KIDD ISLAND BAY LOTS SEWER DISTRICT

Regular Board of Directors Meeting

Monday September 14, 2026 | Mica Flats Grange Hall

4:30 PM

7465 West Kidd Island Bay Road

Meeting Minutes

Board Members Present:	**Others Present:**
John Phillips (JP)	Christie Boss
Lynn Snell	Robert Hanson
Kelley Compton	The Sonneland Household
Mary Carlson	The Franz Household
	Clayton Lowe

CALL TO ORDER: JP called the meeting to order at 4:34 PM on Monday, September 14, 2026. A quorum was established as the majority of the board members were present.

Action Item: No amendments were made to the agenda.

Action Item: The August 10, 2026 General Board of Director draft meeting minutes were approved as written with a motion from Lynn S. The motion was seconded by Kelley C. All in favor. Motion approved.

OLD BUSINESS:

A. **4229 Boisen:** Owners of property had put in a request for special considerations on a septic tank for new construction. Board had previously approved the request with conditions. Owners presented documentation that all conditional terms had been met and provided signed acknowledgement for board review. Board agreed that all terms had been met and will have Christie record the acknowledgment on the property.

B. **Update on KIB Ordinances:** JP stated that nothing new has been received from the legal team at this time. He has sent follow up emails and is awaiting a response.

C. **Update on FY Budget:** The FYTD Financials were reviewed allowed by Christie B. Financials were approved with a motion from Kelley C. The motion was seconded by Mary. All in favor. Motion carried.

D. **Westway Sewer Pumps Install:** United Crown waiting on the property transfer to finish up the remaining home. Electrical still needs to be completed at this home.

E. **DEQ Compliance Update – Permit Renewal:** Engineering is working on updating the O&M with new DEQ rules. It was also noted that we are nearly complete per the terms of the original task order. JP to reach out to Zach to see if additional charges will be accrued to complete permit.

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F. **Open Board Position:** There is still one vacant position on the board. Board members are working on finding a volunteer.
G. **Moratorium on New Connections:** Pending document from Legal for Board Review

SERVICE OPERATORS REPORT:

A. **General Operators Report:** Bob reported that the system is doing well. The lagoons are low and are in good shape to end the season. JP reminded Bob that we have been requested to complete a seepage test next year so we will need to account for that properly before shutting everything down for the winter.

NEW BUSINESS:

A. **N/A**

PUBLIC COMMENTS:

Joanie Franz addressed the Board regarding the ongoing litigation between the Franz property owners and the Kidd Island Bay Lots Sewer District. She stated that she had recently distributed an email to more than 150 Kidd Island Bay residents expressing her concerns regarding the District's billing practices and what she believes to be overcharges for sewer connections dating back to 2003. She also requested the email addresses of all Board members.

Mrs. Franz discussed the recent mediation between the parties and stated that they are seeking to de-annex their property from the District, with a proposed payment of $10,000 from the District in exchange for relinquishing their assigned sewer connections. She indicated that they have retained an engineer and excavator to begin preparing for the proposed de-annexation and requested that the District issue a "Will Not Serve" letter to Panhandle Health District. She further requested that the District accept the return of the connections she considers unused while allowing the property to continue utilizing three connections until the de-annexation process is completed.

Mrs. Franz also alleged that the District's legal counsel has failed to provide documents requested through a public records request and claimed that the District has exceeded its approved sewer capacity allotments.

In response, JP read the following statement provided by legal counsel:
“The District is involved in pending litigation concerning this matter. The parties have participated in court-ordered mediation and have been ordered to participate in additional mediation. The Board will not publicly discuss mediation communications, settlement negotiations, or legal counsel's advice. The Board will discuss those matters in executive session, as permitted by law. The Board’s decision not to respond publicly to statements concerning settlement negotiations should not be interpreted as agreement with or confirmation of the accuracy or completeness of those statements.”

Other members in attendance expressed concerns regarding the potential financial impact of the proposed de-annexation, specifically how the costs associated with the upcoming Local Improvement District (LID) would be allocated among the remaining District members if the Franz property were

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permitted to de-annex. Members requested clarification regarding how such a change could affect their future financial obligations.

EXECUTIVE SESSION: JP made a motion to enter executive session pursuant to Idaho Code $39-1004, to discuss legal matters and pending litigation. Motion was seconded by Lynn. All in favor. Motion Passed. Board entered executive session at 5:17 PM. Lynn made a motion to end executive session at 5:42 PM. Motion was seconded by Kelley. All in favor. Executive Session was ended.

BILLS TO BE PAID:

Ardurra Group	$10,178.75
Drains Plus	$1,350.00
ICRMP	$3,061.00
Idaho Consulting	$6337.51
Kootenai Electric	$524.00
Little Stinker	$520.00
Mica Flats Grange	$40.00
One Call Concepts	$1.27
Oxarc	$1,848.76
RC Worst	$70.70
Spectrum	$115.30
Water Systems Management	$7,029.38
Ziply Fiber	$106.30

Motion was made to pay the bills by Mary. Motion was 2nd by Lynn and approved by all.
Motion was made to adjourn at 5:48 pm by Mary. Motion was 2nd by Lynn and approved by all.

Meeting minutes respectfully prepared and submitted by Idaho Consulting & Accounting, Inc.

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