

THE CITY OF HAYDEN, IDAHO AND THE NORTH IDAHO BUILDING CONTRACTORS ASSOCIATION ARE PLEASED TO ANNOUNCE THEY HAVE RESOLVED THEIR DISPUTE OVER THE SEWER CONNECTION FEES CHARGED BY THE CITY, THAT HAS BEEN IN LITIGATION SINCE 2012.

In 2007, the City raised its sewer connection fees for each residential and commercial connection. The NIBCA objected and filed an action against the City in 2012 alleging that the City was charging an unlawful fee. The case was dismissed by the District Court and the NIBCA appealed the decision to the Idaho Supreme Court. The Supreme Court reversed the District Court and remanded the case to the District Court for rehearing. In the rehearing in February of 2017, the District Court awarded a judgement to NIBCA, which included a refund of connection fees and an award of costs and attorney fees. The City appealed that decision to the Supreme Court and in 2018, the Supreme Court vacated that decision and ordered the parties to return to the District Court and conduct a trial to determine whether the 2007 connection fees were lawful and reasonable. Until it was settled by the parties, the case was set to go to trial in February of 2020 in the District Court of Kootenai County.

The parties believe they have reached a fair and equitable compromise of the dispute. Under the terms of the negotiated settlement agreement, the City, in recognition of the fact that NIBCA had expended funds in the litigation, has agreed to pay a monetary amount as part of the settlement. The City has agreed to consult with the NIBCA on new sewer connection fees and any legislation affecting sewer connection fees. Also, the City will put one member of the NIBCA on the existing Impact Fee Advisory Board. By agreeing to settle the case, neither the City nor the NIBCA is admitting to any prior wrongdoing.

Allen Dykes, President of NIBCA said: “The NIBCA appreciates the City’s willingness and hard work to reach this compromise. The NIBCA enjoys a good working relationship with other cities and counties in north Idaho and looks forward to working with the City of Hayden to help the community thrive through a proper balance of community, government and development funded resources allowing for proper growth and expansion. The NIBCA intends to proportionally redistribute the monies it is receiving as refunds to those who paid the sewer connection fee between April of 2010 and March of 2016. After the required ratifications have been obtained, those entitled to refunds will be contacted and advised on procedures for obtaining a refund.”

Steve Griffiths, Mayor of Hayden said: “It was important for our community to reach a settlement of this litigation and it required difficult decisions and compromise by both parties. We thank NIBCA for their willingness and their efforts to reach this compromise so both sides can avoid the expense of further litigation. The City has worked hard to provide infrastructure in a legal, fair and appropriate way for our current and future citizens where growth pays for itself. We look forward to working with NIBCA and our citizens to ensuring growth happens in a sustainable, positive way.”