

Meeting Minutes: Southside Water and Sewer District

Regular Board Meeting & Executive Session

Meeting Information

- **Date:** Wednesday, February 18, 2026
 - **Time:** 2:00 PM
 - **Location:** District Maintenance Shop – 1670 Lakeshore Drive, Sagle, ID 83860
 - **Meeting Chair:** Jack Howard
 - **Minutes Prepared By:** Julia MacDonald
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1. Call to Order

The meeting was called to order at **2:00 PM**

Attendance

- **Board Members Present:** Greg Keibler, Kass Larson and Doug Bopp. Brett Babcock was present via remote access
- **Staff and Consultants Present:** Treasurer/Administrator, Julia MacDonald and Maintenance Supervisor, Jason Barnhart

Approval of Agenda (Action Item)

Agenda Amendment: Mr. Larson moved to amend the agenda to include the Keller proposal for managing the new well facility building construction. The addition was requested following the late arrival of the proposal, immediacy of decision, and concerns regarding its scope and cost. The motion to amend the agenda was seconded by Mr. Bopp and unanimously approved.

2. Public Comment

Attendance

- **Members of the Public:** Troy Krumenacker – Fry Creek Peninsula.
- Mr. Krumenacker shared the sewer service connection options following his meeting with 7B engineering. Two of the options involved a shared system and were found to be too regulatory and expensive. The other option involves installing individual, private

pump systems with separate lines across the creek. The Board reiterated that the engineer should spec the system and refer to the District service guidelines. The District informed Mr. Krumenacker that they will provide a conditional will-serve letter, as previously discussed, and there would be four hookup fees, one for each building.

3. New Business (Action Items)

Water Facility Building - Keller Engineer Proposal: The Board reviewed a \$138,380 proposal from Keller for construction inspection services. The Chairman outlined the construction timeline, noting that documentation downloads for contractors were imminent, with qualification statements due on March 6th. Qualified contractors would receive an invitation to bid, with contractor selection expected by the end of March. Inspection services would likely not begin until April. Chairman Howard suggested that the District request 7B Engineering to perform these services on a time-and-materials basis instead. The Chairman clarified that declining the proposal for pump house construction management would not impact Keller's other ongoing projects, such as the permit renewal process, which is nearing completion.

Following discussion, Mr. Larson moved to reject the Keller proposal based on the high cost and to engage discussion with 7B Engineering. The motion was seconded by Mr. Bopp and carried unanimously. Chairman Howard will communicate this decision to Keller and pursue the alternative option ensuring a plan is finalized by the next board meeting.

Fish Hatchery Billing: The Board discussed the Fish Hatchery billing, noting that the District had previously provided water at no charge due to a verbal agreement allowing the District to use the Fish Hatchery facility for monthly meetings. With the Board no longer using the facility, Mr. Larson made a motion to activate the water account, without seeking retroactive payment and with billing commencing March 1, 2026, With a second by Mr. Bopp the motion was unanimously approved. Chairman Howard will follow up with a letter to inform them of the change and staff was instructed to activate water billing on March 1, 2026.

Surplus Inventory: The board considered methods for disposing of surplus equipment that include 235 used meters, 8 new stock meters and 8 old style dialers. The options discussed included transferring equipment to another public entity, public sale (which requires newspaper notice), or recycling. The board decided to investigate the cost of public sale notification. The board noted that the unused meters and the unused dialers hold commercial value, selling for \$200 to \$400 each. The Board discussed setting up an official government eBay account to sell unused stock, as a method for generating revenue from the surplus equipment.

A motion made by Mr. Larson to set up an eBay account and to approve the list for disposal. The motion was approved with a second from Mr. Babcock.

Hubbard Lane Water Line: Mr. Barnhart informed the Board of customer comments regarding a sediment issue in the water line at the end of Hubbard Lane where it dead ends. He confirmed the issue and proposed adding a blowout valve at the end of the water line as a solution.

A motion was made by Mr. Bopp to add this project, estimated to exceed \$5,000 for materials and labor, to the capital project list for water. The motion was seconded by Mr. Larson and passed unanimously.

Annual Reuse Permit Report: Chairman Howard reported on the annual reuse permit and highlighted significant cost savings. He noted that the report is now being produced internally thanks to Mr. Larson's submittal facilitated by Mr. Barnhart's record organization, resulting in ongoing savings for the District.

The annual report review indicated that nitrate influence is being observed in the upgradient wells, potentially originating from septic systems in Sagle. Chairman Howard expressed concern that the septic density is influencing the monitor well, which is currently serving its intended purpose. They also discussed testing the north well, which is nearer the pond, and the adjacent well at the Linscott's to determine if a nitrate reading is a well issue or a true groundwater issue. Mr. Barnhart was instructed to arrange for a comparative sample of the Linscott well this spring.

Capital Project Review/Update: The review of the capital projects noted that the Farmin lift station is complete and the work at the Swans lift station was canceled due to weather but is scheduled for completion next week. The updated capital expense report shows that the budget for sewer capital projects is depleted, though additional funds are now available from recent hookup fees that were collected.

Building Permits: A discussion was held regarding how to allocate credit from Local Improvement Districts (LIDs) paid for by the Browns across newly created parcels at Bahia Del Sol. While only 24 paid LIDs are available there are 27 parcels in the subdivision. Staff was instructed to apply a logical approach to assigning the LID's and communicate with Mr. Brown, asserting that the allocation decision rests with the District.

The Board discussed a building permit at 33 Birch Banks, where a sunroom and patio were added and the County required a sewer sign-off from the District. The Board had no concerns and approved signing off on the permit.

Sewer Connection Violation: The Board addressed a sewer connection violation at 109 East Comeback Bay, where the owners connected without inspections and without paying the hookup fee beforehand. Staff was instructed to send a formal letter of violation stating the District requirements for an inspection.

4. Old Business (Action Items)

Long Bridge Marina: The Board confirmed that the Long Bridge Marina expansion project has been denied by the County and the item is considered concluded business for the District.

Ordinance Amendments: The Board reviewed proposed amendments to Section 13 of the ordinance regarding District improvements and expansion. A key point was clarifying the difference between expansion for growth, paid for by the developer, versus expansion necessary

for maintaining existing services, paid for by all customers. They discussed revisions to clearly distinguish between the "cost of expansion" and the "obligation to maintain and operate" the system.

A motion by Mr. Larson to send the draft ordinance for legal review to Susan Weeks (the district attorney) with the agreed-upon revisions was seconded by Mr. Keibler and passed unanimously.

Rates and Fees: The Board continued the consideration of District fee schedules. They discussed the revenue deficits and the challenges of covering future depreciation costs which are projected to increase significantly with the new water projects that are nearing completion. They discussed rate adjustment strategies due to the current rates not keeping pace with the cost of expenses. To increase transparency, a concept was introduced to designate a portion of the rate as an aging infrastructure replacement fee and staff were instructed to research the concept. Mr. Larson will continue to work on adjusting the tiered rate model to align with expenses.

The Board discussed other possible ways to generate revenue by selling large tank volumes of water for construction purposes and Chairman Howard will investigate obtaining the full water withdrawal right that matches the current facility plan.

The Board agreed that there is a recognized need to raise the water hookup fee to reflect the current actual cost of replacement. To prevent legal challenges, an engineer's stamp on the calculation is necessary, and Chairman Howard will request 7b Engineering to oversee the calculation for this purpose.

Mr. Bopp noted the significant expense involved in replacing the district's aging lateral water lines, highlighting that several sections will require directional boring at a higher cost. This problem will require significant financial commitment, potentially necessitating a loan.

The Board discussed the need to adjust sewer rates based on dramatically increased operational expenses. The most remarkable cost increases include health care, liability insurance, chlorine treatment, land payments, and subscriptions. Historical data shows that despite previous rate hikes, the sewer fund has consistently been in arrears, though recent performance is better due to expanded use fees and continuous efforts to curb expenses.

Well Facility Project: The bidding process for the well facility project is scheduled to start with bidder qualifications due by March 6th.

ARPA Project: The cellular water meter project is complete. Construction on the water tank is expected to resume as allowed by the weather conditions. Following a site visit Mr. Steve Burns from DEQ approved the current progress on the water tank.

5. Consent Agenda (Action Items)

Motion: Mr. Larson moved to approve the Consent Agenda and with a second from Mr. Keibler, the motion passed unanimously

Items Approved via Consent:

1. **Meeting Records:** Previous minutes and financial statements
 2. **Staff Reports:** Maintenance, Engineering, and Treasurer reports
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6. Executive Session

Motion to Enter Executive Session: Mr. Larson moved that the Board enter Executive Session pursuant to **Idaho Code 74-206 (1)(a) & (b)** to consider personnel matters. Mr. Keibler seconded and the motion passed with a unanimous roll call vote.

Session Details:

- **Entered Session:** 4:20 PM
 - **Exited Session:** 4:31 PM
 - **Action Taken:** No action taken
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7. Adjournment

The meeting was adjourned at **4:31**

Next Meeting: Wednesday, March 18, 2026, at 2:00 PM.

Certification of Minutes

These minutes were Approved/Amended by the Board on March 18, 2026.

Minutes Submitted By: _____

Approved By: _____ **Date:** _____