

EAGLE SEWER DISTRICT

August 13, 2007

Regular Monthly Meeting

6:30 p.m.

Minutes

Roll Call

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

Consultants present: Cyndy Bratz, P.E., and 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, Ballou seconded, to approve the minutes of the July 9, 2007 Workshop. The motion passes unanimously.

Michael Gifford joined the meeting.

Ferguson moved, Brooks seconded, to approve the minutes of the July 9, 2007 Regular Meeting and Executive Session. The motion passes unanimously.

Public Hearing

Fiscal Year 2008 Budget – Brooks stated that the budget presented at tonight's hearing is the same budget that was reviewed at last month's meeting. It is very similar to this year's operating budget. Brooks pointed out that service revenue is not keeping pace with the District's day-to-day expenses.

Gifford opened the public hearing. There was no written or oral testimony. Gifford closed the public hearing. There was brief discussion regarding a possible rate increase. This item will be discussed later on the agenda. Ferguson moved, Brooks seconded, to accept the proposed Fiscal Year 2008 Budget. The motion passes unanimously.

Reports

Eagle City Council/Scott Nordstrom – Nordstrom reported the City of Eagle is currently completing their due diligence analysis for the purchase of the Eagle Water Company. The engineering review should be complete in early September. The City is planning to form a Local Improvement District to finance the purchase. The City feels that the purchase of Eagle Water Company, the construction of the new water reservoir, and the addition of the new well in the Brookwood Subdivision will provide a better overall system for all the water customers.

As part of the Eagle Water Company acquisition, the City of Eagle will be tying in to the Garden City water system, which is interconnected to Boise, which is interconnected to Meridian. This will provide a solid backup and emergency supply for all the water systems.

Eagle's Public Works Director has resigned. In-house personnel will cover the duties until the replacement Director has been hired.

The City of Eagle and Eagle Chamber of Commerce are in the planning process of a downtown revitalization. An Urban Renewal Commission has been created to help with the process. Moser stated that some of the Eagle Sewer District's oldest infrastructure is located downtown and ESD needs to stay apprised of any planned construction in the downtown area.

Nordstrom also reported that he had been asked to discuss the landscaped berm being placed in front of the ESD plant property. Rather than the solid berm that has been constructed, the City would prefer to see a more sculpted berm with "cut-ins" and fluctuations in the berm's height. After some discussion, it was decided that since all the landscaping and irrigation materials have been ordered, the berm will remain as originally constructed.

Gifford modified the agenda to accommodate a discussion regarding the Eagle Parks and Pathways requirements. The Parks and Pathways committee is requesting the ESD provide a 25-foot easement to connect the pathway along the bypass to the pathway across the ESD accretion property. In addition, they are requesting a 10-space parking lot be placed internally on the ESD property. The parking lot is to be constructed after the realignment of Ballantyne Lane and the new plant entrance are constructed. Nordstrom agreed that City and District staff need an opportunity to discuss these issues. If necessary, Nordstrom will pull the item from the City Council Agenda to allow more time to resolve the issues.

Nordstrom also asked about any excess property the District may have at the treatment plant site. As the City of Eagle develops the new water system, there will be a need for an area to store equipment. Nordstrom asked the Board to consider a lease of any additional property to the City of Eagle.

Wastewater Plant/RJ Lake – Lake reported that all the District flow is currently being sent to the City of Boise. Lake will provide the flow information to the Board after he receives it from Boise. A substantial leak was discovered in a service line located west of Palmetto Avenue. The leak has been repaired. Another air release valve has failed on one of the District's lines. There are six more air valves on this line that are very old and will be replaced with a new, more trouble-free, type of valve.

Unfinished Business

MWH Report on Facility Plan Progress – Bratz provided a Power Point presentation on the Facility Plan phasing. With the liner replacement project being accomplished right now, Bratz stated that the District would need to reevaluate the components of Phase 1 and Phase 2 of the Facility Plan. MWH proposes that the trigger for Phase 2 will be when the flows reach 2.3 million gallons per day (mgd). The flow and load projections will stay the same.

Phase 2 will build a new facility and incorporate a river discharge and will process flows up to 4.2 mgd. At the completion of Phase 3, the treatment plant will process up to 6 mgd. Bratz asked the Board to approve the phasing as presented tonight. Ferguson moved, Brooks seconded, to approve the three-phase approach to the Facility Plan. The motion passes unanimously.

WWTP Liner Replacement Project – Bratz reported that Parker Ag, the biosolids contractor, has mobilized their equipment and should start work this week. JC Constructors are proceeding with the trenching, and Great Basin Environmental will be installing the liner. Lake has met with all three contractors to discuss the coordination of the project. Lake explained how the water pumping and testing would be handled. Bratz and Moser state they are comfortable with the project's progress.

Moser stated that Robertson has had an opportunity to review the contract for Great Basin Environmental. After some discussion, Ferguson moved, Brooks seconded, to accept the contract with Great Basin Environmental for \$310,278.29, and authorize the General Manager to sign the contract. The motion passes unanimously.

Moser also presented a Professional Services Agreement from Dudeck and stated that Robertson has not had an opportunity to review the contract. This contractor would provide an independent Quality Assurance/Quality Control review of the liner installation. The total contract amount is \$31,760. After some discussion, Ferguson moved, Ballou seconded, to approve the agreement with Dudek subject to legal counsel review. Discussion: Dudek will be under contract directly with the Eagle Sewer District, not as a subcontractor to MWH. The motion passes unanimously.

Phil Johnson reported on the Palmer Road Liftstation project. Johnson stated the 50% plan set is currently being reviewed internally. A neighborhood meeting, as required by the City of Eagle, will be held at the ESD office at 6:00 p.m. on August 21. On August 22, the application for a Conditional Use Permit (CUP) will be submitted to the City of Eagle. The Eagle Design Review Committee should see the project in September. The project time-line proposes both the CUP application and the Design Review requirements will be in front of the Eagle City Council in September. Johnson hopes to get the project out to bid in November. The estimated cost is \$3.5 million, but the cost estimate will be reevaluated when the plan set is finalized. Moser reminded the Board that the service area for the Palmer Road Liftstation is Highway 16 on the west, Linder Road on the east, the north channel of the Boise River on the south and Homer Road on the north.

Moser asked Sedlacek to report on her meeting with representatives from the Idaho Bond Bank. Sedlacek reported that she had met with Bill Jerrel and Eric Heringer. Jerrel is retired from the Idaho Department of Environmental Quality where he was in charge of the Idaho State Revolving Loan Fund. To secure funds from the Bond Bank, Judicial Validation will need to be secured. Currently the interest rate is at 4.35% and can be locked in for the entire term of the loan. There was discussion regarding other methods of financing and Gifford directed staff to put a priority on investigating the various funding options.

Progress on Landscape Buffer Project – This item was discussed earlier in the meeting under Councilman Nordstrom's report.

Progress on Idaho Transportation Departments Property Transfer – Moser reported that ITD has reviewed the modifications that Robertson has made in the Deed document. Robertson reported on the issue of which agency will have control of public access to the property. His modifications will give ESD more control on allowing public access to the property. Moser stated that Hillside Nursery has requested a decision on the frontage landscaping be made by September 15. The Board instructed Moser to get the name of the ITD attorney so that Robertson can negotiate the property transfer directly with the ITD legal counsel.

Miscellaneous – None

New Business

Annexation Resolution Orders: *Upon approval of the following Resolutions/Order of Annexation, the Board Chairman is authorized to execute and record the Orders in the records of Ada County ten (10) days after the date signed, unless the Petitioner(s) formally notify the District, in writing, within said ten-day period, that the Petition is being withdrawn pursuant to Idaho Code 42-3218.*

The Board briefly reviewed the following Orders:

Resolution 07-19/L217-ID Eagle Linder, LLC – The applicant is requesting the annexation of approximately 120 acres located north of Beacon Light Road and west of Linder Road. The property owner is proposing a 365-lot residential subdivision. The public hearing for this request was held on July 9, 2007.

Resolution 07-20/Tri Cedars Management – The applicant is requesting the annexation of approximately 41 acres located south of State Highway 44, and contiguous to, the west boundary of the Eagle Sewer District treatment plant property. The property owner is proposing a 47-lot residential subdivision. The public hearing for this request was held on July 9, 2007.

Resolution 07-21/Robert and Debbie Pedersen – The applicants are requesting the annexation of 1 acre located south of Hill Road and west of Horseshoe Bend Road. The property owner is proposing a professional office building. The public hearing for this request was held on July 9, 2007.

Resolution 07-22/ Capital Development, Inc. – The applicant is requesting the annexation of 7.91 acres located north of Chinden Boulevard and west of North Meridian Road. The property owner is proposing a 6-unit multi-tenant professional office business park. The public hearing for this request was held on July 9, 2007.

Moser stated that there have been no changes made to any of the applications. Brooks moved, Ferguson seconded, to approve Resolution Orders: 07-19, 07-20, 07-21, and 07-22. The motion passes unanimously.

Annexation Resolutions for Pubic Hearing Request:

The Board reviewed the two annexation requests. Moser reported that neither of the applications contained any special conditions of annexation:

Resolution 07-23/Eagle Island Crossing/Thomas Pfister and Beverly Lockey-Pfister– The applicants are requesting a public hearing to consider the annexation petition of Lot 3, Block 2, of Flint Estates. The property is located north of State Highway 44 and east of North Park lane. The proposed use for this property is for commercial and residential projects.

Resolution 07-24/Lynn and Jonita Proctor, Trent Stimpson, and June R. Lockey Trust –
The applicants are requesting a public hearing to consider the annexation petition for 32.56 acres located north of Floating Feather Road and east of North Park Lane. The proposed use for this property is a single-family residential subdivision.

Ferguson moved, Ballou seconded, to approve Resolution 07-23 and Resolution 07-24 and to schedule both public hearings for September 10, 2007. The motion passes unanimously.

MWH Engineering Services Contract for Wastewater Treatment Plant Headwork's Facility -
Bratz presented Task Order No. 4 of the Master Consulting Services Agreement. The Task Order includes the scope of work and schedule. The scope of work covers only the pre-design and has a not-to-exceed amount of \$103,416. The final design scope, schedule, and cost will be presented later as a change order to this task order. Bratz stated that there are too many unknowns to proceed to final design now—especially the architecture costs. The conceptual cost opinion for the project is \$3.8 million. Brooks moved, Ferguson seconded, to approve Task Order No. 4 of the existing Master Consulting Service Agreement dated November 3, 2005. There was some discussion regarding the subcontractors' estimated hours and costs. The motion passes unanimously.

Proposed Service Fee Increase – Moser reported that in order for the District to fully fund the proposed FY2008 budget without relying on capital interest to defray depreciation, the service fee should be raised by \$4 for a total monthly service fee of \$30 per month, per equivalent connection. The District's last increase was in December 1998.

There was discussion on the District's future capital expenses and whether or not a \$4 increase would fully fund the operation and maintenance costs and still allow the District to fully fund the annual depreciation schedule. Robertson stated that while the District is investigating the funding options available for the liner and headworks projects, the lending institutions will want to evaluate how the District structures its budget expenses versus incoming revenues. Some lenders may require the District to pledge a portion of its reserve fund to the loan repayment.

After substantial discussion, Brooks moved, Ferguson seconded, that the Board set a public hearing for the District's September 10, 2007 regular meeting. The purpose of the hearing will be to consider a monthly service fee increase of \$4 to be effective with the October 1, 2007 billing. The motion passes unanimously.

Request to Reopen the Fiscal Year 2007 Budget – Moser explained the need to reopen the existing fiscal year budget. After some discussion, Ferguson moved, Brooks seconded to table this discussion until the September 10, 2007 meeting. The motion passes unanimously.

Miscellaneous – Moser presented the Board with Resolution 07-25: A Resolution Enacting and Codifying Pretreatment Regulations for Users of the Eagle Sewer District Collection System. The Resolution adopts the provisions of Title 8, Chapter 14, of Boise City Code (Pretreatment Ordinance). As a contributor of flow to the West Boise Treatment Facility the District will need to approve this resolution to stay in compliance with the requirements of Boise's NPDES permit. Ferguson moved, Ballou seconded, to approve Resolution 07-25. The motion passes unanimously.

Ratification of Claims Paid Against the District

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

Adjournment

Brooks moved, Ferguson seconded, to adjourn the meeting. The motion passes unanimously. The Regular Meeting was adjourned at 9:55 p.m.

Respectfully submitted:

Lynne Sedlacek