

EAGLE SEWER DISTRICT

September 10, 2007

Regular Monthly Meeting

6:30 p.m.

Minutes

Roll Call

Chairman Michael Gifford called the meeting to order at 6:35 p.m. Board members present: Ed Hendershot, Jim Brooks, Michael Gifford, Chuck Ferguson, and Erv Ballou. A quorum is present.

Consultants present: Phil Johnson, P.E., MWH; and Evan Robertson, legal counsel.

Staff present: Lynn Moser, General Manager; RJ Lake, Operations Manager; and Lynne Sedlacek, Office Manager.

Approval of Minutes

Ferguson moved, Brooks seconded, to approve the minutes of the August 13, 2007 Regular Meeting. The motion passes unanimously.

Public Hearing

Annexation Request/Eagle Island Crossing, LLC and Thomas Pfister and Beverly Locky-Pfister – The applicants are requesting the annexation of Lots 3 and 8, of Block 2, of Flint Estates. This property is located north of State Highway 44 and east of N. Park Lane. The proposed use for this property is for commercial and residential building.

Gifford opened the public hearing. Kelly Hoopes, Horrocks Engineers, 5700 E. Franklin, Suite 160, Nampa, represented the project and gave a brief overview of the development proposed for the property. There was no other public input and Gifford closed the public hearing. Ferguson moved, Ballou seconded, to approve the annexation request. The motion passes unanimously.

Annexation Request/Lynn and Jonita Proctor, Trent Stimpson, and June R. Locky Trust -

The applicants are requesting annexation of 32.56 acres located north of Floating Feather Road and east of N. Park Lane. The proposed use for this property is a single-family residential subdivision.

Gifford opened the public hearing. Rich Kinder, of Toothman-Orton Engineering, represented the project. Kinder explained that the 7 acres of ground that contained the existing homes were not included in the annexation request. There was no public input and Gifford closed the public hearing. Ferguson moved, Hendershot seconded, to approve the annexation request. The motion passes unanimously.

Proposed Service Fee Increase – Moser reported that in order for the District to fund the Fiscal Year 2008 budget without relying on capital interest to help pay for depreciation funding, it will be necessary to increase the monthly service revenue rate from \$26 per month to \$30 per month. The District last raised the service rate in 1998.

Gifford opened the public hearing.

Gail McMahon, 11598 N. Cayuse Way – Mrs. McMahon asked if the rate increase would be applied to both residential and commercial customers. Moser explained the rate increase would be applied by equivalent connection and would impact all customers. Mrs. McMahon also asked the Board to consider a senior citizen rate.

Arlene Eidemiller, 2193 N. Eagle Creek Lane – Ms. Eidemiller objected to the District charging a flat rate. She lives alone in a smaller home and feels her rate should be lower than the larger families are being charged. She requested the Board consider a prorated fee based on water usage or the home's square footage. She also asked if new development was "paying its way?" Moser explained the difficulty in the District being able to gather all the water records from the three existing Eagle water purveyors. Moser also explained that new development installs their needed infrastructure at their cost and the District's connection fee is a buy-in fee for new development.

Paul McMahon, 11598 N. Cayuse Way – Would the District consider only a \$2 increase, rather than \$4? With the possible City of Eagle acquisition of Eagle Water Company, there would only be two water purveyors in Eagle. If the City of Boise is able to calculate their sewer fees based on water consumption, the Eagle Sewer District should be able to do so.

Sedlacek read into the record the written comments sent in by:

George and Toni Bunce, 1529 E. Feather View Drive – against the rate increase.

Richard Schevers, 869 E. Spartan Street – against the rate increase, does not feel his 2-person household should pay the same rate as a larger household of people.

Robert Shewchuk, 1180 N. Purple Sage Way – against the rate increase, he is on a fixed income, and the proposed increase is too high. He objects to not being able to "shut off" service when they are not using it. Opposed to the flat rate.

There was no other public testimony. Gifford closed the public hearing and the Board went into deliberation. After discussion, Brooks moved, Ferguson seconded, that the Board raise the monthly service rate from \$26 to \$30 for each equivalent connection, with the increase beginning October 1, 2007. After more discussion, Gifford, Brooks, Ferguson and Ballou voted aye. Hendershot voted nay. The motion passes 4 to 1. Moser will check to see if any other sewer agencies are offering a senior rate.

Reports

Eagle City Council/Scott Nordstrom – Nordstrom was unable to attend tonight's meeting.

Wastewater Plant/RJ Lake – Lake reported that the District has not yet received a flow report from Boise. Moser stated that the District has received the first Boise bill since moving back to the rental agreement, and it was lower than anticipated. Moser stated that the Boise flow figures should be received soon.

Lake reported that most plant activity has been centered on the dewatering being done in preparation of the new liner installation. The service line for the plant office has been rerouted to accommodate the lagoon draining. This required the installation of 900 feet of 2-inch pressure line. A new backup pump for the Old Valley liftstation has been ordered. The pump will be kept on hand to accommodate any emergency breakdown.

Unfinished Business

MWH Report on Facility Plan Progress – Moser stated that until the liner replacement has been completed, the Facility Plan has been put on hold.

MWH Report on WWTP Liner Replacement Project – Johnson reported that the District has been bypass pumping to Boise for approximately 10 weeks. The contractor that is removing the biosolids has brought in another belt press for the biosolids dewatering and will bring in an additional centrifuge dewatering unit soon. The biosolids project is on schedule to be completed by October 1.

The pumping has been effective with the groundwater showing a steady decline up until this week. Johnson stated the goal is to have the groundwater level stabilized at or below the liner bottom. It is critical that the liner bed not be saturated when the new liner is installed.

MWH Report on Progress on Landscape Buffer Project – Moser reported that all entitlements have been secured from the City of Eagle. The berm irrigation system has been changed from spray to drip, with an additional cost of \$22,000. The bulk of the additional cost is the man-hours required to install the additional lines and water emitters. Johnson stated the landscape project is two to three weeks behind and it is anticipated that the contractor will ask for a contract extension. Johnson stated the extension could take the completion date out to December.

Progress on Idaho Transportation Departments Property Transfer – Robertson and Moser explained the changes that have been made to the quitclaim deed. After some discussion, Ferguson moved, Ballou seconded, to accept the quitclaim deed for the transfer of the ITD property to the Eagle Sewer District. The motion passes unanimously.

Progress on the Palmer Road Liftstation Project – Moser and Johnson reported on the August 21 neighborhood meeting. The neighborhood meeting is a requirement of the City of Eagle's Conditional Use Permit (CUP) process. No one from the public came to the meeting. Johnson stated the project's plans and specifications are complete and are currently going through internal review at MWH. The plans should be delivered to the District and DEQ by November 1.

The CUP application was submitted to the City of Eagle on August 22 and is scheduled to be heard by the Eagle Planning and Zoning commission on October 1 and by the Eagle Council on November 13. The Design Review application has been submitted and will be in front of the Eagle Design Review commission on October 12. The project is on track to go to bid in December with construction to start in February. The project cost is estimated to be \$4.5 million.

Proposal to Reopen Fiscal Year 2007 Budget – An itemized list of the costs associated with the emergency liner repair was included in the Directors' meeting packets. The costs total \$2.2 million dollars. Rather than allocate the entire \$2.2 million from the District's investment accounts, Moser stated that \$500,000 can be moved from the cost allocated for Boise capacity purchase and only \$1.7 million will be needed from the investment funds. After some discussion, Ferguson moved, Brooks seconded, to hold a public hearing to consider the reopening of the 2007 budget. The motion passes unanimously.

Miscellaneous – Robertson and Moser reported on their investigation into securing funds to cover the plant's emergency repairs. They have met with Wells Fargo Bank, DL Evans Bank, US Bank, and Zions Bank. A meeting was also held with representatives from the Idaho Bond Bank. The Board could seek voter approval of a General Obligation Bond, which requires a supermajority vote, or a Revenue Bond, which requires a simple majority of the votes. Without an election, most of the lenders will require court validation. This process usually takes 90 to 120 days, and could be accomplished more rapidly than holding an election.

After discussion, the Board agreed to proceed with the judicial confirmation process and directed staff to secure the legal counsel necessary to pursue the process.

New Business

Development Agreement between the City of Eagle and M3 Eagle – Gifford reported that Eagle Sewer District is pursuing a meeting with the City of Eagle representatives to discuss the wastewater treatment portion of the M3 Development Agreement.

Robertson reported that he had discussed the matter with JoAnn Butler, legal counsel for M3, and she suggested that Robertson send her a letter that lists the Eagle Sewer District concerns. Robertson will copy the letter to the city's attorney.

Resolution 07-26 Authorizing the Repayment of Emergency Expenditures – Moser reported that this resolution is necessary to allow the Eagle Sewer District to be reimbursed for the emergency costs incurred prior to securing any loan or bond funding. Ferguson moved, Ballou seconded, to approve Resolution 07-26 with the addition of the word “Capital” in the blank provided in the first paragraph. The motion passes unanimously.

Declaration of Surplus Property – Sedlacek has prepared a list of property that is currently either no longer working, or is surplus to the District’s needs. The list is dated September 10, 2007 and was included in the Director’s packets. Sedlacek reported that Lake has also requested the old welder from the plant (Tag # 1134) also be declared surplus.

After brief discussion, Ferguson moved, Brooks seconded, to declare the identified items as surplus. The motion passes unanimously.

Miscellaneous – None

Ratification of Claims Paid Against the District

Ferguson moved, Brooks seconded, to ratify the claims paid against the District. The motion passes unanimously.

Adjournment

Ferguson moved, Brooks seconded, to adjourn the meeting. The motion passes unanimously. The Regular Meeting was adjourned at 8:40 p.m.

Respectfully submitted:

Lynne Sedlacek