

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

CALL TO ORDER

At 9:00 a.m. Chairman Sewell called the meeting to order with Board members Short, DePew, Walker and Stringer all being present. Attorneys Schmidt and Quade, Larry Comer, Ken Thompson, Stephanie Schultz and Superintendent Dustin Jacobson were present as representatives of the Board. Administrator Hagman recorded the minutes of the meeting.

AGENDA

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

OATH OF OFFICE

Chairman Sewell gave the Oath of Office to new Board member Ed Short.

MINUTES

**Following review of the minutes of February 21<sup>st</sup> and 27<sup>th</sup>, Board member Walker moved to approve the minutes, seconded by Board member DePew. The motion carried.**

ATTORNEY

Attorney Schmidt discussed the HARSB resolution issues with the Board. The Board discussed the 2008-1 Resolution that was passed by the Board in 2008 and referenced the pre-purchase of ER's and the increment the LID 6 participants would pay. Attorney Schmidt explained what the Joint Powers Agreement requires in order to be amended, and stated that a "resolution" is not an appropriate method for amending an agreement because such an amendment requires full Board approval and cannot be completed by the HARSB representatives of the Board. Resolution 2008-1 pertained to all new ER's purchased after this date, but the Sewer District representatives to HARSB understood that it only pertained to the LID 6 participants. The new Resolution 2013-1 is predicated on the 2008-1 Resolution being valid, which is questionable. Attorney Schmidt stated that the 2008-1 Resolution would need to be an amendment to the Joint Powers Agreement to technically be enforceable as an amendment. Attorney Schmidt will send the Resolution dialog he has had with Nancy Stricklin to the Board members for their review.

The LID 6 increment was discussed and some felt that we should not charge this increment until LID 7A is closed and then if HARSB raises the CAP fee again, LID 6 would then pay the increment again. Board member Stringer voiced her concerns with Resolution 2008-1. Attorney Schmidt discussed this issue with Nancy Stricklin and she will be talking to the City of Hayden, City Council about this. Attorney Schmidt discussed the Joint Powers Agreement and the District policy of every lot having an ER which stands in contrast to the City's divergence from this requirement some time ago. Board member Walker questioned how many other Sewer Districts do their ER's the way we do. Larry Comer explained that there are many who form an LID and capture the vacant lots. Rural areas mostly have this policy.

Attorney Schmidt suggested he outline the issues at a HARSB meeting, explaining the Board does not agree that the Joint Powers Agreement was amended through Resolution 2008-1. This explanation would allow the parties to work through the issue of who the increment applies to.

Attorney Schmidt updated the Board on the construction agreement and stated that on March 18<sup>th</sup> Paul Klatt will be back and he and Larry Comer will try to arrange a meeting with him.

Attorney Schmidt discussed the draft customer policy and the draft safety policy and asked that the Administrator and Superintendent weigh in on these before adoption.

Board member Stringer questioned Attorney Schmidt on when the construction agreement needed to be done. Attorney Schmidt replied that ideally it would have been completed long ago but that he still needs the formula from JUB Engineering and agreement from the City on the terms. Board member Stringer felt that counsel should push this so we can get the agreement done. Attorney Schmidt stated that he will add the Boards standing on the construction agreement to his recommendations to HARSB.

#### PUBLIC HEARING DISCUSSION

Larry Comer reviewed the power point presentation that he will show at the public hearing on April 9<sup>th</sup>. Mr. Comer suggested having the informational questions and answers before the public hearing opens and to start with the rate increase hearing first.

Attorney Quade suggested not doing the questions and answers and suggested having a person present to keep people on the right track with the issue being discussed. Attorney Schmidt volunteered to be this person. Mr. Comer agreed with no questions and answer period and suggested adding a slide explaining what happened on December 12, 2012 with the decision on the 7 million. As the presentation went forward, several suggestions and amendments to the newsletter were made by the Board and staff. Administrator Hagman will draft a form for written testimony with printed name and address. Mr. Comer will make the edits to the power point and review them at the meeting on March 27<sup>th</sup>. Chairman Sewell requested the new power point be emailed to the Board members prior to the meeting.

Mr. Comer stated that the newsletter is ready to be sent out on Monday and the legal notice will be published on March 25<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup>.

Mr. Comer informed the Board he had discussions with the Mayor of Hayden Lake and Lakes Highway District Engineer regarding the Strahorn Rd. and Miles Ave. projects. The City of Hayden Lake is anxious to get Strahorn Rd. done and is questioning where the Sewer District is on this. Mr. Comer also informed the Board that the City of Hayden Lake has partnered with Lakes Highway District to do the Miles Ave. project and they are ready to go out to bid. Mr. Comer felt that the approximate cost for the District on these projects would be \$200,000. Board member Stringer stated that to receive the full benefit from constructing the Strahorn Rd. line requires that the District do Miles Ave. as well.

**Board member Walker moved to advise Lakes Highway District and the City of Hayden Lake that the Sewer District intends to move forward on Miles Ave. and Strahorn Rd.**

**Board member Stringer seconded the motion.** Chairman Sewell questioned the parameters with Lakes Highway District and the City of Hayden Lake about what our share is. Mr. Comer explained that it was started and then put on hold. Mr. Comer will draft the design work contracts for the next meeting and refresh the negotiations with Lakes Highway District and the City of Hayden Lake for cost estimates. **The motion was then carried.**

Attorney Schmidt explained the buildable versus non-buildable lots and informed the Board that the District will have to buy back the ER's from the non-buildable lots and put the others on a list. Attorney Schmidt felt that there needs to be more discussion on how much the District will pay and when the District would buy back ER's.

Attorney Schmidt informed the Board that there is no new information on LID 7B. The District may be able to do the improvements and then bill the homeowners the same amount as the LID or they could pay up front.

Larry Comer explained that the LID 7A legal notice looks exactly like the one before except the dates.

#### EXECUTIVE SESSION

**At 11:30 a.m. Board member Stringer moved to recess to executive session per ID Code 67-2345 (1) (b) personnel issues. Board member Walker seconded the motion. A roll call vote showed; Board member Short, "aye", Board member DePew, "aye", Board member Walker, "aye" and Board member Stringer, "aye". The motion carried.**

Present in executive session were Chairman Sewell, Board members Short, DePew, Walker and Stringer. Attorney Schmidt and Administrator Hagman were also present.

At 12:30 p.m. the Board reconvened to regular session.

#### MEETING TIMES

Chairman Sewell voiced his concern with having 9:00 a.m. meetings and suggested both District meetings be at 5:00 p.m. Board member Stringer would also like to discuss the dates of the meetings. This issue will be continued to the April 24<sup>th</sup> meeting

#### ADJOURN

**At 12:35 p.m. Board member Walker moved to adjourn, seconded by Board member DePew. The motion carried.**

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Kenneth Sewell, CHAIRMAN

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Lynn Hagman, ADMINISTRATOR