

CITY OF MOYIE SPRINGS OF MOYIE SPRINGS REGULAR AND PUBLIC HEARING DECEMBER 7TH, 2016

The meeting was called to order by Mayor Chad Farrens. Present were council members Heather Andrews, Steve Economu, Terry Johnson, Tim Narvaez, City Clerk/Treasurer Donna Wilson-Funkhouser, Public Works Supervisor John Nelson, City Attorney Dan Featherston, and City Fire Chief Ken English.

Signed In: Jimmy and Brenda Ball, Idaho Forest Group Moyie Springs Manager Chris Pease, Suzanne Cullinane with Idaho Forest Group, Boundary County Commissioner, Lee Pinkerton, James and Lorraine Rollins, Isaac Robinson, Markus Wermelinger, Dennis Weed with EDC, Mayor of Bonners Ferry, David Sims, Joe and Linda McClure, Robert Truppe, Sue Ackerman, Katy Baker-Casile with Idaho DEQ, Matt Plaisted with Idaho DEQ, Steve Cordes and Ashley Williams with Welch Comer Engineering, Ginger Perrenoud, Bill Maestretti, City of Bonners Ferry Administrator, Mike Klaus, Mountain Waterworks Engineer, Jesse Herndon, Kermit Kiebert, LHTAC representative Susan Kiebert, Lesley Swanson, Brad and Janice Graupner, and Meredith Keller were also present.

Prior Minutes Approval: Discussed the minutes of the regular meeting November 9th, 2016. A motion was made by Steve Economu and seconded by Terry Johnson to approve the minutes. Motion carried.

Current Financials Approval: Mayor Chad Farrens asked for comments or questions on the current financials. A motion was made by Terry Johnson and seconded by Steve Economu to accept the current financials. Motion carried.

Recorded December 7th, 2016 Public Hearing Minutes:

Public Hearing:

Mayor Farrens said that the meeting was going to be recorded and asked if participants when speaking would state their names before speaking. Mayor Farrens opened the Public Hearing, and introduce Ashley Williams with Welch Comer Engineering

Ashley Williams: Okay can everyone hear me okay. Okay, I want to make sure. Okay, I just want to make a few introductions first, like Chad said, I am Ashley Williams with Welch Comer Engineers, and Steve Cordes is here with me as well from Welch Comer. We have Matt Plaisted and Katy Baker-Casile from the Idaho Department of Environmental Quality, and then we have our Council members and our Mayor, and our City Clerk, and John Nelson our operator and Public Works.

Ashley Williams: Okay, so kind of the purpose for today on the agenda is to give you an understanding of what the existing wastewater system looks like, its deficiencies are with respect to current standards and rules and some proposed improvements and the associated rate impacts. So some background on this, the City received a Department of Environmental Quality Planning grant which is a 50/50 grant so that's 50 percent there, back in 2007. So we've been working on this for awhile. We've completed a review of the system. We're presenting our findings and recommendations to you tonight. So the facility plan which is over here, kind

of a big document, will be available for you to review at the City Hall for the next couple of weeks, and we have comment forms, and I'll talk about that a little bit, but the major highlights are presented tonight, so you don't have to review that, if you don't want to. We'll start with the existing system evaluation, Okay, so if you're not familiar, we have the City limits of Moyie Springs, the sewer system is primarily in this area, so not within the whole City. It serves about approximately 76 equivalent residential units which is a fancy way of saying a household. And the City also operates a public water system which serves primarily the rest of the City. So serving 76, other areas of the City that are not served by the wastewater system have septic systems primarily with drain fields and those permits are issued by Panhandle Health District. The estimated average waste flow per equivalent residential unit is 320 gallons per day per household. The current treatment and disposal, the City treats the wastewater in an aerated concrete basin and then discharges over land below the treatment facility. This disposal method is not approved; it is a potential public health hazard. The city did enter into a compliance agreement schedule with DEQ to bring the system into compliance with the rules and the current standards, so we'll be talking about that. I don't know if Matt and Katy want to add a little bit to that.

Matt Plaisted: Yeah, I would like to add a little bit to that. The compliance agreement schedule is kind of like a pre-enforcement, an agreement with the City to not levy any fines, so we came up with a schedule for getting the treatment plant....

Steve Economu: Excuse me, sir. Who are you? Would you let the audience know? You didn't introduce yourself to the audience.

Matt Plaisted: Matt Plaisted of the DEQ. The compliance agreement schedule is an agreement the DEQ entered into with the City signed in July of 2016. It outlines the deficiencies of the wastewater system. It kind of provides a schedule for when the deficiencies will be corrected. It includes a timeline for the planning, which is the facility plan here that Ashley is presenting on. Also, it has dates for securing funding, for design and construction, and then for final complete project. It's a five year plan; January 2021 is the final completion date.

Ashley Williams: Within the schedule, there are milestones to kind of help things remain on schedule so that we can meet that completion.

Tim Narvaez: Could you tell everyone why it's a health hazard in broad terms.

Ashley Williams: Sure. Part of why it is a health hazard is it is not permitted so we don't have a permit for it to be disposed over land by that. There are standards and requirements, monitoring requirements, if you were to dispose over land it has to meet certain requirements to do that. Also considering proximity to homes, to businesses, to river, so there's kind of quite a lot built into that classification. So I can answer more questions or DEQ can answer more questions on that?

Jerry Rollins: When did they start disposing of it the way they are now? Was a permit required at that time.

Ashley Williams: Well, let's answer that really quickly and then let's keep going and get to questions at the end.

Donna Wilson-Funkhouser: When you do ask questions, if you could say your name first that would be awesome.

Jerry Rollins: And I am curious, when was this existing system implemented and was a permit required at that time?

John Nelson: 1971, prior to wastewater being overseen by DEQ. Therefore no regulations at the time it was built.

Ashley Williams: Ok, so we'll save questions until the end, but we certainly welcome questions then. That all being said, we'll move into recommended improvements. We're going

to present a couple of improvement options and you saw those in the newsletter, but I kind of want to back up and say we've explored a lot of different options and tried to come up with the best that we can understanding that this is a big expense for you. So we will go through those. So **Option A** is a membrane biological reactor treatment with a rapid infiltration disposal. So the MBR is kind of a fancy piece of equipment which treats the wastewater to a very high quality what we would call Class A which is very close to drinking water. So you're treating with a lot of treatment. And then because it's treated to that really high level it can be infiltrated into the ground with relatively low buffer requirements. The equipment, which I have a picture of here, would actually be stored in a building, kind of protection from the winter. It does require quite a high level of operation, what we call a Class A operator, pretty sophisticated level of operation, controls, and chemicals and just balancing everything to make sure it is working okay. Rapid infiltration is fairly uncommon in North Idaho, Southern Idaho uses it a lot, or more frequently than we do up here. Actually quite a few industrial businesses use it. It is a pretty small land area requirement for disposal just because you're treating it to that high level.

Option B is a regional sewer force main to Bonners Ferry. So what would happen here is we'd collect the wastewater in Moyie and then pump it to Bonners Ferry for them to treat at their treatment plant. The connection fees and the potential improvements that Bonners Ferry would be required, we have included the connection fees in our estimate, but the potential improvements that would be required at the facility are a little bit unknown at this time so those have not been included in the estimate but those would be added onto the cost. A relatively low level of cost of operation would be required for this because we're not treating the wastewater here, were letting Bonners Ferry do that so all we're monitoring are the lift stations, the pump stations to get it to Bonners Ferry. This would be a really great option if there was a lot of development planned between Moyie and Bonners Ferry because you could pick up those sewer users along the way. At this time, it's just not looking really imminent so it would be a really high upfront cost for Moyie without those partners in that corridor to help pay for that. Just to give you an idea this is about an 8 1/2 mile long pipe. So I'm sure you're all aware of how far away Bonners Ferry is, but this would be the general path of that forced main to take the waste from Moyie Springs down to Bonners Ferry.

Option C is an aerated lagoon or pond basically to store the wastewater primarily in the winter time and then would be disposing of that wastewater over an existing forested area. Some places do like hay or grass, but since you have a nice forested area this would be a good option for that. The picture that's here is a system that is on Priest Lake that we recently completed. It's a moderate level of operation, you have some monitoring requirements before you dispose of it over the trees making sure the nutrients aren't too high, that kind of thing. It's very common for small communities in Idaho, it's pretty straightforward, not a lot of technical requirements for the operator. It very popular in that way. And then we would require some land for the facility and the disposal as you can see here. So preliminarily, we have talked with Idaho Transportation Department, and they property just north of the City that they would be willing to let the City use for this facility. We would have to pump up to that area in order to use that land. Typically for those lagoon reuse systems you have some buffer requirements, making sure you're not too close to residents, homes, wells, and you're not having an impact on drinking water quality. That's typically why you use an area outside of town.

Option D is a recirculating sand filter with a large soil absorption system. So you'd treat the wastewater by basically upgrading the facilities that are on the site now and then we would dispose through basically a large drain field. That is pretty much what it is. We have looked at this pretty exclusively, hoping it would be the least cost option. But unfortunately some hydro

geologic evaluations of that ITD site show that it is just not going to work there, basically we would have an impact on the Moyie River and we just don't want to do that. It has been eliminated at this point, if we can find an alternate site; we will look at this again, but at this point that's looking unlikely. So to compare those options, walk to this table. So we have the capital cost and kind of what does that cost consist of so you have an idea and then the estimated annual maintenance cost for that. **Option A** is that sophisticated treatment plant, it has an estimated 3.8 million that consists of the treatment package, the building to house it, the electrical, and the rapid infiltration disposal basins. The annual maintenance cost for that is fairly significant, primarily because we need to get a very high level operator to operate that system for the City; so that's the main component of the higher O & M costs, when I say that operations and maintenance. **Option B**, the regional forced main to Bonners Ferry is estimated 4.6 million, again that doesn't include what improvements may be necessary for the facility to receive the waste, but it does include the connection fees that they would charge. That mainly consists of the 8 1/2 mile pipe and then 2 major pump stations to get it to flow there. That's a pretty low maintenance cost primarily because you're just looking at maintaining the lift stations and pump stations and you do not have to treat at your site. **Option C** is the lagoon and land app system or reuse station is estimated at 3.9 million. That consists of the lift station or pump station to get it up to the ITD site, the 1 mile forced main, lagoons, building, land application and irrigation system to irrigate it to get it onto the trees. Again that's a moderate maintenance cost.

Sue Ackerman: Are those costs before the grant or after the grant?

Ashley Williams: These are before; these are the project costs on the whole. Yes, that was a good question. I know this is a very tiny table and I apologize for that. We do have an environmental screening on each of the options to kind of make sure we're not going to have a huge impact with one of our options. And primarily short term impacts, we're going to be disturbing land to put something in, not significantly going to change land use, so there's not a ton here to be super concerned about but we do obviously do that screening just to be sure. So kind of our recommended alternative is the **Option C**, the aerated lagoons with land application. It is the easiest to implement at this point, minimal operation and maintenance cost, especially compared to Option A. **Option B** has pretty high upfront costs. Then this does reflect the lowest user rates in the end. The picture I have here is a project we completed on Coeur d'Alene Lake in the Carlin Bay area. They had an existing lagoon and then we added this lagoon and then they irrigate on these trees.

Ashley Williams: So to get to impactor rates and funding sources. So what funding is available? We have grants that are available to us which is essentially free money with some applications of course. There is a US Army Corps of Engineers what's called a section 595 fund. They fund up to \$500,000 of a project. The Idaho Department of Commerce Community Development Block Grant also funds up to \$350,000. We also have a grant loan program with the United States Division of Agriculture Rural Development. They do grants and loans, they use the grant to supplement the loan program to bring your rates down, so they try to throw in as much grant as they can to get your rates to go down and to loan as little as they need to. So that is based on median household income and they will take a look at that. This is a low interest rate loan anywhere from 2 to 3/12 or 4 percent up to 40 year term and just requires a local matching fund, the City committing to repay it. Then the loan program through Idaho Department of Environmental Quality similar 20-30 year term, interest rates 2-3 percent. There is a potential for principal forgiveness, which is kind of another name for a grant. They forgive a certain amount of your principal before you ever get started with the loan. So there is potential for that money as well, it does require the City to have the legal authority to borrow money. We

are going to talk about that in just a little bit. So in order for the City to finance these, you can do a pay as you go, which is raising the rates to fund budgeted improvements. As you might understand, the 3-4 million dollar project makes that really, really tough to do so we are kind of looking at a revenue bond which is formed by an election of qualified voters in the City. It would probably consist of the whole City even though not all of the City is served by the wastewater system. A simple majority would be required to pass and then it would be repaid by user fees generated by the sewer users. The sewer service area currently consists of about 25 percent of the City so it may be a little bit difficult to pass that bond. The other method we could use is a local improvement District; this is actually formed by a hearing. And any owner has a right to support or object the formation. If 60 percent of the owners within the LID object, the LID cannot proceed, it actually gets appealed to the Board and County Commissioners, it goes through a long process. It is repaid by assessments against your property, so it's paid annually, and we are only assessing those who are benefitting by the project. So we cannot assess everybody in the City, we can only assess those who are benefitting, or hooked on to the sewer system. It can be repaid in full upfront, so if you want to do that upfront you can, without charging any interest, or it can be repaid over a period of 20-30 years.

Bill Maestretti: Can you tell us if it's an LID, what area would that include?

Ashley Williams: I would probably go back to the first picture we looked at, but it would just be the sewer service area. So those who are served by the sewer system right now, that's who, the LID would consist of. Good question. Sometimes the outgoing administration of those can be difficult for a small community so that's something to consider. So we've talked about some of these different grants and loans, we came up with a range of what you might see obviously there are infinite numbers of possibilities we can look at and our goal and the City's goal is to go after as much grant as we can to get this to come down because we understand how expensive this is. High grant participation means as much grant as we can get, there may be even more than this, but this is a conservative estimate at this point, then moderate grant participation, then low grant participation.

Les Lawson: In the low grant, on the USDA rural, why is it higher for low grant versus high grant?

Ashley Williams: I was just going to get to that, yes; I was just going to get to that. USDA typically will put in less if there is other participants that are putting in more grants. They kind of gauge theirs off of what other people are putting in. They will participate more if nobody else comes to the table, they say hey we'll pony up and get you some more, but if there are other participants they may decrease theirs a little bit. I don't know what they would do in this situation; they may go as high as they possibly can. And then whatever is left over after the grant could be funded by a USDA loan or DEQ loan. So we're going to kind of look at the revenue bond versus LID. There is a little bit of a difference there. We've done this kind of for the recommended option. So the LID financing, there is what we call interim financing, basically the interest in accruing while we're completing the project, while we're designing it, constructing it. But you don't have to repay that until the end of the project, but we do have to consider that as a cost. When you are using federal money, you do have to do a financial audit and you do that per year that you are in completion or in construction. So if we have to do the project over two years, which maybe we could do it in one year and that reduces this cost, but that would be two audits, again these are estimates, if we can get lower financing costs, we will. There are some attorney and administrative fees to set up the LID or to set up the revenue bond and so that does bump up the total project cost a little bit. The revenue bond has attorney and administrative fees that are a little bit less, the revenue bonds are a lot more

straightforward to set up than the LID. This is a big table, but I will walk through it here. We have looked at the financing terms with the bond funded amount would be a monthly rate, estimated operation and maintenance, and then your total new rate. So we've looked at this for a DEQ loan, for a USDA loan with pretty low terms, really good terms or a USDA loan with high terms, not as ideal. There are a lot of different possibilities in here, and we're just presenting a couple of them. We're going to do our best to get you the best financing. The DEQ loan, the monthly rate debt service is pretty significant, and then adding on the maintenance and operation of the system, that rate would be about \$200 a month and I understand that that rate is really significant. The USDA loan is less than the DEQ loan, with a little bit better terms. I think it is worth explaining that in the DEQ loan, the USDA is not participating, and so they are not putting in a grant at all, which is why that one is a little higher. The USDA is about \$177-\$199, that range is based on grant participation, high or low. The USDA with high terms is more than that. This is based on the bond scenario; it's just a little bit different for the LID scenario, primarily because we have more in finance costs to set up the LID. It's a little bit different too because it is assessed on an annual basis, it's not assessed in a monthly increment, but we broke it down to a monthly equivalent so that is an apples to apples comparison with the bond, so it's a pretty similar cost there. Obviously, we understand this is a significant rate increase, we would phase that in. Part of phasing that in allows the City to approve the reserve that they need. Anytime you are getting a loan from DEQ or USDA you have to have one year's payment in reserve, so that if something happens, they can make that payment to the funding agency. So this allows them to build that up so that by the time we complete the project, the City is ready to go. Like I said at the beginning, the City is accepting written comments; we're also taking your verbal comments tonight as well from today through December 21st. We have comment forms up here too, so if you want to submit those, and you are more than welcome to submit them anytime during that period, so if you think of something later or have any other thoughts you are more than welcome to send those in. We will take those. The full facility plan document can be viewed at the City Hall during normal business hours, we will also make this presentation we have tonight available on our website, and we will as well give a copy to the City, so if you want to come back and look at it, you can do that as well. Some next steps, we're having the public meeting, we'll take comments at this time.

Susan Ackerman: That's Christmas week.

Ashley Williams: I know, I know. I'm sorry. I'm with you on that. Then the Council will select an option to primarily move forward with not financing or obligating debt at that time but at least saying here is the option we are going to start to move forward with that.

Bill Maestretti: Do you think a 2 week comment period is long enough?

Ashley Williams: Well the problem is. I agree, I understand. Part of the compliance agreement schedule is we have get a final document into DEQ by December 30th, so in order to get that in. We got to do that. And I understand that that is a pretty short window.

Mayor Farrens: Ok guys, when you want to talk, please state your name.

Ashley Williams: Yes ok.

Mayor Farrens: Is that it?

Ashley Williams: Yes that is. Go ahead.

Jim Ball: I am Jim Ball. I have a fairly lengthy amount of things I'd like to say.

Ashley Williams: Ok.

Jim Ball: So just so people know who I am, some people might, I own 10 of the units on the lower sewer, out of the 70. The mill also owns 10. That's 14 percent of the sewer system. I own 60 other units that are outside, that are in Moyie Springs that have a potential impact for a sewer system due to the potential for expansion in the current ordinance requires hook ons if

those lines come into a certain distance. I'll touch on this while I'm here that, just to get the sewage to the proposed site because the treatment is on that end, is going to be passing people's houses potentially and then by current ordinance those people are already going to be affected and potentially will have to hook on pursuant to code and City ordinance. The City doesn't bill tenants, anyone who has rentals in this town, knows that the Landlord receives the bills for all the utilities. We are the largest water payer, I believe, and we're right up there close to the largest sewer payer per month, I think the Mill pays differently with the water department. So we are heavily vested in Moyie, we have tons of units out here, and we house a lot of people in these rentals. These people are low income people and they work in the local industry, and they work and they try to support their families out here. So I'm going to go to this other paper. I have some notes. As far as the proposed ideas, the thought is that these are the only options, these are like three options and they are all like 4 million dollars. So when I'm in private sewer, which I'm a developer so that's what I do, I put in sewer systems and I pay personally like \$2500, most people pay like \$3500-4000 for a sewer system, private. So when I'm putting in a sewer system, I'm paying like \$2500, but to pump in Moyie because of the soil quality for discharge in the ground, leach fields, you have to pump them every 5 years, it's like \$300. The math per month is \$5 a month to service that system. There have been tanks out here for 50 years that are still working, these systems work for a long time. So private sewer; so they would like you to think that there are no other options, none. Panhandle Health's guidelines are up to 2500 gallons of flow per day, per parcel, that is on the discharge into the fields. The discharge is about 9 to 10 residential units to get up to that, 9 to 10. You can have 9 to 10 units on one piece of property and be under Panhandle Health's guidelines. Now, keep in mind I own 10 units and the Mill owns 10 and there are only 50 other ones. Most of mine I can get the sewage on site under Panhandle Health for the replacement areas. So most of my 10, if I was allowed to jump off sewer; I could get my sewer systems on site. I personally can fund that, and I would not ask the City for any help, simply let me off the sewer system, I'll deal with all my sewage, pursuant to Idaho code through Panhandle Health's guidelines. Now, there are probably some people that cannot afford this. I'm just going to point out a bit of numbers here. The entire process to do it, at my cost, for all the sewer systems in Moyie, all of them. I was told there were 70 of them. right Donna?

Heather Andrews: 76

Jim Ball: You said 70. They say 76? Are we at 70 or 76?

Donna Wilson-Funkhouser: There might be 76.

Jim Ball: Ok so this might be a little off, this math, I figured about 70, so it might be a little off. It's \$175,000 total to get on there. We're talking 4 million on the low number here. Their press factor is literally; more than it would cost to convert everything to private sewer. Literally the little moves around that they are talking about. Now, consider maintenance cost, \$5 a month and some people are going to call that on the high end out here, because some people never pump their tanks in 50 years. And I mean, who knows if they ever happen to replace their fields if solids get in there or whatever, but we have a lot of experience with septic systems. Now down here in lower Moyie you might think there's not a ton of ground, but you drive around and there is ground everywhere. So say, somebody doesn't own enough land to house the sewer on their property because the water lines are too close or something. You're allowed to take that sewage offsite under Panhandle Health's regulations and transfer that sewage to leach fields elsewhere. And not be under DEQ's regulations at all, literally all of this would go away, all of this drama would go away. When the City approached these guys, and not to say anybody is doing a bad thing here, they were just looking for options. The City, in my opinion, didn't want to see the number come back at 4 million dollars and \$200 a month for us

down here. Which leaves, in my opinion, the only option for the City to even do this, is expansion, it's the only option. Literally if they send the pipe up that way, the people that own, like I own 50 units that are right there, they pass my place, all the sudden I'm at \$200 times 50 that's out of my pocket. I have to go back to this page for that number.

Bill Maestretti: Ten grand.

Jim Ball: Yeah. That's a lot of money, per month. I already pay over \$6000-7000 a month. I already pay that money out and they want to do garbage too. Come on. I pay that out, as a Landlord. I get that money back for the most part. I'm charging the tenant, but when you go talk to the tenant, a single lady who's trying to raise 3 kids in a mobile home and I'm saying I'm going to charge you \$200 a month for sewer plus the money I have to put out, like a quarter of a million, to put the pipes in. And we are sitting here thinking this is a great idea. This is engineers and government. You know what I mean, think about it, engineers and government. I'm putting in sewer systems like crazy, by the code. A guy whose industry is built on making money. I'm in the free enterprise. I have to make money to support my family and I'm coming in here with a deal. I can do a sewer system for \$2500. I'll do all my own out of my own pocket and you know what, on the cost alone. And so could Tim. The 10 units that's 10 x \$200 a month that's \$2000 a month, mine's only \$2500 I'm going to pay for all my sewer systems in like 12 months.

Susan Ackerman: But we are on the sewer line now and we can't get off that.

Jim Ball: Now currently, that is an ordinance change away. The only thing stopping us from jumping off is City ordinance. They can change that, they can let us off, and then a lot of us will be off; we will be in legal compliance with code. I'm talking to Panhandle Health, there talking about nitrates and stuff getting off that land way over on ITD land, which I own land that borders that ITD land so I'm an affected neighbor there too. I border that property. The sewage is going to leach all way over the Moyie River, a mile or so away. Panhandle Health says in that soil condition, we consider that water to be treated within 6 feet. They only think about 6 feet away from the line, if you're in clay; it's something ridiculous like 1 foot away. They consider that water treated. So their idea of what is clean, they are thinking about a mile away, but you get on Panhandle Health radar they think about 6 feet away. If they were thinking about a mile away on every sewer system; nobody would ever get a private sewer system anywhere in the state. As a matter of fact I'm going to go stab 5 wells on my property on the end by this proposed site, just so I have 5 wells. So I can say I'm worried about my water, to throw a monkey wrench in it. That's where my mind goes. I'm going to fight this thing tooth and nail. Why, because it doesn't make sense. It doesn't make financial sense. It is freaking irresponsible to even consider. It's going to ruin this City, I'm pulling out, I'm the largest developer, I really am, the largest developer in this county, I've provided more housing than anyone.

Bob Truppe: Jim, I understand your point, very much. I've been here 20 years. My bill doubled for the City for water and sewer because of improvements. Well some of those improvements were supposed to be sewer improvements, and yet none of that has happened. Now you're telling me, I'm going to have to pay almost 300 percent of what I paid when I first got here. I guarantee you my wages haven't gone up 300 percent. We're looking at an astronomical figure for us basically to come up with. We don't live in the rich part of the world, we don't live in downtown New York.

Ashley Williams: Can I answer one question really quickly please? I would like to address the septic tank. We did throw that around, honestly, we did. Let's get everybody off the sewer and go back to septic. Honestly, so primarily why the sewer system was put in, in the first place was the septic systems in that area were day lighting and impacting the river.

Jim Ball: These were septic systems made out of railroad ties. Irresponsibly installed septic systems; not made by current code. Panhandle Health are not irresponsible people, they come out and they do it by the book. This stuff you're talking about, they had railroad ties stacked up on the side of the hill and crap water is flowing down, saying septic systems don't work. But if they are installed correctly and up to code, they are acceptable by state code.

Jerry Rollins: You can do a different system, like an above ground system, if you have a lot of rock or something like that?

Jim Ball: Yeah, you can do modified drain fields to get tighter fitting. You know, we have done it all; I got 9 approved on one acre. 9 leach fields approved through Panhandle Health on one acre of ground, that services 9 individuals, there's 9 tanks, 9 units, on one acre all approved through Panhandle Health. It's not far, literally a stone's throw away from the sewer system and was installed in the last year.

Mayor Farrens: Again, once again, if everyone would when they talk would state their name before speaking so Donna can get this down.

Les Swanson: Donna Les Swanson. Jim, thank you. I liked your comments. I've got several questions. First question: Why can't the City get a permit for the existing one and why were we were not grandfathered in because that was there before all the regulations? Those are directed to DEQ.

Ashley Williams: So let me answer the first question. So in order to dispose, I believe, we would probably be looking at a river discharge and at that point it would be a national federal permit and those regulations are like this. It's a moving target and we had kind of thrown that out at the very beginning, because we didn't want to advise you to go down that road because you can get into all sorts of monitoring requirements and treatment requirements that are probably even more astronomical than that. We did look at it very early on, and said we just don't want to get you in the river game, it's a tough game.

Les Swanson: Why could we not get a permit to dispose where we are disposing now? Obviously, we are disposing it on land by dead trees or something. Why could we not get a permit and why were we not grandfathered in?

Matt Plaisted: The clean water act doesn't allow for the grandfathering in these discharge into the river. Discharge into the river requires you to apply for permits.

Les Swanson: So, Are we discharging into the river currently?

John Nelson: No

Matt Plaisted: You are discharging into a ditch line that goes down the hill and collects into a pond, and it's pretty close to the river, and I think, at one time we talked, and you said when it gets really rainy...

John Nelson: and combined with the over flow from the mill yard, yes, water has reached the river a couple of times not often. The system was originally designed to go into 3 dry wells. Are treatment facility sits 50 feet from the edge of the hill side, and in 1970 something, only a few years after it was built, it started short circuiting out of the hillside and creating a wash. They came back and they did something, and they did not draw any pictures, and the water came out of the hill and went straight down and I think they buried in the hillside down to the bottom of the canyon. When I first started working here we never seen green grass at the bottom of the canyon. The Mill came and rebuilt their yard and they put a lot of fill in that canyon and they broke that pipe going down the hill. We ended up putting in a culvert to get the water through the fill, and now it dumps on top of the ground instead of what it was doing before. I never knew exactly what it was doing before.

Jim Ball: I don't know who wrote that sewer system were too small for the one acre requirement. Who developed the one acre requirement? Because, I am working with them all the time; on less than one acre. Who made that a slide?

Ashley Williams: That was my understanding.

Jim Ball: No it's not.

Matt Plaisted: There are set back requirements from homes, property lines.

Jim Ball: Setbacks. Nothing, to do with that. That seems verily half cocked to put that something like that on there.

Ashley Williams: I apologize that was my understanding. That was my fault.

Jim Ball: This is an engineering outfit, correct?

Les Swanson: So question on the MBR operator. John, can you go to school to become?

John Nelson: I can go to school to be an operator for MBR, but typically an MBR plant operator is a \$60,000 a year operator.

Les Swanson: Oh, you get a pay raise. Who else are we going to get to move up in beautiful north Idaho; only us crazies.

John Nelson: You can get almost about anybody if you have enough money.

Ashley Williams: That was part of that too. John is also the water operator and doing a lot of other tasks. So conversantly, we wanted to assume that we would need to get somebody to come up here to do it.

Les Swanson: Under Option B would you have to get the right of ways for property going from here clear down and wouldn't that put in way more? Because I know there is a lot of people down that way, that won't give property. They are not going to let you put a sewer line right through their property.

John Nelson: I am going to assume that most of that sewer line would be going down State Highway property.

Ashley Williams: Correct. It was going to be in the shoulder within the ITD right of way.

Les Swanson: Now, why wouldn't Option C have an effect on the Moyie River if were pushing it out on to the tree if one of the other options,

Mayor Farrens: Option D; that they took off.

Les Swanson: Yes, Option D that they say no because it affects the river. It's doing the same thing with Option C, but we are just putting it on the trees. Why does that not affect the river?

Ashley Williams: In the design of the land application system, we take in to account the amount of nutrients that the trees cannot take and we would basically balance it, so that we are not loading it so much that it would start to leach into and go impact the river. That is the main idea of that.

Jim Ball: So do those stink at all. I have land there. So does Steve.

Ashley Williams: So that is part of the aeration, so why we use that, so the odor is maintained and by the time it is sprayed on the trees

Jim Ball: I own land by Whiskey Jack too they have one too, and it stinks. The answer is, it stinks.

Ashley Williams: By the time it gets to the trees it is disinfected.

Les Swanson: I guess here are some questions for the City Council. What are our current operational costs right now? Annual? Monthly? How is it broken down?

Donna Wilson-Funkhouser: Just for the month of November, we are collecting \$3,240 for the sewer, because we have raised the rates to the \$45, because we believed that was the top to get the loans, when we started out. So we do have some money set aside for the sewer. The extra, our expenses for the month of November were \$625

Jim Ball: So you could have done a septic.

Donna Wilson-Funkhouser: So, \$2,600 we have set aside.

Les Swanson: So our operational cost right now, is \$600 a month.

Donna Wilson-Funkhouser: It varies, but that is what we have for last month.

Les Swanson: And we are going to \$200. Was that \$200 per household?

Ashley Williams: Yes

Les Swanson: So we are looking going to \$200 times 70; we are at \$14,000 monthly operational costs.

Ashley Williams: And keep in mind primarily that is to make the debt service payment, so the \$53 a month is the maintenance costs.

Les Swanson: So then, just a couple of more questions. Get back to this. Question for the City Council is the Mill exempt from paying sewer costs.

John Nelson: No.

Les Swanson: So then the other question is for DEQ. It is Christmas time, and we have 20 days to get this done. Can we have a 2 month extension? Instead of December or January 1st can we have February 28th 2017? So we as a City can get more people out and get more discussion going and getting more stuff and not be crammed into something that I can tell you right now that I will sell my property before I pay that. Then, I can sue the City for forcing me on the sewer system.

Matt Plaisted: To answer your question, at the request of the City, yes, we can do an extension.

Les Swanson: Let's make the request, please.

Matt Plaisted: Will need to send a letter.

Mayor Farrens: Can we do it right now?

Matt Plaisted: It has to be a written letter.

Les Swanson: My last comment is I did a quick search today on the internet and found a 2010 Idaho utilities and franchise survey, 98 out 113 cities were on this survey. And it was in 2010 so we are looking at 5-6 years ago. Moyie Springs was not on that survey. The average cost for wastewater treatment was \$25 a month. And you want us to go to almost \$200; \$177 average cost. We would be the highest paying in Idaho. And go back to this gentlemen's comment that we don't make that much money here in Idaho. Thank you.

Bill Maestretti: My Name is Bill Maestretti and I have several questions. It was stated that the Mill was on the system. Will the Mill theoretically be charged the same amount as a residential?

Ashley Williams: They will be charged per residential unit. My understanding is they have equivalent to 10 residential units.

Bill Maestretti: The mill itself, not the residents?

Ashley Williams: Correct, They are charged per connection that they have; in equivalent to a residential unit.

Bill Maestretti: Is there an idea as to what percentage of the usage is the mill alone.

Ashley Williams: My understanding is that their usage is equivalent to what they are paying. So their usage is equivalent to the 10 units.

Bill Maestretti: So theoretically they are being charged for 10 units.

John Nelson: Yes. It is kind of hard to say what their actual inflow is mostly what they use the sewer system for is for toilets and for the employees.

Bill Maestretti: And that's all. Nothing was said about the anticipated costs from the road to where ever that sewer comes through to connect to the house. What is the average cost to run the sewer to the home?

Ashley Williams: We did not look at that; primarily because we are assuming that we would just be serving the existing sewer connections.

Bill Maestretti: Well that is still an applicable figure.

Ashley Williams: They are already connected.

Bill Maestretti: So there is nothing require to connect.

Les Swanson: Yes there is. There is a City ordinance that says that if you're within so many feet of the water or sewer line, like Jimmy brought up, you have to connect.

Bill Maestretti: Well, Section 8.2.4 says that are currently 76 people that are using the sewer but it also says however at this time the City believes that parcels of those that are currently connected to the City sewer will participate in the sewer improvements. Each properties fronting the sewer, approximately 100 parcels, could also be basically attached also.

Ashley Williams: The intent of that was to say if we wanted to include or wanted to connect additional 24 that are fronting sewer but are not currently connected that would be another iteration of this. What we have talked about right now is that we do not want to impose that.

Bill Maestretti: Now. We don't want to right now. The City could certainly take everybody in the City of Moyie and assess them the cost of this under the belief that eventually everybody will be attached to the sewer.

Ashley Williams: My understanding is if we did a local sewer that those properties would have to be benefited right now. It couldn't be a future that we think maybe at some point that we could install a collection system and so we are going to assess you. We would have to have the collection system as part of the project in order to assess the property.

Bill Maestretti: Go ahead, and I will come back to more questions.

Jim Ball: Just as a point of interest, we are members of other sewer municipals, just to let people know the progression of this type of idea. Kootenai Ponderay Sewer District is a perfect example. They have the fricken thing, they do the fields and, and spray with sprinklers and even discharge a little into the lake, I think. They charge \$8000 for a hook-on, \$8000 required. Every time you do any remodeling to your house you have to do a new sewer line to your house. So to think that this is the end to this conversation. Last time it was \$59 that Donna said; it was the top or \$45 or something, now it is \$177. But, that is the lowest number I see up there. So now I am thinking \$177 that is the new bottom line; that is the new low number. We think that this is the end of it. It gets worse. Bonners Ferry put in a sewer system that was up to code, expensive, probably millions, I don't know the numbers. They went in and they borrowed the money from USDA. I heard it was a fricken nightmare and still is, and now their sewer system doesn't comply. It literately doesn't comply; the one they just built 5 years ago. They did all this same garbage they came in and now and say they... So the point that I am trying to make here is that this is not the end of it. Even if this all goes through, fantasy land, and I hope they will listen. My thought is God, let there be a little common sense left on this planet. I have a little hope in my heart that there is here. And this is just farfetched in every aspect; I see this as so far beyond anything that I could ever even dream up these numbers. Just like the worse case, there is no way that they could say \$177 for the low end. I would sell everything before I could do it. Matter of fact the City could literally almost afford to buy everything, except for the Mill obviously. I think that the Mill if they did it right they could be under the 2500 gallons a day and be approved by Panhandle Health. They have 10 hook-ons, and I'm thinking that would border line. One last thing just so everyone knows. I have 10 sewers approved on one acre by Panhandle Health; 10 sewers, last year; okay and that's with leach fields with the proper set backs from the other utilities, and replacement area, that's it. They don't look at how much land you have; and they don't look at all this other crap. There are some parcels that won't make it, but the mill has so much ground, and I have ground right

there. I will sponsor it. Tim, he can't even talk because he has to be all neutral and he has tons of ground for sale. I will buy it. I will put a sewer subdivision over there; one acre lots. I got a plan. Let me head the whole thing up, I got a guy down here, there are engineers outstanding, old school, thinking it out. We will get an engineer engaged, we'll get Panhandle Health engaged, let me headed it up, we will work with some common sense, and I tell you what, we won't be out of compliance, and next year getting fined by the same people that loan us the money to do it. DEQ is going to loan us the money? This seems like a real hustle. This seems like a real good hustle. I want to get in on this money.

Bill Maestretti: Do you think these figures to be conservative? Realistic? High?

Ashley Williams: I think, and of course our goal is always to present. These are conservative, but they are not out of line.

Bill Maestretti: So what do you do if there is cost over runs? Who bears the expense of that?

Ashley Williams: That is something that we will have to deal with. I know that an LID that we recently did, we capped, so that we had to stay within the amount. So there are definitely consideration for that.

Bill Maestretti: Who is doing that audit for \$30,000?

Ashley Williams: It has to be a third party. A certified accountant, I think that there are certain entities that do those federal audits.

Bill Maestretti: So if they spend 1000 hours, doing that audit, then that's \$30,000, and I just can't image \$30,000 for 2 audits.

Ashley Williams: I understand.

Bill Maestretti: So you say that is a conservative estimate at \$30,000.

Ashley Williams: In conservative, I mean that I think, we may be able to get less; but we wanted to factor that in.

Bill Maestretti: When you do the construction is it an open or closed bid?

Ashley Williams: It is an opened bid, but you have to be public works licensed.

Bill Maestretti: And you take 3 bids. How many bids? Minimum 3?

Ashley Williams: I don't think that there is a minimum.

Katy Baker-Casile: There is not a minimum. It is published in the paper for at least 2 weeks.

Bill Maestretti: Local paper?

Katy Baker-Casile: The paper with the greatest circulation in the area; with a project like this we would probably also do the Spokesman Review, as well as the Coeur d'Alene Press to get contractors to bid on the project; whether there is one bidder or ten bidders the lowest bidder that is responsive and responsible and meets the all of the requirements is the one the wins the bid.

Bill Maestretti: So if they bid it, and the bid comes in at \$3,000,000, and they are going to built it for \$3,000,000, Unless? You're bidding it. You know, there can be, add ons, if it is justified, but you say that this figure is conservative, so the expectation is going to be at least these figures.

Jim Ball: We did a public works job, and I will tell you what, there is all kinds of hustle. You bid it low. You build it now. They are going to come in, they are going to be from out of town, they are going to be gi-normous, they are going to have lobbyist, that probably lobby, and the same people with the same garbage, and just like the auditor, it is all an inside game.

Bill Maestretti: Well, I was in the business, and where you made your money was in the changes. Because what will happen, you will bid it at cost or even below cost to get the job; but when you are getting change orders you can charge 500% above costs, and there is

nothing that can be done about it, because it is priority or specifically specs items. So if they bid it, who is going to monitor the changes?

Ashley Williams: So, I will backup just really quick. When I say conservative, I am not meaning low, I am meaning I am being just a little above realistic just to make sure that we have captured that very issue, if we had some change orders that we allowed ourselves some room. The change orders have to be confirmed, and reconfirmed by DEQ. So the content is definitely monitored, so we make sure we are being wise stewards.

Bill Maestretti: You're recommending **Option C**. Could you by chance go back to the slide showing the actual location?

Ashley Williams: Sure

Bill Maestretti: So the site is North of the Highway 2, immediately adjacent to that congested area. It is going to come up the hill to that site. How was that site selected?

Ashley Williams: Primarily that site we looked at, do we one, have the room, for both the facility and the irrigation, also including buffers, and make sure it is not impacting other properties. We did look at this property, which is actually owned by the Forest Service, and it does literally take an act of Congress to get take property. We did have some conversations with ITD and they are very gracious in that they are saying, use our property, we will give you an easement, no charge for it, if you can't use it; just give it back to us. So that is a pretty great deal, when you are trying to look for land.

Bill Maestretti: But the southern border of that, is immediately adjacent to congested area?

Ashley Williams: Yes

Bill Maestretti: Can you tell me that there is not going to be any impact as far as that lagoon as far as odor? As far as property values?

Ashley Williams: So probably we can take that into consideration, again I am just preliminary talking here. We would probably put the lagoon up here, right where that line stops, and we would probably put the irrigation here; again the buffer requirement for dwellings is, I believe, at least 300 feet, wells 500 feet, while the drinking water is 1000 feet.

Bill Maestretti: So you are taking the problems of 76 people within the City and running it up and dumping it on people who have nothing to do with the City sewer.

Ashley Williams: Again, the requirements are aimed at not impacting the people. So that would be the goal.

Bill Maestretti: Well if there are 76 units, this again has to do with costs, over 30 years if you're paying \$146.20 it's \$52,000 for that individual to pay for the sewer. If it is increased to \$393 a month, which you state, it is still \$10,000. You understand. There is nothing else that we can do?

Ashley Williams: As far as the options we reviewed, and I feel like....

Susan Ackerman: Where are we suppose to live? I can't afford that. I'm a single, whatever.... I use my water, for shower, washing dishes, and my toilet. That is all the water and sewer I use. I can't afford those prices.

Jerry Rollins: Now, is that a monthly price? Individual? That's bullshit, I'm sorry.

Susan Ackerman: I can't afford any of that. The \$75 a month now, is too much.

Ashley Williams: As to kind of reintegrate

Jim Ball: There are hundreds and hundreds of people just like these people.

Ashley Williams: I understand.

Jim Ball: I held them back, tonight. I tell you what, next time I will not. This place will be so packed. There will be lawyers and everything you can imagine to fight this thing. You can imagine.

Susan Ackerman: There has to be a better way.

Jim Ball: Everybody that is viable at all, over the irresponsibility of this fricken thing will be getting law suits against them. I am telling you, I have seen some stuff that is blatantly... I am almost thinking that they are trying to steer me wrong, on this presentation. This is ugly, this is ugly

Bill Maestretti: One more question.

Ashley Williams: Sure

Bill Maestretti: How was this public hearing advertised?

Ashley Williams: So, the public hearing was advertised in the public newspaper. We also sent news letter to the sewer users.

Jim Ball: Oh no, you sent to the landlords, you lied, you sent it to the landlords, not the sewer users.

Ashley Williams: It was also posted.

Bill Maestretti: When was it in the newspaper?

Donna Wilson-Funkhouser: Two times, the last two weeks, in the legal's.

Bill Maestretti: Thank you very much

Ashley Williams: You're welcome

Joe McClure: We recently just moved here. I am doing the math here, and I can tell you right now, that what you guys are proposing using that lagoon. The values of property will just plummet in that area. You don't move here, to retire, and pay \$300,000 for a piece of property to have it go to shit in a hand bag within the first six months that you live here.

Linda McClure: 2 months

Joe McClure: 2 months, and there are other options, as the gentleman in the front row said, there are other options; that is only a starting point. The last home owner deal that we were in, we did a deal with the Department of Ecology for are water system, it was suppose to be \$1,000,000 and when it all got done it was \$1,800,000. People need to wake up and realize, just because you have a base estimate there, it doesn't mean what the final cost is going to be. It could be double that, or a third higher. I am coming in here and seeing all the rock they got to go through and everything to get where they're going. They probably estimated that like somebody coming in here with a backhoe digging in the sand instead of blasting through rock to get thru where they are going.

Ashley Williams: I think obviously we want the City to be good neighbors and to do the best we can do. If this is the selection to be good neighbors and to make sure there's buffers there.

Jim Ball: That's more money though. Everything you're saying we're going to do as a City, we're going to do as contributor money wise, that's taxes, that's fees. You're not saying we the City, you're saying us the City, it's on me not you, it's these guys more than these guys, it's these guys, they all live here too, but I'll tell you what, this is a lot bigger deal than what you guys were making it out to be, this is horrible.

Bill Maestretti: Is there a mod that has to be voted on?

Ashley Williams: If we're going to comply with the compliance agreement schedule, either a bond or an LID would have to go through.

Bill Maestretti: When would that election take place City Council? Would it be a special election or would it be at the next scheduled election?

Ashley Williams: I don't know that it would be ready for the next scheduled election.

Bill Maestretti: What's the consequence if it's voted down?

Ashley Williams: If the revenue bond is voted down, most likely we would try an LID. My understanding if nothing is met and nothing is complied with, and then there is enforcement action.

Bill Maestretti: Which is?

Matt Plaisted: Which could include violations, long term reparations.

Ashley Williams: fines

Bill Maestretti: How much?

Matt Plaisted: That is unknown.

Bill Maestretti: \$5 a day or \$5000 a day.

Matt Plaisted: It would definitely be more than \$5 a day, but I really can't say at my level.

Ashley Williams: The goal is to come to a solution and try our very hardest to get that rate to be more powerful.

Linda McClure: I want to know does the solution have to be you guys?

Ashley Williams: Me, personally?

Linda McClure: Your plans. Does that have to be our solution or can we go with something else?

Ashley Williams: You can certainly go with something else.

Linda McClure: Ok, that's all I want to know.

Jim Ball: Let's go with something else.

Lorraine Rollins: Let me understand this, so, if we are on City sewer and water, we don't have the option of doing the septic?

Jim Ball: On the City sewer, there's no law prohibiting us getting off. I've been trying it, but you can't get off the City sewer if you're on it right now, without a change in City ordinances. These guys have all the pull, and I can tell you they don't like this either, I know these guys.

Lorraine Rollins: Would that be something to look into?

Tim Narvaez: I would like to say something. I want to thank you all for being here, for all the good questions and comments. Mr. Jimmy Ball brings up a very good point that I brought up a year ago and was chastised for it, right in this room to go back to septic systems. Now, is there a Panhandle Health represented here this evening? They were invited, is that correct?

Donna Wilson-Funkhouser: That is correct. Panhandle Health said DEQ has jurisdiction here.

Jim Ball: Because of the flows, currently.

Tim Narvaez: So, Jimmy was correct about this one acre minimum thing. You're in trouble. There is no minimum lot size through Panhandle Health, if you meet their criteria. Setbacks primary and secondary fields, that's it. That's all, that's it. I talked to Senator Keough today at great length, she's on board, she's aware now of what is transpiring up here in this little backwoods community. We're great folks, but we're a backwoods community, we're low income, Boundary County, c'mon. She is aware, totally, and she passed me also to Dan Redline, who is DEQ, these folks' boss. And we spoke at great length. One of the major questions, one of them that I asked him, is was how we get our sewer system legally to private septic tanks, legal private septic tanks. That came after we discussed the old system that was nothing more than a hole in the ground, no chance to aerate, no chance to regurgitate, nothing. He said to present this question to Matt, how do we do it? You are our go to guy and you don't have to answer that right now, but Dan said it can be done, he doesn't know how. It needs to be looked into.

Matt Plaisted: Well, certainly since it's a City ordinance, it's out of my control.

Tim Narvaez: I'm not going to do it at this meeting, but I am going to pass a motion to rescind that 200 foot ordinance, if you're within 200 feet because the people that can get off can get off and will get off. To take it to the next level with Panhandle Health. Where's a question for you, from where would it hold our flow to get rid of you? To have legal private septics, permitted, legitimate, legal? That lowers the in and out flow which brings us under another criteria.

Matt Plaisted: That is that 2500 gallons a day, that Mr. Ball spoke to earlier.

Tim Narvaez: Per land?

Matt Plaisted: No, total flow. So it comes down to if it's a City owned system, you'd have to get down to below 2500 gallons per day. If it's individual drain fields, you just have to meet Panhandle Health District's setback criteria.

Les Swanson: So what is our flow rate right now?

Ashley Williams: It's approximately 320 gallons per day per connection; for each house.

John Nelson: 25,000 gallons. That's over 10 times the limit.

Ashley Williams: You're about 70 gallons per day per household over what would put you to that, under that 2500 gallons.

Ashley Williams: Are there any other questions you have for me? Because I think we've covered it.

Jim Ball: So if we procrastinate this particular thing to where it was requested earlier to get another extension from DEQ out to a couple of months. I don't really like the idea personally; I like the idea of getting this thing over with. This is my opinion personally; we need to go heavily against the proposal.

Jerry Rollins: I can't really hear.

Jim Ball: Basically my question is to you; where will the proposed continuation keep us in contract with you. If the proposed continuation is for DEQ to get us more time? Because we want out of the contract, I think, personally. How do we do that?

Ashley Williams: That's really a question for the City.

Tim Narvaez: Jimmy, or folks, if I could touch base on that, in my conversation today, it's on my list. I'm just kind of going through a bunch of little things here. He can ask and we can field DEQ and we can ask for another extension; these were givens per their boss.

Jim Ball: Does it keep us in bed with them?

Tim Narvaez: Well, what it does is it gives us time as needed to make the right choices. And you can bet we're all trying to make the right choice.

Jim Ball: We need a clear different direction. Otherwise it's a waste of time.

Tim Narvaez: Absolutely, that's why I brought up the things about going back to this private septic, lowering our flows; eliminate, eliminate, eliminate. That is in your pocket as of 7:30 Pacific Time, 8:00 or whatever time, 8:05, as I can't see it from here. So, we need that answer, we need that answer. Because according to Senator Keough, and according to Mr. Redline, that's part of us doing our due diligence as a City, so that we are not kicked to the curb by a big dog because you can't then; because we are moving forward and doing the right thing. So that might help answer a lot of questions out there. I did make the comment if you are within 200 feet of our existing sewer. I am prepared, I'm going to wait until next year, there are several things I'm going to bring up at meetings, but this meeting but I'm just going to focus right here of rescinding the 200 foot ordinance, if you qualify and can't get on a private septic. Back to you, we are waiting for your answer, and I have no problem delegating responsibility.

Les Swanson: So, I have a question. If you don't have the area, I do, but I'm just saying, for, like the old lady for the septic to go in if she doesn't have enough area, what does she do?

Jim Ball: She can go across the street to your place and use the land per an agreement.

Les Swanson: That's what I'm saying except sometimes you can't share water with a neighbor because it's against the law. So I want to know, if that old lady could pump into my system.

Tim Narvaez: I can't answer that. I'd send you to Panhandle Health right off the bat.

Jim Ball: I can tell you from experience, you're going to have to have your own tank. Everyone is going to have to have their own tank. You can share fields though; you can share up to 2500 gallons. Somebody needs to get engaged with a private sewer system that is under the guidelines of Panhandle Health.

Les Swanson: Why can't the City purchase a piece of land and pump it all to this piece of land?

Jim Ball: Well, they can't do it because if they go over the 2500 gallons a day, then they're subject to it. But a private sewer system can be formed; and a private system can be formed and is administered by a board, could be just totally free of all this crap. Then it could deal with this sewage at 2500 gallons a day or less, or less than 2500 gallons of flow. They only look at that frickin 6 feet off the line; they won't go to this garbage, as a whole, whatever they went off this hydraulic thing they have here, saying that's stuff's going a mile. They don't even look at that, if you know what I mean, if they did, no one would get approved. I'm almost guaranteeing that. I'm not saying 90 percent can jump off right away because they have enough land because 90 percent would have to jump off to bring them into the 2500, 90 percent that is a lot. I actually disagree with the number personally because, I got 9 units approved on one acre and that was under 2500 gallons of flow. The numbers you guys were talking about was only 7, so I'm like why is it only 7 when it was 9 last year? Panhandle Health bases it on the number of bedrooms, so we're going to have to go back to the drawing board. Get some bricks, take a map. I have this on a note, if you can't explain it on one piece of paper, it's probably bullshit. Most big business people, when they do a deal, they come in and say explain it on one paper, look at that thing, it's a behemoth, you need a wheelbarrow to carry it, that thing is like 2 inches thick; and then they say, just trust me. When we were looking at the slides, they said Panhandle Health says 1 acre minimum for the sewer system. Trust me on the size. Someone should go to the small print. We need a \$30,000 auditor to look at the book. This is ridiculous, I think everyone agrees. The question is we are going to push it out 2 months to get past the holidays, that sucks. We have to get out of this crap.

Les Swanson: Well that was my next question. I just threw 2 months out. How far out of an extension can we get Tim? Was that question you asked when you talked.

Tim Narvaez: No, that is not a question I asked, but I was told that you cannot get out of an extension. I still have a few things to address also, but the main thing right now, is to get this all submitted to DEQ and then we can do further; we appease the State at that time. We get this done, we come in the 27th, we sign the paperwork, their appeased, then we are free to go to the next level using common sense and all the options and alternatives that are at our fingertips. We then become not the slave of Welch Comer but the boss of Welch Comer or someone else. That's the bottom line. That want we want; we are glad you're here, but once this is done on the 27th, they're going to submit it and we are not slaves.

Jim Ball: Now you at least know why they are at. It's because of us. You know what I mean. That's why this is such a great community.

Les Swanson: Tim, If we pass this, let's say we pick Option C; that's what we're going to go with. Are locked into that option on the 27th? If we have to be locked in on Option C on the 27th, I say ask for the extension. If we are not locked in, do what you guys have to do to get the DEQ off our backs etc., but that's only if we're not locked into this.

Ashley Williams: I can answer that too. You can select Option C on the 27th, if you find a better plan, we can amend the plan and go forward with something else.

Jim Ball: We Welch Comer or We the City?

Ashley Williams: We the City.

Jim Ball: Without Welch Comer?

Steve Cordes: You can fire us at anytime.

Jim Ball: Like currently?

Ashley Williams: If you would like to.

Jim Ball: Like there is no contract?

Steve Cordes: The contract is about done, when this is completed.

Jim Ball: Anytime? Like currently? There's no contract?

Ashley Williams: There is a contract. When it's submitted on the 27th.

Jim Ball: The 27th

Bill Maestretti: You said that Option C was recommended.

Ashley Williams: Yes

Bill Maestretti: Because one example is the Forest Service wouldn't let us use their land.

Ashley Williams: It would be labor.

Bill Maestretti: Somebody needs to tell the Forest Service that's not their land.

Ashley Williams: We are certainly not locked into that site. If there are more advantageous site, we can look at those. At this point, that appeared to be the best site.

Susan Ackerman: I have a financial question. What do you plan on doing for those people that can't afford a massive increase every month?

Tim Narvaez: There is supposed to be, if I may, to the best of my ability; a study done by DEQ? USDA? to look at the incomes of the people in this sewer zone. I don't call it a district, it's not a district, to me it's illegal, because it's the City sewer but it doesn't encompass the whole City. The City residents don't want any part of it, don't want to support it in any way, it's the red headed stepchild down there and I think that's very wrong, but that's neither here nor there. So, who is doing this income research to base these things on?

Susan Ackerman: I mean it's not a medium thing, different people make different amounts of money; some have two people as wage earners, and some one; and are almost retiring age.

Ashley Williams: I believe that the Department of Commerce, the grant that was \$350,000, they will do a household income survey for your specific area. So that they can gauge what grant level.

Les Swanson: Will that be a household income for everyone in this area? Or just the 76 of us? Minus the Mill, because you can't take their income, because that would just skew it. Will it take the 76 residents?

Ashley Williams: I believe so.

Les Swanson: Believe take the 76 residents?

Ashley Williams: I believe so.

Jim Ball: I think there is a solution for under \$500,000. If a person could be let I think there is a solution under \$500,000. Legally. I can sit down with anybody and chat it up; with real terms and real money, anybody that is willing to. If we can sit down, I want somebody else at that meeting, like from Panhandle Health at that meeting. I know it's there and I would like to know why it's not here.

Tim Narvaez: I'd like to ask one question for clarity. We're at \$45 per month per hookup that needs to go, yes or no, to \$49 to get to that level of loans?

Ashley Williams: You don't need to raise them at this point to qualify for the grants. This project itself, if you were to finance through DEQ, we would look at your current rates plus how much it would take to service the debt, to pay back that debt on doing the construction project, and that combined cost is what would say if the rate was too high and so we need to put in principal forgiveness dollars, so you don't need to do an additional rate increase.

Susan Ackerman: Not now, is what you're saying.

Ashley Williams: If you were to borrow money, you would have to increase your rate increase to pay back that money that you borrowed, but at this point in time, I'm not saying you need to raise your rates at all.

Tim Narvaez: So that \$49 that I heard was incorrect.

Ashley Williams: Correct. Anything else?

Tim Narvaez: You mentioned a citywide vote. The City doesn't give a damn about this down here, we need to not have a citywide vote, we need to maintain the people that are hooked up.

Jim Ball: If you get rid of that hookup within 300 feet, expansion is really, and I've thought this out, you can talk about this all you want, but the only way for this to make sense is to expand the system. I tell you what, it's only a matter of a few more administrations before pipes are going up that hill and we are affected. I think it should be citywide as long as that ordinance is in place.

Tim Narvaez: I believe, personally, for what it's worth, on the record, it should either be eliminated or citywide.

Ashley Williams: And that was why too, we presented the LID option because you could capture just...

Susan Ackerman: Can we slow growth to this area and not allow a lot of future growth to come in to make that sewer line more expensive for us?

Tim Narvaez: If I'm hearing you right, the more people that are hooked up, it should be easier to pay the notes back?

Susan Ackerman: Yes, but I mean, places that don't exist yet. The lines will go past that area because you're thinking it's going to be developed, but they're not going to pay for it, we're going to pay for it.

Tim Narvaez: Well I threw out at one point in time, during a meeting, that we should have; this is just my thought throwing things out, thinking outside the box, an assessment fee like a school fee, an annual payment per parcel, for improvement and expansion on the City sewer system that helps maintain this, and helps overcome this.

Jim Ball: So if I put in 3 quarter acre lots next to Joe Schmo, they literally come in here and will stone me to death. Their proposals talk about smaller lot sizes out in this area, but the only benefit to having City sewer service is smaller lot sizes, and being able to slam houses in. Who wants that? Go for a vote. You're never going to get a vote passed. Over half the people in this town rent from me, I can tell you this, this vote is not going to pass, and you're going to have to go get a court order. For that, you're going to have to show there are no other options, and we'll have a team of people to show the other options. The plan is shot, this conversation is pointless. The plan is shot. It's been shot, since, this frickin thing, 3 stupid ideas

Bill Maestretti: In regards to the entire town paying for this, I'd also like to say for the record, that if you receive no benefit, you shouldn't pay for it.

Tim Narvaez: There you go. You have a pro and con on every side. That's the American way.

Mayor Chad Farrens: Well everyone knows we have to wait for the 27th.

Bill Maestretti: Unless you get an extension, they said send a letter and they would most likely set an extension.

Steve Economu: On the monthly rate schedule, you stated that was for Option C and those prices anywhere from \$177 to \$250 or whatever. Will those rates change either up or down with those other Options?

Ashley Williams: They would certainly change depending on the Option.

Bill Maestretti: Higher or lower?

Steve Economu: It might cost 4 million dollars to start with, but if the monthly fee was dropped to \$30 versus \$250, you see what I'm asking?

Ashley Williams: I think those are given the grants and loans that we know about right now. There are a lot of different combinations and potentially if DEQ throws in a lot of loan principal forgiveness, if the USDA throws in a lot of grants those could be very low. They could be a lot lower than what I have right there, even funding the 4 million dollar projects.

Mayor Chad Farrens: You have D on their, that was 1.5 million. If we could find the right property that would put everybody down where they should be at.

Ashley Williams: Yes and I think that if you can find a feasible property that's certainly an option.

Jim Ball: Fundamentally, Plan D is actually the same as going to private because literally it's leach fields.

Mayor Farrens: Right, that's what I was saying.

Matt Plaisted: It's concentrating it, rather than having it dispersed over the City, you're concentrating it.

Jim Ball: Well, you wouldn't necessarily have to concentrate it. If you have enough ground you can spread it all around and still fundamentally it's the same thing, the sewage is going into the ground.

Ashley Williams: I can tell you that was the option we were hoping to go with.

Jim Ball: But at 1.5 million, that's the option we're all wanting to go with. When we starting hearing the numbers it was almost like is this a political strategy. I'm going to have a conviction. I am not opposed to anyone in this room. I am just a passionate person, and saying what I mean.

Terry Johnson: I want you to explain to these people why that property won't work for a drain field.

Matt Plaisted: So, we took a look at the property, and basically it comes down to the soil. What you get high percolation, low treatment, so not a lot of treatment by the time it hits the ground water and moves on down to the river. We ran a very preliminary assessment and threw in some pretty conservative numbers as far as the total nitrates; and in this case that is what we are worried about the nitrates in the wastewater. And we model this out to see what the impact were and we just couldn't demonstrate there were no impacts down to the river.

Jim Ball: Did you dig holes over there? Did you dig holes all around to see the soil quality?

Ashley Williams: Yes, and there were test done.

Jim Ball: 10 holes? And that was your soil test quality that were verified

John Nelson: It was perfect for a drainfield, but not perfect for a hydro-geologic study

Jim Ball: So it does treat the ground to some Idaho code.

John Nelson: Well, if you were to go up there and break that into 1/4 acre lots; Panhandle Health would let you do it. Basically, because we are concentrating that whole flow on one large piece of property

Terry Johnson: DEQ is telling you that we are going to be putting too many nitrates into the river; but they are putting nitrates in the river; so you figure it out.

Jim Ball: I was just talking to another really high official of this County and they had the same story about the City of Bonners. You can do research on this; and find all of this; just literally baffling the amount of inefficiencies that surround this type of deal, and for a guy that is just nuts and bolts, common sense, grind it out kind of work; you get involved in some of this stuff; it literally you just want to take and blow your own brains out; that is what it feels like. And this is the deal we are allowed to do it by this code not by this code and it took us thousands and thousands of dollars just to get here. Lots of thousands, we could be way on our way to doing something, for real.

Ashley Williams: Does anyone have any other question?

Donna Wilson-Funkhouser: When you say about the audits is that different than the audits we have for the IRS?

Ashley Williams: It is. Yes, unfortunately, yes.

Jim Ball: I think, Deborah does them.

Donna Wilson-Funkhouser: No, it would be a different type of audit. Not just a book audit. We already have audits.

Jim Ball: Sorry man! You have a light in your eye.

Ashley Williams: Okay let's turn this over.

Mayor Farrens: Is everyone done talking now?

Steve Cordes: I just have one kind of comment. I agree with you; that once you hit the 2,500 that is when it becomes the problem; and that is when it becomes a large scale absorption system, and you got to meet all of DEQ rules. So if we do anything as a City that creates drain fields that are over 2,500 gallons that is where we get into problems and we have to pass the nutrient pathogen test, and we had a lot of different guys look at it, and they said that you are not going to pass that. So, I am on board with you, I like the idea of doing a large scale absorption system.

Jim Ball: Why didn't it make it to the thing?

Steve Cordes: Because the City can't own one, they can't break it up into lots of little pieces to stay under the purposes of doing that.

Jim Ball: Why? Is there a law against it?

Steve Cordes: There is.

Jim Ball: So, but private it could.

Steve Cordes: Yes, if you disbanded the sewer system into a whole bunch of private systems.

Jim Ball: But wouldn't that have been a decent idea to purpose, that there could be a private sewer system.

Steve Cordes: To disbanded the sewer system? I guess, that was not one of the options.

Jim Ball: That is a reasonable proposal.

Mayor Farrens: I remember something like that.

Steve Cordes: The hope was to find a public solution, that would work as a public system. I realize that it is wildly expensive, millions of dollars, but go back to the funding agencies, and see if could kick in enough grant money for that option.

Jim Ball: Get back to the horror stories of these USDA loans.

Steve Cordes: We do a dozen of them a year, probably.

Jim Ball: I just personally, and I am not into this stuff, I heard a horror story. How do I hear a horror story? Being some Joe Shmo, that doesn't know anything, why do I personally hear a horror story? The night mare of that procedure.

Steve Cordes: We just did a project in Rose Lake, where it was .85 percent money for 40 years. They are doing some really good stuff over in the silver valley. They gave a \$1,000,000, grant because they kind of the same deal.

Jim Ball: Where does that grant money come from?

Steve Cordes: You, me, everyone, All over, federal money. It is grant money.

Jim Ball: So they loan out tax dollars?

Mayor Farrens: Hey Jim, Could we close the Public Hearing?

Bill Maestretti: I realize that we were anxious, excited. I am sure that everyone here would like to thank you for taking this time, showing us what is going on, and putting up with us.

Ashley Williams: I appreciate that.

Mayor Farrens: At this point I am going to close the public hearing, and table it.

Public Hearing Closed: