on an annual basis. Attorney Schmidt voiced his concern with treating it as a commodity. Mr. Comer stated that if the buy-back is at a reasonable discount then HARSB would be interested in buying them. Board member DePew suggested giving the person a percentage on the buy back and the District keeps the overage. Board member Walker suggested buying the ER back at what the person paid for it. Mr. Comer stated that this could be done and to also add the CPI index for inflation cost. Mr. Comer informed the Board that he will have the numbers for this at the next meeting. Board member Walker suggested taking the price they paid and add the difference to the cost now and that is what we pay them. Ken Thompson questioned if the Attorney and Engineer could decide if Miles Ave. is a replacement cost or not.

Attorney Quade discussed HB 94 and informed the Board that there are three changes in this bill that she is concerned with. The bill referenced LID's and one change is that the challenge is being changed to 50% written protests with an additional comment period time. The bill also provides that the costs imposed must exceed the benefits derived by property owners in increased property value. Board member Stringer voiced her concerns with HB 94 and questioned if a letter to our Representatives or to the Association of Idaho Cities would be appropriate. Attorney Quade stated that she will keep the Board informed on this bill. Board member DePew asked if the District can move forward and if the bill passes would we be exempt from the new changes. Attorney Quade stated that the bill is not drafted yet and would be retro-active.

#### DEQ LOAN UPDATE

Ashley Williams informed the Board that the DEQ loan funding should be allocated by the end of February. Board member Walker questioned if it was too late to ask for more funds this year. Ms. Williams replied if the Board wanted to increase the amount of the loan they would need to do it quickly. Board member Walker voiced his concern with how the District will take care of current problems with the lift stations. Board member Walker felt that the District may need to look at the LID amount again. This will either have to be raised or the District will have to have an O & M increase and both of these options will include a public hearing.

Attorney Schmidt spoke on the funds spent so far for overhead and costs associated with changing the LID amount. Attorney Schmidt stated that the District has an increase of 3% per year on property tax as well. Board member Stringer questioned if re-opening LID #7A would have an economy of scale with LID #7B. Mr. Comer stated that re-opening the LID would be a fraction of the cost and the USDA Rural Development is still interested in funding the District.

Chairman Sewell stated that the Attorneys have advised the Board to not re-open the LID. Attorney Quade felt that is it not prudent to increase without going through the process. Attorney Schmidt stated that it is a policy decision and he agrees with Attorney Quade. Board member Walker voiced his concern with funds and system problems. Board member DePew felt the Board should leave the LID as is and borrow money from another source for any emergencies.

Ken Thompson and Attorney Schmidt discussed options of borrowing less money on short term. Mr. Comer stated that the District would still have to raise the rates.

Mr. Comer discussed phasing the projects. Board member Stringer stated that problems with the lift stations exist and showing the difference between opening the LID and raising the rates would be a good sell to the people. Board member Walker wants to present opening the LID for more funds to the public. Chairman Sewell questioned how much has been spent to put LID #7A together. Attorney Schmidt stated the amount so far is approximately \$130,000. Chairman Sewell questioned if the Board chose to re-open the LID, how much would this cost. Attorney Schmidt replied that it would depend on the work that he and the engineer were asked to do. An estimate may be about 30%. Attorney Quade felt that the legal part would not be as much as the engineering.

Board member Stringer questioned if the Board could change the scope of LID #7B to get it ready so we can facilitate the revenue. Attorney Quade informed the Board that she would need to research adding LID #7B to LID #7A.

Board member Walker proposed a field tour of the lift stations to the Board.

Attorney Schmidt asked for direction from the Board for decision making at the next meeting regarding LID #7A re-opening.

At 11:15 a.m. the Board recessed until 11:25 a.m.

Chairman Sewell called for a special meeting on February 21, 2013 for interviews for new Board member and LID #7A discussion. The interviews will start at 10:00 a.m.

## LEGAL

Attorney Schmidt reminded the Board of the draft Utility Policy given out at the last meeting and that DEQ is requiring this policy for the funding.

Attorney Schmidt presented a memo on municipal liability regarding maintenance to the system. Tort law was explained by Attorney Schmidt who also reviewed the memo on District liability. Attorney Schmidt informed the Board that the District can request the Industrial Commission to inspect the lift stations for safety.

## HARSB REPORT

Chairman Sewell presented a draft of the scope of work and budget for phase one of the wastewater treatment plant improvements. Chairman Sewell also informed the Board that County Commissioner Dan Greene is now the Chairman of the HARSB Board.

## BOARD VACANCY

Chairman Sewell asked the Board member for their input on how many questions should be asked when interviewing the applicants. Board member Stringer would like to know if the applicant is interested in running for election in May. Board member Walker would like to know if they are available for the meeting times and dates. Other suggestions were hobbies and interests and familiarity with the Sewer District and HARSB.

**Chairman Sewell moved to have Board member Walker replace Dave Weinstein at the HARSB meetings. Board member Stringer seconded the motion. The motion carried.**

**Chairman Sewell moved to have Administrator Lynn Hagman replace Dave Weinstein as the secretary of the Board. Board member Walker seconded the motion. The motion carried.**

ADJOURN

**With no further business before the Board, at 12:10 p.m. Board member DePew moved to adjourn, seconded by Board member Walker. The motion carried.**

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Kenneth Sewell, CHAIRMAN

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Lynn M. Hagman, SECRETARY