

## HAYDEN LAKE RECREATIONAL WATER AND SEWER DISTRICT

### MINUTES OF REGULAR MEETING

MARCH 14, 2018, 9:00 A.M.

#### CALL TO ORDER

Chairwoman Stringer called meeting to order 9:00 a.m. Board members present were Ed Short, Bill Meany, Ed Graves, and Carole Stringer. Board member Ed Burke was absent. Present as representatives of the Board were Attorney Mike Schmidt, and Superintendent Dustin Jacobson. Attorney Michael Schmidt recorded the minutes of the meeting.

#### AGENDA/MINUTES

**Board member Meany moved to approve the Agenda/Consent Agenda, including the minutes of February 14, 2018, the invoices for payment, and the paid pending approval invoices. The Motion was seconded by Ed Graves, and the Motion thereafter carried unanimously.**

#### CITIZEN ISSUES

Edward Lowry, Number of Assessments Issues: Edward Lowry (10652 Point Hayden Drive, Hayden Lake, Idaho) presented to the Board. He explained he has had a long history of working with the District, including early in the District's formation. He related how septic tanks used to be treated differently, but that they are not anymore. He next explained that he had been assessed for two sewer hookups. Early on he was told that the hookups represented his ability to build two homes on the long lot he owns. Now he understands that there are lot limitations imposed on his land based on other municipal requirements for building that have been imposed but which are not associated with any District policies or requirements. He was not sure what his sewer assessments were attached to in terms of his separate parcels. He believed that his assessments are attached to lot # 15455, which is a frontage lot.

Mr. Lowry explained that he does not believe that he has any benefit because of his ownership of two lots, or the two ERs. He stated he sees no benefit, and has no intention of building anything there anymore, but viewed the extra ER as being something of value. His 1980 investment is presumably worth more at this point, he stated.

Chairwoman Stringer pointed the Board to a letter from the City of Hayden Lake in 2009, declaring a portion of the property to be unbuildable. She suggested that Mr. Lowry take the City's findings to the county to have the County review it in connection with its assessment to the parcel declared to be not buildable. Mr. Lowry explained that one of his lots does not meet the minimum lot size and one-acre restriction requirement. Further, it was represented that the lot is not buildable because it does not have sufficient road frontage, and therefore does not meet City requirements for being buildable. Further, the location of residential structure allegedly does not permit provision for access to the lot.

Finally, the lot is steep as well, so where there is no road access available per City code. For these reasons, the City Council for the City of Hayden Lake determined it is unbuildable.

Ed Short explained what Mr. Lowry's options were according to his understanding. He advised that septic-only systems that pump to the District collector lines do receive benefits in the form of a pumping program, and suggested that Mr. Lowry speak with Superintendent Jacobson if he wanted to learn more and take advantage of that program. As to separate lots, Mr. Short explained that because of the District's limited powers, it does not have any ability to assure Mr. Lowry of any rights other than to state that two RUs permits the owner of the property to receive treatment for two residential developments. Mr. Short also explained the program that was in place before closing of LID 7A to allow relinquishment during a specific window of time if it could be demonstrated that the land received no benefit by owning the RU. Additionally, Mr. Short explained that if Mr. Lowry wanted to pursue lot line adjustments, or address the access issue to provide access to the unbuildable lot thereby making it buildable, then that would be outside of the District's purview.

Chairwoman Stringer proposed to do some digging to figure out how the assessments are attached to the properties, and how they came to be. She further indicated that there appeared to be three owners of the lot, and that it was separated and attached to his, but the decision points were forgotten as to why or how this arose.

The Board explained that if the solution he is looking for is to modify the lot so that he can use it, he cannot sell the extra RU back now, and then return later after modifications are made to make the lot buildable and re-buy the RU. Further, the Board explained that the District cannot buy RUs back at this time, but is in the process of working with the Hayden Area Regional Sewer Board to figure out a way to potentially do this.

Mr. Sizemore, Interest on LID 7 Payment: Mr. Sizemore was not present. Chairwoman Stringer explained that she had spoken with him about his issues, but had to advise him that she could not assist him in obtaining any relief or decision from the District acting alone. She therefore invited him to speak with the Board. She advised the Board that while speaking with him, she indicated that the District is legally limited with respect to what it can do after an LID closes due to Idaho Code restrictions. The issue is that one cannot contest assessments after the time period for objection has passed. She stated that Mr. Sizemore stated he would appear today, but he apparently did not for whatever reason.

#### ENGINEER

There were no topics for discussion under Engineer.

#### ATTORNEY

HARSB Financial Meeting Report: Mr. Schmidt advised the Board of the discussions that took place during the recent HARSB Financial meeting, and identified issues to watch as the City and HARSB work on determining how they will be paying their fair share of costs for Phase 2. He also explained the desire of HARSB to incorporate some Phase 3 components (drying sludge) into phase 2, which will

increase capital costs, but reduce some costs related to handling wet sludge. Chairwoman Stringer pointed out that some of the design changes made since undertaking construction have resulted in efficiencies and cost savings, so those are being looked at as well. The true-up points, and determining which “boxes” the costs are allocated to for the dryer components are going to be important to pay attention to looking forward. The complexities of the construction funding agreement and how additional costs would be handled in different scenarios was discussed at length, as was the potential for shortfalls and potential capital calls if the anticipated money needed from HARSB and/or the City is not available.

Ed Short discussed developing a policy for buyback of RUs held by constituents. Attorney Schmidt suggested this be put on a separate agenda. The Board discussed the implications of such a policy as it would relate to the HARSB financial and sewer construction and cost for Phase 2 and Phase 3, and how overhead expenses could also be captured. The Board agreed to look into the issue and discuss at the next meeting, and to place “Potential Buy-Back Policy for RUs by HARSB” on the agenda.

#### SUPERINTENDENT REPORT:

Superintendent Jacobson discussed the sewer repair that took place at 5461 Hayden Lake Road. He explained that a repair was necessitated due to a snowplow hitting it. The damaged infrastructure was a component of the pressure collector system, and although it broke, there was no sewage that went into the lake. The Board discussed making an insurance claim to ICRMP, given the \$4,000 cost of repairs and the \$1,000 insurance deductible. The Board requested updated information for consideration at the next Board meeting so it can decide how to handle the costs.

Dustin Jacobson also advised that nothing material had happened since the last meeting as related to the H1D lift station. Chairwoman Stringer suggested that we continue to work towards decommissioning it indefinitely. She also asked Mr. Jacobson to follow up so the discussion could be moved along towards eventual action rather than carrying over meeting after meeting.

Mr. Jacobson also described an incident where a tree fell on District infrastructure during a wind storm, which necessitated cutting up and removing the tree.

#### BOARD DISCUSSION/ACTION:

No items were discussed.

#### ADJOURN

At 10:45 am, Chairwoman Stringer adjourned the meeting.

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Carole Stringer, CHAIRWOMAN

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Lynn Hagman, ADMINISTRATOR