

EVERGREEN TERRACE WATER ASSOCIATION NEWSLETTER

Board of Directors:

James Nilson
President

Arlo Slack
Secretary

Bryce Coulter
Treasurer

James Shubert
Member

Gary Moss
Member

NOTICE OF PUBLIC MEETING CONCERNING ANNEXATION

Tuesday,
April 27, 2010

6:00 p.m.

Eagles Hall
St. Maries, Idaho

Evergreen Terrace Water Association, Inc.

248 Evergreen Terrace Road
ST. Maries, Idaho 83861

Phone: 208/245-2448
Email:
arlos113wd@yahoo.com

INTRODUCTION

In the Spring to 2008, the Idaho Department of Environmental Quality (IDEQ) determined that the Evergreen Terrace Water Association (ETWA) well was considered under the influence of surface water and therefore subject to contamination, which could impact public health. Since that time, as directed by IDEQ, ETWA has completed additional well testing and confirmed that the well is under the influence of surface water and therefore must be disconnected from the system and the water source replaced. Additionally, other system upgrades must be made in order for the ETWA system to comply with Idaho Drinking Water Rules.

The purpose of this newsletter is to:

1. Inform ETWA property owners and residents of the steps the ETWA Board has taken to develop options for upgrading the system.
2. Present the system upgrade options, costs and impacts on monthly water rates.
3. Invite you to an informational meeting at 6 pm, April 27, 2010 at the Eagles Hall in St. Maries.

EVERGREEN TERRACE WATER SYSTEM HISTORY

The water system was previously owned and operated by Evergreen Water Company, a privately owned corporation. In anticipation of required upgrades, and lack of funding available to private water companies, the company ownership sought to convert the system to a user-owned system, and remove the ownership from the private corporation. On July 1, 2008, a meeting of the water users was held, and a unanimous decision was made to create a non-profit association to assume ownership of the system. On April 22, 2009, the Evergreen Terrace Water Association, Inc. (ETWA) was formed.

The ETWA Board began pursuing funding from several state and federal funding agencies. ETWA received a \$12,500 grant from IDEQ and a \$12,500 loan from Idaho Department of Water Resources to fund completion of the ETWA Facilities Plan, required by IDEQ for all water systems proposing modifications. The information presented in this newsletter was developed in the Facility Plan. ETWA also pursued funding to construct the required system improvements and IDEQ recently informed ETWA that they were eligible to receive a \$400,000, 30 year, 0% loan.

FACILITY PLAN

ETWA retained Welch Comer Engineers to complete the water system Facility Plan. The purpose of the Facility Plan is to evaluate the existing system condition, identify deficiencies, develop preliminary improvement options and their estimated costs. The Facility Plan identified three system improvement options and ETWA Board selected the following two to present to the customers for consideration (the third option was too expensive):

OPTION 1 – Well #3

1. Replace the existing surface water influenced well #1 with ETWA's existing 12 inch diameter well (Well #3) and install a new pump and motor in Well #3.
2. Construct a new waterline to connect Well #3 to ETWA's existing waterlines.
3. Complete minor concrete repairs to ETWA's 40,000 gallon reservoir.
4. Remove the existing reservoir wood trusses and metal roofing and replace it with concrete.
5. Install flushing hydrants on the end of dead end waterlines to allow periodic flushing.
6. Make provisions in the Well #3 well house for a future Iron and Manganese treatment. Well #3 water quality test has shown occasional iron and manganese presence, but it is not possible to accurately assess the water quality until the well is fully operational. Therefore, a future iron and manganese treatment system may be necessary

OPTION 2-Tie in to the City of St. Maries Water System

ETWA informally approached the City of St. Maries about receiving water from the City of St. Maries through a large commercial type service. In this proposal, ETWA would continue to own and operate its waterlines and services, and bill its customers monthly. ETWA would pay the new water service connection fee and pay to construct the waterline tie-in. St. Maries would send ETWA a single monthly bill for base rate plus charges for water consumption and ETWA would in turn charge its customers. There are other administrative details that must still be evaluated by the City and the City may have additional requirements. The City has not committed to provide service. The reason the ETWA made this informal request to the City is because the anticipated cost for this option is slightly less expensive than Option 1.

The City of St. Maries Council considered the request and indicated that they may be interested in providing a service, provided that all of the ETWA property owners signed a consent for annexation into the City, should the City limits ever reach out as far as Evergreen Terrace and the City desired to annex Evergreen Terrace. This type of annexation for consent is common for Cities to require from property owners when they provide municipal services to an area outside City limits. In order for the City to annex Evergreen Terrace properties, existing property between the existing City limits and Evergreen Terrace would have to first be annexed, as required by state law. The City indicated that they were not committing to provide service if all of ETWA property owners consented to annexation, but realized that the question of annexation consent was significant and indicated that ETWA property owners should first consider that question before moving onto the administrative type questions.

The purpose of providing this Option 2 description in this Newsletter is to provide you the opportunity to think about this option and develop questions before the informational meeting.

OPINION OF COST

Welch Comer developed an opinion of cost of both Option 1 and 2, based on the preliminary information from the Facility Plan. Once ETWA selects an option, Welch Comer will complete the detailed engineering design and develop a more detailed cost. The selected project will be bid out to several qualified contractors and ETWA will select the Contractor.

IDEQ will loan ETWA funds to construct the project which ETWA customers will pay back (over 30 years at a 0% interest rate) through monthly water rates. In addition to the debt service, the monthly water rates will be adjusted to provide for monthly operation and maintenance cost (water samples, power, chemicals) and the rates will also include a reserve fund to save money for future system repairs and upgrades. Additionally, for the first five years, water users will need to pay to fund the debt reserve fund (equal to one annual loan payment) which is required by IDEQ. The following table summarizes the two options and the estimated monthly water rate.

Evergreen Terrace Comparison of Project Improvement Costs

	Option 1 Development of Well 3	Option 2 Intertie with City of St. Maries
Source Improvements	\$210,000	\$190,500
Reservoir Tie-in & Improvements	\$81,500	Not required.
Flush Hydrants	\$4,500	\$4,500
IDWR Loan Payoff	\$12,500	\$12,500
Total Project Costs	\$308,500	\$207,500
Monthly Debt Service (30 yr at 0%, 36 Conns) Per User	\$23.80	\$16.01
Monthly O&M Expense Per User	\$28.59	\$28.96
Debt Service Reserve (Funded from Rates for First 5 Years) Per User	\$4.76	\$3.20
Est. Monthly Cost, per Connection	\$57.15	\$48.17

WATER USERS AGREEMENT

In order to borrow money, the ETWA must be able to count on each property owner to pay their monthly water bill so ETWA can re-pay the IDEQ. In order to legally secure a property owner's commitment to pay their water bill, ETWA will require each property owner to sign a water users agreement which is included with this newsletter for your review. Also included is the ETWA's bylaws which govern how ETWA operates. ETWA is providing all of this paperwork in advance of the meeting to give you time to review it and develop any questions you might like to ask at the meeting.

SUMMARY

It is unfortunate that the ETWA water well was impacted by surface water and must be taken offline. The ETWA Board has made every effort to find the most economical solution to repair our water system and keep the water safe for all of our families. The ETWA Board encourages each of you to attend the meeting to learn more details about the project and ask questions. Suzanne Scheidt from IDEQ and Phil Boyd, P.E. from Welch Comer Engineers will be at the meeting to make short presentations and answer questions and all of the ETWA Board will be in attendance.