



BAYVIEW WATER AND SEWER DISTRICT
WATER SYSTEM UPGRADES

Revenue Bond FAQs

Q: *Why is BWSD considering a revenue bond election?*

A: While we have great water, the existing water system has several significant deficiencies, which include major portions of the system built in the 1940s and 1970s.

Q: *Why is BWSD considering a revenue bond election at this time?*

A: BWSD received 2 grants totaling \$45,000 from the Idaho Department of Environmental Quality (IDEQ) to study the existing water system and identify deficiencies and potential solutions. In addition, BWSD has obtained approval for a potential IDEQ loan to fund future construction with a 1.75% interest rate and a 30-year term. The District is also eligible for approximately \$215,000 of principal forgiveness if they decide to use this IDEQ loan.

The District wants to be proactive and address system deficiencies now with these favorable loan terms rather than wait and have to address emergency repairs using cash reserves.

Q: *When would a potential bond election take place?*

A: November 6, 2018 would be the soonest that a revenue bond election for BWSD could be on the ballot.

Q: *What projects would the potential revenue bond address and how will they be determined?*

A: The projects have not been completely identified at this time as the Board is seeking input from the public. The Open House on May 17, 2018 after the regular Board Meeting introduced the water system deficiencies to the public. BWSD will then hold several public meetings over the next few months to gather public input on the potential water system projects to address these deficiencies.

Q: *Who can vote in the revenue bond election?*

A: As determined by Bonner and Kootenai County Elections Offices, a registered voter with a primary residence within the BWSD's official boundary would be eligible to vote in a revenue bond election at their regular polling location.

Q: *How will a BWSD revenue bond election affect my property taxes?*

A: The type of bond that BWSD is considering will NOT affect your property taxes. The revenue bond would only affect your monthly water rates IF you are connected to the BWSD water system.

A revenue bond is different from the Local Improvement District (LID) process that was previously used to fund the sewer improvements (early 1990s) and the Cape Horn Water Upgrades (early 2000s).