

**HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT
MINUTES OF SPECIAL MEETING
FEBRUARY 21, 2013**

Chairman Sewell called the special meeting to order at 10:00 a.m. Board members present were Carole Stringer, Tom DePew and Todd Walker. Administrator Lynn Hagman recorded the minutes of the meeting.

AGENDA

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

First on the agenda was to interview potential candidates for the Board vacancy. Those being interviewed were Ed Burke, Ed Short, Maureen Gilbert and Gerry Lord. Following the interviews the Board discussed each candidate's qualifications. **Board member Walker moved to appoint Ed Short to fill the vacancy until the next election to be held in May, 2013. Board member DePew seconded the motion. The motion carried.**

At 12:00 p.m. the Board recessed until 1:00 p.m.

At 1:00 p.m. the Board reconvened the meeting. At this time Larry Comer, Ashley Williams, Attorney Mike Schmidt, Attorney Danielle Quade, Ken Thompson, Stephanie Schulman and Ken Windram were in attendance.

Larry Comer informed the Board that there was a staff meeting on February 19th to discuss LID 7A and how to proceed. A power point was presented by Ashley Williams that showed photos of existing conditions at the lift stations. Superintendent Dustin Jacobson felt that the top three priorities were Thames, Sherwood Ct. and then Avondale. Ms. Williams discussed the Flyght pumps versus the phase 1 Hydromatic and the cost difference. The Flyght pumps cost approximately \$2,900 more than the Hydromatic pumps. Ms. Williams discussed the differences in what the Flyght pump which would have energy savings of approximately \$3,590.00 and call out savings of approximately \$5,800.00. Therefore, the savings versus the price difference shows that the Flyght pumps are worth the investment. The facility plan assumes the use of the Flyght pump also.

Mr. Comer informed the Board of the chemical hazards in the lift stations. Most of the lift stations are 16' deep. Board member Stringer questioned what the rails are. Ken Windram explained that the rails are what the pumps are pulled up and down on.

Ms. Williams discussed the financing with rates versus LID. With assuming that there are \$3.4 million in projects, a rate increase would be estimated at \$15.70 per month and with an LID amendment the increase would be an estimated \$7.50 per month. The rate increase would be over a 10 year period starting immediately and the LID increase would be over a 20 year period and would begin in 2 to 3 years. Mr. Comer informed the Board that inflation will have to be considered if the rates are increased and there would most likely be a low risk of inflation on the LID prices if there are 1 to 3 projects done at a time.

Mr. Comer discussed projects and timelines and stated that some lift stations may not take long to complete the upgrades. Board member Stringer questioned if it would be cost effective to use some funds for temporary fixes. Ken Thompson discussed the cash obligations that the District has. Those being our own ER upgrade, emergency projects, buying back unbuildable ER's, possible over runs on the plant upgrades, LID 7B share of parcels not within the District and keeping some funds in reserves.

Attorney Schmidt stated there are approximately 33 customers that the District serves but are not within the District boundaries. Attorney Schmidt discussed different approaches to handle this situation, one being to have an agreement with the City of Hayden to collect the funds for the District.

Alternate financing was discussed and Attorney's Schmidt and Quade stated that Idaho code allows for a 3% increase in property tax per year without going to a vote or the Board may increase more than 3% and go to the public for a vote. Attorney Quade discussed revenue bonds or judicial validation which would only capture the rate payers. Rates would need to be raised considerably to pay back a short term loan.

Attorney Quade discussed steps to reconsider opening the LID 7A. The Board would need to recreate the process as an amended LID. Ms. Williams informed the Board that the approximate cost for overhead to accomplish this would be \$44,000 and if the Board chooses to do the rate, increase it would require a similar process. Mr. Comer suggested giving both options to the people in the mail outs and at the public hearing.

Ms. Williams updated the Board on the DEQ funds informing them that a letter or email must be sent as soon as possible if the Board wants to request more funds. The loan offer won't be completed until the proposed amended LID is in place. Board member Stringer suggested counsel draft a preliminary resolution for the next meeting. Ms. Williams stated that a more solid decision needs to be made by the Board. Mr. Comer will bring a draft letter to DEQ to the next meeting.

Administrator Hagman suggested 2 Board members and herself meet with the new Board member, Ed Short and update him on the issues. Board members Walker and Stringer volunteered to do this.

At 2:20 p.m. Board member DePew excused himself from the meeting.

ADJOURN

With no further business before the Board, at 2:30 p.m. Board member Walker moved to adjourn, seconded by Board member Stringer. The motion carried.

Kenneth Sewell, CHAIRMAN

Lynn M. Hagman, SECRETARY