

**REGULAR MEETING OF THE BOARD OF DIRECTORS
& EXECUTIVE SESSION**

Southside Water and Sewer District
P.O. Box D, Sandpoint, Idaho 83864
February 19, 2025

Call to Order and roll call: Chairman Jack Howard opened the meeting at the District Maintenance Shop at 2:00 pm and a roll call confirmed that Kass Larson, Doug Bopp and Brett Babcock were present. Gregory Keiber was absent.

Others Present: Treasurer Julia MacDonald, Operator Jason Barnhart, Auditor Bailee Schnider from Hayden Ross and Dan Larson from 7B Engineering. Attorney Susan Weeks from JVV Law was present via remote access.

Approval of the Agenda: Mr. Larson made a motion, seconded by Mr. Bopp to approve the agenda and it passed unanimously.

Members of the Public:

NEW BUSINESS – ALL ITEMS ARE ACTION ITEMS

FY2023-24 Audit Presentation – Hayden Ross:

Bailee Schnider from Hayden Ross presented the final audit for FY 23-24. She added that there were no disagreements with management, internal controls are being followed, and they are happy with Board and Management. Ms. Schnider then reviewed the revenues and expenses for each fund, the restricted funds for capital and debt service, and the net position of the District. She updated the Board regarding the recently adopted GASB guidance for restating accounting corrections in the financial statements and explained that during fiscal year 2024, an accounting correction was needed to record grant revenue related to prior year expenses.

USDA Rural Development Project Review:

Chairman Howard presented slides and explained the rationale for a USDA Loan request. The assumptions were presented as 40 years at 4%. He explained the benefits for the District were to modernize the mechanical sprinkler operations at the land app site to reduce labor costs and provide central manifolding capability. The manifolding would provide the option to land apply to the different zones independently. He also explained that the facility plan calls out aeration as a constraint to capacity for the District and that the maintenance of the current lagoon liner isn't possible without a secondary maintenance lagoon which is in the future plan for the leased 15 acres. The loan would also include the payoff of the lease due to the land's important component value for the necessary improvements and to remove the lease payment obligations. Mr. Bopp expressed concern that the quote from Excel irrigation for the sprinkler improvements doesn't include meters and questioned the need to put in additional lines. His opinion was that a large investment has been made in engineering, time, and materials and the current system already meets the needs of the District at this point in time. Mr. Barnhart explained the location of the lines and centralization for the manifolds is to make the management of the two separate units easier and Dan Larson pointed out the advantage of retention time in the line to aid with chlorination. The Board discussed the plan and requested the presentation to differentiate what will be retained versus what will be replaced and new. The Board also discussed finding better trade-in value for the current handlines.

Attorney Susan Weeks explained that there are two options for funding public works projects.

1. Bond and Levy where it goes for election and approved with a 67% vote - or
2. Judicial Confirmation – ask the court to approve funding for operation and maintenance of the existing system.

The attorney explained that a declaration letter from the engineer will be needed that explains that the District is requesting funding for “an up-to amount” to address ordinary and necessary improvements for the existing system.

Mr. Larson made a motion to authorize the District Attorney to proceed with Judicial Confirmation for the irrigation overhaul and modernization with a USDA loan and with a second by Mr. Babcock the motion was passed unanimously.

Will-Serve Language Review:

The Board reviewed the language in the District’s standard will-serve letter and the attorney stated the letter should specify clearly how many ERU’s the District will serve for a property. She noted an item in legislation that proposes to allow all properties in Idaho the right to build an ADU regardless of zoning or CCR’s. This added clarity in the will-serve language allows the District to deny service for additional units based on the original commitment.

Request for Will Serve – East Comeback Bay:

In regard to the request for a minor lot division at 81 East Comeback Bay, the Board discussed the limited capacity of the District and the obligation to provide sewer service as capacity allows. After discussion, the board decided to allow the lot split and to serve the new parcel as long as there is still capacity.

Source Water Protection:

Chairman Howard presented slides and explained the groundwater protection overlay zoning proposal and the discussion with Bonner County. He stated the overlay zones would be for protecting water quality within protection zones and discussed possible and existing contaminants in the area. Kass Larson explained that the overlay wouldn’t deny commercial ventures but would potentially add constraints to protect the water within zones. This can be done as a citizen or can be done by the District and after Board discussion of the scope of the project, the Chairman will seek additional involvement from entities or individuals interested in protecting the water.

Monitoring Waiver Application:

After discussion of the DEQ monitoring waiver applications for IOC’s, SOC’s, and VOC’s, the Board agreed that the District should apply for the 2025 waivers due to the District’s low risk for these chemicals in the water and the relatively high costs for the tests. Even if the waivers are approved, the District can still do the tests if they want.

Capital Project Review / Update:

Ms. MacDonald informed the Board of an added emergency project at 396 Lakeshore due to a water leak. She noted the total Invoices to date: \$22,093 to replace the service line from the edge of the road to the meter bank and to replace 4 meter boxes and meter sets.

New Building Permit Review:

None Presented

Board Member Status – May 20th Election & Declaration Requirements:

Ms. MacDonald provided the candidate packets that are available for interested candidates at the office. The validated candidate packets are due to the County Clerk by March 21st.

OLD BUSINESS – ALL ITEMS ARE ACTION ITEMS

Bahia Del Sol Subdivision:

The Chairman updated that the Bahia Del Sol item can be removed from the agenda

CONSENT AGENDA

Next, Mr. Larson made a motion, seconded by Mr. Babcock to approve the attached consent items and the motion was approved unanimously.

Minutes

Paid Invoices

Approval of Financials

Treasurer's Report

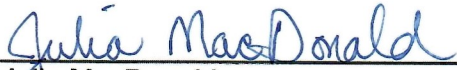
Maintenance Report

Executive Session - Idaho Code 74-206 (c) Deliberate regarding an acquisition of an interest in real property

The Board unanimously voted to enter the executive session at 3:41pm. Mr. Keibler was absent. The Board exited executive session at 3:50 pm.

Adjournment: A motion by Mr. Babcock and a second by Mr. Bopp was made to adjourn the regular meeting of the Board of Directors at 3:53pm and the motion was carried unanimously.

Respectfully Submitted and Approved:



Julia MacDonald
Treasurer/Administrator



Jack Howard
Chairman of the Board