



Memo

To: Mayor and Hayden City Council

From: Lisa Ailport, City Administrator

Date: May 19, 2026

Agenda Item: Consider Budget Agreement Addendum by Hayden Lake Sewer District (HLD) for the Hayden Area Regional Sewer Board.

Agenda Item Location

New Business

Background and Recommended Action or Motion

Staff recommends approval of the budget agreement addendum by the Hayden Lake Sewer District and authorizes the Mayor to sign the addendum.

The attached agreement is presented by the Hayden Lake Sewer District to amend a previous agreement signed by the City last year prior to the adoption of the current budget. The new proposed amendment to the FY25/26 budget comes with the following changes proposed by the District:

- Strike Line 249- Ramsey Honeysuckle Forcemain
- Add Line 255, \$6,000 for the design / engineering work only for the Huetter/Hayden roundabout.
- Add line 280, \$10,000 for the I-90 sleeve design/engineering and \$198,000 for the overall project.
- Other items noted in red

Fiscal Impact

The additional amendments to the HARSB budget do not anticipate a rate increase to pay for them. All budgeted costs will come from their capital fund or replacement fund.

Budget Funding Source / Transfer Request

N/A

Attachment

Proposed addendum; previous addendum

ADDENDUM TO
HAYDEN AREA REGIONAL SEWER BOARD
Reopened 2025-2026 BUDGET

Kootenai County, City of Hayden, and the Hayden Lake Sewer District (collectively "Parties" or "Members") approval of the re-opened Hayden Area Regional Sewer Board Budget for the 2025-2026 financial year includes contingencies for the approval of expenditures listed as Budget Line Items listed below:

**Line 254, "Seltice Way to Spokane River 14" to 30" (\$300,000.00)

**Line 281, Seltice Way to Spokane River 14" to 30" (\$300,000.00)

~~**Line 249, "Ramsey Honeysuckle Forcemain (\$1,100,000)~~

**Line 250 (replacing 'Shop Roll Up Door'), \$1,123,081 for the purchase and delivery only of the two H-3 Chlorine Tanks, with a formal document from the manufacturer stating that these tanks are manufactured with UV-stabilized resins for long-term outdoor, above-ground exposure.

**Line 252, \$250,000 additional funding for the H-3 design/engineering bringing this line item to \$700,000

**Line 255, \$6,000 for the design/engineering work only for the Huetter/Hayden roundabout

**Line 280, \$10,000 for the I-90 sleeve design/engineering and \$198,000 for the overall project

No other budget line items will change from the original 2025-2026 approved budget dated 07-25-25.

****Contingent Budget Items**

Because the design and cost estimates for the Contingent Budget Items have not yet been determined, the Members of HARSB agree that prior to awarding any bids or proceeding with construction, there shall be a required unanimous vote by the Members for said Items, which shall be treated as a "Major Decision" under the Fourth Amended Joint Powers Agreement, Article V, Section b.

Subject to the specific terms below, no bids shall be awarded for the Contingent Budget Items without unanimous consent and approval of the Members of HARSB. The Parties further agree as follows:

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Lines 254, 281, 250, 252, 255, 280:

- Hayden Lake Sewer District agrees that it shall approve Lines 254, 281, 250, 252, 255 and 280 if the bids for those items come in at or below each budgeted line-item.
- Hayden Lake Sewer District shall be under no obligation to approve Lines 254, 281, 250, 252, 255 and 280 if any money budgeted for lines 254, 281, 250, 252, 255 and 280 will be transferred to any other line item in the reopened 2025-2026 HARSB fiscal year budget.
- HARSB Members agree that no money budgeted for lines 254, 281, 250, 252, 255 and 280 will be transferred to any other line item during the remaining 2025-2026 HARSB fiscal year budget

KOOTENAI COUNTY

By _____

Its _____

Dated _____

CITY OF HAYDEN

By _____

Its _____

Dated _____

HAYDEN LAKE SEWER DISTRICT

By _____

Its _____

Dated _____

ADDENDUM TO HAYDEN AREA REGIONAL SEWER BOARD 2025-2026 BUDGET

Kootenai County, City of Hayden, and the Hayden Lake Sewer District (collectively "Parties" or "Members") approval of the Hayden Area Regional Sewer Board Budget for the 2025-2026 financial year includes contingencies for the approval of expenditures listed as Budget Line Items listed below:

- Line 254, "Seltice Way to Spokane River 14" to 30" (\$300,000.00)
- Line 281, Seltice Way to Spokane River 14" to 30" (\$300,000.00)
- Line 249, "Ramsey-Honeysuckle Forcemain (\$1,100,000)

("Contingent Budget Items")

Because the design and cost estimates for the Contingent Budget Items have not yet been determined, the Members of HARSB agree that prior to awarding any bids or proceeding with construction, there shall be required a unanimous vote by the Members for said Items, which shall be treated as a "Major Decision" under the Fourth Amended Joint Powers Agreement, Article V, Section b.

Subject to the specific terms below, no bids shall be awarded for the Contingent Budget Items without unanimous consent and approval of the Members of HARSB. The Parties further agree as follows:

Lines 254 and 281:

- Hayden Lake Sewer District agrees that it shall approve Lines 254 and 281 if the bids for those items come in at or below each budgeted line-item amount (\$300,000.00 each).
- Hayden Lake Sewer District shall be under no obligation to approve Lines 254 and 281 if any money budgeted for lines 254 and 281 will be transferred to any other line item in the 2025-2026 HARSB fiscal year budget.
- HARSB Members agree that no money budgeted for lines 254 and 281 will be transferred to any other line item during the 2025-2026 HARSB fiscal year budget

Line 249:

- Hayden Lake Sewer District agrees that it shall approve Line 249 if bids come in at or below this budgeted line-item amount (\$1,100,000.00).
- Hayden Lake Sewer District shall be under no obligation to approve Line 249 if any money budgeted for line 249 will be transferred to any other line item in the 2025-

2026 HARSB fiscal year budget.

- HARSB Members agree that no money budgeted for Line 249 will be transferred to any other line item in the 2025-2026 HARSB fiscal year budget.
- HARSB Members agree that the project described and contemplated by Line 249 shall not be undertaken as a joint project with the City of Hayden.

KOOTENAI COUNTY

By _____
Its: _____
Dated: _____

CITY OF HAYDEN

By _____
Its: _____
Dated: _____

HAYDEN LAKE SEWER DISTRICT

By _____
Its: _____
Dated: _____