

Payette Lakes Recreational Water & Sewer District

Regular Meeting
May 21, 2025

Directors Present

Ellen Holm, Chairperson
Ken Patterson, Vice-Chair

Dallas Young
Bill Weida (telephone)
Mark Larson (telephone)

Advisors Present

Brandon Helgeson (telephone)
David Watkins, J-U-B Engineers
Maggi Lloyd, J-U-B Engineers

Also Present

Brian Renstrom, Patron
Bill Hendrickson, Patron
Craig Groves, Pine Creek Ranch
Elaine Murray, Pine Creek Ranch

Staff Present

Tammie Richardson
Jeff Bateman

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

Approve Regular Meeting Minutes for April 16, 2025

Dallas moved to approve the Regular Meeting Minutes for April 16, 2025, it was seconded by Ken and the motion carried.

Approve Special Meeting Minutes for May 1, 2025

Ken moved to approve the Special Meeting Minutes for May 1, 2025, it was seconded by Dallas and the motion carried.

Approve May 2025 Treasurer's Report

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

Update on Bond Election Results

Tammie reported that the bond passed with 438 in favor and only 69 against, which is 86% for the bond.

Update on Board Election Results

Tammie reported that Brian Renstrom received 211 votes, while Russ Fogel received 142 for Zone 3. In Zone 2, Todd Fereday had the most votes, 187, vs. Ken Patterson, 125 votes, Candi Millar at 72, and Bryce Henson at 34. Tammie explained that the next step is for the Valley County Commissioners to canvass the election on May 27, 2025, and then at our Special Board meeting on May 29, 2025, the Board of Directors canvass the election results.

Consider Approval for Line Extension for St. Luke's McCall Foundation Inc./McCall Memorial Hospital District

Jeff commented that this line extension application is for employee housing. Jeff sent the plans to JUB for their review.

Ken moved to approve the line extension for St. Luke's McCall Foundation Inc./McCall Memorial Hospital District, it was seconded by Dallas and the motion carried.

Discussion of Sewer Model Results and Announcement of Terms and Conditions for Inclusion relative to the Petition for Inclusion or Annexation of Property filed by Pine Creek Ranch, LLC

Jeff reported that the sewer model run was done and returned with spots in the system that needed upgrading, including the bottlenecks that showed in the first model run. There were a few additional line condition issues that the Developer will be tying into that need to be fixed. David stated there is nothing new in the model run. What changed is where the flow is going. There was a small change in how many homes went through which connection. It didn't change any of the bottlenecks. Jeff presented the letter he sent to the Board concerning terms and conditions. David explained that the letter includes additional impacts unrelated to the collection system capacity. They are related to other facilities like the lift stations that might get built with this subdivision and the lift stations downstream that the flow will be going through.

Bill commented on the phosphorous offset part. If it turns out that DEQ permits us to have a certain amount of phosphorus in the effluent, the Developer may not have to pay their portion of the offset. David explained that the District is in the position right now that we are trying to get a new permit with DEQ, and the new permit requires an offset project. This request for annexation happens when the District is about to invest 3M+ in a collection system project to get an offset to allow the pond liner project to proceed. He went over how he did the calculation. The 3M+ is divided by all the EDUs in the system. David explained further that the dollar per EDU cost is being calculated for this development because that is now adding to the system at the time the District is trying to do this offset. If the offset project does not proceed, Bill's question is what happens to the money the Developer pays for his offset portion. David stated that is a Board decision. Some options are holding on to that portion of the money and giving it back if that project does not proceed or not collecting it until the project proceeds. Anything the Board decides with this annexation will need to go into a development agreement, so a legal contract must be drafted, and the terms of these items will need to be resolved through that process. Jeff stated that we did the model run, and it pointed out all the areas we already knew, for the most part, that we had issues with the original model run. Those will need to be taken care of, and a few of the other conditions in the letter he sent to the Board. David asked what the next steps are. Tammie responded that her understanding is that we should give the letter to Mr. Groves that states the terms and conditions if that is what the Board chooses to do. She will work on setting up a public hearing on the petition.

Craig Groves asked to address the board. He stated that he is excited about this opportunity to include the 90 acres in the District and the opportunity to have a positive impact on the local housing needs. He is fine with the Tech Memo from JUB but is concerned about the District Manager letter that was sent. He commented that he is not smart enough to understand whether the conditions in that letter are proportional to the impact that his project has on the system. Tammie stopped Mr. Groves, stating that the District is not taking public comments on this matter. She noted that our attorney, Adam, had reviewed everything, so perhaps Mr.

Groves should also have his attorney review the letter. Mr. Groves wanted to point out that federal regulation requires it to be proportional. Brandon stated this is just a technical legal step in the process before the public hearing and actual determinations.

Ellen moved to adopt the District Manager's recommended terms and conditions for inclusion and, pursuant to Idaho Code Section 42-3218(c), to announce such terms and conditions as terms and conditions prescribed by the Board in advance of the public hearing on the Pine Creek Ranch Inclusion Petition. The terms and conditions should be provided to the Developer and made publicly available for those interested, it was seconded by Dallas and the motion carried.

Bill wanted to respond to something that Mr. Groves had just said. Mr. Groves says he is trying to satisfy the community's needs for housing. Bill stated he would like to point out that the community's need is for affordable housing, not for the types of houses that we have seen projected. He thinks that in future documents, the people from Pine Creek Ranch may want to define more carefully what type of housing they are building. It's going to be important to show that there will be housing available to blue-collar workers, and we can start from that point and talk about whether it's the type of housing the community needs. Bill feels the community does not need the type of housing that he has seen proposed for that area. Most likely, it will be for investment, not for the community.

Update on Status of Mission Street Sewer Replacement Project

Jeff explained we are at a point where we are waiting for other bids to come in because the original bid that came in did not have their Idaho public works license, and then Woodhouse pulled out due to a lack of staff. This has put the project behind schedule. JUB has contacted several other contractors, and it sounds like we have a few of them interested. Maggi commented that she has solicited seven and has two meetings today with contractors coming into town to look at the project and ask questions. She hopes to have bids by the end of the week.

Update on Grants, DEQ SRF Loan, and IDWR Aging Infrastructure Grant

David presented a memo to the board about the funding opportunities. He reminded the Board that last year, the District submitted an LOI (which puts you on a list with DEQ). If approved, you get a low-interest loan. You still must do a bond election to see if you can take on debt, but it gives you an option: instead of doing a bond through the bank, you could do a low-interest loan through DEQ. Last year, the District was given an option for 7M with a 2.75% interest rate. That option is still open, but you must move fast. In the 2026 debt information that we just got the draft version from DEQ, they offered the same percentage, but instead of 7M in loan, it's \$2.813M in loan and \$4.1M in grant dollars. That is better than the 2025 offer. JUB's recommendation is to apply for 2026, not 2025. It also gives the option to take out debt up to 7M, but the rest would be a bond through another entity like Zions Bank. Tammie explained the board would need to decide what direction to go. Scenario 1 takes the \$4.1 in grant and low-interest loan at 2.75%, or Scenario 2 takes the \$4.1 M in grant, \$2.8M low-interest loan, and \$4.2M in a bond from Zions Bank. She recommended scenario 2 since we have many things that need fixing. David pointed out there will be financing fees for two loans because you would be managing two loans, but the interest rate difference is enough to save \$500k or more in interest payments over the life of the loan by taking out the DEQ loan and Zion's bond. David explained that the DEQ is a draft list, and the District is number one on the list. Even if the funding got

squeezed more, the numbers might change a bit, but usually, they drop off full projects as they lose funding, so we are still at the top of the list, which means we would unlikely lose our funding. There is a lot of angst at DEQ because some of this is tied up with the federal government. The final list will be out in June. We will need to fill out the application before March 2026.

Elaine Murray asked David to clarify that since the budget has not been approved in Congress, that number for 2026 could change. David stated that the loan amount was mainly impacted since DEQ received its money from the EPA. They can't solidify their loan offers until the numbers from EPA are finalized. The Idaho State Legislature has already approved the \$4.1M grant. If the loans come into play, the grants are a percentage of the total project. It will get complicated if the EPA loses funding. DEQ can't finalize any packages because the grant funding is tied to the loan packages. The state has already allocated \$4.1M, but the loan still hinges on it. Elaine asked if the District went with the 2026 numbers, then would miss the deadline to apply for the 2025 you are already approved for, which sounds like a done deal. If the District does 2026 funding, there would be the risk of possibly losing all funding. David pointed out that the District is number one on the list and thinks it will unlikely lose its funding. There are five funded projects right now, and if we were number five, he would be more nervous because if the EPA only sent half the budget, some projects would drop off. Elaine also stated that she heard that once you accept federal money, if you have project overruns, it's easier to ask for more. David explained that during COVID, all rules went out the window, and many unique things happened. Before COVID, getting overrun money with DEQ was harder, but it does happen sometimes. They need special approval from the State and EPA to cover those. During COVID, there were a lot of overruns, and they applied for loan forgiveness to apply to those overruns. They gave grant dollars like coming out of ARPA. He does not see that happening in the future.

David reported that Maggi reached out on the IDWR Aging Infrastructure grant. That is the grant we received last year for the pond liner replacement. She said we can extend that grant. JUB's recommendation is to submit a letter for an extension. JUB will also see what our options are for applying for other grants.

Engineer's Report

Maggi gave an update on lift station 27. JUB submitted the PER to DEQ about a month ago, and they are reviewing it. She also sent a waiver on the valve location; we have had a lot of back and forth. It seems that DEQ is not interested in the waiver. Our issue is the easement size. There is not enough room to put another vault without negotiating a larger easement with the homeowner. It is unlikely construction will happen this summer. David explained that DEQ is taking a position that if there is any technically feasible way not to put the check valves in the wet well, we will not give you a waiver. DEQ is forcing us to negotiate a larger easement. Ellen asked if we thought the property owner would provide us with a larger easement. Jeff has not spoken to them yet. He said the wet well is on a hillside, a tight spot, and there is a retaining wall. Some items are in the District's easement, but that is a legal discussion. Trying to squeeze a vault there will be difficult and expensive. Jeff stated that we have been there for 40 years, and it has worked fine. He wanted to replace it with something similar, but the regulations have changed. DEQ is saying no until we come up with another alternative. Jeff stated that it will be on DEQ when it breaks and spills.

David reported that soil sampling went well, and the samples got to Anatek Labs. JUB has started the St. Luke's QLPE. The electrical system for the blowers is being installed this week, and Ray from JUB, the electrical engineer, will check out the panels so he can do the record drawings. Jeff stated we had to replace the power line to get the new connections to the panels, which was done on Monday. It's putting parts and pieces together, but it's coming along.

Pond Liner Update

David commented that JUB sent a report to DEQ regarding the offset project. They have not met internally to discuss it yet. The next step is to have another in-person meeting.

Discussion of the Fiscal Year 2026 Budget

Tammie presented a rough draft of the 2026 Budget to the Board. She went over page 1, Office Operations. She noted that some of the software subscriptions and insurance increased. She asked the Board if they wanted to budget 100k for the environmental attorney. He is helping us get a permanent allocation with DEQ. The board agreed we should have a budget line item and funds for public outreach. On page 2, System Operations does not have too many changes. It did go down a little since we don't have to send the CCTV camera in for maintenance this year. Jeff is working on Plant Equipment (Capital purchases). We do need to replace the 1995 truck that has the crane in it to pull pumps. This is not big enough to pull all the pumps we have. We need a 550 truck with a bigger crane. He is looking into the costs. On page 3, Engineering & Infrastructure is still a work in progress. We needed to see if the bond passed. Jeff and David will work on this and get a list of projects.

On page 4, Facilities & Utilities, you will see that budget line items have increased due to rising utility costs, snow plowing, and landowner annual payments. Ross has also added Aquafix (reduces sludge in the pond) to the yearly budget. On page 5, she went over personnel expenses. She requests a 1% COLA raise for all the employees except for one position. She explained that Wyatt Bakker was not here when we received the larger COLA raises, and she feels he needs at least a 2-3% raise. Bill and she knew that we would have to adjust his wage at one point. He has passed all his tests and continues training with Ross at the treatment plant. She will get in touch with Bill to discuss this. There is one unknown budget item, which is the medical insurance increase. We will not know that increase until October, so that she will add extra to that line item. We will continue working on the budget and preparing a better draft for June.

Staff Report

1. Tammie reported that we sold ten permits in April and seven so far in May.
2. Tammie commented that she has been busy working on the bond election.
3. Tammie informed the Board that she will attend the Budget/Levy class at the Idaho State Tax Commission on May 22.
4. Jeff reported that the Boydston Place project is trying to start back up after being shut down by weather last year. It was a cluster the previous year, so he hopes it's better.
5. Jeff met with one of the landowners last week to review some of the new recommendations from JUB and DEQ for some of the checkdams for the drain ditches for reuse sites. Some spots they identified will not work for landowners, so they need to discuss different areas.
6. The staff has been working on I&I and cleaning lines.

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

Submitted by: Tammie Richardson

Ellen Holm
Ellen Holm, Chairperson