Bayview
Water & Sewer District

Water Improvement Project & Water Bond Fee

Frequently Asked Questions

What is the Water Improvement Project?

On May 19, 2020, District voters approved the Water Improvement Project (WIP) and authorized up to $3.4 million in financing through the State Revolving Fund (SRF) loan program administered by the Idaho Department of Environmental Quality (DEQ).

The project included critical improvements to the District's aging water infrastructure to improve reliability and resiliency and ensure the District continues to meet state drinking water requirements.

Additional information regarding the original authorization can be found in Resolution No. 2020-001 on the District website.

What is the "Water Bond" fee on my monthly bill?

The Water Bond User Fee is used to repay the SRF loan that financed the Water Improvement Project.

The repayment cost is distributed among the District's Water Bond billing units so that customers benefiting from the water system contribute toward repayment of the infrastructure improvements.

Why did the Water Bond fee increase from $8.00 to $17.76?

The $17.76 is the total monthly Water Bond repayment amount, not a $17.76 increase.

The District began collecting an $8.00 monthly Water Bond User Fee in June 2019 in anticipation of the future loan repayment obligation. Starting the fee early allowed the District to build required reserves and phase in the cost rather than waiting until the project was complete and imposing the entire repayment obligation at once.

Now that the project and loan have been officially closed out, DEQ's final amortization schedule establishes the District's actual repayment obligation.

The Water Bond User Fee is therefore:

Final monthly repayment amount: $17.76
Existing Water Bond fee: – $8.00
Increase to the existing fee: $9.76 per month

Will the Water Bond fee change in the future?

The current $17.76 monthly fee is based on the finalized DEQ loan repayment schedule and the current number of Water Bond billing units within the District.

As additional billing units are added to the system, the repayment obligation can be distributed among a larger number of customers, which will provide an opportunity for the per-unit Water Bond fee to decrease.

How is the $17.76 amount calculated?

The final DEQ repayment schedule requires the District to make **t**wo loan payments of $73,094.18 each year, for a total annual obligation of approximately $146,188.36.

Based on the current number of Water Bond billing units, this equals approximately:

- $213.41 per year per billing unit
- $17.76 per month per billing unit

Was the final Water Bond fee lower than originally projected?

Yes.

When the project began, preliminary projections estimated that the Water Bond User Fee could reach approximately $25.01 per month per billing unit.

Following final loan closeout with DEQ on May 21, 2026, the final repayment obligation was approximately $17.76 per month.

That is approximately 29% lower than the original projected amount.

How did the District reduce the cost?

Throughout the project, the District pursued opportunities to reduce the amount ultimately borne by customers. These efforts included:

- Managing project costs throughout construction and closeout;
- Pursuing available grant funding through the American Rescue Plan Act (ARPA);
- Securing eligibility for funding through the federal Defense Community Infrastructure Program (DCIP); and
- Revising the rate structure to distribute infrastructure repayment costs more equitably among residential dwellings benefiting from the water system.

What is the Defense Community Infrastructure Program (DCIP)?

DCIP is a competitive U.S. Department of Defense grant program administered through the Office of Local Defense Community Cooperation (OLDCC). It provides infrastructure funding to communities that support military installations.

Because Bayview Water & Sewer District provides infrastructure associated with a naval installation, the District qualified for funding opportunities that are not typically available to most water systems.

Why are multi-family properties charged differently now?

Historically, some multi-family properties with multiple residential dwellings shared one water base fee and, as a result, contributed only one Water Bond fee even though multiple dwellings benefited from the water system.

The revised rate structure distributes Water Bond repayment costs more proportionately among the residential units benefiting from the District's infrastructure.

When was the Water Improvement Project officially completed financially?

The District completed final loan closeout with DEQ on May 21, 2026. With the final amortization schedule established, the District now knows the actual repayment obligation for the Water Improvement Project.

The Bottom Line

The Water Bond User Fee was originally projected to reach approximately $25.01 per month. Through project cost management, grant opportunities and other funding strategies, the final repayment amount was reduced to approximately $17.76 per month - a reduction of approximately 29%.

Because customers have already been paying $8.00 per month, the current adjustment to reach the final repayment amount is approximately $9.76 per month per billing unit.