

Coolin Sewer District
Special Meeting Minutes
Public Hearing Rate Increase
September 25, 2024

The Coolin Sewer District Board of Directors met on September 25, 2024, at the Inn at Priest Lake. Those present were Paul LaCasse, Jim Morse, Josh Christensen, and Jake Copeland. Also present were Chris Morris, Jordan Brooks, and Thad O'Sullivan. See sign in sheet for community members present. Jake called the meeting to order at 4:02.

Jake stated when the Board met to review the budget, their initial proposal was a 5% increase to meet inflation. However, a 5% increase would still leave the District in a deficit when accounting for short term and long-term asset replacements. He stated that even though there are some reserve funds in the bank it's not nearly enough to cover the cost of asset replacement when infrastructure hits it's life expectancy or begins to fail. The District needs to have money available to start replacing those items. He said the District has many items on the asset list that are currently past their life expectancy. He stated this has nothing to do with expansion, developments, supposed trailer parks, or any other rumors that are out there. It's for the infrastructure that the District already has. He said the overwhelming response that the Board received at the last hearing was that a 5% increase was not enough after everyone saw the numbers and heard what the District Engineers had to say. Jake stated that following the last hearing, the District Engineers then provided two options to do a staged increase. The first option was a 3-year approach, which would be a 25% increase starting in 2025 and then an additional 25% in 2026 and 2027. The second option would be a 5-year approach, which would be a 15% increase starting in 2025 and then an additional 15% increase each year thereafter. The final year of the 5-year phased increase would be 2029. Following increases would be based on inflation. Jake opened the floor to public comment.

Dawn Shuster asked why the numbers were being overshot. Jake stated even if the District started at \$375 this year, they would still be increasing a certain amount each year based on inflation, which would put the numbers passed the \$375 a quarter come 2026 or 2027 to be able to keep up with inflation.

Mike Duncan asked what happens if inflation goes down after the election. Jim responded that this is not strictly due to inflation, it's for prior years that the District has not collected enough money during those times to help establish the funds to replace infrastructure. Jake said the District is trying to avoid going straight to \$375 a quarter by doing a staged approach. He said regardless of what inflation does, the District should have been at \$375 a quarter, back in January of 2024. Mike asked if the District is at a deficit with equipment. Jake said yes, there is pipe in the ground from the 70's and the life

expectancy on those items have been exceeded as well as other items that will be aging out and needing replacement. Mike asked if there is preventative maintenance being done and if things are being checked on to see if replacement is needed. Jake said the District doesn't even have funds to do preventative maintenance, that's what the District is trying to get to, but basically the budget is covering operating costs. He said it's currently for some maintenance, but it's not for the big-ticket items that are coming to the end of their life expectancy.

Carol Nicholson asked if this is due to the moratorium and is that taking away from new money coming in. Jake responded with no, if the moratorium was off, that money would go to expansion and would go toward the needs of expanding the District to serve the customers that are not currently apart of the system. He said this money is strictly for the needs of the current infrastructure, which is for current connections and LIDs sold.

Dawn Shuster said for her family they would prefer the 5-year plan. She also asked if the District had a plan in place if this is a hardship for some customers. Jake said no there isn't a program in place like that. Josh added that the District is currently in a difficult financial situation, so there's no programs like that available. Jake stated that any decision they make as a Board affects them too and they're taking money out of their own pockets either way they go. Jake also mentioned that the District's Engineers have searched for grants or other funding options for the District, but the District is not in a bad enough situation as compared to other Districts in the State to receive funding. But that the District is trying to get a head of the inevitable. Jim added that there are 18 miles of pipe in the ground, with a pressurized system not a gravity feed system, and that is a very expensive type of system to operate.

Bud Justice stated he was on the Board at the time of the last upgrade and said they replaced a lot of these assets. He questioned if things like pumps were going to be upgraded again and asked what sort of things the District is looking to replace, since they did a lot of updates back then. Jake referred to the asset list in the Wastewater Rate Study Tech Memo and gave an example of all the pipe that's 4 inches or smaller. He said it was placed into service in 1972 and has a life expectancy of 50 years, which means 2022 was the year it should have started to be replaced. Bud said he understood, he just wanted to point out that many people are living on fixed incomes, and he wanted to make sure logical thinking was being done and that the District thinks of everybody involved.

Mike Duncan asked if the multi-million-dollar homes pay the same as he does. Jake said yes, they do. He added that this has come up multiple times and it normally goes in the direction of metering each home. He explained that the system is available 365 days a year. He said that many people will argue that they don't use the system more than 2 months a year, so why should they have to pay all year long. He said he understands the frustration right off the bat, but if you go down the metered route that's still an expense to the District to install meters and the District would still have to raise rates because it can't afford to put meters in. He added that there would be more of an expense to maintaining all the meters and questioned who would be checking usage etc. All of which is an

additional expense to the District. He said either way it still comes back to a large cost to the District and there aren't funds available. He stated that the District is just trying to make right on what they do have. Josh added that it's kind of a catch 22 going the metered route because a house that is larger, but used less often, is still paying the same as those who have a smaller house but live here year around and probably putting more down the drain. And with a meter those people with a smaller home would possibly end up paying more than the larger houses anyway.

Ron Huff asked what new people hooking up to the District pay for a connection fee. Jake stated the District Engineers will be presenting the Connection Fee Study in October and the cost to hookup to the District is anticipated to go up significantly. Ron asked if paying into the LID make a difference on what the connection fee will be for someone. Jake said the LID reserves your spot and the connection fee is the buy-in to the system.

Jim mentioned that the District has briefly discussed utilizing the ability to levy tax dollars, to receive supplemental income from Bonner County for assessed land values. He stated that might be the only fair option to address the multi-million-dollar homes within the District. Josh added that the Board has not researched that option very much, and the Board didn't have much feedback to give other than it being a possibility.

Mike Bradley asked if the District has seen areas where pipe is worn and starting to fail or if the District is just basing this off-life expectancy. Jake said yes there are areas that Chris has had to repair. Mike said he would support the 5-year plan. Jim responded that there is exposure if a catastrophic failure occurs, and the funds are not available. The District would then be going to the users for emergency money to fix the problem.

Jake closed the public hearing portion of the meeting, and the Board moved into discussion regarding which option they intended to go with for an increase in fees. Josh said the District is staring down the barrel of some big costs. He personally would like to see the 5-year/15% plan from his household standpoint, but from the other side of the desk as a Board member he thought the 3-year/25% plan was a better position to be in so the District can get to where they need to be faster. He said the 3-year plan would allow the District to get money in the bank quicker so repairs can be made without question. Jim agreed with what Josh said and added that they are playing catch-up right now and the rates need to be increased. Paul stated that he favored the 5-year/15% plan. Jake said he was somewhere in the middle. His wallet wanted it to be 15%, but he knows the 25% is where it should be. Jake also questioned if they should propose a 3rd option with a 25% increase the first year, but then 15% for following years. Josh stated the difference between the 2 options was \$6 a month going into 2026.

A motion was made by Jim to approve the 3-year/25% plan. Josh seconded the motion. Jake stated that the District will be having this same conversation next year when the budget is drafted, and they can see how far things have gotten. Josh aye, Jim aye, Paul nay, Jake aye.

Josh motioned to have the increase take effect on March 1, 2025. Jim seconded the motion, and all were in favor.

Jake stated the Board would be going into an executive session and read the applicable State Codes 74-206 sections (a) and (b). Jim motioned to move into executive session at 4:43pm. Paul seconded the motion. A roll call vote was made, Josh aye, Jim aye, Paul eye, Jake aye.

A motion was made by Paul to come out of executive session at 6:15pm. The motion was seconded by Josh, and all were in favor.

A motion was made by Paul to adjourn the meeting at 6:16pm. The motion was seconded by Josh, and all were in favor.

Submitted by,

Jordan Brooks
Clerk | Treasurer
Coolin Sewer District

Coolin Sewer District

Meeting Sign in Sheet

9/25/24

Print your first and last name below. Thank you!

1. MIKE DUNCAN -
2. ~~Earl Nicholson~~
3. Michael Bradley
4. ~~Wm Carlson~~
5. ~~Bud Jusicec~~
6. HENRY STICKES
~~Mary Ann~~
7. Dennis Ballo
8. Ron Huff
9. Dawn + John Shuster
10. Jack and Lorraine Coffey
- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18.
- 19.
- 20.



COOLIN SEWER DISTRICT PUBLIC COMMENT FORM

Date: 9/10/24

Name: Gina Cadagan

Address: [REDACTED]

Email/phone: [REDACTED]

COMMENTS:

First of all, to comment on " Fees have not been increased appropriately in previous years ". Our rates have gone up from \$90/quarter, to \$100/quarter to \$125/quarter to \$225/quarter! I would say that is a very significant rate increase and now you are raising it again?

There needs to be a fair way to charge us, like Northern Lights, with a base monthly fee plus metered usage. Those of us who only use our cabin approximately six months a year with three people in it are being charged the same amount as year around residents, the huge mansions with lots of people, and to the many people who use their cabins as vacation rentals and even advertise them as sleeping 12-14 people. Meter and charge for usage!!! For example, Harley Douglass with the huge mansion, gigantic shop, and we heard at least 14 trailer spots up on top that he is building will pay the same amount for sewage as we do??? That ' s ridiculous!!!!

Instead of penalizing those of us who still have our original 1954 built 900 square foot cabin, charge more for new hookups. Obviously the developers can afford it. And meter for usage. We realize the price of things are going up, but what you are doing is contributing to making Priest Lake a rich person ' s lake. We bought our little cabin 36 years ago because we love Priest Lake. We cherish it and strive to be good stewards of the land and the lake. But people like us could be forced to leave our little piece of paradise because of things like the huge development near Coolin and the Harley Douglasses who have an unlimited amount of funds and put a huge burden on the infrastructure, but pay the same amount as our three person family.

Submit form to:
Coolin Sewer District
PO Box 86
Coolin, ID 83821
or coolinsewer@gmail.com

Coolin Sewer District

From: Bill Papesh bpapesh@coolinsewer.com
Sent: Monday, September 23, 2024 2:33 PM
To: District Coolin Sewer
Subject: Public Hearing Comments

Gentlemen:

I'm sorry that I am unable to personally attend the September 25th Public Hearing for the Coolin Sewer District. You're aware from my frequent meeting attendance that I have a very good understanding of the challenges you have faced. Your Board's stability, dedication and commitment to having an effective wastewater treatment facility is VERY MUCH APPRECIATED!

We are fortunate to have the Board reconsider the previous rate increase recommendations based on feedback received at the prior Public Hearing. Participation, attendance and comments of users reinforced the need for a larger increase in User Rates. The Keller Associates March 15th Memorandum succinctly documented the historical neglect of planning, funding and growth of ERUs which made original estimates tenuous for the current 20-50 year old system!

As opposed to the five-year alternative, my family recommends that you adopt the three-year, 25% annual increase in User Rates. In our opinion, prolonging the much needed deferment for Capital Improvements, projected at over \$30 million (before inflation), will merely be a short-term bandage to provide the badly needed repairs without any "upgrades"!

Thank you again for your thoughtful consideration and service!

Bill Papesh