



AGENDA

IDAHO WATER RESOURCE BOARD

Board Meeting No. 1-20

January 24, 2020

8:30 a.m.

Water Center

Conference Room 602 B, C & D

322 E. Front St.

BOISE

Brad Little
Governor

Roger W. Chase
Chairman
Pocatello
District 4

Jeff Raybould
Vice-Chairman
St. Anthony
At Large

Vince Alberdi
Secretary
Kimberly
At Large

Peter Van Der Meulen
Hailey
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

Dale Van Stone
Hope
District 1

Jo Ann Cole-Hansen
Lewiston
At Large

1. Roll Call
2. Public Comment
3. Agenda & Approval of Minutes 10-19 & 11-19*
4. Financial Report
5. Boise River Feasibility Study
6. ESPA Recharge
7. Priest Lake
8. Bear Lake Update
9. Update from Mark Limbaugh of the Ferguson Group
10. Palouse Basin Aquifer Committee Update
11. Update on Potential Legislation of Interest
12. Director's Report
13. Non-Action Items for Discussion
14. Next Meeting & Adjourn

Finance Committee Meeting 1-20 upon adjournment of Board Meeting

1. Introductions
2. Goose Lake Reservoir Company Loan
3. Other Items
4. Adjourn

Committee Members: Vince Alberdi (Chair), Roger Chase, Dale Van Stone, Al Barker, and Jo Ann Cole-Hansen

* Action Item: A vote regarding this item may be made this meeting. Identifying an item as an action item on the agenda does not require a vote to be taken on the item.

Americans with Disabilities

The meeting will be held in facilities that meet the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the meeting, please make advance arrangements by contacting Department staff by email jennifer.strange@idwr.idaho.gov or by phone at (208) 287-4800.

Memorandum



To: Idaho Water Resource Board Finance Committee

From: Rick Collingwood

Date: January 24, 2020

Re: Goose Lake Reservoir Company – Loan Interest Rate Reduction Request

On August 6, 2019, Vic Armacost, President of the Goose Lake Reservoir Company, submitted a request to seek a reduced interest on Company's loan from the Idaho Water Resource Board (Board) from the current Board interest rate of 4.5%. As stated in the attached letter, Mr. Armacost references the interest rate reduction by the federal government.

In July, 2017, the IWRB approved a \$20,000 loan for the Company. In May, 2018, the Board approved an additional loan request of \$300,000 for the design and construction of new retaining walls and embankment reconstruction. The two loans were combined into a single loan. With a principal payment of \$10,000 in December, 2018, the final combined loan amount is \$310,000.

Attachment(s): Goose Lake Reservoir Company Letter Dated 8/6/19

RECEIVED
AUG 09 2019
DEPARTMENT OF
WATER RESOURCES

8/6/19

Idaho Water Resource Board
322 East Front St.
PO Box 83720
Boise ID 83720-0098
Attn: Rick Collingwood

This is my request for the Board to lower the 4.5% interest rate on our Goose Lake Reservoir dam construction project loan. As we all know the FED lowered the federal funds rate recently. Also, the Idaho Soil & Water Conservation is advertising loans for ranch and farm projects at 2.75% to 3.5%. In light of these facts, it appears to me that your 4.5% rate should be lowered.

I appreciate your careful and thoughtful consideration of my request.

Sincerely,



Lawrence V. Armacost
President Goose Lake Reservoir Co.

Memorandum



To: Idaho Water Resource Board Finance Committee
From: Rick Collingwood
Date: January 24, 2020
Re: Riverland Terrace Nonprofit Water Corporation – Loan Request

On December 20, 2019, Riverland Terrace Nonprofit Water Corporation (Corporation) submitted an Idaho Water Resource Board (Board) loan application requesting a loan of \$190,000 loan from the Board to switch potable water service from the Corporation's current two ground water wells to Suez Water.

The Corporation operates a potable water supply system that serves 29 year round residences within the Riverland Terrace Subdivision. Water quality testing revealed that one of the two wells contains arsenic in excess of the state water quality standards. The Corporation signed a Water Compliance Agreement with the Idaho Department of Environmental Quality (DEQ) in March, 2019. In order to comply with the agreement, the Corporation's plan is to hookup to the Suez water main line, which was recently extended past the development along Warm Springs Avenue. The two existing operational wells, and a third well not in operation, will be abandoned, well pumping equipment removed, and the well lots will be sold.

Attachment(s): Map of Service Area
Map of Well Lot Locations

II. General Information
D. Map of Service Area
Southeast Boise
Ada County



General Location
About 1 mile north of intersection of
Highway 21 and Warm Springs Avenue



Service Area
29 residences

**Riverland Terrace NonProfit Water Corporation
Well Lot Locations**

General location is north of Warm Springs Avenue near the Maynard Gulch cell phone tower and East Glacier Drive. From northwest to southeast the three well are lots circled below:

- Well Lot #3: 6382 East Warm Spring Avenue, between South Maynard Avenue and the cell phone tower. 0.363 acres, Parcel # R7475360210, Lot 65, BLK 04, Riverheights Subdivision #5. SE1/4SW1/4 Section 28, T3N, R3E.
- Well Lot #1: 6562 East Warm Springs Avenue, between East Signal Rock Drive and East Glacier Drive. 0.332 acres, Parcel # 7475500002, Parcel #0002 Portion of Lots 1 and 2, BLK 1 Riverland Terrace. NW1/4NE1/4 Section 33, T3N, R3E.
- Well Lot #2: No street address, just southeast of 6738 East Glacier Drive. 0.300 acres, Parcel # 7475500086, Parcel #0086 of Lot 16 BLK 1 Riverland Terrace. NW1/4NE1/4 Section 33, T3N, R3E.



Riverland Terrace Nonprofit Water Corporation
2006 S. Eagle Road
Meridian, Idaho 83642

December 20, 2019

Rick Collingwood
Idaho Water Resource Board
Idaho Water Center
322 E. Front St. Suite 648
Boise Id 83702-7371

RECEIVED
DEC 20 2019
DEPARTMENT OF
WATER RESOURCES

Dear Mr. Collingwood,

Please accept this loan application on behalf of the Riverland Terrace Nonprofit Water Corporation. Riverland Terrace is a registered non-profit corporation that provides water to its 29 members in southeast Boise. We are under a Compliance Agreement with the Idaho Department of Environmental Quality due to exceedances of the arsenic water quality standards. While we evaluated a few different options that were available, Riverland Terrace has decided to switch our water supply to Suez. After evaluating both short term and long term costs, that is the lowest cost alternative for our members.

Suez has agreed to use our existing distribution system, but the cost of connecting to their mainline and making other required improvements is estimated to be almost \$155,000. The actual cost may vary depending on the bids they receive. Riverland Terrace needs to provide this hookup fee sometime from April to June of 2020.

The main purpose of the loan is to provide the hook up fee to Suez. In addition, Riverland Terrace will need to properly abandon the three wells. Since the wells and well lots will no longer be needed, Riverland Terrace intends to remove all improvements and sell the well lots. The proceeds from the sale of the well lots should cover the Suez hook up fee, well plugging, and other costs associated with this project. If not, then member fees will continue to be charged until the loan is repaid.

Please contact me at 208-954-9553 if you have any questions. Thank you for your assistance.

Sincerely,



Eric Wilson
President, Riverland Terrace Nonprofit Water Corporation
6668 Glacier Drive
Boise, Idaho 83716

Loan Document for New Water Supply

Sponsored by the
Riverland Terrace Nonprofit Water Corporation
In conjunction with the
Idaho Water Resource Board

December 2019

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Appendix A:	Articles of Incorporation and By-Laws
Appendix B:	Water Right Summary
Appendix C:	Suez Preliminary Design Report and Cost Estimates
Appendix D:	Idaho Water Resource Board Loan Application
Appendix E:	Financial Statements and Budgets: 2016-2018
Appendix F:	Map of Service Area and System Drawings

Riverland Terrace Nonprofit Water Corporation

Eric Wilson

President

Barb Harshfield

Vice President

Julie Kirkpatrick

Secretary

Loan Document for New Water Supply

Riverland Terrace Nonprofit Water Corporation

Introduction (Need for the Project)

The Riverland Terrace Nonprofit Water Corporation (RTNWC), located in Ada County, operates a water supply system that provides domestic water to the residences in the subdivision. Water quality testing has revealed that one of two wells needed for the system contains arsenic in excess of the state water quality standards. A Compliance Agreement was signed with the Idaho Department of Environmental Quality (IDEQ) in March of 2019. In order to comply with the agreement, RTNWC wants to hook up to Suez and cease using the RTNWC wells.

Project Sponsor

The RTNWC is the entity that owns and governs the water system and is registered with the State of Idaho as a non-profit corporation under Title 30, Chapter 30, Idaho Code. RTNWC was first formed on 2/22/77. There are currently 29 year round households consisting of 25 single family homes and 4 duplexes. RTNWC is authorized to manage the water system and assess fees as voted on by its residents. No expansion of services beyond current members is allowed. RTNWC may discontinue water deliver to members that fail to pay their bill. A copy of the incorporation and bylaws are included in Appendix A.

Project Service Area and Facilities

The RTNWC provides water to 29 residences in Ada County. The RTNWC is located one mile north of the intersection of Highway 21 and Warm Springs Avenue in east Boise and covers a service area of approximately 10 acres. The residences serviced by RTNWC are used all year and the water is used for both indoor and outdoor residential purposes. A map of the service area and the original plan drawings are in Appendix F. Three wells and three well lots are owned by RTNWC. Only two of the wells are operational.

Hydrology and Water Rights

The sources of water that serve the residences are two groundwater wells. The water right for the wells has an appropriation date of 11/17/1976 and an amount of 0.6 cfs or 34.8 acre feet. Records show that the draw on the well for the last eleven years has averaged 16,440 gallons per day, or 0.05 acre feet. This is equivalent to just over 6 million gallons a year or 18.4 acre feet. A summary of the water rights are found in Appendix C.

Project Description and Alternatives

The purpose of this project is to have RTNWC meet the deadlines in the Compliance Agreement. Three alternatives were considered:

1. Enter into an agreement with Suez for them to provide water to our neighborhood.
2. Submit application for point of use treatment systems in each residence
3. Contract with an engineer for centralized arsenic treatment options

Alternative 1 was recommended by the RTNWC Board of Directors because it is the overall lowest cost alternative. Alternative 2 was considered unacceptable due to the estimated up front cost of \$2,000 per

member and a need for rate increases of at least \$60/month. Alternative 3 was considered unacceptable due to the estimated up front cost of \$1 million or more and rate increases needed for ongoing maintenance and operations.

A no action alternative was not considered due to the Compliance Agreement with IDEQ. No action would result in continued violation of the Idaho Rules for Public Drinking Water Systems (IDAPA 58.01.08).

Selected Alternative

Alternative 1, hooking up to Suez, was approved by a vote of the members on September 25, 2019. A letter of intent to provide service was then obtained from Suez. Their water main was recently extended past our neighborhood along Warm Springs Avenue. They will disconnect our system from the wells, connect their main line to our distribution system, and install their own water meters at each residence. Suez prepared a timeline and cost estimate for their project, and it is in Appendix C. They must be paid before work commences.

After our members are connected to Suez, RTNWC has no further use for the wells, infrastructure, and well lots. RTNWC would have the two active wells and one inactive well properly plugged and abandoned. The pumps, pressure tanks, control systems, and other unneeded equipment would be removed and sold. Once the improvements are removed from the three well lots, the well lots could be sold. Proceeds from the sale of the assets are expected to cover the cost of hooking up to Suez, well plugging, and other costs related to disposal of the lots. The water right would be sold after the loan is repaid. RTNWC anticipates that this would be a short term "bridge loan" that can be paid off as soon as the lots are sold. If the lot sales are delayed or the market conditions change, then RTNWC can continue to bill the members in order to pay off the loan. Many of the current expenses such as repairs, compliance, and operator costs would no longer be incurred because well operations would cease. Accounting, insurance, and a reduced power bill totaling approximately \$4,700/year would be the remaining expenses. A rate increase of 20% to the existing bills would cover the loan payment and these remaining expenses.

Cost Estimates

The estimated cost of the completed project for Suez is \$154,612.87. The cost break down is shown in Table 1. Suez's cost estimate is included in Appendix C.

Table 1. SUEZ –Replacement Water Supply – Cost Estimate

Item	Estimate
Disconnect existing system from wells and connect Suez line to existing system	\$ 85,000.00
Install 29 1-inch Services	By Suez
Suez inspection, testing and overhead	\$ 19,674.42
Offsite fees	\$ 42,000.00
TCJA Federal Tax	\$ 22,438.45
Less SUEZ Betterment (\$500 X 29 Individuals)	\$ <14,500.00>
Total ESTIMATED Suez Cost	\$ 154,612.87
Estimated well plugging costs	\$ 15,000

Estimated costs to dispose of the lots	\$ 30,000
Total Project Costs	\$199,612.87

Implementation Schedule

Preparation work to sell the lots is already underway. RTNWC is pursuing access agreements from the local highway district and plat note changes with the City of Boise.

Suez is expected to complete the design in April of 2020. RTNWC must have financing secured before the next phase begins.

Suez will solicit construction bids from April through June of 2020. After they have selected a contractor and the final price is determined, Suez and RTNWC will enter into a mainline agreement. RTNWC must provide full payment to Suez when this agreement is signed.

Suez will schedule the work and secure permits from July through October of 2020. RTNWC will finish working through the lot sale details during this same time, and select a contractor to properly plug and abandon the wells.

Suez's contractor will complete their construction sometime from October of 2020 through June of 2021. This includes connecting the mainline, installing fire hydrants, and installing new meters.

RTNWC will start selling off unneeded equipment as soon as the members are hooked up to Suez. The well plugging contractor can also complete their work.

RTNWC will then engage with a local realtor to market the three well lots.

Permitting

Suez will be responsible for any permitting needed for the construction. The existing distribution line will be used by Suez, and that waterline and all service connections are covered by easements for RTNWC.

RTNWC will obtain the local government authorizations needed to prepare the three well lots for sale.

RTNWC will obtain a separate contractor to properly plug the three wells.

RTNWC will contract with a realtor to dispose of the three lots.

Institutional Considerations

Entities that are, or may be, involved in the design, construction and financing of the project include:

RTNWC; financing, and project management

Suez; design and construction

IWRB; financing

RTNWC will be the lead for the financing of the project and will be the entity entering into contracts and agreements with the various entities for the services provided by each. Suez and their contractors are responsible for the design and construction of the tie in to the existing distribution system.

Financial Analysis

Two entities will be involved in financing the estimated total project cost of \$200,000. Water quality testing and unscheduled repairs over the last two years have depleted the RTNWC cash reserves, so RTNWC only has about \$10,000 remaining. RTNWC is applying for a loan from the IWRB in a maximum amount of \$190,000. This will cover the cost of hooking up to Suez, plugging the three wells, and preparing the well lots for sale. The actual estimated amounts are shown in Table 2.

Table 2. Sources of Funding

Entity	Grant	Loan	% Participation
RTNWC	\$0	\$10,000	5%
IWRB	\$0	\$190,000	95%
Totals	\$0	\$200,000	100%

RTNWC will cover any costs that exceed the estimated project cost.

RTNWC is requesting a 20 year loan from the IWRB. The standard lending rate for this type of project from the IWRB is 4.5%, resulting in payments of \$14,606.47. A one-time special assessment of at least \$504 per member will be voted on by the membership prior to January 23rd in order to place at last \$14,616 into a separate account as per the conditions of the loan. Table 3 is a summary of the financial aspects of the project.

Table 3. Financial Summary

Project Cost	\$200,000
Loan amount (95% of project cost)	\$190,000
Number of residences	29
Current rate per residence (Average Yearly)	\$573.31
Estimated Future Assessment per residence	\$573.31

Since no other funding source will be used for this project, RTNWC would have no other debt service on the project. Operation and maintenance costs will be covered by the current budget until service is changed over to Suez. Once service is provided by Suez, then almost all normal operating expenses for RTNWC will cease. If the lots are not sold in 2020, then a rate increase of 20% to the existing bills would be needed to cover the yearly loan payment of \$14,606.47 and the remaining yearly expenses of up to \$4,700. Once the three well lots are sold, the proceeds will be used to repay the loan early.

The RTNWC Board of Director can increase member fees by up to 10% per year without a vote of the membership. If needed, rates can be raised more than 10% per year by a vote of the membership. Rates were just raised approximately 10% effective in January of 2020.

Credit Worthiness

RTNWC has no existing debt. Table 4 shows the Financial Ratios for the RTNWC and indicates an ability to repay the project is in place. Proceeds from the sale of the well lots will likely allow the loan to be repaid early.

Alternative Financing Considerations

RTNWC has contacted Wells Fargo about a loan for \$190,000, and they are evaluating our request. The interest rate will likely be higher than 4.5%.

RTNWC is also looking into the possibility of a loan or grant through IDEQ, but their timelines do not appear to fit our current needs.

Collateral

For security of the loan, RTNWC will pledge the assessment income, water rights, infrastructure, and the well lots.

Economic Analysis

The economic benefit of the project is considerable. The total property values serviced by RTNWC are over \$8 million, and values may drop by 25% or more if the change in water supply to Suez does not occur. In the short term home values would decrease and in the long term the homes may become unsalable. Since IDEQ has already determined our system is disapproved, FHA and VA loans may not be possible for RTNWC members.

Buildable lots in this part of East Boise are in high demand, and proceeds from the sale of the three lots are expected to be sufficient to repay the loan early.

Social and Physical Impacts

The project will have a social impact because it will maintain drinking water availability for the residents of the subdivision. If RTNWC does not hook up to Suez, then RTNWC is at risk of not meeting the terms of the Compliance Agreement with IDEQ. While the well with elevated arsenic could be shut off, this would create water shortages and decrease property values. Several of the residents are retired and on fixed incomes, so the financing will allow RTNWC to avoid a large one-time assessment from the members.

Conclusions

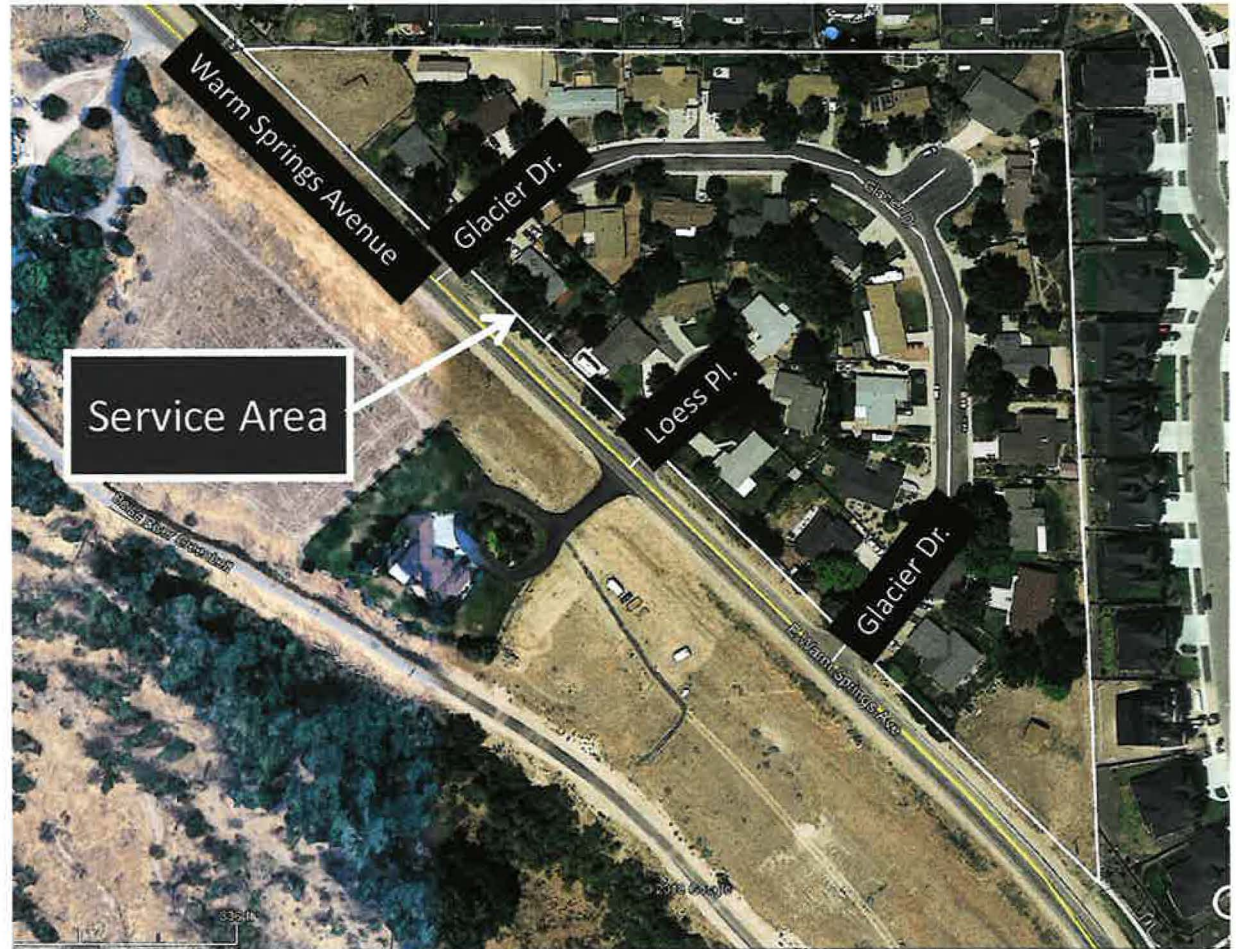
1. RTNWC is registered with the State of Idaho and has taken a vote of its members to allow it to proceed with changing our water supply to Suez.
2. Right-of-Way easements are in place for the project.
3. The project will allow the residents to receive domestic water that meets the state water quality standards for the lowest overall cost. The project will also provide increased reliability in water delivery and increased safety due to the installation of fire hydrants.

4. The total estimated cost of the project is \$200,000 and will be financed by in part by RTNWC. RTNWC is applying for a loan from the IWRB in the amount of \$190,000.
5. This project meets with the requirements of the State of Idaho's Water Plan and is necessary to implement the Compliance Agreement with IDEQ and avoid water shortages for RTNWC members.
6. The project is technically and financially feasible.

II. General Information
D. Map of Service Area
Southeast Boise
Ada County



General Location
About 1 mile north of intersection of
Highway 21 and Warm Springs Avenue



Service Area
29 residences

**Riverland Terrace NonProfit Water Corporation
Well Lot Locations**

General location is north of Warm Springs Avenue near the Maynard Gulch cell phone tower and East Glacier Drive. From northwest to southeast the three well are lots circled below:

- Well Lot #3: 6382 East Warm Spring Avenue, between South Maynard Avenue and the cell phone tower. 0.363 acres, Parcel # R7475360210, Lot 65, BLK 04, Riverheights Subdivision #5. SE1/4SW1/4 Section 28, T3N, R3E.
- Well Lot #1: 6562 East Warm Springs Avenue, between East Signal Rock Drive and East Glacier Drive. 0.332 acres, Parcel # 7475500002, Parcel #0002 Portion of Lots 1 and 2, BLK 1 Riverland Terrace. NW1/4NE1/4 Section 33, T3N, R3E.
- Well Lot #2: No street address, just southeast of 6738 East Glacier Drive. 0.300 acres, Parcel # 7475500086, Parcel #0086 of Lot 16 BLK 1 Riverland Terrace. NW1/4NE1/4 Section 33, T3N, R3E.



Table 4: Financial Ratios

Entity Name: Riverland Terrace Nonprofit Water Corporation

Loan amount requested: \$190,000

The following information is required for the loan application with the Idaho Water Resource Board. Please fill out as completely as possible in the spaces provided. The sheet will do the calculations based on your input. This sheet will not save so you must print it out and attach it to the Loan Document. If you have any questions please contact the loan staff.

Number of units serviced (acres or residences)

29

Yearly Expenditures, Revenues, and Cash - last 3 years required

Interest rate

4.5%

Year	Revenue	Expenditures	Cash
2016	\$13,735.59	\$9,073.35	\$35,298.78
2017	\$13,578.22	\$8,881.91	\$39,805.39
2018	\$14,988.98	\$29,647.10	\$25,446.97
Average:	\$14,100.93	\$15,867.45	\$33,517.05

Total Debt

\$0.00

Current Assessment

\$573.31

Is the assessment

1

Assessment Charged by

residence

(use 1 for yearly and 12 for monthly)

(How is current assessment charged? By share, acre, residence, etc.)

Loan Term

Assessment after loan

Estimated Payment

5 years	\$2,065.74	\$43,280.41
10 years	\$1,401.31	\$24,011.98
15 years	\$1,183.37	\$17,691.62
20 years	\$1,076.98	\$14,606.47

Indicator

5 year

10 year

15 year

20 year

Revenue/Expenses	0.24	0.35	0.42	0.46
Debt Service ratio	-0.04	-0.07	-0.10	-0.12
Cash /Expenses	0.57	0.84	1.00	1.10
Debt/Unit	\$1,492.43	\$828.00	\$610.06	\$503.67



Nate Crofts
8248 W. Victory Road
Boise, ID 83709
Phone (208) 362-7329
Fax (208) 362-3858
Nate.Crofts@suez.com

October 22, 2019

Mr. Eric Wilson, President
Riverland Terrace Non-Profit Water Corporation
6668 Glacier
Boise, ID 83716

Dear Mr. Wilson,

Thank you for taking the time to talk with us and inform us that the Riverland Terrace residents that attended your recent meeting voted to connect to the Suez water system as their selected water system alternative. This document is to serve as a Letter of Intent to enter into an agreement with Suez Water Idaho Inc to connect the existing Riverland Terrace water system to the existing Suez water system. The existing Riverland Terrace wells will be disconnected from the water system and all future source of supply will be through Suez.

The following project milestones are anticipated:

On or before November 1, 2019

Riverland Terrace submits this signed Letter of Intent to DEQ to satisfy the consent order timeline requirement.

November 2019 - April 2020

Design and approve plans for the water system upgrade
Riverland Terrace to investigate and secure financing

April 2020 - June 2020

Receive Bids from Contractors for work
Enter into a mainline agreement between Riverland Terrace residents and Suez Water Idaho Inc. Note that full payment for all improvements will be due at the time this agreement is signed.

July 2020 - October 2020

Schedule work and secure permits

October 2020 - June 2021

Install mainline, fire hydrants and services for project

Please note that the schedule presented here likely reflects more time than will be necessary to complete the project. However, construction pricing is often very dependent on the required construction schedule and leaving additional time to complete the project may result in a substantial cost savings to the homeowners.

The attached estimate is accurate with regard to the party responsible for payment of each portion of the work and represents Suez' best opinion of the cost of the work. The actual costs will be firmed up with construction bid numbers once they are received.

Please review these dates and let us know if you have any concerns or questions. Although this is not yet a binding contract, please sign and acknowledge the intent of this project moving forward so we can document the start of the project to the appropriate concerned parties.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nate Crofts".

Nate Crofts
Construction Supervisor
Suez Water Idaho Inc.

Acknowledged:

Eric Wilson
President
Riverland Terrace Non-Profit Water Corporation



Nate Crofts
8248 W. Victory Road
Boise, ID 83709
Phone (208) 362-7329
nate.crofts@suez.com

August 8, 2019

Mr. Kenny Everhart
Riveland Terrace
Glacier Rd
Boise, ID 83703

Dear Mr. Everhart:

This letter is to advise you of SUEZ opinion of probable cost to provide water service for 29 individuals on the Riveland Terrace Association system. **This is a preliminary estimate and actual costs can be figured once there is a final plan and contractor bids have been received.** Total estimated costs are summarized below.

NONREFUNDABLE COST(S):

Disconnect existing system from well and connect Suez line to existing system-	\$ 85,000.00
Install 29 1-inch Services -----	\$ By Suez
Suez inspection, testing and overhead -----	\$ 19,674.42
Offsite fees-----	\$ 42,000.00
TCJA Federal Tax-----	\$ 22,438.45
Less SUEZ Betterment (\$500 X 29 Individuals) -----	\$ <14,500.00>
Total ESTIMATED Project Cost-----	\$ 154,612.87

Please feel free to call me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nate Crofts".

Nate Crofts
Construction Supervisor

II. General Information
D. Existing Facilities and Operational Problems

Two wells supply potable water to 29 structures. This includes 25 houses and 4 duplexes. A third well is no longer hooked into the system due to excessive sand and insufficient flow. Two well houses each contain a 2,800 gallon hydropneumatic tank. A third well house contains only a well. The tanks and operating wells are linked with a wireless control system. Buried pipelines distribute the water to all the residences.

Arsenic in one of the wells exceeds the applicable water quality standards. A compliance agreement with the Idaho Department of Environmental Quality (IDEQ) was signed in the spring of 2019 and is attached. After reviewing the options and their estimated costs over the summer, a vote of the membership was held this fall to determine which option we would choose. The members voted to reach an agreement with Suez and have them provide water service to the neighborhood. A record of the vote and the sample ballot is attached. This is the lowest cost alternative. An agreement with Suez was then signed in October of 2019, and it is attached. IDEQ was notified of this agreement prior to November 1, 2019 as per the compliance Agreement.

Riverland Terrace must provide the full cost of hook up to Suez after bids are received sometime after April 1, 2020. The estimated total cost is almost \$155,000. A number of residents are retired and on fixed income, so a special assessment of over \$5,300 per structure is not feasible.