I. Roll Call
Chairman Erv Ballou called the meeting to order at 6:00 p.m. Board members present: Jim Gruber, Ed Hendershot, Erv Ballou, Chuck Ferguson, and Terry Loftus. A quorum is present.

Staff present: Lynn Moser, General Manager; RJ Lake, Operations Manager; and Lynne Sedlacek, Business Manager. Also present: Evan Robertson, legal counsel for Eagle Sewer District, Justin Walker with Keller & Associates engineering, and Mary McFarland, a member of Eagle’s City Council and city liaison to the Eagle Sewer District.

II. Approval of Minutes
Ferguson moved, Loftus seconded, to approve the minutes of the February 10, 2014 Regular Meeting and the February 20, 2014 Special Meeting. The motion carried unanimously.

III. Reports
A. Eagle City Council – Mary McFarland is the District’s new liaison from the Eagle City Council. She had no report for this meeting.

B. Operations Report/RJ Lake - Lake reported the total plant flow for February 2014 was 46.64 million gallons, for an average of 1.67 million gallons per day. Lake stated that February was a quiet month and the crew spent most of their time cleaning line. They are currently setting up to do repair work on the jet truck. In response to Ballou’s question, Lake stated that the back-up effluent pump has been ordered. There is a 6-month delivery period on the pump.

IV. Annexation Public Hearings:
A. Home Capital Resources, LLC & Shawn and Sherry Nord - The applicants are requesting the annexation of 16.96 acres located west of Linder Road and south of State Highway 44, near W. Old Valley Road. The proposed use of the property is for a 44-lot residential subdivision and the sewer connection of two existing homes. District staff has reviewed the project proposed for this property and there are no serviceability issues. Jason Densmer, The Land Group, 462 E. Shore Drive, Eagle represented the project and stated this property will become part of the HCR subdivision already being developed in the area.

Ballou opened the public hearing. There was no written or oral testimony and Ballou closed the public hearing. Ferguson moved, Loftus seconded to accept the annexation request. The motion passed unanimously.
B. M3 Eagle, LLC: The applicants are requesting the annexation of approximately 6,025 acres located in the foothills north of Homer Road and east of State Highway 16. The use of the property is for a planned community consisting of residential and commercial projects. The representatives of M3, Eagle have asked Eagle Sewer District to manage the independent wastewater treatment plant that will service the development. ESD and M3, Eagle have entered into discussions regarding the wastewater treatment service. A condition of annexation approval is the finalization of the “Spring Valley Wastewater Agreement.”

M3 was represented by JoAnn Butler, their legal counsel, and Daniel Ayers, from JUB Engineers. Robertson asked Butler and Ayers if the M3 facility plan, including the technology used, was approved by the Idaho Department of Environmental Quality (DEQ) and weren’t all the approvals predicated upon the Spring Valley project getting development approval from the City of Eagle. Ayers stated that the treatment plant’s technology and preliminary design have been approved by DEQ and JUB is ready to begin the final design. Butler and Ayers agreed that after many meetings, the City of Eagle has thoroughly vetted, and approved, the Spring Valley Ranch project. Mark Tate, 533 E. Riverside Drive, Eagle, is the project manager for M3 and he reported on the City-approved master plan for the project. The master plan included the wastewater treatment plant’s location. Tate reported that DEQ has also approved of the treatment plant’s proposed location.

Robertson recapped the introductory discussion by telling the Board of Directors that the Spring Valley Wastewater Agreement between M3, Eagle and the Eagle Sewer District has been finalized. Robertson also addressed the public by telling them that after reviewing the written testimony, and by talking with some of the individuals present tonight, he understands that many of the people objecting to the annexation have concerns relating to development density, highway traffic, and many other issues that protesters feel may devalue their property in the area.

Robertson stated that the land-use issues surrounding this development fall under the purview of the City of Eagle and these decisions have been made and the development has been approved by the City of Eagle. The location of the treatment plant was not made by Eagle Sewer District. The site was picked by the developer and it has been approved by both the City of Eagle and Idaho DEQ.

Robertson explained that Eagle Sewer District was approached to operate the treatment plant, and even if the District does not operate the treatment plant, the project can move forward with either the Homeowners’ Association, or a private entity, managing the treatment plant. If the District does not move forward with the annexation, the proposed treatment plant will be used at this same location, but will be operated by someone other than Eagle Sewer District. Eagle Sewer District has the training, experience, resources and expertise to manage and operate the treatment plant, so the question to those present tonight is not if the project is going to be built, the question is who do you prefer to run the treatment plant, Eagle Sewer District or someone else?
Ballou opened the public hearing. There was oral testimony from the following individuals:

**Eric Schirmer, 4430 N. Double S Lane, Eagle:** Schirmer stated the discussion on the Spring Valley development has been going on since 2006. He provided the Board with copies of two Legal Notice to Property Owners sent out by the City of Eagle. Schirmer reminded the Board that a 1800 psi underground petroleum line is near the plant location. He feels the proposed holding pond for the treatment plant could create an “inverse condemnation” process because of its location to other neighboring properties. He stated that Eagle Sewer District has the option to table this issue and he prefers the Board would table the discussion for two weeks to allow his parents time to get back from their vacation on March 17.

**Mary Taylor, 3410 Hartley, Eagle:** Taylor asked if DEQ still gives waivers, is Eagle Sewer District still self-monitored, and will DEQ be giving waivers on this land-use operation. She stated that Eagle Sewer District has said they visited treatment plants that had used this technology and wanted to know where the visited treatment plants were located. When the treatment plant comes on-line, at what point is capacity added?

Moser stated he did not know if DEQ gives waivers and Eagle Sewer District is monitored and regulated by DEQ. Eagle Sewer District is not self-monitored. The plants visited were located in Wyoming and Utah. Moser explained the technology consists of modules that can be added to expand capacity and the facility plan created for the treatment plant identifies and designates when it is time to add additional capacity. Moser and Robertson reported that the Spring Valley Agreement gives Eagle Sewer District the authority to limit capacity if any issue should arise.

**Ken Hamilton, 4210 Double S Lane, Eagle:** Hamilton voiced concern that his property would be devalued by the proximity of the treatment plant to his property. He estimated his property was located approximately 2100 feet from the plant. When asked whether he preferred Eagle Sewer District or someone else run the treatment plant, Hamilton stated he preferred whoever was going to be monitored most frequently.

There was no other public testimony. Hendershot moved, Gruber seconded, that the written testimony be entered into the record. The motion passed unanimously. Ballou asked Sedlacek to list those names that provided the written testimony and summarize the letters for the Board:

Written testimony was provided by:

**Schirmer family:** Concerned over location of treatment plant and impact to surrounding property values.

**John and Christine Fiorino:** They have a direct view of the proposed treatment plant location and feel it would have a negative impact on their property values. They want the treatment plant site moved into the commercial portion of the Spring Valley development.
Robert and Janice Ward: They are concerned about the impact to their property value. They listed several questions regarding the type of treatment plant, the location options for the plant, and they have concerns over traffic issues and odors.

Victor Loewen: His property is located approximately 1000 feet “down-wind” from the proposed treatment plant site. He has concerns over the impact on his property value. He suggests the treatment plant site be relocated to “where the M3 narrow valley corridor expands.”

Ken Hamilton: He is against the annexation. He stated the Eagle Sewer District’s past performance shows instances of non-compliance. There should be a better location for the proposed treatment plant and the Eagle Sewer District and the City of Eagle could be in a position for inverse condemnation. He has requested a written guarantee that there will be no odors from the plant.

Teresa Swanson: This development is an injustice to the surrounding homes that will be impacted by the treatment plant’s location.

Thomas & Vickie Cornell: They are against the annexation. They have a concern their property will be negatively impacted. They have concerns about odor, traffic on Highway 16, and the possibility of contamination from the treatment plant impacting downstream wells. They want a different location for the plant, a location that is away from all existing homes.

There was a brief question and answer session. Robertson explained the reimbursement section of the agreement between Eagle Sewer District and Spring Valley Ranch and how the District will take control of each phase of the treatment plant.

Lynda Hamilton, 4210 N. Double S Lane, Eagle: She asked about the effluent trucking that will be required. Moser explained that approximately 70 homes will need to be completed before the treatment plant will operate on its own. During the first phase of construction the effluent will be trucked to an existing wastewater treatment facility. The effluent dumping location is still being determined. The solids removed from the effluent will be taken to the landfill. Lake explained how the dewatering machine operates and how spills are contained and mitigated. The dewatering process will be operated between the hours of 7:00 a.m. and 4:00 p.m.

After some discussion, Ballou thanked all present for attending and offering comment. Ballou then closed the public hearing. After some discussion, Gruber moved, Ferguson seconded, to approve the M3, LLC Petition of Annexation, including the Spring Valley Wastewater Agreement, and subject to the District’s standard conditions of annexation; and to authorize Eagle Sewer District’s attorney to prepare an Order of Annexation and a second Annexation Resolution to be ready for the April 14th District meeting. The motion carried unanimously.
V. Unfinished Business:
A. Mace Road Lift Station Upgrade/Progress report – Justin Walker, P.E. with Keller and Associates, reported that the final plans and specifications had been submitted to DEQ today, and when DEQ approval is received, they are ready to take the project to bid. The project is on schedule and the estimated construction cost of $1.3 million is still in line with the budget. The estimated cost does include a 10% contingency. The construction is estimated to take approximately five months. They are hoping to start the construction in May and finish in October.

After a year’s worth of monitoring the ground water, it appears that the neighborhood wells should not be impacted by the liftstation. The easement for the liftstation site has been secured, and Ada County Highway District has given permission to build a temporary road around the work site. The Two River’s Homeowners’ Association has given ESD the necessary easement through their common area, with the understanding that any trees that are removed will be replaced. The City of Eagle has been very cooperative and will allow the liftstation work to be done under the flood plain permit issued to the Mace River Ranch developer.

Moser stated the Board of Directors will see the engineering contract for the construction phase of the project at their April 14, 2014 meeting.

VI. New Business:
A. Annexation Resolutions for Public Hearing:

1. Resolution 14-03/Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints: The applicants are requesting a public hearing to consider the annexation petition of 3.58 acres located west of Linder Road, north of State Highway 20, and south of Duck Alley. The proposed use of the property is to augment the building site for the new LDS Temple. District staff has reviewed the project proposed for this property and there are no serviceability issues. Hendershot moved, Ferguson seconded, to approve Resolution 14-03, to hold a public hearing on April 14, 2014, at 6:00 p.m., for the purpose of considering the annexation petition of real property owned by the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints. The motion carried unanimously.

2. Resolution 14-05/Grant 4D Farms: The applicant is requesting a public hearing to consider the annexation petition of 1.16 acres located east of Linder Road between Floating Feather Road and Beacon Light Road. The proposed use of the property is for 2.5 lots to be added to an existing residential subdivision, Bella Terra #2. This small outparcel was not annexed with the rest of the property, but has now been included in the Bella Terra Subdivision. District staff has reviewed the project and there are no serviceability issues. Loftus moved, Ferguson seconded, to approve Resolution 14-05, to hold a public hearing on April 14, 2014, at 6:00 p.m., for the purpose of considering the annexation petition of real property owned by Grant 4D Farms. The motion carried unanimously.
VII. Ratification of Claims Paid Against the District
Ferguson moved, Hendershot seconded, to ratify the claims paid against the District. The motion passed unanimously.

VIII. Adjournment
Hendershot moved, Ferguson seconded, to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 7:33 p.m.

Respectfully submitted:

____________________________________

Lynne Sedlacek, Business Manager