2023 Dollar Certification of Budget Request to Board of County Commissioners L-2
(the "L-2 Worksheet" and applicable "Voter Approved Fund Tracker" and budget publication must be attached)

District Name: Payette Lakes Rec. S/W

Fund Name	Total Approved Budget*	Cash Forward Balance	Other revenue NOT shown in Column 5	Property Tax Replacement (Line 26 of 'L-2 Worksheet')	Balance to be levied Col. 2 minus (Cols. 3+4+5)
1	2	3	4	5	6
	$5,509,492	$759,434	$4,261,624		$488,434
NON-LEVIED FUNDS (must net zero)					
Column Subtotal:	$5,509,492	$759,434	$4,261,624		$488,434
				Maximum Allowable Non-Exempt Property Tax Amount to be Levied:	**$488,434**

Exempt Funds

(Bonds, Overrides, Judgment Funds, & Plant Facilities)

Column Subtotal:					
Column Total:	**$5,509,492**	**$759,434**	**$4,261,624**		**$488,434**
Expected Totals (for balancing purposes, values from 'L-2 Worksheet')				**$296**	

I, the undersigned, attest that a public hearing was held and a resolution was adopted to:
RESERVE the current year's forgone amount, OR
RECOVER forgone amounts (line 29 of the 'L-2 Worksheet')
I have attached the adopted and signed resolution indicating the amount of forgone to be reserved or recovered.
I have attached the Capital Project Worksheet for additional forgone (if applicable).

Max Reserved Forgone:
Reserved Forgone:
Recovered Forgone:
Initials:

I certify that the amounts shown above accurately reflect the budget being certified in accordance with the provisions of I.C. §63-803.
To the best of my knowledge, this district has established and adopted this budget in accordance with all provisions of Idaho Law.

Ellen Holm	Ellen Holm	Board Chair	8/16/2023
Printed Name	**Signature of District Representative**	**Title**	**Date**

Tammie Richardson 201 Jacob St Boise, ID 83638	trichardson@plrwsd.org
Contact Name and Mailing Address	**Email Address**
208-634-4111 ext. 3	208-634-7613
Phone Number (###) ###-### EXT ###	**Fax Number (###) ###-###**

*Do not include revenue allocated to urban renewal agencies

Publisher's Affidavit of Publication

STATE OF IDAHO } .ss

County of Valley

I, Tricia Warren, being duly sworn and say, I am the office manager of The Star-News, a weekly newspaper published at McCall, in the County of Valley, State of Idaho; that said newspaper is in general circulation in the county of afore said and is a legal newspaper; that the PUBLIC NOTICE, a copy of which is enclosed hereto and is a part hereof, was published in said newspaper once a week for a period of two weeks in the regular and entire issue of every number there of during the period of time of publication, and was published in the newspaper proper and not in a supplement; and that publication of such notice began August 3, 2023 and ended August 10, 2023.

Tricia Warren

Subscribed and sworn before me this the 10th day of August, 2023.

STATE OF IDAHO
COUNTY OF VALLEY }

On this 10th day of Augustr in the year of 2023, before me, a Notary Public, appeared Tricia Warren, known or identified to me to be the person whose name subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledged to me that she executed the same.

TOM GROTE NOTARY PUBLIC Comm. No. 7600 STATE OF IDAHO

Tom Grote

Tom Grote
Notary Public for Idaho
Residing at McCall, Idaho
Commission Expires 1/19/2024

NOTICE OF PUBLIC HEARING

PAYETTE LAKES RECREATIONAL WATER & SEWER DISTRICT
PROPOSED BUDGET FOR THE FISCAL YEAR
DECEMBER 1, 2023 THROUGH NOVEMBER 30, 2024 (FY2024)

NOTICE IS HEREBY GIVEN, pursuant to Idaho Code §42-3229, that the Board of Directors of the Payette Lakes Recreational Water and Sewer District, Valley County, Idaho, will hold a **PUBLIC HEARING** for consideration of the proposed budget for the fiscal year that begins December 1, 2023, and ends November 30, 2024, on **WEDNESDAY, AUGUST 16, 2023** at 9:00 a.m., or as soon thereafter as the matter may be heard, at which time any interested persons may appear and be heard. The public hearing will be held via teleconference and in person. Those attending by teleconference may use the following conference line: **1-844-855-4444, code: 4516702#.** Alternatively, those wishing to attend in person may do so at the District office, 201 Jacob Street, McCall. If a member of the public wishes to make a public comment about the proposed budget, please contact Tammie Richardson at 208-634-4111 ext.3 in advance of the public hearing to make those arrangements. Members of the public also have the option to submit written comment in advance of the meeting instead of testifying live. The District must receive written comments by 4:00 p.m. on Tuesday, August 15, 2023. A more detailed copy of the proposed budget is available for inspection at the office during regular business hours (7 a.m. - 5:30 p.m. Monday - Thursday).

PROPOSED EXPENDITURES – GENERAL FUND	
Office Expense	$ 390,817
Personnel Expense	1,786,865
Operation & Maintenance: Sewer System	463,700
Wastewater Treatment Expense	301,100
Capital Expenditures	1,284,185
Debt Service	1,282,825
TOTAL	$ 5,509,492

ESTIMATED REVENUES – GENERAL FUND	
Property Tax Levy	$ 488,434
Sewer Service Fees	3,609,624
Other Revenue Sources	617,000
Interest Income	35,000
Revenue From Reserves	759,434
TOTAL	$ 5,509,492

PROPOSED EXPENDITURES – BOND FUND	
Wastewater Treatment Facility Improvements	400,000
TOTAL	$ 400,000

CARRYOVER -REVENUES – BOND FUND	
Wastewater Revenue Bond Series 2017 Project Fund Carry Over	$ 400,000

Any person needing special accommodations to participate in the above-noticed meeting should contact the office 208-634-4111 at least 48 hours prior to the meeting.

Dated this 31 st day of July 2023 Tammie Richardson, Treasurer

page 4 Public Hearing for Budget

Payette Lakes Recreational Water & Sewer District

Regular Meeting & Public Hearing
August 16, 2023

Directors Present

Ellen Holm, Chairperson
Ken Patterson, Vice-Chair
Dallas Young (telephone)
Bill Weida
Mark Larson (absent)

Advisors Present
Adam Christenson, Legal Advisor (telephone)
David Watkins, J-U-B Engineers

Staff Present
Tammie Richardson
Jeff Bateman

Also Present
Amy Holm, Millemann Pemberton & Holm
Luke Vannoy, McCall Design and Planning Inc.
Christian Berge, Patron
Craig Campbell, Patron
Lyle Nelson, City of McCall

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

Approve Regular Meeting Minutes for July 19, 2023

Ken moved to approve the Regular Meeting Minutes for July 19, 2023, it was seconded by Bill and the motion carried.

Approve July 2023 Treasurer's Report

Bill moved to approve the Treasurer's report for July 2023, it was seconded by Ken and the motion carried.

Ellen recused herself from the next agenda item due to a conflict of interest.

Request for a Variance for a Nonpermited ADU at 2248 Payette Drive

Amy Holm, attorney for Chris Berge at 2248 Payette Drive, presented to the board a presentation regarding an application for a declaration recognizing the historic use of an accessory dwelling unit (ADU). She showed some photos of what the ADU looks like today, explaining the house is over 2000 square feet and the ADU is 863 square feet. She stated that both structures were built in the 1960s. She explained that getting historical research from the City of McCall or Valley County on building permits has been interesting. She did a public records request to both entities and came up empty-handed. The best information she received was from the Assessor, who had a note when the permit was established for the lakefront home and the ADU, but we couldn't get a permit. Both were built in the 1960s and have .35 acres zoned R4 under the density-zoning map that would allow one permit based on that acreage. She explained that Chris Berge purchased from the Priest family, who had owned the property for at least fifty years. She included in the narrative that the building permit details are unknown. The Valley County Treasurer provided some records, as well as the Assessor. She

reviewed the timeline in 1966 when the lakefront home was constructed. In 1967, the ADU was constructed. She stated that, at first, those lakefront homes were septic. There is a record of a 1976 septic planning and zoning permit, and that was for both units. The point that she wants to make is that this is not a lakefront structure of which we see a historic cabin on the lake, and many years later, somebody built an ADU and improperly connected it to the sewer system. This was done at the same time, and she does not know the full history of the District, but what she read on the District's website sounds like they started in the 1960s but didn't come to full fruition until the 1980s. Importantly, there is a 1983 survey that she will present that shows two houses on the property, and she feels that survey establishes that there were two homes as far back as 1983. In 1984, the District inspected Lot 55 B, which had a lakefront home and an ADU, and approved the sewer connection. She believes at the time it was approved, the sewer connection was essentially what it is today. One permit was issued, and we don't know why. There were no zoning maps at the time, but that is what happened. She stated that sewer fees have been paid since at least 1985. At some point, the District became aware of the ADU and allowed it to remain connected and billed for the combined square footage. Amy commented that she is unsure what year the district density map was created. David answered that in the late 1970's early 1980s, when the District was formed, there was a planned sewer density for which the whole system was designed. That was the original density map. He explained that to vote and form the District, the map was the first step for everyone to agree on what was to be built. David commented that the map had not changed. There have been a few modifications to the new density, but he said there is a chance that this location is the same. She presented the planning & zoning septic permit in the 1983 survey, which shows the orientation before the District came to inspect.

Luke presented the proposed renovation of the accessory dwelling, which is currently at 741 square feet, to be constructed into a more modern structure with a smaller living area of 504 square feet and a 936 square foot dry garage. He showed the drawings of what the ADU would look like and made it a conforming ADU. Amy stated that she and Chris understand the District's concern about the impact on the system, and the goal is to show that the current home is a larger livable space than what is being proposed. The livable space of the existing home could house a lot more people and have more impact on the system than the proposed studio above a dry garage. Amy commented that our attorney was very kind and allowed some back and forth, and they had a great dialogue about the concepts. She does want to hit a couple of basic things. The District's policies are interesting in that they are internal rules. They are policies. They are not necessarily ordinances or laws, but there is no other legal framework to consider.

Overall, she is requesting a permit to allow a variance. Still, she thinks it's more of a declaration to allow the connection to continue with the proposed construction. Mr. Berge will pay a second permit fee to recognize the existing connection if a second permit is required. She reiterated that the actual impact will be lessened with the proposed ADU. She feels the District could make conditions or issue certain findings that will allow this to happen but prevent a freefall for other folks to come forward.

Adam responded that, as Amy mentioned, many of the arguments raised here are analogized to zoning law and preexisting nonconforming use. While that analogy makes some sense, he wants to be clear that this is not a zoning issue, and different considerations apply here. We

may also have a zoning nonconformity, but the nonconformity we are talking about is the connection to the system. Adam did not say that Amy has done a fantastic job providing legal analysis and has been extremely helpful, and he is grateful for all the work she did on that. Legally speaking, he would say this is ambiguous. The applicant has made some compelling arguments.

Adam stated on the other hand, as we all know, the system faces significant capacity constraints, including this area. The ADU here is not permitted, nor is there capacity to be permitted under the existing density policy. Also, as discussed in other meetings, there is no legal right to a sewer connection. A connection permit is like a license, contingent on the ability to dispose of the sewage. Ultimately, he thinks the district board has broad discretion under the statute regarding management, control, and supervision of all district business and affairs, including the system's management and available capacity. Analytically, it seems to him that the desire to do a complete tear-down and rebuild is a bit of a stretch. That said, he also recognizes the argument here that they are decreasing the square footage of the living space and the nature of the use, which, as an ADU, is not changing. We do have a long-standing historical connection to the system and historical acknowledgment in some fashion of the connection by the District. He stated that no one is requiring the teardown of the ADU; that is something the property owner wants to do voluntarily. He would also note that the District has a strong vested interest in consistency and avoiding setting a precedent that will further strain the system's limited capacity. Later in the agenda, we will discuss the ADU policy and the City's request for a joint meeting. This is to say, depending on the outcome of the discussions, the handling of ADUs by the City and District could change from what it is today, so things are in flux, making it even more difficult to reach a decision. Adam explained the board has a decision to make with various options. He addressed the board with some options. You could table the matter pending the outcome of the ADU discussions with the City; you could determine if there is an acceptable middle road here that would allow the project to go forward; you could grant or deny the application in full. Those are the options that exist for the board today.

Jeff agrees that we should table this item until we get the ADU policy ironed out better and determine which path the District is going down. Bill feels the City has moved in an interesting direction in the last two weeks, and he thinks it would be premature for us to do something that is being designed as an ADU, which is not a meaningful designation. Bill believes the best course is to table until we have direction from both entities. The way the City presented their discussions is not something we can use as a basis for making a decision, so until we get that straightened out, it will be difficult to make any other decisions on what we know as ADUs.

Chris Berge commented that he bought this property doing due diligence and discovered it has been paying the sewer fees for both the house and ADU. He said the Priests assured him it was connected to the sewer legally. He is confused, and if you step back from being a board member, think of this as you. You buy all this understanding that the sewer district legally recognizes it and has been paying the fees, and now, all of a sudden, he is running into this issue; he stated that he is not changing the use and is improving the neighborhood, taking it from being nonconforming and having a useful ADU with a lockout provision to separate it from the garage. He feels it is a benefit all the way around, and nothing illegally was ever done, and now, all of a sudden, he is surprised by where he is. It doesn't seem logical to him. Bill agrees with everything Chris said, but on the other hand, until we get this situation

straightened out, it's challenging to say we will go ahead and vote for something so ill-defined right now. Bill apologized, but this is how it is, but this is McCall.

Tammie recommended they stay around and listen to the item on ADU that is on the agenda. Jeff understands where Chris is coming from, but with our density and what we have on file, he looks at this as a non-permitted ADU. Chris argued that it was connected legally at the time. Jeff and Tammie stated that we don't know it was legally connected. We have no record that it was. Jeff agrees it shows the building there, but we don't know when the plumbing was put in. Mr. Berge stated that the Priest told him it was connected at the same time. Mr. Berge commented that the burden of proof is on him because the District doesn't keep records. Tammie stated that the District keeps really good records. We have thirty-three on file from when the sewer district was formed, and patrons had to buy two permits because they had two connections. Mr. Priest did not have two permits. She searched, and her best guess was that someone found out about the bathroom at some point. And for the record, we did not even know there was a kitchen until you told us today. She explained the board in 2009 and 2010 gave a lot of amnesty and did not make people rip anything out. Then, when we received the sewer model from JUB in 2013, they found out that when the board issued a variance, it was taking that connection from a bare lot, and if we continued down that path, the patrons with bare lots might not be able to get a sewer connection. That is when the board stopped all variances. We do not know when this ADU was hooked up with plumbing. As for the rate you are paying, the square footage does not go to the next level, so we have no idea when that changed. You are in the 2000-3000 square foot range. It's the same rate, and you have not been paying anything extra.

Amy stated that she could read the room, and whatever they said, she could see the board was not ready to decide today. She reiterated that this is a unique situation with this historical use.

Bill moved to table the variance for 2248 Payette Drive, it was seconded by Dallas and the motion carried.

Public Hearing: FY24 Proposed Budget

Ellen stated the public hearing had been advertised and the budget published as required. She opened the public hearing. No one commented, and Tammie reported that she received no written comments. Ellen closed the public meeting.

Adopt the FY2024 Budget and certify the Property Tax Levy.

Ken moved to approve the Fiscal Year 2024 Budget and certify the property tax levy, it was seconded by Bill and the motion carried.

Public Hearing: FY23 Amended Budget

Ellen stated the public hearing had been advertised and the budget published as required. She opened the public hearing. No one commented, and Tammie reported that she received no written comments. Ellen closed the public meeting.

Approve FY2023 Amended Budget

Ken moved to approve the Amended Budget for Fiscal Year 2023, it was seconded by Bill and the motion carried.

Master Plan Update

David reported that he will have updated maps with electrical costs next month and present the complete capital improvement plan for the sewer. It's not complete until the rate analysis from FCS, but it will be ready for the rate analysis. The next piece is the storage pond, the biggest item on the reuse and treatment side. We are doing cost estimates for a few minor upgrades at the treatment plant, but they are mostly aging equipment-type improvements. The blowers are 40 years old. We are lucky they ran this long; things were built better back then. We are looking at high-efficiency blowers for that. We are also looking at aeration in ponds one and two and removing solids from pond one. There may be some tweaks to the sand filters if the capacity is not quite there and are struggling with algae binding up the sand filters. The big thing about the storage pond is that we submitted a grant application to realign the storage pond, and it's off the Water Resource Board.

David commented that we had many more letters of support than we originally planned. The Valley Soil & Water Conservation District (VSWCD) was very helpful in passing on the word for that, so there are a bunch of sister agencies they work with that also submitted letters of support. There was an issue the day before the application was due that we didn't have the VSWCD letter. He said they had sent a draft, and the staff shared that they struggled to word the letter as their board had a lot of questions. David attended their board meeting via Zoom to answer any questions. The biggest hangup is the grant application. He purposely needed to show the total project as you are asking for grant dollars, and we want to be conservative about the project. The most conservative timeline is you line the pond, the weather shuts you down, you discharge to the river, and the District does a remediation project the following year. That still is not fully figured out as DEQ has not signed off on the plan, but that is our potential path forward. The VSWCD board did not love that plan. They want David to share that with the Board because their strong preference is no discharge to the river. At first, the letter stated that the VSWCD board did not support that piece and asked for a different technical solution. He pointed out to VSWCD that it is a bit extreme because there are always other technology solutions, but usually, costs or schedules prohibit them. For example, we could build a second pond, which could take five to ten years and millions of dollars, and going that route is unreasonable, so we must look at other alternatives. He explained plenty of examples of projects like this that do credit offsets or recommendations to allow certain discharges. They asked many questions about alternatives, like bringing in a mobile treatment plant if we have to go to the river. In the end, the VSWCD board put in the letter of support but wanted him to share with the Board that the VSWCD board would like a third-party review of the alternatives so they have more confidence that we are on the right path.

DEQ has made it clear that public support and partnering with VSWCD would greatly help with that. He went through the fastest timeline this could happen. In December, we submit applications for low-interest loans and other grants and see if those are coming through. It could be designed this winter, bid in the spring, construction starting in August, and we will do it all next year. That timeline is fast and stressful. If it requires a bond, then there would need to be a bond election in May so we could solidify the loan before you sign contracts with a contractor. There are a lot of moving pieces. The next best timeline is to shift it to the FY25. We are stuck for construction to start in August because that is when the pond is empty.

Engineer's Report
David reported that lift stations 46 & 50 are being constructed and moving along. The construction bypass is in place at lift station 50. That one will be a permanent bypass when done, and the same with lift station 46. One of the pumps failed at lift station 50, so the timing is pretty good. There is just one pump in there working. We would not have made it through the next spring.

Consider Approval of Updated Commercial Sewer Connection Permit Form
Jeff explained that when we presented the updated residential sewer permit, we forgot to include the commercial permit. Adam reviewed this and aligned the policy with the residential permit.

Bill moved to approve the updated commercial sewer connection permit form, it was seconded by Ken and the motion carried.

Review and Consideration of Revised Accessory Dwelling Unit Policy
Tammie commented that we are not adopting this today, even though that was the plan. She reminded the board that this went to the City for the thirty-day comment period.

Bill stated that he will convey a quick summary of where he thinks we are at this point. First, regarding ground rules, we are not discussing a capacity issue. We are talking about an allocation issue. The capacity has essentially been fixed with the sewer design storm. The issue is the design of the system and how those hookups are allocated. Up to this point, we have gone ahead and updated the ADU policy, and we have sent it over to the City for comments. So far received one question from Michelle. Bill commented that we will meet with the City as quickly as possible at their convenience. However, to progress on this issue, we have to eliminate any misconceptions hanging us up on this.

Bill continued that having listened through an hour of the presentation to the City Council, and he might add the incredible silence on the part of the City Council members, we have to get rid of any false narratives about what is going on in this situation. One of those concerning buildings on Fairways is a classic example. We have the records; in this case, the narrative with these two buildings once again centered around a stove, which had no bearing on anything the builder brought up to justify what they had done. The issue was that the building he had put together was set to be double, and there was no access from one part to the other without going through the garage. When you start throwing those narratives out like that and forming an hour-long discussion around those narratives, that is no big help, and it wasn't just us that caught them on that. The city water department caught them. That is the first type of thing we need to bat down. He realizes people want and should seek input from the property owners. Still, you must use a little judgment and check with the people investigating this first to ensure they know exactly what is happening. The second thing is this resort to magical thinking. Council member Thrower was the only one who, at least in the hour that he watched was the only one to blow the whistle on this thing in terms of the presentation that went to the City Council. I will say flat out that you can not change the flow of a unit by calling it an ADU instead of calling it something else. It has flow, and that is what we have to deal with. This idea that by magically naming these things, something else will cut the impact on the system is false. If we can get rid of those things, then he thinks we can finish this policy document and get that

thing out there because there are no major changes. That will be the precursor to the discussions the City and District hold as we proceed. It comes down to that the City, as close as he can understand, wants to be able to allocate these accessory dwellings for their purposes, and that's fine, but speaking as an economist, now you can't allocate things that have no cost if you do, it's free. You have got to have costs associated with them. So, as far as I think, our initial consideration of this is when the City begins to consider what it will do here; it can allocate as many ADUs as it wants. Still, the City has to show which flows it has curtailed to accommodate those ADUs. We have repeatedly asked the City to do that over the last few years. We can say here is the capacity. If the City wants to change how that capacity is allocated, that is fine. All they have to do is show that it remains within the capacity. He continued how the City can do this. There are lots of ways. One thing the City could do is provide the immediate and fastest relief to start cutting the I&I in the city system. It would cost some money for the City to do that, but that money would be made up in terms of the ADUs they could approve. The City could cancel or delay sewer hookups in the basin where they are trying to work so that workforce housing could be put in instead. The City could continue to do its excellent work on storm drains and stuff like that. Those things can all be done in a compensating way. This is not a unique idea. It's the same thing right now that DEQ is asking us to do as we drain the sewer pond because they are saying if you are going to go into the river, you have to compensate for that by doing remedying work on fertilizer loads in Cascade or someplace along the river or fencing. This is the same concept and should be the same deal because it's the same problem. You have something where you are using up a resource, but there is no way to get that resource taken care of unless you make room for it somewhere. With those things in mind, we can meet with the City. We can have some quick and profitable declarations on this, but what is going to have to come out of this is an agreement that there is a capacity that we are looking at and that the City, while they are going ahead and asking for additional ADU's that they are going to go into a mode as they propose ADU's they come back to us for approval to hookup with what is being done to compensate for those flows they are adding. We have got to get a database discussion going, which is difficult because, from all appearances, the City has no map or designation on how many ADUs it has, unlike ours, where we have a situation where we can look at any area over there and tell you what the number of EDUs that is allowed there, the City as close as we can determine does not have that data.

Bill brought up the JWAG, and Tammie reminded him that the board back in 2020 put that back into the City's hands with a letter that the board did not wish to continue the JWAG, and we never heard from them. Lyle asked her a few questions, and she explained that the JWAG was supposed to talk about all matters, not just the sewer. For example, the water, etc. But all it was for that group to dictate how to run the sewer. They did not want to discuss other items. That group is not helpful to us. Lyle wanted to comment that Bill's assessment of where we are with the allocation is accurate and shows the importance of getting together and looking at some of these misunderstandings and disagreements to move forward. He did say he is not allowed to speak for the City or staff. He is speaking on his observation. He would agree with everything Bill said. He feels this allocation is really important to understand. We all need to work in the reality of our infrastructure. Lyle is not sure the Council is fully aware of the realities that have to do with nor do we carry the stress of some of your failure points, so he thinks that it is important that we understand that. Bill brought up that Michelle is planning to brief the County Commissioners, which is fine, except that the County Commissioners, in the end analysis, are interested in the Impact Area. Still, it turns out the Impact Area is almost all what

the sewer district was when we brought with us when we joined with the City, and we have the data there. The questions are in the City core, and that is a whole different ball game, and the County isn't going to have anything to do with that. I think it's important that we start talking and talking frequently. He feels it would be really helpful if we could get together two times a month to see how things are going and to keep each other informed.

Tammie stated that the first thing that needs to happen is a meeting between the Board and City Council because Bob Giles does not have the correct information and said some things that were not true. She suggested throwing out some availability dates and will work with the Board to determine dates to give to Anette or BessieJo. Lyle did want to address the silence at that meeting. He stated that silence is somewhat of a recognition of how complex this stuff is. David would like to contact the city staff before the joint meeting and request information on how many ADUs are in the city limits and what rate they are going in, like how many per year. The other thing still unknown to us is what size parcel is the tipping point that you can fit an ADU or cannot. That is the type of data we don't know much about. We know they are out there, and some of them start as garages, so we never hear about them, and then they get plumbing later. He said that complicates some of the flow questions that will be asked. David wanted to point out that one of the core differences between the two policies is the District counts an ADU against the density. The City does not go against the residential density when determining an ADU. For us, that is unaccounted for a potential residence. It matters because, as we told the City at the workshops, the master plan model is based on their future land use and residential density. If they are not going to count ADUs for that, then that is an unaccounted-for flow and can impact what we are talking about. It's all about allocating flow and collecting the right amount of fees so that you are paying for O&M. The communities that allow ADUs anywhere don't control it and don't make sewer connections or count it as sewer fees. If it starts to pick up the pace and are building a lot of ADUs eventually, their books tell you there is a problem because they are not accumulating enough rate to cover their O&M cost. No matter where it is happening in the District, every gallon of water must be pumped, treated at the treatment plant, stored in the storage pond, pumped out the reuse line, and land applied. It doesn't matter where it is happening. Every gallon costs money to get it to the end of its life. Those communities that don't control or allocate for it eventually have to raise rates to account for it. Every house would need to increase a fair amount to subsidize all the ADUs because more flow is going in, and it costs more to do everything.

Consider Approval to Include Life Flight Annual Renewal of $825.00 in Employee Benefits.
Tammie presented the annual renewal of Life Flight of $825.00. She explained that she had never thought to ask the board to include this as part of employee benefits.

Bill moved to approve the Life Flight Annual Renewal in Employee Benefits that the District will pay, it was seconded by Ken and the motion carried.

Legal Report
Adam reported that we are still working through the settlement agreement with Knife River. Most of that has to do with Badger Meter dragging its feet on a number of needed items, including the required warranty. Knife River is planning on ordering the remaining parts in January, and it will get installed next spring. We continue to deal with all things ADU and various requests the District receives, which is certainly not limited to what we discussed today.

Adam reported that we are still awaiting approval from the reuse land owner on the proposed supplemental documents. He wanted to mention that he and Jeff have discussed the potential for a joint utility boring permitting policy; the idea is that contractors will do a pre-post work cross-bore inspection near the project so they don't accidentally drill through sewer lines and city utilities. There will be more to come of this at a later date.

Staff Report

1. Tammie reported that we sold eighteen permits in July and four so far in August.
2. Tammie gave an update on delinquent sewer accounts. She reported that we are down to eight delinquent accounts to be certified to the County Treasurer. The County has extended the deadline to September 30.
3. Tammie reported that our IT 4 Corners is doing iCloud storage for us. She does a backup every morning until 4 Corners is confident enough in the iCloud.
4. Tammie informed the board that the FCS Group doing the rate study would also do a surcharge fee for short-term rentals based on the City of McCall's new ordinance of ten or more people needing a CUP. The cost for that piece will be $2,500.00
5. Jeff reported that the roof at the house is scheduled to be replaced next month.
6. Jeff informed the board that our application to install the fence around the property was denied; it said it didn't conform to their ordinance because we are in a commercial zone. He is going to go in front of P&Z next month to appeal. He considered putting a dirt berm and line it with drain rock.
7. Jeff reported staff cleaned the east side of the lake this year and camera all the lines down on the lake. They all looked good in the system.
8. Jeff commented that he signed off on Simmonds Street. Michelle gave him plenty of documentation, and he sent a copy of the drawings we accepted regarding how many permits they can get, which is in their file at the City. Everyone assured him that they would only have plumbing on the top floor.

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

Submitted by: Tammie Richardson

Ellen Holm, Chairperson