



Proposed Annual Budget and
Financial Report

Fiscal Year 2025

August 5, 2024

Board of Directors

James Gruber *Chairman*

Terry Loftus *Vice-Chairman*

John Bennett

Steve Bender

Tillie Reed

Management Team

Neil Jenkins *General Manager*

Laura Markham *Administrative Manager*

Chris Kossow *Collections Manager*

Ron Gearheart *Treatment Manager*

Legal Counsel

MSBT Law

Auditor

Quest CPAs PLLC

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List of Abbreviations

<u>ABBREVIATION</u>	<u>DEFINITION</u>
ESD.....	Eagle Sewer District
FY.....	Fiscal Year
O&M.....	Operations and Maintenance
STO.....	State Treasurer’s Office
R&R.....	Repair and Replace or Rehab
CIP.....	Capital Improvement Project
BOD.....	Biochemical Oxygen Demand
TSS.....	Total Suspended Solids
OPM.....	Office Personal Management
COLA.....	Cost of Living Adjustment

Transmittal Letter

Date: July 2, 2024

To: Eagle Sewer District
Board of Directors



From: Neil Jenkins - General Manager
Laura Markham - Administrative Manager

Re: FY25 Annual Budget and Financial Report

Summary

We are pleased to submit the FY25 Annual Budget and Financial Report for Board review and adoption. The purpose of this report is to provide the details the Board needs to review and endorse the financial management strategies and planned investments for FY25. The Annual Budget and Financial Report is developed to maintain high-quality service to District patrons by ensuring the wastewater system is adequately operated and maintained, and repairs or replacements requiring significant funding are planned. This helps to avoid rate spikes or unnecessary debt that can result from relying on short-term planning. Through prudent financial management and strategic investments, the District strives to provide high levels of service at an affordable price.

The District operates a cost-efficient wastewater utility that protects public health and the environment for the current 14,900 patrons. The District maintains approximately 200 miles of sewer line, over 5,200 manholes, thirteen lift stations, and an activated sludge lagoon treatment system that cleans about 2.5 million gallons of used water each day.

The District continues to proactively maintain the current systems and make improvements described in the 2024 Collection System Master Plan and 2024 Wastewater Facilities Plan. These plans describe the asset replacement and water quality improvements that align with the District's level of service goals. Notable project this year (FY24) include the Aikens Road Sewer Extension from Eagle Road to 2nd St, Palmer PLC Replacement, Biosolids Removal, Solids Ponds Floating Covers, Lagoon Intensification Fixed-Media and Blower, Wetlands Restoration, and other small projects. The enclosed report details the major projects for FY25 that will be completed to meet District goals. These include installing the Lagoon Intensification Fixed-Media and Blower, Permanent Filtration, securing a water reuse permit for irrigation canal reuse, and the East Trunkline Realignment projects.

The Spring Valley/Valnova development and its dedicated wastewater treatment plant are expected to be completed in FY24 and begin operation in FY25. Separate accounting for this system is set up and is presented in this report.

Budget Highlights

Monthly Service revenues for FY25 increased by 15% over FY24 with the additional \$6/month per connection the Board implemented in June 2024. This increase was specifically to fund the plan to make irrigation reuse water as described in the 2024 Treatment Plant Facilities Plan. The last time monthly service rates were increased was December 2019. The budgeted number of connections contributing monthly service revenue for FY25 is 15,000. By completing the master-planning efforts in FY24, the District has solid technical and financial plans for meeting the level of service goals going forward.

Operating expenses have been held at a 9% increase over FY24 expenses by implementing additional efficiency efforts including using the new sewer cleaning truck that has a water recycler feature allowing more sewer lines to be cleaned between water fill ups.

Connection fee revenues for FY25 are expected to be strong when comparing new lots being developed and the current low inventory of homes on the market in Eagle. The budgeted number of connections for FY25 is 450 compared to 400 in FY24.

Debt service on the existing \$10 million bond has been stable and predictable at \$650,000 per year. This 25-year bond was secured in 2018 to fund the lagoon expansion project and larger effluent line to the City of Boise's West Boise Water Renewal Facility.

Conclusion

The Board's continued support of long-range financial planning has produced a stable financial structure to meet the District's current and future needs given a range of possible service area growth rates. Specifically, the Board increasing the monthly service revenue by \$6/month per connection in June 2024 is generating additional revenue to fund the capital projects required to meet our patrons' desires to reuse our treated water for irrigation. Prudent cost management and the District's mission to be good financial stewards of our patron's funds prepares us for a bright financial future as we continue to provide critical services to our patrons.


Neil Jenkins, P.E.
General Manager


Laura Markham
Administrative Manager

About the District

The Eagle Sewer District (District) was created by a vote of the people on December 20, 1963. The Court of the Third Judicial District of the State of Idaho confirmed the vote and declared the creation of the Eagle Water and Sewer District of Ada County, Idaho. On October 20, 1980, a court order was filed and approved, to change the name to Eagle Sewer District since others were providing water service and the District only provided sewer services. The Eagle Sewer District receives its operating authority from Idaho State Code, Chapter 32, Sections 43-3201 to 42-3238. A Board of Directors, elected by the people of the district, governs the District. In contrast, the City of Eagle was incorporated in 1971. The two entities partner in many ways, but they are completely separate legal entities. The District service area generally aligns with the City of Eagle area of impact but is not limited to or required to follow city limits.

The current collection system is comprised of approximately 200 miles of sewer lines, 5,200 manholes, thirteen lift stations, and a 2.5 million gallon per day lagoon treatment system. The current wastewater treatment plant was built in 1982 with a bond and a grant from the Environmental Protection Agency. The facility is located one mile west of Eagle Road on the north bank of the Boise River's north channel. The treatment plant consists of a headworks with influent pumping, screening and grit removal, followed by aerated lagoons and settling lagoons. The mostly cleaned water is pumped to the City of Boise's West Boise Water Renewal Facility where it receives additional cleaning before being discharged in the south channel of the Boise River.

Master plans for both the collection system and the treatment plant were started in 2023 and completed in 2024. These plans describe the existing conditions of the pipes, manholes, lift stations, and treatment plant assets as they are currently constructed. They also estimate what conditions will be in 20 years regarding the amount of water that will be sent for cleaning and the reinvestment needed to maintain the current systems in operation. Multiple paths to go from the current conditions to the expected future conditions were prepared. These paths included a robust discussion and public outreach campaign for where the cleaned water should go. The patrons desired to move towards a future where the water is cleaned at the District treatment plant to a quality that can be used for canal irrigation. They viewed this as a way to use this water resource that they are paying for a second time, especially during dry years. More information can be found in the 2024 Collection System Master Plan and the 2024 Treatment Plant Facilities Plan. The Board adopted these plans in spring 2024.

Implementing the vision of creating Class A irrigation reuse water requires additional capital investment. The first step is to improve the water quality so that it can be reused and secure a water reuse permit from the Idaho Department of Environmental Quality. Once the water is irrigation quality and a permit is secured, a pump station and pipeline to a willing irrigation company's is planned to be constructed. The goal is to produce Class A irrigation water and have it delivered to a canal in spring of 2029. The next five years capital improvement plan is dominated by the investments needed to produce Class A irrigation water. The subsequent years' funding will be focused more on asset replacement.

The District agreed to own and operate the wastewater collection and treatment systems for the Valnova development once the developer builds the systems and gives them to the District. The systems are

currently under construction and the first phase of collection and treatment assets are planned to be completed in fall 2024 with the first homes being online in spring 2025. The two systems are geographically and physically separate and so are their corresponding finances.

The District employs full-time staff to manage, operate, and maintain the collection and treatment systems. This includes teams of financial, collections system, and treatment system specialists. The current value of District assets exceeds \$75 million.



Staff Photo taken October 2022.

Our Mission, Vision, and Values

The following mission, vision, and values statements describe the purpose, aspirations, and guiding principles of the District. These statements provide direction and clarity that guide all other actions the District takes.

Mission – why do we exist, who are we

Our mission is to be responsible stewards for our patrons. We provide reliable, efficient, and cost-effective collection and treatment of used water so that it can be safely returned to the environment.

Vision – aspirations and future state

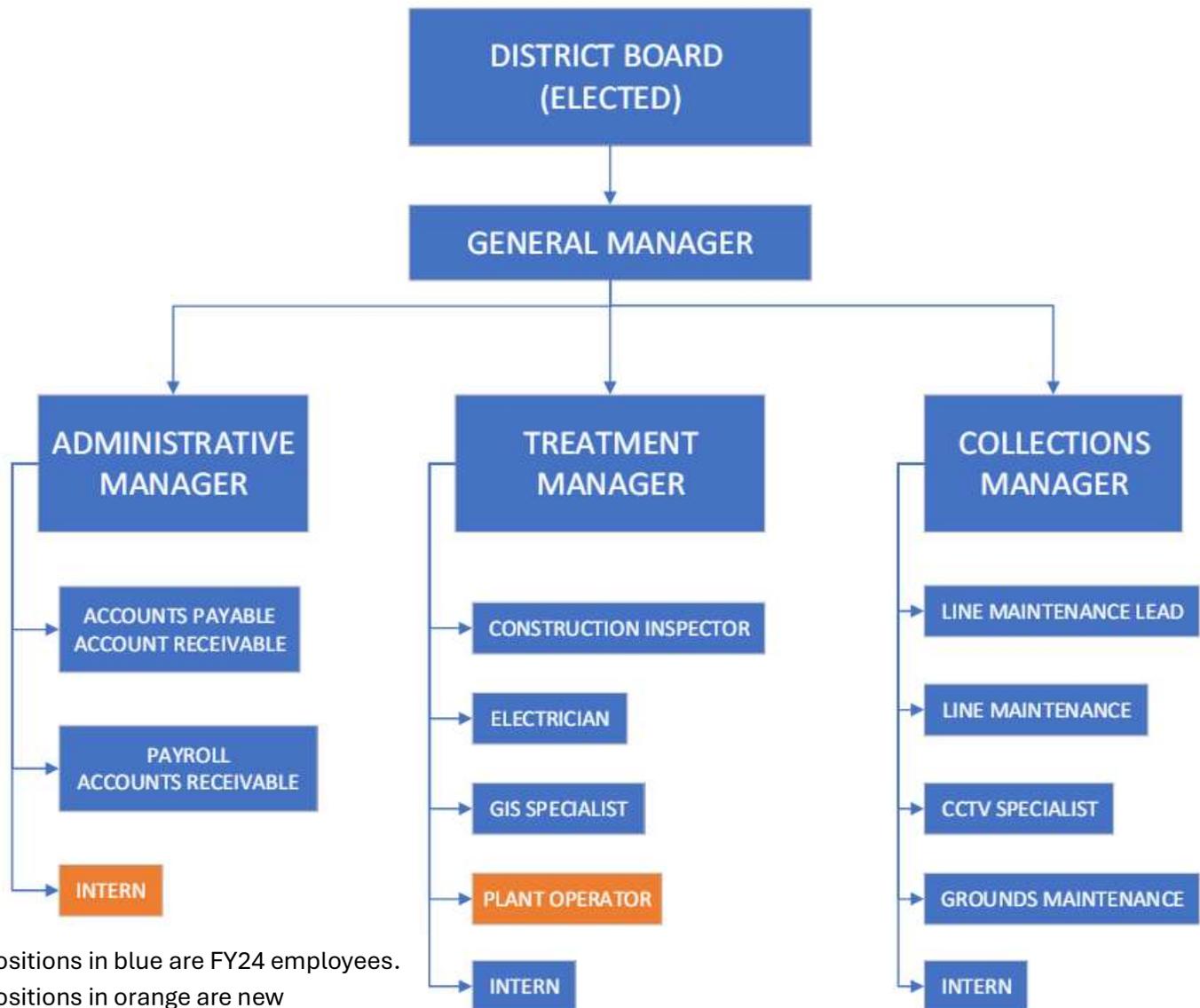
To be a best-in-class wastewater utility that brings high value to our patrons.

Values – guiding principles

- We believe in serving our community, protecting the environment, and the integrity of our employees.
- We believe in active, open, and transparent communication.
- We value employees who are talented and motivated professionals that work together in a spirit of cooperation and with respect for all individuals.
- We believe in responsibility, integrity, and fairness in managing the financial resources entrusted to the District.

District Organization

The District is governed by a five-member elected board who set the policy for the District. The board selects a general manager to lead the day-to-day operations and implement the established policies. The general manager delegates responsibilities to three managers for the different District functions. The number of staff under each manager is based on the resources needed to achieve the District mission, vision, and values for the corresponding areas of responsibility.

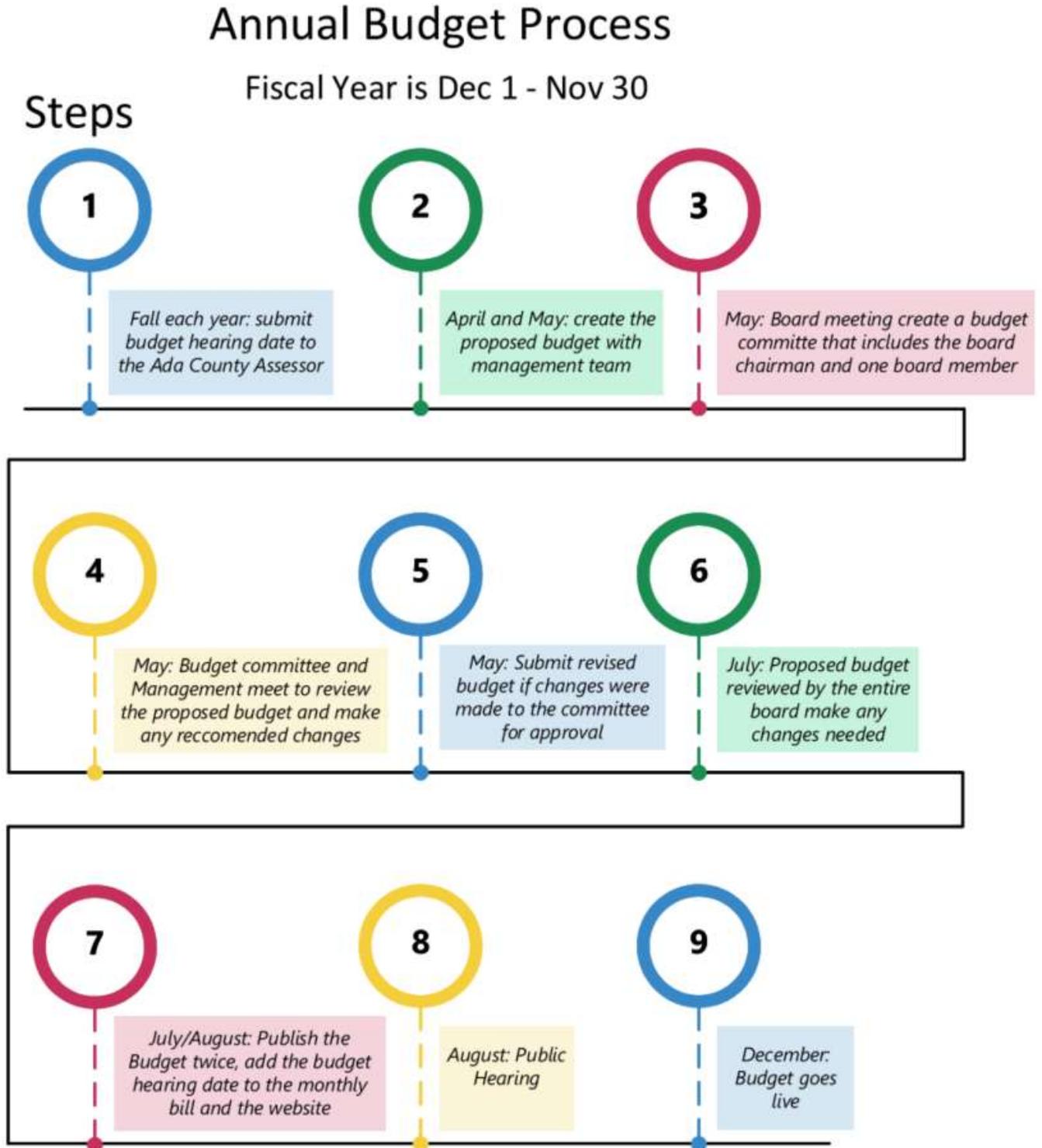


Positions in blue are FY24 employees.
Positions in orange are new employees in FY25.

The only two positions on the organization chart that are not a single full-time employee are the line maintenance position that has two employees completing the same job function and the grounds maintenance position that has multiple part-time employees engaged as needed.

Annual Budget Process

The annual budget process begins in the fall when the date of the budget public hearing is set. This date is then included in the tax assessment notices for each property that is annexed into the District. The subsequent steps for budget development, review, and approval are presented in the following graphic.



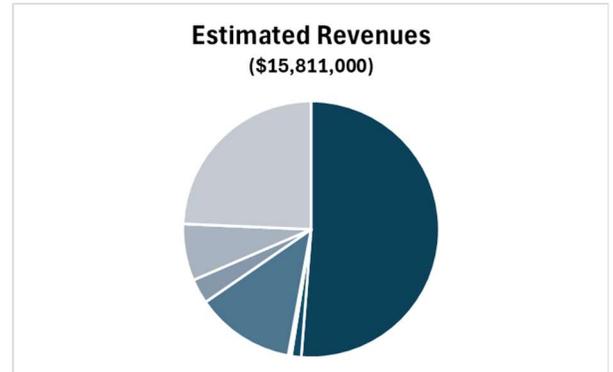
Eagle Sewer District

COMBINED OPERATION AND CAPITAL FUNDS 1 & 2 (Excluding Valnova)

ESTIMATED REVENUES

The following is the proposed revenue budget for the Eagle Sewer District, for the fiscal period December 1, 2024, through November 30, 2025, is as follows:

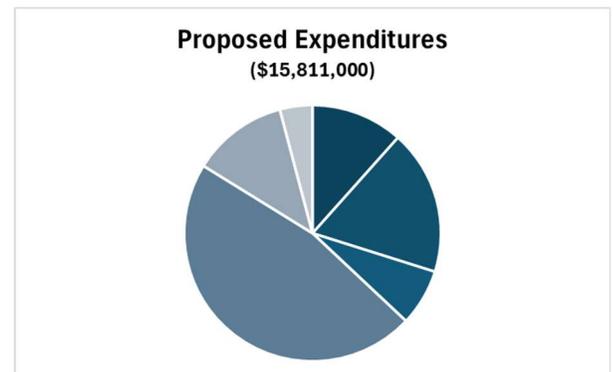
Sewer Charges	\$ 8,100,000
Property Tax and Sales Tax	\$ 195,000
Property Tax Delinquent Accounts	\$ 35,000
Annexation, pass thru and other fees	\$ 31,000
Capital Permit Revenue	\$ 1,980,000
Boise Permit Capital Revenue	\$ 495,000
Transfer from STO Asset Replacement	\$ 1,131,000
Transfer from STO Capital Project	\$ 3,844,000
TOTAL ESTIMATED REVENUES	\$15,811,000



PROPOSED EXPENDITURES

The following is the proposed expense budget of Eagle Sewer District, for the fiscal period December 1, 2024, through November 30, 2025.

Salaries and Related Expenses	\$ 1,832,340
Operating Expense	\$ 2,889,300
Asset Replacement Expense for Capital	\$ 1,131,000
Capital Expenses	\$ 7,399,000
Depreciation Expense	\$ 1,909,360
Non-Operating Expenditures-Debt Service	\$ 650,000
TOTAL PROPOSED EXPENDITURES	\$15,811,000



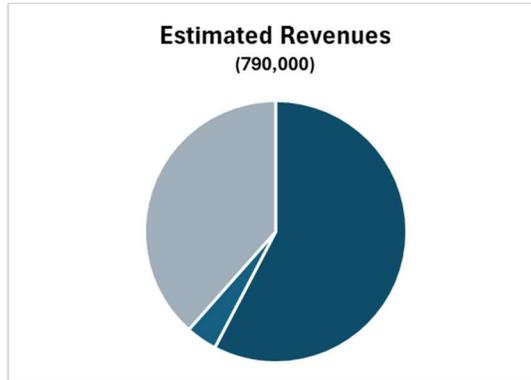
Valnova Development

COMBINED OPERATION AND CAPITAL FUNDS 5 & 6

ESTIMATED REVENUES

The following is the proposed revenue budget for the Valnova Development, for the fiscal period December 1, 2024, through November 30, 2025, is as follows:

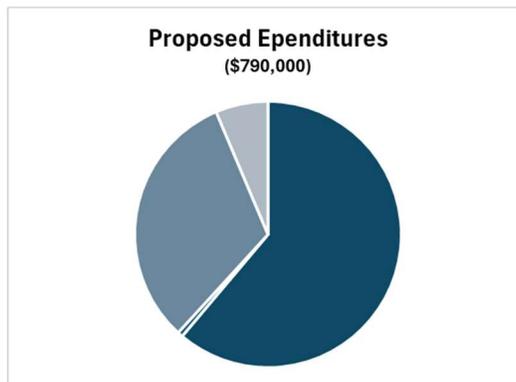
O&M Funding	\$450,000
Service Revenue	\$ 30,000
Asset Replacement Permits	\$300,000
Total Estimated Revenues	\$790,000



PROPOSED EXPENDITURES

The following is the proposed expense budget for the Valnova Development, for the fiscal period December 1, 2024, through November 30, 2025.

Operating Expense	\$480,000
Property Tax	\$ 5,000
Asset Replacement Funding	\$250,000
Asset Repair & Replacement	\$ 50,000
Total Proposed Expenditures	\$790,000



Financial Overview and Fund Structure

- The Operations Fund receives its revenue from monthly sewer service fees, property tax, sales tax, annexations fees, sale of old equipment, rebates and pass through fees. The operating expenses are broken down into three categories, Operations, Administration and Non-Operating expenses used for the Capital Facility Plan Projects, Asset Replacement, and the Annual Bond payment.
 - Facility Projects and Annual Bond Payment funds are transferred into the General Account in the State Investment Pool.
 - Asset Replacement funds are transferred into a separate Asset Replacement Account.
 - Net Revenue of Expenses are transferred into the General Account in the State Investment Pool

- The Capital Fund receives its revenue from connection fees
 - Boise capital revenue portion of the connection is \$1,100 of the \$5,500 connection fee and is collected and transferred into a separate State Investment Pool Account and is used to purchase additional treatment capacity at the West Boise Water Renewal Facility.
 - Net revenue over-expenditures are transferred into the General Account in the State Investment Pool.

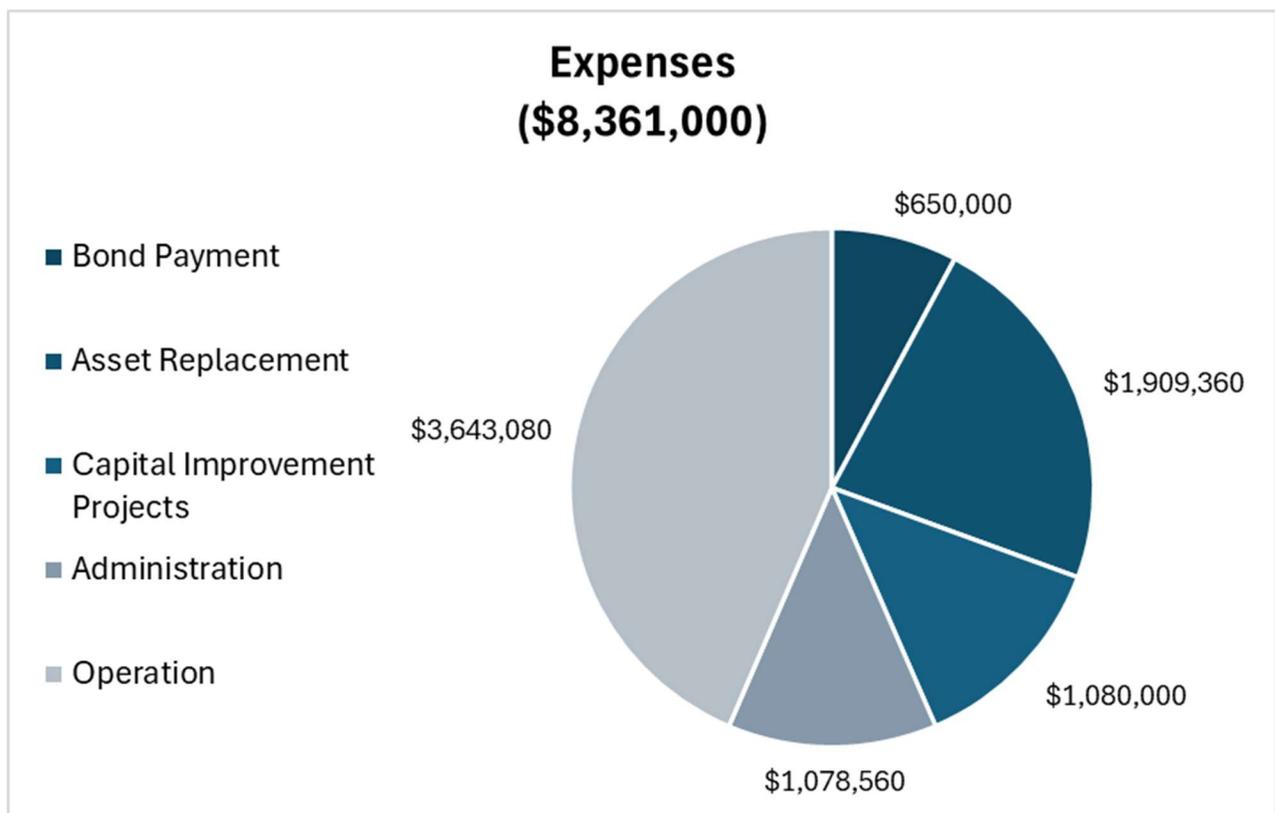
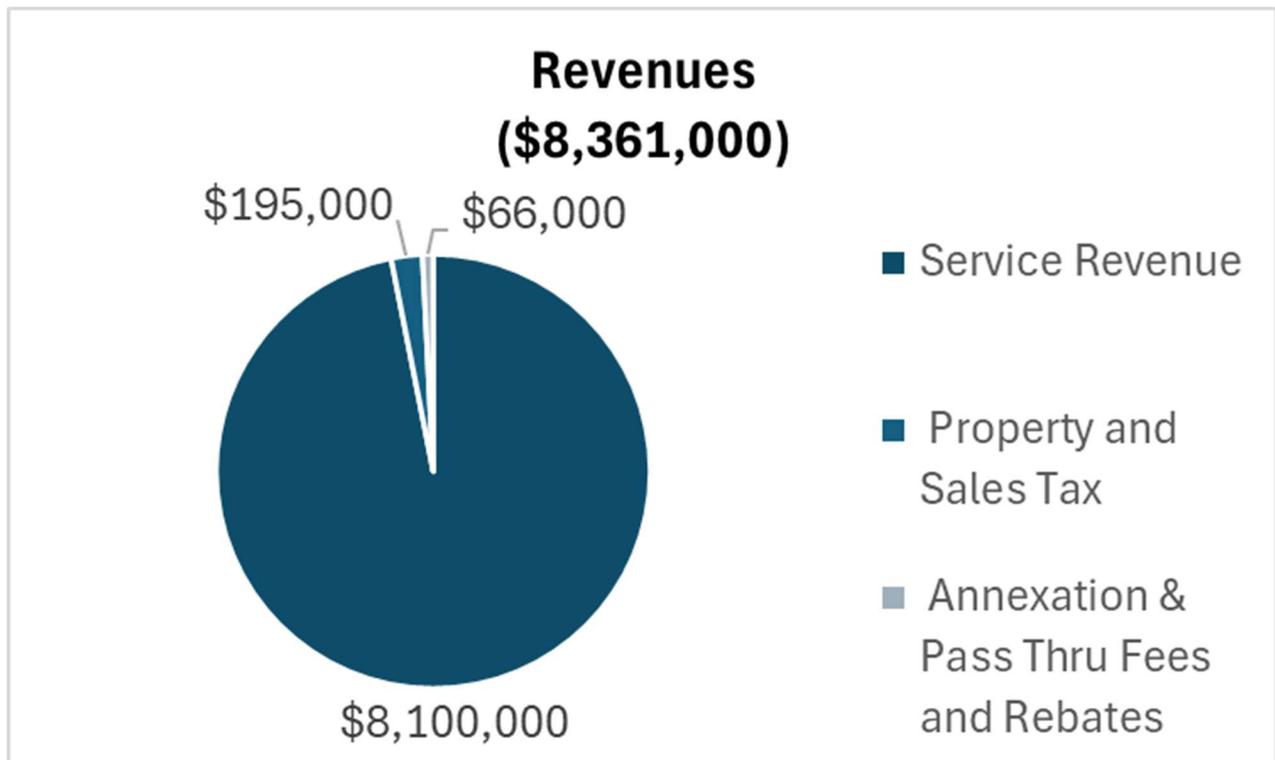
- Valnova Operations and Capital Funds will have its own checking and State Investment Pool accounts when the start-up money is received.

- The figures below provide a visual summary of the Revenues and Expenditures for the proposed FY25 Budget broke down between each fund. Fund 1 Operations Revenue and Expense, Fund 2 Capital Revenue and Expense and funds 5 & 6 are the Valnova Communities Revenue and Expense for Operations and Capital. Funds 3 & 4 are designated for bond revenue and expense accounts that aren't currently being used. As we start incurring costs and receiving revenue, we will create a more detailed financial plan and accounting. The developer for Valnova will be funding \$450,000 the first year and up to \$450,000 every year after until the development is self-funding all expenses. The Asset Replacement fee will be collected before the building permit is issued by the City of Eagle. These funds will only be used for capital repair and replacement costs.

- Eagle Sewer District has one checking account at US Bank for deposits revenue and accounts payable. Three savings accounts are at the Idaho State Investment Pool: a General Fund, Boise Capital Fund, and an Asset Replacement fund. Transfers are made frequently throughout the month to keep the checking account balance under the federally insured dollar amount, a monthly transfer is made to the Asset Replacement and Boise Capital accounts to fund the budgeted revenue for these two accounts. The General fund account holds connection fee money and net revenue over expenditures. When a substantial expense is due a transfer is made from the STO account to the checking account to cover that expense.

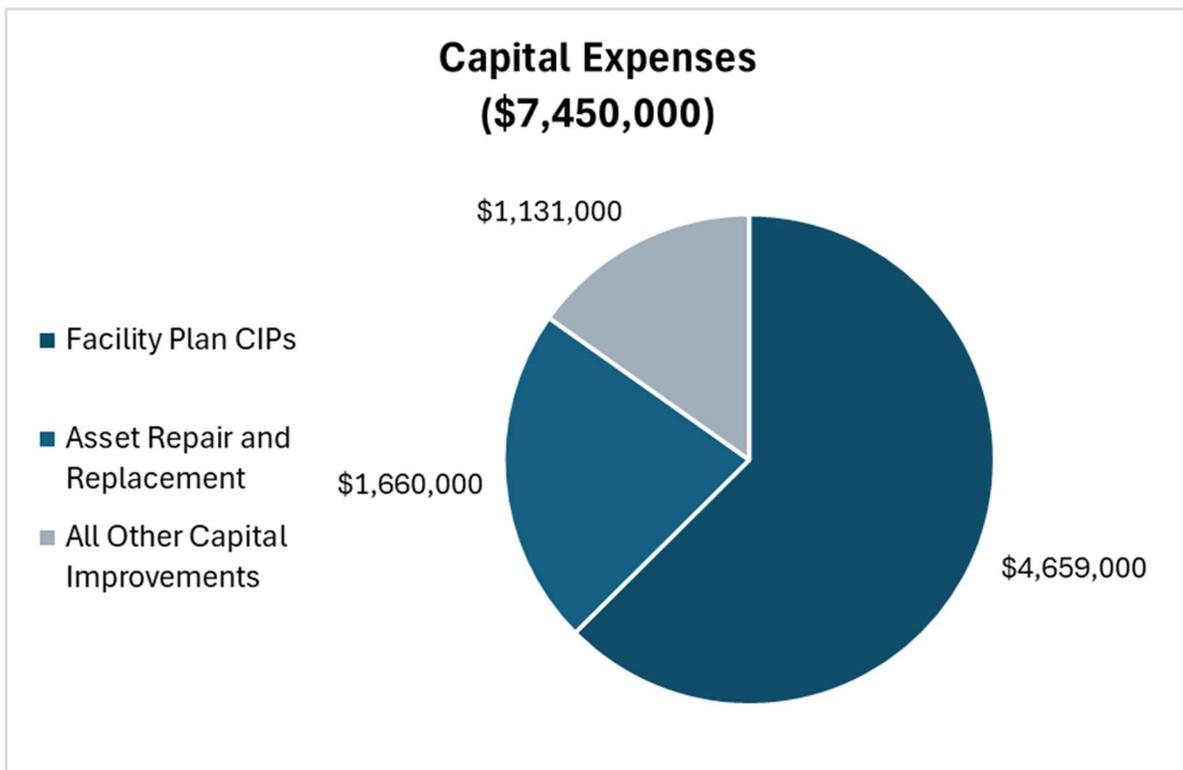
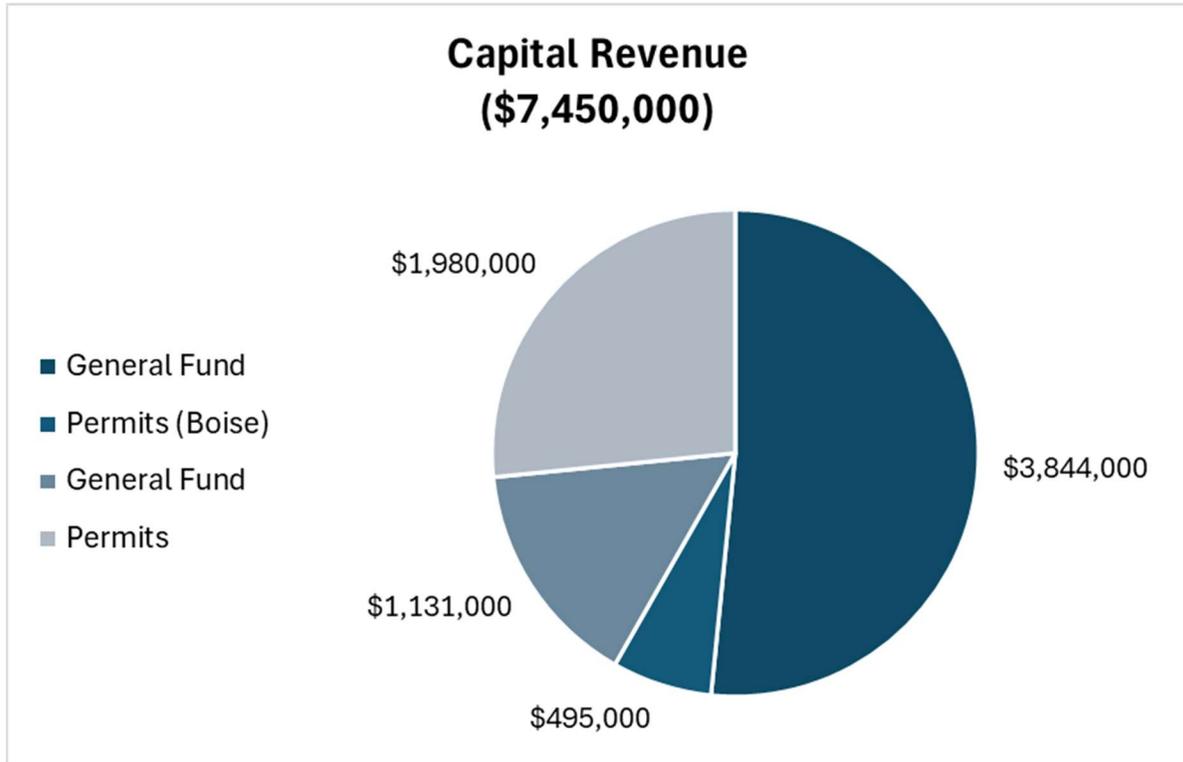
Proposed FY25 Operations Revenue and Expenses

FUND 1

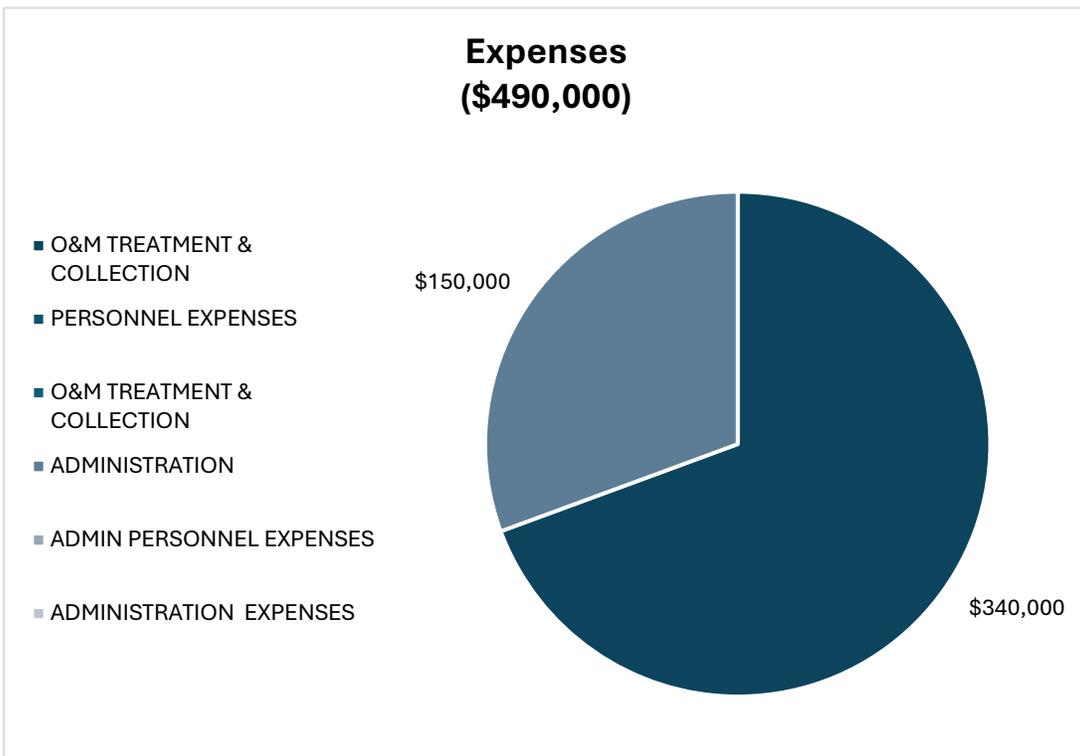
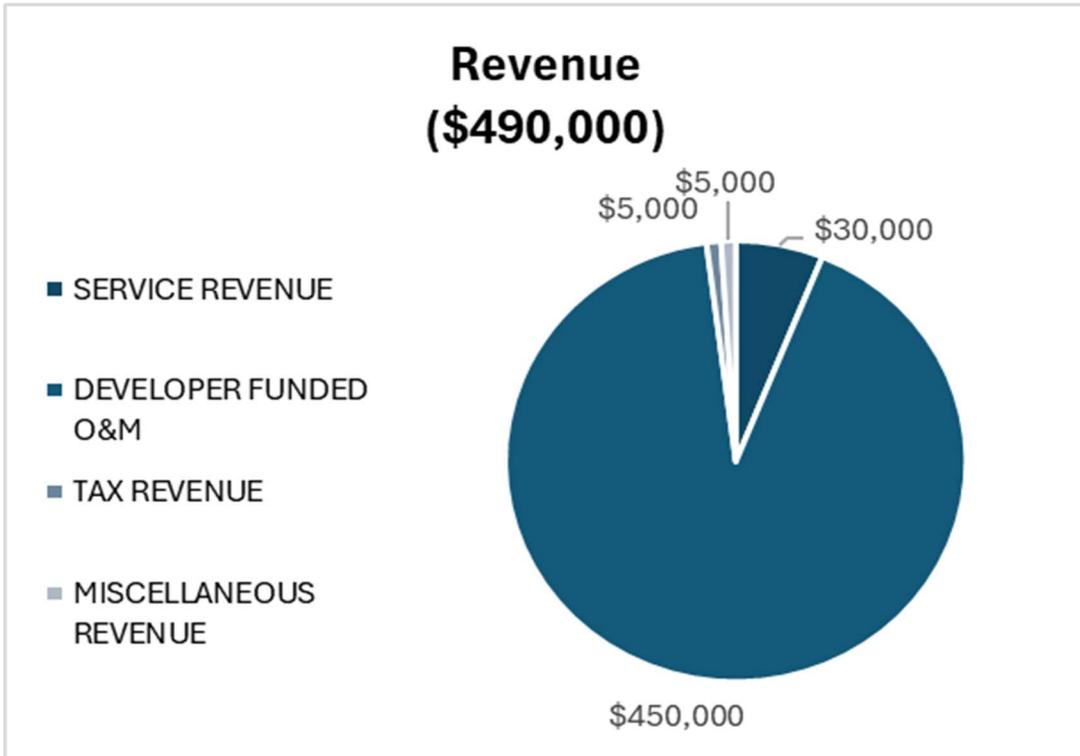


Proposed FY25 Capital Revenue and Expenses

FUND 2



Proposed FY25 Valnova Fund 5 & 6



FUND 1 - OPERATIONS AND MAINTENANCE

ACCOUNT NUMBER	ACCOUNT TITLE	2022 Actuals	2023 Budget	2023 Actual	2024 Approved May 2024	2024 Actuals through April	2025 Proposed Budget	Percent Change
FUND 1 O&M								
1-401-00	SERVICE REV. - GENERAL	\$ 6,644,586	\$ 6,645,600	\$ 6,743,627	\$ 7,408,800	\$ 2,997,086	\$ 8,100,000	9%
1-402-00	ANNEXATION AND PLAN REVIEW	\$ 39,977	\$ 40,000	\$ 46,202	\$ 40,000	\$ 11,793	\$ 30,000	-25%
1-420-00	OTHER OPERATING REVENUE	\$ 224,069	\$ 1,000	\$ -	\$ 1,000	\$ 6,551	\$ 1,000	0%
1-420-01	TAX ROLLOVERw/PENALTY/INTEREST	\$ 32,402	\$ 35,000	\$ 35,441	\$ 35,000	\$ 23,923	\$ 35,000	0%
1-480-00	TAX REVENUE	\$ 128,683	\$ 154,650	\$ 137,649	\$ 180,000	\$ 89,735	\$ 195,000	8%
	TOTAL	\$ 7,069,716	\$ 6,876,250	\$ 6,962,919	\$ 7,664,800	\$ 3,129,088	\$ 8,361,000	9%
PLANT EXPENSES								
1-501-00	PLANT SALARIES	\$ 618,738	\$ 680,000	\$ 598,662	\$ 680,000	\$ 252,752	\$ 760,000	12%
1-502-00	ESD/FICA & MEDICARE	\$ 46,091	\$ 52,020	\$ 44,990	\$ 52,100	\$ 18,704	\$ 58,350	12%
1-502-01	ESD/PERSI	\$ 71,731	\$ 81,192	\$ 65,523	\$ 76,100	\$ 24,807	\$ 85,230	12%
1-502-04	INSURANCE-MED/DENT/VISION	\$ 157,159	\$ 164,000	\$ 203,734	\$ 180,000	\$ 57,766	\$ 200,000	11%
1-504-00	BOISE O&M/PRETRT/S FEES	\$ 1,582,742	\$ 1,800,000	\$ 1,686,129	\$ 2,050,400	\$ 828,227	\$ 1,400,000	-32%
1-504-01	TREATMENT ENHANCEMENT	\$ 10,646	\$ 20,000	\$ -	\$ 10,000		\$ 400,000	3900%
1-505-01	PLANT POWER	\$ 183,902	\$ 200,000	\$ 254,577	\$ 280,000	\$ 84,939	\$ 280,000	0%
1-505-02	PLANT PHONE & UTILITIES	\$ 16,049	\$ 14,000	\$ 19,474	\$ 14,000	\$ 7,229	\$ 18,000	29%
1-505-04	PLANT SUPPLIES/O&M EXPENSES	\$ 68,110	\$ 50,000	\$ 43,260	\$ 40,000	\$ 13,634	\$ 40,000	0%
1-505-05	PLANT FUEL	\$ 10,207	\$ 15,000	\$ 15,649	\$ 15,000	\$ 3,232	\$ 20,000	33%
1-505-09	PLANT LAB SERVICE	\$ 5,870	\$ 16,000	\$ 8,700	\$ 16,000	\$ 5,841	\$ 16,000	0%
1-505-10	COLLECTION VEHICLES REPAIR&MAINT	\$ 7,725	\$ 5,000	\$ 9,652	\$ 7,500	\$ 22,000	\$ 25,000	233%
1-505-11	PLANT VEHICLES REPAIR & MAINTENANCE	\$ 21,092	\$ 30,000	\$ 35,336	\$ 25,000	\$ 18,278	\$ 30,000	20%
1-505-12	PLANT REPAIRS & MAINTENANCE	\$ 8,213	\$ 10,000	\$ 32,369	\$ 70,000	\$ 32,828	\$ 70,000	0%
1-505-15	DIGLINE COSTS	\$ 10,461	\$ 12,000	\$ 6,011	\$ 7,500	\$ 2,393	\$ 7,500	0%
1-505-17	TRAVEL, TRAINING & CERTIFICAT.	\$ 5,820	\$ 10,000	\$ 9,506	\$ 10,000	\$ 9,140	\$ 20,000	100%
1-505-18	CLOTHING & SAFETY EQUIPMENT	\$ 3,359	\$ 4,000	\$ 4,537	\$ 6,000	\$ 826	\$ 8,000	33%
1-505-19	IT SUPPORT	\$ 28,493	\$ 25,000	\$ 38,287	\$ 25,000	\$ 11,845	\$ 30,000	20%
1-506-00	LIFT STATIONS REPAIR & MAINTENANCE	\$ 27,708	\$ 36,000	\$ 54,665	\$ 40,000	\$ 19,727	\$ 60,000	50%
1-507-00	EVALUATE SEWER LINES	\$ 2,000	\$ 4,000	\$ -	\$ 4,000		\$ 5,000	25%
1-507-01	SCADA MAINTENANCE						\$ 30,000	
1-508-00	GROUNDS MAINT. & IRRIGATION	\$ 45,526	\$ 45,000	\$ 30,090	\$ 40,000	\$ 14,514	\$ 40,000	0%
	TOTAL	\$ 2,931,642	\$ 3,273,212	\$ 3,161,151	\$ 3,648,600	\$ 1,428,682	\$ 3,603,080	-1%

FUND 1 - OPERATIONS AND MAINTENANCE								
ACCOUNT NUMBER	ACCOUNT TITLE	2022 Actuals	2023 Budget	2023 Actual	2024 Budget	2024 Actuals through April	2025 Proposed Budget	Percent Change
ADMIN								
1-601-00	ADMINISTRATIVE SALARIES	\$ 385,819	\$ 430,000	\$ 333,626	\$ 430,000	\$ 142,860	\$ 460,000	7%
1-602-00	ESD/FICA & MEDICARE	\$ 29,292	\$ 32,895	\$ 25,387	\$ 32,900	\$ 10,764	\$ 35,190	7%
1-602-01	ESD/PERSI	\$ 42,773	\$ 51,342	\$ 37,520	\$ 48,200	\$ 14,458	\$ 51,570	7%
1-602-04	INSURANCE-MED/DENT/VISION	\$ 80,047	\$ 90,000	\$ 90,610	\$ 90,400	\$ 27,496	\$ 91,000	1%
1-605-00	UTILITIES	\$ 21,177	\$ 20,000	\$ 18,747	\$ 20,000	\$ 7,321	\$ 22,000	10%
1-607-01	PROFESSIONAL-AUDIT	\$ 10,200	\$ 10,400	\$ 10,700	\$ 12,000	\$ 11,250	\$ 12,300	2%
1-607-02	HR/IN-HOUSE TRAINING	\$ 4,081	\$ 5,000	\$ 4,343	\$ 5,000	\$ 2,134	\$ 5,500	10%
1-608-00	DIRECTORS/SALARIES	\$ 6,650	\$ 10,500	\$ 9,241	\$ 12,000	\$ 3,750	\$ 12,000	0%
1-608-01	DIRECTORS/MISCELLANEOUS	\$ 4,553	\$ 3,500	\$ 3,140	\$ 3,500	\$ 2,493	\$ 6,000	71%
1-610-00	OFFICE-SUPPLIES	\$ 6,167	\$ 8,000	\$ 5,974	\$ 6,000	\$ 1,607	\$ 6,000	0%
1-610-01	OFFICE VEHICLE	\$ 2,306	\$ 4,000	\$ 1,269	\$ 2,000	\$ 563	\$ 2,000	0%
1-610-02	OFFICE ACADEMIC TUITION/BOOKS	\$ -	\$ 10,500	\$ 1,988	\$ 10,500	\$ 2,200	\$ 10,500	0%
1-610-03	OFFICE TRAINING/TRAVEL	\$ 2,490	\$ 12,470	\$ 6,734	\$ 12,500	\$ 4,984	\$ 12,500	0%
1-610-04	JANITORIAL&OFFICE MAINTENANCE	\$ 9,368	\$ 12,000	\$ 7,883	\$ 10,000	\$ 3,608	\$ 10,000	0%
1-610-06	LANDSCAPING & SNOW REMOVAL	\$ 2,820	\$ 3,000	\$ 1,722	\$ 2,000	\$ 300	\$ 2,500	25%
1-611-00	OFFICE EQUIP REPAIR/IT SUPPORT	\$ 10,664	\$ 15,000	\$ 14,014	\$ 15,000	\$ 3,585	\$ 15,000	0%
1-611-02	SOFTWARE SUPPORT	\$ 29,229	\$ 30,000	\$ 21,943	\$ 30,000	\$ 6,514	\$ 25,000	-17%
1-612-00	INSURE/E&O,LIABILITY,PROPERTY	\$ 66,126	\$ 70,000	\$ 70,881	\$ 74,000	\$ 48,799	\$ 74,000	0%
1-613-00	POSTAGE/ADVERTISING/PRINTING	\$ 2,467	\$ 6,000	\$ 4,034	\$ 6,000	\$ 917	\$ 6,000	0%
1-616-00	ATTORNEYS FEES	\$ 24,972	\$ 30,000	\$ 6,952	\$ 20,000	\$ 1,951	\$ 15,000	-25%
1-617-00	PROF DUES & SUBSCRIPTIONS	\$ 1,328	\$ 2,000	\$ 909	\$ 1,500	\$ 144	\$ 1,000	-33%
1-618-00	PUBLIC RELATIONS/OUTREACH	\$ 10,481	\$ 15,000	\$ 4,833	\$ 10,000		\$ 10,000	0%
1-621-00	ANNEXATION/PLAN REVIEW		\$ 30,000	\$ 29,886	\$ 30,000	\$ 5,490	\$ 20,000	-33%
1-622-00	BANK CHARGE	\$ 2,576	\$ 3,000	\$ 2,388	\$ 3,500	\$ 1,153	\$ 3,500	0%
1-625-00	COST OF SERVICE STUDY						\$ 40,000	
1-623-00	ACCOUNT BILLING	\$ 138,011	\$ 145,000	\$ 155,710	\$ 170,000	\$ 66,100	\$ 170,000	0%
	TOTAL	\$ 893,598	\$ 1,049,607	\$ 870,434	\$ 1,057,000	\$ 370,441	\$ 1,118,560	6%
NON OPERATING EXPENSE								
1-820-02	FACILITY PLAN CAPITAL PROJECTS				\$ 529,200		\$ 1,080,000	104%
1-820-03	DEPRECIATION EXPENSE	\$ 1,612,452	\$ 1,903,431	\$ 1,903,440	\$ 1,780,000	\$ 741,665	\$ 1,909,360	7%
1-850-00	BOND BANK LOAN AND FEES	\$ 626,050	\$ 650,000	\$ 621,850	\$ 650,000	\$ 187,975	\$ 650,000	0%
	TOTAL	\$ 2,238,502	\$ 2,553,431	\$ 2,525,290	\$ 2,959,200	\$ 929,640	\$ 3,639,360	23%
	GRAND TOTAL EXPENSES	\$ 6,063,743	\$ 6,876,250	\$ 6,556,875	\$ 7,664,800	\$ 2,728,763	\$ 8,361,000	9%

FUND 2 - CAPITAL

ACCOUNT NUMBER	ACCOUNT TITLE	2022 Actuals	2023 Budget	2023 Budget Actual	2024 Approved May 2024	2024 Actuals through April	Proposed 2025 Budget	Percent Change
FUND 2 REVENUE								
2-401-00	PERMIT REV/CAPITAL REPLACEMENT	\$ 1,117,950	\$ 1,170,000	\$ 1,595,650	\$ 1,560,000	\$ 780,000	\$ 1,980,000	27%
2-401-01	PERMIT REV. BOISE CAPITAL EXPENSE	\$ 457,600	\$ 480,000	\$ 513,600	\$ 640,000	\$ 320,000	\$ 495,000	-23%
2-490-00	TRANSFER IN FROM GENERAL FUND	\$ 1,143,903	\$ 7,530,600	\$ 2,407,887	\$ 3,557,000	\$ 81,975	\$ 3,844,000	8%
2-490-01	TRANSFER IN FROM ASSET REPLACEMENT						\$ 1,131,000	0%
	TOTAL REVENUE	\$ 2,719,453	\$ 9,180,600	\$ 4,517,137	\$ 5,757,000	\$ 1,181,975	\$ 7,450,000	29%
FUND 2 EXPENSE								
2-500-00	BOISE CAPACITY & CONNECTION FEES	\$ 218,619	\$ 225,000	\$ 198,872	\$ 225,000	\$ 92,210	\$ 250,000	11%
2-501-00	CAPITAL REPAIR AND CONTINGENCY	\$ 36,810	\$ 500,000	\$ 53,969	\$ 250,000	\$ 138,849	\$ 250,000	0%
2-501-03	PLANT CAPITAL EXPENSES	\$ 56,489	\$ 200,000	\$ 14,518	\$ 200,000	\$ 53,276	\$ 200,000	0%
2-501-05	PLANT ROAD REPAIR	\$ 600						
2-501-06	REHAB COLLECTION SYSTEM	\$ 111,252						
2-501-07	GROUNDS IMPROVEMENT AND EQUIPMENT	\$ 54,178	\$ 80,000	\$ 13,122	\$ 80,000		\$ 100,000	25%
2-501-18	HYDRO VAC TRUCK PURCHASE							
2-501-20	PALMER ROAD LS UPGRADE	\$ 84,676						
2-501-24	EFFLUENT LINE TO BOISE	\$ 574,850						
2-501-25	WWTP UPGRADE	\$ 690,722						
2-501-27	WWTP BUILDINGS	\$ 845,309						
2-505-00	CONSTRUCTION CREDIT REIMBURSEMENT		\$ 100,000		\$ 25,000		\$ 75,000	200%
2-507-00	LIFT STATIONS CAPITAL R&R EXPENSE	\$ 180,185	\$ 200,000	\$ 16,960	\$ 200,000	\$ 1,577	\$ 100,000	-50%
2-520-01	PLANT VEHICLES	\$ 36,702	\$ 30,000		\$ 15,000		\$ -	-100%
2-522-01	HEADWORKS SCREENING UPGRADES		\$ 1,200,000	\$ 60,951				
2-522-02	PALMER LIFT STATION UPGRADE		\$ 420,000	\$ 113,586				
2-522-03	FRED MEYER/ASHBURY UPGRADES		\$ 75,000					
2-523-01	EFFLUENT LINE TO BOISE PHASE 5		\$ 1,711,000	\$ 1,033,434				
2-523-02	VEHICLE STORAGE BUILDING		\$ 1,200,000	\$ 671,449				
2-523-03	INFLUENT PUMP INSTALLATION		\$ 300,000		\$ 300,000	\$ 142	\$ 200,000	
2-523-04	EFFLUENT PUMP INSTALLATION		\$ 100,000					
2-523-05	EAGLE RD/AIKENS LINE REPLACEMENT		\$ 351,000	\$ 9,700				
2-523-06	N OLDE PARK LINE REPLACEMENT		\$ 190,000					
2-523-07	SOLIDS DRYING BEDS		\$ 750,000	\$ 27,411				
2-523-08	TREATMENT FACILITY PLAN UPDATE		\$ 125,000	\$ 46,210	\$ 50,000		\$ -	
2-523-09	COLLECTION SYSTEM MASTER PLAN		\$ 100,000	\$ 37,641	\$ 40,000	\$ 6,009	\$ -	
2-523-10	AIKEN/SECOND STREET		\$ 28,600		\$ 356,000	\$ 3,454	\$ 356,000	0%
2-523-11	WETLAND RESTORATION		\$ 600,000	\$ 583,383	\$ 750,000	\$ 8,045	\$ 300,000	-60%
2-523-12	REHABILITATE COLLECTION SYSTEM		\$ 200,000	\$ 35,886	\$ 250,000	\$ 16,427	\$ 200,000	-20%

2-523-13	BIOSOLIDS REMOVAL			\$ 410,000					
2-524-01	PHOSPHORUS TREATMENT				\$ 525,000		\$ 200,000		-62%
2-524-02	HEADWORKS CHANNEL CONCRETE REHAB				\$ 26,000		\$ -		-100%
2-524-03	HEADWORKS PLC UPGRADE				\$ 75,000		\$ 30,000		-60%
2-524-04	MAIN TRUNK LINE (EAST) REALIGNMENT				\$ 75,000		\$ 515,000		587%
2-524-05	PALMER PLC UPGRADE				\$ 75,000		\$ -		
2-524-06	BIOSOLIDS REMOVAL 2024				\$ 700,000	\$ 9,846	\$ -		
2-524-07	ODOR MITIGATION				\$ 415,000	\$ 81,141	\$ -		
2-524-08	LAGOON INTENSIFICATION				\$ 775,000		\$ 2,200,000		184%
2-524-09	FILTRATION				\$ 190,000		\$ 1,950,000		926%
2-524-10	RE-USE PERMIT				\$ 100,000		\$ 69,000		-31%
2-525-00	SCADA UPGRADE						\$ 150,000		
2-525-01	OLD VALLEY FORCE MAIN LINE						\$ 75,000		
2-525-02	CAMERA TRUCK UPGRADE						\$ 160,000		
2-528-00	ENGINEERING CONTINGENCY	\$ 5,269	\$ 20,000		\$ 20,000	\$ 1,095	\$ 20,000		0%
2-529-00	MASTER PLANNING CONTINGENCY	\$ 44,202	\$ 50,000		\$ 20,000	\$ 13,638	\$ 20,000		0%
2-529-01	ANNEXATION AND PLAN REVIEW	\$ 18,945							
2-530-00	OFFICE CAPITAL EXPENSE	\$ 3,578	\$ 15,000	\$ 34,371	\$ 20,000		\$ 30,000		50%
	TOTAL EXPENSE	\$ 2,962,385	\$ 9,180,600	\$ 2,951,463	\$ 5,757,000	\$ 425,709	\$ 7,450,000		29%

VALNOVA: FUND 5 - O&M FUND 6 - CAPITAL						
ACCOUNT NUMBER	ACCOUNT TITLE	2023 Budget	2023 Actual through May 31	2024 Budget	2025 Proposed Budget	Percent Change
FUND 5 REVENUE						
5-401-00	SERVICE REVENUE			\$ 1	\$ 30,000	
5-401-01	DEVELOPER FUNDED O&M			\$ 450,000	\$ 450,000	
5-401-02	TAX REVENUE				\$ 5,000	
5-401-03	MISCELLANEOUS REVENUE				\$ 5,000	
	TOTAL REVENUE			\$ 450,001	\$ 490,000	
FUND 5 O&M EXPENSE						
5-500-00	O&M TREATMENT & COLLECTION			\$ 300,000	\$ 340,000	
5-501-00	PERSONNEL EXPENSES					
5-502-00	O&M TREATMENT & COLLECTION					
5-600-00	ADMINISTRATION			\$ 150,001	\$ 150,000	
5-601-00	ADMIN PERSONNEL EXPENSES					
5-602-00	ADMINISTRATION EXPENSES					
	TOTAL EXPENSE			\$ 450,001	\$ 490,000	
FUND 6 REVENUE						
CAPITAL						
6-401-00	PERMIT REVENUE			\$ 10,000	\$ 300,000	
	TOTAL REVENUE			\$ 10,000	\$ 300,000	
FUND 6 CAPITAL EXPENSE						
6-500-00	ASSET REPLACEMENT FUND				\$ 250,000	
6-501-00	ASSET REPAIR & REPLACEMENT			\$ 10,000	\$ 50,000	
	TOTAL EXPENSE			\$ 10,000	\$ 300,000	

Operations Revenue and Expenses Budget Highlights

Revenue

The District is primarily funded by monthly sewer service charges from Residential and Commercial customers. As of June 1, 2024, the service fee per equivalent connection is \$45. 15,000 connections are budgeted for the 2025 fiscal year. The last monthly service revenue fee increase was to \$39 in December 2019. We receive property tax revenue from the Ada County Assessor's tax roll, a small percentage of sales tax and miscellaneous other revenue from annexations fees, rebates, refunds, sale of old equipment and vehicles. Delinquent accounts are collected through the Ada County Tax Rolls and then budgeted in the next fiscal year.

Expense

The Sewer District follows the OPM pay scale and the Federal COLA for District employees. The President has recommended a 2% COLA for 2025. Merit increases are steps in the OPM pay scale that employees receive when meeting all the requirements to move forward to the next step. We have included funds for an additional operator and three interns for the next fiscal year.

After paying our annual bond debt of approximately \$650,000, we expect to fund \$1,969,360 of our audited depreciation expense of \$3,827,129. This allows us to fund 52% of the depreciation expense in FY2025.

Capital Revenue and Expense Budget Highlights

Revenue

The District capital fund's revenue comes from connection fees, a one-time fee charged to new residential homes, commercial buildings and Tenant Improvements. The cost of a permit from December of 2019 is \$5,500 per equivalent connection, funds also come from depreciation collected through monthly service fees and net revenue over expenditures for all funds and interest in the reserve accounts.

Sewer Connection Fees are designed to help recover the costs of infrastructure and assets benefiting new development and the purchase of additional flow and constituent's charges from the City of Boise.

Sewer Connection Fee revenue is budgeted at \$2.475 million in FY 25, based on an estimated 450 new connections for the year.

Expense

Expenses include the newly adopted facility plan projects, asset repair and replacement projects and other costs including Boise capacity purchases, unexpected R&R not in a CIP, and vehicle or equipment purchases.

Revenue

Expense Category

Operations Fund

Sewer Service Fees

Operations, Maintenance, Regulatory & Administration

Major Maintenance and CIP

2024 Facility Plan Capital Improvements

Asset Replacement

Debt Service (Existing System)

Capital Fund

Sewer Connection Fee

Capital Projects

Repair and Rehabilitation Projects

Capital Contingency and all Other Capital Expenses

Debt Service (For expansions)

Top 5 Capital Improvement Projects for FY25

The top 5 CIPs for FY25 dominate the Fund 2 Capital Fund. Additional details for each of these projects are developed in the form of the attached one-page summary sheets.

BOD and Nitrogen Treatment (Lagoon Intensification and Blower)

Project Status: Planning

(Investigation, Planning, Design, Construction)

Planned Start: 2024

Estimated Project Completion: 2025

Project Budget: \$3.2M

Budget Expended Through 5/2023: \$0

Capital Improvement Plan FY 2025



Photo 1: Lagoon Intensification Fixed Film Media

Project Description

Improve the BOD and nitrogen removal in the existing treatment lagoons by installing fixed film media for the bacteria to grow on. This maintains a greater bacteria population throughout the year and improves the treatment in the same footprint.

Project Purpose

Reduce the BOD and nitrogen charges from the City of Boise and meet Class A limits.

Project Status

Planning and beginning the design for the number of units required to produce Class A water. Procurement packages for both the fixed film media and blower are planned to start in spring 2024. This project was moved up in the budget after the economic analysis showed a cost savings potential for completing this project earlier than previously anticipated. The Board will be asked to open the FY24 budget and add this project to the CIP.



Photo 2: Aeration Blower

Project Funding

	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28
Source of Funds						
Fund 1 O&M						
Fund 2 Capital		\$775k	\$1.9M			
Total Funding	\$0	\$775k	\$1.9M	\$0	\$0	\$0
Project Budget Activity						
Investigation						
Planning						
Design		\$40k				
Construction		\$735k	\$1.9M			
Total	\$0	\$775k	\$1.9M	\$0	\$0	\$0

TSS Treatment (Tertiary Filter)

Project Status: Design
 (Investigation, Planning, Design, Construction)
 Planned Start: 2024
 Estimated Project Completion: 2026
 Project Budget: \$3.5M
 Budget Expended Through 1/2024: \$0

Project Description
 Construct a filter, potentially a cloth disc filter, to reduce the TSS in the treatment plant effluent. This is physical separation through a filter to make the take more of the make the water more clear.

Project Purpose
 Reduce the TSS charges from the City of Boise and produce Class A reuse water.

Project Status
 A pilot cloth disc filter is scheduled to arrive March 1, 2024 with installation and startup to follow. This full-scale pilot will help us determine that this technology can produce Class A reuse water. If Class A water is produced then the design for permanent filters will be completed. If the pilot doesn't produce Class A water, a pilot of a different technology will be undertaken. The pilot will be funded through O&M since it directly reduces the Boise O&M bill. The new system design and ultimate construction is a capital project. This project was moved up in the budget after the economic analysis showed a cost savings potential for completing this project earlier than previously anticipated. The Board will be asked to open the FY24 budget and add this project to the CIP.

Project Funding

	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28
Source of Funds						
Fund 1 O&M						
Fund 2 Capital		\$190k	\$1.75M	\$750k	\$1.5M	
Total Funding	\$0	\$190k	\$1.75M	\$750k	\$1.5M	\$0
Project Budget Activity						
Investigation						
Planning		\$100k				
Design		\$90k				
Construction			\$1.75M	\$750k	\$1.5M	
Total	\$0	\$190k	\$1.75M	\$750k	\$1.5M	\$0

Capital Improvement Plan FY 2025



Figure 1: Cloth Disc Filter Tanks

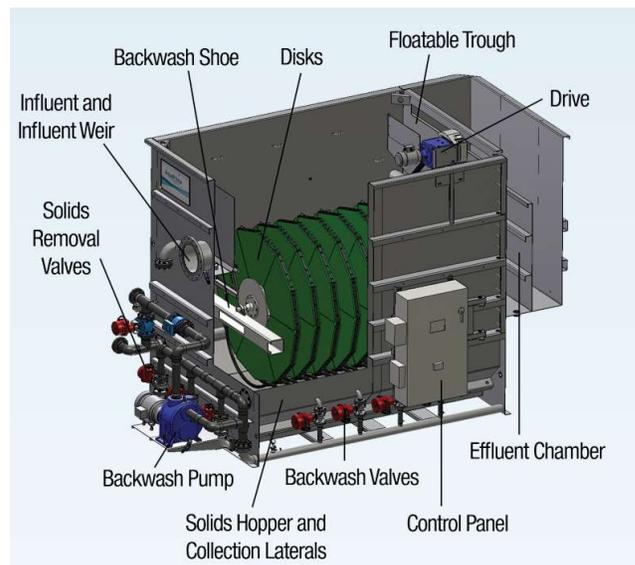


Figure 2: Cloth Disc Filter

Flood Resilience/ Wetlands Creation

Capital Improvement Plan FY 2025

Project Status: Investigation

(Investigation, Planning, Design, Construction)

Planned Start: May 2023

Estimated Project Completion: Summer 2025

Project Budget: \$1.56M

Budget Expended Through 1/2024: \$60k

Project Description

ESD has an opportunity to avoid pit capture by constructing a wetland where two legacy borrow ponds were built. This will reduce flood risk, reduce water temperature, and improve habitat.

Project Purpose

Treatment lagoons 1 and 2 are at risk of being washed out in a pit capture event where the Boise River enters the borrow pond(s) and the pond becomes the main river channel. This project would restore the borrow pond to a wetland similar to before the material was removed. Additionally, there is a potential for the Part of the City of Boise IPDES permit is temperature reduction of the effluent to the Boise River. Instead of constructing cooling towers and chillers, the City wants to focus on improving the river habitat to show compliance.

Project Status

This project is ready for construction which is expected to begin in summer 2024. Construction is expected to be completed in summer 2025, depending on fill material availability.

Project Funding

	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28
Source of Funds						
Fund 1 O&M						
Fund 2 Capital	\$60k	\$750k	\$300k			
Total Funding	\$0	\$750k	\$300k	\$0	\$0	\$0
Project Budget Activity						
Investigation						
Planning						
Design	\$60k					
Construction		\$750k	\$300k			
Total	\$60	\$750k	\$300k	\$0	\$0	\$0



Photo 1: Proposed wetland location

Central Trunk Link Realignment

Project Status: Planning

(Investigation, Planning, Design, Construction)

Planned Start: Spring 2024

Estimated Project Completion: Winter 2025

Project Budget: \$75k

Budget Expended Through 1/2024: \$0

Project Description

Realign/replace the main trunk line from the eastern service area.

Project Purpose

Relocate this critical trunk line to outside the floodway to reduce the risk of losing it in a flood event.

Project Status

This project was clarified during the collection system master plan work in 2023. Design is expected to start in spring 2024 for construction in FY25.

Capital Improvement Plan FY 2025



Figure 1: Realign 24" Concrete Line Near the River

Project Funding

	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28
Source of Funds						
Fund 1 O&M						
Fund 2 Capital		\$75k	\$515	\$0		
Total Funding	\$0	\$75k	\$515k	\$0	\$0	\$0
Project Budget Activity						
Investigation						
Planning		\$75k				
Design			\$515k	\$0		
Construction						
Total	\$0	\$75k	\$515k	\$0	\$0	\$0

Rehabilitate the Collection System

Capital Improvement Plan FY 2025

Project Status: Construction
 (Investigation, Planning, Design, Construction)
Planned Start: Ongoing
Estimated Project Completion: Ongoing
Project Budget: \$250k/year
Budget Expended Through 1/2024: Multiple million over the years

Project Description

This is an ongoing effort to repair and rehabilitate the collection system. This includes fixing leaky manholes, coating manholes that are susceptible to corrosion, removing tree roots, and fixing cracked or damaged pipes.



Figure 1: Lining systems on concrete structure

Project Purpose

Reduce the infiltration and fix problems in the collection system.

Project Status

This is an ongoing effort.

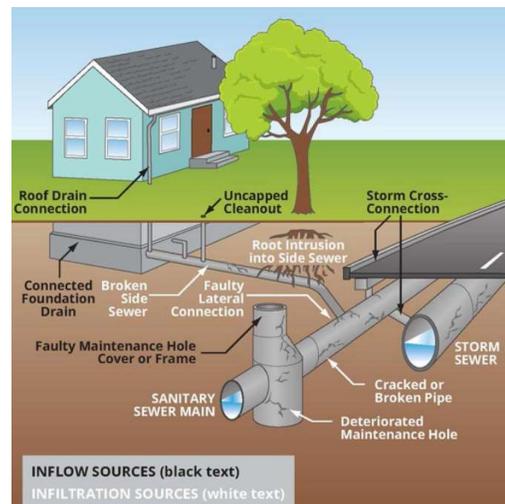


Figure 2: Sources of Inflow/Infiltration that need fixed

Project Funding

	Prior Years	FY 24	FY 25	FY 26	FY 27	FY 28
Source of Funds						
Fund 1 O&M						
Fund 2 Capital		\$250k	\$200k	\$250k	\$250k	\$250k
Total Funding	\$0	\$250k	\$200k	\$250k	\$250k	\$250k
Project Budget Activity						
Investigation						
Planning						
Design						
Construction		\$250k	\$200k	\$250k	\$250k	\$250k
Total	\$0	\$250k	\$200k	\$250k	\$250k	\$250k