MINUTES

McCall City Council
Special Joint Meeting with the
Payette Lakes Recreational, Water and Sewer District
McCall-Donnelly High School Annex
401 Mission Street
August 27, 2014

Agenda
Call to Order and Roll Call
Work Session
Adjournment

CALL TO ORDER AND ROLL CALL

Mayor Aymon called the regular meeting of the McCall City Council to order at 6:30 p.m. Mayor Aymon, Councilor Giles, Councilor Scott, Councilor Swanson, and Councilor Witte all answered roll call.

City staff members present were Gene Drabinski, City Manager; Bill Nichols, City Attorney; Peter Borner, Public Works Director; Nathan Coyle, Airport Manager; Linda Stokes, City Treasurer; Matthew Dellwo, Waste Water; Stacey Lafay, Waste Water; and BessieJo Wagner, City Clerk.

Engineering staff members supporting the City of McCall were Brian Foote, Horrocks Engineers; and Cathy Cooper, SPF Water Engineering.

Payette Lakes Water and Sewer District Board members present were Jerry Vevig, Chairman of the Board; John Battles; Ellen Holm; Dale Caza, Operations Manager; Jamie Melbo, District Administrator; John Hucks, Legal Counsel.

J-U-B Engineers staff members present were Brett Converse, John Garlitz, and David Watkins.

Department of Environmental Quality (DEQ) staff members present were Todd Crutcher, Engineering Manager, and Gary Carroll.

WORK SESSION

Introductions

Dale Caza, Operations Manager, Payette Lakes Recreational Water & Sewer District, presented opening comments and introduced Brett Converse, J-U-B Engineers.

Presentation of Draft Reuse Permit – J-U-B Engineers

Brett Converse provided a background summary related to the wastewater land application permit. He stated that today the existing system for wastewater disposal was authorized under a land application consent order that was issued several years ago and that the permit will expire in a couple of years. One of the conditions under which the District operates is that once the wastewater is treated and disinfected it can be land-applied at a 3:1 dilution with the irrigation water from Lake Irrigation District. Mr. Converse stated that there are sampling requirements at the Point of Compliance, which is the point where the wastewater flows out of the chlorine contact tank into the land application storage lagoon. He explained that there were not a lot of monetary requirements or things that the District was required to do out in the fields for the effluent being disposed of. However, he stated that there was the requirement to maintain a mixing station where the effluent and the reuse water are mixed together. Mr. Converse presented a map that demonstrated the layout of what was being proposed as far as where the individual systems are and the center pivots, pipelines, and mixing station, providing a scale of how far away things are.

Mr. Converse continued stating that the existing wastewater disposal system was fairly simple. He explained that the land is owned by the farmers and the center pivot irrigation systems are also owned by the farmers. He also explained that portions of the effluent distribution system, the course mains, are owned by Lake Irrigation Districtand that the mixing station is owned by the City, which is on Simplot's property through a temporary easement that goes away in 2017. He stated that the consent order ends in 2017 as well as the easement that Simplot has granted on the mixing station, which is on Simplot's 500 acres. The permit is an attempt to address what happens after 2017. Mr. Converse stated that the District is planning to change the authorization to land-apply by consent order to a more typical land application by the DEQ reuse permit. The reuse permit simply gives the wastewater treatment generator permission to land-apply the wastewater at a slow agronomic rate for hydraulic uptake and nutrients of concern such as phosphorus and nitrogen. He further explained that another thing that would change is that 100% recycled water would be applied instead of a 3:1 dilution, so there would be no requirement for diluting the effluent before land-applying. He stated that J-U-B's discussion with the farmers suggested the farmers would like to continue blending. Mr. Converse explained that the blending stretches out their water, nitrogen, and the nutrients; however, there are times when Lake Irrigation District water is not available for the blending. He explained that when that happens, the effluent can no longer be land-applied. This will extend the farmers' irrigation system a few weeks into the fall when Lake Irrigation District water is shut off and they can still receive effluent. Mr. Converse stated that this slow-rate land application permit will be written around Class C Reuse. He stated that the draft permit came back in class C+ reuse. He stated that right now the draft permit has been issued, is in draft form, and is out for permitting review that is being undertaken and it will soon go out for DEQ to receive comments.

Mr. Converse continued stating that the permit was written so that the District is responsible for compliance, monitoring, testing, and reporting as it relates to the effluent. He explained that because the District is operating now under a slow-rate land application permit up to 100% recycled water; the fields will undergo a little more scrutiny. He stated that there is going to be sample testing required on the fields and water monitoring. He stated that the District will have to take more responsibility on the functionality of the overall system, collect the samples, get

them analyzed, and do an annual report that documents where the water was sent, how it was irrigated, the crops that came off, and essentially perform checks and balances on the nutrients and the water that were applied at agronomic rates.

Mr. Converse continued stating that in the existing system the water from the City's and the District's sewers comes together and is jointly treated at the wastewater treatment plant with the Point of Compliance at the end of the lagoons, then goes into the storage lagoon, and then sent several thousand feet south to a mixing station at the appropriate time of year. He stated that the wastewater is put into Lake Irrigation District's distribution lines and then fed to the fields of the farmers. Mr. Converse pointed out that there are a lot of fields that the farmers irrigate, and these are just the ones that need permitting, and there are many more out there currently that are not permitted. He explained that the permit only represents two landowners that the District currently has agreements with and a third landowner who has expressed interest as well. He explained that the farmers have freedom to grow almost anything they want currently, but the next step is going to require some amount of control over what they do; however, the farmers will still have operational control over the effluent distribution and what crops they grow. There is enough land that they can choose to grow almost any crop, as long as they provide the crops that are necessary to get rid of all the effluent that is generated throughout the year. He stated that at this point those arrangements are tentatively in order.

Mr. Converse stated that the proposed system would be the City and the District maintaining their own sewer systems, with the City treating the wastewater, but at the Point of Compliance the District would be responsible for all the nuances associated with effluent and disposal. He stated that the District would be taking over the obligations of the storage lagoon and the mixing station and the Lake Irrigation District would still own and have some control over the course mains and distribute the lines, but the District will have some control over the fields as far as the sampling and the groundwater monitoring, the crop management, and the annual permit.

Mr. Converse explained that the permit is in draft form, pending all of the agreements that have to be put in place to move it on to the next step. The contracts will have to be submitted to DEQ. He stated that right now the District is working under letters of intent with the farmers, which was a big step for the District, but the contracts are not yet in place with the farmers that would satisfy DEQ requirements for contractual obligations to receive the effluent. He continued stating that the contract would be a 30-year agreement with a renewal in 20, which works out well because planning is done in 20-year increments. He stated that the farmers have agreed to grant the District 30 years, and that will give the District 20 years to see how the system works, and then at the end of the 20 years if all parties are happy with the arrangement another 30-year contract can be pursued with renewal after 20 years. He continued stating that once those contracts are in place the DEQ would update the permit, issue the public draft, go through the public comment period with the appropriate meetings, and then DEQ would incorporate the comments that they choose and then issue the final permit. He stated that once that final permit is in place irrigating and management of wastewater can take place under the typical DEQ-approved procedure.

It was clarified that prior to implementation, the District would need to discuss some of the contracts, finalize the Memorandum of Understanding with the City, and sign contracts. The four

entities, including the District, the farmers, the City, and the [LIDL] need to have contracts in place to make sure the water flows where it needs to go and is disposed of in an approved manner by DEQ.

Mr. Converse suggested that it would be good at this point for the City and the District to come together and determine how this plan that will be implemented aligns with the 20-year facilities master plan. He stated that the facilities master plan should be reexamined to see how valid it is now with the current plan of slow-rate land application over the next 20 years. He stated that the District would then generate its master planning documents that would reflect the current system. The master plan documents typically identify improvements that are needed, critical facilities and infrastructure that may or may not exist today that are required to continue to provide reliable service for the next 20 years. He explained that the DEQ wants this to be operational by the end of the growing season in 2016 because the permit expires in 2017 before the growing season. When the consent order expires, the existing system needs to be running exactly the way it is but will be operating under the permit.

Mr. Converse continued that the City and the District need to look at joint master planning activities on things that are shared such as the storage pond, the disposal facility, reservoirs, lift stations, all parts of the effluent disposal systems, and upgrades to facilities that are needed to provide reliable service. He stated that some of these have been identified, and some, of course, have been in use but have not been identified and a comparative analysis done to see what is the best way to move ahead. He stated that if operations continue the way they are and the permit is renegotiated with the farmers, there is a danger that the farmers would become subject to third-party lawsuits, therefore this should be permitted so it meets the current reuse rules that are out there today.

Mr. Converse stated that there are additional things that most likely are in the City's court as far as master planning of the actual treatment facility. The main point is that if there are capacity elements or to meet the requirements of the permit, those also would have to be operational by the time the permit is issued. He stated that the permit will require adequate water treatment of the wastewater before it goes on to the land application site.

Mr. Converse concluded stating that when looking at the land application site, right now the farmers are irrigating a couple of sites that are within the permitted allowable setbacks, so a few changes have to be made to bring the sites under the new rules. He stated that improvements to the sites may include some piping, vegetative buffers, and just little things to bring all of the sites that will be used into exact compliance with the reuse rules. He stated that the mixing station is on Simplot's property, and if they should decide to start charging the District for having it on the property it would probably have to be moved. Fortunately, the District owns 120 acres across the fence from Simplot, so land would not have to be purchased, but a critical infrastructure improvement might be moving this mixing station or the pipelines to the farmers.

Questions and Continued Discussion Among City Council and District Board Members

It was clarified that in master planning, every facility should have a good master plan to outline a pathway over the next 20 years such as treatment plant capacity and things that can be upgraded. When determining what pipe is to be put in the ground, having a master plan forces the District

to look out a little bit farther than that to make sure there is good value for the infrastructure that is put in the ground and it is going to last a long time. Part of identifying and ensuring that the District has adequate capacity to serve through the end of the planning period is the master plan that the District looks at. The District looks at growth, analyzes the wastewater treatment plant, looks at how much capacity it has, how much needed is at the end of the planning period, and if there is a gap there then at some point in time a capital improvement project is planned to expand the capacity. Sand filters might be a good example to talk about. Sand filters today have a reliable capacity to serve until 2018 or 2020. By recognizing the time frame after that the sand filters do not have a reliable capacity, sometime between 2018 and 2020 a sand filter will need to be built so it will be online by 2020. By knowing that sand filters will need to be replaced, the District can think about how to finance the project through bonds, raising rates, etc.

It was recognized that some of these items were discussed at the last joint meeting held a few years ago in terms of the actual capacity versus growth from a 20-year perspective. There was enough capacity there, but there were some components that might need some upgrades or some refinements or maintenance.

Councilor Witte asked if there were any profound differences in requirements for the wastewater coming out of the City's treatment plant. For example, the City does not operate the sand filters all 12 months of the year. Will any changes be necessary? Can the City still produce the same quality of effluent that is produced during the various seasons? It was explained that there is no difference. Currently Class C+ effluent is produced in the same timeframe that is currently produced today. The filtration is the one thing that is different than the existing consent order. Under the permit, the filters would have to be run three weeks prior to the start of the growing season, through the growing season, and then be shut off at the end of the growing season. Currently that is not a requirement under the consent order. It was stated that sand filters are a very important part of the draft reuse permit. The permit assumes that sand filters are going to be in place. So, by the 2017 deadline the City would have to have sand filters up to speed and running. It was clarified that currently sand filters are not used at all. The issue is that in April the volume of water can not be processed through the sand filter. It was suggested that there are probably engineering solutions out there that could be fairly expensive. The City Council would certainly like to understand what those might be before signing the contract in February, so these details do need to be worked out. There are some assumptions that the sand filter issue will be easy to fix or it will happen, and that is being determined right now.

Mayor Aymon asked if DEQ has any wiggle room on the sand filter issue. The purpose behind the sand filter requirement was explained. It has to do with basically pathogen removal and the particular methods of irrigation that would align with the farmers. There are agreements that have been worked out with the Department of Agriculture that have said that certain types of treatment methods will be employed in order to do certain types of things, and one of those is filtration. In order to make it work, filtration needs to be demonstrated. In reality, it needs to be shown that the amount of time that water sits in the storage lagoon would provide the same equivalent of settling for the same removal of pathogens that are not necessarily destroyed by chlorine, and the other part is filtration. If it can be shown that filtration and pathogen removal can be done without sand filters, then that is fine. This is just the simplest path forward without having to do a lot of additional work or research or study or bringing in another state agency that

could possibly disagree. It was clarified that there is wiggle room on the sand filters if other things can be shown and move forward. It was noted to keep in mind this is a "pre-draft," not a draft of the reuse permit. The District needed to be able to show the farmers an example of what is likely to be in a permit and what it is going to contain, but the permit is not in a full draft state yet. There are still negotiations to be had and things can be changed. It is not considered a draft permit until it is ready to go out for public comment.

Mayor Aymon asked why the permit shows "Permit expiration 10 years from date of issuance." It was explained that the DEQ's rules allow reuse permits to have cycle times up to 10 years. After whatever is set (could be five years, could be 10 years), then the permit has to be renewed. The committee has to reapply for a continuation of the permit. After operation under the permit for 10 years there may have been some problems discovered and adjustments may be necessary.

A question was asked of the District on the mixing plan and the current 3:1 dilution. It was explained that in talking to some of the farmers, the 3:1 dilution still has some minor issues with maintenance of the pivots such as corrosion and chemical reactions, so now 100% dilution is being discussed. It was asked if 100% dilution had been discussed with the farmers and were they on board with that. It was explained that both farmers have said they are willing to apply 100% effluent, especially when the Lake Irrigation District water is not available and the farmers want the extra nutrients in a 100% dilution going on their property leading into the fall and early spring, and they are on board with that.

Mr. Converse expressed his appreciation for the DEQ and the work they have done with the District to get where they are today. They have gone through this effort to write this pre-draft report. He explained that the District's next step is to go out and work with the farmers. The District needs the contract in place before receiving the permit and go to the next level. So the DEQ has done a great job for the District.

Councilor Witte asked if the reuse permit still allows for emergency discharge in the river. It was explained that the reuse permit has no effect on that. That is a completely different permitting process.

Mayor Aymon asked if the NPSB is an annual permit. It was explained that it is a five-year permitting cycle. That permit is supposed to be renewed every five years. The EPA has a large backlog of permits, and they are working on permits that have been expired for five years, so as long as a renewal is submitted prior to expiration and an acknowledgement is received from EPA, the administrator would continue until a new permit is written, however long that may take.

Councilor Witte questioned the capacity of the land because the permit is for less land than currently planned. She asked if there is there enough land to handle current flow, and if it requires 100% application will it be accepted at the same time? It was explained that the joint flows were examined, and at 100% reuse there is more than enough land at the end of the planning period and if at the end of the planning period the flows increase more than projected, the farmers will have to take more effluent. With the current pastures there is enough capacity for the next few years. It may be within the planning period, but there are other permit holders

who want in. Right now the District cannot take on any new land because first the permit needs to become operational, but there will be demand in the future. It was explained that there is a third letter of intent for an additional 600 acres; it was not clear exactly how many acres the Simplot Company may want to bring in and the Fairbrother property also has a couple hundred more acres and wants to come in. The District has kept the list simple because the District did not know what the permit was going to require. Someone clarified that adding additional irrigators later would not be a big deal. A permit modification can be applied for at any time if a new user comes online.

There are two types of modifications for reuse permits that are allowed, minor and major. A major modification would require a permit to have to go back out for public comment. If acreage is added for more land application that would be considered a major modification, so it would have to go out for 30-day public comment period.

It was noted that the storage pond fills roughly 70% on average over the spring. The question was raised as to how long it would take for the land owners, even at the dilution ratio, to drain the pond. The following explanation was given: Right now, as it sits, 219,000,000 gallons of water goes into the storage lagoon in a year. Of the sites that were requested to be permitted, the irrigation water requirement for those would be 500,000,000 gallons a year, so those sites are going to need 200,000,000 gallons of clean water just to grow the crop. The recycled water is only 3/5 of the water that is needed to grow the crops. So a lot of crops would have to be grown to be at a point where they would need 100% effluent year-round, and then with the additional landowners that want to come in, that number goes up. The October 12 version of the reuse permit has the growing season going until the end of September, so that would have to be changed if application were to take place in October. The DEQ generally requires permit holders to request allowance to do early spring or late fall applications as fertilizer applications. It has to be documented and recorded and show the nutrient loading. Some permits are also year-round permits. The current draft permit reads no application after September 30, so that may need to be changed. This is something that would be fixed prior to going out for public comment.

Discussion was turned to I&I (infiltration and overflow) and how reducing I&I would substantially reduce the amount of water available to distribute. The farmers are willing to take I&I too, but at some point that will be reduced or could go away.

A question was asked on how the City could help with the reuse permit. A good first step is the cooperation between the City and the District and all parties in attendance at the meeting. The next step is to get contracts under way. Contracts in place with all three entities are necessary to get the actual draft permit out for public comment.

Closing Comments – Peter Borner

Peter Borner, Public Works Director, stated that the City and the District are at a critical juncture, at a point in time where the collaborative measures between both organizations are absolutely imperative. There is a lot of work to be done in a short period of time. A lot of detail has to be hammered out within the next two years. The end result will be a system that will run better with a bigger, better capacity for use. The permit cannot be issued until those details are worked out. The biggest, most critical detail is the contracts. DEQ would like to see most of the

details worked out before issuing the draft permit for public comment. The timeframe calls for contracts to be completed by mid February 2015. This should be able to be completed in time.

Mr. Borner reiterated the need for cooperation between the District and the City. When working with the respective City Council, the District, and the engineering groups, planning should be collaborated between these groups. The way the system is outlined right now, the City shares the entire major infrastructure with the exception of the lift stations and the pipes, and now some management of it is changing a little bit. Because it is the most cost effective option, planning needs to take place collaboratively for the foreseeable future so the City and the District are not building two new storage ponds at the same time when only one is needed. In terms of long term forecasting, capital planning should be done collaboratively, after all the immediate work is done. Sitting down together also reduces or eliminates any misunderstanding or suspicion.

ADJOURNMENT

Without further business, the Mayor adjourned the meeting at 7:35 p.m.

Jackie J. Aymon, Mayor

ATTEST:

CITY OF McCALL, IDAHO SEAL McCALL, IDAHO

BessieJo Wagner, City Clerk