

GREENFERRY WATER AND SEWER DISTRICT
MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING
August 8, 2023 2:00 PM Via Zoom

CALL TO ORDER

Chairperson Carol Rassier opened the meeting at 2:17 pm.

Board Attendance:

Secretary/Treasurer, Ron Utz
Member, Rex Grace
Member Susan Sloyka

Staff Attendance:

Manager, John Austin
Accountant, Debbie Swensen

NEW BUSINESS

The Board discussed implementing a property tax on all properties in the District. Mr. Austin stated it could be used for capital projects as identified by the subcommittee. He noted there is a total of nearly \$3.8 million in outstanding projects (see attached). He said an annual levy of \$300,000 would not heavily impact the average taxpayer but would allow the CIP to be fully funded over the next 10-12 years. The Board then debated the amount of the levy. Mr. Grace suggested a levy of \$400,000 would allow District to meet its CIP needs over the next few years. Mr. Austin stated the County Auditor's office is working with the Assessor's office to determine the taxable value of the District. Mr. Austin will then use that as the basis for determining the annual impact on taxpayers, whether \$300,000 or \$400,000 or a different amount.

The Board then set a special meeting for August 23, 2023 at 5:00 pm at the Post Falls Library for a public hearing on the proposed property tax levy. An Executive Session for Board members only under I.C. 74-206 (b) will proceed the meeting at 4:00 pm.

ADJOURN

With no further business to come before the Board, the meeting adjourned at 3:07 pm.

Carol Rassier, Chairperson

John F. Austin, Manager, Debbie Swenson, Accountant

Management Analysis of a Property Tax Levy for the District

INTRODUCTION

This analysis is prepared by management to address the issues with establishing a first-time levy of property taxes, for the expressed purpose of funding needed elements of the Capital Improvement Plan (CIP). It also outlines the steps to implement the levy.

BACKGROUND

The Greenferry Water and Sewer District has outstanding capital needs and has aggressively addressed many of those needs over the last 7 years. Including:

- Establishing a Capital Reserve Fee in 2016, its funds at \$15/month on all users restricted for capital improvements. The fee was increased to \$25/month in 2023 and now generates \$126,000 per year in revenue.
- Developed a Water Facility Plan, with the assistance of the State Department of Environmental Quality (DEQ) in the amount of \$25,000. The plan was approved in 2022.
- Approved new developments at Cedar Creek and Riverview Heights, to generate Capitalization Fees on the 11 and 27 lots respectively. This generated \$349,600 in restricted funds for repair and replacement of the District's existing assets.
- Conducted a bond election in 2018 for up to \$1.8 million in bond proceeds for District upgrades, including in the Greenferry Terrace area.
- Sold bonds for \$1.8 million for the projects, at 2.57% interest to Banner Bank.
- Constructed improvements in the Terrace area and the Greenferry Booster bypass project in 2022.
- Established a CIP subcommittee in 2023 to develop a CIP, prioritizing the projects needing to be addressed.
- Applied for Source Water Protection Grants of \$24,000 for fencing at the wells site and \$24,000 to expand the well house.
- Directed staff in 2023 to determine the outstanding balance of unrestricted and restricted cash to fund the CIP, after restricting cash for the debt reserve fund for the \$1.8 million in bonds. The balance is about \$200,000.

OVERVIEW OF THE CAPITAL NEEDS

The CIP subcommittee determined the following projects for prioritization:

- Well pumps evaluation and replacement: \$100,000 for each well. \$200,000 total.
- Highland Reservoir Evaluation: \$50,000
- Backup generators for the well house and booster stations: \$380,000
- Clear Easements for main line and meter replacement: \$50,000
- Fence all asset locations: \$105,000 (less \$24,000 for SWPP grant)
- Snowshoe/Tanglewood boosters fire upgrade: \$190,000
- Replace Highland Reservoir: \$850,000
- Install Mid level Highland Booster Station: \$600,000
- Upgrade Bella Ridge Booster Station: \$200,000

- Move Greenferry Booster Station: \$700,000
- New Bella Ridge Reservoir: \$480,000

Total Estimated CIP Cost: **\$3,781,000.**

PROPERTY TAX OPTION

As a taxing district in Idaho, the District is allowed to levy property taxes on all properties with its boundaries. Most municipalities and some water and sewer districts utilize this assessment, which is approved annually by the Board of County Commissioners (BOCC) and the State Tax Commission (STC). District staff have the experience to implement and monitor the collection and distribution of the levied taxes.

As a District seeking a levy for the first time, there is no limit on the amount of the first-time levy. The only issue is the impact on taxpayers, which will be notified of the tax at a public hearing held for that purpose. After the public hearing, the Board submits an L-2 form to the BOCC, who then approves the levy and submits it to the STC.

Staff has asked the County to determine the value of the District so a reasonable estimate of the impact on taxpayers can be determined. By spreading the levy across all properties, and not just current users, means everyone in the District has a part in funding its needed improvements. Here is a timeline for the funding and its timeline:

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|----------------|--|
| August 2023 | Board approves the levy, submits it to residents at a public hearing |
| September 2023 | Staff submits the levy request to the BOCC |
| January 2024 | The District receives the first half of its levy request |
| July 2024 | The District receives the second half of its levy request |

SUMMARY

With a levy of at least \$300,000 annually, the Board could immediately address its three highest priorities, the well pump replacements, Highland Reservoir evaluation and the backup generators. Then, annually, begin to address the additional needs. A bonus would be creating additional capacity, which would provide Capitalization Fees at the new rate of \$15,300. An analysis of the levy impact is pending the County's review.