



## Public Hearing Notice

**NOTICE IS HEREBY GIVEN, pursuant to Idaho Code § 63-1311A, that the Board of Directors of the Bayview Water & Sewer District will hold a public hearing on Monday, June 15, 2026, at 6:00 p.m., or as soon thereafter as the matter may be heard, at the Bayview Community Center, 20298 E. Perimeter Road, Bayview, Idaho 83803.**

The purpose of the hearing is to receive public comment and explain the reasons regarding the following proposed changes to the District's water rate schedule:

1.) Proposed Increase to Water Bond User Charge

The District is proposing an increase to the Water Bond User Charge for all water service customers. The increase is necessary to repay the State Revolving Fund (SRF) loan previously approved by District ratepayers for the Water Improvement Project.

2.) Proposed Water Standby Fee

The District is proposing to institute a Water Standby Fee applicable to vacant properties where a water meter has been installed and service is available to the lot or property. The proposed standby fee will be one-half (1/2) of the current water base fee.

## Background of the Water Improvement Project

In March of 2020, District voters approved the Water Improvement Project and authorized financing for critical upgrades to the District's aging water infrastructure through the State Revolving Fund (SRF) loan program administered by the Idaho Department of Environmental Quality (DEQ).

The project was approved for up to \$3.4 million in financing and included major system improvements necessary to maintain reliable water service, improve system resiliency, address aging infrastructure concerns, and ensure the District continued meeting state drinking water requirements.

Since the beginning of the project, the District has worked diligently to reduce the long-term financial impact on customers wherever possible.

## Reduction of Originally Projected Costs

When the Water Improvement Project first began in 2021, preliminary repayment projections estimated that the Water Bond User Fee could reach approximately \$25.01 per month per billing unit.

Through several cost-reduction efforts and funding strategies, the District was able to substantially reduce the projected repayment amount.

After final loan closeout with DEQ on May 21, 2026, the finalized repayment obligation reflected in the official DEQ amortization schedule results in a total estimated Water Bond repayment amount of approximately \$17.79 per month per billing unit.

**This represents an overall reduction of approximately 29% from the original projected estimate presented during the early stages of the project.**

## District Efforts to Reduce Customer Costs

The District pursued multiple strategies to reduce the overall financial burden to customers, including:

- Aggressively managing project costs throughout construction and closeout.
- Pursuing available grants through the American Rescue Plan Act (ARPA).
- Securing eligibility for a specialized federal grant opportunity through the Defense Community Infrastructure Program (DCIP).

The Defense Community Infrastructure Program (DCIP) is a competitive United States Department of Defense grant program administered through the Office of Local Defense Community Cooperation (OLDCC). The program assists communities that provide infrastructure support to military installations. Because the District serves infrastructure associated with a naval installation, Bayview Water & Sewer District qualified for funding opportunities that are not typically available to most water systems.

Additionally, the District implemented revisions to its rate structure to more equitably distribute infrastructure repayment costs among residential dwellings benefiting from the water system. Historically, some multi-family properties shared a single water base fee and therefore contributed only one Water Bond fee despite multiple residential dwellings utilizing the system infrastructure. The revised structure allows repayment obligations to be shared more proportionately across system users.

## Existing Water Bond Fee

Beginning in June of 2019, the District proactively implemented an \$8.00 monthly Water Bond User Fee in anticipation of the future SRF repayment obligation associated with the Water Improvement Project.

This early implementation allowed the District to begin building reserves prior to official loan closeout and helped reduce the size of the increase now being proposed.

The current proposal is not a new standalone fee, but rather an adjustment to the existing Water Bond User Fee necessary to meet the finalized repayment obligation established through the DEQ loan amortization schedule.

## Proposed Water Bond User Fee Adjustment

The finalized DEQ repayment schedule requires the District to make two annual loan payments of \$73,094.18, totaling approximately \$146,188.36 annually over the term of the loan.

Based upon the current number of Water Bond billing units within the District, the repayment obligation equates to approximately:

- \$213.41 annually per billing unit
- \$17.76 monthly total repayment obligation

Because customers have already been contributing \$8.00 per month since 2019, the proposed adjustment being considered at the public hearing would increase the existing Water Bond User Fee by approximately \$9.79 per month.

## Proposed Water Standby Fee

The District is also proposing a Water Standby Fee applicable to vacant properties where a water meter has already been installed and water service remains available to the property.

The proposed standby fee would be established at one-half (1/2) of the current water base fee.

Properties with installed meters continue to benefit from available system capacity, infrastructure maintenance, operational readiness, and long-term system reliability even when active water usage is not occurring.

## Public Participation

The District encourages all interested customers and property owners to attend the public hearing, ask questions, and provide comments.

## Public Hearing Information

**Date:** Monday, June 15, 2026

**Time:** 6:00 p.m.

**Location:** Bayview Community Center  
20298 E. Perimeter Road  
Bayview, Idaho 83803

Written testimony may also be submitted to the District office prior to 4:00 p.m. on the day of the hearing.

A copy of the official published hearing notice is available here: