

Payette Lakes Recreational Water & Sewer District

**Regular Meeting
February 19, 2025**

Directors Present

Ellen Holm, Chairperson (telephone)
Ken Patterson, Vice-Chair

Dallas Young
Bill Weida
Mark Larson (telephone)

Advisors Present

Adam Christenson, Legal Advisor (telephone)
David Watkins, J-U-B Engineers
Maggi Lloyd, J-U-B Engineers
Colt Shelton, J-U-B Engineers

Staff Present

Tammie Richardson
Jeff Bateman (telephone)

Also Present

Russ Fogel, Patron
Bill Hendrickson, Patron
Elaine Murray, Patron

Chairperson Ellen Holm called the meeting to order at 9:00 am.

Approve Regular Meeting Minutes for January 15, 2025

Dallas moved to approve the Regular Meeting Minutes for January 15, 2025, it was seconded by Bill and the motion carried.

Approve January 2025 Treasurer's Report

Bill moved to approve the Treasurer's report for January 2025, it was seconded by Ken and the motion carried.

Fiscal Year 2024 Audit Report from Kurt Folke with Quest CPAs

Kurt from Quest CPAs went over the audit for FY24. He reported that the audit did go very well and appreciated that the staff had the books and records in good shape. He asked the Board to turn to page 5 of the audit report and go to the Income (Loss) Before Contributions. You will see a positive \$885,126. That is a key number because it tells us the District has been able to cover all the current year's expenditures with our current year's revenues and add that amount to our overall fund balance reserves. This reflects the fact that the District had a positive year. One thing he always likes to point out is that some restricted or growth-based hookup fee revenues are included in that positive amount.

The \$703,533 is the majority, but not all that \$885,126 was made up of hookup fees income this year. The District had a little bit of surplus on top of that, about \$182,000. He went over interest income of \$391,033. This was one of the best years the District has had with interest income. It was up about \$140,000 from last year, which was also a good figure, but of course, interest rates were strong regarding savings, and the District works hard to keep its reserves invested. The last thing to touch on at a high level is the reserves. The last number on this page is the

District's Net Position, ending at \$29,857,492. Most of that is the District's land, buildings, and sewer infrastructure investment. On page 4 of the audit report, you will see that same \$29,857,492; the breakdown of that net position or reserves is the four figures above. Starting with net investment in capital assets, which is \$21,443,423, the portion of that \$29,857,492 is set aside and has been spent on land, buildings, and sewer infrastructure. It's not cash; it's money spent in the system. The following number is Restricted-Debt Service of \$320,116, which is cash and investments that the sewer district has set aside for debt services purposes. The following number is Restricted-Capital Projects of \$994,103. Your unrestricted reserve is the last piece, the Unrestricted of \$7,099,850, cash and investments.

Approve Auditors Report for Fiscal Year 2024

Mark moved to approve the Auditor's Report for Fiscal Year 2024, it was seconded by Bill and the motion carried.

Consider Approval of Resolution Calling for Revenue Bond Election (Resolution No. 2025-1)

Adam went over Resolution No. 2025-1, currently before the Board, which calls for a revenue bond election to be held on election day on May 20. It also provides the form of the ballot and election question, including the required disclosures and the election notice. He reminded the Board that a similar resolution was previously adopted at the Board's August 2024 meeting for the election in November 2024. Following the County's inability to administer the election in November 2024, the Board postponed the election to the upcoming May election. As a reminder, May and November are the only times revenue bonds can be sought for the District. The projects proposed to be funded by the bond are set forth in the resolution. They will also appear in the statutorily required disclosures contained below the election question. He worked with David and Jeff to identify those projects. He noted the bond amount is the same as it was proposed last year. The resolution also describes the IDWR grant the District received and how the District is limiting the bond amount to minimize the possible results in rate increases that would be imposed on patrons. The County has agreed to administer the district bond election. The District will contract with the County for that service, and Tammie will work with the County to ensure proper notice is received. The ballot cutoff date for May is March 31, so we wanted to get out in front on this, given all the work that has to be done with the County on the front end. He reminded the Board that the bond requires a simple majority of 50% plus 1. If the bond were to fail, the District could still proceed with the projects; however, there would need to be a much larger rate increase in the coming years than we currently anticipate with the bond passing.

Ken moved to approve Resolution Calling for Revenue Bond Election (Resolution No. 2025-1), it was seconded by Dallas and the motion carried.

Discussion with Rebecca Coulter of the Langdon Group regarding Public Educational Outreach for Revenue Bond Election

Rebecca went over what the overall outreach will look like for the bond election. She went over the information sheet. She will also have a public website where patrons can learn about the bond and comment or ask questions. She has the framework built for that and should get that published by the end of next week. It will probably take on the same format as the Master Plan website. There will be a link on the District's website to the website JUB is hosting with the information. It will have background information on the bond, where to vote, and who can vote. If anyone has any questions or concerns, they can type them into the comment form, and

Rebecca will receive them, and someone will address them. She is also planning to use social media for messaging. We are working on mailers, press releases, and other media messaging. The main things she feels that folks will be responsive to are the education workshops, in which we will have panels, display boards, and handouts, and we can pull up a PowerPoint presentation. We talked about the timing of the workshops in April and May.

Mission Street Sewer Replacement Update

Maggi gave an update on Mission Street. JUB is wrapping up the design and will submit it to DEQ. When we get their approval, we will go out to bid. This is the small section of sewer. The plan is to get this replaced before the City repaves.

Pond Liner Pre-Qualification Results

David explained that he would send a tech memo with a more detailed summary. He reported that we had seven contractors submitted to be considered for prequalification. A few of them submitted multiple packages because they had different liner installers on each of those packages. One submitted two packages with two separate liner installers, and one submitted three packages. There were various mistakes and errors from almost all bidders. For example, you must mark yes on the next four questions to qualify. Have you installed three projects in the last seven years to add a million square feet or more? They are considered unqualified if they said no because they haven't installed that many projects. He is unsure why contractors who said no to that question then submitted packages. Some didn't submit example projects, so there is no way to confirm qualifications. It came down to one potentially qualified package. There was some discrepancy in their example projects. It will take a fair amount of extra work calling all the example projects to confirm their qualifications. JUB's recommendation is to cancel all bids. This process was met to get the district-qualified bidders, and then, in the best case, you have multiple bidders, and then they bid against each other. As it's sitting now, you may end up with only one qualified bidder, which removes the competition, and they would know they are the only qualified bidder. He feels the best step is to cancel all bids, cancel this process, and reassess how to move forward. Other options like this package can be modified and readvertised at some point.

David suggested pursuing something like CMGC, another avenue that was brought up at one point. CMGC is an alternative delivery process that can also help control the quality of the liner installer. It brings a contractor into the design phase, which provides some benefits for constructability reviews. It's a bit more complicated of a process as there is another contractor you would be managing, but it also brings some benefits. Bill Hendrickson wanted to know if he could ask a question. The Board said he could. In hindsight, he wonders if David thinks the qualifications were too strict. David stated that he plans to call some of them, and there were some contractors we knew were interested but did not submit. We are unsure if they are busy and if the schedule for this is tight. They could have felt that there was too much risk in the project. Or it could be that it was too stringent. So far, we haven't gotten feedback that it was too strict, but for the ones that marked no, it was obviously too stringent for them. The general contractors had more issues with qualification than the liner installers.

Bill commented that he had not considered the issue of the sediment at the bottom of the liner. He wants to know its chemical makeup before we know what we are doing with it. David answered there are a few things to consider. It has been sitting there long; sand and sediment could also blow in there. Not all of it will be organic material. Most of the organic material at

the bottom of the pond is sloped, and the velocity of the water pulls it to that outlet. A lot goes out to the reuse system. Some organics probably get trapped, or larger pieces of algae that grow could attach to sand. Jeff stated we need to be careful on what we are sending out there because we don't want the farmers complaining that their sprinkler heads are clogged up. Jeff stated they will be running more tests on that this summer. David noted the current disposal plan is to slurry pump it out and dewater, screen it, and then only send water to the farmers.

David commented the Board would need to decide what steps to take, and if we do the CMGC, it will probably shift the pond liner project to next year.

Adam stated that the Board needs to take action today and the action that has been suggested, but obviously, it's up to the Board is to cancel the prequalification process as to all submittals and then re-evaluate the available options and timing with moving forward with the project. David commented that leaving it open and having bidders in limbo probably doesn't benefit anyone because we wouldn't move forward with having that one bidder.

Bill made a motion to cancel the prequalification process as to all submittals and re-evaluate the available options and timing with moving forward on the liner replacement project it was seconded by Ken and the motion carried.

Master Plan

David gave an update on the Master Plan. JUB received technical approval from DEQ on the master plan. The last two rounds of comments were frustrating, and his stamp was running out of ink, but they finally approved it. The next step is the environmental process. Because DEQ is funding some of the Master Plan, the environmental information document is included in the Master Plan. Still, they refused to review that piece until technical approval was made. Now that there is technical approval, they are reviewing the environmental process. That one should be relatively quick because all of our projects are within the current footprint of infrastructure, so there are no new facilities that we are adding, just repairing or upsizing pipes. It should be a categorical exclusion, and we need to get through that process with DEQ. Once they finish the environmental process, it will go before the Board to adopt the Master Plan. There is time and ability to make modifications based on public comment. JUB has summarized the public comments and will send them to District staff and the Board for review. There are four groups of similar comments. There are many comments about wishing we did a double liner but moving as quickly as possible to fix it. David has not seen any comments requiring modification, such as catching a mistake. We will also get the District staff all the raw comments. He will attach the summary to the Master Plan after it is adopted to document the public comment process.

Engineer's Report

David reported that we are working on a variety of small things, like a few model runs; one was for Jeff, who was looking at the Jasper subdivision and doing EDU estimates for developers' applications. He is also working on a map for Lift stations. The lift station is at the low point. What isn't always known is that the lift station invert is at a low point, but some manholes are at lower elevations than the lid of the lift station, and sometimes they are farther away than people think. They are risk points for the District. When the lift station is almost full, you could overflow a manhole somewhere. JUB is creating a map that will be in our GIS map so the operators can pull it out in the field. When there is a power outage, they can go out and check

specific manholes and lift stations to ensure they are not filling too much. Bill explained that this was for any emergency. If we had a situation where the water pressure stayed on, and the electricity went off, the result would be that the sewer system could overflow into the lake. The District does have mobile generators, and what they do is we typically follow where the water is backing up the most and then pump that lift station down and move the generator to the next one. There are other solutions like permanent generators at critical lift stations, some of which we already have, like lift station 50. That can be an expensive option when you have 40 lift stations. Bill stated that we will discuss this a lot over the next year.

Approve Wastewater Treatment Operator Job Description

Tammie explained that the Idaho Bureau of Occupational license made a few changes, so we need to update our job description for the Wastewater Treatment Operator. Jeff commented that we hired everyone as Collection System Operators and needed one for the Wastewater Treatment Facility Operator.

Ken moved to approve the Wastewater Treatment Operator Job Description, it was seconded by Dallas and the motion carried.

Legal Report

Adam reported that one item that he is working on with Jeff is an Excavation Policy. That is a policy that would be subject to the limitations of the Digline statutes and would essentially provide some legal guard rails on the method of excavation that can be used around District underground facilities to protect those and ensure public safety, mitigate central environment impacts, and risk of potential liability to the District. There is more to come, but we have been working on it.

Staff Report

1. Tammie reported that we sold two permits in January and two so far in February.
2. Tammie reported that she is working with Jeff and David on the Construction Funding Application for the SRF Loan.
3. Tammie reminded the Board about the Idaho Power judgment against the Idaho Tax Commission that she discussed in the last board meeting. Our portion is \$506.41.
4. Tammie informed the Board that we received a petition for inclusion and a request for a public hearing. She gave a copy to Adam to review. The Board will need to consider any additional conditions to the annexation, which will need to be announced at or before the hearing.
5. Jeff reported he has been working with Crestline for Black Bear Condos on some major infrastructure affecting Black Bear and a few other developments. They sent him some preliminary drawings for all the bottlenecks and upgrades in that vicinity from Deinhard to the treatment facility. Crestline has to do some more work on this.
6. Jeff informed the Board that we had received a line extension for Black Bear Condos. Jeff had thought the line extension was done at the beginning, but he noticed that the line extension never got approved. That will be at the next board meeting.
7. He is also working with Crestline on the McCall Hospital housing project. They have brought some preliminary drawings for that.
8. Jeff reported there have been a lot of inquiries about upper Payette lots. There is a sale on the lots, so many people ask about that, but they do not have sewer, which will be expensive for them to put in.

9. Operators got recertified for flagging last week. They must get recertified every three years, and ours expired in April.
10. Jeff informed the Board that staff was cleaning one of the trouble lines on East Lake Street early this month, and McCall Transit Bus ran into the cleaner. It didn't do any damage to the cleaner but did do a little damage to the bus. Marty at Hartwell (our insurance company) was notified.
11. Jeff had Colt look into sewerage Rio Vista to see if that is possible. It seems like it can be done, but he will discuss it later.

Executive Session:


Ellen moved to enter into executive session pursuant to Idaho Code § 74-206 (1) (d) To consider records that are exempt from disclosure as provided in Chapter 1, title 74, Idaho Code. Bill seconded. In a roll call vote, the motion carried unanimously.

Decision From Executive Session

No Action was taken.

Ellen moved to adjourn the meeting, it was seconded by Mark and the motion carried.

Submitted by: Tammie Richardson



Ellen Holm, Chairperson