

MINUTES

**JOINT MEETING
MCCALL CITY COUNCIL &
MCCALL AREA JOINT WASTEWATER ADVISORY GROUP
Payette Lakes Recreational Water and Sewer District
Conference Room
March 31, 2016**

Agenda

Call to Order and Roll Call

Work Session

Adjournment

CALL TO ORDER AND ROLL CALL

Advisory Group Members

Nathan Coyle, McCall City Manager; Peter Borner, McCall Public Works Director; Nic Swanson, McCall City Council Member; Jackie Aymon, McCall City Mayor; Dale Caza, PLRWSD Operations Manager; Jamie Melba, PLRWSD District Administrator; Rick Skelly, PLRWSD Board Member; Jerry Vevig, PLRWSD Board Chairman.

Mr. Swanson called the meeting to order at 1:00 p.m. All members were present.

Also in attendance were Bill Gigray, White Peterson Special Project Legal Counsel; John Hucks, PLRWSD Legal Counsel; Bob Giles, McCall City Council Member; Scott Wenger, SPF Engineers; Linda Stokes, McCall City Treasurer; and David Watkins, J-U-B Engineers

WORK SESSION

Open Discussion/Public Comment

Mr. Swanson asked for open discussion.

Mr. Caza distributed a letter received recently from DEQ, addressed to David Watkins, J-U-B Engineers, in answer to his request for clarification on the status and interconnection of the city's 3rd Amended Consent Order, the draft 4th Amended Consent Order, and the district's draft reuse permit. Mr. Borner stated the winter storage lagoon leak study now underway probably won't be completed until the fall of 2017. Mr. Coyle noted that DEQ is no longer considering issuing two separate permits, one for reuse and one for treatment, their preference is one permit to the entity that owns or controls the wastewater system. David Watkins restated the conclusion of the letter, that while there is no expiration on the 3rd amended consent order, if agreements with the J-Ditch users, Simplot Company and Lake Irrigation District could be extended and the current path abandoned, DEQ would then finalize the 4th amended consent order, which would include a deadline to transition to a permitted facility, bringing the entities back to the same spot they're currently at. The key is the extension with the J-Ditch users, who may not agree to any extension.

A two-year extension is even riskier, as it would involve agreements with not only the J-Ditch users, but also Simplot Company and Lake Irrigation District.

There was no public comment.

Approval of Minutes

This item was postponed until next meeting.

Financial Planning Updates

A. Rate Study Status - The scope of the rate study has been approved by both the council and board. There was a discussion of the two bonds held by the city identified in the rate study to be kept separate in the consolidated rate. The 2004 bond refinanced a loan from DEQ, and the District was paying a share of it until the Settlement Agreement in 2010. The 2008 bond financed the Wausau Judgment, and is clearly to be carried by a sub-district of the current city users only. John Hucks stated that even though the settlement agreement clearly excludes the district from absorbing the Wausau Judgment debt and any other debt of the city, he is willing to ask the district board to discuss sharing the 2004 bonded debt. He recommends going forward with the rate study as designed, and work out the details in negotiations.

B. Wastewater improvements and cost-share considerations - Mr. Coyle suggested the consideration of cost-share comes into play only if the entities are not consolidated and that should be covered under the rate study under the separate entity components. Mr. Borner mentioned that he has asked SPF Engineers to test the sand filters and look at potential alternatives from a life-cycle cost analysis perspective in time to have data to FCS Group for the rate study.

Legal Update

A. Judicial Validation process update- Mr. Coyle proposed that Nick Miller of Hawley-Troxell present his overview of the judicial validation process to a joint meeting of the city and district, rather than at two separate meetings. Nick Miller had planned to speak to the board at their meeting on April 21. Mr. Coyle will attempt to schedule a joint meeting.

B. Report on Annexation Agreement draft- Bill Gigray distributed a draft Annexation Agreement for review. He expects the legislation to be signed by the governor any day, and so having this drafted can focus the group's work to be ready to move forward when the law goes into effect on July 1. He walked through the framework. Three major components are the annexation plan, a property transfer, and an agreement of operations at the end. Mr. Gigray expects the District Board and City Council to approve the agreement on the front end, if an election occurs and the agreement is approved by the electors, the governing bodies then reaffirm it. This draft attempts to accomplish the entire process in one document. The Annexation Agreement draft wraps all previous agreements, previous litigations, and previous settlements into one operating agreement to assure the public and the two governing bodies that with annexation, everyone is moving forward under single governance and one operational agreement.

Mr. Gigray explained that the structure of the document creates an effective date of agreement in two segments, Section 3 and Section 14. Section 3 sets out the precedent conditions and processes that must be approved and completed in order for the remainder of the agreement to take effect. If Section 3 is not completed, the agreement becomes null and void. If completed,

upon elector approval if required, and joint resolution, Section 14 provides for the effective date of all other sections.

Mr. Gigray reviewed each section of the draft agreement, which lays out the tasks to be completed as well as considerations for operations after annexation, or termination of the entire agreement if any section is not accomplished. Discussion followed about various provisions of the draft. Mr. Gigray asked for comments on the draft, and recommended creating task forces to work on the critical parts: bonded indebtedness; permitting agencies (engineers); rate study; assets to be transferred.

Annexation Planning

A. Update on completed tasks - Mr. Coyle referenced the exhibits in the draft agreement, stating that Exhibit A: Annexation Area is complete. Exhibit B, C, and D would be completed by the task forces Mr. Gigray mentioned. Exhibit E: Personnel is underway. A city/district staff meeting was held to discuss transfer of personnel and a draft report should be completed shortly. Mr. Coyle will set up a meeting to discuss transfer of bonds. David Watkins will provide the draft agreement to DEQ for comment and to help with permit transfers.

B. Timeline for projects - Mr. Swanson requested a solid framework to put all the moving parts into perspective into an updated timeline.

C. Post-annexation planning considerations - Mr. Coyle will bring Michelle Groenevelt, McCall Community Development Director to a future meeting to begin the discussion of zoning and densities coordination and planning.

Communications Planning

A. Status of public outreach - Mr. Coyle reported that Tom Grote, McCall Star News Editor, will be drafting a series of articles, but there is no timeline for publishing those yet. Erin Greaves, McCall Communications Manager, has gathered information to put into a flyer for distribution. She is also drafting a community engagement plan, using community discussion forums.

Upcoming Meetings

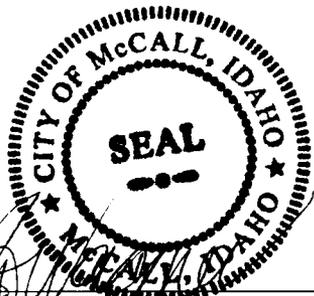
Annual officer elections will be held next meeting. Reports on discussions with bond advisors and permitting agencies would be timely. The next meeting was scheduled for April 14 at 1 p.m.

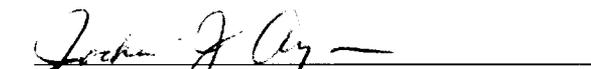
ADJOURNMENT

Mr. Borner moved to adjourn the meeting, it was seconded by Mr. Swanson, and the motion carried.

ATTEST:


BessieJo Wagner, City Clerk




Jackie J. Aymon, Mayor