



Coolin Sewer District
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June 11, 2026

Bonner County Board of Commissioners
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Subject: Current Status of Coolin Sewer District

The purpose of this letter is intended to give a better understanding of the status and conditions of Coolin Sewer District (District). During a recent Bonner County Board of Commissioners meeting addressing the proposed Yomanone Subdivision, located within the District boundary, District sewer capacity was discussed. Specifically, the discussion focused on proposed septic systems due to lack of capacity within the District.

We would like to give a brief timeline of the Coolin Sewer District since 2021. In or around May 2021, turnover within the Coolin Sewer District Board of Directors began. At that time, it was portrayed that the District had plenty of available capacity and allowing connections to the system that were not part of the 2006 Local Improvement District (LID) would not negatively impact the District. Shortly after this, in October 2021, a developer sent the District Sewer Service Applications to connect 27 newly created lots to the District. This raised public concern about whether the District did in fact have enough capacity to serve so many connections. At that time, the District Board enacted a moratorium on new connections that were not assessed in the 2006 LID. Below is a timeline of key events from October 2021 through January 2025.

<i>Date</i>	<i>Event</i>
October 5 th , 2021	Coolin Sewer District (CSD) initially considers and approves moratorium for non-LID connections.
January 28 th , 2022	Coolin Sewer District (CSD) adopts resolution to continue moratorium and holds a public hearing.
October 18 th , 2023	Chris Westerman with DEQ emails CSD notifying that individual wastewater pumping stations are required to submit a PER for DEQ approval prior to connection.
July 15, 2024	CSD Wastewater Facility Plan Approved by DEQ.
September 2024	Revised flow data with a calibrated flow meter provided. Data generally supports facility plan assumptions, though is slightly less than assumed values. New data supports much higher flows than previous documentation. District plans to continue policy of accepting paid for LID connections, but keeping the moratorium on non-LID applications due to lack of additional capacity.
December 4, 2024	7B email noting LID connection PER has been denied by DEQ, due to inadequate capacity.
January 3 rd , 2025	Keller discussion with DEQ, confirming that a facility plan amendment or PER is needed to document that capacity is available.
January 9 th , 2025	District expresses interest in amending the facility plan, asking about a PER instead of a facility plan amendment.
January 13 th , 2025	Keller recommends a facility plan amendment, and awaits official board direction.
January 23, 2025	CSD public meeting

Between May 2021 and May 2022, there was complete turnover of the Board of Directors. Additionally, the District's Clerk/Treasurer of 25+ years retired, leaving the District Operator, and the District's Engineer as the only individuals with more than 12 months of involvement with the District (the District Engineer would turnover in early 2023 – see below). This created confusion and required a steep learning curve for an entirely new District Board of Directors, who were also trying to assess the true condition and capacity of the District. In late 2022, the District directed their engineer to conduct a user rate study. That study found that the District had not been charging sufficient user fees for some time, likely since the last system upgrade in 2006. Quarterly user rates were increased to better capture funds needed for Operation and Maintenance as well as build funds for future improvements to the District. Note that these improvements to the District do not and did not mean expansion to the District, but improvements to a system that was nearing the end of its designed life span.

In February 2023, the District's longtime engineer (7B Engineering) parted ways with the District and Keller Associates began working as the District Engineer. From February 2023 to September 2024 the District discovered many concerning issues. A second user rate study revealed the District's user rates were still not sufficient to keep up with the aging infrastructure, confirming what the prior engineering firm had found. Likewise, the District's connection fees were far below adequate. Connection fees for parcels/lots assessed in the 2006 LID were still being charged nearly the same amount in 2023 as they were in 2006.

Additionally, lots that were not included in the LID assessment in 2006 but permitted to connect to the system as "non-LID participants," were assessed an *impact fee* far below the actual cost or benefit to the applicant. As a result, the District ended up with more connections than it was originally designed to handle when factoring in both the assessed equivalent residences (ERs) and connections allowed outside of the LID. This situation placed the District at risk of lacking capacity if the LID-assessed lots eventually connected to the system. To remedy this, the Board of Directors saw it appropriate to maintain the moratorium on new, non-LID participating connections, but to increase the connection fee to accurately mirror the District costs and help build funds needed to improve the system. At this point the improvements needed ultimately mean expanding the storage and land application of the District to create enough capacity to allow the original LID customers to connect to the system should they choose to connect.

In late 2023, Idaho Department of Environmental Quality (IDEQ) put in place new requirements for all new connections to sewer systems, in the way of a Preliminary Engineering Report (PER), that would need to be submitted and approved by IDEQ prior to any new connection being made. In November of 2024, IDEQ approved Coolin Sewer District's updated Wastewater Facility Plan (WWFP). (Note an updated WWFP should have been completed in 2021 as the previous WWFP was from 2001).

Despite approving the District's 2024 WWFP, IDEQ has not approved any new connections to the District, even those who have paid into the 2006 LID, citing the District has no capacity. This created another roadblock for the District to generate any sort of funds to improve the system. Working with this new requirement, the District has explored funding options to help improve the District, and has seemingly

exhausted our options, as there simply is little to no available funding in grant dollars across the State of Idaho, unless the system is in far worse shape than what Coolin Sewer District is currently in.

With IDEQ rejecting new connections, even to those who have paid into this system, and no grant options available, the only way the District is to fund improvements and expansion (expansion to provide capacity to connect those who have paid into the LID) is to increase user rates. The District is currently exploring revenue bond options and will likely be putting one on the November 2026 ballot, but it will be at great expense to those in the District.

The District's current user rates are \$351.56 per quarter, per ER, or \$117.19 per month per ER, with another 25% increase to take effect in March of 2027 as part of a 3-year phased increase. Even with these increases the District is falling behind and will likely not be able to self-fund improvements without taking on debt. The intent of the Board of Directors has been to avoid another LID, which was paid off in January of 2026, and to generate needed funds through increased connection fees, user fees, and not allowing new connections until there is enough capacity to serve those that have invested into the LID. Due to restrictions imposed by IDEQ regarding the District's system capacity, we can no longer collect new connection fees. As a result, the only way to generate funding is by increasing rates for current users.

Additionally, IDEQ informed the District that the future Wastewater Treatment Facility is required to handle maximum seasonal volumes as if they occurred year-round. Based on this directive, the facility would be undersized without new growth. Below is a screenshot of a comment received from IDEQ in a letter sent to the District on May 13, 2025. [Coolin WWFP Amendment 01 – DEQ Comments](#)

A. Idaho Wastewater Rules, IDAPA 58.01.16 establishes as follows: *The average day flow is the average day flow as the average of daily volumes to be received for a continuous twelve (12) month period expressed as a volume per unit time. However, the average day flow for design purposes for facilities having critical seasonal high hydraulic loading periods, such as recreational areas or industrial facilities, shall be based on the average day flow during the seasonal period (IDAPA 58.01.16.010.03).*

The District is effectively in a stranglehold, and on track for runaway rate increases if it can't capitalize on allowing those who have paid into the LID to connect, while charging appropriate connections fees.

The intent of this letter is to make those who it may concern aware that this is an ongoing issue with Coolin Sewer, and whether other districts within Bonner County acknowledge this today or not, it will become an issue likely soon. This is not an in favor or against argument for development or growth within the Coolin/Cavanaugh Bay area of Priest Lake, but more an insight to what is actually going on.

Yomanone Subdivision was referenced earlier in this letter. During discussion for approval of that development, it was noticed that concern about connection to the District was heavily discussed. While the District currently doesn't have capacity, it has been proposed that lots within that development be allowed to put in individual septic/drain field systems, but ultimately to have them connected to the District when capacity is available. Panhandle Health District oversees approving or denying septic systems, but allowing septic systems within District boundaries so close to the lake has raised a lot of concern, rightfully so. The Coolin Sewer District was created to keep the lake and surrounding areas

healthy and safe for all who inhabit and recreate the area. The priority of this Board of Directors is to first serve those who have paid into this District, while keeping in mind that growth and expansion is a reality that will need to be addressed next.

IDEQ has also made known to the District, that in 2030 upon reuse permit renewal, the District will be required to use the Priest Lake weather station for data collection, as opposed to our current weather station which is the Sandpoint location. In doing so, our effective irrigation limits will be cut by about 50%. Meaning, without a single new connection between today and 2030, the District will exceed our permitted irrigation amounts if we drain our lagoons in preparation for winter storage, or we will overflow our lagoons in the winter months due to the inability to irrigate out all previously stored wastewater. The result is the District must expand storage lagoons and acquire more leased land from the Idaho Department of Lands to increase the irrigation area (land application). With upcoming regulatory requirements, limited funding options without incurring significant debt—estimated at \$8 to \$10 million for necessary improvements—and an anticipated additional monthly expense of \$58 to \$70 per ER, combined with already high user rates that are set to increase next year—the District faces serious financial challenges unless it can allow new paid LID customer connections to generate revenue through connection and user fees. The District has presented IDEQ with scenarios to allow a small number of connections per year (approximately 4-6 connections) over the next 3 to 5 years, explained our plan to increase connection fees and that we are actively increasing user fees, however IDEQ remains inflexible on this, until improvements are made.

In summary, the Coolin Sewer District is facing unprecedented financial and regulatory hurdles that threaten its ability to serve both current and future customers. The combination of rising costs, stringent IDEQ requirements, and limited funding options highlights the urgent need for collaborative solutions. It is crucial that all stakeholders—District residents, county officials, and state agencies—work together to secure the District’s long-term viability and protect the health of Priest Lake. The decisions made now will shape the District’s future for years to come.

In closing, we respectfully request the opportunity to meet directly with the Bonner County Commissioners to discuss these ongoing challenges and concerns. We believe that an in-person conversation would be most productive. Our goal is to ensure the Bonner County Commissioners are fully informed as decisions are made regarding local development.

We look forward to your response and hope to arrange a meeting at your convenience.

Sincerely,

Coolin Sewer District
Board of Directors

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