PUBLIC HEARING & REGULAR MEETING OF THE BOARD OF DIRECTORS
Southside Water and Sewer District
P.O. Box D, Sandpoint, Idaho 83864
August 20, 2025

Call to Order and roll call: Vice Chairman Kass Larson opened the meeting at the District Maintenance Shop at 2:00 pm and a roll call confirmed that Brett Babcock, Doug Bopp and Gregory Keiber were present. Chairman Howard was not present

Others Present: Treasurer Julia MacDonald and Operator Jason Barnhart.

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

Members of the Public: Andrew Hobbs from Sherwood Development

2025-26 Budget Hearing – Action Item
Vice Chairman Larson opened the hearing at 2:10 pm, following a motion by Mr. Bopp and seconded by Mr. Keibler and with no public present the hearing was closed at 2:11 pm following a motion by Mr. Keibler and a second by Mr. Bopp.

NEW BUSINESS – ALL ITEMS ARE ACTION ITEMS

Adopt Budget FY 2025-26:
The Board unanimously approved the final FY2025-26 budget following a motion by Mr. Bopp and a second by Mr. Keibler

Lease Renewal – FY 2025-26:
Following a motion by Mr. Keibler and second by Mr. Bopp, the Board unanimously approved the renewal of the 15 Acre Linscott Lease for the next fiscal year.

Consider Amendments & Set Public Hearing Date to Amend FY24-25 Budget:
Ms. MacDonald stated that the proposed amendments were for unanticipated increases in revenues and expenses in the current fiscal year and mostly attributed to grant income, capital expenses, and increased sewer and water revenue and expenses. She indicated that there would be additional updates to enter for the month of August and she would send out the changes before publishing.
After discussion, Mr. Bopp made a motion to approve the proposed amendments to the 2024-25 budget with the addition of the August income and expense updates and to publish the amended budget for the hearing to coincide with the September Board Meeting at 2:00 pm. and with a second from Mr. Keibler the Board unanimously approved the amended budget. Mr. Keibler noted that he would like to change the September board meeting to the fourth Wednesday due to previous commitments and staff was directed to confirm with the Chairman before publishing the budget.

McCracken Easement Agreement – Approval:
The board reviewed the McCracken easement agreement, which was drafted by attorney Susan Weeks. The agreement includes a temporary construction easement and a permanent easement on the McCracken property, which is adjacent north of the water reservoir property. In exchange for the permanent easement, the McCracken property will receive a second water connection. This agreement is a covenant that will remain with the property through any future

ownership changes. The landowner will be responsible for standard operation and maintenance costs once they are connected to the water system. However, they will not be charged non-user fees until that time.
After discussion, Mr. Keibler made a motion to approve the easement agreement, as drafted, and to authorize the Chairman to sign the agreement. With a second from Mr. Bopp, the Board unanimously approved.

Audit Engagement – Hayden Ross:
The Board discussed renewing their audit engagement for the upcoming fiscal years. They noted an increase in fees, from $7,150 to $9,000 for the current fiscal year, with further incremental increases projected for 2026 and 2027. Ms. MacDonald expressed satisfaction with the auditors, noting their long-standing relationship and the ongoing assistance they provide. With a motion from Mr. Bopp and second by Mr. Keibler, the Board unanimously approved to engage audit services with Hayden Ross for the next three fiscal years.

Change October 15th Board Meeting to October 22nd:
Ms. MacDonald explained the short time frame to prepare the end-of-year financial statements and would like to change the October Board meeting to the fourth Wednesday of the month. month. All Board members present approved, and staff was instructed to consult with the Chairman and Mr. Babcock for their availability.

Transfer Funds Request – Q3 Capital Expenses
Ms. MacDonald requested authorization to transfer the third-quarter capital expenses from the capital savings account to the O&M account to replenish $35,423. With a motion from Mr. Keibler and a second from Mr. Bopp the motion was unanimously approved.

Capital Project Review / Update:
The Board reviewed capital expenses, including the replacement of the Tyler lift station pump and increased costs for the Farmin lift station project.

New Building Permit Review:
The Board discussed a new building permit for a shop with no plumbing at 214 Birch Haven. Ms. MacDonald proposed adding a comment to the sewer sign-off stating that any future plumbing additions would require District approval. The Board authorized the Chairman to sign the sewer sign-off with the added comments.

OLD BUSINESS – ALL ITEMS ARE ACTION ITEMS

USDA Rural Development Project Review:
The Board discussed securing a loan for water improvement projects, including a waterline connection and pump house facility. Staff confirmed that a judicial confirmation hearing is scheduled for September, and the attorney had posted the hearing notices in the paper as required.

ARPA Review:
Staff updated that the bid opening for the revised tank project is set for August 27th. Mr. Bopp expressed concern about concrete pouring this year given potential weather impacts and the tight timeline. He wants to consider moving the construction to Spring 2026 and will consult with 7B regarding his questions. The Board discussed developing a fallback strategy for the tank project in case weather conditions prevent concrete pouring. After bids are received, the Board will need to schedule a special meeting, potentially remote, to approve them.

CONSENT AGENDA

Other Director Report:
Mr. Bopp noted that a planned gas line by a developer could complicate future sewer pressure line projects on Lakeshore Drive. He also reported that an individual is considering purchasing the Lodge to convert it into condos.
Mr. Larson reported concern over recent spikes in water usage. The plan is to review usage data and develop a new tiered rate strategy to promote water conservation.

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

Minutes	**Paid Invoices**	**Approval of Financials**
Treasurer's Report	**Maintenance Report**	**Engineering Report**

<u>Adjournment:</u> A motion by Mr. Bopp and a second by Mr. Keibler was made to adjourn the regular meeting of the Board of Directors at 3:30pm and the motion carried unanimously.

Respectfully Submitted and Approved:

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Julia MacDonald	Jack Howard
Treasurer/Administrator :	Chairman of the Board