

**GREENFERRY WATER DISTRICT
MINUTES OF THE REGULAR BOARD OF DIRECTORS
February 15, 2021 4:00 pm, via Zoom**

CALL TO ORDER AND ROLL CALL

Chairman Stephen Tanner opened the meeting via Zoom at 4:06 pm. A roll call confirmed Vice-Chair Carol Rassier, Rex Grace and Ron Utz were also present. Staff present were John Austin and Stephanie Mueller, Water District Accountants, Bob and Ian Kuchenski, Water Operators and Roger Glessner, Engineer. Guests were David Shults, Rhonda Stenersen, Penny Morgan and Bob Haynes, Consultant.

NEW BUSINESS

Next, Chairman Tanner moved up the discussion on the Reasonably Anticipated Future Needs (RAFN) application and the Board heard from Mr. Haynes. He noted the map should be changed to include an area east of Greenferry Road as that would be a potential area of growth. He also talked about issues in the Water Facility Plan (WFP) and how they need to be coordinated with the application. He then discussed the buildout possibilities in the area to determine the maximum properties that may request service. He noted the State of Idaho study determined that density would be nearly one residence per acre, which he thought was too high based on the current allowance by the County. Chairman Tanner said the next step is to determine the future service area and ensure it corresponds to the maps in the WFP and directed that Mr. Glessner ensures that the maps are coordinated. He also stated the peak hour demand model is required and directed Mr. Glessner to work on that. Water loss was then discussed and Chairman Tanner recommended that Mr. Haynes work with Mr. Glessner on that issue.

Next, Chairman Tanner opened the discussion on the Idaho Department of Environmental Quality (IDEQ) Board decision to not **reategorize** the boundary of the Rathdrum Prairie Aquifer. Mr. Shults stated his issues with that Board's decision. His memo to the **Greenferry** Board (attached) outlined those issues. He concluded by stating the petitioners will continue to be active on this issue. Chairman Tanner discussed his attendance at the 6-hour meeting and if there is a **confining** layer on the aquifer it may help to define the aquifer south of the river. He said the District could hire a third party once the Nutrient Pathogen Evaluation Level II is completed. Ms. **Morgan** said even if this issue of the boundary is not resolved there are other avenues to protect the general resource aquifer. She said they would like to go back to the IDEQ Board to allow protection for the water source the residents have. Mr. Utz stated he tuned in for some of the meeting and he thought the petitioners and Chairman Tanner did a great job. He said he also was disappointed in the IDEQ Board action.

Next, Ms. Stenersen discussed a billing issue, and that she'd paid the capitalization fees in July 2020 with the anticipation that the meter would be installed. She said the delay in getting the meter installed was not her fault, so she is asking for an extension on the install, and also to waive the fees incurred since that time. Mr. Austin stated they had paid the capitalization and hookup fees of \$11,900 and it was staff's understanding the meter was installed when those at Riverview Heights were. That's why their fees began in November. After discussion, the Board approved the extension and waived the fees since November.

She also discussed how she was concerned that the construction on Snowshoe wasn't coordinated with them, and why they couldn't hook up then. Mr. Ian Kuchenski noted it was not feasible at that time to do the coordination. The Board directed that staff work with the Stenersens to install the hookup and to make it a priority.

OLD BUSINESS

Next, Mr. Kuchenski gave the Water Operator Production and Consumption Report for the month of December. He and Mr. Glessner discussed the Riverview Heights project and the progress on the booster stations, including that the project is nearing completion with foundations in place for the building. Ms. Mueller, a Certified Grant Administrator, indicated grant funding was unlikely because the medium income level in the District is likely too high to qualify. Mr. Glessner stated he monitors grant opportunities and will advise the Board on that if any arise. Ms. Rassier stated staff should move ahead with acquiring the generator(s). Mr. Utz asked about the cost of a generator and Mr. Bob Kuchenski stated it could be up to \$100,000. He also advocated moving ahead with the engineering for the generator. Mr. Austin stated the cost of the generator could be covered by the revenue bond. After discussion, the Board reconfirmed that staff include generators in the third well project and to include this issue on the agenda for the next meeting when Welch Comer can attend. Mr. Ian Kuchenski then discussed an issue with a frozen line on Hidden Cove. The report was then approved following a motion by Ms. Rassier and second by Mr. Grace.

The minutes from the January 18, 2021 meeting were presented by Mr. Austin. After discussion the minutes were tabled until the next meeting.

Next, Ms. Mueller presented the financial reports and Invoices for Approval List. Mr. Utz made a motion to transfer \$37,768.38 from Capital Fee Reserve to the General Fund to cover the cost of the Welch Comer engineering on the WFP. Mr. Austin noted those costs are eligible to be capitalized so the transfer is appropriate. Ms. Rassier seconded it and the motion passed. Next, Mr. Austin presented the Delinquent List. Mr. Utz inquired of the Balance Sheet Item 1100 accounts receivable (\$25,000), on which Mr. Austin responded was the DEQ grant for the Water Facility Plan, but would not receive until the Plan was completed and approved. Mr. Utz also inquired of item #3105 (long term Liabilities) Inv. in Cap. Assets, Net Debt, \$625,171, on which Ms. Mueller responded was a calculation by the auditors as possible liability for wear and tear on the system. After discussion, Mr. Grace motioned for approval of the report and lists. Ms. Rassier seconded the motion and it passed.

NEW BUSINESS

Next, Chairman Tanner opened the discussion on Aspen Homes' request for reimbursement. The board did not agree to reimburse Aspen Homes for the booster stations design changes because the construction had not been started and the design changes were needed to allow the system to operate properly and reduce the lower booster station pumps run times. In addition, these design changes did not provide for future growth as Aspen Homes contended. Mr. Glessner stated an appropriate response would be to offer to pay for the upsize of the main line on Riverview from 8 to 10 inches (roughly \$6,500) and to pay up to \$5,000 for the hydrant on that line.

After discussion, Chairman Tanner directed staff to determine how the \$11,500 would be reimbursed, as an offset to the funds owed to the District as reimbursement from Aspen Homes and to update the letter to Aspen Homes on the issue.

Next, Chairman Tanner opened the discussion on the fee increase for those properties that have the capitalization fee paid. He said those properties are part of the District's system, having paid for the privilege, so they should be assessed the \$15 monthly Capital Reserve Fee. He said these connections will benefit from the capital improvements being planned for improved fire protection and source upgrades. After discussion, the Board considered setting a public hearing for April of 2021 to consider the fee.

Next, Chairman Tanner opened the discussion on the \$15 Capitalization Reserve Fee for those properties (estimated at 23-30) that are within 300 feet of a fire hydrant. He stated the fee could be dedicated to providing fire hydrants every 600 feet, thus ensuring that all properties benefit from the fire flow protection and potential insurance benefits. After discussion, the Board considered setting the public hearing for April of 2021. On both hearings, staff were directed to notify the affected properties.

Next, the Board discussed the Accounting and Management Agreement with Ms. Mueller from Practical Accounting Solutions. She presented a proposal discussing the team dedicated to the District. She noted the accounting fee would increase from \$4.34 per account to \$5.00 per account (adjusted for the current maximum 400 accounts) and the management fee from \$400 to \$1,500 to reflect the increase from 1.25 hours per week to 5 hours per week. The reasons for the increase is because of the additional workload from increased growth in the District, capital improvements needing to be tracked, request by the Board for additional financial information, planned bond administration, new auditing requirements and more meetings by the board. The increase in the contract should be covered by the new water service connections coming online. Ms. Rassier suggested an extension of the office hours to better accommodate the public and a discussion ensued on that issue. It was decided that adding two hours on Thursdays, from 4 - 6 pm would be helpful to those residents wanting to come to the office after work. Ms. Mueller said she'd adjust her proposal based on an increase of two hours per week. After discussion, the Board set a special Board meeting for 2:00 pm on March 1, 2021 to consider the contract. The agenda will also include an update on the RAFN, the Aspen reimbursement and the hearings on the new Capitalization Fees.

ADJOURN

With no new business to discuss, Ms. Rassier motioned for the meeting to be adjourned and Mr. Utz seconded the motion. The motion was unanimously passed at 8:17 pm.

Respectfully Submitted,

Stephen Tanner, Chairman

John Austin, Manager

Dave Shults on the IDEQ Aquifer Issue:

- Petition asked for Board to solve the problem associated with 57 septic tanks over the sole source aquifer.
- DEQ staff led discussion re political risk to undermine 5 acre rule if entire aquifer boundary is expected to change. Also stressed long length of time for this proposed legislative process.
- DEQ staff did not mention that the petition could have been interpreted to request only categorization of the 28 acre property in question as a second area of sensitive resource in the existing rules.
- DEQ staff quickly led the Board to abandon the petition's request for recategorization in favor of a more expedient and less risky approach for use of the NPE to determine potential to pollute. Seemed to be a preferred local solution endorsed by the water district and the county commissioners.
- Petitioners had expressed their dissatisfaction with this approach due to possibility for fraud, error, insufficient data, insufficient administration and review, especially without qualified peer review.
- Pointed out local DEQ allowing failed first attempt of Level 1 NPE.
- Gary Stevens assured he was well-qualified, and that the NPE approach can be very protective.
- Board voted to deny the petition, but welcomed petitioners to approach them again, if desired, after NPE is accomplished.
- Water District was well-represented by Tanner, who attempted to keep the discussion on track regarding the wells over the sole source aquifer.
- He received pushback re different boundaries being used for different purposes, even though all but the 1978 map clearly included the wells in the SVRP aquifer boundaries published.
- He received pushback re DEQ questioning IDWR claim that wells are in the same aquifer as that on the other side of the river. DEQ argued that different geology and presence of a small layer of clay in the well logs showed difference.
- DEQ incorrectly stated petition only requested recategorization of the aquifer beneath the wells, but not for the entire subdivision area.
- DEQ stated petition did not follow all the appropriate steps required by the rules for recategorization, although administrators told of a process that would be somewhat informal.
- DEQ placed the requirement for NPE squarely on the shoulders of the water district and the county.
- Now the petitioners and the concerned water district customers rely on the water district to assure a quality Level 2 NPE for any proposed subdivision over that area known to be over that sensitive aquifer, no matter how it is categorized.
- Water district may need to hire peer review.

- Water district may need to ask county to step up and ask for greater protection of the wells than what the legalistic agencies are requiring. May want to continue the fight for equal standing with protection of wells on the north side of the river.
- Water district may need to anticipate significant density next to the wells and anticipate deterioration, that may require legal accountability and the need for more rigorous baseline water quality testing and follow up routine testing to be used in any lawsuit associated with responsibility for contamination.
- Water district may need to anticipate use of advanced pretreatment septic tanks near their wells that are known to create difficulties in accountability of many individual landowners for proper regularly scheduled operation and maintenance. Water district may need to plan for role in policing or objecting to such systems under their purview.
- Water district should consider moratorium for any further commitments for additional customers until existing infrastructure deficiencies are totally resolved.
- Assuming that deficiencies related to fire flow requirements may be overlooked by the regulators may be inappropriate.
- Looks like the water district capital improvement plan for addressing deficiencies may take more than five years.
- Water district could lead the way for slowing unwanted and irresponsible growth.

The petitioners will continue to be active in representing the concerned citizens and water customers that expect quality water from the district. We look forward to the same continued interest and actions by the water district.