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

The Coolin Sewer District Board of Directors is writing to summarize the District's current financial, operational, and regulatory challenges, particularly as they relate to sewer capacity and recent discussions concerning development within the District boundary, including the proposed Yoman Bluffs Subdivision.

Since 2021, the District has experienced complete turnover from its Board of Directors, the retirement of its long-serving Clerk/Treasurer, and a change in engineering firms. During this transition, the District discovered that prior assumptions about available system capacity were inaccurate. In October 2021, after receiving applications to connect 27 newly created lots, in a development separate from Yoman Bluffs, the Board enacted a moratorium on new connections not assessed in the 2006 Local Improvement District (LID) due to capacity concerns.

Subsequent user rate studies confirmed that the District had not been charging sufficient user fees to maintain aging infrastructure or fund needed improvements. Connection fees were also far below the true cost of system capacity allocation, particularly for non-LID participants. As a result, the District has more potential demand than the system was designed to support, especially if all LID-assessed lots choose to connect.

In 2024, Idaho Department of Environmental Quality (IDEQ) approved the District's updated Wastewater Facility Plan, but has not approved any new connections, including connections for properties that paid into the 2006 LID, citing lack of capacity. IDEQ's current requirements mean the District cannot generate new connection fee revenue until improvements are completed. With limited grant funding available, the District is pursuing a revenue bond of $8 million in November 2026, to fund improvements.

Current user rates are $351.56 per quarter per equivalent residence, with another 25% increase scheduled for March 2027. Even with these increases, the District likely cannot self-fund the required improvements. Additional regulatory changes expected in 2030, including use of Priest Lake weather station data for reuse permit calculations, may reduce effective irrigation limits by approximately 50%, requiring expanded lagoon storage and additional land application area.

The District's priority is to serve those who have already paid into the system while protecting Priest Lake and surrounding areas. However, without a pathway to allow limited LID connections and collect appropriate connection and user fees, the District faces continued rate increases, debt, and significant long-term capacity challenges. The District is also placed in the difficult position of allowing septic systems within District boundaries, contrary to its bylaws and long-term wastewater management objectives.

Sincerely,

Coolin Sewer District
Board of Directors