

Payette Lakes Recreational Water & Sewer District

Regular Meeting
October 15, 2025

Directors Present

Ellen Holm, Chairperson
Bill Weida, Vice-Chair

Dallas Young (telephone)
Todd Fereday
Brian Renstrom

Advisors Present

Adam Christenson, Legal Advisor
David Watkins, J-U-B Engineers
Maggi Lloyd, J-U-B Engineers

Staff Present

Tammie Richardson
Jeff Bateman

Also Present

Craig Groves, Pine Creek Ranch
Elaine Murray, Citizen

Chairperson Ellen Holm called the meeting to order at 9:00 am, and a roll call was conducted.

Approve Regular Meeting Minutes for September 17, 2025

Bill moved to approve the Regular Meeting Minutes for September 17, 2025, it was seconded by Todd and the motion carried.

Approve Regular Special Minutes for September 17, 2025

Bill moved to approve the Special Meeting Minutes for September 17, 2025, it was seconded by Brian and the motion carried.

Approve Special Meeting Minutes for September 24, 2025

Bill moved to approve the Special Meeting Minutes for September 24, 2025, it was seconded by Brian and the motion carried.

Approve September 2025 Treasurer's Report

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

Discussion Regarding, and Potential Announcement of, Final (Conditional) Terms and Conditions for Annexation Relative to the Petition for Annexation of Property filed by Pine Creek Ranch, LLC.

Adam reviewed the letter from Jeff, which outlined his recommendations following consultations with JUB regarding the final terms and conditions for the petition for Annexation. As the Board may recall, preliminary terms and conditions were adopted by the Board back in May. A brief explanation of how each of the final terms and conditions in Jeff's letter relates to those in the May terms and conditions is provided in brackets following each one, allowing you to identify which ones are the same. A couple of them came out for various reasons, and we can discuss that. Additionally, a few items were added to clarify aspects that probably should have

been included initially. As a reminder, under the District's annexation code section, the Board has the authority in any proceeding for Annexation to prescribe terms and conditions under which property may be included in the District. Those terms and conditions have to be announced by the board at or before the public hearing. This means that the final terms and conditions must be announced before the public hearing closes today, so that we can continue the public hearing this afternoon. Terms and conditions could be announced at this meeting or during the public hearing by the Board. However, if you're going to announce the terms and conditions, they have to be announced before we close the public hearing today.

Adam continued, The Board has to announce the terms and conditions for Annexation before you've decided whether or not to grant Annexation. And so, when you look at that agenda item and see 'conditional' in brackets, I want to ensure everyone understands what that means, because this is essentially a product of Idaho law, and again, probably the worst-worded Statute in history. Still, if you don't announce terms and conditions, you've basically foregone that, right. Since the Board has not yet decided on the petition, it's better to announce the terms and conditions on a conditional basis. And then if you grant the petition, you'd have those terms and conditions in place. If you decide to deny the petition, it is basically irrelevant. Those terms and conditions don't come into play because they were conditional on the petition being granted. He wants to make it clear that when the board announces the final terms and conditions, these are subject to the Board's ultimate determination on the petition. They're conditional on the petition being granted. The announcement of those terms and conditions should be made before deciding on the petition. It is a product of Idaho law, and it doesn't mean that the Board will grant or deny the petition. It has nothing to do with the merits of the petition. It's essentially crossing off that procedural step to ensure that you have done what you need to do if you do grant the petition.

Bill is concerned that the attendees at the hearing do not understand the conditional terms and conditions. Adam replied that we could read those aloud during the hearing. And we could go through them one by one. We do have Jeff's letter, which was posted on the website on October 1. Adam explained that the Board can adopt Jeff's recommendations, modify them, add additional terms and conditions, or remove existing ones. You may choose not to accept any of the terms and conditions. That's just Jeff's recommendation, based on his consultation with David, as to what he thinks is appropriate. However, if you're adopting those as your own, we could have copies of that letter available this afternoon for folks to review. We could read them essentially into the record aloud so everyone can hear them. There are different options for doing that. It is cumbersome, but everything in this process is, in fact, cumbersome.

Brian commented that, based on the terms and conditions he has read, he has a concern about the lack of dates and milestones for the project. He is accustomed to seeing either a start date, a finish date, or some milestones. As he skimmed through the letter, he did not see any dates. David explained that it would be in the development agreement. Brian reiterated that he is concerned about the development dragging projects for an extended period. Like economic conditions, delays, and other factors, the project won't start for five years, and the District is left hanging. Jeff commented that we could include dates and milestones in the development agreement to mitigate risk. David stated that one of the terms and conditions is the approval of the Annexation into the City, and that is a process over which we have no control. Therefore, he believes it stipulates that the dates need to be completed before phase one of the project commences, which is a requirement in the terms and conditions.

Brian feels that the Board should add a term and condition to establish a milestone for completing the engineering design work within six months of city approval or three months after approval, as an example. Construction must commence within nine months of meeting certain milestones. David commented that development agreements are usually where you do what you're talking about. A better way to think of it is that these are terms and conditions to be incorporated into a development agreement, because the development agreement is where the rubber hits the road, and you start debating. For example, what is your actual schedule. David stated that, regardless of the Board's decision, he doesn't believe that the terms and conditions as written here constitute an agreement or contract. Adam agreed that it's just an announcement of what the Board will require beforehand, as part of granting the Annexation. Therefore, a development agreement would follow later, which would include specific dates and milestones. Adam stated that a development agreement would be needed because there is only so much detail that can be included in this announcement. Those development agreements are all-encompassing.

Adam commented that the Board could add terms and conditions that essentially require a mutually agreed-upon development agreement between the petitioner and the District, including milestones and dates. Additionally, it effectively constitutes an additional term and condition beyond what Jeff has in his letter. Bill thinks that it actually runs both ways, both from the developer and from us, because there's a potential that the environment in which we exist will change over the next 5 or 50 years, or whatever, due to DEQ's requirements. Brian asked Bill if he thinks that once we've initiated the construction, we'll grandfather it in with the DEQ rules. Bill replied that what he is saying is that if this is a document that agrees on what has to be done before work starts, and if somehow DEQ comes up with something that none of us anticipated, something could change. For example, it has already changed due to the phosphorus content.

Ellen asked the Board how they would like to handle the announcement of the final terms and conditions. Adam explained that the reason it's on the agenda this morning is that he wanted to give the Board time for this discussion, and we can only do that in an open board meeting. You don't have to announce it right now. You can do it during the special meeting this afternoon, prior to the closing of the public hearing. Based on what he is hearing, he thinks the Board is inclined to adopt Jeff's recommendations, with the additional term and condition that Brian mentioned, which essentially involves the execution of a mutually agreeable development agreement that outlines project dates and milestones. He thinks it would be beneficial for the public to have copies of those available this afternoon. And probably the best way to do that is to make multiple copies, because if we're reading this in, it will be challenging to follow, as it contains a lot of information. We can also discuss the added condition.

Bill suggested we approve two things. One is a statement that would be presented at the meeting to discuss what this additional term and Agreement entail, and secondly, to ensure everyone understands why the Board had to announce the terms and conditions before deciding on the petition. Additionally, we will include the mutually required development agreement, which outlines dates and milestones. Adam stated that he fully appreciates, perhaps more than anyone, how convoluted this Statute is and this requirement is. Under the Statute, any terms and conditions must be announced before the Board has decided on the petition, which creates a rather unusual timing. The issue is that you're essentially saying what you're going to require when you grant the petition, but you haven't decided to grant the petition. He

understands that it creates confusion for folks. And we can try our best to discuss why we're doing what we're doing. Essentially, if you don't do it now, you've given up your ability to do it after the public hearing. And so, not knowing how you will decide this, you need to essentially keep your options open, which is by announcing terms and conditions, at least conditionally upon granting the petition.

Bill moved to adopt Jeff's recommended terms and conditions from the October 1, 2025, letter, and with additional terms and conditions requiring the execution of a mutually agreed-upon development agreement that sets forth the project dates to be announced verbally in the meeting. It was seconded by Brian, and the motion carried.

Consider Approval for 609 Hayes Street to Repair Manhole

Jeff explained that this is a manhole located around the lake, near Hayes Street, and just west of Hayes Street, on the side of Owen Drive. Some time ago, they performed landscaping with large boulders, and the area has since settled, causing the manhole barrel to shift slightly. As a result, it is now about four inches off the ground and is allowing some infiltration to occur. However, after receiving a quote for the cleaner (Whitewhale) to be repaired thoroughly, he thinks he will need to put this project off for another year. That will give him time to consider an alternative way of getting down there, using one of our easements, rather than using a barge to transport the equipment, which will save money. The Whitewhale is more critical because it is a crucial piece of equipment for us year-round. The manhole is leaking, and we have used water plugs in the past, which have slowed the leak, but it's not a permanent solution. He went over what needs to happen. We need to disassemble the rock wall, take off the barrel cone section, and reset it, and then get some Gator wrap and wrap around that joint properly because the majority of those manholes, when they're installed, did not use the Gator Wrap or easy wrap that you put around the joints on manholes now.

Tammie informed them that she believes there is enough money in the budget to do both. Jeff stated that he will talk to some other individuals with excavators and explore using an alternative route. We can access the area by going through our easement, rather than using this crane or barge service. He feels that the barge service is too expensive, considering it is only a couple of hundred yards off the road, and we have a line that's right to it off of Hayes Street. We can go down and cross a couple of people's properties, and we're right to it. I think that's the easier route to go and is cheaper. We may be able to get it down this year. It's only going to take a day, and the staff is doing all the labor. It's just getting the equipment over there, but the barge rental was a little excessive. Jeff showed the Board the location on the map.

Brian moved to approve the Repair of the Manhole at 609 Hayes Street, not to exceed \$15,000 it was seconded by Bill and the motion carried.

Approve Sewer Improvements Agreement with Idaho & Ward, LLC

Jeff reported that we finally received the development agreement back from Mr. Hormaechea. It took some time, but he did sign it, and I believe it was sent out to you for review.

Bill moved to approve the sewer improvement agreement with Idaho & Ward, LLC it was seconded by Todd and the motion carried.

Approve Sewer Improvements Agreement with HTW McCall, LLC (Dawson Trails)

The Board decided to table this item because it did not receive the Agreement until today. They would like to review the Agreement and have it on the November agenda.

Bill moved to table the sewer improvement agreement with HTW McCall, LLC (Dawson Trails), which was seconded by Brian, and the motion carried.

Consider Approval for Blower Upgrade Project at the Wastewater Treatment Facility with JUB Engineers

David is requesting to Table this item because the JUB does not have it ready.

Consider Approval for Agreement Amendment for the 2025 Engineering On-Call Services Project

David went over the engineering agreement amendment. He has depleted the budget and needs an amendment to finish the fiscal year. He went over the three tasks. Project Management, which includes an additional budget for in-person Board meeting attendance. General Engineering additional budget for on-call engineering tasks, funding Applications, and Contingency for in-person meetings with DEQ, as well as SFR loan application assistance. He commented that he still has money for the annual report. He and Jeff did discuss holding those charges until next year. Tammie would rather have this in the FY2025 Budget.

Brian moved to approve the agreement amendment for the 2025 Engineering On-Call Services Project not to exceed \$25,000, it was seconded by Todd and the motion carried.

Mission Street Update

Maggi reported that K2 paved last week, and the whirlygig collaring system was installed. We're just waiting for the CCTV footage to be finalized and for everything to be completed. It is pretty much wrapped up. David asked if the City's project was complete. Maggi thought the project was almost complete. They did pave everything at the same time. She believes they still need to stripe the road. Jeff said they did a great job, and it was easy to work with K2.

Engineer's Report

David reported that most of his work has been focused on helping with the terms and conditions for Pine Creek Ranch. The AV company we used for the public hearing in September was unable to host the October meeting, so they are working on securing a new one. Other than that, we are just working on the scope and fees. We have not yet started the annual report, but we could begin it now. We are just waiting to work with the staff on the final data. We need to coordinate to determine how much Clay is doing compared to JUB. Other than that, I think it's mostly just getting ready for the design projects that are about to kick off. JUB did the survey work to collect data for the projects. We are working on the Blower Project and expect to have it ready for approval at the November board meeting. Maggi reported that she submitted the 60% for Lift Station 27 for review. She and Jeff are meeting with the Forneys tomorrow to review the impact of the construction on their property.

Pond Liner Update

David reported that we have started working on the RFP for the CMGC. This is essentially the document that will be advertised to solicit submissions from CMGC contractors. Tom from Hawley Troxel will assist with editing the Agreement. David will need to coordinate with Jeff

and Tammie to determine the advertisement dates and when we'll put it out to bid. It'd be good to have the next meeting with the DEQ done, as we're trying to decide whether to advertise so that we can make an informed decision. We don't want to get too far ahead of ourselves, so it is mostly drafted. I think it's mostly just the contract, and then I think there's a schedule we need to complete. We are meeting with DEQ beginning in November to discuss what exactly we need to submit.

Legal Report

Adam stated that things continue to be very busy. He went over the Kokanee Cove project at Ponderosa. He thinks we have reached an agreement with the State of Idaho concerning the transfer documents. However, he believes Jeff is still waiting for a few things on the construction side. But that one is basically almost wrapped up from a legal perspective.

Staff Report

1. Tammie reported that we sold two permits in September and zero so far in October.
2. Tammie updated the board on the FCS Group. They have completed a preliminary report, and it appears that we do not need to make a rate change in January 2026. She hopes to have a final report ready for the November board meeting.
3. Tammie reminded the Board that Lorraine is retiring on February 1, 2026. We have had a couple of applications, and she and Ellen will schedule interviews next week.
4. Jeff reported that he is continuing to work through some construction issues with the Kokanee Cove project. They need some drivable pavers to get access down to the station. The alarm line still isn't working, and after all the excavation done around that site, and with the big rainstorm we had, it is a mess. He is going to require a retaining wall to keep our roto phase and our panel from falling into the lake. Nothing will be signed until all that is complete.
5. Jeff reported that St. Luke's housing also has a few issues. They went ahead and paved before we looked at the CCTV report. They will need to rip up brand-new asphalt because there were issues, which he believed they addressed last Friday. He has not received the final on that. Jeff stated that everyone knows we need to review the CCTV footage before they pave.
6. Jeff gave an update on the property on Warren Wagon that we discussed last week. He met with Jeff, the Valley County Road Superintendent, to see what he would require. To do any work on the road, we'd have to cut out half the center of the road and a 10-foot patch, which is the minimum. He thinks we will be able to do with just a 10-foot patch in the center of the road. That is the route he is going on right now. Jeff has been in contact with the homeowner, keeping him informed about the current status.
7. Jeff presented the letter from Mike Eckhart concerning the current easement. Jeff presented a map showing the location that Mr. Eckhart is proposing. The dotted line represents the outfall line; the easement extends 10 feet on each side of that. Mr. Eckhart proposes that the District be granted a larger easement. He would grant additional footage for a new easement that extended all the way to his southern lot line. This would give the District 31 ½ feet with the additional footage. Mr. Eckhart's concern is that his house is situated directly next to the easement, which would necessitate extensive shoring and structural fill. Jeff indicated that if, by some slim chance, we had to repair that line, we would reroute the line. As Mr. Eckhart proposes, he wants the District to pay for the realignment, which will not be inexpensive. Jeff told Mr. Eckhart he would

present this to the Board. Jeff informed Mr. Eckart that he would be responsible for all the survey work. Bill inquired about the expectation of who would pay the expense. Jeff stated that is what Mr. Eckhart does not like, he doesn't want to pay to reroute the line. It will be a considerable expense. Jeff said it's all gravel down there, and to be honest, I think if we did have to do anything to that line, there would definitely have to be shoring put in for his house, and to keep it stable from that foundation from falling into the trench. Bill does not see what is to be done by us at this point, other than saying the ball is back in his court. We can add this to the November agenda, as some board members would like to review it and visit the location.

8. Jeff reported that DEQ wanted to conduct a collection inspection in July, but we were too busy at that time, so they want to come next week. He reached out to David and Maggie for some assistance with the information, as it would be much faster for them to gather it than for him to review all the master plan books and reorganize them. So that's next Wednesday.
9. Jeff informed the Board that we did have a few Badger meters fail last year, towards the end of the year. Some of them didn't work that well throughout the year. We had to replace those. Luckily, we had a few that Badger gave us, but one thing Badger was telling us is that the meters were not designed for this type of environment and may only last five to seven years. The Board discussed the future of these meters. A plan is in the Master Plan to replace those meters.
10. Jeff reviewed the issues we encountered with Shore Lodge's grease traps this summer. The grease actually completely clogged up the south syphon line, which is the new line. It almost entirely clogged the north syphon line as well. He doesn't have the exact dates when we last cleaned it, but it wasn't that long ago. Staff installed a smart cover in one of the manholes, which is providing flow data from Shore Lodge. Ross and Wyatt explored several options, including an enzyme that can be added directly to some of their stations, which is supposed to dissolve grease. If Shore Lodge does not address this issue, they will need to install a grease interceptor, which they do not want to do because it is expensive. The District has given them many chances, but they still can't seem to get their staff to clean the grease traps. Jeff noted that the District spent a significant amount of money replacing that line so that Shore Lodge can flow properly. It is frustrating that they allowed all that grease to flow in there, and it was particularly severe, as it clogged the entire 8-inch line. Brian asked if we should invoice Shore Lodge for the time spent cleaning the line. Jeff said we can bill them, but he has not sent them an invoice yet. The Board believes that we should charge them for cleaning the line. Jeff said he could discuss that with Shore Lodge when they have their meeting.
11. Jeff reported that the new estimate for taking care of the cleaner (whitewhale) is \$11,737.65. Once that hydraulic pump fails, it releases small metal shavings throughout the entire system, and we can be dealing with this issue for a long time. Until we sell it or it falls into the lake. It is a valuable piece of equipment that we need to be working correctly. They're going to flush the entire system again, just as we had the Metro equipment do. Hopefully, they can do a better job, as the hose reel stopped working and the boom stopped lifting throughout the entire system.
12. Jeff met with the Nokes, specifically regarding the property on Shady Beach Lane and Lick Creek Road. They have 27 acres and can have up to 40 connections. It is just a preliminary plat called Wild Rose Rim.
13. Jeff wanted to ask the Board about snow storage for our neighbors, Gravity Sports, and the insurance company. We did let them push the snow over there last year. He is not

sure if the District wants to charge them for snow storage. The Board decided to allow them to use the property for snow storage as a part of being a good neighbor.

General Public Comment (Limited to 3 minutes per individual)

Craig Groves said he wanted to say thank you for the open and transparent process that we've been going through. He thanks Maggie, David, and the entire District for the audiovisual aspects and for how the meetings have been conducted. He really appreciates that. He sent an email to Jeff earlier in the week agreeing on the terms and conditions. The Annexation or the proposed conditions of Annexation, assuming we can navigate the City's process. The only sticking point I have is that we can certainly work through that during the development agreement if we get that far. You know, it's important to me that I'm successful so that you guys are successful. One of the things we can do to ensure our success is to encourage others to participate in these off-site upgrades as well. I would like to propose Project B4, which involves upsizing 668 linear feet of 12-inch pipe that will be tied to the acceptance of phase two of the sewer.

We have been working with other developers who have agreed to participate in that line, and from my perspective, our requirement to upgrade that line might not need to happen until phase two. And, of course, that would be something on which David could have some input. And then B6, which is upsizing 1280 linear feet to a 10-inch pipe. That's the pipe that runs through the Idaho Department of Lands Property, which is really affected when we get to phases three, four, and five. That's where our effluent flows through that line. And so it would be if we upgraded it prior to phase one; it would then sit there for possibly 10 years. Honestly, if we could tie it to our acceptance of phase three sewer, that would give us plenty of time to work with whoever buys the IDL land. The only two things that I would like to consider. It would help me, and it would help me help you. Appreciate it.

Elaine Murray stated she read Tomi Grote's newsletter, which she thinks has a large following. She did lay out the last hearing that Tomi attended. She wasn't there, but apparently Tomi was, and she did lay out the whole thing about this being a business decision. And to create a detailed spreadsheet of revenues. And then there are improvements that the developer has to make to complete the project. However, as revenue grows, phase by phase, how can you utilize that revenue. She was saying that it should be more of a business decision than an emotional or attitudinal one. However, it was just an interesting letter that was sent to the general public. She thought it would be worthwhile to reiterate the importance of considering it as a business decision, as it would generate money over time to help patch or replace all those leaking lines.

Bill moved to adjourn the meeting, it was seconded by Brian and the motion carried.

Submitted by: Tammie Richardson


Ellen Holm, Chairperson