

CITY OF CROUCH
Meeting of the City Council
March 7th
6:00 P.M.
City Hall
Garden Valley, ID 83622

SPECIAL MEETING

Minutes

The public has the right to attend meetings, with the exception of lawful executive sessions.
Changes on agenda are for emergencies only.

Council Members

Mayor- Trevor Schiefelbein
Steve McAninch-President
Clayton Smith
Shawna Martin
Mike Hefner

Staff

Treasurer-Steve Raddigan
Water Master- George Simpson-absent
City Clerk- Bonnie Horsewood
City Attorney-Geoff Schroader

Open Special Council Meeting 6:13PM

Pledge of Allegiance

- **Agenda to discuss options on the City's Water System**

Shelly and Jeff (from IRWA) had met Geoff at the State Capital. They informed him of what they do concerning water for communities. They have worked with communities all over the state and provide technical assistance for drinking water and wastewater. They have a fair amount of experience with helping people with their water systems, looking at the different options and plans. They are not engineers, but they can certainly give us some ideas. Geoff had asked them what do you do if somebody wants to get rid of their water system. Shelly said it has been done before. Geoff mentioned Atomic City, they said they were done, and the County had to take it over. That would be an option. Mayor said so the County would have to take it over. Geoff said that they totally disbanded as a city. They became unincorporated so the county had to take it back over. The County inherited it and in turn sold it so now it is a privately owned system. So, we would probably have to unincorporate, but Jeff wasn't sure. There was another system up North that was a district, there were personal politics going on in that community, things got ugly and everybody in the water district quit. The board, staff and water operator all quit. Again, it went to the County, and they went to the systems of that district and appointed them to the board. So, in that scenario again it went back to the County. They have been working with one up in the Saint Maries area, Bingham County, they do own a water and sewer system so it's not unheard of. Shelly said the Counties do not want the water and sewer. They ended up selling it to a private entity that operates water systems. That is an option but not one she would recommend but it can be done. When she talked to Geoff. Not being familiar with the politics, she thinks the most beneficial solution would be to form a district to get more water users in. They get calls, things going on in Terrace Lakes, on the sewer side they have worked with Southfork and a little bit with Fritzeys. There are a lot of users here and from what she understands there are challenges with septic. There are so

many in the area that there is a high likelihood of contamination of the water supply. Looking 10-20 years down the road for a managed district water and sewer system is probably the best. That comes with money and politics, and do you want to tackle something like that? If the city formed a water district, then we could hand that system over and it becomes the district. In the statute that governs the formation of a water district the system would be transferred, with everything to the district. In Shelly's perspective we have all these subdivisions and different developments that have the same need, it just makes sense to look at something like that. She was looking at the Water Facility Plan that Mountain Water Works put together a few years ago, they talked about investment to support 25 EDU's, investment to support 115 EDU's, so she thinks those are still viable options. Another idea is that they have worked with Fritzleys a little bit, maybe connecting with their water supply would be beneficial for everybody. I don't think those are the only options, but they are some of the options. Jeff asked how many EDU's we have because DEQ only has one listed on their site and our master lists 3. Mayor asked how many we have, system limits us to 25 EDU's but there are only 10 connections without meters, serving 16 EDU's but billing for 11 accounts. It would be painful to separate out when more than one customer is using a metered connection and not everyone may be getting charged the correct amount. If they are metered that might likely bring more revenue in. Mayor asked Steve Raddigan what was in our water account, \$21,000 plus the \$39,000 from Rebounds for water usage. The Rebounds money has to be committed by the end of 2024 used by the end 2026. The Mayor was thinking we could use that money to meter out the few who are on the system now, just a thought he had. Shelly thought we had been awarded some money. Council President SM said we had some in 2012 for a tank and some waterlines. Shelly said nothing through Rural Development or DEQ. She had seen something through DEQ so not since 2012. As a result of that study and Facility Plan, the city has a bond authorization, a revenue bond, supposed to be tied Rural Development Grant that got bogged down with who was supposed to send out the letters to see how many people were in the poverty line and that never got done. Shelly said so there is some RD grant money. Geoff said there might be, but he was not sure. That was in 2018-2019? Geoff said he had some old emails from the clerk who used to work here about the people they were dealing with who were trying to get the grant. One of the challenges was getting enough customers to pay the revenue. The challenge was getting the customers due to the size of the city to make it sustainable. We have one line drawing that Terry Tucker gave us where the lines run in town and whether we have the ability to connect to anyone else. Geoff said he believed we had a right of way acquisition in order to obtain more customers. Since that was done in 2017, what is the growth projection for the city? Mayor said it's hard to say since the city is just here and there are miles in all directions. Garden Valley is growing but the city is limited. When Tim Fritzley gets his resort done, that will do a lot because it's part of the city. There are not a lot of empty lots to build on in the city. Annexation would be the only way we would grow. Mayor does not see the city growing any more than the Edge. Shelly said there were a couple subdivisions, Mtn Shadows was one that said their well didn't have enough capacity. Mtn. View was the other one. That would be a good one to connect to. They just finished a project there, put in a new well and decommissioned a well. They have a lot of water sources there, a new well house, and a backup generator, it's really nice. Mayor asked if we thought they may want to join in. SM said he had no idea if they would. Council member CS said the last homeowners meeting they had there, they said no way! The Mayor said the is what he has heard since he moved here. Shelly asked why. The answer is because they like their water the way it is. If it makes the city viable, she would imagine the homes benefit from having the city here. Mayor said yes but not everyone sees it that way.

Mayor questioned if we form a District of our own with the people who are on it or have an interest, what does the process to do that look like. Jeff would be able to answer that better

than she could, but it would be going out to see what other cities are doing for water and sewer, seeing who might be interested in forming a district. Then you look at how to share control because most people don't want a district because they are afraid of losing control. There are lots of ways to structure it. Maybe within the document you guarantee that the city has so many seats and the HOA has a certain number of seats so there is a balance of power. The ones that she has seen that don't work as well, for example, if we were in a real bind and you decide that you want that subdivision to supply you with water, then you are kind of over a barrel. The real struggles are when the city's sewer collection is going somewhere else to be treated, then the people receiving the treatment raises the cost and there's no other option. She is not as fond of just hooking up to someone else's, it feels like you're losing some control. If you at least form a district you still have some control. Shelly asked Geoff if he has more on forming a district. There are very specific laws to a district. You have people sign a petition, take it to the District Court and the District Court decides then you form a board. That notion would be, I guess, if you wanted to go beyond the city limits, you can go out and see if these water supplying entities would be interested in forming a district. That means they have a well, you have a well and maybe pooling. Jeff said the more sources you have the better off you are and that was one thing noted in our master plan if you only have one well, you are required by law to have a backup source. By joining them, you could run a pipe together, and they only have one then you have redundancy in your supply, so that's a big plus right there. Tim Fritzley asked who has to have a second well. If you look at it Packer John only has one well, right? SM said they have two. Geoff said if you have 25 EDU's or less you only have to have one well. That's what's driving the train here. Jeff said in the master plan they wanted a second one up here. Geoff said that was the idea so we could go beyond the 25 EDU's. Tim Fritzley said stop me if I'm wrong Council, but the city wants out of the water business. The Mayor said he didn't think that was inaccurate by any means. The Mayor said he knows what he would like. Not sure about everyone else but we were thinking about that, it's an option. Tim Fritzley said if you think about it there are 10 connections right now, not 25, and there's only one resident, that's Diane Caughlin. She could be reconnected back up to Packer John water system and you have 9 businesses here in the core, that's all the connections. So could the city just transfer that to the businesses and the just form their own district and you only need one well. Mayor responded that then they could just figure out their own rates and all that. The business would have to look at the costs and stuff to see if it's viable. The big one would be getting the grocery owner to join and that is not Greg and Gerald. The property manager is TikTok. Steve Raddigan said that what Tim just touched on is what we have talked about, forming a district with the existing people. We are not going to get Packer John subdivision to join, and Terrace Lakes doesn't want anything to do with us. Mayor said they are too far away. Steve R. said we didn't want to have control of the district, Mayor agreed. Steve R. said what we need to do is to figure out the mechanism to get the vote to the property owners and the downtown core to vote for the district. Go to the Judge and say this is where it's at. Mayor said the agenda item next week is to get a committee going and see whoever on the Council would want to be on that committee, going out to start those 'gears turning', if you will. That would get those people notified or involved hopefully. Steve R. said if Diane wants to stay in the district and Mayor agreed, mainly just letting them all know that this is what we are thinking about. Have those people come and tell us what they want and do they want to be a be a part of the decision making. Geoff-To answer Tim's question those 9 core businesses that district can be smaller than the boundaries than the city limits then they are their own animal, and they can do what they need to do. Shelly asked if there was a problem with the well. Mayor said no, it is older I would say, it's been in there for a while and the city just doesn't see the revenue from it. Mayor would say we are negative charging \$40 a month. Mike asked if that was drilled when they built the market. Yes. The well and the tank aren't old. Tim thought it was around 2008 when

all that was put in. Per Geoff, we had to have Larry record the severed lot that the well is on it to the city, so it is in the city's name and down in the property records. It has an easement and a restriction that you can't park on it or leak oil etc. To transfer the ownership of that lot to a district is cleaner and smoother than to a private entity. Shelly said that we still are not alleviating the problem with the few users being burdened with the heavy costs is the only downside. Mayor just wanted the Council to be reminded of the funding we have, there is a time stamp to it. We could at least, whether we are going to keep this thing or not, meter the ten people with this money (ARPA). Tim asked if Two Rivers or the Boardwalk were on the system, no they are not. Tim asked about the money we were given could they be hooked up to the water system, because he said they want on. Steve Raddigan said he was not sure if they did or not. Tim said Steve Fitz from the Merc and boardwalk does. Tim also said it doesn't matter what Rob & Liz from Two Rivers say, it matters what Larry Leisure says because he owns it. Mayor said he wasn't sure what it would cost to run a line over. Geoff said the city does have a connection fee of \$2000 or so. Tim said Steve Fitz would pay to hook up because he is limited with his well. It is a little distance from the main hook up but not too far. Steve Raddigan said we are talking about expanding a system that is not going to generate the revenue that the city needs to keep the system viable, but if he wants to join the system, he could be proactive in forming a district and then come into the district. Tim's brother's question was if we have grant funds that need to be used by the end of next year, if that grant money could be used to extend the water and get enough viable users, spearhead getting the business owners together, looking at how viable it would be for them to take it over. Mayor said with those newly added people. Obviously, the more connections we have the overall costs could be spread out. Not certain of the costs, Steve Raddigan said we could call Mtn Water Works and get the costs on such a deal if Council authorized it. That's going to chew into some of that \$39,000. The Mayor's plan was to get this system cleaned up as best as we can until someone else takes it over. The connections would be metered, and Richard Fritzley wondered when the buildings were remodeled why meters were not put in then. Terry Tucker was Watermaster back then and he said no, that's water under the bridge or "pipe". Richard Fritzley said there are better companies than Mtn Water Works to deal with. Mayor asked for recommendations. They said yes. Steve Raddigan said we are already working with Mtn Water Works to update our numbers for the water system. Mayor said that's true. Steve would have liked that information before using MMW. Steve Raddigan cautioned the Council to consider delaying getting rid of the water system, because someone wants to come on to it, but they also just said they want to see if its viable. We don't want to take the \$39,000 and extend the pipe and then have them say that they don't want it, when we should have been concentrating somewhere else. Mayor personally would want to see a contingency on it. We will talk about this at next week's meeting when we talk about forming a committee. Geoff inquired if Tim had a copy of the city water facility plan, no he does not. This would give him a better idea of what we're dealing with. Steve Raddigan thought he had emailed Tim a copy of the Facility Plan, but he said it was only the usage. It's 35mb so Geoff had to attach it to a one drive. The Facility Plan is outdated but it will give them information on what things were. Jeff had asked a question that Shelly did not know the answer to. If the idea was to release the city's ownership of the water system to the business owners, would it be a district or would it just be a sale of assets to these business owners, like privately held. Geoff said we could do either, he had no preference, but to the extent it involves exchange or sale of real property, it's easier to sell real property from a city to another governmental entity. Selling it to a private entity in regards of an auction or a stated price and there are serious restrictions but that is on real property. The rest of the assets, easements, Geoff did not know. He also did not know about the mechanics or the paperwork in transferring a city water system as a saleable asset to a private entity vs handing it over to a district. Shelly said a district seems more public and transparent; it just

feels better to her. We obtained the water system from a private company, Leisure and company put in the water tank. Tim Fritzley said Village Associates was the entity that did all the construction work, had the legal documents and did the transfers. They transferred it to the city. Geoff said that there is continuing obligation, there is a bargain for exchange for real property to acquire the location of the tank and some of the rights of way. There's also sitting an obligation to connect 20 more connections should the city's EDU compatibility go beyond the 25 EDU's. That is literally written into the contract. Whoever gets it has that further obligation to allow 20 more connections which are considered paid. Richard Fritzley asked if the city has any rights to any of the unused EDU's if somebody came to them and said we want to connect, whoever holds those rights right now would have to give them up because they are not being used? That's basically the strangle hold on the city right now, we don't have enough people connected right now so there is no revenue coming in on those EDU's. Thor did return his EDU's so whatever we have available is first come first serve, we have to actually connect. Example, you have a guy who is holding one and doesn't or can't connect and you have someone who is ready to connect, Geoff said he did not see why we could say here's your money back, we're going to take the connection. Steve Raddigan reiterated that we did give Thor back his money. We have no money pending for any connections nor do we have a viable waiting list and we have no pipes to service anybody. Nobody wants to spend the money. Steve Raddigan said it is not like we need to go through Greg or Leisure to get connections because we were taking money from people who wanted connections but there was no way to deliver the water and did not want to hold the money anymore, so it was returned. Council member Clayton Smith said the Calvary Chapel wanted to be on city water, is that viable? Geoff said that a pipeline would have to be laid in the roadway to get to them, they are 4-500 yards away. The Ordinance states that the person who wants the water has to front the cost to get the water to them and then pay a hook up fee. What you can do if you have a whole line of people and somebody fronts the costs and gets the latecomers so that they divvy up the costs. Steve Raddigan reminded Council of the 300' rule, if you are within 300' feet of the water hook up, you have to hook up. So, if the church hooked up then the Mayor would have to hook up as well. He said he doesn't want to (laughter). This is a hard issue as Horseshoe Bend had this issue as well. People are happy with their water as it is. Mayor would not want to deny the church hooking up and he wouldn't. If his well went out he definitely would. Shelly said water supplies are going down and contamination is going up so the more people we get, septic's aren't going to be viable anymore. Wells are going to be contaminated and going dry so she can see value in the district. She can see why the city would not want it, but she can see value in it in the long term. Tracy Raddigan asked since the city has the 300' rule, would whoever takes it over have the ability to enforce that rule, do you buy in or be forced to? Council member Steve McAninch said he does not remember the 300' rule being an absolute rule. Mayor and Geoff had spoken about this. Geoff read the rules of 42-3212, they would have the same power to enforce their bylaws and their connection agreements that the city would. So Tracy follow had a follow up question, if the district formed with the 10 people who are with it now but the plan is to run pipe down Middlefork Rd., should there not be a vote ahead of that by all the people who would be affected or are the 10 people who are in it now are the only people who would get to vote on whether or not that happens later? Geoff said so you would get to vote to form a district with its geographic boundaries and the lots lying within and those would be the people who would get to vote or appear in its initial formation. At some point when it's going to expand, I'm sure there will be a process in there for annexing territory into that. The reason the 300' was put into the Water Ordinance was to obtain grants. Steve Raddigan said the word in the Ordinance was "shall be connected" to the city water so it's not an if, or maybe but shall. Richard Fritzley said you could always amend the Ordinance and grandfather in until their well fails and have some criteria like you can't drill

another well, can replace a pump but not the well etc. The Mayor would like to see something so there would be options for hooking up.

Mayor asked the Council if they would like to think about all that has been discussed and not make any decisions yet, it is up to Council. Member McAninch said he would like to at least consider the ARPA funds we have and put in meters on the hook ups that we do have. Tim's brother said that they have 4 tenants in their businesses here, they share water with, and you can only put one meter on the building. Might want to think about a minimum charge because some tenants use more water than others do. Multiple users on an EDU will be an issue that Geoff will keep in mind. Our Ordinance just goes by EDU assigned by Ordinance and not by meter size. We do not charge every business an EDU. Tim said to look at DEQ as far as EDU's that are required. We do not use those tables, we use our Ordinance which is fine, but Steve Raddigan pointed out that in Tim's situation, he has his rental, The Hinge, Miracle Mama's and Balance Massage Therapy. What he is paying for is his rental and The Hinge. We move over to the bank, it is being charged for 2 EDU's, which our Ordinance also says but then you also have the Real Estate office and the physical therapist office, and they are not being charged. Those businesses are on the list given to Council that are not paying. Geoff said you need to bill the person who has the main connection based on usage or the capacity of the meter. You need to figure out the use of the downstream users. Geoff has a line drawn map of where our lines are in the city. This map is helpful for us to think about how we would build a situation and what we treat as an EDU and what they should get as a bill. It can be as simple or complicated as you want. Jeff suggested having a base rate and that is just to have service and then the meter will calculate the gallons used to be charged for. Steve Raddigan said that is what we have in our Ordinance, a base rate. The connection comes with 4000 gallons. We need to say the connection comes with no gallons and you pay for all gallons you use.

Geoff said here is a concern he has, the city has inherited a water system and only has a staff of two people who work 3 days a week, who know nothing about water or how to run it other than here is your bill. They have a third guy, a part time contractor who dumps some Clorox down the well or whatever. The city does not have the manpower, has financial resources to help but not to run the day-to-day operation for a water system, is just not there. Trying to manage all these complexities is not in the clerk's or treasurer's wheelhouse. Steve Raddigan is sharp and will learn anything you put in front of him, but I don't think he wants to be a Water Master, although he has taken two classes to qualify because he can see a problem down the road. Steve Raddigan went out and counted our fire hydrants, the city has 6. Mayor asked the Council if they want to task the staff to do anything like estimates of any kind or do we just pause and wait until next Wednesday's meeting. Mayor asked for questions or input from anyone. Richard Fritzley asked that if we are going to possibly set up a committee next week, speaking for some of the businesses downtown, if they could get records what the historical costs have been as far as operations, maintenance, revenue, then they can start evaluating the system. Tim Fritzley wants the reserve plan from the Water Facility Plan. Steve Raddigan said that chapter 5 was where all the money went. Richard said in the Facility Plan there should be a Capital Reserve plan. Steve said he would get that to Tim. They also wanted the equipment list to see what kind of pumps they have installed. Mayor had asked Terry Tucker to inventory things. Tim will just take George up there and get all that information. If Tim gets that information we would like a copy for the city.

Shelly said to focus on the COVID money because it has to be identified for use by 2024 and used by 2026. Meter and installation costs were talked about, not sure of numbers as of today. Geoff said he had sent Tim the Facility Plan so Tim will get with George. Steve Raddigan asked about the Council forming a committee and needed guidance on what the purpose of the committee is. Is it options for forming a district? Member McAninch said what's the easiest

way to get rid of it. Forming a district would be with a minimum amount of people voting per Steve Raddigan. Member Clayton Smith said then the district will set the water rate? Yes, it would be theirs. Mayor said we do have some funding too that will help to make it as nice as possible before they take it over. Geoff said that because the committee will be charged with rendering a decision to the Council, which makes them subject to open to meeting laws and records requests. Whenever the committee meets, they need to post Agendas and all of that so that people can watch the meetings. That has to happen. Steve Raddigan said he is still up in the air about Mtn Water Works updating the numbers for chapter 5. He has a bid for \$2000 from them. Tim Fritzley said he was sorry if Steve R. misunderstood. He wanted the numbers on what the Capital Reserve was for maintaining the current system not expanding. Tim said unless there is a grant out there somewhere for this system, there's no way that a city or a district could afford this. Steve R. told Tim he had chapter 5 which has the numbers for the rates which Tim had said at the last meeting that we were 'putting the cart before the horse' because we wouldn't know what the updated rate numbers would be. The numbers Tim Fritzley wanted were the maintenance costs for the system as of today. This is what we want Mtn Water Works to do is to give us the numbers on what our system needs, costs now and future. The engineers will go to the city and tell them what their plan is worth. Geoff asked Shelly and Jeff if they could do that, yes. RCAC Rural Community Assistance Court can as well. Geoff said that the city is pretty sure that \$40 a month, per user, is not enough to run and take care of the system. We need a legally, sufficient basis to charge an accurate monthly rate. That is what we need from Mtn Water Works is to go through and do. If Council tells Steve R. to go ahead and get Mtn Water Works to do this then we will have a number which we don't have now. Tim Fritzley said before we go to Mtn Water Works, let hm go up and take a look at things. RCAC will do a rate study for free. Steve R. said he has been in a lot of meetings where we start going in a lot of directions and never get anything done. Council's call. Geoff said no matter what we do we will need a certified number of what the rates are going to be for the number of users and the infrastructure we have now. Tim will take a whack at it first and get with RCAC. Richard said if he and Tim go out and collect the information it will reduce time and they will not charge us. Geoff asked if they get all that information together in a packet and give it to Steve R., yes. Ultimately then Steve R. will get a hold of them and say we did half the work for you and here it is. On behalf of the City of Crouch I am authorizing you to do a water rate study for the city. Mtn Water Works was just going to do the water rate study.

Our Water Facility Plan was a forward-looking plan not for the existing system. Steve R. said so the water rate numbers in chapter 5 will be different than what Tim Fritzley is going to gather. Geoff said depends on what the result is. The numbers will be what we should be charging to keep the system whole. Geoff advised Steve R. to take the operational numbers that the Fritzleys collect in the next few days and help coordinate integrating those numbers with the engineering company, what the rate should be for our water system as it exists today. Council woman Shawna Martin asked if the RCAC does the same information as the engineer would do or would they still have to get an engineer? They would take it based upon what our records are like and how much we have spent. If maybe tough if there is not an operator here all the time. Council woman Martin said then we would avoid paying an engineer, which would be good. Shelly advised before we tell Mtn Water Works, I would see what RCAC's availability is. Steve R. will call Mtn Water Works and tell them will be on hold to wait for an equipment list for you to consider for replacement. Steve R. asked what the time frame is. We do not know for sure. It could be a two to three month wait and if Council is willing to wait then so be it. The real time sensitive thing is the funds and committing to what they will be used for. Steve R. said we could commit to using the funds for the meters. Steve R. will put Mtn Water Works on hold, tell what the meeting was about and that we are looking at alternatives.

Close special meeting 7:33PM

Next regular Council Meeting is March 13th, 2024 at 6:30 PM

Trevor Schiefelbein-Mayor

Bonnie M. Horsewood- City Clerk

Approved Minutes