

MINUTES

McCall City Council

Special Meeting

Joint Meeting with Payette Lakes Recreational Water and Sewer District

Idaho First Bank – Community Room

March 20, 2017

Call to Order and Roll Call

Public Hearing

Adjournment

CALL TO ORDER AND ROLL CALL

Mayor Aymon called the special meeting of the McCall City Council to order at 6:30 p.m. Mayor Aymon, Council Member Giles, Council Member Scott, Council Member Swanson, and Council Member Witte (via phone) all answered roll call.

City staff members present were Nate Coyle, City Manager; Bill Nichols, City Attorney; BessieJo Wagner, City Clerk; Linda Stokes, City Treasurer; Michelle Groenevelt, Community Development Director; David Simmonds, Information Systems Manager; Traci Malvich, Human Resources Manager; Nathan Stewart, Public Works Director; Phillip Bowman, City Engineer

Members of the Payette Lakes Recreational Water and Sewer District present were Jerry Vevig, District Board Chair; Rick Skelly, District Board Member; Mark Larson, District Board Member (via phone); Jamie Melbo, District Administrator; John Hucks, District Legal Counsel; Dale Caza, District Operations; David Watkins, J-U-B Engineer for the District

Also present were Christian Anderson, Zions Bank; and Adam Christenson, Bond Counsel Hawley Troxell; Gemma Puddy, Project Manager for the Langdon Group

PUBLIC HEARING

Mayor Aymon opened the public hearing to receive public testimony on the proposed agreement of annexation plan, property transfer and agreement of operations subject to conditions precedent [draft dated 3/1/17] to be conducted with the Payette Lakes Recreational Water and Sewer District at 6:34 p.m.

The Payette Lakes Recreational Water and Sewer District Board (District) voted unanimously to appoint Mayor Aymon as the Facilitator of the Public Hearing for both the District and the City Council.

Council Member Giles moved to appoint Mayor Aymon as the facilitator of the Public Hearing for both the Council and the District. Council Member Swanson seconded the motion. In a voice vote all members voted aye and the motion carried.

Mayor Aymon gave opening remarks that included the purpose of the hearing to hear public comments as to whether the respective governing bodies should adopt resolutions calling certain special elections related to the proposed annexation and the Idaho Code section 42-3240 the requires the joint hearing. Mayor Aymon laid out the rules of the public hearing and explained that the governing bodies could not respond to any testimony or any direct questions during the hearing. However, the governing bodies would consider any and all comments when they respectively deliberate at a later time.

Prior to accepting public Comments, Mayor Aymon introduced City Manager Nate Coyle who presented factual information regarding the possible annexation of the City sewer system by the District. She reiterated that there would be no questions entertained during this presentation.

Presentation

Manager Coyle gave a brief overview of the proposed annexation that included a summary of how each governing board had got to this point. He explained what annexation is, stating that in this case, annexation or consolidation combines current City sewer users with the District Customers, grant operational control of sewer operations to the District and transfer ownership of the reuse, collection system and treatment facility to the District.

Manager Coyle explained that due to operational changes, a bond was needed for new IDEQ required Reuse Permit which includes a new pipeline, therefore, sewer rates would go up whether consolidation happens or not. He also gave a brief explanation of what a yes or no vote would mean.

Manager Coyle explained that with a yes vote all sewer services in the City of McCall would be operated by the District, ownership of the sewer collection, treatment and disposal facilities would be transferred to the District. The City and the District customers would continue to receive quality service. More property owners in the City of McCall would be able to vote as the District patrons in their elections. Operational coordination between the two independent sewer agencies would be streamlined. He stated that financial projections show that in a consolidated model, rates would be lower. Changes that current City of McCall customers would see are a tiered-rate structure based on square footage of residential living area; an increase in water rates and property taxes to make up for the shortfall after annexation; an additional property tax levy from the District, regardless of whether they have sewer service. Current District customers would see no change to the sewer fee structure. And all customers would expect to see all existing sewer debt shared among all rate payers.

Manager Coyle explained that if the annexation approval does not pass, the City of McCall and the District will continue to work towards a solution. He explained that with a no vote there would be no change to the ownership of the sewer collection, treatment or disposal facilities. The two sewer agencies remain in the area. The City and the District would collaboratively work towards a joint powers agreement in order to permit the wastewater treatment and reuse water disposal facilities. All customers would continue to receive quality service. The City would continue to share resources between water and sewer departments. As far as overall costs, the financial projections show that in an unconsolidated model, rates would be higher. The overall project would be delayed which would likely cause increased costs. City and the District fee structures would not change from their current structure.

Manager Coyle then explained the bond issue that would be on the ballot. The total amount of the proposed bond would be \$22.07 million and if passed would pay for the following:

- \$11.7 million would fund necessary upgrades to the reuse water disposal system required to implement the new Reuse Permit from Idaho Department of Environmental Quality. This new permit is necessary for continuing disposal of reuse water.
- \$3.3 million would fund improvements to the wastewater treatment facility.
- \$7.07 million would finance the acquisition of the system assets and retirement and reallocation of existing debt.
 - The City of McCall's outstanding debts that originated from 2004 and 2008 bonds:
 - 2004 bond was a refinance for wastewater improvements.
 - 2008 bond was a wastewater system legal matter referred to as the Wausau Judgement.

Public Comments

The District Board voted unanimously to accept the written comments (Attachment 1) received into the record.

Council Member Swanson moved to accept the written comments received into the record. Council Member Scott seconded the motion. In a voice vote all members vote aye and the motion carried.

Mayor Aymon called for public comment stating that when called to speak, all were asked to come forward, recite their name, spell their last name for the record, and commence with their remarks.

Cherry Woodbury was the McCall city clerk in 1995. She expressed concerns regarding the consolidation being more efficient than running separate systems. She was concerned that the annexation agreement question and the bond question would be on the same ballot. She felt that these should be entirely separate and that it was unfair that the voters would have to vote on them at the same time. She did agree that the bond for improvement was needed but was not in favor of annexation. Ms. Woodbury stated that the sewer district has underestimated the number of additional employees it would need to operate the city system. She felt that the District would need to raise fees and taxes more than expected to cover unanticipated expenses.

Don Bailey, McCall resident and former McCall Mayor stated that he thought the qualifications of voters for the May 16 ballot and for future District Directors was unfair. Mr. Bailey thought that the issues on who is qualified to vote needed to be clarified.

Tim Swanson, McCall resident and former interim Public Works Director, spoke in support of the consolidation. He expressed his appreciation for all the hard work that had been done to get to this point. He acknowledge that it was not going to be the perfect solution, but that all are trying to do the right thing. He welcomed the chance to end contention that has marked past relations between the two agencies.

Council Member Witte requested that the public hearing be kept open until the next day to receive written comments now that people have had the chance to hear the information. This would give an opportunity for people to process what they have learned and then make comment. Bill Nichols, City Attorney stated that all written comments would need to be shared by both entities.

The District Board voted unanimously to keep the public hearing open for written comments only until 5:00 Tuesday, March 21st.

Council Member Scott moved to keep the public hearing open for written comments only until 5:00 Tuesday, March 21st. Council Member Swanson seconded the motion. In a voice vote all members voted aye and the motion carried.

City Manager Nate Coyle addressed the qualified elector question stating that the bond Counsel was working on qualified electors and who is qualified to vote. He stated that if the Council and Board were to proceed there were three separate questions for consideration, an annexation question for the City, an annexation question for the District, and a bond question.

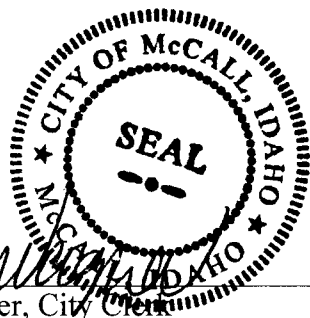
Adam Christensen, Bond Counsel with Holley Troxell, addressed the question of a qualified elector. He stated that Bond Counsel is working through the issues stating that there were definitional difficulties when identifying who can vote in the city and who can vote in the District. It is statutorily driven and are what they are. He described the different definition of each kind of voter.

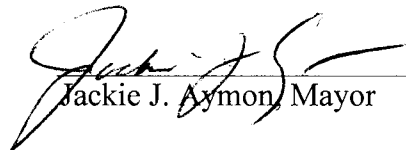
ADJOURNMENT

Without further business, Mayor Aymon adjourned the meeting at 7:25 p.m.

ATTEST:


BessieJo Wagner, City Clerk




Jackie J. Aymon, Mayor

ATTACHMENT 1
Written Comments
(6 Pages)



Erin Greaves <mccallareawastewater@gmail.com>

Annexation- City of McCall & PLRWSD

1 message

Tara Woods <tara.maline.woods@gmail.com>

Fri, Mar 10, 2017 at 2:07 PM

To: McCallAreaWastewater@gmail.com

To Whom it May Concern,

I am a recently home and property owner within the City of McCall. I do not own a gigantic house, only 1900 square feet for a family of 3 who live in McCall year round. My husband and I both work full-time in McCall as USFS and City of McCall employees.

As I read and talk to locals about the annexation of the City of McCall wastewater and sewer water management services with PLRWSD I see and hear red flag, and am reluctant to support the annexation.

My reasons include loss of jobs to city employees, increased tax rate to support the bond and higher rates on water and sewer bills. We pay \$77.70 each and every month. We are a family that uses a monthly budget to pay our bills, are stretched thin as we are a middle-income household and will not support increases to both property taxes and rates at the same time. I understand the need to upgrade to DEQ standards (I support those needs). I do not support PLRWSD absorbing the City of McCall's waste water at \$0 cost. If PLRWSD wants the business, they should pay for it; debt included. In 2004 & 2008; voters approved bonds and associated costs; nearly 10 years later voters are asked to pay again, plus \$11.6 million in required DEQ upgrades, PLUS an additional \$3.3 million for further improvements?

I believe there is another solution out there; I am a fan of working together. As a city employee it is part of my job to work in cooperation with organizations and agencies (both private and non-profit) toward the same goal. We work together, not always agreeing or getting our way, but cooperatively. There is no denying the need for a well-run wastewater and sewer management system; however, at the continued expense of tax payers. I do support pieces of the bond, but not the \$22.07 million as a whole. I also do not support PLRWSD absorbing the City of McCall wastewater and sewer district.

Thank you,
Tara Woods

517 Brundage Dr.
McCall, ID 83638

Ph. 208-315-1890



Erin Greaves <mccallareawastewater@gmail.com>

Bond costs

1 message

idaspu <idaspuone@gmail.com>
To: McCallAreaWastewater@gmail.com

Fri, Mar 17, 2017 at 5:54 AM

I'm an old retired engineer who worked in the paper industry for 36 years and I have watched the mismanagement of the sewer system at McCall for many years from a distance. Now that you want to put over eleven million dollars into the "J-pipe" system. First, what are you doing? That pipe is not that old and how in the world can you put that much money into a bit of pipe that is already in the ground? I could get a significant start on a major project for that much money. A million dollars a mile? How much is going into some engineering firms pockets and why wasn't the pipe originally installed the right stuff. Just doesn't add up.

Mel Mohr, retired PE. Idaho, OR, LA,



Erin Greaves <mccallareawastewater@gmail.com>

Fw: Your website

1 message

Don Bailey <d Bailey bitt@hotmail.com>

Sat, Mar 18, 2017 at 11:46 AM

To: "mccallareawastewater@gmail.com" <mccallareawastewater@gmail.com>

Tried again; had wrong address! DCB

From: Don Bailey <d Bailey bitt@hotmail.com>

Sent: Saturday, March 18, 2017 10:42 AM

To: mccallareawaster@gmail.com

Subject: Your website

I've tried five times to download the Annexation Agreement, using two different computers (almost new) with no luck. The download stops with very little of the document, so nothing is completed. How can you expect anyone to comment if we cannot see what's being proposed?? In any case, we completely disagree with the proposal that the voter qualifications be different between those who are registered to vote in the City and those who own property in the Sewer District! This is patently unconstitutional and totally unfair! We will vote NO at the election and will campaign for others to do the same unless this unbelievably unfair and unjust difference on who may vote is revised so that the qualifications are uniform for all!

Don Bailey and family



Erin Greaves <mccallareawastewater@gmail.com>

Comments

1 message

cpope@frontiernet.net <cpope@frontiernet.net>

Mon, Mar 20, 2017 at 1:08 PM

Reply-To: "cpope@frontiernet.net" <cpope@frontiernet.net>

To: "McCallAreaWastewater@gmail.com" <McCallAreaWastewater@gmail.com>

There needs to be honest disclosure of COSTS --- will TOTAL costs to user increase with the change? Information released to date seems to imply that there will be an overall increase in costs to each user ... if this is case don't even ask for vote!

Will McCall increase costs in other services to "make up" for loss of wastewater job --- this is absurd, but seems to be have been suggested?

With change there will be a "new" bill in mailbox! Will this new bill for wastewater services be the same as McCall has been charging, lower or higher?

Will taxes increase??

Cant vote without this information ...



City of McCall

Published by Erin Greaves · March 10 at 12:49pm ·

McCall City Council is deciding whether to take Sewer Annexation to the May election. How do you feel about giving ownership and control of McCall sewer to Payette Lakes Recreational Water and Sewer District? Send your comments to McCallAreaWastewater@gmail.com or come to the March 20th Meeting. LEARN ABOUT IT at McCallAreaWastewater.com

1,085 people reached

▶ \$13.09 Left

Like

Comment

Share



Cindy Gibleau, Yesenia Anay Garcia and 3 others

Top Comments

4 shares

3 Comments



Write a comment...



Wade Jorgensen So. I if we say yes, or if we say no. We're still obligated to pay for lost law suits from the past life. I'm not happy with this. Does the new thing reduce my water bill? Or just make it worse? Cuz right now, it's freakin insane n

Like · Reply · Message · 2 · 11 hrs



Write a reply...



Wade Jorgensen What are the pros and cons of this? Instead just asking a question, how about detailing the issues?

Like · Reply · Message · 1 · March 13 at 4:23pm



City of McCall Wade, great comment. We have listed pros and cons on the website. Please visit McCallareawastewater.com and you can clearly see what happens when you vote yes or no. There are annexation and bond details there. We will also be presenting the information at the public hearing. It's an important decision for Council and they'd love to hear your thoughts.



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Home

MCCALLAREAWASTEWATER.COM

Like · Reply · Remove Preview · 1 · Commented on by Erin Greaves · Yesterday at 9:08am



Paul Shores I seem to remember that Payette lakes water and sewer district wants to keep adding people to the system. Folks what we are paying such a premium price for in waste water management due to law suits and cost overruns is nothing more than a primary wast... See More

Like · Reply · Message · 1 · Yesterday at 6:12am



City of McCall Paul, please make your public comment. Your opinions are so important to Council. email them to Mccallareawastewater@gmail.com

Like · Reply · Commented on by Erin Greaves · Yesterday at 9:06am



Jeremy Campbell You mean ,make your comment public!

Like · Reply · Message · 10 hrs



City of McCall Jeremy Campbell "public comment" is a term used to make your comment part of the public record for consideration by the City Council and other governing boards and committees, but yes it helps to make your comments public, too. Just a reminder - send your thoughts on the topic to mccallareawastewater@gmail.com

Like · Reply · Commented on by Erin Greaves · Just now



Write a reply...

Erin Home 1



Reach More People, Share Your Event

Help people find out about your event by sharing it in News Feed.

Share Event

-  **Justin Greaves** likes GameByte's photo.
 -  **Alexandra Kennedy** likes Tyler Krun's post.
 -  **Sierra Swain** likes Tamarack Resort's photo.
 -  **Jesse DeMoss** likes The Adventurists's video: Monkey Run: Peru Edition has arrived.
 -  **Shannon Fairchild** likes Diane Alvarico Wayne's post in "1970s Fans" of www.DoYouRemember.com.
 -  **Lindsey Harris** likes Shelly DeMoss's photo.
 -  **Adri Shurtleff-Meckel** likes Janet Meckel's post.
 -  **Andre Gomez** shared Atlanta Magazine's post. "Together we stand !!! We need to keep taking care of our people."
 -  **Alexandria Ali Campbell** reacted to Delilah's post.
 -  **Shelly DeMoss** likes Play Date's link.
 -  **Emily Baker Hovland** likes Jamie Francis's photo.
 -  **Luis Lopez** likes FOX Deportes's link.
 -  **Kasey McLaughlin-Price** likes C.J. Ross's post.
 -  **Geoff Wheatstine** reacted to Sector Seventeen's video: Sector Seventeen x City Center Plaza.
 -  **Nicole Boyce** likes Candice Casqueira's photo.
 -  **Jessica Workman** is interested in Heartland Music Fest 2017.
 -  **Nicole Irving-Musgrove** and Julie Minear Heidemann are now friends.
 -  **Morgan Bessaw** likes Amy
 -  **Nathan Coyle**
 -  **Ashley Moore**
 -  **Garrett Mapp**
- MORE CONTACTS (17)**
-  **Amber Coyle**

MAR 20 **City Sewer Ownership and Service Changes- Important Event**
Public · Hosted by City of McCall

Interested Going Share

Monday, March 20 at 6:30 PM - 9:30 PM
Next Week · 34-48° Partly Cloudy


Idaho First Bank Show Map
McCall, ID, McCall, Idaho 83638 and 83702

Tickets Available Find Tickets
www.mccallareawastewater.com


Subscribed to City of McCall's events Subscribed

About Discussion

Write Post Add Photo/Video Create Poll 


 Write something...


FROM NOTIFICATIONS


 **City of McCall** added an event.
Published by Erin Greaves · March 12 at 8:37pm ·

Like Comment 


Kay Partridge Hill


 **Brad Hill** Has any official stated why this should or should not happen?
Like · Reply · Message · March 12 at 8:48pm

 **Erin Greaves** Brad that's a great question. The Hearing on the 20th is where the City Council will make their decision on whether or not to move forward on the election. To date City staff has compiled a list of facts for your review at the website www.mccallareawastewater.com. I do know our City Council wants to hear the opinions of the community.

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MCCALLAREAWASTEWATER.COM

Like · Reply · Message · Remove Preview · March 12 at 9:28pm

 Write a reply...

 Write a comment...