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PROJECT NO. 221145-003

CITY OF BELLEVUE

Wastewater Facility Plan Update

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- Appendix E – Base Flow Calibration Curves
- Appendix F – Financial Status of Existing Facilities
- Appendix G – Screw Press Pilot Report



CHAPTER 1 - PROJECT PLANNING

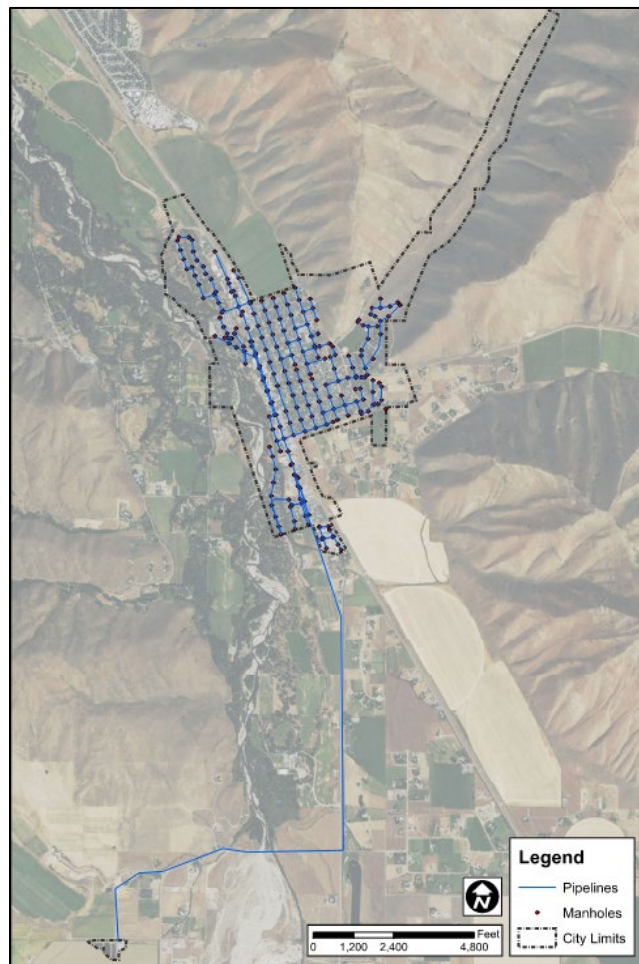
The City of Bellevue operates a municipal wastewater system that includes a gravity collection system, lift stations, and a membrane bioreactor (MBR) wastewater treatment facility. The treated water is pumped to three rapid infiltration (RI) basins during the winter months and to land application in the dry weather months. The recycled wastewater land application is in accordance with the Idaho Department of Environmental Quality (DEQ) Reuse Permit No. M-112-03, located in Appendix B. The purpose of this study is to determine the current and future needs of the City’s wastewater system and provide a plan to meet those needs.

This Wastewater (WW) Facility Planning Study (FPS) follows the DEQ requirements and provides a guide for the City to follow for future WW improvements. This chapter gives an overview of the project location, discusses the environmental considerations within the planning study area, and the population growth trend in the City. Additionally, planning criteria for future flows and regulatory requirements are discussed.

1.1. LOCATION

The City of Bellevue is located in south central Idaho in Blaine County. Figure 1-1 shows the City limits, which constitutes the existing service area for this planning study (full size figure included in Appendix A).

FIGURE 1-1: SERVICE AREA MAP





The City lies in the Wood River Valley, about 18 miles south of the resort area of Sun Valley, and 60 miles north of Twin Falls. Idaho State Highway 75 traverses the City north to south, with residential development on the east and the Big Wood River to the west. The Wastewater Treatment Plant (WWTP) is located approximately three miles southwest of Bellevue and 1,700 feet west of the Big Wood River. The City has received development interest to the north and south of the existing service area.

1.2. ENVIRONMENTAL CONDITIONS

This is solely a planning project, with recommended infrastructure and operational improvements that may have environmental impacts. While these impacts are briefly discussed in this report, a full environmental analysis is not included. The following section presents a summary of the environmental resources in Bellevue while potential consequences for improvements are discussed later in the report.

1.2.1. Physiography, Topography, Geology, and Soils

The City of Bellevue lies in the foothills of the Sawtooth and Challis National Forests, with elevations increasing to 10,000 feet to the north, east, and west. The City is located within the Wood River Valley, creating a relatively flat topography within city limits. At Bellevue, the valley is approximately two miles wide and surrounded by gently sloping terrain. City limits are at an elevation of approximately 5,175 feet, with the WWTP located at 5,050 feet and the max slope is 12.8%.

The Big Wood River deposits alluvial fill and gravel along the valley floor, which the primary soil units in and around the Bellevue WWTP are Little Wood very gravelly loam, and Balaam-Adamson complex. The units are described as deep, well drained, very gravelly sandy loam. The aquifer is described as alluvial quaternary-age sediments and basalts, therefore, it can be expected that the rapid infiltration basins will have high percolation rates.

1.2.2. Surface and Ground Water Hydrology

Big Wood River is the primary drainage through Bellevue, originating in the south slopes of the Sawtooth Range. The river flows south past Sun Valley and Bellevue, turning west into the Magic Reservoir. Big Wood River is a source of domestic water supply, recreation, and salmonid spawning. Groundwater flows generally towards the southwest and is primarily 89 to 116 feet beneath the reuse site. Groundwater is the primary supplier of potable water to the area residents, and in addition, some groundwater is used for irrigation purposes. Note, there is not a sole source aquifer.

1.2.3. Fauna, Flora, and Natural Communities

The species documented in Blaine County that are listed as endangered, threatened, proposed, and candidate species by U.S. Fish and Wildlife Service (USFWS) as of February 15, 2022, are listed below:

- Threatened:* North American Wolverine
- Candidate:* Monarch Butterfly

None of these species are anticipated to be found within Bellevue WWTP area or reuse sites. Undisturbed areas could be present in areas around the City where Ute Ladies’ tresses (threatened) and Monarch Butterfly (candidate) habits may exist, although there are no critical habitats defined within the planned study area, as indicated using the USFWS service planning and consulting tool (see Appendix C).



1.2.4. Land Use (Including Housing and Commercial Development)

The planning area is mostly occupied by residential landowners and businesses that cater to highway traffic through town. The typical residential lot size is 6,000 to 12,000 square feet, with an average of 3 people per dwelling unit. The City does not contain any industrial facilities but is home to a few commercial facilities such as motels, grocery stores, gas stations, shops, and restaurants. There are no businesses with significant or unusual water discharges, and the land surrounding the WWTP is primarily farmland where grain and alfalfa hay are typical crops.

1.2.5. Cultural Resources

The National Park Service's National Register of Historic Places lists the Bellevue Historic District and the Henry Miller House as historical resources in the Bellevue area. However, these sites do not overlap with the WWTP or reuse sites. Additionally, no archaeological sites are listed for the planning area.

1.2.6. Utility Use

Wastewater treated in the Bellevue treatment facilities is mostly domestic from residential users. Bellevue also operates a public drinking water system.

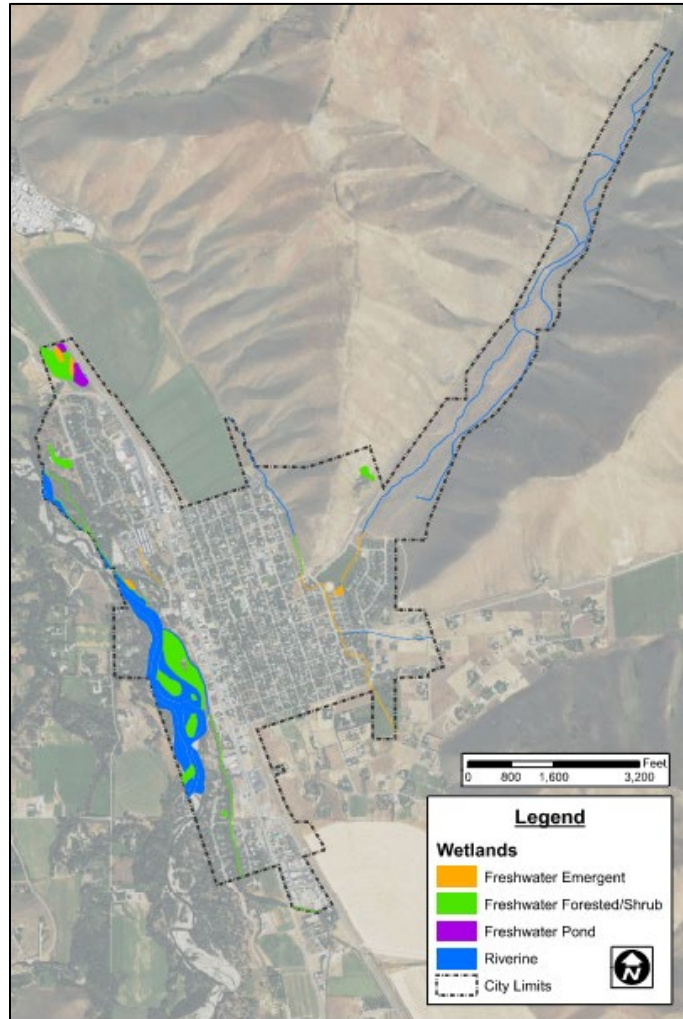
1.2.7. Floodplains and Wetlands

There is a mapped floodplain for the Wood River Valley, which buffers the Big Wood River, including the City of Bellevue and beyond the WWTP. The map shows that the City is within a floodplain, but the WWTP three miles southwest is outside of any flood zone. Any facilities to be developed would need to consider proximity to the Big Wood River and ensure that it be located above the reported flood elevations and/or be flood proofed.

The National Wetlands Inventory through the USFWS provides geographic information system (GIS) data outlining surface waters and wetlands. Multiple locations within the City of Bellevue and bordering the Big Wood River are classified as wetlands. The locations near the WWTP are classified as emerging wetlands and are largely confined to irrigation canals surrounding the land application sites. For any projects that involve disturbances to jurisdictional wetlands, formal consultation with the U.S Army Corps of Engineers, the Idaho Department of Water Resources, and the Idaho Department of Lands will be required to obtain nationwide 404 permits for stream crossings or wetland alteration. Figure 1-2 below displays the wetlands in the study area. A full-size figure is included in Appendix A.



FIGURE 1-2: BELLEVUE WETLANDS



1.2.8. Wild and Scenic Rivers

There are no designated or proposed wild and scenic rivers in Bellevue, or within the vicinity of the WWTP and land application sites. Although, the Big Wood River is known to be an excellent trout fishery and is designated as a special resource water by the State of Idaho DEQ.

1.2.9. Public Health and Water Quality Issues

The City has a public drinking water system that provides potable water to residents and businesses. The water is disinfected with liquid sodium hypochlorite and the City monitors the drinking water to ensure the public health standards are met. No known violations have been received by the City for the drinking water.

Wastewater discharged to the City’s land application site generally meets disinfection requirements from their reuse permit. However, isolated incidents of disinfection violations have occurred but are few. For instance, during the 2020 reuse applications season, the City only had one disinfection violation. Additionally, Bellevue is outside of the current nitrate priority areas.

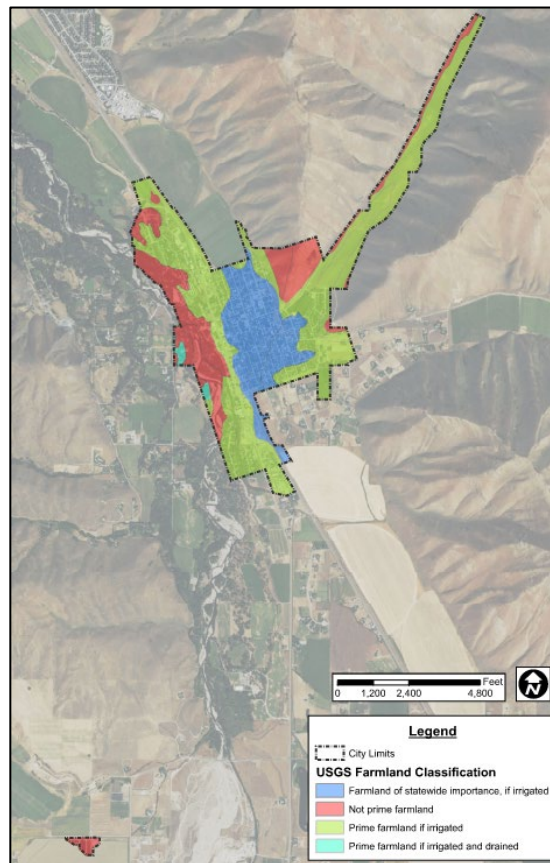
Best management practices should be employed during construction activities, ensuring the protection of surface water quality in the area. Backflow preventers should be provided where appropriate to protect potable water from cross-contamination.



1.2.10. Prime Agricultural Farmland

There is a vast amount of land near Bellevue that is used for agriculture, which some of this land contains soils that are designated as “prime” farmland soils. Such designations are given to soils that are economically capable of producing sustained high yields of food, seed, forage, fiber, and oilseed crops. All of the area within the WWTP has been classified as “Prime farmland if irrigated” by the NRCS (<https://websoilsurvey.nrcs.usda.gov/>). Figure 1-3 displays the prime farmland in the study area.

FIGURE 1-3: PRIME FARMLAND



1.2.11. Coastal Resources

The Coastal Zone Management Act does not list any area in Idaho as a coastal resource; therefore, no coastal area will be affected by the proposed improvements.

1.2.12. Precipitation, Temperature, and Prevailing Winds

Bellevue is relatively cool as compared to the rest of southern Idaho. The nearest complete climate summary is for Ketchum RS (1937 through 2016), which shows average minimum temperatures ranging from 5.7°F to 43.8°F and average maximum temperatures ranging from 31.1°F to 80.3°F. Over this same period, the total annual precipitation averaged 18.13 inches with a snowfall average of 111.9 inches. The wettest month is December; the driest month is August. Snowfalls can be heavy, with short growing seasons. Snowmelt in the spring results in large volumes of runoff and results in standing water in many of the flatter areas.

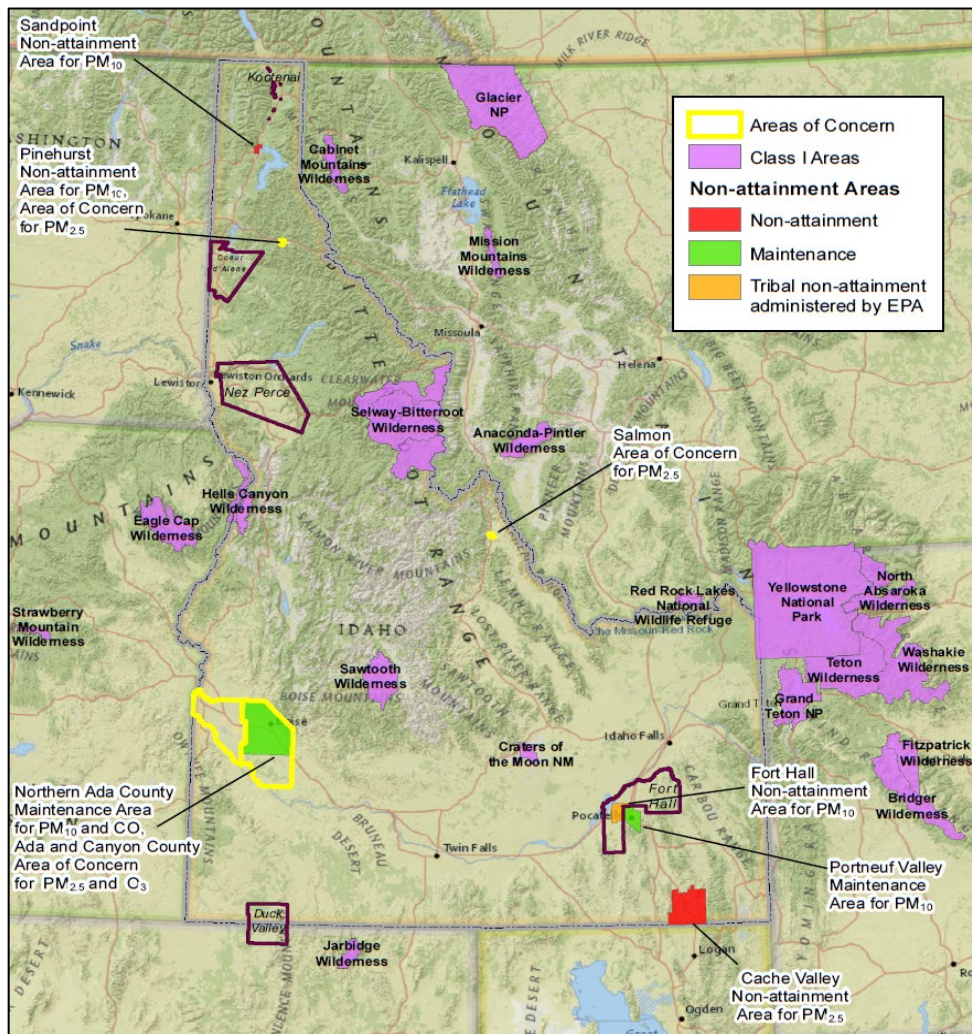
Based on Western Regional Climate Center wind data, the prevailing wind direction is southwest at an average wind speed of nearly 10 mph, which mean wind speeds range from 8.9 to 11.6 mph. Although, winds can vary according to the season.



1.2.13. Air Quality and Noise

Idaho is among the states that have delegated authority from EPA to issue air quality permits and enforce air quality regulations. DEQ’s air protection efforts are intended to ensure compliance with federal and state health-based air quality regulations. The Clean Air Act of 1970 identified six common air pollutants of concern, called “criteria pollutants.” These criteria pollutants are carbon monoxide, lead, nitrogen dioxide, ozone, particulate matter, and sulfur dioxide. Fugitive dust is also closely regulated as it contributes to particulate matter. DEQ monitors air quality and publishes air quality information, and as a result, Bellevue is not in an area of concern, or Class I area, or non-attainment area. Additionally, no noise issues have been identified for the area. A map of areas with sensitive air quality is shown in Figure 1-4.

FIGURE 1-4: AIR QUALITY MAP



1.2.14. Energy Production and Consumption

The City of Bellevue does not produce any energy. Energy use by the City’s wastewater system is comprised primarily of pumping from lift stations, aerators and MBR filtration at the WWTP, and dosing pumps for disinfection.



1.2.15. Socio-Economic Conditions

Based on the 2020 U.S. Census, the population of Bellevue was 2,560. In Blaine County, approximately 64% of the population is in the labor force, compared with the 62% Idaho average. The median household income in Blaine County is \$76,113 according to Census data, although the City believes the median income is much lower with 63% of households within Bellevue reported to have an income of less than \$50,000 (EJSCREEN ACS Summary Reports). Approximately 7% of the county is in poverty, as compared to 11.2% of Idaho families and 11.4% of United States families on average. With periodic increases in utility rates, the City will be able to continue funding proposed improvements. There are no poor or disadvantaged groups that will be adversely impacted; conversely, such groups would benefit by the improved wastewater system. Historical and projected populations are presented in section 1.3 of this chapter.

1.3. POPULATION TRENDS

The City of Bellevue has seen moderate growth in the past, which Table 1-2 summarizes the historical City populations from the U.S. Census. On average, the City maintained approximately 2% growth between 2000 and 2010, and 1% growth between 2010 and 2020. The City decided to conservatively assume additional multi-family districts develop in the future and a planning growth rate of 2.4%. The populations in 2045 and 2075 are assumed to be 4,632 and 9,435, respectively.



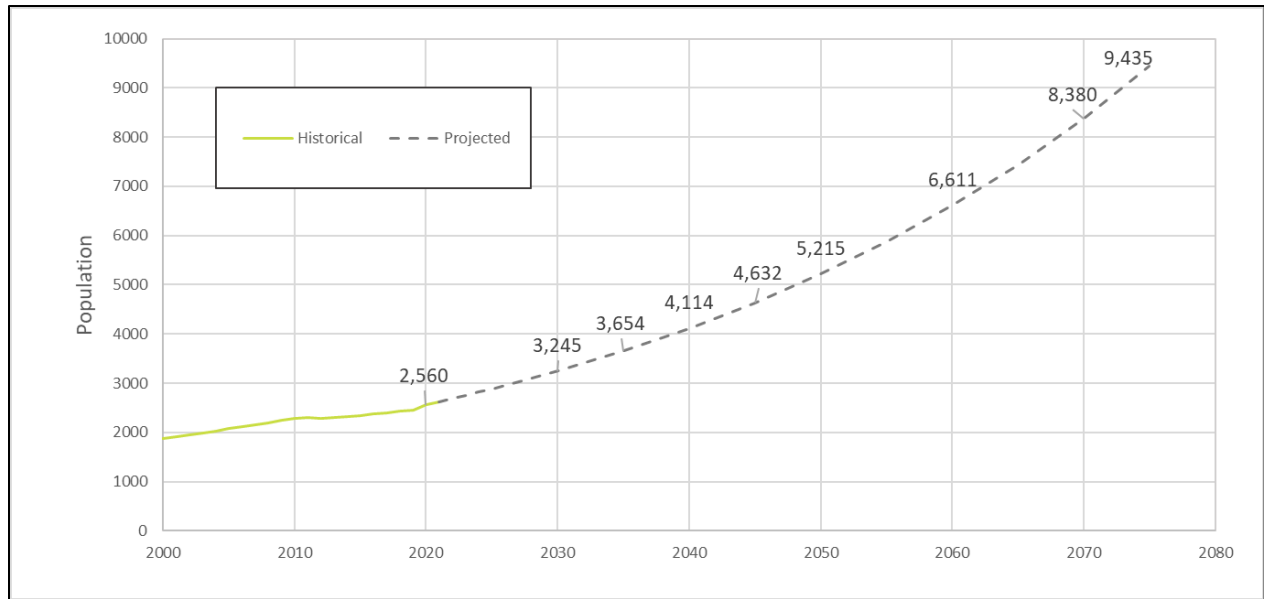
TABLE 1-1: BELLEVUE HISTORICAL AND PROJECTED POPULATION

	Year	City Population ¹
Historical	2000	1,876
	2001	1,914
	2002	1,952
	2003	1,991
	2004	2,031
	2005	2,071
	2006	2,113
	2007	2,155
	2008	2,198
	2009	2,242
	2010	2,287
	2011	2,298
	2012	2,292
	2013	2,309
	2014	2,319
	2015	2,331
	2016	2,374
	2017	2,401
	2018	2,433
	2019	2,450
2020	2,560	
Projected	2021	2,621
	2022	2,684
	2023	2,749
	2024	2,815
	2025	2,882
	2026	2,951
	2027	3,022
	2030	3,245
	2035	3,654
	2040	4,114
	2045	4,632
	2050	5,215
	2055	5,871
	2060	6,611
	2065	7,443
2070	8,380	
2075	9,435	
1. Census populations used were for 2000, 2010, and 2020. Populations between these years were estimated.		



Figure 1-5 illustrates the historical and projected future populations.

FIGURE 1-5: POPULATION PROJECTION

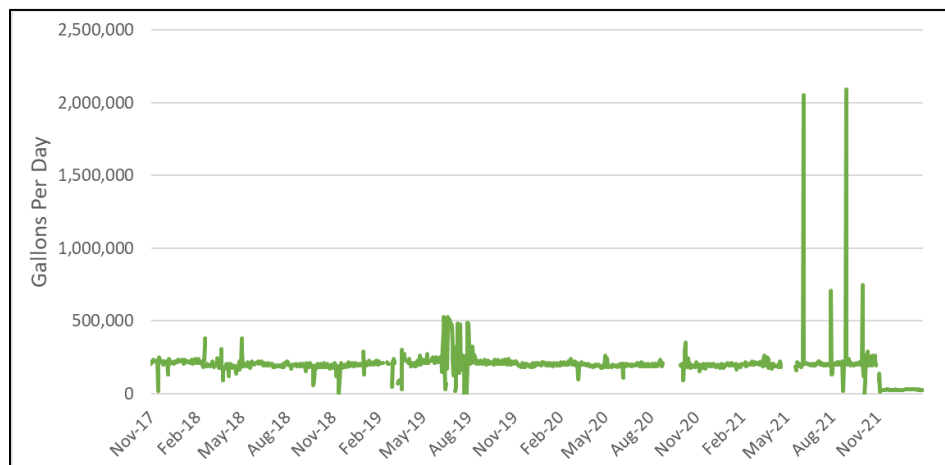


1.4. INFLUENT FLOW ANALYSIS

This section summarizes the historical wastewater flows into the WWTP and develops planning criteria for projecting future flows during the planning period. The planning period flows include the average annual daily flow (AADF), maximum month flow (MMF), peak day flow (PDF), and peak hour flow (PHF). The AADF is the average daily flow for the calendar year (January to December). MMF represents the highest monthly average flow into the WWTP for the year. The PDF represents the maximum day flow recorded for the year. The PHF represents the highest hourly flow at the WWTP.

The City manually tracks daily flow into the WWTP, and the records received from the City date back until November 2017 and include up until January 2022. It should be noted that the data set was handwritten and incomplete for some dates. Also, the flow meter experienced difficulties in late 2021. Figure 1-6 demonstrates the daily influent flow since November 2017.

FIGURE 1-6: HISTORICAL DAILY INFLUENT FLOW

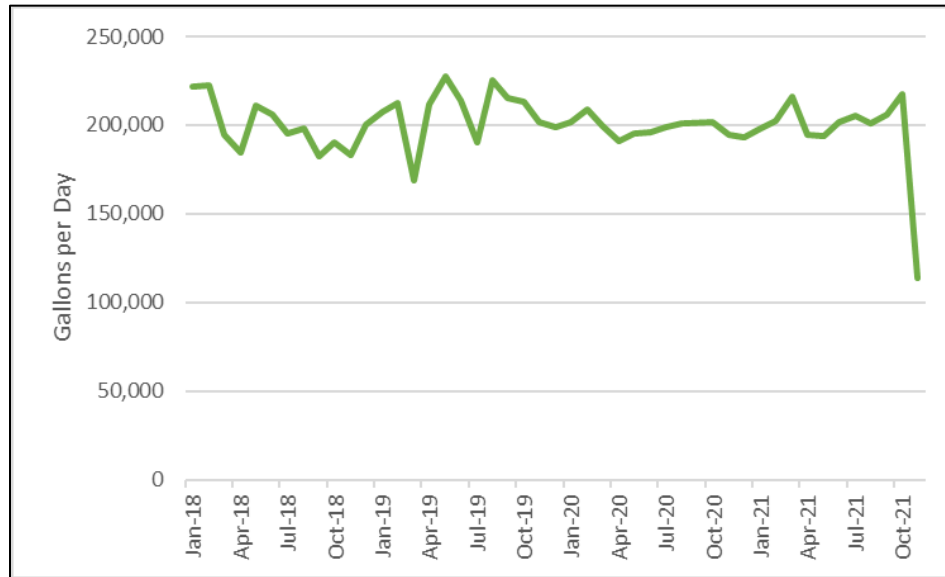




The peak flows shown in Figure 1-6 above 2 million gallons per day (MGD) can be removed since they are beyond the rated capacity of the pumps. Similarly, the other peaks in 2021 and during the summer of 2019 were the result of utilizing the lagoons for influent storage and then sending a higher batch into the WWTP out of the lagoons.

Figure 1-7 demonstrates the average daily influent flow for each month since November 2017, with the peaks mentioned in the previous paragraph removed. Similarly, the low flows less than 50,000 gallons per day were removed since those days were associated with the flow meter errors. Figure 1-7 shows that the average monthly flows have been fairly uniform.

FIGURE 1-7: HISTORICAL AVERAGE DAILY INFLUENT FLOW BY MONTH



To develop planning criteria for the planning period, the flow evaluation focused on the four years of complete data from 2018 to 2021. As mentioned previously, extreme peaks and depressions were removed since they did not represent true influent conditions from the collection system. As discussed above, these events were due to flow meter issues or utilizing the WWTP equalization lagoons. Table 1-2 presents flow summaries for 2018 through 2021 for AADF, MMF, PDF, and PHF. The City does not maintain hourly influent flow, therefore the PHF was estimated using industry standards. A population-based factor from the Ten State Standards (Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environment Managers, 2014) was used to estimate the PHF.

TABLE 1-2: WWTP FLOW SUMMARY (MGD)

Parameter	2018	2019	2020	2021
Population	2,433	2,450	2,560	2,621
AADF	0.199	0.209	0.198	0.204
MMF	0.222	0.227	0.209	0.217
PDF	0.381	0.339	0.353	0.289
PHF	0.699	0.735	0.694	0.712
Note: Removed values less than 0.5 percentile and greater than 99.5 percentile.				



Table 1-3 presents flow data from Table 1-2 in terms of gallons per capita per day (GPCD). The planning criteria selected for projecting future flows is the maximum of the 2018-2021 gallons per capita per day values.

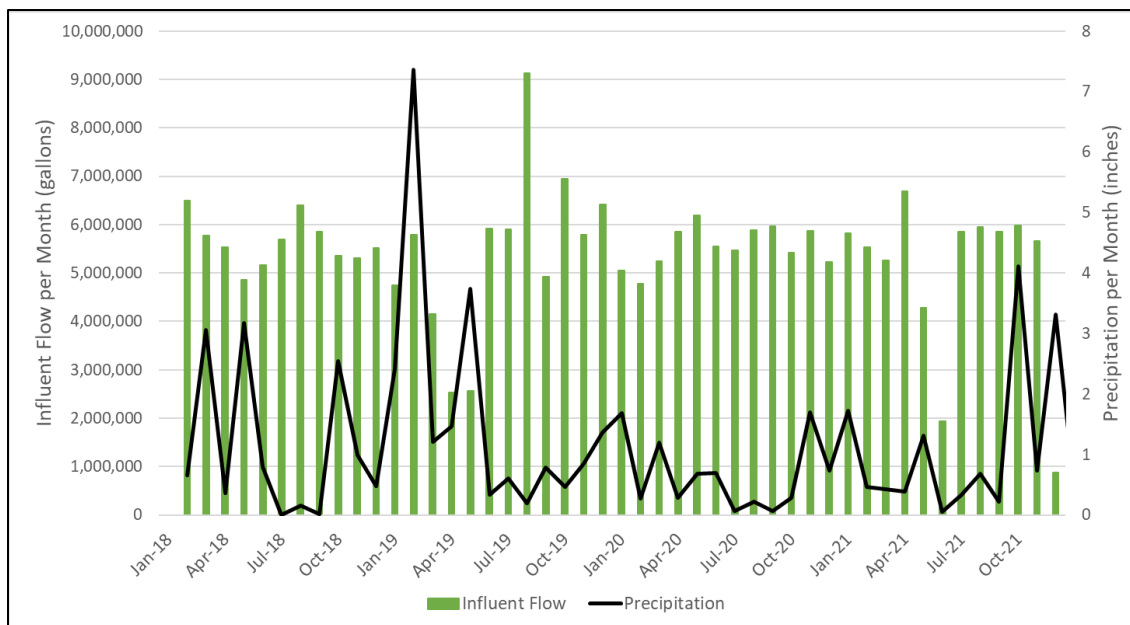
TABLE 1-3: WWTP PLANNING CRITERIA FLOWS

Parameter	2018	2019	2020	2021	Planning Criteria
Population	2433	2450	2560	2,621	
AADF	82	85	77	78	85
MMF	91	93	82	83	93
PDF	157	138	138	110	157
PHF	288	300	271	272	300

1.4.1. Infiltration and Inflow (I/I)

In Figure 1-8, the average monthly rainfall totals for the City of Bellevue, acquired from the Western Regional Climate Center, are compared to the monthly influent flows. Generally, wastewater collection systems experiencing high inflow and infiltration (I/I) will see an immediate increase in flow in response to large precipitation events. The City’s data suggest while some precipitation events correlate with increased flowrate, there is not a consistent and significant correlation. The City noted that during significant snow runoff events near the end of 2022, flows into the WWTP were much higher than average suggesting that a snow runoff event may have a more pronounced effect on wastewater flows. The City plans to conduct closed-circuit television (CCTV) inspections and smoke testing to identify problems and begin making necessary repairs to correct I/I issues.

FIGURE 1-8: MONTHLY INFLUENT FLOW VS. MONTHLY PRECIPITATION





1.5. FLOW PROJECTIONS

Future planning criteria flows were established using the planning criteria in Table 1-3 and the projected populations to calculate the future AADF, MMF, PDF, and PHF. The City is not anticipating industrial growth, and the estimates assume a similar residential and commercial mix. Projected flows are shown in Table 1-4, which these flows will be used when evaluating the wastewater system’s current capacity and ability to handle future flows.

TABLE 1-4: PROJECTED INFLUENT FLOWS (MGD)

Year	Projected Population	AADF	MMF	PDF	PHF
2022	2,684	0.224	0.243	0.411	0.786
2025	2,882	0.246	0.267	0.452	0.865
2030	3,245	0.277	0.301	0.508	0.974
2035	3,654	0.312	0.339	0.572	1.096
2040	4,114	0.351	0.382	0.644	1.234
2045	4,632	0.395	0.430	0.726	1.389
2050	5,215	0.445	0.484	0.817	1.564
2055	5,871	0.501	0.545	0.920	1.761
2060	6,611	0.564	0.613	1.036	1.983
2065	7,443	0.635	0.691	1.166	2.233
2070	8,380	0.715	0.778	1.313	2.514
2075	9,435	0.805	0.876	1.478	2.830

The historic number of people per equivalent dwelling unit (EDU) is 2.4. It is estimated that the population per EDU will stay the same through the planning period.

1.6. INFLUENT LOADING PROJECTIONS

The City does not contain any industrial facilities, and is not expecting any to connect during the planning period. However, the City is home to a few commercial facilities, which these commercial facilities are mainly service-oriented businesses. The City expects its customers to provide domestic-strength wastewater, pay connection fees, and be billed for usage on the appropriate EDU basis. Septage is not accepted by the City wastewater system, and for the purpose of this planning study, septage is assumed not to be allowed into the wastewater system as it can provide a high loading to a WWTP.

The City did not have a large amount of influent concentration data. As a result, anticipated future influent loadings (pounds per capita per day (ppcd)) were assumed using industry-standard values and are shown in Table 1-5. Similarly, industry standard peaking factors of 1.30 for BOD₅, 1.30 for TSS, 1.15 for TKN, and 1.12 for phosphorus were used for the MMF’s (Metcalf & Eddy/AECOM, 2014).

TABLE 1-5: INDUSTRY STANDARD LOADING VALUES AS PPCD

Criteria	PPCD	Peaking Factor
BOD ₅	0.17	1.3
TSS	0.20	1.3
TKN	0.036	1.15
TP	0.0048	1.12



Projected influent loads for the planning period as shown in Table 1-6.

TABLE 1-6: PROJECTED INFLUENT LOADS (PPD)

Year	2022	2025	2030	2035	2040	2045
Population	2,684	2,882	3,245	3,654	4,114	4,632
BOD₅						
AADF	456	490	552	621	699	787
MMF	593	637	717	808	909	1,024
TSS						
AADF	537	576	649	731	823	926
MMF	698	749	844	950	1,070	1,204
TKN						
AADF	97	104	117	132	148	167
MMF	111	119	134	151	170	192
TP						
AADF	13	14	16	18	20	22
MMF	14	15	17	20	22	25

The City provided the results of six influent samples. The concentration range was for 45 – 290 mg/L BOD₅, 23.6 – 55.4 mg/L for TKN, and 5.62 – 11.0 mg/L for TP. Assuming a MMF of 0.246 MGD during the sampling events, these concentrations equate to a loading of 92 – 595 ppd for BOD₅, 48 – 114 ppd for TKN, and 12 – 23 ppd for TP, which correlates well with the industry-standard loadings in Table 1-5.

1.7. REGULATORY REQUIREMENTS

The City currently discharges effluent wastewater to shallow rapid infiltration basins during the winter months and land application to farm fields during the growing season. As a reuse facility, the WWTP operates in accordance with Reuse Permit M-112-03, previously No. LA-000112-02, and IDAPA 58.01.17., Idaho’s Recycled Water Rules. Regulatory requirements include a plan of operation, quality assurance project plan, seepage testing, recycled water loading measurement plan and implementation, buffer zone plan, and ground water and soils monitoring. The reuse permit does not require a specific effluent quality, rather specifies limits for the application of certain wastewater constituents. Limits include nitrogen loading, according to crop uptake, and total coliform. The maximum nitrogen loading of the water on the site (wastewater and supplemental irrigation water), must be less than or equal to 150% of the median crop uptake from the last three years. The effluent requirements are a median number of total coliform organisms less than or equal to 230 per 100 mL based on the last three days of sampling, with no sample exceeding 2,300 organisms per 100 mL. Chemical oxygen demand (COD) and ash loading limits are not set by the permit; however, it is required that the removal is estimated and presented. The reuse permit expiration date is December 2022, and in order for effluent water to be land applied, it must meet Class C requirements. Table 1-6 provides typical treatment requirements for the different classes along with some allowable uses. Classes A-D are shown in the table; Class E is not shown as it has the fewest uses. If the City is going to consider another classification or different use, a different permit would be required.



TABLE 1-7: RECYCLED WATER CLASSES AND SOME EXAMPLE USES

	Class A	Class B	Class C	Class D
Typical Treatment Requirements				
Oxidized	X	X	X	X
Coagulated and Clarified	X	X	-	-
Filtered	X	X	-	-
Disinfected	X	X	X	X
BOD ₅ , mg/L	5 - 10	-	-	-
Total Nitrogen, mg/L	10 (or stricter) - 30	10 (or stricter) - agronomic rate	agronomic rate	agronomic rate
Turbidity, NTU	0.2 - 5	5 - 10	-	-
pH	6.0 - 9.0	-	-	-
Total Coliform, no./100 mL	2.2 - 23	2.2 - 23	23 - 230	230 – 2,300
Virus	5-log reduction	-	-	-
Allowable Uses				
Fodder, fiber, or processed food crops	X	X	X	X
Pasture: not producing milk for human consumption	X	X	X	X
Pasture: producing milk for human consumption	X	X	X	-
All edible food crops	X	X	-	-
Golf courses	X	X	-	-
Parks: non-use periods	X	X	-	-
Parks: use periods	X	-	-	-
Home irrigation	X	-	-	-
Groundwater recharge	X	-	-	-

Hydraulic loading limits are established to balance protection of groundwater and crop requirements. This typically translates to irrigating at agronomic rates to match the net irrigation requirements of the crops. Allowable agronomic rates are based on historical precipitation deficit values from ETIdaho -- Evapotranspiration and Net Irrigation Requirements for Idaho and typical irrigation efficiencies for the application equipment. The RI basins have a max volume allotment of 55 MG annually and are used during the non-growing season. The effluent is land applied during the growing season, which is April 1 through October 31. The predominant crop is alfalfa, and was the single crop grown in the 2020 growing season. Wastewater is typically insufficient to meet the IWR, and irrigation is supplemented as necessary from a nearby canal. Groundwater and soil parameters are also monitored to evaluate the apparent impact of the land application and rapid infiltration facilities on local groundwater and soil, as required by the reuse permit. There are also buffer zones between wells, dwellings, surface water, irrigation ditches, and public access.



1.7.1. Surface Water

The Big Wood River is located approximately 1,700 feet east of the site. The City does not discharge to the river, but the city just north along the river, the City of Hailey, discharges to the Big Wood River. Discharges to waters of the United States requires a National Pollutant Discharge Elimination System (NPDES) as a provision of the Clean Water Act. Beneficial uses for this receiving water body include cold water aquatic life, salmonid spawning, primary contact recreation, domestic water supply, and is also designated as special resource water. Water quality criteria are designed to protect these beneficial uses and protections as stated by the Idaho Water Quality Standards that protect all waters within the State of Idaho. For these reasons, strict effluent limits are required for point source discharges.

Discharge permits must contain limitations that comply with the approved total maximum daily load (TMDL) associated with the Big Wood River watershed. The Big Wood TMDL contains a bacteria waste load allocation for Hailey, while addressing phosphorus and sediment as well. The modified TMDL's waste load allocation for E. coli for this discharge is 7.63 billion (7.63×10^9) CFU/Day. The loading capacity was calculated using the annual average river flow and the maximum monthly geometric mean in-stream target of 126 CFU/100. The waste load allocation for total phosphorus is 5.2 ppd, with a maximum monthly average in-stream target of 0.05 mg/L. TSS is regulated at 3.3 tons per year or 18 ppd.

To protect aquatic species, the pH of effluent wastewaters must be in the range of 6.5 to 9. As salmonid spawning is a beneficial use, ammonia criteria are applicable as well. Ammonia criteria are dependent on pH and temperature, but in general, the limit is a 2.1 mg/L acute value, and 1.01 mg/L chronic value.

In order to meet stringent discharge limits, significant improvements to the WWTP would be required. Primarily, dechlorination would need to be added and measures to reduce total phosphorus. Also, a significant pipeline and permitting process would be required to obtain an NPDES permit. For these reasons, surface water discharge is not recommended to be investigated further.

1.8. COMMUNITY ENGAGEMENT

The City may conduct a town hall meeting as part of the community engagement requirement of the project following the approval of the Facility Plan Report. A town hall meeting would be made open to the public to help the community develop an understanding of the need for the projects, the utility operational service levels required, and the funding and revenue strategies used to complete the project. No special efforts are anticipated to be required for poor, minority, or limited English proficiency residents of the community.



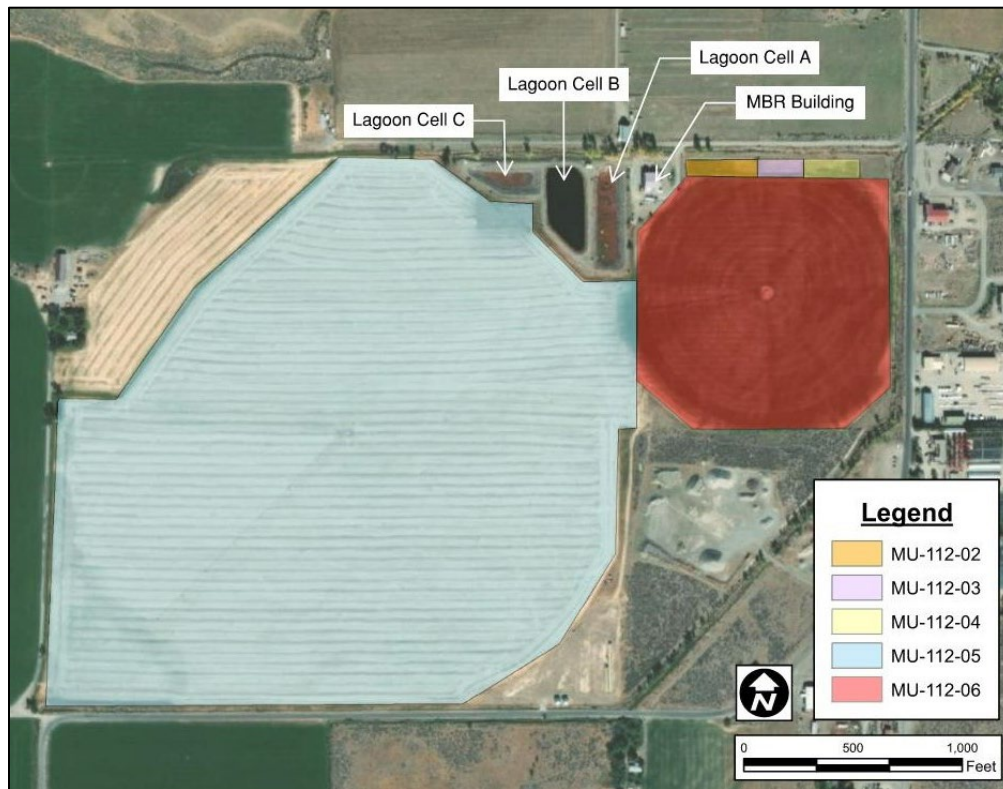
CHAPTER 2 - EXISTING FACILITIES ASSESSMENT

This section contains a description and condition evaluation of the City of Bellevue’s existing collection system and WWTP.

2.1. LOCATION

The City of Bellevue is located in southcentral Idaho in Blaine County. The WWTP is located approximately three miles southwest of Bellevue and 1,700 feet west of the Big Wood River. An aerial view of the WWTP is shown in Figure 2-1. An aerial view of the collection system is shown in Figure 2-2 on the following page.

FIGURE 2-1: WWTP AERIAL VIEW



2.2. HISTORY

The City of Bellevue constructed a sewer collection system and a 3-cell aerated lagoon system around 1991. Prior to this time, residents utilized septic tanks and drain fields for wastewater treatment and disposal. In 2011, the City began operating a membrane bioreactor (MBR) treatment facility. Influent is treated by the MBR facility, disinfected, and stored. During winter months, the treated water is pumped to three rapid infiltration basins. During the growing season, the water is land applied on two fields. The old lagoons were repurposed and are now used for influent equalization (Lagoon Cell A) and effluent storage (Lagoon Cells B and C). Biosolids from the MBR are trucked to the landfill.

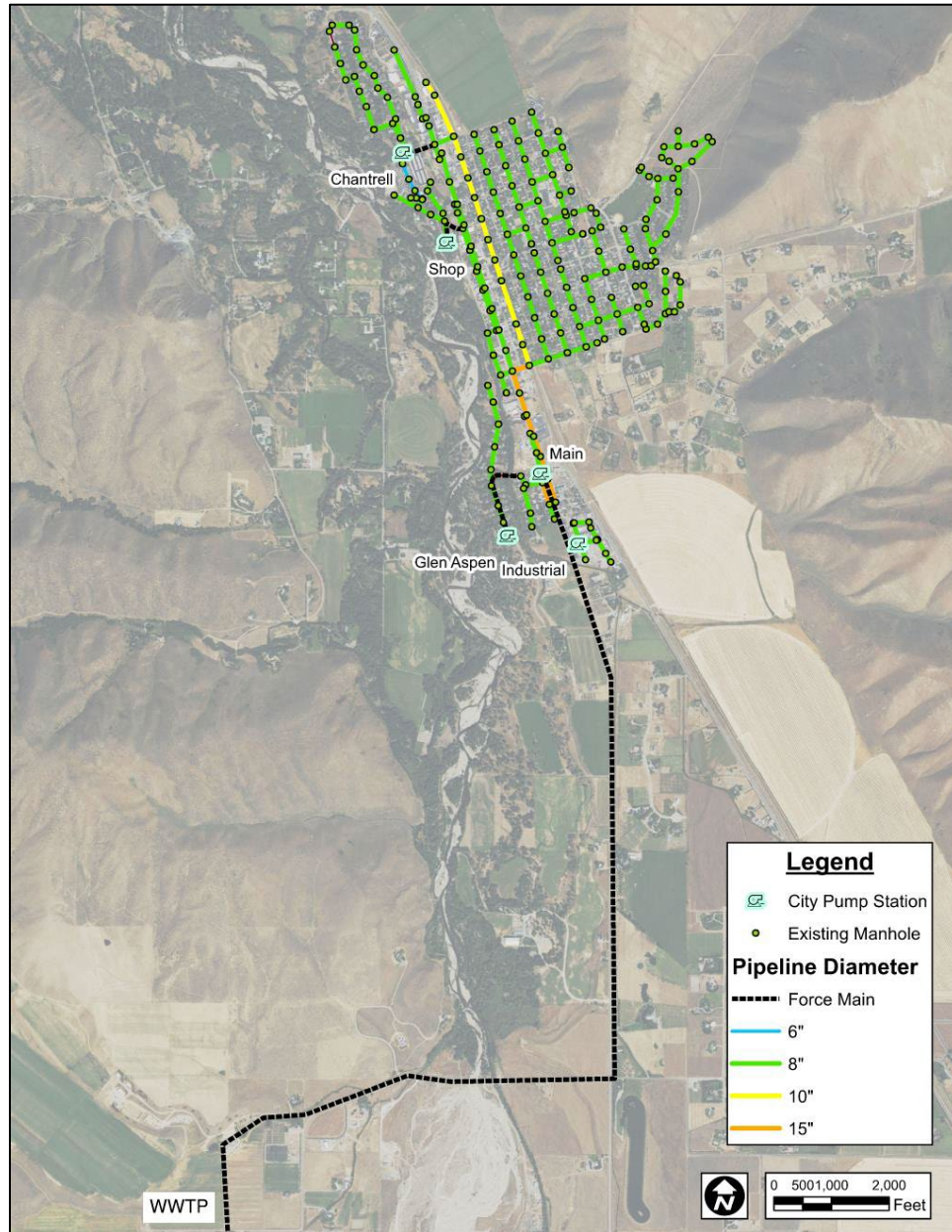


2.3. SYSTEM DESCRIPTION

2.3.1. Collection System Description

The City’s sewer collection system consists of more than 1,000 manholes, approximately 13 miles of collection lines, and 4.3 miles of force mains. There are five lift stations that connect the collection system to the WWTP, as shown in Figure 2-2. The Main Lift Station receives all of flow from the City and then pumps flow through a 3.7 mile long 8-inch force main to the WWTP. Three lift stations pump to the Main Lift Station (Glen Aspen, Shop (Martin), and Chantrelle).

FIGURE 2-2: WASTEWATER COLLECTION SYSTEM MAP





2.3.2. Pump Stations and Collection

The City owns and operates five pump stations throughout the wastewater collection system as shown in Figure 2-2: Chantrelle, Shop (Martin), Main, Glen Aspen, and Industrial (Honey or Honeysuckle). On September 26, 2022, OMCS LLC performed a facility tour of Bellevue's lift stations in order to prepare a Critical Needs Assessment (CNA) for the City's wastewater system. The CNA is intended to identify urgent needs and be used as a guidance for improvements. This section will summarize and identify deficiencies and recommendations for these facilities and incorporate recommendations from the CNA for both the lift station and existing collection system. A complete copy of OMCS LLC's Critical Needs Assessment can be found in Appendix D.

Main Lift Station

The City's Main Lift Station pumps flow from the collection system approximately 3.7 miles through an 8-inch force main. The City has historically had issues with the capacity of the Main Lift Station even after recent upgrades to the pumps and electrical system completed in 2020. Field testing indicated that the capacity of the lift station has historically been limited by the frequency of air vacuum valve cleaning along the force main. Previous pump testing indicated that the firm capacity of this lift station was approximately 600 gallons per minute. The peak hour flow observed from this lift station was approximately 450 gallons per minute (slightly lower than the WWTP peak hour flow presented in Chapter 1).

- Install fall protection on the dry well entry ladder.
- Install "Confined Space Entry" signage on access hatches.
- Replace wet well hatch with bifold system to improve operation.
- Install bypass pumping provisions in wet well and force main.
- Integrate controls into new SCADA system. Provide for alarms, pump and level control, and instrument read-out.
- Procure a redundant pump and mixer.
- Extend air exchange pipe to within 6" of the floor of the drywell.

Chanterelle Lift Station

- Install "Confined Space Entry" signage on access hatches.
- Install fencing with locking gate around site with signage stating, "No Public Entry".
- At a minimum, secure electrical panels and switches with locks.
- Install emergency generator.
- Integrate controls into new SCADA system. Provide for alarms, pump and level control, and instrument read-out.
- Incorporate lift station equipment into a Computerized Maintenance Management System (CMMS). This recommendation applies to all lift stations.

Shop (Martin) Lift Station

- Install "Confined Space Entry" signage on access hatches.
- Install fencing with locking gate around site with signage stating, "No Public Entry".
- At a minimum, secure electrical panels and switches with locks.
- Install emergency generator.
- Integrate controls into new SCADA system. Provide for alarms, pump and level control, and instrument read-out.



Glen Aspen Lift Station

- Install “Confined Space Entry” signage on access hatches.
- Install fencing with locking gate around site with signage stating, “No Public Entry”.
- At a minimum, secure electrical panels and switches with locks.
- Install emergency generator.
- Integrate controls into new SCADA system. Provide for alarms, pump and level control, and instrument read-out.
- Repair/replace the rail guide system for the pumps.
- Procure one additional pump for shelf spare.

Industrial (Honey Suckle Lift Station)

- Install “Confined Space Entry” signage on access hatches.
- Install fencing with locking gate around site with signage stating, “No Public Entry”.
- At a minimum, secure electrical panels and switches with locks.
- Install emergency generator.
- Integrate controls into new SCADA system. Provide for alarms, pump and level control, and instrument read-out.
- Remove the 55-gallon drum of chemical that is stored in the building.

2.3.3. Pump Station Run Time

Keller Associates also reviewed available pump run time information for the City’s Lift Stations. Run time was not available for most of 2020, so data from that year has not been included in the analysis. Table 2-1 shows the summary of the pump run time information by year for ADD, MMF and PDF. Data collection has improved in recent years and City staff feel that data from 2021 is most reflective of the current system operation. A summary of the takeaways from this analysis are listed below:

TABLE 2-1: LIFT STATION CAPACITY

Lift Station	2018			2019			2021		
	ADD	MMF	PDF	ADD	MMF	PDF	ADD	MMF	PDF
Main Lift Station	15.96	18.58	37.35	23.35	29.67	58.00	12.70	14.39	18.50
Chantrelle	5.93	17.65	28.89	1.82	3.29	19.17	1.74	2.30	3.97
Glen Aspen	1.24	7.65	24.73	0.72	1.40	8.31	0.48	0.78	11.33
Honey Suckle	0.48	1.13	24.39	1.38	3.30	20.96	1.22	1.81	9.97
Martin Lane	1.40	2.99	11.40	1.44	2.40	9.93	2.82	1.81	16.95

Main Lift Station

Routine maintenance of the force main from this lift station was historically not completed. This maintenance has occurred more often starting in early 2021. Based on conversations with the City, this data is most representative of the current lift station operation.



Chanterelle Lift Station

2018 and 2019 seemed to indicate that pumps were reaching firm capacity. However, 2021 showed a sharp decline in hours run. City staff believe this is due to improved data collection as well as pump maintenance that improved operation.

Shop (Martin) Lift Station

Data experienced large fluctuations year to year, but the lift station appears to be at approximately 70% of firm capacity.

Glen Aspen Lift Station

Data in 2018 showed pump station was close to firm capacity. Following years showed pump station was close to 50% capacity. City staff believe this is more representative of typical operation.

Industrial (Honey Suckle Lift Station)

2018 and 2019 seemed to indicate that pumps were reaching firm capacity. However, 2021 showed a sharp decline in hours run. City staff believe this is due to improved data collection as well as pump maintenance that improved operation.

Collection System

- City has experienced recent (end of 2022) high flow events that appear to be correlated with snow runoff events.
- Cleaning and CCTV inspection of system to help identify infiltration and inflow, low spots, etc.
- Implement a commercial connection fats, oils and grease program.

2.3.4. Pipe Material and Age

Keller Associates performed survey work in July 2022 to collect information on manhole rims and pipe inverts, orientation, size, and material. Pipeline material within the City consists of polyvinyl chloride (PVC). Table 2-2 provides a breakdown of pipelines by diameter, based on survey and other available information. Figure 2-1 in Appendix A shows the locations of the pipelines by material. It is recommended that the City maintains a Geographic Information System (GIS) map or other database that tracks the collection system pipeline materials and installation dates, along with inverts and other important information regarding pipelines and manholes within the system. It is also recommended that the City routinely cleans and inspects their wastewater pipelines and develops a standardized pipeline condition rating system or maintenance management program.

Pipeline age information was not readily available, however, pipe material can be used as a rough estimation of pipeline age based on the historical materials of choice for sanitary sewer construction. For example, cast iron and steel pipes are often associated with older installations and PVC and high-density polyethylene (HDPE) are associated with more recent developments. As the City consists of all PVC pipelines, pipeline age of the system is estimated to be installed within the last 35 years. Typically, sanitary sewer pipelines have an expected service life of 50 to 100 years. The longer a pipe remains in the ground, the more likely the pipe is to experience cracks, root intrusion, breaks, and such defects that increase I/I into the system.



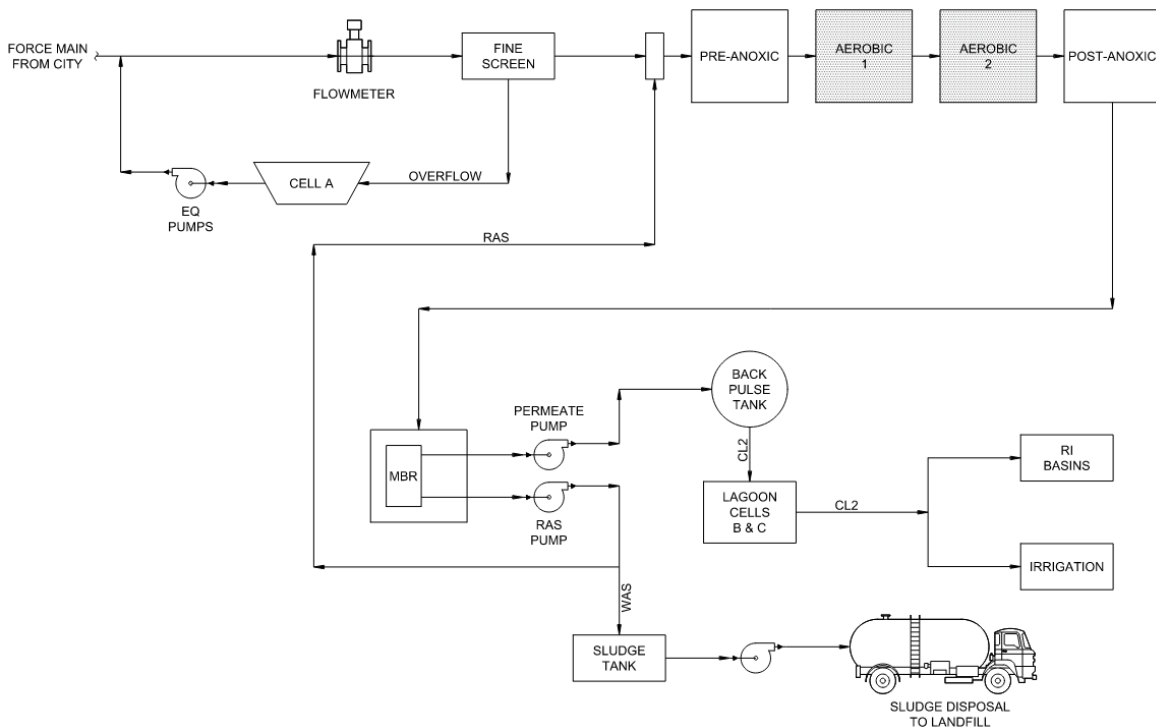
TABLE 2-2: PIPELINE SIZE AND MATERIAL (ALL LENGTHS IN FEET)

		Material	
		PVC	% of Total
Size	4"	1,319	1.4%
	6"	2,241	2.5%
	8"	78,631	86.3%
	10"	5,581	6.1%
	15"	3,376	3.7%
	Total	91,148	100.0%

2.3.5. WWTP Description

The WWTP includes a Headworks, MBR Treatment, Disinfection, Storage Lagoons, Rapid Infiltration and Land Application. Influent wastewater can also be diverted and equalized in one of the old lagoon cells prior to the Headworks. In the Headworks the wastewater is screened and then flows to a splitter box at the front of the MBR process basins. The MBR treatment system includes a series of biological treatment cells followed by membrane filtration. Effluent (permeate) pumped from the membranes is disinfected by chlorination and sent to existing lagoon cells B and C for storage. Lagoon effluent is disinfected a second time with chlorine and pumped to rapid infiltration (RI) basins or to be land applied as specified in the City’s Reuse Permit M-112-03. A process flow schematic of the WWTP is shown in Figure 2-3.

FIGURE 2-3: WWTP PROCESS FLOW SCHEMATIC





Headworks

The Headworks includes an influent flow meter, a composite sampler, an influent screen, and a washer/compactor. The magnetic flow meter is located upstream of the influent screen, and it is used to continuously monitor the total flow routed to the WWTP including influent flow from the City, flow from Lagoon Cell A and plant drain flow. The flow meter is also used to control the return activated sludge (RAS) in the MBR, and to assist in the control of the permeate pumps. In the past the flow meter has lost calibration, including recently in late 2021.

An automatic refrigerated sampler located in the screen room collects samples of influent wastewater from the screen channel. The sampler can be programmed to collect composite samples automatically over a period of time or batch samples using the manual override. The sampler is not rated for the hazardous environment of the screen room and should be relocated.



The screen is a center flow rotating band screen with 2 mm openings. Screening to remove particles larger than 2 mm is required to protect the downstream membranes. The flow enters the center of the screen and exits through perforations in the screen faces. Retained solids are cleaned from the screen faces by a water spray. The frequency of screen operation is based on water surface elevation determined by ultrasonic level sensors. As a backup, screen operation will also be triggered by an operator-adjustable timer. Currently, there is no redundancy for the influent screen. When the screen is down for maintenance, which occurred in 2018-2019, there is the potential for unscreened influent to enter the MBR basins.



The screen is equipped with a chute to discharge screenings to a washer/compactor. The washer/compactor unit washes the screenings and then compacts the screenings so they can be placed in an automatic bagger and dumpster for disposal. The wash water from the washer/compactor is discharged to the drain, which returns flow to the channel upstream of the screen to ensure washer compactor material greater than 2 mm does not enter the membrane tanks. The washer-compactor operation is linked to screen operation using a timer that monitors screen operation. After a predetermined time with no screen operation, the washer/compactor will automatically begin a wash cycle independent from the ultrasonic level sensor. Additionally, there is no redundancy for the washer/compactor.



MBR Treatment

The MBR treatment process consists of a splitter box and two treatment trains, each with pre-anoxic basins, two aerobic tanks, a post-anoxic basin, and a membrane basin. The MBR treatment process consists of a suspended growth biological reactor integrated with an ultrafiltration membrane system. The membranes are submerged in direct contact with the mixed liquor. In addition to housing the membrane basins, the Process Building houses process and membrane blowers, permeate pumps, RAS pumps, chemical dosing system for membrane cleaning, waste activated sludge (WAS) pumps, scum pumps, and electrical power and control systems. Permeate pumps pull clean treated water through to the inside of the membranes, and the solids remain in the basin. The RAS pumps return mixed liquor from the membrane basins back to the influent splitter box.



A splitter box was constructed downstream of the influent screen to allow splitting of the flow to the two treatment trains and to receive and split RAS flow from the membrane tanks. The splitter box includes weirs to evenly divide flow to each train. Although there is a cover, sometimes the influent flow backs up in this area. The box should be modified to avoid the possibility of overflow.

The pre-anoxic basins serve as “bio-selectors” to promote growth of specific types of microorganisms. Control of the types of microorganisms in the basins serves to encourage biological nutrient removal. The aeration and post-anoxic basins nitrify and denitrify to remove ammonia and nitrates, respectively. The pre and post anoxic basins and aerobic basins in each treatment train are instrumental in achieving the treatment goals. Mixed liquor is recycled from the membrane tanks by the RAS pumps to keep the mixed liquor in the system. Also, the coating on the walls is starting to peel.



Both the pre-anoxic and post-anoxic process basins are equipped with submersible mixers to mix the basin contents. Each mixer has a rail system for retrieval of the mixer for maintenance, using the portable jib hoist crane. The mixers, which are constant speed, were replaced in 2021. The basins are near some cottonwood trees, which seeds, leaves, and branches have fallen into the basins in the past and have the potential to cause issues with the membranes. A cover over the basins may provide some protection from these risks.

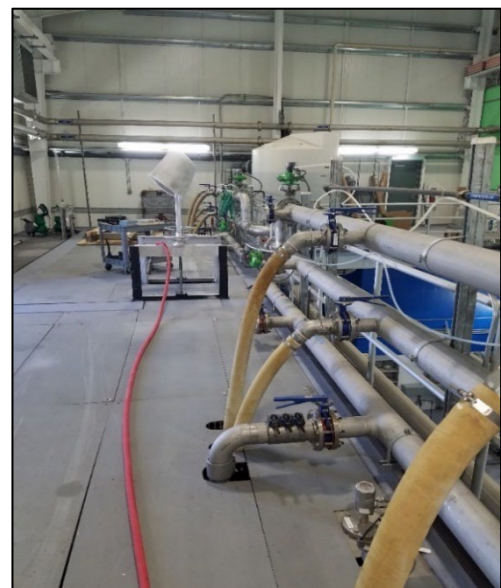


Each aerobic tank is equipped with a fine bubble diffuser system, which introduces low pressure air from the process blowers into the bottom of the aeration basins. The purpose of the diffusers in the aerobic basins are to provide both mixing and oxygen transfer for aerobic treatment. A drop pipe supplies air to a grid in each basin with 9-inch disc type diffusers, which the air supply to each basin can be controlled using a butterfly valve mounted at the top of the drop pipe for each basin. The diffusers have not been inspected recently (which should occur annually); however, significant diffuser issues were not observed at the water surface.



Air from the process blowers is piped to the diffusers in the aerobic basins. Three positive displacement rotary lobe process blowers are utilized in a two duty (one for each train) and one standby configuration. Accessories for each blower include an intake filter, inlet butterfly valve, temperature and pressure gauges, an outlet check valve, and an outlet isolation butterfly valve. All blowers are housed in acoustic enclosures. The process blowers are equipped with variable frequency drives (VFDs), and control of airflow through the blowers is accomplished by modulating the operating speed of the blower. The speed of the blowers is controlled by a programmable logic controller (PLC) located in the electrical room of the Process Building. The blowers are aging and have required some rebuilds recently. The PLC is programmed to monitor the dissolved oxygen (DO) in the aerobic tanks and to adjust the blower speed to maintain a set point DO in the basins. New DO probes and transmitters have been ordered and are being installed at the time of this writing. There are no air flow meters to provide additional control of the blowers for power savings.

The membrane system provided is the Zenon ZeeWeed© system, which has cartridges consisting of a polymer membrane cast on the outside surface of a porous support fiber (average porosity 0.04 microns). Hundreds of these hollow fibers are contained within bundles called a module. Modules are grouped together within cassettes, containing up to 48 modules each. Each of the two membrane basins currently has 2 cassettes installed, each containing 46 modules. Each basin has space for an additional third cassette. The membranes were replaced in 2021.



The membrane modules in each basin are connected by a permeate header to a permeate pump for that individual basin. The permeate pump applies a vacuum to the membrane modules, which causes the treated



water to pass through the wall of the hollow fiber into the header at the top of the cassette to be pumped out by the permeate pump. Solids are retained at the surface of the membranes, and to keep the membranes clear for filtration, an air diffuser located at the base of each module continually agitates the solids. The membranes are able to move slightly when aerated to enhance the solids removal. Additional cleaning is achieved by regular back pulses, which are automatically initiated by the MBR control system. Back-pulse cleaning consists of pumping collected permeate in the reverse direction, from the inside of the hollow fibers to the outside.

In addition to back pulsing, procedures to maintain membrane permeability include maintenance and recovery cleaning. The membrane modules are typically cleaned in place, one tank at a time. The cleaning chemicals typically used are sodium hypochlorite (for removal of organic foulants), and citric acid (for removal of inorganic contaminants). Maintenance cleaning is automatically initiated by the control system at an operator-set frequency. At some point, maintenance cleaning will not



recover the system to a reasonable trans-membrane pressure (TMP), and recovery cleaning must be initiated by the operator. The membrane manufacturer recommends recovery cleaning at least four times a year.

Two positive displacement membrane air scour blowers are located in the Process Building, one is operated in duty mode and the other one is a standby. Except during chemical cleaning and relax modes, one membrane blower operates continuously for the membranes. Accessories for each blower include an intake filter, inlet butterfly valve, temperature and pressure gauges, an outlet check valve, and an outlet isolation butterfly valve. All blowers are housed in acoustic enclosures, and in addition, there is a ladder in the Process Building to access above the blower room. It is recommended this ladder should have a cage or be replaced with stairs.

The permeate pumps primarily pump the filtered flow from the membrane tanks to lagoon Cell B. They also pump permeate flow periodically to the back-pulse tank and utility water storage tank as needed to fill these tanks. Two (2) 15 HP Boerger rotary lobe pumps with VFDs serve as permeate pumps. One pump pulls permeate from the cassettes in each membrane basin. A third pump is available as a shelf spare.





Permeate from the two permeate pumps is combined in a header that transports the flow to the back-pulse tank, which is used to provide water for the back-pulse and recovery cleanings. Permeate flow is measured by a magnetic flowmeter in the discharge line of each pump. Two (2) low-range turbidimeters are located on the permeate lines (one for each train) to monitor membrane performance over time. The turbidimeter range is set for 0 to 3 NTU and normal values should be around 0.05 NTU.

Each membrane tank is equipped with a RAS pump to provide recycle to the pre-anoxic basin. The pumps are horizontal non-clog type with variable speed drives. Sludge wasting is necessary to maintain process and good membrane performance. Though acceptable operating values for the mixed liquor concentration in the membrane process range from 5,000 to 12,000 mg/l, Zenon recommends a target value less than 10,000 mg/l mixed liquor suspended solids (MLSS) to maximize membrane performance. Sludge is wasted from the RAS pump discharge line to the 30,000-gallon concrete sludge storage tank through an electric actuated valve.

Two (2) constant speed rotary lobe pumps are used to pump sludge to the truck loading area. Liquid sludge is disposed of daily as needed when sludge storage tank is full, which liquid sludge is trucked to a local landfill. These pumps are manually, or timer controlled by panels in the electrical room or by remote pendant at the outdoor sludge loading station. Due to the size of the sludge storage tank, frequent trips are required to the landfill each week. The City is interested in adding dewatering to decrease the number of trips and is also looking at composting the solids with other communities.

Two (2) constant speed submersible scum pumps are installed in the scum pit between the membrane basins in the Process Building. Each pump is equipped with a guide rail arrangement to permit the pump to be easily removed from the tank for maintenance. Pump operation is automatically controlled from level in the scum box by the scum pump panels located at the top of the scum pit.

Chemicals are used in the process for membrane cleaning (sodium hypochlorite and citric acid), which the chemical storage area in the Process Building houses the chemical feed pumps for sodium hypochlorite and citric acid. The Zenon control panel controls the chemical feed pumps and solenoid valves for the sodium hypochlorite and citric acid to feed these chemicals as needed for both the maintenance clean and the recovery cleaning.

There are two (2) main control systems and a SCADA system. The control system provided by GE (Zenon) for the MBR system controls the operation of the entire biological/membrane process. The Zenon control panel, containing an Allen-Bradley Programmable Logic Controller, is located in the electrical room. The plant SCADA system and computer is located in the operator's office in the Process Building or can be accessed by remote telephone dial up. The plant SCADA system directly monitors the entire plant, however, the equipment is original and has not been upgraded. It is difficult for the existing SCADA system to archive data and provide it to the operators.

Standby electrical power is provided by a 750-kW generator located outdoors at the southwest corner of the Process Building. In the event of a power outage, an automatic transfer switch automatically switches the entire load to the generator. The load is automatically switched back to the grid when power is restored.

Disinfection

Effluent from the membrane tanks is pumped to Lagoon Cell B, and then flows by gravity into Cell C where it is stored. The treated effluent is then pumped using vertical turbine pumps to either the rapid infiltration basins during the winter, or to the land application pivot system during the growing season. The City currently disinfects its effluent with a gas



chlorination system. Effluent from the membrane tanks is dosed with chlorine before it enters Lagoon Cell B, which dosing capacity at this location is a little more than 10 lbs/day. The wastewater effluent is dosed a second time after it leaves the lagoons and enters the contact chamber. The chlorine contact basin consists of a 102-foot long section of 5-foot (60”) diameter concrete pipe with a volume of 15,000 gallons. The basin also has a manhole for injecting chlorine and a static mixer.

Chlorine gas is housed in the chlorination-aeration building between Lagoon Cell A and Cell B on the north side of the site. One room contains the gas cylinders to inject into a water line prior to the static mixer and contact chamber. From record drawings, it appears there is room for four 50 lb. cylinders. Two cylinders may be chained in at one time, with a scale for each tank chained. Chlorine dosing capacity to the contact chamber is approximately 15 lbs./day.

Lagoons

Three (3) lagoon cells (two aerated, one settling) were constructed in 1991 to provide wastewater treatment for the City of Bellevue and these have since been converted to holding cells. Cell A is available for emergency storage in the event of an overflow from the screen channel or other plant malfunction. The effluent from the MBR tanks is typically pumped to Cell B and then flowed into Cell C where it is then pumped to the reuse sites. Refer to Table 2-3 for lagoon information. New 60 mil HDPE liners were installed in Cell A and Cell C during the spring and summer of 2022. Seepage testing will be completed in all three cells by the Summer of 2023.

TABLE 2-3: LAGOON CELL SUMMARY

Lagoon	Surface Area (Acres)	Total Depth Including Freeboard (Ft)	Maximum Operating Volume (Millions of Gallons (MG))	Liner Type
Cell A	1.76	10	5.7	HDPE (60 mil)
Cell B	1.70	10	5.5	PVC (30 mil)
Cell C	1.00	10	3.2	HDPE (60 mil)

Rapid Infiltration

The current permit allows application of 55 MG of reuse water to the rapid infiltration (RI) basins annually.

Use of the RI basins is during the non-growing season from November 1 to March 31. Suggested loading cycles for the RI basins are 1 to 3 days application followed by 4 to 5 days drying in the summer and 1 to 3 days application followed by 5 to 10 days drying in the winter. With three (3) RI basins, switching between basins every two (2) days would allow for four (4) days of drying time in the summer, which falls within the recommended drying time. In the winter, switching between basins every three (3) days would allow for six (6) days of drying time.

Current operation of the RI basins is to route flows to a single basin and switch basins monthly. Although this loading cycle does not follow recommended practice, it has performed satisfactorily for years with no apparent reduction in infiltration and as such no change in operation is deemed necessary at this time. It is further recommended that effluent be applied more uniformly to RI basins to make better use of the available basin area. Effluent can be held in the lagoon until sufficient volume is available for full coverage



of the selected basin. The dose volume should be applied at a high enough rate that the entire basin is flooded, refer to Table 2-4 for recommended application volumes.

TABLE 2-4: RAPID INFILTRATION BASIN SUMMARY

Basin	Surface Area (Acres)	Volume for 1 acre-ft (gallon)	Percent of Cell C Capacity
Basin 1	NA		
Basin 2	0.56	182,500	12%
Basin 3	0.31	101,000	6.6%
Basin 4	0.40	130,350	8.6%

Land Application

Water stored in the lagoons is used to irrigate two management units (MUs) during the irrigation season (April 1st through October 31st). Recycled water is sent to the fields through a pump station located at the northwest corner of the lagoons, which is equipped with three pumps. One pump is used for the RI basins, one for MU-112-05, and one for MU-112-06. Valving and piping allow the City to regulate flow between the fields and RI basins. The pump station consists of a vault with three chambers (one for each pump) that can be isolated by slide gates. Upstream of the pump station is a flow meter to measure the flow to each field.

MU-112-05 is 110 acres while MU-112-06 is 25 acres, for a total of 135 acres between the two fields. Effluent is applied to Field 1 (MU-112-05) and Field 2 (MU-112-06) from April 1 to October 31. The farmer who owns the fields plans to keep alfalfa in the fields, and the farmer typically harvests alfalfa two to three times per year. Alfalfa is typically planted during the early fall and harvested between April 30 and November 15. Alfalfa has a low to medium sensitivity to water shortages and effective rooting depths of 4 feet. At each harvest plant tissue monitoring is conducted to determine moisture content, total combustible nitrogen, phosphorus, and ash.

The permit limits the hydraulic loading to be substantially at the irrigation water requirement (IWR). Both fields are irrigated with center pivots with an irrigation efficiency of 75%. Wastewater effluent is typically insufficient to meet irrigation requirements for crops and irrigation is supplemented as necessary from a nearby canal.

The current permit allows nitrogen loading up to 150% of typical crop uptake. The 2020 Annual Report estimated the nitrogen loading to the fields to be about 4% each, which is well below the allowable limit.

2.4. EVALUATION OF EXISTING FACILITIES

2.4.1. Collection System Evaluation

The section below summarizes the wastewater collection system model development process and existing, 20-year and future buildout collection system analysis. It outlines the model construction and model calibration process, and documents existing deficiencies. Improvements to address these deficiencies are presented in Chapter 4.



Model Construction

InfoSWMM Suite 14.7 Update #2 was selected as the modeling software for this project. InfoSWMM is a fully dynamic model which operates in conjunction with Esri ArcGIS and allows for evaluation of complex hydraulic flow patterns. Using the available survey data performed by Keller Associates, the model was able to be populated with necessary junction and pipeline information. Available record drawings and input from City staff were also used to populate the model. After manholes were created and elevation data assigned, pipelines were manually drawn in using surveyed orientation directions in conjunction with referencing collection system figures from the 2006 Facilities Planning Study conducted by Keller Associates. Several queries were conducted to reveal data anomalies. The data anomalies discovered included pipelines with reverse slopes, unusual changes in pipe size, and uncommon configurations in the pipe network. Anomalies that were discovered were discussed with City personnel and appropriate changes were made to the model.

All five pump stations were then added to the existing system model. Pump station wet well dimensions and operational set points were provided by the system operators or taken from the operations and maintenance (O&M) manuals or record drawings. Pump station pumps were characterized by the O&M manual pump curves when available. Pump field tests were not performed as part of this planning effort. All pump stations were modeled as duplex pump stations, except the Main Lift Station, which was modeled as a triplex. Pump station capacities were evaluated using firm capacities (capacity with largest pump offline).

It is important to note that one of the basic assumptions of the hydraulic model is that all pipelines are free from physical obstructions such as roots and accumulated debris. Such maintenance issues, which certainly exist, must be discovered and addressed through consistent maintenance efforts. The modeled capacities discussed in this chapter represent the capacities assuming the wastewater collection lines are in good working order.

Model Calibration

Model loads refer to the wastewater flows that enter the wastewater collection system and are comprised of wastewater collected from individual services (base flows), plus groundwater infiltration (GWI) and stormwater infiltration and inflow (I/I). Loads on the City's system were established by manually counting the number of EDUs using available City parcel information. EDUs were manually counted and assigned to the nearest appropriate upstream manhole. The number of EDUs that were visually counted were less than the number of EDUs reported by the City which could suggest that the aerial imagery used to count the EDUs could be outdated or existing buildings were hidden by trees, etc. The remaining difference in EDUs were equally applied to manholes that had been assigned loads to reach the targeted total load.

As part of this update, flow monitoring was completed at three sites for just over two weeks between August 24th and September 9th, 2022. These sites are illustrated in Figure 2-2 of Appendix A. The collected data was analyzed, and September 6th from the flow monitoring period was chosen to calibrate the City's flows. A reading of 106,994 gallons through the Main St. flow monitor was recorded from midnight to midnight on September 6th. Diurnal curves were developed for each site based on the flow data from the calibrated day, and were applied to the flows upstream of each flow monitoring site, called basins. The total flow produced by the calibrated model was 0.183 MGD, within 1% of the target inflow of 0.184 MGD. Calibration curves can be found in Appendix E.

After construction and calibration of the calibrated day model was performed, a peaking factor of ~2.25, based off Table 1-4 in Chapter 1 and model dry weather inflow, was applied to all the loads in the calibrated model to achieve a max day scenario. Typically, a max day



model's diurnal pattern captures peak hour flows, which serves as the "worst case" scenario pipelines are sized to handle. However, it was noted that the peaking factor produced by calibration day flows was not adequate to capture peak hour flows when the max day model was constructed. Thus, a new peaking factor was developed by dividing the PHF from Table 1-4 in Chapter 1 by the peak flows into the lift stations from the max day scenario model. The new peaking factor of ~1.03 was applied to all the flows in the max day scenario model to achieve PHF.

Peak day flows in the model were compared to the planning criteria as a final point of calibration. The total peak day flow produced by the model was 0.422 MGD, approximately 2.7% higher than the peak day planning criteria of 0.411 MGD, and a peak flowrate of 0.776 MGD, which is within 1.5% of the peak hour planning criteria.

Existing Capacity Limitations

The calibrated max day and peak hour models were used to assess the effects of the existing max day flows on the existing system. Figure 2-3 in Appendix A illustrates the potential surcharging sites and pipe capacity limitations identified by the model analysis during the existing system peak instantaneous flow model scenario. The figure is color-coded to show a gradation of pipes based on utilized capacity, represented by depth of flow over diameter of the pipe (d/D) (e.g., red = surcharging pipe [flowing at 100% capacity], orange = flowing at 85-99% of d/D, yellow = flowing at 75-84% d/D, etc.). When assessing pipeline capacity, a pipe was assumed to be undersized when the d/D exceeded 0.75. Choosing 0.75 d/D as the trigger for improvements is a standard, more conservative approach that allows time for project development, design and construction prior to surcharging. The pipelines shown in red experience surcharging and represent the greatest risk for backing up services and possible overflow sites.

The existing system does not show any surcharging. Pipelines are generally flowing at less than 50% of d/D. The model shows that flows along Chestnut between 2nd and 4th Street are flow between 50% and 75% of capacity but have not reached the trigger for improvements. The same situation also occurs on 3rd Street from Elm to Chestnut and on the lines feeding into the Shop Lift Station.

Future Flow Model Scenarios and Capacity Limitations

This section summarizes anticipated future deficiencies for the 20-year planning period should no improvements be completed to the existing system. Alternative improvements to address these deficiencies are presented in Chapter 4. Although the pattern of development within the City is difficult to predict, the following growth scenario was assumed to evaluate the existing system's ability to handle growth. The build-out scenarios described below more completely address the probable growth areas to the north and south of the City.

Future loads were calculated using known future growth areas provided by the City and projected number of EDUs, per Chapter 1 growth rates. The Strahorn Development to be built out and Slaughterhouse Canyon planned for 200 EDUs, as provided by the City. Loads associated with this development were distributed evenly across the three northeastern-most manholes to allocate future flows. The Oppenheimer Group Development north of Bellevue was assumed to add 250 EDUs. These loads were added to the singular, northern most manhole on 2nd St. The rest of the EDUs to be added to meet the projected future populations were treated as infill and distributed equally across manholes that already had a load assigned in the model. Figure 2-4 in Appendix A identifies the manholes in the model where future loads were distributed to.



20-Year Model Capacity Analysis

Figure 2-5 in Appendix A displays the model results for pipeline capacity, color coded by d/D, with the new Strahorn, Oppenheimer, and infill loads added. In the 20-year model, the 8-inch sewer line on Chestnut St. between 2nd and 3rd St. is listed as surcharged as well one pipe segment upstream along Chestnut and on pipe along 3rd St. The surcharging in this area is attributed to the line on Chestnut between 2nd and 3rd St. backing up as the model shows the other two pipes to have adequate capacity when free flowing. No other locations within the model indicate that a pipeline is anticipated to exceed 75% of d/D.

The Main Lift Station firm capacity above indicates that the peak hour flow could increase about 150 gallons per minute before the pump will be out of capacity. This accounts for approximately 720 additional residents or 300 EDUs. As noted in Chapter 1, City populations are projected to increase by almost 2,000 people in the next 20-years and the Main Lift Station will need upgrades to increase its firm capacity within the 20-year window. Previous planning efforts have identified a parallel force main as a possible solution for increasing capacity as well as other alternatives, which will be evaluated in Chapter 4.

20-Year Model Improvements Capacity Analysis

As previously stated, the two primary limitations on the existing system are the 8-inch pipe on Chestnut St. and the capacity limitations of the Main Lift Station. It is recommended that this pipeline be upsized, and the Main Lift Station upgraded to handle additional capacity, as detailed later in Chapter 4. DEQ maintains a standard for new sewer pipelines which indicates no new sewer pipeline should be less than 8 inches in diameter. It is also recommended that all downstream subsequent pipelines be upsized until a common diameter is reached to avoid creating another bottleneck. In this model scenario, the existing system 8-inch pipeline was upgraded to a 12-inch pipeline.

With these two improvements completed, Figure 2-6 in Appendix A displays the model results for pipeline capacity, color coded by d/D. With the upgrade of these pipelines and lift station, d/D does not exceed 0.75 (the trigger number for an undersized pipe) as shown by the figure.

The model can also tabulate the reserve capacity of the existing system pipelines. Figure 2-7 in Appendix A demonstrates capacity of additional EDUs the existing pipelines can convey after improvements to the bottleneck and Main lift station are made. In short, approximately 1,080 EDUs could be added to the 10-inch trunkline that runs along 2nd St., and about 1,160 EDUs could be added to the 15-inch trunkline prior to needing further improvements. The gravity lines noted above, provide a solid back bone for the City to provide sewer service to the north side of the City. However, the gravity system does not have a backbone to extend to the south of the system as the elevations generally decrease and larger diameter lines are not present. Alternatives to address this will be discussed in Chapter 4.



2.4.2. WWTP Evaluation

The following section provides a summary of the past performance and capacity of the existing WWTP. The headworks facility MBR capacity, lagoon treatment capability, RI basin capacity, land application, and disinfection system will be addressed.

Headworks

The wastewater influent is screened by a perforated plate band screen. The screen has a rated capacity of 2.2 MGD and was installed in the screen room of the Process Building. This is more capacity than is needed for the 20-year planning period. There is no redundancy for the screen, so if the screen is down for maintenance, unscreened wastewater could be sent to the MBR process basins and foul the membranes. A second screen is recommended.

MBR Treatment

The aeration basins and post-anoxic tank perform the majority of the biological treatment. Each train has one blower that delivers the air to the aeration system with a shared standby. The blowers are rated at a maximum output of 500 scfm at 10.0 psig and are each equipped with 40 horsepower motors. Using standard loading predictions, the peak oxygen demand during the 20-year planning period will be approximately 1,900 lbs./day. Based on this analysis, the blowers are nearing their capacity limit. The efficiency of the blowers should be increased by the end of the planning period.

Additionally, the dissolved oxygen (DO) in the aeration tanks should be maintained at 2.0 mg/L. WWTP flow reports indicate DO consistently below 2 mg/L in 2021. It is understood that new DO probes and transmitters have recently been installed. It is recommended that the DO levels be monitored and if values fall below 2 mg/L, aeration is increased.

One critical factor in the operation of a MBR process is the MLSS concentration in the aeration basins and the MBR basins. Normally, it is desirable to maintain a MLSS concentration up to 8,000 mg/L in the bioreactors, and a MLSS of 10,000 mg/l – 12,000 mg/l in the MBR tanks. Higher mixed liquor concentrations can be used but additional air scour (resulting in increased energy cost) and increased wear and tear on the membrane are factors to consider. These concentrations also depend on the season because in the winter the desire is to carry a little more solids for operation.

The actual operating MLSS concentration in the basins consistently exceeds the desired operating range, with values between 18,000 and 22,000 seen in 2021. High MLSS concentrations indicate overloading of the process and potential problems in the MBRs due to fouling of the membranes, reduced permeability, and a higher potential for solids caking between the membranes. While the MBR system can operate with higher MLSS concentrations for short periods of time, this is not desirable on a long-term basis due to potential failure or deterioration of the membranes which has been evidenced in the past by some module damage. In addition to wear on the membranes, a higher MLSS concentration is indicative of a longer MCRT and more solids in the system, reducing the effective volume of the aeration and anoxic basins. To decrease the MLSS in the basins, a higher WAS rate should be applied to maintain the MLSS in the desired range.

The design flow for each of the existing mixed liquor pumps is 900 gpm at 12 feet of total dynamic head. Thus the total maximum flow from the pump station is approximately 3,600 gpm (5.18 MGD). Normally, the mixed liquor flow from the aeration basins to the MBR basins is about four times the influent flow. This high flow ensures that the MLSS concentration in the MBR basins does not become too high. With one pump in use for each train, the firm



pumping capacity is 2.59 MGD, which is greater than the desired 2045 recycle flow rate of 1.6 MGD.

There are two membrane basins, one for each train. Each basin contains two cassettes with room for 48 modules each, and room for a third cassette. Each module has 370 ft² of surface area, equaling about 17,800 ft² for each cassette. Each basin has space for a future third cassette that will allow the increase of plant capacity from 0.5 to 0.7 MGD MMF and from 1.0 to 1.4 MGD peak day flow. The third cassette is not expected to be needed until 2035. The predicted peak hour flow for 2035 is approximately 1.1 MGD. By 2045, it is expected that the membrane capacity, with additional cassettes added, would be maxed out for peak flows. However, newer cassette models can provide additional membranes in the same footprint. The City has not added membrane capacity but has been working to replace the original membranes due to wear. The City has stated that approximately over half of the membranes have been replaced. Table 2-5 provides a summary of the projected flows compared to membrane capacity.

TABLE 2-4: PROJECTED FLOWS & MEMBRANE CAPACITY

Description	Current Membrane Capacity (MGD)	Buildout Membrane Capacity (MGD)	Current Flows (MGD)	2035 Projected Flow (MGD)	2045 Projected Flow (MGD)
Max Month (MGD)	0.5	0.7	0.243	0.339	0.430
Peak Hour (MGD)	1.0	1.4	0.786	1.096	1.389

The membrane blowers are rated at a maximum output of 600 scfm at 4.9 psig. The blowers are each equipped with 75 horsepower motors.

Two 15 HP permeate pumps with VFDs were designed to each handle 161-430 gpm of permeate and 680 gpm at backpulse. Therefore, the maximum flow is 0.62 MGD for each pump, or 1.2 MGD total. The permeate pumping capacity will be less than the 2045 peak day flow and peak day flux capacity of the membranes. To prepare for 2045 flows, the permeate pumping capacity should be increased to 1000 gpm total, or 500 gpm each pump, including the spare.

Each RAS pump is designed to deliver up to 900 GPM, which is approximately four (4) times the design maximum sustained flow to each basin. The RAS pump capacity is sufficient through the planning period.

Two (2) constant speed 300 gpm rotary lobe pumps are used to pump sludge to the truck loading area. The estimated waste sludge flow in 2045 is 11,000 gallons per day; therefore, the waste pumping capacity is expected to be sufficient through the planning period.

SCADA System

The SCADA system has not been upgraded since 2011. The system has proven difficult to archive data and provide reports to the operators. The City has gotten a quote to switch from Win911 to Ignition HMI/SCADA software and is awaiting approval from the council. The PLCs are outdated as well and should be considered for replacement and backup.

Disinfection

The maximum effluent pumping rate to irrigation is 1,000 gpm, which provides a contact time of 15 minutes meeting Ten State Standards (Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environment Managers, 2014). The maximum pumping rate of 1,000 gpm will sustain a maximum month discharge rate of 1,000



gpm or 1.44 MGD. In 2045, it is estimated that the maximum pumping rate needed will be 510 gpm. Therefore, the pumping capacity is expected to be sufficient through the end of the planning period.

The City maintains the chlorine contact basin at a chlorine concentration of 28-30 mg/L as water is being discharged year-round. The City indicated that this system uses 4 pounds per day of chlorine gas, and it is assumed that under current flows, the chlorine dosing system is sufficient as total coliform levels have been within permit guidelines. The flow diverted to the land application fields is expected to be four times as much as the current flow. This would require approximately 16 pounds per day, which is beyond the current dosing capabilities. Additionally, current flows see a total chlorine dose of about 6.25 mg/L. Continuing the assumption that the system needs to maintain this dose, 2045 flows are expected to have a total dose of 4.16 mg/L. This dose assumes the full capacity of the gas chlorinators (25 lbs/day), therefore the current disinfection system will not be able to maintain the current dosing through the planning period. It is recommended that the disinfection system be adapted to allow additional dosing capabilities. Additionally, it is recommended that chlorine demand leaving the lagoons is monitored to better estimate total chlorine dose needed.

Rapid Infiltration

The RI basins are used for effluent disposal from November 1st to March 31st. Under 2045 predicted flow scenarios, the total volume discharged to the basins will be 59 MG, which is over the 55 MG annual limit. Additionally, the City is expected to lose the ability to dispose of reuse water on MU-112-06. With a decrease of available acreage to land apply, and buffer zones for wells near MU-112-05, hydraulic loading beyond the permit limit is expected to be needed with the ADF reaches 0.28 MGD. The total hydraulic loading is expected to equate to 77.4 MG, or 10 inches per day, which is within the recommended range of 2 to 15 inches per day. It is recommended to build an additional RI basin and adjust the permit to accommodate the extra flow expected. An additional RI basin would provide flexibility for discharge and drying cycles. The City has had discussions with DEQ to adjust the permit to allow additional flow to the RI basins. Permit modifications are expected during the permit renewal process.

Lagoons

Lagoons B and C function as storage for the MBR effluent before it can be recycled or disposed, and the total storage volume between the two cells is 8.7 MG. Using 2045 predicted flows, the storage cells will need to store 21 MG, which excludes the extra flow that is beyond the permit allowance for hydraulic loading to the RI basins. It is recommended that additional RI basins or lagoons are built to dispose of or store the winter flows.

Land Application

A water balance was performed for the land application system using current, 2025, and 2045 projected flows. Under the assumption that alfalfa will continue as the sole crop planted, the IWR allows for 333 acre-feet of water to be applied to both of the fields. With 2045 inflow flows of 0.395 MGD AADF, the City will still need supplemental water to satisfy the IWR for alfalfa. Therefore, it is expected that the land application system will have enough capacity through the planning period. However, if the effluent disposal method in the winter changes or the RI basins become unavailable, the water balance will need to be re-evaluated.

The City has discussed removing the 25-acre land application field, MU-112-06, therefore, another water balance was performed under the assumption that MU-112-06 would not be



available for land application. Due to the possible buffer requirements with the new development, MU-112-05 is not expected to have enough capacity through the planning period.

Treatment Performance

The treatment performance of the WWTP can be analyzed by comparing design values to projected loadings, and through effluent values. Table 2-6 summarizes the design values for MBR treatment system compared to future loading projections. Future loadings are predicted to be within the design values, with the exception of TSS and Total Nitrogen.

TABLE 2-5: DESIGN LOADING AND FUTURE PROJECTIONS

Element	Design Value	Current Value	2045 Value
Avg. Influent BOD ₅ (ppd)	834	456	787
Avg. Influent TSS (ppd)	834	537	926
Avg. Influent Total Nitrogen (ppd)	133	97	167
Avg. Influent Total Phosphorus (ppd)	27	13	22

The City has performed effluent monitoring monthly since March 2022. Effluent values on average for BOD₅ are 4 mg/L, Total Kjeldahl Nitrogen (TKN) is less than 2 mg/L, nitrate/nitrites is 21 mg/L, and total phosphorus is 5.6 mg/L. In 2019 several coliform exceedances occurred with values ranging from 10 to 252 MPN/100mL, but the City returned to compliance. In 2020, coliform monitoring has demonstrated values below 2 MPN/100mL. Average removal percentages include 98% for BOD₅, 95% for TKN, and 66% for total phosphorus.

The permit does not indicate an effluent concentration for total nitrogen, but the loading to the land application sites must be less than 150% of the typical crop uptake. The 2020 annual report estimated nitrogen loading to only be 4% of the typical crop uptake, well below the limit. It is not expected that the nitrogen loading will be in exceedance of the permit within the planning period.

2.5. FINANCIAL STATUS OF EXISTING FACILITIES

Financial information for the City of Bellevue is provided in Appendix F for the years 2017 through 2021. Sewer Fund revenue during the 2020-2021 fiscal year was \$1,135,886. Annual costs to operate and maintain the wastewater system, separated by type of expense, are also shown in Appendix F.

2.6. WATER/ENERGY/WASTE AUDITS

No audits have been performed on the system.

2.7. SYSTEM CLASSIFICATION

Both the Collection System and WWTP are classified as Class II systems. Classifications are determined by the components of the system and the amount of people they service. The recycled wastewater is permitted as Class C.



CHAPTER 3 - NEED FOR SYSTEM IMPROVEMENTS

This chapter intends to summarize the deficiencies based on the existing facility evaluation, and in anticipation of future flows and loadings to the WWTP. Concerns surrounding health, sanitation, security, aging infrastructure, and reasonable growth should be addressed to meet the needs of the system throughout the planning period.

3.1. HEALTH, SANITATION, AND SECURITY

Idaho's Recycled Water Rules (IDAPA 58.01.17) provides primary procedures and requirements for the issuance and maintenance of permits for reuse facilities. The recycled water must meet Class C requirements as noted in the City's Reuse Permit M-112-03 (previously No. LA-000112-02), which the reuse permit can be found in Appendix B. The permit specifies required buffer zones, disinfection requirements, growing season hydraulic loading rates, and maximum nutrient loading rates. In addition, groundwater and soil constituents are monitored to evaluate potential impacts. The City is currently in compliance with the reuse permit and generally has not experienced issues maintaining compliance. However, the permit is due to expire in December 2022. The City is not expected to change the disposal method, therefore significant changes are not expected for future permits.

There have not been any overflows at the Bellevue WWTP, however, the splitter box downstream of the influent screen occasionally backs up. The splitter box needs to be modified to avoid any overflows. Overflows are a public health and sanitation concern as they involve events when untreated or undertreated effluent overflows onto the ground or is discharged to surface water.

The WWTP is completely surrounded by a fence, which addresses any security concerns. In addition, the land application areas are fully fenced; however, signs are not present near the land application sites. The permit requires signs to be posted every 500 feet and at each corner of the outer perimeter of the irrigated site where border areas are accessible to the public.

3.2. AGING INFRASTRUCTURE

The City's lagoon treatment system was constructed in 1991 as a major upgrade to the prior septic system use, and the MBR treatment facility began operating in 2011. The system has seen a few upgrades since the original installment, such as the Cells A and C lagoon liners were replaced in the summer of 2022 and some of the membrane modules as well as anoxic process mixers were replaced in 2021.

Further improvements are needed to update the equipment within the WWTP including the pumps in the onsite lift station which are nearing their end of life and should be replaced during the planning period. The SCADA system has not been upgraded since 2011 making it difficult to archive data and provide it to the operators. The SCADA system needs to be updated to a more operator friendly version that provides actionable data.

3.3. SYSTEM DEFICIENCIES

The system deficiencies discussed in Chapter 2 are summarized below:

3.3.1. Collection System

- The 8-inch pipe on Chestnut St. between 2nd and 3rd St is undersized for the future planning criteria flows.
- The Main Lift Station is undersized for the future planning criteria flows.
- Other lift stations have several miscellaneous deficiencies related to site security, safety and SCADA needs (see Appendix D).
- System lacks clear backbone to extend sewer service to the south.



3.3.2. WWTP Onsite Lift Station

- The pumps have not been replaced and are nearing their end of life.

3.3.3. WWTP Headworks

- Influent screen and washer/compactor does not have redundancy presenting risk of solids entering and damaging the MBR.
- A dedicated grit removal system is not installed, the fine screen is the only solids removal process upstream of the MBR.
- The influent sampler is not rated for the hazardous environment of the screen room.
- The influent flow meter has difficulties maintaining calibration resulting in unreliable flow data when the calibration is lost.

3.3.4. MBR Treatment Train

- The MBR splitter box occasionally backs up which presents a possibility for an overflow event.
- The anoxic basins are uncovered and leaves and branches from overhead trees could cause problems with the membranes.
- The process blowers are expected to reach their capacity during the planning period.
- The membranes and permeate pumps will be at capacity during the planning period.
- The ladder in the process building does not have a cage, presenting a safety hazard.

3.3.5. Solids Handling

- Frequent trips to the landfill are required due to the size of the solids storage and lack of dewatering.

3.3.6. SCADA

- The SCADA system is outdated and presents difficulties archiving data.
- The PLC is also outdated.

3.3.7. Rapid Infiltration

- The rapid infiltration basins are expected to reach their hydraulic loading capacity during the planning period.

3.3.8. Chlorine Disinfection

- The chlorine disinfection system has insufficient dosing capacity to correspond with the effluent flow expected during the planning period.

3.4. REASONABLE GROWTH

Wastewater facility improvements are needed to stay ahead of potential increased population and new construction. Chapter 1 of this report discussed population growth projections including customers served, along with the wastewater flows associated with this growth.



CHAPTER 4 - COLLECTION SYSTEM ALTERNATIVES

This chapter presents alternatives to correct collection system deficiencies identified in Chapter 2 and summarized in Chapter 3. Treatment system alternatives are discussed in Chapter 5. General capacity and condition upgrades are discussed in Chapter 2. An alternative cost/benefit analysis is also performed, which the recommended alternatives are included in the Capital Improvement Plan (CIP) in Chapter 6.

There are several different alternatives to meet the collection system deficiencies which a high-level screening of alternatives was conducted with City staff. Factors such as capital cost, O&M, footprint, and expandability were considered. This section describes the alternatives considered to meet the collection system deficiencies. The alternatives were evaluated based on the following goals:

- Solutions that are practical and cost effective.
- Utilize equipment and materials that are readily available.
- Minimize incurring additional debt and user rate increases.

Options for addressing certain deficiencies of the existing wastewater treatment are discussed in the following paragraphs. If a collection system deficiency had one clear preferred solution (such as installing signs, replacing the SCADA, etc.), then the solution is discussed in Chapter 6 and largely relates to pump stations.

The advantages, disadvantages, and comparative costs of alternatives are presented in this chapter. They include estimated construction costs with markups of 10% for mobilization and administration, a contingency of 30%, and engineering services including construction of 18% (based on total construction cost).

In addition to project capital costs, annual O&M costs are compared to arrive at a more complete picture of the alternative costs. A 40-year life-cycle cost analysis is provided for future system expansion alternatives as the pipe extensions and general infrastructure will be intended to last longer than 20-years. An average labor cost of \$75 per hour was used to estimate maintenance costs.

4.1. EXISTING PIPELINE CAPACITY ALTERNATIVES

When a collection system approaches capacity, action must be taken to ensure that manhole surcharging and sanitary sewer overflows do not occur. The existing trunklines in the City of Bellevue have been shown through computer modeling to lack adequate capacity in specific pipelines for existing and future peak hour flows in the associated planning area. For the 20-year planning period, existing capacity limitations are anticipated to occur within the 8-inch diameter trunkline along Chestnut St. between 2nd and 3rd St. There are several alternatives that can be utilized to address these deficiencies. A general description of each alternative explored for the deficiencies in the trunkline along Chestnut St. are discussed below:

4.1.1. Capacity Alternative 1: No Action

If the City chooses not to take action on addressing deficiencies in the system, the existing trunklines will limit growth potential in the future due to high flow events. As additional development occurs, the potential for surcharged pipelines will increase and may be at risk of backups and flooding, which pose significant environmental and human health risks. Ultimately, this option is not considered viable.



4.1.2. Capacity Alternative 2: Install Parallel Pipelines

The City could choose to construct parallel pipelines in areas with limited remaining capacity. This alternative would increase the system’s capacity and generally costs less than full replacements. Another advantage of constructing parallel pipelines is that existing infrastructure could be left in service while the parallel pipelines are constructed. The downside of this alternative is the long-term increase in maintenance costs associated with maintaining parallel pipelines. An additional downside is the potential higher life-cycle costs associated with the eventual replacement or rehabilitation of the original pipeline. Given the age of the existing pipelines, this alternative is not recommended.

4.1.3. Capacity Alternative 3: Increase Capacity

This alternative includes increasing the system’s capacity by installing a 12-inch diameter pipeline where the current 8-inch pipe creates a bottleneck on Chestnut St. The City could reconstruct pipelines that are approaching capacity with larger ones, or use trenchless technology, such as pipe bursting existing pipelines (typically limited to upsizing by one nominal pipe diameter), to increase capacity. By increasing the system’s capacity, the City will be able to continue development. Upsizing could allow the City to expand its service area and mitigate risks of manhole surcharging and sanitary sewer overflows. The drawback to this alternative is the upfront capital cost associated with expanding capacity.

4.1.4. Existing Pipeline Capacity Alternative Evaluation

A summary of the advantages and disadvantages are shown in Table 4-1.

TABLE 4-1: PIPELINE CAPACITY ALTERNATIVES ADVANTAGES AND DISADVANTAGES

Alternative	Advantages	Disadvantages
Alternative 2 – Parallel Pipeline	<ul style="list-style-type: none"> Increases system capacity. Costs less than full replacement Existing infrastructure can be left in service during construction 	<ul style="list-style-type: none"> Long-term maintenance costs Potential higher life-cycle costs Existing pipe age
Alternative 3 – Increase Capacity	<ul style="list-style-type: none"> Increases system capacity Lower maintenance costs 	<ul style="list-style-type: none"> Higher upfront capital cost

The future collection system alternatives below in Section 4.3 were evaluated with the assumption that the 8-inch pipe on Chestnut St. was upsized to 12-inch pipe to increase the capacity in order to support future buildout.

Recommendation

The recommended alternative is Alternative 3, increase the capacity of the existing system by upsizing the 8-inch bottlenecking pipeline to a 12-inch. This alternative would provide more system capacity, allowing for future development. This recommended alternative is discussed further in Chapter 6.



4.2. PUMP STATIONS

Pump station existing conditions were summarized in Chapter 2, with input from the City's recent Critical Needs Assessment, as well as existing capacity limitations in the Main Lift Station as demonstrated by the 20-Year model. The deficiencies highlighted in Chapter 2 require some major as well as minor improvements to resolve. Capacity limitations identified show the Main Lift Station is undersized for expected peak 20-year flows. The Main Lift Station will be the limiting factor on the number of EDUs that can be added to the system. Due to the length of the force main, increasing the pump size at the Main Lift Station is not a feasible alternative (existing pipe velocities are approximately 3.8 feet per second). As a result, alternatives to increase the Main Lift Station capacity were evaluated along with servicing the area south of town (See Section 4.3). Recommended short- and long-term pump station condition and capacity improvements are summarized in Chapter 6.

4.3. FUTURE SYSTEM ALTERNATIVES

As previously stated, the City has received development interest to the north and to the south of town. The evaluation in Chapter 2 indicated that the infrastructure is in place to serve the north (with the exception of the Main Lift Station capacity). However, the southern area lacks a larger diameter pipe to support growth. The following three alternatives were selected for evaluation to increase the main lift station capacity and provide service to the south of town: 1) Continued Gravity Flow and New Parallel Force Main, 2) New Lift Stations and Force Main, and 3) New Regional Lift Station and Force Main.

4.3.1. Continued Gravity Flow and New Parallel Force Main

Figure 4-1 in Appendix A shows the future growth areas that are possible through this alternative. This alternative allows for the planned Strahorn Development, as well as future growth areas like the Oppenheimer Group Development and area southeast of Bellevue to become viable future growth areas. With this alternative, everything is gravity flown to the existing collection system and a parallel force main will be used to increase pump capacity from the Main Lift Station to the WWTP. The future growth area to the southeast that has been identified by this method could connect in at the southern-most point of the existing system by the Industrial Lift Station.

By choosing gravity flow as the method of service, future growth areas are very limited. This alternative provides the smallest service area in comparison to other alternatives identified. The City will maintain the existing Main Lift Station and only have one regional lift station to simplify maintenance, but this alternative is not easily phased, and maintenance of gravity and pressure lines is required.

4.3.2. Alternative 2: (2) New Lift Stations and Force Main

Figure 4-2 in Appendix A shows the future growth areas that are possible through this alternative. In addition to all areas that could be serviced by Alternative 1, much more land south of Bellevue becomes viable future growth areas. With this alternative, a new lift station will need to be constructed halfway between the south end of Bellevue and the WWTP. A new, smaller lift station will also need to be constructed at Gannet Rd. to the east. A new force main will connect to the two new lift stations to deliver flow to the treatment plant.

Developments to the south may be able to phase in infrastructure to lower the overall capital cost of this alternative. Lift station installations could also be phased, however, there are several disadvantages to this alternative. The addition of two lift stations provides two more lift stations to operate and maintain. There are both higher operational, maintenance, and capital costs.



4.3.3. Alternative 3: New Regional Lift Station and Force Main

Figure 4-3 in Appendix A shows the future growth areas that are possible through this alternative. This alternative will service the same areas as Alternative 2. A new regional lift station will be built out Gannet Rd. to service future growth areas. The existing force main between Bellevue and the WWTP will be removed, and the existing line will be redirected to connect to a new force main and then gravity flow down Gannet Rd. to the new regional lift station. From the regional lift station, a new force main will be built to connect and pump over to the WWTP.

This alternative can service the largest area with the least amount of lift stations. The Main Lift Station force main would be shortened, potentially reducing required maintenance. However, an existing portion of force main between Bellevue and the treatment plant will need to be abandoned. This alternative is not easily phased and requires the highest capital and operational costs.

4.3.4. Future System Alternative Evaluation

A summary of the advantages and disadvantages are shown in Table 4-2.

TABLE 4-2: FUTURE SYSTEM ALTERNATIVES ADVANTAGES AND DISADVANTAGES

Alternative	Advantages	Disadvantages
Alternative 1 – Gravity Flow and Parallel Force Main	<ul style="list-style-type: none"> Regional Lift Station to maintain Lowest capital cost 	<ul style="list-style-type: none"> Limits flexibility for serving future areas (smallest service area) Limits southern development potential Not easily phased Air release and clean-out maintenance
Alternative 2 – (2) New Lift Stations and Force Main	<ul style="list-style-type: none"> Could phase lift station installs Developments to south could phase in infrastructure 	<ul style="list-style-type: none"> 2 additional lift stations to operate and maintain High capital cost alternative Highest operational cost Main Lift Station Air release and Clean-out maintenance required
Alternative 3 – New Regional Lift Station and Force Main	<ul style="list-style-type: none"> Serves largest area with the least number of lift stations Potentially reduces force main maintenance Shortens Main LS force main 	<ul style="list-style-type: none"> Abandons existing portion of force main Not easily phased Highest capital cost alternative High operational cost

A preliminary 40-year life cycle cost comparison of the alternatives is summarized in Table 4-3.



TABLE 4-3: FUTURE SYSTEM ALTERNATIVES COST COMPARISON (2022)

Item	Alt 1 - Gravity Flow	Alt 2 - Two Lift Stations	Alt 3 - Regional Lift Station
10-inch Force Main	\$ 2,592,000	-	-
8-inch Force Main	-	\$ 568,000	\$ 110,000.00
12-inch Force Main	-	\$ 1,683,000	\$ 2,535,000.00
18-inch Pipe - Excavation, Backfill	-	-	\$ 2,043,000.00
Full Lane Surface Repair	-	-	\$ 490,000.00
60-inch Standard Manhole	-	-	\$ 444,000.00
Local Lift Station	-	\$ 1,250,000	-
Regional Lift Station	-	\$ 2,500,000	\$ 2,500,000.00
Gravel Surface Repair	\$ 480,000	\$ 129,000	-
Pavement Repair	\$ 200,000	-	-
Traffic Control - With Flagging	\$ 192,000	-	\$ 57,000.00
Connect to Existing System	\$ 15,000	-	\$ 15,000.00
Existing Utility Protection	\$ 154,000	-	-
Highway Bore	-	\$ 100,000	\$ 100,000.00
Mechanical and Instrumentation (Flow Meter, Air Release, Clean-outs)	\$ 195,000	\$ 35,000	\$ 65,000.00
Improvements Subtotal	\$ 3,828,000	\$ 6,265,000	\$ 8,359,000
<i>General Conditions</i>	\$ 382,800	\$ 626,500	\$ 835,900
Subtotal	\$ 4,211,000	\$ 6,892,000	\$ 9,195,000
<i>Contingencies</i>	\$ 1,263,300	\$ 2,067,600	\$ 2,758,500
Subtotal	\$ 5,475,000	\$ 8,960,000	\$ 11,954,000
<i>Contractor OH&P</i>	\$ 821,250	\$ 1,344,000	\$ 1,793,100
Engineer's Opinion of Probable Construction Cost	\$ 6,297,000	\$ 10,304,000	\$ 13,748,000
Permitting	\$ 15,000	\$ 15,000	\$ 21,000.00
Property Acquisition (~4 acres)		\$ 160,000	\$ 80,000.00
Geotechnical Investigation	\$ 30,000	\$ 36,000	\$ 36,000.00
Surveying	\$ 40,000	\$ 50,000	\$ 50,000.00
Legal, Administrative, and Funding	\$ 24,000	\$ 28,000	\$ 35,000.00
Total Project Cost	\$ 6,406,000	\$ 10,593,000	\$ 13,970,000
Estimated Annual O&M	\$ 89,000	\$ 221,000	\$ 133,000
40-Year Life Cycle Cost	\$ 7,940,000	\$ 14,390,000	\$ 16,260,000



Recommendation

The recommended alternative is Alternative 1, gravity flowing future developments to connect into the existing system and constructing a parallel force main. This alternative is the lowest capital cost and limits the number of lift stations that need to be operated and maintained, while providing service to future planned developments. Additionally, City staff indicated that expansion beyond the service area presented Alternative 1 is not likely. This recommended alternative is discussed further in Chapter 6.

The City does not have plans at this time to build a lift station to service existing non-sewered residences south of current city limits that cannot be served by gravity. This includes the future growth areas south of the ones identified in Figure 4-1 in Appendix A. However, the City would be open to the extension of gravity lines to allow for connections to the existing system for non-sewered residences that could be served by gravity, as shown in Figure 4-1 in Appendix A.

4.4. ALTERNATIVES GENERAL IMPACT SUMMARY

The potential environmental impacts of the alternatives are summarized in the following section.

4.4.1. Land Use / Prime Farmland / Formally Classified Lands

All alternatives identified contain future developments that are located within farmland of state and local importance, as well as prime farmland. Should future developments be constructed within undisturbed prime farmland, special care should be taken to not alter the quality of farmland to remain.

4.4.2. Floodplains / Wetlands

The City of Bellevue is within a floodplain. Any facilities to be developed would need to consider proximity to the Big Wood River and ensure that it be located above the reported flood elevations and/or be flood proofed. Special provisions for manholes (i.e., sealed manhole lids) located below flood elevations should be considered as part of design to mitigate flood waters from entering the collection system. As shown in Figure 1-2 of Chapter 1, none of the alternative future development areas would be located in wetland areas.

4.4.3. Cultural, Biological, and Water Resources

Priority pipeline improvements are anticipated to be located within previously disturbed and developed areas and as such it is not anticipated that any of the alternatives will interfere with cultural resources. Most of the improvements being evaluated are on previously disturbed lands, or lands that will be disrupted through future development. When future development occurs, efforts should be made to not significantly impact biological resources if they are present. It is not anticipated that improvements to the collection system will negatively impact local water resources. Maintaining a quality collection system will mitigate concerns from exfiltration and sanitary sewer overflows.

4.4.4. Socio-Economic Conditions

Alternatives are not anticipated to have a disproportionate effect on any segment of the population (economic, social, or cultural status). The main economic effect is the cost of the alternatives.



4.4.5. Land Requirements

Existing collection system pipeline improvements are anticipated to occur within existing right-of-ways. Some future system improvements are anticipated to occur within existing right-of-ways as well, although some easements or development dedicated right-of-way will be required. The majority of future pipelines outside of the existing City limits are development-based. As such, it is not anticipated that major land purchases will be required to accommodate the collection system alternatives. The purchasing of easements may be required for developments not directly adjacent to the existing system, where gravity and pressure pipelines will convey flow through land not owned by the developer. All other alternatives are located within the existing roadways and easements.

4.4.6. Potential Construction Problems

The depth of the water table may affect the construction of the alternatives. However, subsurface investigations were not within the scope of this project. Construction techniques to effectively manage excavation, dewatering, and sloughing issues should be required of any construction plans. Construction plans for any of the alternatives should also include provisions to control dust and runoff.

4.4.7. Sustainability Considerations

Sustainable utility management practices include environmental, social, and economic benefits that aid in creating a resilient utility. The construction of lift stations may increase the collection system's energy usage and staffing requirements to maintain. While the incorporation of more energy efficient options like VFD pumps may lead to more efficient pumping of wastewater, the City should plan to ultimately flow its wastewater via gravity pipelines where feasible, which eliminates a source of energy usage in the system.



CHAPTER 5 - TREATMENT ALTERNATIVES

There are several different alternatives to meet the wastewater facility deficiencies (see Chapter 4 for Collection System Alternatives). A high-level screening of alternatives was conducted with City staff. Factors such as capital cost, treatment performance, operation and maintenance (O&M), footprint, and expandability were considered. This section describes the alternatives considered to meet the wastewater facility deficiencies. The alternatives were evaluated based on the following goals:

- Provide facilities capable of reliably meeting expected permit limits into the future.
- Solutions that are practical and cost effective.
- Utilize equipment and materials that are readily available.
- Select facilities that can be constructed without unacceptably impacting effluent quality.
- Minimize incurring additional debt and user rate increases.

Options for addressing certain deficiencies of the existing wastewater treatment are discussed in the following paragraphs. If a WWTP deficiency had one clear preferred solution (such as installing signs, replacing the SCADA, etc.), then the solution is discussed in Chapter 6.

The advantages, disadvantages, and comparative costs of alternatives are presented in this chapter. The cost estimates are a Class 5 cost opinion, as defined by the Association for the Advancement of Cost Engineering. They include estimated construction costs with markups of 10% for general conditions, a contingency of 30%, 15% contractor overhead and profit (OH&P), and engineering services including construction of 25% (based on total construction cost).

In addition to project capital costs, annual O&M costs are compared to arrive at a more complete picture of the alternative costs. A 20-year life-cycle cost analysis is provided for most of the alternatives, based on a real discount rate (inflation removed) of 1.5%. The equipment (unless a short-lived asset) is assumed to have a 20-year useful life, so no depreciation or salvage value is included for comparing the alternatives. An average rate of \$0.11 per kWh was used for estimating power costs and an average labor cost of \$75 per hour was used to estimate maintenance costs.

5.1. HEADWORKS ALTERNATIVES

The existing headworks include an influent flow meter, a composite sampler, an influent screen, and a washer/compactor. The WWTP lacks a dedicated grit removal system to comply with IDAPA 58.01.16, which requires all mechanical plants to provide grit removal and handling facilities. Additionally, the screening system lacks redundancy. Finally, the influent flow meter should be replaced. Different alternatives were discussed with the City. The alternatives agreed upon include: 1) Adding grit removal and a second fine screen to the headworks for redundancy; and 2) Installing a two-stage screening system with coarse screens followed by grit removal followed by fine screens.

It was assumed the existing headworks building and screen channels could be rehabilitated for both alternatives, but an additional building would need to be built for Alternative 2. Additionally, both alternatives include modifications to raise the height of the process basin influent splitter box.

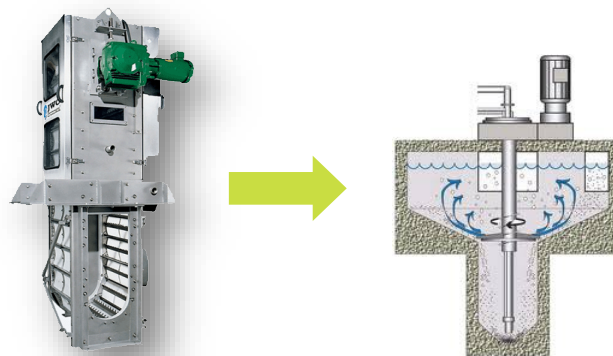


5.1.1. Headworks Alternative 1: Fine Screening and Grit Removal

Redundancy for screening will be provided by a second fine screen on the available parallel channel. The screen will be a 2-mm screen, similar to the existing center flow rotating band screen. A conveyor will be added to convey screenings from both the existing and new band screens. The screenings will continue to be deposited into the existing washer/compactor and dumpster. Spare parts are included in this alternative to limit downtime for maintenance since there is currently limited space for another washer/compactor.

To adhere to IDAPA requirements and protect the membranes from the wear of small grit particles, a grit removal system would be included following fine screening. For this alternative, a single vortex grit chamber with a grit classifier was included. The vortex chamber is designed to separate grit from the water using a hydraulically induced vortex. A pump is used to remove the grit from the bottom of the chamber and transport the material to a grit classifier where the grit is washed, dewatered, and deposited in a dumpster. It is assumed the vortex grit chamber and pump would be placed outside, while the grit classifier would be included inside the headworks building. Additionally, grit removal is expected to add headloss into the system, necessitating the floor of the channels to rise to account for extra loss. Dewatered grit from the grit classifier will be discharged into a dumpster for removal.

FIGURE 5-1: HEADWORKS ALTERNATIVE 1 PROCESS FLOW SCHEMATIC



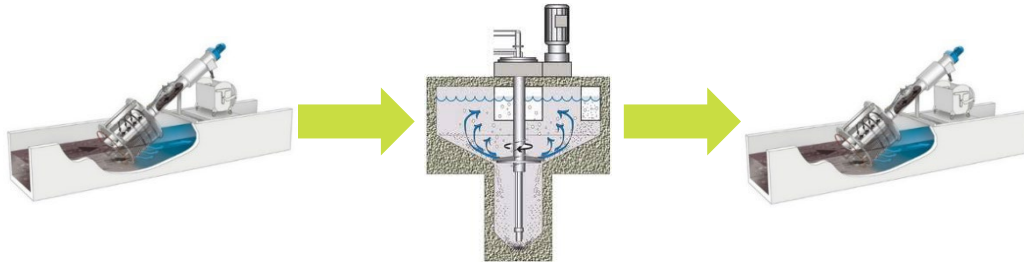
5.1.2. Headworks Alternative 2: Two-Stage Screening and Grit Removal

Some newer MBR systems utilize a two-stage screening process to further protect the membranes. In this alternative, coarse screening would be utilized prior to grit removal and fine screening. A new headworks building would be constructed to hold the equipment. Similar to Alternative 1, a single vortex grit chamber would be outside, but the grit classifier would be inside. Two 6-mm bar inclined drum screens would be installed, followed by the vortex grit removal system. Two 1-mm inclined drum screens with integral washing/compacting systems would be installed downstream of the grit removal system.

Wastewater enters one end of the drum, passes through the screen, and the screenings are left inside the drum on the screen. As the drum turns, the screenings are moved to the end of the drum and are sprayed off into a chute. Most organic material that is picked up in the screen is washed back into the influent flow channel. The drum screens are fabricated of all stainless-steel construction. Washed and compressed screenings would be directed to the dumpster.



FIGURE 5-2: HEADWORKS ALTERNATIVE 2 PROCESS FLOW SCHEMATIC



5.1.3. Headworks Evaluation

A summary of the advantages and disadvantages is shown in Table 5-1.

TABLE 5-1: HEADWORKS ALTERNATIVES ADVANTAGES AND DISADVANTAGES

Alternative	Advantages	Disadvantages
<p>Alternative 1 – Fine Screening and Grit Removal</p>	<ul style="list-style-type: none"> • Similar screen to currently used – operator familiarity. • Lower headloss. • Lower capital and power costs. 	<ul style="list-style-type: none"> • Less protection for membranes. • Increased wear on the fine screens. • Less redundancy as there is only one set of screens and one screenings washer/compactor. • Maintenance will be more difficult as the headworks building is small. • Need to raise the channels to account for headloss in grit chamber.
<p>Alternative 2 – Two-Stage Screening and Grit Removal</p>	<ul style="list-style-type: none"> • Provides additional screening and particle removal to increase downstream equipment life. • Process redundancy with screens in series. • More space for maintenance. 	<ul style="list-style-type: none"> • Will require new building - higher capital costs. • Higher headloss. • More equipment to operate.



A preliminary 20-year life cycle cost comparison of the alternatives is summarized in Table 5-2. Life cycle costs include membrane replacement to accurately compare the total life cycle costs of each alternative.

TABLE 5-2: HEADWORKS ALTERNATIVES COST COMPARISON (2022)

Item	Alt 1 - Single Stage Screening	Alt 2 - Dual Stage Screening
Flow Meter	\$ 25,000	\$ 25,000
Coarse Screen	-	\$ 605,000
Grit Removal	\$ 350,000	\$ 350,000
Fine Screen	\$ 350,000	\$ 495,000
New Headworks Building or Modifications	\$ 370,000	\$ 1,319,000
Splitter Box Modifications	\$ 9,000	\$ 9,000
Electrical and Controls	\$ 166,000	\$ 421,000
Improvements Subtotal	\$ 1,270,000	\$ 3,224,000
<i>General Conditions</i>	\$ 127,000	\$ 323,000
Subtotal	\$ 1,397,000	\$ 3,547,000
<i>Contingencies</i>	\$ 420,000	\$ 1,065,000
Subtotal	\$ 1,817,000	\$ 4,612,000
<i>Contractor OH&P</i>	\$ 273,000	\$ 692,000
Engineer's Opinion of Probable Construction Cost	\$ 2,090,000	\$ 5,304,000
<i>Engineering and Construction Services</i>	\$ 523,000	\$ 1,326,000
Total Project Cost	\$ 2,613,000	\$ 6,630,000
<i>Electricity</i>	\$ 4,000	\$ 5,000
<i>Parts</i>	\$ 13,000	\$ 9,000
<i>Membrane Replacement</i>	\$ 30,000	\$ 15,000
<i>Disposal</i>	\$ 1,000	\$ 2,000
<i>Personnel</i>	\$ 42,000	\$ 84,000
Estimated Annual O&M	\$ 90,000	\$ 115,000
20-Year Life Cycle Cost	\$ 4,160,000	\$ 8,610,000

Recommendation

The recommended alternative is Alternative 2, two-stage screening and grit removal. This alternative would provide the most protection of the membranes although it has a high capital cost. The phasing of this improvement is discussed in Chapter 6.

5.2. PROCESS BASIN COVER ALTERNATIVES

The existing process basins are uncovered and often contain branches and other debris from nearby trees. Several alternatives were discussed with the City. The three alternatives that the City requested to evaluate were: 1) Grating Cover; 2) Building Cover; and 3) Canopy Cover with Grating.



5.2.1. Alternative 1: Grating Cover

To provide protection for the process basins, fiberglass reinforced plastic (FRP) grating would be installed over the process basins. This would provide significant cover, however, it would not prevent snow from sliding from the upper roof onto the basins. Operators would still be able to access to each of the basins to perform maintenance and replacement of equipment. An example of FRP grating from inside the MBR building is shown in Figure 5-3 below.

FIGURE 5-3: FRP GRATING



5.2.2. Alternative 2: Building Cover

Alternatively, a building could be constructed over the process basins. A building would provide additional protection for the basins and equipment and shed the snow away from the basins. The new building would match the construction of the existing building.

5.2.3. Alternative 3: Canopy Cover and Grating

As a combined alternative, a metal canopy can be built over the basins in addition to the grating. The canopy would provide coverage from the overhead trees and snow. In addition, FRP grating cover would be installed as described in Alternative 1.



5.2.4. Basin Cover Alternative Evaluation

A preliminary cost comparison is summarized in Table 5-3.

TABLE 5-3: BASIN COVER ALTERNATIVE COST COMPARISON (2022)

Item	Alt 1 - Grating Cover	Alt 2 - Process Building	Alt 3 - Canopy Cover and Grating
Canopy Cover	-	-	\$ 240,000
FRP Grating	\$ 105,000	-	\$ 105,000
Handrail	\$ 5,000	-	\$ 5,000
Process Building	-	\$ 792,000	-
Improvements Subtotal	\$ 110,000	\$ 792,000	\$ 350,000
<i>General Conditions</i>	\$ 11,000	\$ 80,000	\$ 35,000
Subtotal	\$ 121,000	\$ 872,000	\$ 385,000
<i>Contingencies</i>	\$ 37,000	\$ 262,000	\$ 116,000
Subtotal	\$ 158,000	\$ 1,134,000	\$ 501,000
<i>Contractor OH&P</i>	\$ 24,000	\$ 171,000	\$ 76,000
Engineer's Opinion of Probable Construction Cost	\$ 182,000	\$ 1,305,000	\$ 577,000
<i>Engineering and Construction Services</i>	\$ 46,000	\$ 327,000	\$ 145,000
Total Project Cost	\$ 228,000	\$ 1,632,000	\$ 722,000

Recommendation

The recommended alternative is Alternative 3. This alternative provides a good balance of capital cost and protection of the treatment process.

5.3. DISINFECTION ALTERNATIVES

The current disinfection process utilizes chlorine gas stored in the chlorination-aeration building. Chlorine is dosed after the MBRs but prior to land application. The dosing capacity is expected to be reached before the end of the planning period. The following three alternatives were selected for evaluation: 1) Continue to use chlorine gas and add dosing capabilities, 2) Transition to liquid chlorine, 3) Switch to UV disinfection.

5.3.1. Alternative 1: Chlorine Gas

This alternative assumes the existing chlorination system would be continued, but the chlorine feed capacity would be increased. The chlorinators would need to be upgraded to 25 ppd, for post-MBR disinfection, and 30 ppd, for free chlorine residual to land application. This assessment was based on previous investigations that found a dose of 5-6 mg/L was sufficient for disinfection after MBR treatment, but an additional residual of 2.5 mg/L would need to be added before disposal. Additionally, the City should consider providing real-time measurement of the chlorine residual and provide backup for chlorine feed and dosing. In order to operate the system to maintain constant chlorine residual, a PLC will typically be required to monitor the flow rate and chlorine residual while controlling the chlorine gas flow.

Chlorine gas is effective as a disinfection method as it supplies 100% chlorine, however, when used in large quantities, there are concerns with safety and cost. Additionally, the chlorination building and piping should be evaluated for its safety as updates have not been performed since 1991. The chlorination building is not gas-tight and presents safety concerns.



5.3.2. Alternative 2: Liquid Chlorine

An alternative would be to switch to liquid chlorine disinfection, which is less hazardous than gas chlorination. Sodium hypochlorite would be injected into the wastewater via a small peristaltic pump. It is assumed the current chlorination room could be rehabilitated for the new disinfection method.

Industrial liquid chlorine has a typical concentration of 12.5% chlorine per gallon, which is less than gas chlorine. Liquid chlorine does degrade over time (50% in 6 months), especially when exposed to sunlight or extreme temperatures. There have been no chemical advancements that increase chlorine concentration or stability. Disinfection occurs through the combination of hypochlorous acid and hypochlorite to form free chlorine, the disinfectant. The effectiveness of liquid chlorine can be affected by temperature, pH, nitrite concentrations, hardness, organic material, and the presence of metals.

FIGURE 5-4: EXAMPLE SODIUM HYPOCHLORITE FEED SYSTEM



This evaluation assumes that both disinfection points would use sodium hypochlorite. Feed rates were calculated to provide a dose of 6 mg/L and 2.5 mg/L for a 12.5-minute contact time. Estimated feed rates are 1.2 gph (gallon per hour) or less depending on flowrates to the RI basins and fields, with a 2045 daily flow rate of 19 gallons. By 2045 it is estimated that 47 gallons a day would be needed. New sodium hypochlorite feed equipment would consist of chemical metering pumps and accessories, tubing, valves, a calibration column, an injector for each pump, and spill containment. Space for a 500-gallon tank would be needed to provide enough solution for one week. A chlorine residual monitor would be used to maintain the correct chlorine residual.

5.3.3. Alternative 3: Ultraviolet (UV) Light

The last alternative considers a switch to UV disinfection instead of chlorination prior to land application. Ultraviolet light at the proper wavelength alters the genetic material (DNA) in cells so that bacteria, viruses, molds, algae, and other micro-organisms can no longer reproduce. This inactivation of the micro-organisms achieves the required disinfection to satisfy environmental requirements. UV systems need a lower contact time (compared to chlorine), are non-toxic, and do not require chemicals. UV systems are only effective in relatively clear water, which is produced by MBR treatment. There are safety concerns with exposure to the UV light itself, especially if eyes are exposed to direct UV light.



The UV disinfection equipment would be sized for the peak flow rate with redundant lamps. A high intensity lamp UV system is preferred since the newer high intensity lamps are self-cleaning systems and are operator friendly.

The UV system would be in-vessel as an in-line UV disinfection system. The number of lamps, modules, and power requirements would be evaluated during design. The UV system would replace the chlorine addition before the lagoons. Chlorine addition prior to the land application would remain but would be converted to a liquid chlorine system.

FIGURE 5-5: IN-LINE UV DISINFECTION REACTORS



5.3.4. Disinfection Alternative Evaluation

A summary of the advantages and disadvantages is shown in Table 5-4.

TABLE 5-4: DISINFECTION ALTERNATIVES ADVANTAGES AND DISADVANTAGES

Alternative	Advantages	Disadvantages
Alternative 1 – Gas Chlorination	<ul style="list-style-type: none"> No capital cost. Operators are familiar with the system. Maintains chlorine residual for pipeline disinfection. Can eliminate certain noxious odors. 	<ul style="list-style-type: none"> Health hazards since chlorine is toxic. Chlorination building and piping need improvements. Can create more hazardous compounds (disinfection byproducts). Can be difficult to get chlorine.
Alternative 2 – Liquid Chlorine	<ul style="list-style-type: none"> Chlorination building can be repurposed for liquid chlorine. Maintains chlorine residual for pipeline disinfection. Can eliminate certain noxious odors. 	<ul style="list-style-type: none"> Liquid chlorine is still toxic. Operators will need to learn a new system. Will require testing to find optimal dosage. Can create more hazardous compounds (disinfection byproducts). Can be difficult to get chlorine.
Alternative 3 – UV Disinfection	<ul style="list-style-type: none"> Does not require handling hazardous chlorine. Much shorter contact time. 	<ul style="list-style-type: none"> Highest capital and O&M costs. Operators will need to learn a new system. Requires significant construction. Does not maintain residual for pipeline disinfection.



A preliminary cost comparison is summarized in Table 5-5.

TABLE 5-5: DISINFECTION ALTERNATIVES COST COMPARISON (2022)

Item	Alt 1 - Gas Chlorination	Alt 2 - Liquid Chlorination	Alt 3 - UV Disinfection
Chlorine Gas System Improvements	\$ 42,000	-	\$ -
Liquid Chlorine System	-	\$ 134,000	\$ 67,000
UV Disinfection Equipment and Piping	-	-	\$ 628,000
Electrical and Controls	\$ 15,000	\$ 15,000	\$ 139,000
Improvements Subtotal	\$ 57,000	\$ 149,000	\$ 834,000
<i>General Conditions</i>	\$ 6,000	\$ 15,000	\$ 84,000
Subtotal	\$ 63,000	\$ 164,000	\$ 918,000
<i>Contingencies</i>	\$ 19,000	\$ 50,000	\$ 276,000
Subtotal	\$ 82,000	\$ 214,000	\$ 1,194,000
<i>Contractor OH&P</i>	\$ 13,000	\$ 33,000	\$ 180,000
Engineer's Opinion of Probable Construction Cost	\$ 95,000	\$ 247,000	\$ 1,374,000
<i>Engineering and Construction Services</i>	\$ 24,000	\$ 62,000	\$ 344,000
Total Project Cost	\$ 119,000	\$ 309,000	\$ 1,718,000
<i>Electricity</i>			\$ 2,000
<i>Chemicals</i>	\$ 30,000	\$ 25,000	\$ 15,000
<i>Parts</i>	\$ 1,000	\$ 1,000	\$ 3,000
<i>Personnel</i>	\$ 42,000	\$ 42,000	\$ 79,000
Estimated Annual O&M	\$ 73,000	\$ 68,000	\$ 99,000
20-Year Life Cycle Cost	\$ 1,380,000	\$ 1,480,000	\$ 3,420,000

Recommendation

The recommended alternative is Alternative 2, liquid chlorination. This alternative upgrades the disinfection system to provide additional safety for operators. It is recommended that onsite generation of chlorine is considered during project predesign.

5.4. SLUDGE HANDLING ALTERNATIVES

Currently, sludge is wasted from the RAS line and discharged into a 30,000-gallon concrete sludge storage tank. Liquid sludge is disposed of when the tank is full, which can result in near daily trips. Three alternatives were chosen by the City and Keller for evaluation: 1) Status Quo, 2) Mobile Screw Press Dewatering, and 3) Building Screw Press Dewatering.

5.4.1. Alternative 1: Status Quo

The existing sludge tank could continue to be used as the sole means of solids storage and disposal. However, as the population increases, the frequency of disposal will also increase. This system does not account for weekends or shutdown at the landfill.



FIGURE 5-6: LIQUID SLUDGE HAULING



5.4.2. Alternative 2: Mobile Screw Press Dewatering

In this alternative, the City would purchase a mobile dewatering unit. For the purpose of this comparison, the mobile unit would be similar to the screw press pilot unit used by HUBER (Appendix G). The screw press equipment would be installed in a convex container supplied by the manufacturer as a package unit. Sludge would be pumped to the screw press from the sludge storage tank, dewatered, and stored on-site until disposal. Excess water would be directed to the front of headworks to be treated.

FIGURE 5-7: MOBILE SCREW PRESS DEWATERING



A screw press consists of a screen basket with small openings. A slowly rotating screw, driven by a motor, conveys polymer conditioned sludge slowly through the basket. A section of the basket serves as a dewatering zone, where free water drains by gravity. As the sludge passes through the press, it becomes compressed between the screw flights. The dewatered sludge cake drops into a haul truck or a dumpster. Periodically, the screen basket is cleaned with spray water. Typically, a screw press can produce a cake with a solids content of 16-20 percent total solids. The pilot test demonstrated that the sludge can be dewatered to a solids content between approximately 13 and 22 percent.

5.4.3. Alternative 3: Building Screw Press Dewatering

An alternative to a mobile dewatering unit would be to install the dewatering equipment inside a building. A building would provide a permanent solution to house the screw press and associated dewatering equipment. The building would allow increased space for maintenance as well as room for future expansion of the dewatering equipment.



FIGURE 5-8: SCREW PRESS IN DEWATERING BUILDING



5.4.4. Sludge Handling Alternative Evaluation

A summary of the advantages and disadvantages is shown in Table 5-6.

TABLE 5-6: SLUDGE HANDLING ALTERNATIVES ADVANTAGES AND DISADVANTAGES

Alternative	Advantages	Disadvantages
Option 1 – Status Quo	<ul style="list-style-type: none"> No capital costs. Does not require new equipment or new operator knowledge. No filtrate return to be treated. 	<ul style="list-style-type: none"> Highest disposal and operating costs. Most trips to the landfill. Dependent on landfill to continue to accept liquid sludge.
Option 2 – Mobile Dewatering Unit	<ul style="list-style-type: none"> Much fewer trips to the landfill. Easier to dispose of dewatered biosolids than liquid biosolids. Lower disposal and operating costs. Easier installation than building. Equipment can be reused for future expansion. 	<ul style="list-style-type: none"> High capital costs. New system for operators to learn. Filtrate water that is removed from the biosolids will need to be treated in the WWTP. Would require new truck for hauling. More difficult to maintain than if the equipment were inside a building.
Option 3 – Building Dewatering	<ul style="list-style-type: none"> Much fewer trips to the landfill. Easier to dispose of dewatered biosolids than liquid biosolids. Lower disposal and operating costs. Easier maintenance than mobile unit. 	<ul style="list-style-type: none"> Highest capital costs. New system for operators to learn. Filtrate water that is removed from the biosolids will need to be treated in the WWTP. Would require new truck for hauling.

A preliminary cost comparison is summarized in Table 5-7.



TABLE 5-7: DEWATERING ALTERNATIVES COST COMPARISON (2022)

Item	Alt 1 - Status Quo	Alt 2 - Mobile Unit	Alt 3 - Dewatering Building
Mobile Screw Press	-	\$ 543,000	\$ -
Dewatering Building	-	\$ -	\$ 400,000
Screw Press Equipment			\$ 436,000
Utility Connections	-	\$ 20,000	
Truck for Hauling		\$ 250,000	\$ 250,000
Electrical and Controls	-	\$ 44,000	\$ 168,000
Improvements Subtotal	\$ -	\$ 857,000	\$ 1,254,000
<i>General Conditions</i>	\$ -	\$ 86,000	\$ 126,000
Subtotal	\$ -	\$ 943,000	\$ 1,380,000
<i>Contingencies</i>	\$ -	\$ 283,000	\$ 414,000
Subtotal	\$ -	\$ 1,226,000	\$ 1,794,000
<i>Contractor OH&P</i>	\$ -	\$ 184,000	\$ 270,000
Engineer's Opinion of Probable Construction Cost	\$ -	\$ 1,410,000	\$ 2,064,000
<i>Engineering and Construction Services</i>	\$ -	\$ 353,000	\$ 516,000
Total Project Cost	\$ -	\$ 1,763,000	\$ 2,580,000
<i>Electricity and Heat</i>		\$ 12,000	\$ 6,000
<i>Parts</i>		\$ 5,000	\$ 4,000
<i>Chemicals</i>		\$ 4,000	\$ 4,000
<i>Disposal</i>	\$ 193,000	\$ 20,000	\$ 20,000
<i>Personnel</i>	\$ 158,000	\$ 42,000	\$ 42,000
Estimated Annual O&M	\$ 351,000	\$ 83,000	\$ 76,000
20-Year Life Cycle Cost	\$ 6,030,000	\$ 3,190,000	\$ 3,890,000

Recommendation

The recommended alternative is Alternative 3. This alternative provides the most long-term benefit to the City and provides good operational flexibility. During pre-design it is recommended to evaluate combining this building with the new headworks facility.

5.5. WINTER DISCHARGE ALTERNATIVES

The City stores treated effluent in Lagoons B and C for land application in the summer and discharge to the RI basins in the winter. The capacity of the RI basins will be reached towards the end of the planning period, necessitating additional effluent to be stored in the lagoons. The additional effluent is expected to be beyond the storage capacities of Lagoons B and C. Two alternatives were chosen by the City and Keller to evaluate, 1) Build a New Storage Lagoon, and 2) Build a New RI Basin and update the Permit to allow additional hydraulic loading. For this evaluation it was assumed that the land for MU-112-06 would be available for acquisition to develop a new lagoon or RI basin.

Raising the class of effluent was not included in this alternative assessment as the improvements needed at the treatment plant would be expensive and there are no businesses or residences that have expressed interest in receiving reuse water in the area. Similarly, as discussed in Chapter 1, surface water discharge was also not considered since it would require significant costs for treatment and a consequential permitting process.



5.5.1. Alternative 1: New Storage Lagoon

In this alternative, a new storage lagoon would be developed. To accommodate the expected increase in flow during the 20-year planning period one new winter storage lagoon would be needed. For this estimate, it was assumed a new pipeline would be constructed from Cell C to a new winter storage lagoon approximately a quarter mile away. New transfer structures and piping to the effluent structure are necessary to enable water movement to and from the lagoon. Additionally, slight modifications to the permit will be required to note the new lagoon and its accompanying seepage testing requirements.

5.5.2. Alternative 2: New Rapid Infiltration Basin

In this alternative, an additional RI basin would be developed. Additionally, the permit will be modified to allow hydraulic loading beyond the current permit limit. The City currently has plans to modify the permit, but additional groundwater monitoring is required. Groundwater monitoring would be needed to identify trends of acute and chronic constituent loading to the RI basins. Should chronic trends appear, the location of the RI basin would need to adjust, or a new lagoon would need to be built. For the purpose of this alternative, it was assumed a new RI basin could be located adjacent to the current basins.

Preliminary research on the soils from the Natural Resources Conservation Service's (NRCS) online soil survey showed predominantly the Little Wood very gravelly loam in the area with a moderately high to high potential for water transmission. To size the RI basins, a value of 15 inches per day was used, based on permit guidance and transmissivity of the soils. Preliminary sizing of the RI basin estimated an area of one additional acre would be needed to treat the 2045 annual daily flow. Additional investigations would be required to determine if a RI basin would be an acceptable disposal method in the planned location. A Well Location Acceptability Analysis will need to be performed to determine the proximity of groundwater wells to the proposed RI, and the potential for hydraulic influence.

An updated site investigation by a hydrogeologist will be needed. Due to the large amount of water in the RI basin, the effects of ground water mounding and transport of percolate within an aquifer should also be considered. Therefore, soil, ground water, infiltration, and ground water mounding test should be performed before design. This will need to include pilot testing. Results from this study will dictate the size of the RI basin and level of effluent quality to avoid impacts to groundwater. IDAPA 58.01.11 governs the impacts to groundwater.

An updated reuse permit for the RI basin will be required, and a ground water monitoring well network will help monitor whether ground water is being impacted by the RI basin system. Additional ground water monitoring wells should be installed. Should this alternative be preferred, it is recommended that a geologic, hydrogeologic, and hydrologic investigation take place as soon as possible. In addition, it is recommended that additional groundwater monitoring wells be built.

5.5.3. Winter Discharge Alternative Evaluation

A summary of the advantages and disadvantages of the winter discharge alternatives are shown in Table 5-8.



TABLE 5-8: DISCHARGE ALTERNATIVES ADVANTAGES AND DISADVANTAGES

Alternative	Advantages	Disadvantages
Option 1 – New Lagoon	<ul style="list-style-type: none"> Does not require updates to the permit. Provides reliable storage and flexibility. 	<ul style="list-style-type: none"> Higher capital costs and more difficult to construct. Larger area needed. Permit modifications will be needed for the additional lagoon including additional seepage testing.
Option 2 – New RI	<ul style="list-style-type: none"> Lower capital costs. Less land area to be disrupted. Easier construction. 	<ul style="list-style-type: none"> Hydraulic investigation needed. Permit modification for higher capacity. Additional effluent monitoring required. Ground water monitoring wells will be needed.

A preliminary cost comparison is summarized in Table 5-9.

TABLE 5-9: DISCHARGE ALTERNATIVES COST COMPARISON (2022)

Item	Alt 1 - New Lagoon	Alt 2 - New RI
New Lagoon	\$ 1,366,000	-
New RI Basin	-	\$ 175,000
Pipes and Appurtenances	\$ 198,000	\$ 476,000
Flow Meter	\$ 20,000	\$ 20,000
Monitoring Wells	\$ 15,000	\$ 45,000
Testing	\$ 10,000	\$ 10,000
Pilot Testing and Permitting	-	\$ 623,000
Electrical and Controls	\$ 20,000	\$ 60,000
Improvements Subtotal	\$ 1,629,000	\$ 1,409,000
<i>General Conditions</i>	\$ 163,000	\$ 141,000
Subtotal	\$ 1,792,000	\$ 1,550,000
<i>Contingencies</i>	\$ 538,000	\$ 465,000
Subtotal	\$ 2,330,000	\$ 2,015,000
<i>Contractor OH&P</i>	\$ 350,000	\$ 303,000
Engineer's Opinion of Probable Construction Cost	\$ 2,680,000	\$ 2,318,000
<i>Engineering and Construction Services</i>	\$ 670,000	\$ 580,000
Total Project Cost	\$ 3,350,000	\$ 2,898,000

Recommendation

The recommended alternative is Alternative 2, new RI basin. This alternative requires the lowest cost and does not require construction challenges of adding a new lagoon into the system. It is recommended that the investigation of the site be performed right away so that any challenges can be considered and addressed prior to losing the ability to use MU-112-06.



5.6. ALTERNATIVES GENERAL IMPACT SUMMARY

The potential environmental impacts of the alternatives are summarized in the following section. A summary of the impacts is shown in Table 5-11.

5.6.1. Land Use / Prime Farmland / Formally Classified Lands

The only land use change from farming would be the discharge alternatives. However, RI basins provide the benefit of bolstering the groundwater in the area. There is some concern with adding water to RI basins as any remaining contaminants (including emerging contaminants if they are in the effluent) could impact the groundwater quality.

5.6.2. Floodplains / Wetlands

None of the alternatives would create new obstructions to the flood plain or be in wetland areas.

5.6.3. Cultural, Biological, and Water Resources

The improvements being evaluated are on previously disturbed lands and it is not anticipated that any of the alternatives will interfere with cultural, biological, or water resources. If a RI basin is included in the chosen alternative, a groundwater impact analysis will be performed before advancing a design.

5.6.4. Socio-Economic Conditions

Alternatives are not anticipated to have a disproportionate effect on any segment of the population (economic, social, or cultural status). The main economic effect is the cost of the alternatives.

5.6.5. Land Requirements

It is not anticipated that the City would need to purchase land for any of the alternatives. New developments would be on previously owned land.

5.6.6. Potential Construction Problems

The depth of the water table may affect the construction of the alternatives. However, subsurface investigations were not within the scope of this project. Construction techniques to effectively manage excavation, dewatering, and sloughing issues should be required of any construction plans. Construction plans for any of the alternatives should also include provisions to control dust and runoff.

5.6.7. Sustainability Considerations

Sustainable utility management practices include environmental, social, and economic benefits that aid in creating a resilient utility. Additional treatment at the WWTP would require additional energy but improve the effluent water quality.



TABLE 5-10: EXPECTED GENERAL ENVIRONMENTAL IMPACTS

Environmental Criteria	WWTP Alternatives											
	Headworks		Basin Cover		Disinfection			Dewatering			Discharge	
	One Stage	Two Stage	FRP Grating	Building	Status Quo	Liquid	UV	Status Quo	Mobile Screw Press	Building Unit	New Lagoon	New RI
Land Use/ Prime Farmland / Formally Classified Lands	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	Requires conversion of farmland	Requires conversion of farmland
Floodplains/ Wetlands	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact
Cultural, Biological, and Water Resources	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	Requires groundwater impact analysis
Socio-Economic Conditions	Some Impact to User Rates	May impact user rates	Some Impact to User Rates	May impact user rates	No Impact	Some Impact to User Rates	May impact user rates	No Impact	May impact user rates	May impact user rates	May impact user rates	May impact user rates
Land Requirements	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	Requires 12 Acres	Requires 2 Acres
Potential Construction Problems	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	No Impact	Requires subsurface investigations	Requires subsurface investigations
Sustainability Considerations	No Impact	Increase in energy requirements	No Impact	Increase in energy requirements	No Impact	No Impact	Increase in energy requirements	No Impact	Fewer Trips to Landfill	Fewer Trips to Landfill	No Impact	No Impact



CHAPTER 6 - CAPITAL IMPROVEMENT PLAN

The alternative evaluation conducted in Chapters 4 and 5 helped the City make decisions for the wastewater system deficiencies. This section consists of the recommended plan to address the wastewater system deficiencies identified in previous chapters, and this recommended plan is called the Capital Improvement Plan (CIP).

6.1. PRELIMINARY PROJECT DESIGN

The Priority 1 project for the WWTP includes a sludge dewatering system, automated valving for the lagoons and RI basins, a new headworks building and screening processes, a spare parts inventory, SCADA/PLC upgrades, process basin covers, and conversion to liquid chlorine. Additive bids or Priority 2 improvements include additional membranes and permeate pumps, new upgraded blowers, and expansion of the RI basins.

6.2. ENGINEER'S OPINION OF PROBABLE COST

The summary of the improvement costs for the Priority 1 and Priority 2 is shown in Table 6-1 CIP. Priority 1 projects include improvements related to operations or enhancements needed for permit compliance or redundancy. Priority 2 improvements are related to capacity purposes and are not expected to be necessary within five years. Costs shown are planning-level estimates (Class 5 cost opinion by the Association for the Advancement of Cost Engineering) and can vary depending on market conditions. For the most part the project line items in the CIP include estimated construction costs with markups of 10 percent for general conditions, a contingency of 30 percent, 15 percent contractor overhead and profit, and engineering services including construction of 25 percent (based on total construction cost). These costs should be updated as the projects are further refined in the pre-design and design phases. It is recommended that Priority 1 items be implemented in the next five years. The timeline for the Priority 2 improvements should be updated as growth occurs, and budget allows.



TABLE 6-1: 20-YEAR CAPITAL IMPROVEMENT PLAN

City of Bellevue			
Project ID#	Project Name	Primary Purpose	Total Estimated Cost (2022 Dollars) ¹
Priority 1 Improvements			
1.1	Sludge Dewatering	Cost Savings	\$2,580,000
1.2	Automated Valves	Permit Compliance	\$416,000
1.3	Headworks Upgrades	Operations, Redundancy	\$6,630,000
1.4	Miscellaneous Items including Spare Parts	Operations, Redundancy	\$223,000
1.5	SCADA and PLC Upgrades	Operations	\$443,000
1.6	Cover Process Basins	Operations	\$722,000
1.7	Chestnut St. Gravity Pipeline Upsize	Operations, Capacity	\$184,000
1.8	Convert to Liquid Chlorine	Safety, Capacity	\$309,000
1.9	Main Lift Station Parallel Forcemain	Redundancy, Capacity	\$6,406,000
1.10	Main Lift Station Upgrades	Operations	\$73,000
1.11	Glen Aspen Lift Station Upgrades	Operations	\$58,000
1.12	Martin Lift Station Upgrades	Operations	\$54,000
1.13	Chanterelle Lift Station Upgrades	Operations	\$54,000
1.14	Honeysuckle Lift Station Upgrades	Operations	\$54,000
1.15	Infiltration and Inflow Reduction	Operations	\$1,500,000
Priority 1 Total			\$19,706,000
Priority 2 Improvements			
2.1	Additional Membranes and Permeate Pumps	Capacity	\$767,000
2.2	Blower Upgrade	Power Savings, Capacity	\$1,442,000
2.3	Expand RI Basins	Capacity	\$2,898,000
Priority 2 Total			\$5,107,000
TOTAL SYSTEM IMPROVEMENTS COSTS (rounded)			\$24,813,000

Notes

¹ The cost estimate herein is based on our perception of current conditions at the project location. This estimate reflects our opinion of probable costs at this time and is subject to change as the project design matures. Keller Associates has no control over variances in the cost of labor, materials, equipment, services provided by others, contractor’s methods of determining prices, competitive bidding or market conditions, practices, or bidding strategies. Keller Associates cannot and does not warrant or guarantee that proposals, bids, or actual construction costs will not vary from the costs presented herein.

6.3. PERMIT REQUIREMENTS

The City’s current permit expires December 13, 2022. Permit modifications will be requested to increase hydraulic capacity for the RI basins. The recommendations set forth in the CIP are designed to keep the City in compliance with the permit.



6.4. SUSTAINABILITY CONSIDERATIONS

6.4.1. Water & Energy Efficiency

The City of Bellevue is making improvements to management-based sustainability initiative efforts, including plans to implement a capital budget that is funded and supported by a CIP (accomplished with this Facility Plan), and implement a formal asset management system. This is forthcoming and will be implemented following the upgrade to their treatment facility. Software will be selected during the design and construction phase of the project.

6.4.2. Green Infrastructure

Improvements to headworks biosolids handling and dewatering at the City's wastewater treatment plant will be addressed with the WWTP upgrade project. Improvements may include energy efficient building design and reduced energy expenditure for biosolids disposal.

6.4.3. Green Project Reserve (GPR)

Technology based sustainability initiative efforts that are anticipated to be addressed with this project include:

- High-efficiency lighting/lighting controls at the WWTP headworks and dewatering building and with onsite WWTP lighting.
- VFD pumps at the WWTP.
- Energy efficient motors that meet National Electrical Manufacturers Association (NEMA) Premium specification.
- Aeration improvements, such as energy efficient VFD blowers
- SCADA system installation at the WWTP.

6.5. OPERATOR AND STAFFING REQUIREMENTS

Currently, the City of Bellevue's existing collection system is classified as Class II system and the WWTP is classified as Class II facility. There is no anticipated need for additional license classes upon the completion of these improvements. With the addition of multiple processes, the operators will need to be trained to operate the new equipment. Additional staffing may be necessary during the planning period.

6.6. PROJECT SCHEDULE

An estimated schedule for the Priority 1 improvements over the next 5 years is shown in Table 6-2. In order to provide a more affordable project, Priority 1 WWTP improvements may need to be phased over a multi-year project to maximize grant funds through multiple application cycles. Actual costs may vary depending on market conditions and should be updated as projects are further refined in the pre-design and design phases.



TABLE 6-2: PRIORITY 1 CIP SCHEDULE

Task	Date
Complete WWFPS Update	February 2023
Complete Preliminary Design Report	December 2024
Secure remainder of project funding	February 2025
Project Design	March 2026
DEQ Review	December 2026
Bid Opening	February 2027
Award Bid for Construction	April 2027
Construction substantial complete	May 2028
Project Closeout	December 2028

6.7. FUNDING ALTERNATIVES

The City is examining funding approaches for these improvements. If cash financing is not possible, there are a variety of funding resources in both the private and public sector if projects meet certain criteria. Some of the funding alternatives are discussed below.

6.7.1. Cash Funding

The City of Bellevue could consider raising rates to cash finance the improvements. This would require the least total cash outlay for the City; however, the rates would be higher than if they were spread out over a long-term loan, which could be a significant hardship to the community.

6.7.2. Idaho Department of Environmental Quality (State Revolving Fund (SRF))

The SRF program is funded by a combination of repayment of loans previously made by DEQ and grant money supplied by EPA. Owners of public wastewater systems can apply for SRF funds annually through a competitive application process. Applications are ranked by state officials based on need, sustainability, water quality improvements, and other criteria. Davis-Bacon Wage Act and American Iron and Steel Requirements apply. Applicants may qualify for principal forgiveness or other subsidy programs. DEQ is required to commit a significant percentage of available loan funds to sustainable, energy efficient, and “green” infrastructure improvements. Consequently, elements that meet the “green” infrastructure qualifications may receive priority for funding. Voter approval in a bond election or through judicial confirmation is required for this funding source.

6.7.3. Idaho Department of Commerce and Community Development Block Grants (CDBG)

The Idaho Department of Commerce offers several grant programs for public wastewater system improvements. Eligibility for these funds is dependent on economic development. Grants up to \$500,000 are available through community programs. Applicants must secure the services of a certified grant administrator to administer grant money and follow other grant requirements. There is an annual application window for applying for these funds.



6.7.4. United States Department of Agriculture-Rural Development (USDA-RD)

USDA-RD offers a grant and loan program for improvements to wastewater systems that serve rural communities which are defined as systems that serve less than 10,000 people. Grants up to 45% of the project cost are eligible depending on user rates. Applicants can apply for USDA-RD funds anytime during the year. Funds have many program requirements including the completion of a short-lived asset inventory, approved engineering report, and others. Voter approval in a bond election or through judicial confirmation and interim financing are required with this funding source.

6.7.5. United States Army Corps of Engineers (Section 595)

The USACE can sometimes offer money for water-related infrastructure projects to supplement funding from DEQ or USDA-RD. Funding availability depends on an appropriation from Congress and varies from year to year. Costs are shared with a 25 percent local match required.

6.7.6. Idaho Bond Bank

A bond bank is a state level entity which lends money to local governments within the state, with the goal of providing funds for their infrastructure needs and access to the capital markets at competitive interest rates. Under the Idaho Bond Bank program "IBBA", a municipality obtains a loan from the Bond Bank secured by either the municipality's bond or a loan agreement with the Bond Bank. The Bond Bank pools several loans to municipalities into one bond issue. The municipalities then repay the loan, and those repayments are used to repay the revenue bonds. The Bond Bank can obtain better credit ratings, more attractive interest rates, and lower underwriting costs than municipalities could achieve individually. The Bond Bank is able to pledge certain state funds as additional security for its bonds, further reducing interest costs. Additionally, the Idaho Bond Bank Authority can open doors to municipalities that were previously barred from the capital markets due to the high costs of financing or challenging credit situations.

6.7.7. Local & Private

In addition to federal and state funding programs, there are local and private funding sources available to communities to fund. Some of these include a local improvement district (LID), the municipal bond market with voter approval or judicial confirmation, a business improvement district (BID), urban renewal district, connection fees, development agreements with developers, and others.

6.8. OPERATING EXPENSES AND REVENUE

Annual sewer operating expenses and revenues for the City of Bellevue are summarized in Table 6-3, along with the budget for capital project. In 2021's fiscal year, the net revenue was \$289,624 while the budget for capital projects was \$853,632.

TABLE 6-3: ANNUAL OPERATING AND EXPENSES

Year	WW Operating Expenses	WW Operating Revenues	Revenue	Budget for Capital Projects
2017	\$564,420	\$1,327,990	\$763,570	\$524,354
2018	\$655,092	\$1,200,439	\$545,347	\$529,448
2019	\$785,055	\$1,102,485	\$317,430	\$442,450
2020	\$747,744	\$1,197,824	\$450,080	\$693,712
2021	\$846,262	\$ 1,135,886	\$289,624	\$853,632



6.9. ANNUAL REPLACEMENT BUDGETS

Annual sewer replacement expenses for short lived assets for the City of Bellevue are summarized in Table 6-4, along with the cost per EDU. Assets include components for future enhancements to the WWTP based on recommendations included in the CIP. Costs have been adjusted to account for inflation.

TABLE 6-4: SHORT-LIVED ASSETS

Item	Lifespan (years)	QTY	Cost	Total Cost	Cost per Year (2025)
Wastewater Treatment Plant Components					
Influent Flow Meter - Replace flow meter	15	1	\$25,000	\$25,000	\$1,667
Onsite Lift Station - Replace electrical & telemetry	15	1	\$20,000	\$20,000	\$1,333
Headworks - Composite Sampler	15	1	\$12,000	\$12,000	\$800
Headworks Equipment - Replace motor & spare parts	15	1	\$70,000	\$70,000	\$4,667
Grit Pump	10	1	\$15,000	\$15,000	\$1,500
Process Basin Submersible Mixers	10	3	\$15,000	\$45,000	\$4,500
Process Basin- Fine Bubble Diffuser System	15	2	\$45,000	\$90,000	\$6,000
Process Blowers	15	3	\$25,000	\$75,000	\$5,000
MBR Modules	10	1	\$350,000	\$350,000	\$35,000
MBR Permeate Pumps	15	3	\$30,000	\$90,000	\$6,000
MBR Air Scour Blowers	15	2	\$20,000	\$40,000	\$2,667
Permeate Turbidimeters	15	2	\$8,000	\$16,000	\$1,067
Permeate Flow Meters	15	2	\$25,000	\$50,000	\$3,333
RAS Pumps	15	4	\$15,000	\$60,000	\$4,000
WAS Pumps	15	3	\$10,000	\$30,000	\$2,000
Scum Pumps	15	1	\$20,000	\$20,000	\$1,333
Screw Pump Motor and Parts	10	1	\$15,000	\$15,000	\$1,500
Truck Repair	10	1	\$10,000	\$10,000	\$1,000
Spare Parts Inventory	10	1	\$40,000	\$40,000	\$4,000
Effluent Irrigation Pumps	15	4	\$25,000	\$100,000	\$6,667
Irrigation - Wheel line replacements	10	2	\$15,000	\$30,000	\$3,000
Collection System Components					
Main Lift Station - Pumps, electrical and controls	10	3	\$35,000	\$105,000	\$10,500
Glen Aspen Lift Station - Pumps, electrical and controls	10	2	\$12,000	\$24,000	\$2,400
Martin Lift Station - Pumps, electrical and controls	10	2	\$12,000	\$24,000	\$2,400
Chantrelle Lift Station - Pumps, electrical and controls	10	2	\$12,000	\$24,000	\$2,400
Honeysuckle Lift Station - Pumps, electrical and controls	15	1	\$15,000	\$15,000	\$1,000
Miscellaneous Components					
Analytic Instruments - Replace instruments	15	1	\$20,000	\$20,000	\$1,333
Total Annual Contribution Needs					\$117,067
Total EDUs					1,172
User Cost Estimate for Short Lived Asset Replacement (\$/month)					\$8.32



6.10. USER RATE ANALYSIS

The monthly sewer rate as documented on the City’s website in 2019 was \$85.86. Estimated current monthly sewer user rates are \$45 for maintenance and operation, and \$25 for the bond, totaling \$79.92 per month, as outlined in Table 6-5. Additionally, Table 6-5 presents possible funding options. The user rate analysis compares user rates using DEQ funding of two project alternatives. Additionally, the analysis includes full funding of the short-lived assets identified above.

TABLE 6-5: USER RATE ANALYSIS

	Estimated Current (2022)	Priority 1 DEQ Funding (2025)	Priority 1&2 DEQ Funding (2025)
Project Total		\$ 19,706,000	\$ 24,813,000
Existing Debt	\$ 3,330,776	\$ 3,330,776	\$ 3,330,776
Principle Forgiveness (assumed at 5%)		\$ 985,300	\$ 1,240,650
Block Grant		\$ -	\$ -
Loan Amount		\$ 18,720,700	\$ 23,572,350
Term (years)		30	30
Interest Rate		1.50%	1.50%
Annual Debt Service - New Debt	0	\$779,515	\$981,534
Annual Debt Service - Existing Debt	\$ 304,577	\$304,577	\$304,577
Monthly Debt Service - New and Existing	\$ 25,381	\$90,341	\$107,176
Annual Short-lived Asset Reserve	\$95,500	\$117,067	\$117,067
Users	1,041	1,172	1,172
Monthly Debt Service per User	\$ 24.38	\$ 77.08	\$ 91.45
Debt Service Reserve per User	\$ 2.44	\$ 7.71	\$ 9.14
Short-lived Asset Reserve per User	\$ 7.64	\$ 8.32	\$ 8.32
Total Monthly Fixed (Debt + Reserves) Costs per User	\$ 34.46	\$ 93.11	\$ 108.92
Monthly O&M	\$ 47,319	\$ 68,902	\$ 68,902
Total Monthly Variable Costs per User	\$ 45.46	\$ 58.79	\$ 58.79
Total Monthly Cost per User	\$ 79.92	\$ 151.91	\$ 167.71

Column 2 in Table 6-5 shows what the increase to the monthly user rate would need to be for Priority Improvements 1 if the City uses a DEQ loan with principal forgiveness (assumed at 5%). Column 3 shows what user rates would need to be if the Priority 1 and 2 improvements are funded with a loan from DEQ with principal forgiveness (assumed at 5%). The user rate analysis shows that user rates will likely need to increase between \$70-\$90 per month to pay for the proposed project and previous debt, or a 50-60% increase. In 2031, the City is expected to pay off the existing debt for their wastewater loan taken out in 2010. After 2031, only new debt (not new and existing) will need to be included in the monthly debt service. Therefore, the monthly cost per user will decrease to about \$120, in conjunction with an increase in total connections.

APPENDIX A

Figures



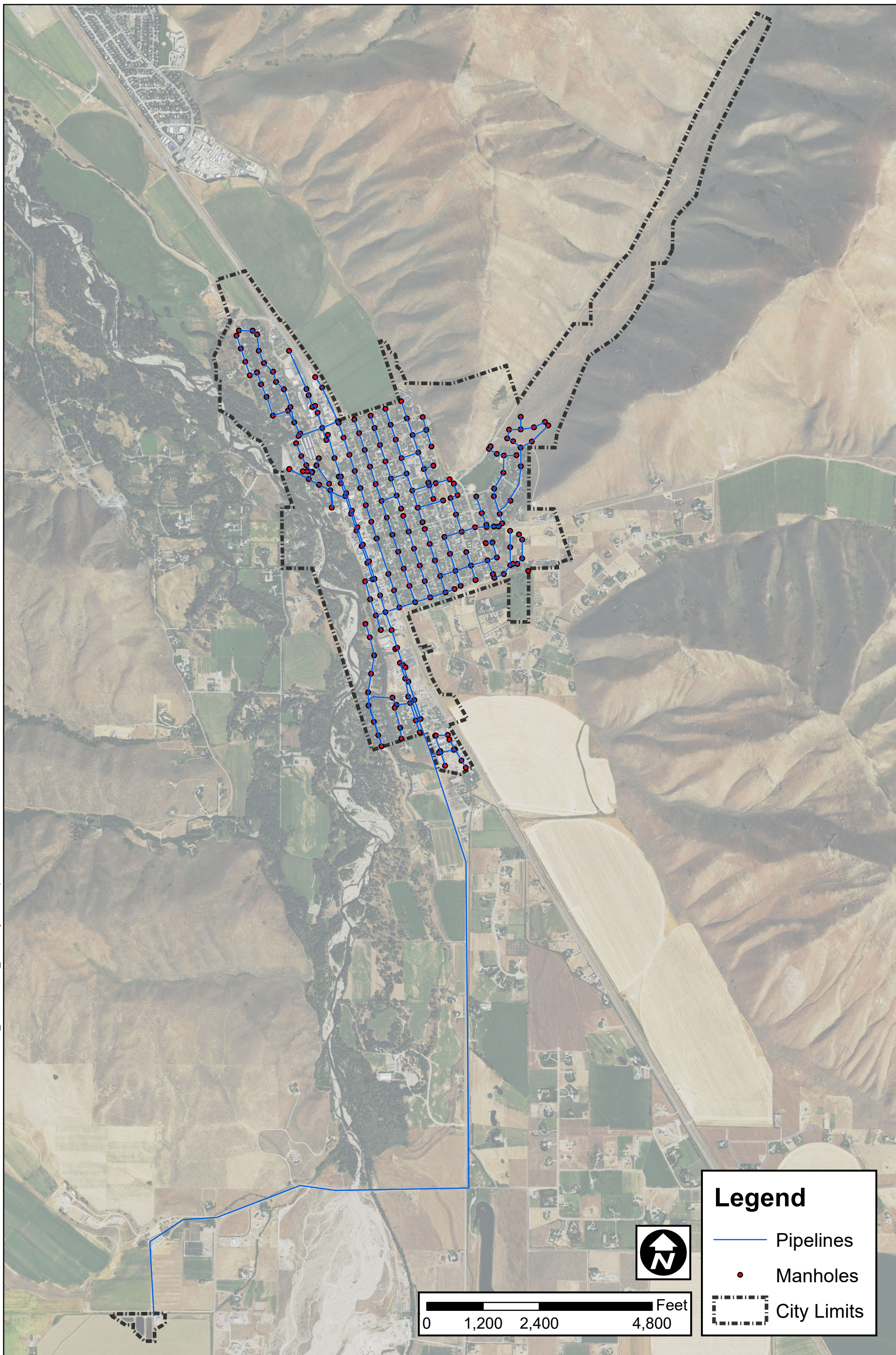


Figure 1-1

Study Area

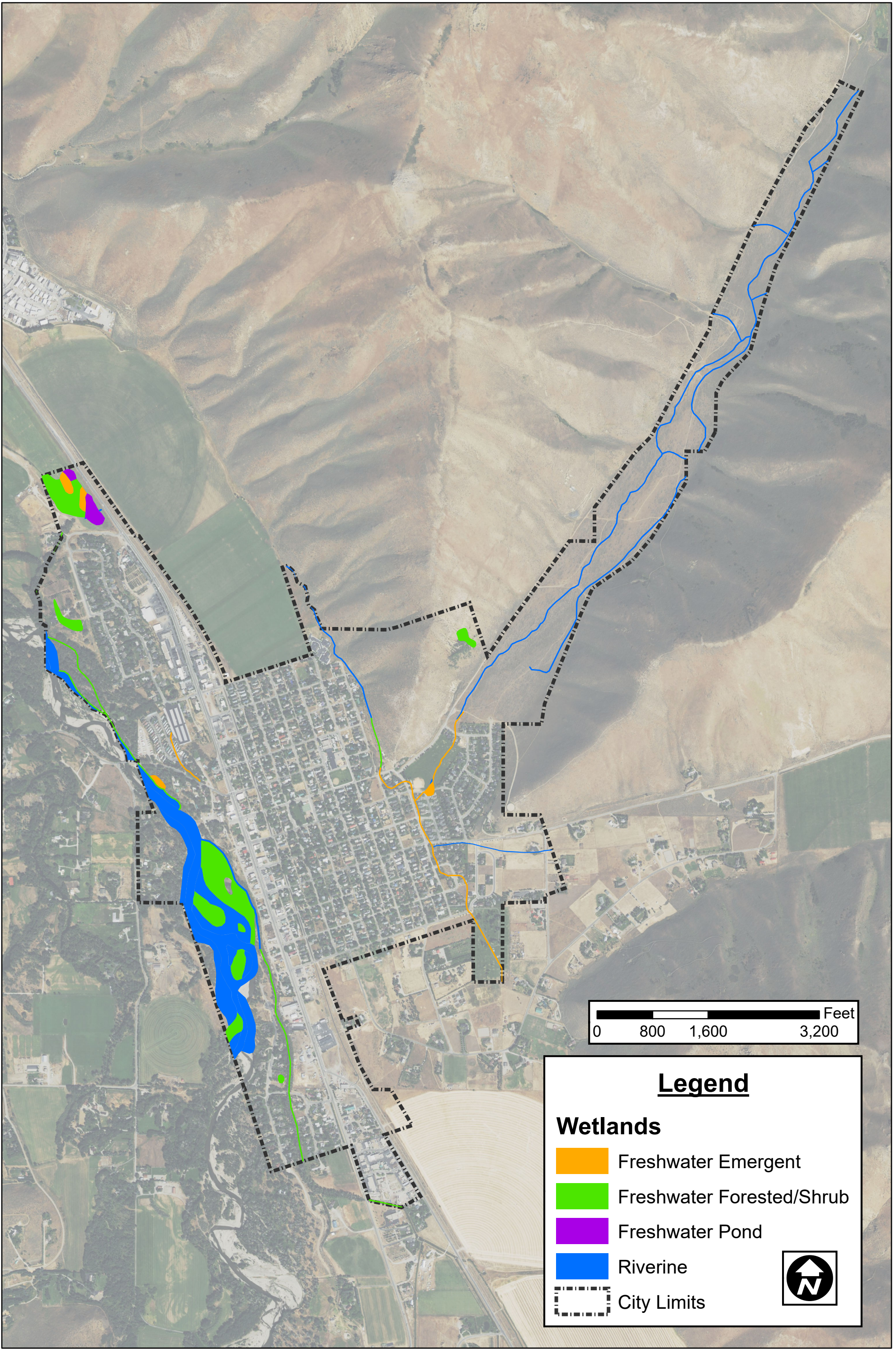


Figure 1-2

Wetlands

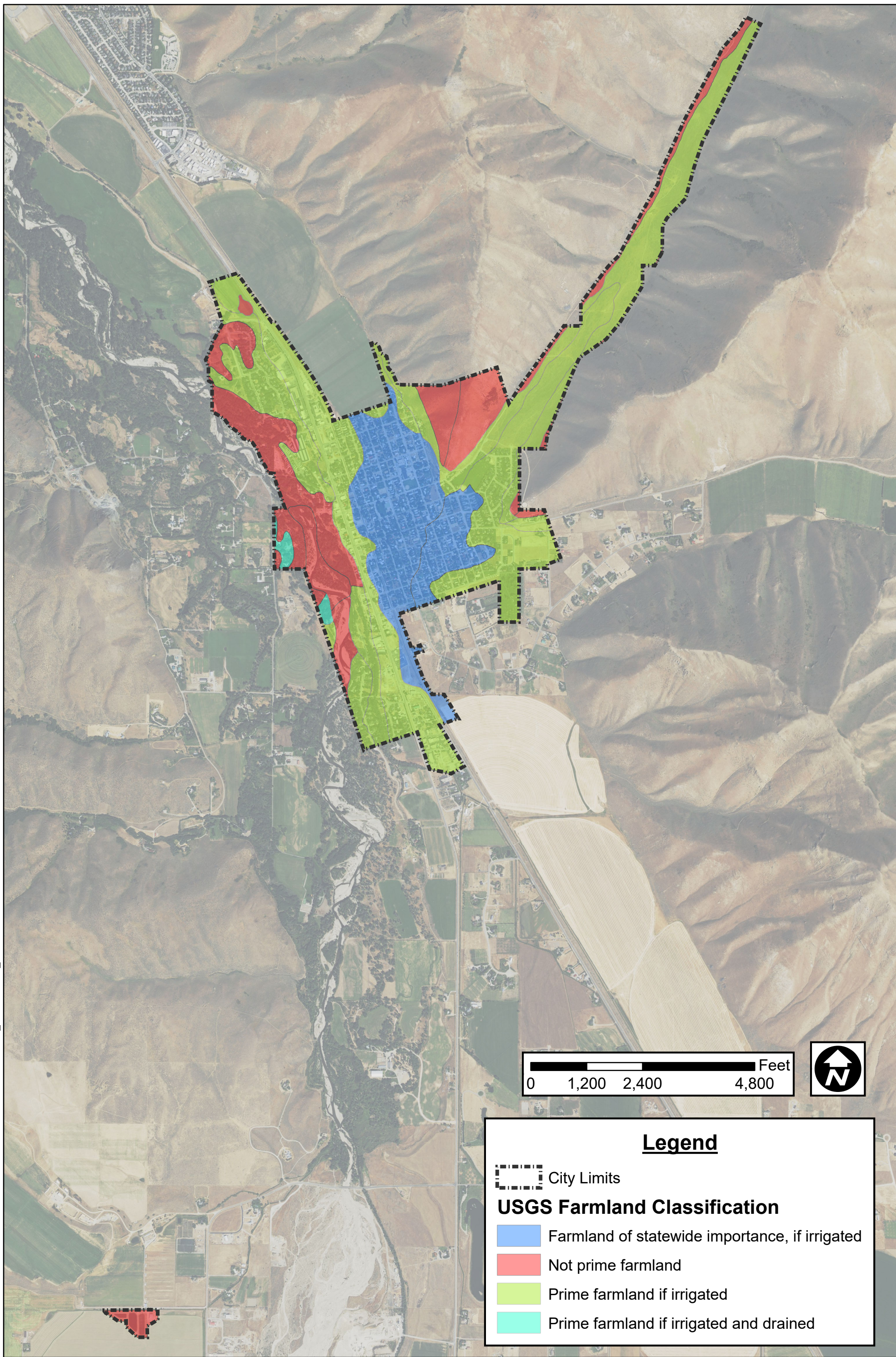


Figure 1-2

Wetlands

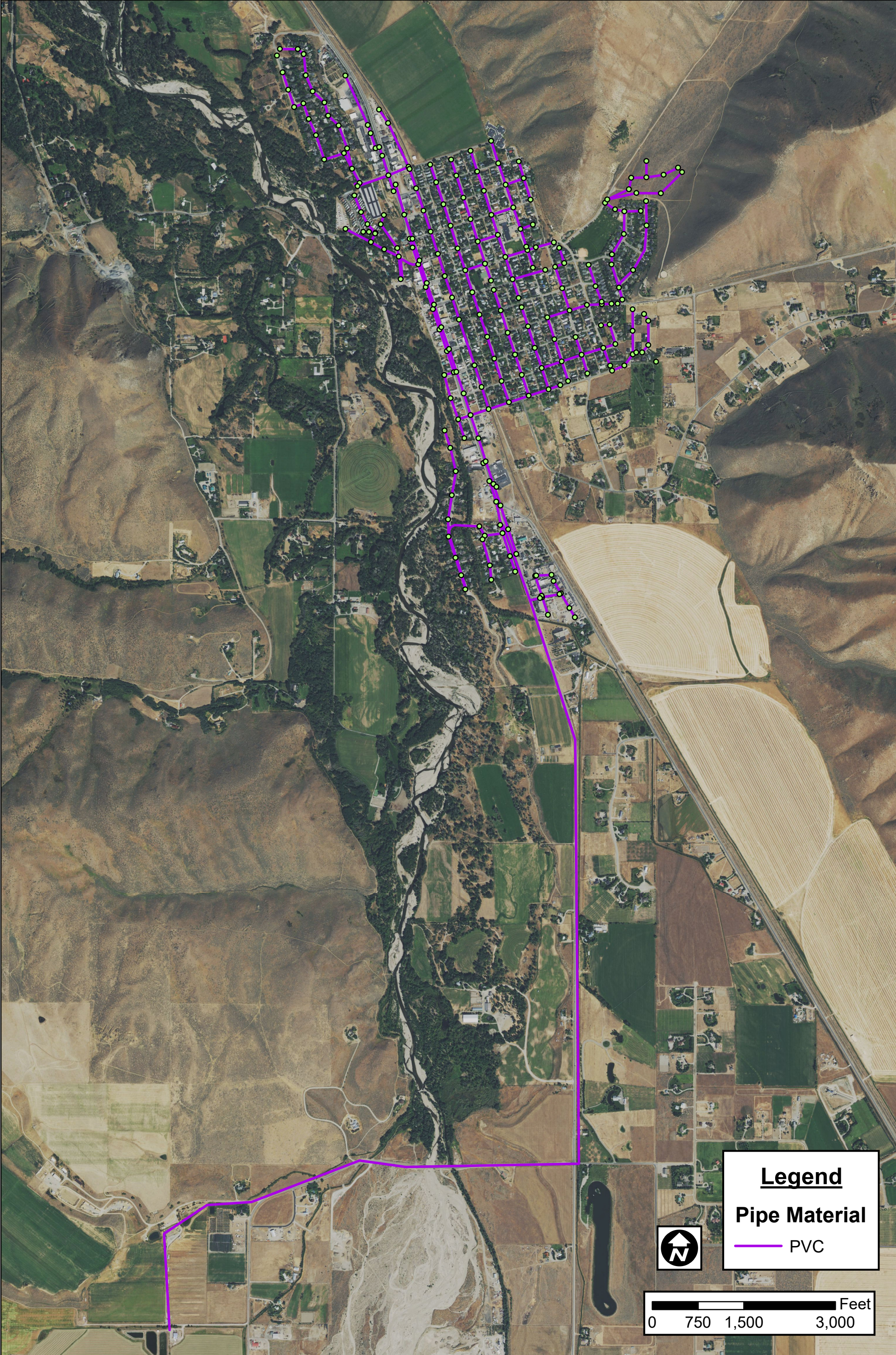


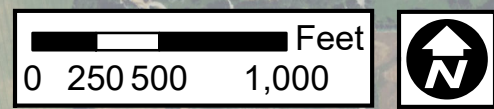
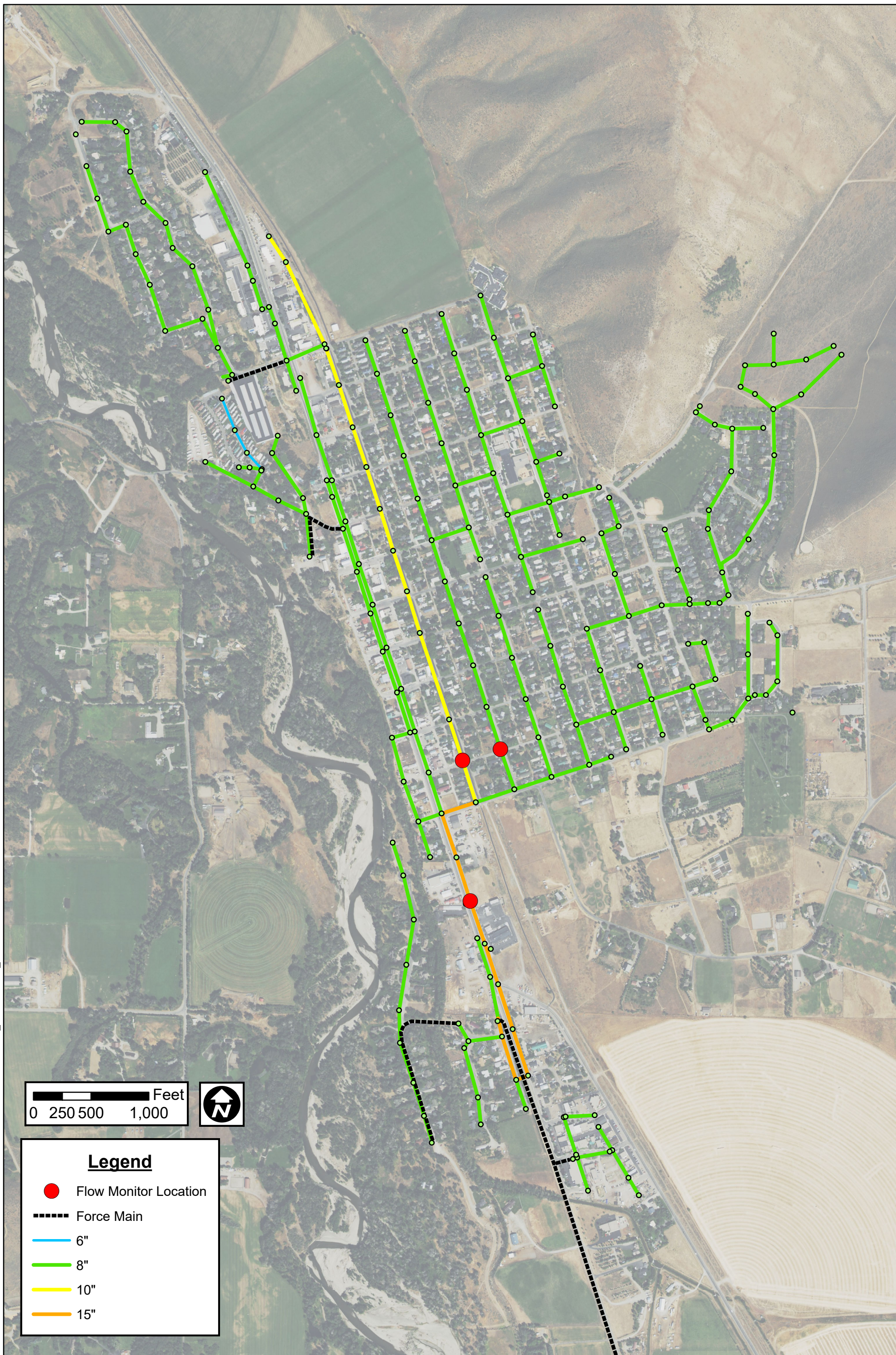
Figure 2-1

Pipelines by Material

City of Bellevue

Wastewater Facility Plan Study





Legend

- Flow Monitor Location
- Force Main
- 6"
- 8"
- 10"
- 15"

Figure 2-2
City of Bellevue

Flow Monitor Locations
Wastewater Facility Plan Study



Document Path: J:\221145 Bellevue General Services\TO #003 - WW FPS\PLAN\GIS\Max Day Peak Pipe Depth Over Diameter.mxd

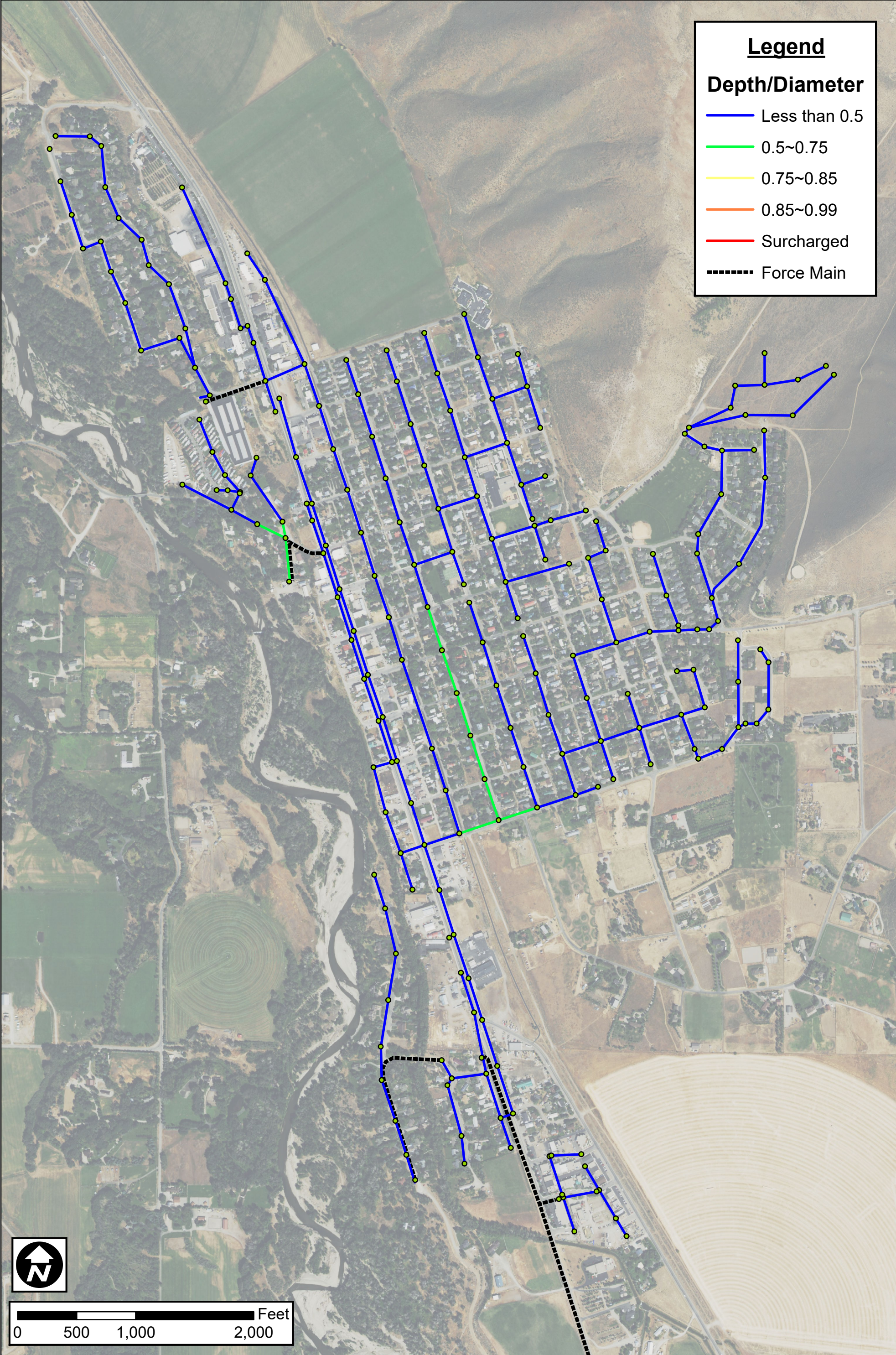


Figure 2-3 Existing System
Max Day Peak Pipeline d/D

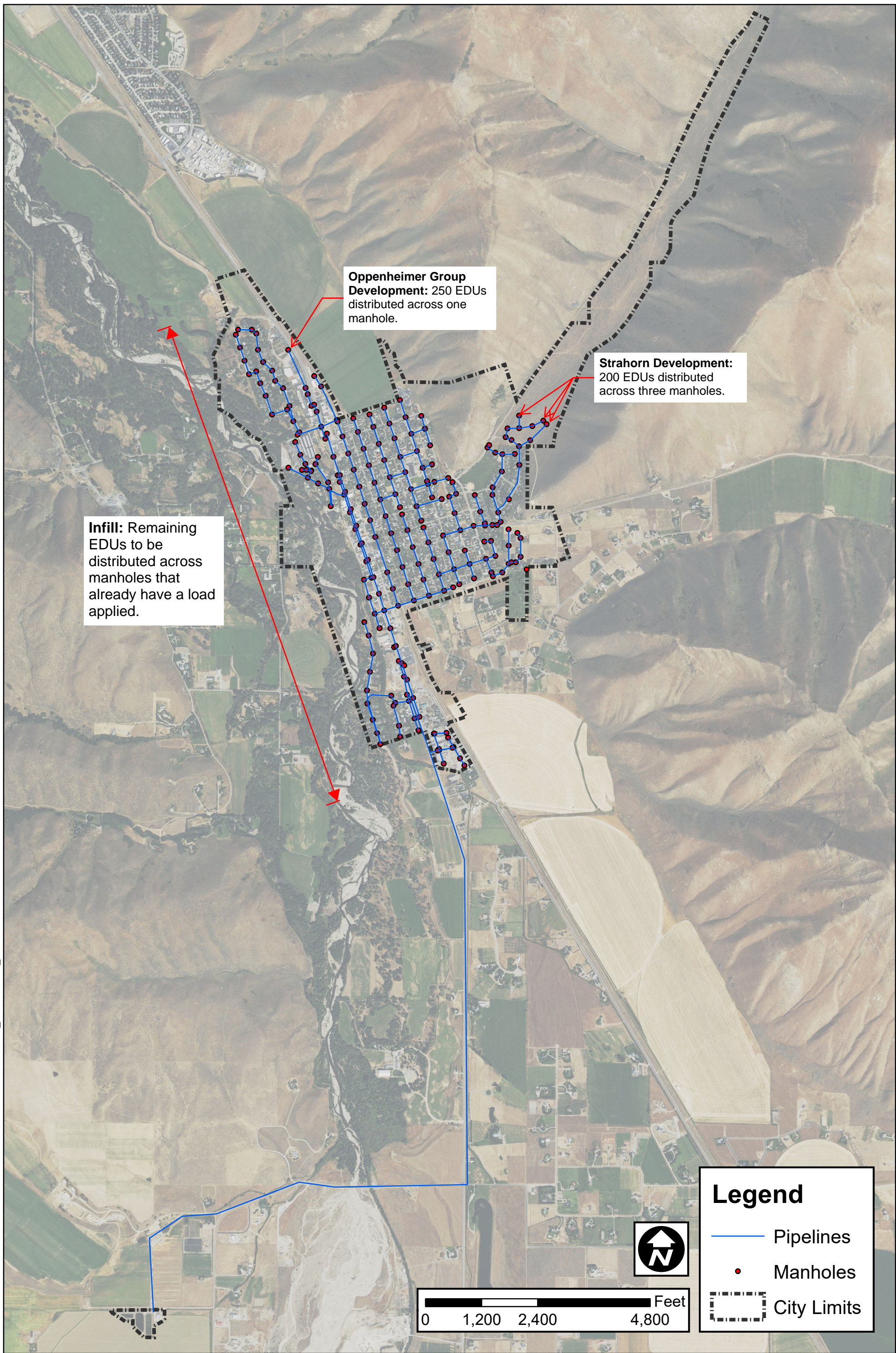


Figure 2-4

Future Load Distribution



Document Path: J:\221145 Bellevue General Services\TO #003 - WW FPS\PLAN\GIS\PLAN\MXD\2022-11-17 20 Year Pipe Depth Over Diameter.mxd

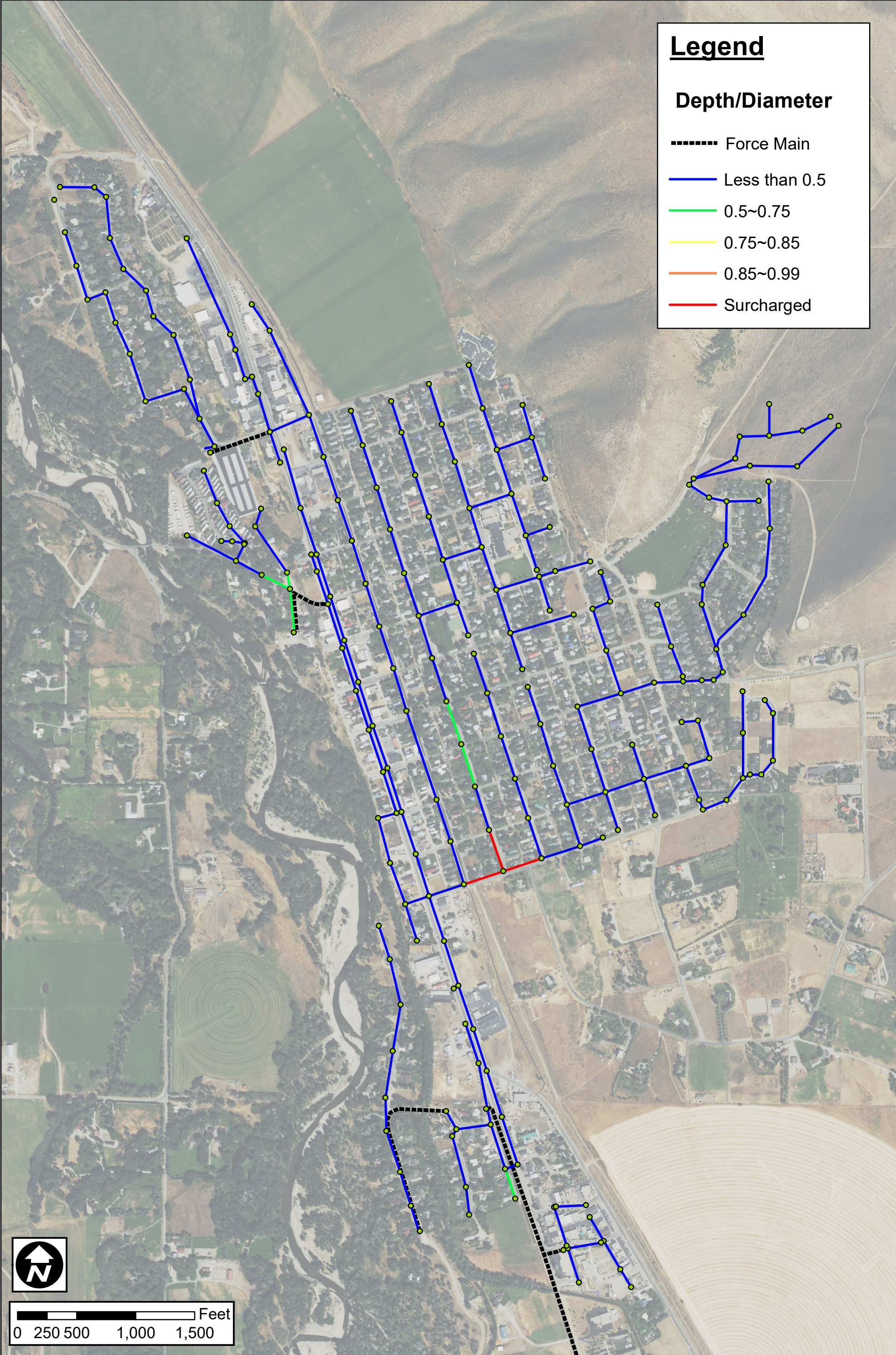


Figure 2-5 20 Year Pipeline Depth/Diameter

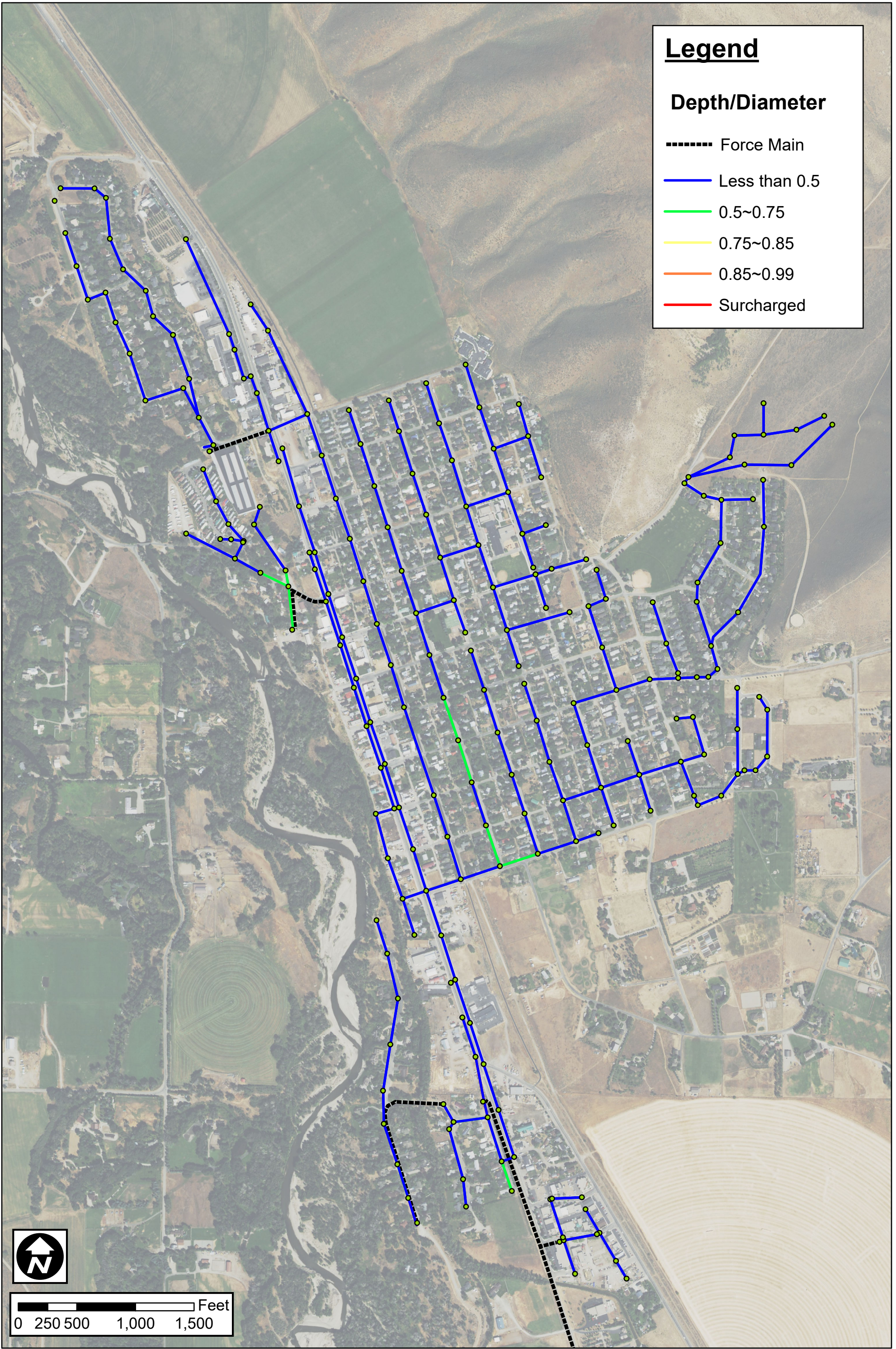
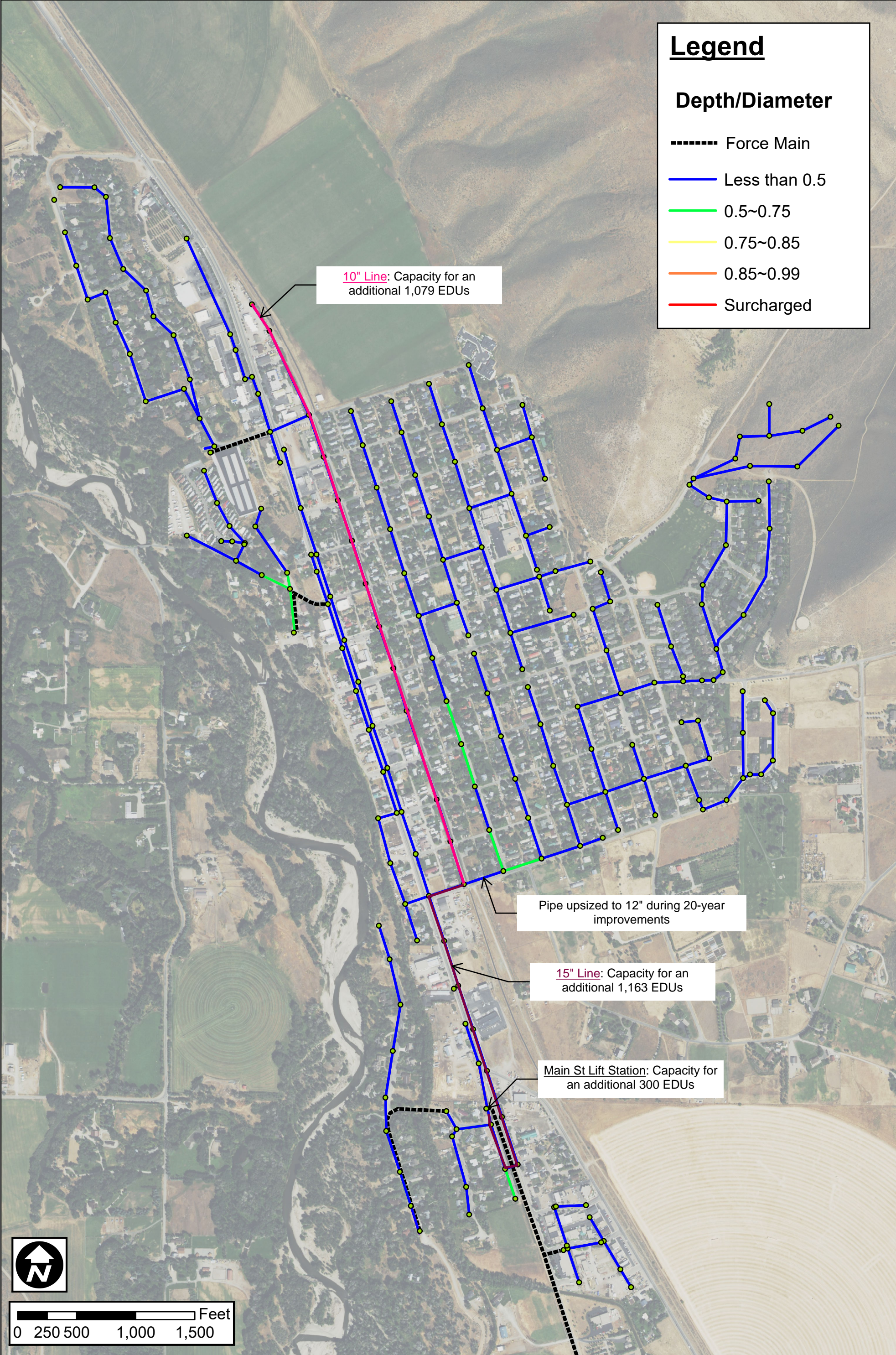


Figure 2-6

**20 Year Pipeline Improvements
Depth/Diameter**



Legend

Depth/Diameter

- Force Main
- Less than 0.5
- 0.5~0.75
- 0.75~0.85
- 0.85~0.99
- Surcharged

10" Line: Capacity for an additional 1,079 EDUs

Pipe upsized to 12" during 20-year improvements

15" Line: Capacity for an additional 1,163 EDUs

Main St Lift Station: Capacity for an additional 300 EDUs

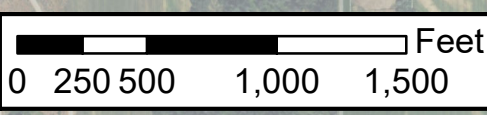


Figure 2-6 20 Year Pipeline Improvements Depth/Diameter



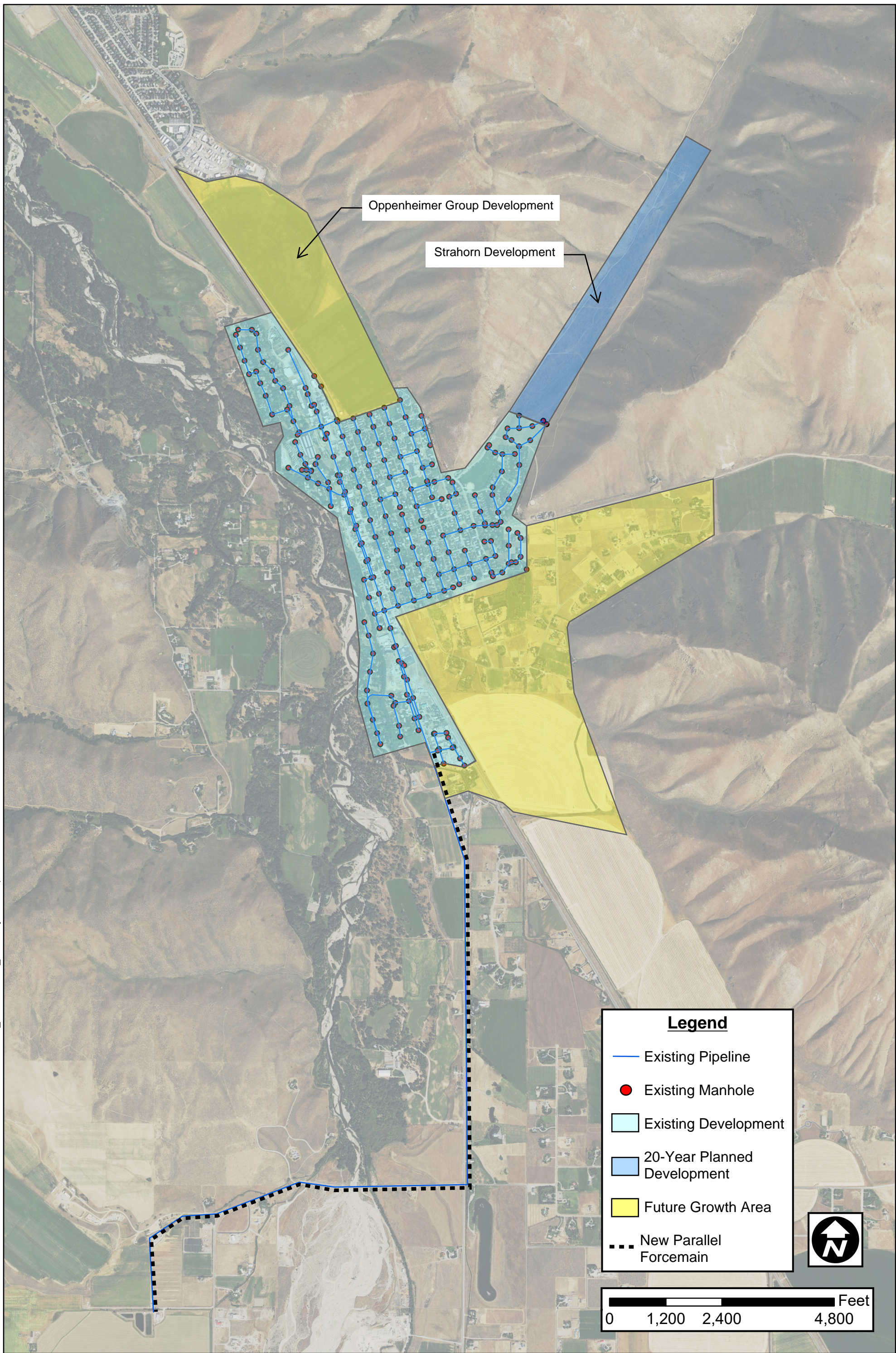


Figure 4-1

Alternative 1

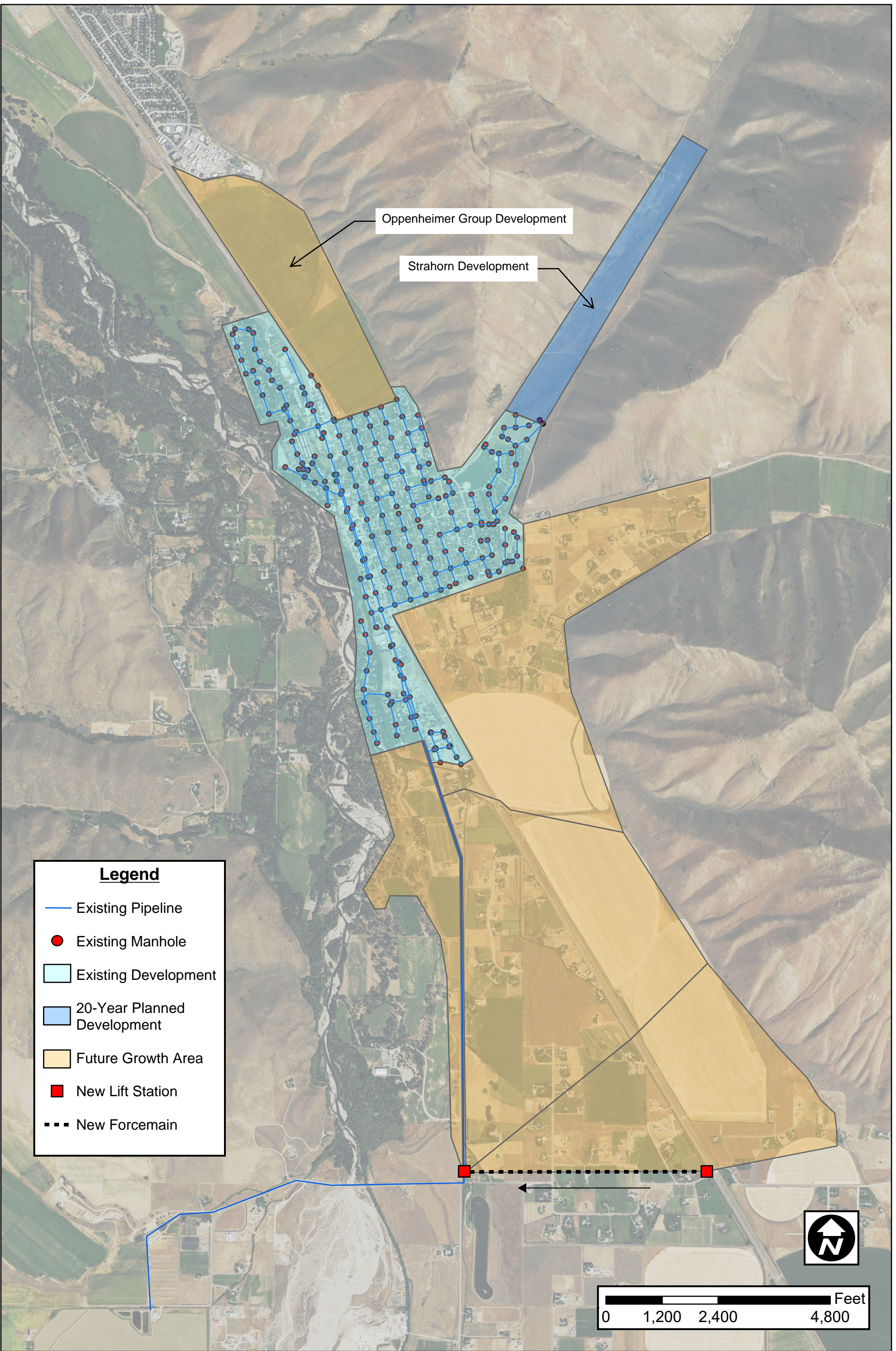


Figure 4-2

Alternative 2

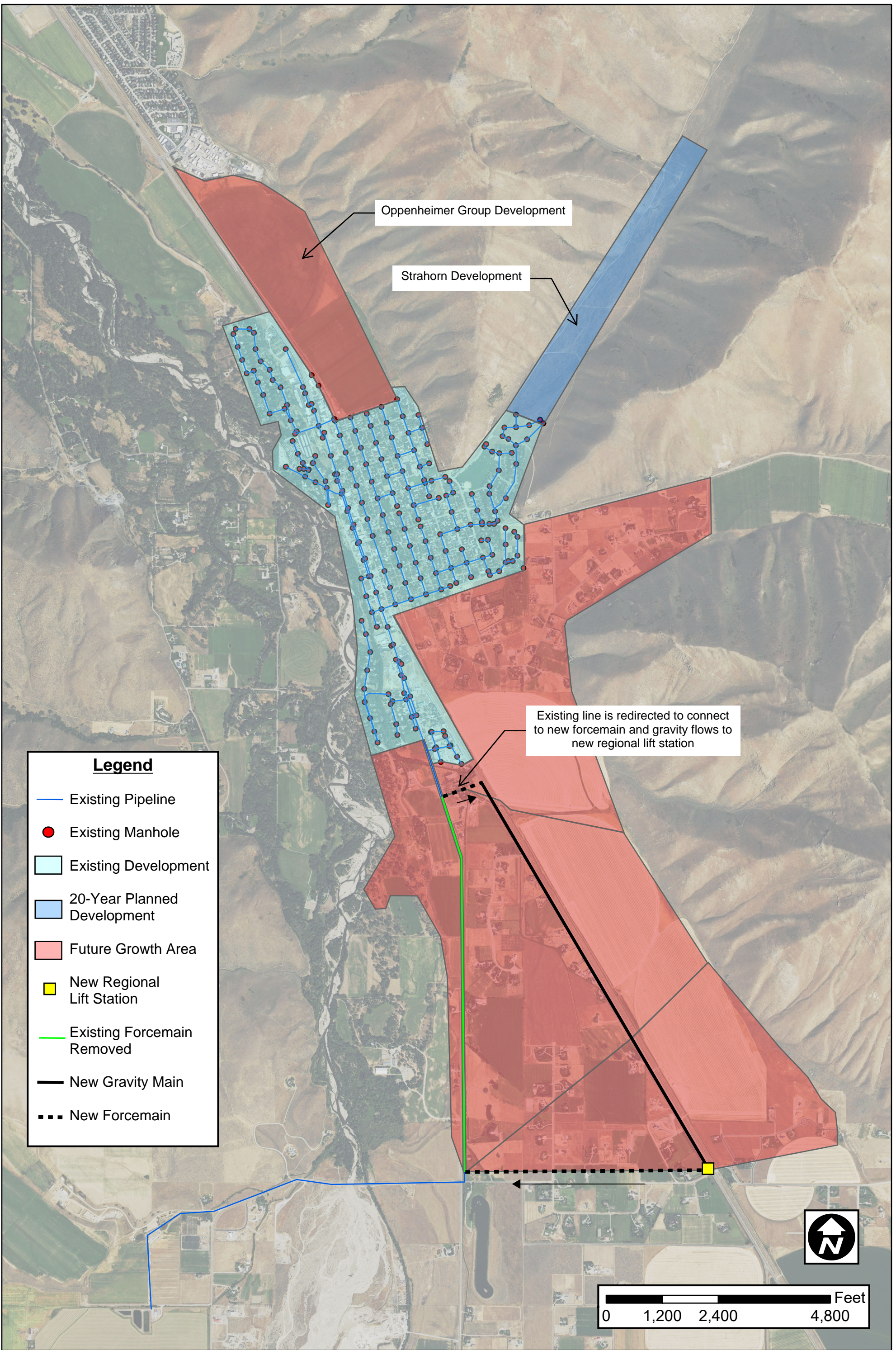


Figure 4-3

Alternative 3

APPENDIX B

Reuse Permit No. M-112-03



Idaho Department of Environmental Quality Reuse Permit M-112-03

(Previous Permit No. LA-000112-02)

The **City of Bellevue** (hereafter "permittee") is hereby authorized to construct, install, and operate a reuse facility in accordance with (1) this permit; (2) IDAPA 58.01.17 "Recycled Water Rules"; (3) an approved plan of operation; and (4) all other applicable federal, state, and local laws, statutes, and rules. This permit is effective from the date of signature and expires on December 13, 2022.

Bobby Dye for David Anderson

Signature

12/13/2017

Date

David Anderson

Regional Administrator
Twin Falls Regional Office
Idaho Department of Environmental Quality

Idaho Department of Environmental Quality
Twin Falls Regional Office
650 Addison Avenue West, Suite 110
Twin Falls, ID 83301
(208) 736-2190

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1. Common Acronyms/Abbreviations and Definitions

DEQ	Idaho Department of Environmental Quality
DEQ Guidance	DEQ Guidance for Reclamation and Reuse of Municipal and Industrial Wastewater, latest revision
Director	Director of the Idaho Department of Environmental Quality or designee unless otherwise specified
EPA	Environmental Protection Agency
E_i	irrigation efficiency
FM	prefix for flow measurement/monitoring location, device, or method reporting serial number
GW	prefix for ground water reporting serial number
IDAPA	Idaho Administrative Procedures Act
IDWR	Idaho Department of Water Resources
IWR	irrigation water requirement - any combination of wastewater and supplemental irrigation water applied at rates commensurate to the moisture requirements of the crop, and calculated monthly during the growing season (GS). The equation used to calculate the IWR is: $IWR = P_{def}/E_i$
LG	prefix for lagoon reporting serial number
MG	million gallons
mg/kg	milligram per kilogram
mg/L	milligram per liter
MU	prefix for management unit reporting environmental serial number
NPDES	National Pollutant Discharge Elimination System
P_{def}	precipitation deficit - is synonymous with the net irrigation water requirement of the crop and for the purposes of this permit can be found at the following website http://data.kimberly.uidaho.edu/ETIdaho/
PO	plan of operation
QAPP	quality assurance project plan
Responsible Official	is the facility contact person authorized by the permittee to communicate with DEQ on behalf of the permittee on any matter related to the permit, including without limitation, the authority to communicate with and receive notices from DEQ regarding notices of violation or non-compliance, permit violations, permit enforcement, and permit revocation. The Responsible Official is also responsible for providing written certification of permit application materials, annual report submittals, and other information submitted to DEQ as required by the permit. Any notice

to or communication with the Responsible Official is considered a notice to or communication with the permittee. The Responsible Official may designate an Authorized Representative to act as the facility contact person for any of the activities or duties related to the permit, except signing and certifying the permit application, which must be done by the Responsible Official. The Authorized Representative shall act as the Responsible Official and shall bind the permittee as described in this definition. Designation of the Authorized Representative shall follow the requirements specified in Section 6.1.3 of the permit.

RI	rapid infiltration
SR	slow rate
SU	prefix for soil monitoring unit reporting serial number
SW	prefix for supplemental irrigation water reporting serial number
WW	prefix for wastewater reporting serial number
WWTP	wastewater treatment plant

2. Facility Information

Information Type	Information Specific to This Permit
Type(s) of recycled water	Municipal Class C
Method of treatment and reuse	Primary screening, membrane bioreactor (MBR), chlorine disinfection, slow rate irrigation and rapid infiltration.
For public municipal systems, specify the collection and treatment system classification. See IDAPA 58.01.16.202.01.a	Wastewater collection system classification: II Wastewater treatment system classification: II
Facility location	31 Allyson Road Bellevue, Idaho 83313 The wastewater treatment plant and reuse sites are located approximately four miles southwest of Bellevue, ID. 114°16'36.442"W 43°25'6.956"N
Facility mailing address	PO Box 825 115 East Pine Street Bellevue, ID 83313
Facility responsible official and authorized representative	Responsible Official: Mr. Christopher Koch, Mayor PO Box 825, 115 East Pine Street, Bellevue, ID 83313 (208) 788-2128 / ckoch@bellevueidaho.us Authorized Representative: Mr. Frank Suwanrit, Public Works Director PO Box 825, 115 East Pine Street, Bellevue, ID 83313 (208) 788-2128 / fsuwanrit@bellevueidaho.us Notify DEQ within 30 days if there is a change in personnel for any of the above facility contacts. A minor permit modification will be issued by DEQ to confirm the change.
Ground water	Aquifer: Big Wood Valley aquifer Depth: 89 to 116 feet beneath the reuse site Aquifer type: Alluvial Quaternary-age sediments and basalts Nearby water supply wells: The Brown residence well is located less than 200 feet from the western edge of the site. Flow Direction: Southwest
Surface water	Big Wood River: Located approximately 1,700 feet east of the site. Beneficial uses: Domestic water supply, primary contact recreation, secondary contact recreation, cold water communities, and salmonid spawning. Glendale Canal: Along northern edge of RI basins and eastern edge of Field 2. Beneficial uses: Agriculture

3. Compliance Schedule for Required Activities

Compliance Activity (CA) Number and Completion Due Date	Compliance Activity Description
CA-112-01 December 13, 2018	<p>Plan of Operation (PO): The permittee shall submit for review and approval a Plan of Operation that reflects current operations and incorporates the requirements of this permit. The PO shall comply with the applicable requirements stated in IDAPA 58.01.17.300.05, shall address applicable items in the most recent revision of the DEQ Plan of Operation Checklist, and shall also address the following items.</p> <ol style="list-style-type: none">1. The PO shall include an updated Well Location Acceptability Analysis (WLAA).2. The PO shall include an RI Basin Management Plan that contains the following information:<ol style="list-style-type: none">a. Specific treatment goals for microorganisms, organics, and nutrients that the operation of this RI system is designed to achieve, such that the beneficial uses of the waters of the state will not be impaired.b. The application rate for achieving uniform coverage and appropriate times for wetting and dosing cycles.c. The required storage volume needed to uniformly dose each RI basin with recycled water. <p>The PO shall be updated as needed to reflect current operations. The permittee shall notify DEQ of material changes to the PO and copies shall be kept on site and made available to DEQ upon request.</p>

Compliance Activity (CA) Number and Completion Due Date	Compliance Activity Description
CA-112-02 December 13, 2018	<p>Quality Assurance Project Plan (QAPP): The permittee shall prepare and implement a QAPP that incorporates all monitoring and reporting required by this permit. A copy of the QAPP along with written notice that the permittee has implemented the QAPP shall be provided to DEQ.</p> <p>The QAPP shall be designed to assist in planning for the collection, analysis, and reporting of all monitoring in support of this permit and in explaining data anomalies when they occur. At a minimum, the QAPP must include the following:</p> <ol style="list-style-type: none">1. Details on the number of measurements, number of samples, type of sample containers, preservation of samples, holding times, analytical methods, analytical detection, and quantitation limits for each target compound, type and number of quality assurance field samples, precision and accuracy requirements, sample preparation requirements, sample shipping methods, and laboratory data delivery requirements.2. Maps indicating the location of each monitoring and sampling point.3. Qualification and training of personnel.4. Names, addresses, and telephone numbers of the laboratories used by or proposed to be used by the permittee.5. Example formats and tables that will be used by the permittee to summarize and present all data in the annual report. <p>The format and content of the QAPP should adhere to the recommendations and references in the Quality Assurance and Data Processing sections of the DEQ Guidance.</p> <p>The permittee shall amend the QAPP whenever there is a modification in sample collection, sample analysis, or other procedure addressed by the QAPP. The permittee shall notify DEQ of material changes to the QAPP and copies shall be kept on site and made available to DEQ upon request.</p>

Compliance Activity (CA) Number and Completion Due Date	Compliance Activity Description								
CA-112-03 As specified	<p>Seepage Testing: The following table shows the date by which the permittee shall complete seepage testing on the specified lagoons:</p> <table border="1" data-bbox="456 464 1344 625"> <thead> <tr> <th data-bbox="456 464 902 506"> Lagoon: </th> <th data-bbox="902 464 1344 506"> Seepage Test Due Date: </th> </tr> </thead> <tbody> <tr> <td data-bbox="456 506 902 548"> Cell A </td> <td data-bbox="902 506 1344 548"> November 2021 </td> </tr> <tr> <td data-bbox="456 548 902 590"> Cell B </td> <td data-bbox="902 548 1344 590"> November 2021 </td> </tr> <tr> <td data-bbox="456 590 902 625"> Cell C </td> <td data-bbox="902 590 1344 625"> September 2022 </td> </tr> </tbody> </table> <p>Submit to DEQ for review and approval a proposed schedule and procedure for performing the required seepage tests at least 45 days before the planned seepage test. Guidance for developing seepage test procedures are available at: http://www.deq.idaho.gov/water-quality/wastewater/lagoon-seepage-testing.aspx. The seepage test procedures shall be sealed by the Idaho licensed professional engineer or professional geologist in responsible charge of the test.</p> <p>Seepage tests shall be completed in accordance with the procedures approved by DEQ. The seepage test report shall be sealed by the person in responsible charge and submitted within 90 days after completion of the seepage test.</p> <p>The leakage rate for lagoons constructed after April 15, 2007 shall be no more than zero point one hundred twenty-five (0.125) inches (1/8 inch) per day. The leakage rate for the existing lagoons constructed prior to April 15, 2007 shall be no more than zero point twenty-five (0.25) inches (1/4 inch) per day. See IDAPA 58.01.16.493.03. Requirements for lagoons leaking above the allowable amount are outlined in IDAPA 58.01.16.493.04.</p>	Lagoon:	Seepage Test Due Date:	Cell A	November 2021	Cell B	November 2021	Cell C	September 2022
Lagoon:	Seepage Test Due Date:								
Cell A	November 2021								
Cell B	November 2021								
Cell C	September 2022								
CA-112-04 March 13, 2018	<p>Recycled Water Loading Measurement Plan and Implementation: The permittee shall submit for review and approval a plan for measuring the recycled and supplemental irrigation water flow to MU-112-05 (Field 1) and MU-112-06 (Field 2). The permittee shall submit the plans and specifications pursuant to Idaho Code §39-118, IDAPA 58.01.16, and IDAPA 58.01.17.</p> <p>Upon approval, the permittee will have six (6) months to implement the measurement strategy proposed in the plan. The permittee shall submit as-built plans or a letter from an Idaho Professional Engineer certifying the facilities or structures were constructed in substantial accordance with the approved plans and specifications.</p>								

Compliance Activity (CA) Number and Completion Due Date	Compliance Activity Description
CA-112-05 March 13, 2018	<p>Buffer Zone Plan: The permittee shall submit for DEQ review and approval, a buffer zone plan that delineates the buffer distances from the land application sites to inhabited dwellings, public and private water supply wells, areas accessible to the public, roadways, irrigation ditches, canals, and surface water. The plan shall include the following:</p> <ol style="list-style-type: none"> 1. A scaled map of the land application sites identifying the features which require a buffer distance from recycled water use. 2. Detailed plans and specifications pursuant to Idaho Code §39-118, IDAPA 58.01.16, and IDAPA 58.01.17 for any proposed modifications to the treatment and reuse systems. 3. Detailed justifications for proposed reductions to any buffer distance from the distances outlined in Section 4.4 of this permit. 4. An outline of the process and procedures for managing buffer zones and addressing complaints when they are received. <p>The buffer zone plan shall be fully implemented no later than six (6) months after DEQ approval. Where applicable, the permittee shall submit as-built plans or a letter from an Idaho Professional Engineer certifying the facilities or structures were constructed in substantial accordance with the approved plans and specifications. Upon approval, the buffer zone plan shall become a part of the facility's Plan of Operation (CA-112-01).</p>
CA-112-06 As Specified	<p>Ground Water Monitoring Well Construction Plans: The Permittee shall submit construction plans to DEQ for review and approval for the installation of one up-gradient and two down-gradient monitoring wells within three (3) months after permit issuance.</p> <p>The wells shall be installed within six (6) months after approval of plans and the following shall be submitted to DEQ: Coordinates of all monitoring wells collected by GPS, a monitoring network map, and well construction details.</p> <p>Reevaluation of the ground water gradient of the reuse site shall be submitted to DEQ for review and approval twelve (12) months after the construction of new monitoring wells.</p>
CA-112-07 December 13, 2021	<p>Pre-Application Workshop: If the permittee intends to continue operating the reuse facility beyond the expiration date of this permit, the permittee shall contact DEQ and schedule a pre-application workshop to discuss the compliance status of the facility and the content required for the reuse permit application package.</p>
CA-112-08 June 13, 2022	<p>Renewal Permit Application: The permittee shall submit to DEQ a complete permit renewal application package, which fulfills the requirements specified at the pre-application workshop identified in CA-112-07.</p>

4. Permit Limits and Conditions

4.1 Hydraulic Management Unit Descriptions

Serial Number	Description	Irrigation System Type and Irrigation Efficiency	Maximum Acres ^a Allowed
MU-112-02	RI Basin 2	N/A	0.56
MU-112-03	RI Basin 3	N/A	0.31
MU-112-04	RI Basin 4	N/A	0.40
MU-112-05	SR Field 1	Pivot ($E_i = 0.75$)	110
MU-112-06	SR Field 2	Pivot ($E_i = 0.75$)	25
Total acreage			136.27

- a. Maximum acres represent the total permitted acreage of the MU as provided by the permittee. If the permittee uses less acreage in any season or year, then loading rates shall be presented and compliance shall be determined based on the actual acreage utilized during each season or year.

4.2 Hydraulic Loading Limits

Serial Number	Growing Season Hydraulic Loading	Nongrowing Season Maximum Hydraulic Loading ^a
MU-112-02 MU-112-03 MU-112-04	55 Million Gallons Annually	
MU-112-05	Substantially at the irrigation water requirement (IWR) ^b	Not allowed
MU-112-06	Substantially at the irrigation water requirement (IWR) ^b	Not allowed

- a. Record daily, as necessary, abnormal conditions as a result of nongrowing season application including ponding, excessive ice buildup, or runoff from the permitted site.
 b. For compliance purposes, the source of P_{def} data used to calculate the IWR shall be specified in the PO.

4.3 Constituent Loading Limits

Serial Number	Constituent Loading (from all sources)
	Nitrogen (lb/acre)
MU-112-02 MU-112-03 MU-112-04	As specified in the updated Plan of Operation required by CA-112-01
MU-112-05	150% of typical crop uptake ^a
MU-112-06	150% of typical crop uptake ^a

- a. Typical crop uptake is the median constituent crop uptake from the 3 most recent years the crop has been grown. For crops having less than 3 years of on-site crop uptake data, other crop yield data or nutrient content values may only be used if approved in writing by DEQ in advance of use. If written approval is not provided by DEQ, compliance with the 150% nitrogen loading limit shall be determined by comparing the current year nitrogen loading to the current year nitrogen uptake.

4.4 Management Unit Buffer Zones

Serial Number	Buffer Distances (in feet) from Hydraulic Management Units ^a					
	Public Water Supplies	Private Water Supplies	Inhabited Dwellings	Permanent and Intermittent Surface Water	Irrigation Ditches and Canals	Areas Accessible to the Public
MU-112-02 MU-112-03 MU-112-04	1000	500	50	50	25	0
MU-112-05	1000	500	300	100	50	0
MU-112-06	1000	500 ^b	300	100	50	0

- a. Existing buffer zones shall be maintained pending approval of the buffer zone plan required in Section 3; CA-112-05.
- b. Two private wells less than 40 feet from the east side of MU-112-06 (114°16'21.21"W 43°25'02.48" N) are at an acceptable distance; the capture zones of these wells do not intersect the reuse facility.

4.5 Other Permit Limits and Conditions

Category	Permit Limits and Conditions
Growing season	April 1 through October 31 (214 days)
Non-growing season	November 1 through March 31 (151 days)
Reporting year for annual loading rates	November 1 through October 31
Operator certification and endorsement	The wastewater treatment facility and reuse system shall be operated by personnel certified and licensed in the State of Idaho wastewater operator training program at the operator class level specified in IDAPA 58.01.16.203 and properly trained to operate and maintain the system.
Total Coliform Limit, CFU/100 mL	Class C: The median number of total coliform organisms does not exceed twenty-three (23) per one hundred (100) milliliters, as determined from the bacteriological results of the last five (5) days for which analyses have been completed. No sample shall exceed two hundred thirty (230) per one hundred (100) milliliters in any confirmed sample.
Crop or vegetation allowed	Crops grown for direct human consumption (those crops that are not processed prior to consumption) are not allowed.
Grazing	Prior to grazing, the permittee shall submit a grazing management plan and receive written approval from DEQ.
Posting	Signs shall read "Warning: Recycled Water—Do Not Enter," or equivalent signage both in English and Spanish. Signs to be posted every 500 feet and at each corner of the outer perimeter of the irrigated site. Signs are required where management unit border areas are accessible to the public.
Fencing	Low security (or as specified in CA-112-05).
Construction plans	Pursuant to Idaho Code §39-118, IDAPA 58.01.16, and IDAPA 58.01.17, detailed plans and specifications shall be submitted to DEQ for review and approval prior to construction, modification, or expansion of any wastewater treatment, storage, conveyance structures, ground water monitoring wells, or reuse facility. Inspection requirements shall be satisfied and within 30 days of completion of construction, the permittee shall submit as-built plans or a letter from an Idaho Professional Engineer certifying the facilities or structures were constructed in substantial accordance with the approved plans and specifications.
Backflow prevention and testing requirements	Backflow prevention is required to protect surface water and ground water from an unauthorized discharge of recycled water or wastewater. Refer to section 9.1.1 of this permit.
Records retention requirements	Keep records generated to meet the requirements of this permit for the duration of permit, including administrative extensions, plus 2 years.

5. Monitoring Requirements

5.1 Recycled Water and Supplemental Irrigation Water Sampling and Analyses

5.1.1 Constituent Monitoring

Monitoring Point Serial Number and Location	Sample Description	Sample Type and Frequency	Constituents (Units in mg/L Unless Otherwise Specified)
WW-112-01 Discharge point of recycled water to management units	Recycled water to MU-112-02, MU-112-03, MU-112-04 (RI basins), MU-112-05 and MU-112-06 (SR fields)	Grab sample/weekly (during periods of use)	-Total Coliform (CFU/100 mL)
		24-hour composite sample/monthly (during periods of use)	-Total Kjeldahl nitrogen, as N -Nitrite + nitrate-nitrogen, as N -Total phosphorus, as P -Chloride -Non-volatile dissolved solids -Chemical oxygen demand
		24-hour composite sample/once annually (during periods of use): April of the second (2019) and last (2022) permit year	-Chloride -Sulfate -Carbonate -Bicarbonate -Sodium -Potassium -Calcium -Magnesium
SW-112-01	Supplemental irrigation water to SR fields	Grab sample/twice annually: May and September of the first (2018) and second (2019) permit year	-Total Kjeldahl nitrogen, as N -Nitrite + nitrate-nitrogen, as N -Total phosphorus, as P

5.1.2 Management Unit and Other Flow Monitoring

Management Unit or Flow Measurement Serial Number and Location	Sample Description	Sample Type and Frequency	Measured Parameters, each MU or FM
FM-112-01 Flow meter at irrigation diversion structure	Total discharge from the storage lagoons	Daily meter reading Monthly compilation of data	-Volume (gal/day) -Volume (MG/month)
MU-112-02 MU-112-03 MU-112-04	Recycled water applied to each RI basin	Daily meter reading calculation Monthly compilation of data	-Volume (gal/day) -Volume (MG/month)
MU-112-05 MU-112-06	Recycled water applied to Field 1 and Field 2	As specified in the approved CA-112-04	-Volume (gal/day) -Volume (MG/month)
MU-112-05 MU-112-06	Supplemental irrigation water applied to Field 1 and Field 2	As specified in the approved CA-112-04	-Volume (gal/day) -Volume (MG/month)

5.2 Ground Water Monitoring

5.2.1 Ground Water Monitoring Point Descriptions

Monitoring Point Serial Number	Common Designation	Well Type	Gradient Location
GW-112-01	MW-A	Monitoring well	Upgradient
GW-112-02	MW-B	Monitoring well	Midgradient
GW-112-03	MW-C	Monitoring well	Midgradient
GW-112-04 ^a	MW-D	Monitoring well	Upgradient
GW-112-05 ^a	MW-E	Monitoring well	Downgradient
GW-112-06 ^a	MW-F	Monitoring well	Downgradient
GW-112-07	PW-A	Municipal Well	Upgradient
GW-112-08	PW-B ^b	Private Well	Downgradient

- a. Monitoring wells GW-112-04, GW-112-05, and GW-112-06 should be constructed in accordance with CA-112-06 and monitored in accordance with Section 5.2.2.
- b. Obtain owner permission prior to sampling. Written documentation shall be provided if owner declines to have the well sampled.

5.2.2 Ground Water Monitoring, Sampling, and Analyses

Monitoring Point Serial Number	Sampling Point Description	Sample Type and Frequency	Constituents (Units in mg/L Unless Otherwise Specified)
GW-112-01 GW-112-02 GW-112-03 GW-112-04 GW-112-05 GW-112-06	Monitoring wells	Unfiltered grab sample/twice annually: April (prior to irrigation season) and October	-Water table elevation (feet) -Water table depth (feet) -pH (Standard Units) -Temperature (°C) -Specific conductance/electrical conductivity (µmhos/cm) -Chloride -Total dissolved solids -Nitrate-nitrogen, as N -Chemical oxygen demand
GW-112-01 GW-112-02 GW-112-03 GW-112-04 GW-112-05 GW-112-06	Monitoring wells	Unfiltered grab sample/once annually: April of the second (2019) and last (2022) permit year	-Chloride -Sulfate -Carbonate -Bicarbonate -Sodium -Potassium -Calcium -Magnesium
GW-112-07	Municipal well	Unfiltered grab sample/once annually: April	-pH (Standard Units) -Temperature (°C)
GW-112-08	Domestic Well	Unfiltered grab sample/once annually: April	-Specific conductance/electrical conductivity (µmhos/cm) -Chloride -Sulfate -Carbonate -Bicarbonate -Sodium -Potassium -Calcium -Magnesium -Total dissolved solids -Nitrate-nitrogen, as N -Chemical oxygen demand

5.3 Soil Monitoring

5.3.1 Soil Monitoring Unit Descriptions

Monitoring Point Serial Number	Description	Associated Hydraulic Management Unit
SU-112-01	SR Field 1	MU-112-05
SU-112-02	SR Field 2	MU-112-06

5.3.2 Soil Monitoring, Sampling, and Analyses

Monitoring Point Serial Number	Sample Type	Sample Frequency	Constituents (Units in mg/kg Soil Unless Otherwise Specified)
SU-112-01 SU-112-02	Composite samples ^a	Annually, April	-Nitrate-nitrogen -Ammonium-nitrogen -Plant available phosphorus -pH (standard units) -Electrical conductivity (mmhos/cm)

- a. The number of sample locations specified in the PO or QAPP for each SU shall be sampled. At each location, samples shall be obtained from three depths: 0–12 inches; 12–24 inches; and 24–36 inches or refusal. The samples obtained from each depth shall be composited by depth to yield three composite samples for each soil monitoring unit; one composite sample for each depth.

5.4 Crop Monitoring

5.4.1 Crop Harvest Monitoring

Associated Hydraulic Management Units	Sample Type	Sample Frequency	Parameters ^a
MU-112-05 MU-112-06	Harvested portion, each crop, each MU	Each harvest	-Yield on an as-harvested basis, in customary units (tons/acre; bushels/acre)

- a. Documentation of reported yields shall be provided for each harvest from each MU.

5.4.2 Plant Tissue Monitoring

Associated Hydraulic Management Units	Sample Type	Sample Frequency	Parameters ^a
MU-112-05 MU-112-06	Harvested portion, each crop, each MU	Each harvest	-Moisture content (%) -Total combustible nitrogen (%) -Phosphorus (ppm) -Ash (%)

- a. Report dry-basis results for all parameters except lab moisture content.

5.5 Lagoon Information

Serial number	Description	Surface Area, acres	Maximum Operating Volume, MG	Liner Type
LG-112-01	Cell A	1.76	5.7	PVC (30 Mil)
LG-112-02	Cell B	1.70	5.5	PVC (30 Mil)
LG-112-03	Cell C	1.00	3.2	PVC (30 Mil)

6. Reporting Requirements

6.1 Annual Report Requirements

The permittee shall submit to DEQ an Annual Report prepared by a competent environmental professional covering the previous reporting year.

6.1.1 Due Date

The Annual Report is due no later than **January 31** of each year, which shall cover the previous reporting year.

6.1.2 Required Contents

The Annual Report shall include the following:

1. A brief interpretive discussion of all required monitoring data. The discussion shall address data quality objectives, validation, and verification; permit compliance; and reuse facility environmental impacts. The reporting year for this permit is specified in section 4.5.
2. Results of the required monitoring as described in section 5 of this permit. If the permittee monitors any parameter for compliance purposes more frequently than required by this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Annual Report. The report shall present all monitoring data in organized data summary tables to expedite review.
3. Status of all work described in section 3 of this permit.
4. Results of all backflow testing, repairs, and replacements required by Section 9.1.1 of this permit.
5. Discussion of major maintenance activities such as major equipment replacement, lagoon liner maintenance, and wastewater treatment and reuse facility maintenance.
6. A summary of all noncompliance events that occurred during the reporting year. Examples of noncompliance events that must be discussed include, but are not limited to: exceedance of permit limits, complaints, missed monitoring events, incorrect monitoring dates or frequencies, dry monitoring wells, uncontained spills causing runoff, construction without DEQ engineering plan approval, construction without engineering inspection, and reporting incorrect acreage.
7. Submittal of the calculations and observations for hydraulic management units specified in the table below.
8. Laboratory analytical reports for monitoring specified in Section 5 of the permit. Chain of custody forms, supporting information for laboratory analytical reports, and quality assurance documentation shall be available for review upon request by DEQ.
9. The parameters in the following table:

Monitoring Point Serial Number	Parameter	Units
SR Field Calculations		
MU-112-05 MU-112-06 (SR fields)	Calculation of applied recycled water and supplemental irrigation water loading rates	-Million gallons/month -Inches/month
	Irrigation water requirement (IWR) for each crop grown	-Inches/month -Inches/GS
	Recycled water nitrogen and phosphorus loading rates	-Pounds/acre-year
	Recycled water COD loading rate	-Pounds/acre-day
	Supplemental Irrigation water nitrogen and phosphorus loading rates	-Pounds/acre-year
	Fertilizer nitrogen and phosphorus application rates, reported as elemental N and P	-Pounds/acre-year
	Crop harvest and yield Report each harvest and the annual totals for each MU.	-Harvest date -Crop types harvested -Total harvested area (acres) -Total 'wet' yield (lb/yr, lb/acre-yr) -Total 'dry' yield (lb/yr, lb/acre-yr)
	Crop nitrogen, phosphorus, and ash removal rates (dry-basis) Report each harvest and the annual totals for each MU.	-Pounds-N/acre-year -Pounds-P/acre-year -Pounds Ash/acre-year
RI Basin Calculations		
MU-112-02 MU-112-03 MU-112-04 (RI Basins)	Calculation of applied recycled water	-Million gallons/month -Inches/month
	Recycled water nitrogen and phosphorus loading rates	-Pounds/acre-year
	Recycled water COD loading rate	-Pounds/acre-day
Other Reporting Requirements: <ol style="list-style-type: none"> 1. Backflow Testing: The facility shall provide the testing data(s) and results of the test (pass or fail). If any test failed, the facility shall report the date of repair or replacement of backflow prevention device and if the repaired/replaced device is operating correctly. 		

6.1.3 Submittals

All applications, annual reports, or information submitted to DEQ as required by this permit shall be signed and certified as follows:

1. Permit applications shall be signed by the Responsible Official as follows:
 - a. For a corporation: by a responsible corporate officer;

- b. For a partnership or sole proprietorship: by a general partner or the proprietor, respectively;
 - c. For a municipality, state, federal, Indian tribe, or other public agency: by either the principal executive officer, ranking elected official, or a person of decision-making authority who can legally bind the permittee with respect to the permit.
2. Annual reports and other information required by this permit shall be signed by the Responsible Official or by a duly Authorized Representative of that person. A person is a duly Authorized Representative only if:
- a. The authorization is made in writing by the responsible official;
 - b. The authorization specifies either an individual or position having responsibility for the overall operation of the regulated facility, such as the position of plant manager, superintendent, position of equivalent responsibility, or an individual having overall responsibility for environmental matters for the company; and
 - c. The written authorization is submitted to DEQ.

Submit all applications, annual reports, and other information required by this permit to the following DEQ regional office at this address:

Engineering Manager
Idaho Department of Environmental Quality
Twin Falls Regional Office
650 Addison Avenue West, Suite 110
Twin Falls, Idaho 83301

The annual report shall include the following certification statement and be signed, dated, and certified by the permittee's Responsible Official or duly Authorized Representative:

"I certify that the information provided in this submittal was prepared in conformance with the Quality Assurance Project Plan required by permit (M-112-03), and is to the best of my knowledge, true, accurate and complete and I acknowledge that knowing submission of false or incomplete information may result in permit revocation as provided for in IDAPA 58.01.17.920.01 or other enforcement action as provided for under Idaho law."

Permit applications shall include the following certification statement and be signed, dated, and certified by the permittee's Responsible Official:

"I certify that the information provided in this submittal is, to the best of my knowledge, true, accurate and complete and I acknowledge that knowing submission of false or incomplete information may result in permit revocation as provided for in IDAPA 58.01.17.920.01, non-issuance of the permit, or other enforcement action as provided for under Idaho law."

Other information submitted to DEQ as required by the permit shall include the above certification statement and be signed, dated, and certified by the permittee's Responsible Official or duly Authorized Representative.

6.2 Emergency and Noncompliance Reporting

Report noncompliance incidents to DEQ's regional office at (208) 736-2190 or toll-free at (800) 270-1663.

In case of emergencies, call the emergency 24-hour number at 1-800-632-8000 and DEQ's regional office.

See Section 8, "Standard Permit Conditions," and IDAPA 58.01.17.500.06 for reporting requirements for facilities.

All instances of 1) permit non-compliance which may endanger public health or the environment and 2) unauthorized discharges to surface waters of the State of Idaho shall be reported to DEQ's regional office by telephone within 24 hours from the time the permittee becomes aware of the discharge at the phone numbers provided in this section.

A written follow-up shall be provided to the DEQ regional office within 5 days from the time the permittee became aware of the permit non-compliance or unauthorized discharge.

Reporting of unauthorized discharges to surface waters of the United States to the Environmental Protection Agency (EPA) may also be required. Contact information for EPA is provided below:

EPA Contact Information:

NPDES/Stormwater Coordinator, USEPA Idaho Operations Office

950 W. Bannock, Suite 900

Boise, ID 83702

(208) 378-5746 / (208) 378-5744 and EPA Hot Line (206) 553-1846

7. Reserved

8. Standard Permit Conditions

The following standard permit conditions are included as terms of this permit as required by the “Recycled Water Rules,” (IDAPA 58.01.17.500).

500. STANDARD PERMIT CONDITIONS.

The following conditions shall apply to and be included in all permits. (4-1-88)

- 01. Compliance Required.** The permittee shall comply with all conditions of the permit. (4-1-88)
- 02. Renewal Responsibilities.** If the permittee intends to continue operation of the permitted facility after the expiration of an existing permit, the permittee shall apply for a new permit in accordance with these rules. (4-1-88)
- 03. Operation of Facilities.** The permittee shall at all times properly maintain and operate all structures, systems, and equipment for treatment, control and monitoring, which are installed or used by the permittee to achieve compliance with the permit or these rules. (4-1-88)
- 04. Provide Information.** The permittee shall furnish to the Director within a reasonable time, any information including copies of records, which may be requested by the Director to determine whether cause exists for modifying, revoking, re-issuing, or terminating the permit, or to determine compliance with the permit or these rules. (4-1-88)
- 05. Entry and Access.** The permittee shall allow the Director, consistent with Title 39, Chapter 1, Idaho Code, to:
 - a.** Enter the permitted facility. (4-1-88)
 - b.** Inspect any records that must be kept under the conditions of the permit. (4-1-88)
 - c.** Inspect any facility, equipment, practice, or operation permitted or required by the permit. (4-1-88)
 - d.** Sample or monitor for the purpose of assuring permit compliance, any substance or any parameter at the facility. (4-1-88)
- 06. Reporting.** The permittee shall report to the Director under the circumstances and in the manner specified in this section: (4-1-88)
 - a.** In writing at least thirty (30) days before any planned physical alteration or addition to the permitted facility or activity if that alteration or addition would result in any significant change in information that was submitted during the permit application process. When the alteration or addition results in a need for a major modification, such alteration or addition shall not be made prior to Department approval issued in accordance with these rules. (4-7-11)
 - b.** In writing thirty (30) days before any anticipated change which would result in noncompliance with any permit condition or these rules. (4-1-88)
 - c.** Orally within twenty-four (24) hours from the time the permittee became aware of any noncompliance which may endanger the public health or the environment at telephone numbers provided in the permit by the Director. (4-1-88)

d. In writing as soon as possible but within five (5) days of the date the permittee knows or should know of any noncompliance unless extended by the Department. This report shall contain: (4-1-88)

i. A description of the noncompliance and its cause; (4-1-88)

ii. The period of noncompliance including to the extent possible, times and dates and, if the noncompliance has not been corrected, the anticipated length of time it is expected to continue; and (4-7-11)

iii. Steps taken or planned, including timelines, to reduce or eliminate the continuance or reoccurrence of the noncompliance. (4-7-11)

e. In writing as soon as possible after the permittee becomes aware of relevant facts not submitted or incorrect information submitted, in a permit application or any report to the Director. Those facts or the correct information shall be included as a part of this report. (4-1-88)

07. Minimize Impacts. The permittee shall take all necessary actions to eliminate and correct any adverse impact on the public health or the environment resulting from permit noncompliance. (4-1-88)

08. Compliance with “Ground Water Quality Rule.” Permits issued pursuant to these rules shall require compliance with IDAPA 58.01.11, “Ground Water Quality Rule.” (4-7-11)

9. General Permit Conditions

The following general permit conditions are based on the cited rules at the time of issuance and are enforceable as part of this permit. Note that the rules cited in this section, and elsewhere in this permit, are supplemented by the rules themselves. Rules applicable to your facility are enforceable whether or not they appear in this permit.

9.1 Operations

9.1.1 Backflow Prevention

Reuse facilities with existing or planned cross-connections or interconnections between the recycled water system and any water supply (potable or nonpotable) or surface water, shall have backflow prevention assemblies, devices, or methods as required by applicable rule or as specified in this permit and approved by DEQ.

For public water systems, backflow assemblies shall meet the requirements of IDAPA 58.01.08.543. Assemblies shall be adequately maintained and shall be tested annually by a certified backflow assembly tester, and repaired or replaced as necessary to maintain operational status.

For domestic water supply wells, backflow prevention devices shall meet the requirements of IDAPA 07.02.04 and shall be adequately operated and maintained.

Irrigation water supply wells shall meet the requirements of IDAPA 37.03.09.36 for preventing any waste or contamination of the ground water resource. Backflow prevention assemblies or devices used to protect the ground water shall be adequately operated and maintained.

Discharge of recycled water to surface water is regulated by the EPA NPDES program. An NPDES permit is required for any discharge to surface water and backflow prevention shall be implemented to prevent any unauthorized discharge. Backflow prevention assemblies or devices used to protect surface water shall be adequately operated and maintained.

Records of all testable backflow assembly test results, repairs, and replacements shall be kept at the reuse facility along with other operational records, and shall be discussed in the Annual Report and made available for inspection by DEQ. Other approved means of backflow prevention, such as siphons and air-gap structures that cannot be tested, shall be maintained in operable order.

9.1.2 Restricted to Premises

Wastewaters or recharge waters applied to the land surface must be restricted to the premises of the application site. Wastewater discharges to surface water that require a permit under the Clean Water Act must be authorized by the United States Environmental Protection Agency (IDAPA 58.01.16.600.02).

9.1.3 Health Hazards, Nuisances, and Odors Prohibited

Health hazards, nuisances, and odors are prohibited as follows:

- Wastewater must not create a public health hazard or nuisance condition (IDAPA 58.01.16.600.03).
- No person shall allow, suffer, cause or permit the emission of odorous gases, liquids, or solids into the atmosphere in such quantities as to cause air pollution (IDAPA 58.01.01.776.01).
 - Air Pollution. The presence in the outdoor atmosphere of any air pollutant or combination thereof in such quantity of such nature and duration and under such conditions as would be injurious to human health or welfare, to animal or plant life, or to property, or to interfere unreasonably with the enjoyment of life or property (IDAPA 58.01.01.006.06).

9.1.4 Solids Management

Biosolids are the nutrient-rich organic materials resulting from the treatment of sewage sludge. When treated and processed, sewage sludge becomes biosolids which can be safely recycled and applied as fertilizer to sustainably improve and maintain productive soils and stimulate plant growth.

Biosolids generated from sewage sludge are regulated by EPA under 40 CFR Part 503 and require a DEQ approved sludge disposal plan as outlined in IDAPA 58.01.16.650. Contact DEQ prior to application of biosolids at any permitted reuse facility.

Sludge is the semi-liquid mass produced and removed by wastewater treatment processes. This does not include grit, garbage, and large solids.

Sludge may be generated by wastewater treatment processes at municipal and industrial facilities. A DEQ-approved sludge disposal plan, as outlined in IDAPA 58.01.16.650, may be required.

Solid Waste is any garbage or refuse, sludge from a waste water treatment plant, water supply treatment plant, or air pollution control facility and other discarded material including solid, liquid, semi-solid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations and from community activities, but does not include solid or dissolved materials in domestic sewage, or solid or dissolved material in irrigation return flows or industrial discharges which are point sources subject to permits under Section 402 of the Federal Water Pollution Control Act, as amended or source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended.

Solid waste does not include inert wastes, manures and crop residues ultimately returned to the soils at agronomic rates, and any agricultural solid waste which is managed and regulated pursuant to rules adopted by the Idaho Department of Agriculture. DEQ reserves the right to use existing authorities to regulate agricultural waste that impacts human health or the environment.

Solid waste is regulated under IDAPA 58.01.06, "Solid Waste Management Rules". Wastes otherwise regulated by DEQ (i.e. this permit) are not regulated under 58.01.06.

Waste Solids include sludge and wastes otherwise regulated by DEQ in accordance with IDAPA 58.01.06.001.03.a.xii. Waste solids may include vegetative waste, silt and mud containing organic matter, and other non-inert solid wastes.

Inert wastes are defined as non-combustible, nonhazardous, and non-putrescible solid wastes that are likely to retain their physical and chemical structure and have a de minimis potential to generate leachate under expected conditions of disposal, which includes resistance to biological attack.

Waste solids require a DEQ approved sludge disposal plan as outlined in IDAPA 58.01.16.650.

9.1.5 Temporary Cessation of Operations and Closure (IDAPA 58.01.17.801)

Temporary cessation of operations and closure must be addressed as follows:

01. Temporary Cessation. A permittee shall implement any applicable conditions specified in the permit for temporary cessation of operations. When the permit does not specify applicable temporary cessation conditions, the permittee shall notify the Director prior to a temporary cessation of operations at the facility greater than sixty (60) days in duration and any cessation not for regular maintenance or repair. Cessation of operations necessary for regular maintenance or repair of a duration of sixty (60) days or less are not required to notify the Department under this section. All notifications required under this section shall include a proposed temporary cessation plan that will ensure the cessation of operations will not pose a threat to human health or the environment. (4-7-11)

02. Closure. A closure plan shall be required when a facility is closed voluntarily and when a permit is revoked or expires. A permittee shall implement any applicable conditions specified in the permit for closure of the facility. Unless otherwise directed by the terms of the permit or by the Director, the permittee shall submit a closure plan to the Director for approval at least ninety (90) days prior to ceasing operations. The closure plan shall ensure that the closed facility will not pose a threat to human health and the environment. Closure plan approval may be conditioned upon a permittee's agreement to complete such site investigations, monitoring, and any necessary remediation activities that may be required. (4-7-11)

9.1.6 Plan of Operation (IDAPA 58.01.17.300.05)

The PO must comply with the following:

05. Reuse Facility Operation and Maintenance Manual or Plan of Operations. A facility's operation and maintenance manual must contain all system components relating to the reuse facility in order to comply with IDAPA 58.01.16 "Wastewater Rules," Section 425. Manuals and manual amendments are subject to the review and approval provision therein. In addition to the content required by IDAPA 58.01.16.425, manuals for reuse facilities shall include, if applicable: operation and management responsibility, permits and standards, general plant description, operation and control of unit operations, land application site maps, wastewater characterization, cropping plan, hydraulic loading rate, constituent loading rates, compliance activities, seepage rate testing, site management plans, monitoring, site operations and maintenance, solids handling and processing, laboratory testing, general maintenance, records and reports, store room and inventory, personnel, an emergency operating plan, and any other information required by the Department. (4-7-11)

9.1.7 Seepage Testing Requirements (IDAPA 58.01.16.493.02.c)

Subsequent Tests. All lagoons covered under these rules must be seepage tested by an Idaho licensed professional engineer, an Idaho licensed professional geologist, or by individuals under their supervision every ten (10) years after the initial testing. (5-8-09)

9.1.8 Ground Water Quality Rule (IDAPA 58.01.11)

The permittee shall comply with the requirements of "Ground Water Quality Rule" (IDAPA 58.01.11).

9.2 Administrative

Requirements for administration of the permit are defined as follows.

9.2.1 Permit Modification (IDAPA 58.01.17.700)

01. Modification of Permits. A permit modification may be initiated by the receipt of a request for modification from the permittee, or may be initiated by the Department if one (1) or more of the following causes for modification exist: (4-7-11)

a. Alterations. There are material and substantial alterations or additions to the permitted facility or activity which occurred after permit issuance which justify the application of permit conditions that are different or absent in the existing permit. (4-7-11)

b. New standards or regulations. The standards or regulations on which the permit was based have been changed by promulgation of amended standards or regulations or by judicial decision after the permit was issued. (4-7-11)

c. Compliance schedules. The Department determines good cause exists for modification of a compliance schedule or terms and conditions of a permit. (4-7-11)

d. Non-limited pollutants. When the level of discharge of any pollutant which is not limited in the permit exceeds the level which may cause an adverse impact to surface or ground waters. (4-7-11)

e. To correct technical mistakes, such as errors in calculation, or mistaken interpretations of law made in determining permit conditions. (4-7-11)

f. When a treatment technology proposed, installed, and properly operated and maintained by the permittee fails to achieve the requirements of the permit. (4-7-11)

9.2.2 Permit Transferable (IDAPA 58.01.17.800)

01. General. A permit may be transferred only upon approval of the Department. No transfer is required for a corporate name change as long as the secretary of state can verify that a change in name alone has occurred. An attempted transfer is not effective for any purpose until approved in writing by the Department. (4-7-11)

9.2.3 Permit Revocation (IDAPA 58.01.17.920)

01. Conditions for Revocation. The Director may revoke a permit if the permittee violates any permit condition or these rules, or the Director becomes aware of any omission or misrepresentation of condition or information relied upon when issuing the permit. (4-7-11)

02. Notice of Revocation. Except in cases of emergency, the Director shall issue a written notice of intent to revoke to the permittee prior to final revocation. Revocation shall become final within thirty-five (35) days of receipt of the notice by the permittee, unless within that time the permittee requests an administrative hearing in writing. The hearing shall be conducted in accordance with IDAPA 58.01.23, Rules of Administrative Procedure before the Board of Environmental Quality.” (5-3-03)

03. Emergency Action. If the Director finds the public health, safety or welfare requires emergency action, the Director shall incorporate findings in support of such action in a written notice of emergency revocation issued to the permittee. Emergency revocation shall be effective upon receipt by the permittee. Thereafter, if requested by the permittee in writing, the Director shall provide the permittee a revocation hearing and prior notice

thereof. Such hearings shall be conducted in accordance with IDAPA 58.01.23, "Rules of Administrative Procedure Before the Board of Environmental Quality." (3-15-02)

04. Revocation and Closure. A permittee shall perform the closure requirements in a permit, the closure requirements of these rules, and complete all closure plan activities notwithstanding the revocation of the permit. (4-7-11)

9.2.4 Violations (IDAPA 58.01.17.930)

Any person violating any provision of these rules or any permit or order issued thereunder shall be liable for a civil penalty not to exceed ten thousand dollars (\$10,000) or one thousand dollars (\$1,000) for each day of a continuing violation, whichever is greater. In addition, pursuant to Title 39, Chapter 1, Idaho Code, any willful or negligent violation may constitute a misdemeanor. (4-1-88)

9.2.5 Severability

The provisions of this permit are severable, and if a provision or its application is declared invalid or unenforceable for any reason, that declaration will not affect the validity or enforceability of the remaining provisions.

10. Other Applicable Laws

DEQ may refer enforcement of the following provisions to the state agency authorized to enforce that rule. The permittee shall comply with all applicable provisions identified in this section. Compliance with this permit does not relieve the permittee from applicable requirements in other federal, state, and local laws, statutes, and rules.

10.1 Owner Responsibilities for Well Use and Maintenance

10.1.1 Well Use

The well owner must not operate any well in a manner that causes waste or contamination of the ground water resource. Failure to operate, maintain, knowingly allow the construction of any well in a manner that violates these rules, or failure to repair or properly decommission (abandon) any well as herein required will subject the well owner to civil penalties as provided by statute. See IDAPA 37.03.09.036.01 and consult the Idaho Department of Water Resources (IDWR) for more information.

10.1.2 Well Maintenance

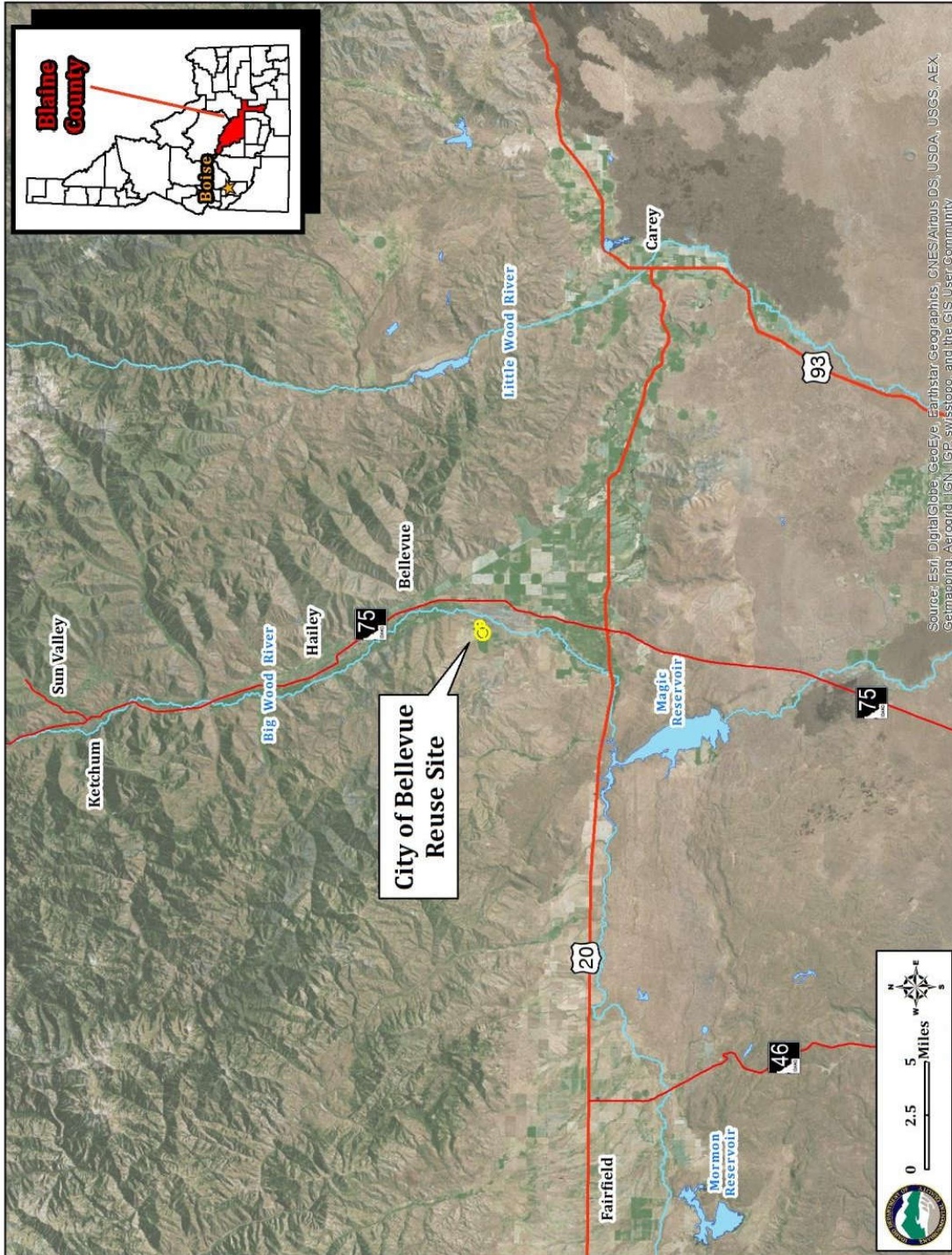
The well owner must maintain the well to prevent waste or contamination of ground waters through leaky casings, pipes, fittings, valves, pumps, seals, or through leakage around the outside of the casings, whether the leakage is above or below the land surface. Any person owning or controlling a noncompliant well must have the well repaired by a licensed well driller under a permit issued by the IDWR director in accordance with the applicable rules. See IDAPA 37.03.09.036.02 and consult IDWR for more information.

10.1.3 Wells Posing a Threat to Human Health and Safety or Causing Contamination of the Ground Water Resource

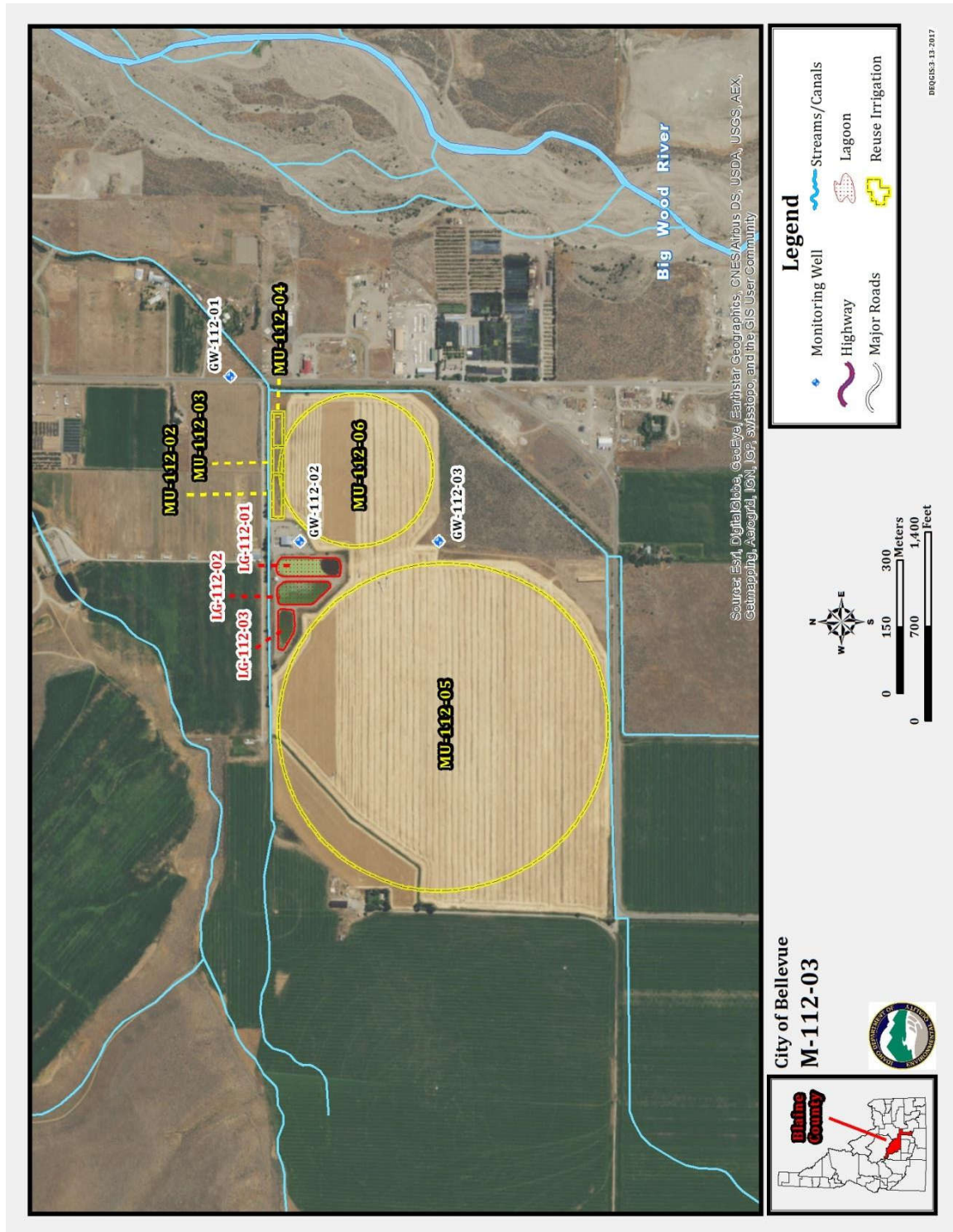
The well owner must have any well shown to pose a threat to human health and safety or cause contamination of the ground water resource immediately repaired or decommissioned (abandoned) by a licensed well driller under a permit issued by the IDWR director in accordance with the applicable rules. See IDAPA 37.03.09.036.06 and consult the IDWR for more information.

11. Site Maps

11.1 Regional Map



11.2 Facility Map



APPENDIX C

Environmental Documentation



IPaC resource list

This report is an automatically generated list of species and other resources such as critical habitat (collectively referred to as *trust resources*) under the U.S. Fish and Wildlife Service's (USFWS) jurisdiction that are known or expected to be on or near the project area referenced below. The list may also include trust resources that occur outside of the project area, but that could potentially be directly or indirectly affected by activities in the project area. However, determining the likelihood and extent of effects a project may have on trust resources typically requires gathering additional site-specific (e.g., vegetation/species surveys) and project-specific (e.g., magnitude and timing of proposed activities) information.

Below is a summary of the project information you provided and contact information for the USFWS office(s) with jurisdiction in the defined project area. Please read the introduction to each section that follows (Endangered Species, Migratory Birds, USFWS Facilities, and NWI Wetlands) for additional information applicable to the trust resources addressed in that section.

Location

Blaine County, Idaho



Local office

Idaho Fish And Wildlife Office

☎ (208) 378-5243

📠 (208) 378-5262

1387 South Vinnell Way, Suite 368
Boise, ID 83709-1657

NOT FOR CONSULTATION

Endangered species

This resource list is for informational purposes only and does not constitute an analysis of project level impacts.

The primary information used to generate this list is the known or expected range of each species. Additional areas of influence (AOI) for species are also considered. An AOI includes areas outside of the species range if the species could be indirectly affected by activities in that area (e.g., placing a dam upstream of a fish population even if that fish does not occur at the dam site, may indirectly impact the species by reducing or eliminating water flow downstream). Because species can move, and site conditions can change, the species on this list are not guaranteed to be found on or near the project area. To fully determine any potential effects to species, additional site-specific and project-specific information is often required.

Section 7 of the Endangered Species Act **requires** Federal agencies to "request of the Secretary information whether any species which is listed or proposed to be listed may be present in the area of such proposed action" for any project that is conducted, permitted, funded, or licensed by any Federal agency. A letter from the local office and a species list which fulfills this requirement can **only** be obtained by requesting an official species list from either the Regulatory Review section in IPaC (see directions below) or from the local field office directly.

For project evaluations that require USFWS concurrence/review, please return to the IPaC website and request an official species list by doing the following:

1. Draw the project location and click CONTINUE.
2. Click DEFINE PROJECT.
3. Log in (if directed to do so).
4. Provide a name and description for your project.
5. Click REQUEST SPECIES LIST.

Listed species¹ and their critical habitats are managed by the [Ecological Services Program](#) of the U.S. Fish and Wildlife Service (USFWS) and the fisheries division of the National Oceanic and Atmospheric Administration (NOAA Fisheries²).

Species and critical habitats under the sole responsibility of NOAA Fisheries are **not** shown on this list. Please contact [NOAA Fisheries](#) for [species under their jurisdiction](#).

-
1. Species listed under the [Endangered Species Act](#) are threatened or endangered; IPaC also shows species that are candidates, or proposed, for listing. See the [listing status page](#) for more information. IPaC only shows species that are regulated by USFWS (see FAQ).

2. [NOAA Fisheries](#), also known as the National Marine Fisheries Service (NMFS), is an office of the National Oceanic and Atmospheric Administration within the Department of Commerce.

The following species are potentially affected by activities in this location:

Mammals

NAME	STATUS
North American Wolverine <i>Gulo gulo luscus</i> Wherever found No critical habitat has been designated for this species. https://ecos.fws.gov/ecp/species/5123	Proposed Threatened

Insects

NAME	STATUS
Monarch Butterfly <i>Danaus plexippus</i> Wherever found No critical habitat has been designated for this species. https://ecos.fws.gov/ecp/species/9743	Candidate

Critical habitats

Potential effects to critical habitat(s) in this location must be analyzed along with the endangered species themselves.

There are no critical habitats at this location.

Migratory birds

Certain birds are protected under the Migratory Bird Treaty Act¹ and the Bald and Golden Eagle Protection Act².

Any person or organization who plans or conducts activities that may result in impacts to migratory birds, eagles, and their habitats should follow appropriate regulations and consider implementing appropriate conservation measures, as described [below](#).

1. The [Migratory Birds Treaty Act](#) of 1918.
2. The [Bald and Golden Eagle Protection Act](#) of 1940.

Additional information can be found using the following links:

- Birds of Conservation Concern <https://www.fws.gov/program/migratory-birds/species>
- Measures for avoiding and minimizing impacts to birds
<https://www.fws.gov/library/collections/avoiding-and-minimizing-incident-take-migratory-birds>
- Nationwide conservation measures for birds
<https://www.fws.gov/sites/default/files/documents/nationwide-standard-conservation-measures.pdf>

The birds listed below are birds of particular concern either because they occur on the [USFWS Birds of Conservation Concern \(BCC\)](#) list or warrant special attention in your project location. To learn more about the levels of concern for birds on your list and how this list is generated, see the FAQ [below](#). This is not a list of every bird you may find in this location, nor a guarantee that every bird on this list will be found in your project area. To see exact locations of where birders and the general public have sighted birds in and around your project area, visit the [E-bird data mapping tool](#) (Tip: enter your location, desired date range and a species on your list). For projects that occur off the Atlantic Coast, additional maps and models detailing the relative occurrence and abundance of bird species on your list are available. Links to additional information about Atlantic Coast birds, and other important information about your migratory bird list, including how to properly interpret and use your migratory bird report, can be found [below](#).

For guidance on when to schedule activities or implement avoidance and minimization measures to reduce impacts to migratory birds on your list, click on the PROBABILITY OF PRESENCE SUMMARY at the top of your list to see when these birds are most likely to be present and breeding in your project area.

NAME	BREEDING SEASON
American White Pelican <i>pelecanus erythrorhynchos</i> This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA https://ecos.fws.gov/ecp/species/6886	Breeds Apr 1 to Aug 31
Bald Eagle <i>Haliaeetus leucocephalus</i> This is not a Bird of Conservation Concern (BCC) in this area, but warrants attention because of the Eagle Act or for potential susceptibilities in offshore areas from certain types of development or activities.	Breeds Dec 1 to Aug 31
Black Rosy-finch <i>Leucosticte atrata</i> This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska. https://ecos.fws.gov/ecp/species/9460	Breeds Jun 15 to Aug 31

<p>California Gull <i>Larus californicus</i> This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.</p>	Breeds Mar 1 to Jul 31
<p>Cassin's Finch <i>Carpodacus cassinii</i> This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska. https://ecos.fws.gov/ecp/species/9462</p>	Breeds May 15 to Jul 15
<p>Clark's Grebe <i>Aechmophorus clarkii</i> This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.</p>	Breeds Jun 1 to Aug 31
<p>Evening Grosbeak <i>Coccothraustes vespertinus</i> This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.</p>	Breeds May 15 to Aug 10
<p>Franklin's Gull <i>Leucophaeus pipixcan</i> This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.</p>	Breeds May 1 to Jul 31
<p>Lesser Yellowlegs <i>Tringa flavipes</i> This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska. https://ecos.fws.gov/ecp/species/9679</p>	Breeds elsewhere
<p>Lewis's Woodpecker <i>Melanerpes lewis</i> This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska. https://ecos.fws.gov/ecp/species/9408</p>	Breeds Apr 20 to Sep 30
<p>Olive-sided Flycatcher <i>Contopus cooperi</i> This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska. https://ecos.fws.gov/ecp/species/3914</p>	Breeds May 20 to Aug 31
<p>Rufous Hummingbird <i>selasphorus rufus</i> This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska. https://ecos.fws.gov/ecp/species/8002</p>	Breeds Apr 15 to Jul 15

Sage Thrasher *Oreoscoptes montanus*

Breeds Apr 15 to Aug 10

This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA

<https://ecos.fws.gov/ecp/species/9433>

Western Grebe *Aechmophorus occidentalis*

Breeds Jun 1 to Aug 31

This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.

<https://ecos.fws.gov/ecp/species/6743>

Willet *Tringa semipalmata*

Breeds Apr 20 to Aug 5

This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska.

Probability of Presence Summary

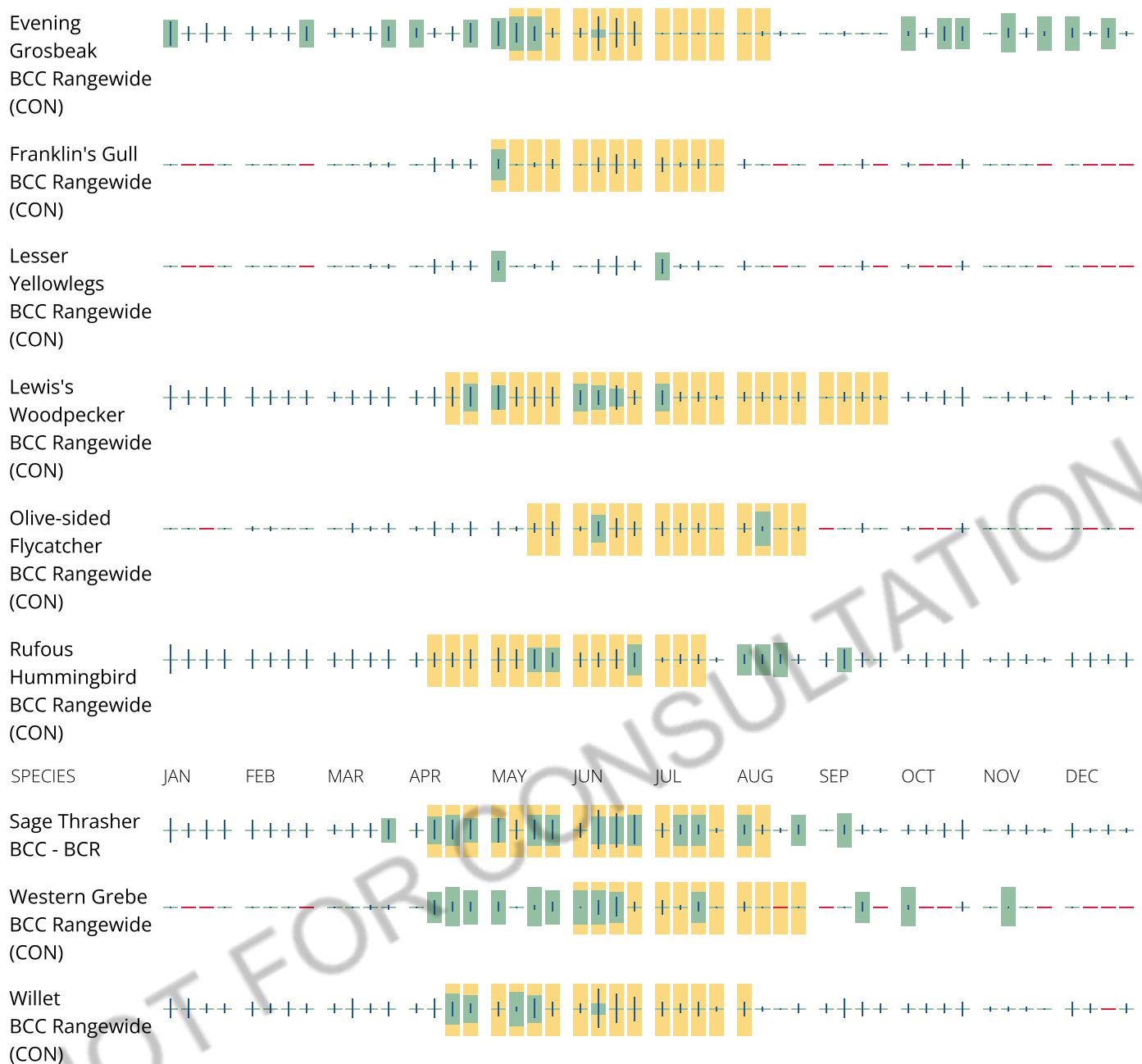
The graphs below provide our best understanding of when birds of concern are most likely to be present in your project area. This information can be used to tailor and schedule your project activities to avoid or minimize impacts to birds. Please make sure you read and understand the FAQ "Proper Interpretation and Use of Your Migratory Bird Report" before using or attempting to interpret this report.

Probability of Presence (■)

Each green bar represents the bird's relative probability of presence in the 10km grid cell(s) your project overlaps during a particular week of the year. (A year is represented as 12 4-week months.) A taller bar indicates a higher probability of species presence. The survey effort (see below) can be used to establish a level of confidence in the presence score. One can have higher confidence in the presence score if the corresponding survey effort is also high.

How is the probability of presence score calculated? The calculation is done in three steps:

1. The probability of presence for each week is calculated as the number of survey events in the week where the species was detected divided by the total number of survey events for that week. For example, if in week 12 there were 20 survey events and the Spotted Towhee was found in 5 of them, the probability of presence of the Spotted Towhee in week 12 is 0.25.
2. To properly present the pattern of presence across the year, the relative probability of presence is calculated. This is the probability of presence divided by the maximum probability of presence across all weeks. For example, imagine the probability of presence in week 20 for the Spotted Towhee is 0.05, and that the probability of presence at week 12 (0.25) is the maximum of any week of the year. The relative probability of presence on week 12 is $0.25/0.25 = 1$; at week 20 it is $0.05/0.25 = 0.2$.



Tell me more about conservation measures I can implement to avoid or minimize impacts to migratory birds.

[Nationwide Conservation Measures](#) describes measures that can help avoid and minimize impacts to all birds at any location year round. Implementation of these measures is particularly important when birds are most likely to occur in the project area. When birds may be breeding in the area, identifying the locations of any active nests and avoiding their destruction is a very helpful impact minimization measure. To see when birds are most likely to occur and be breeding in your project area, view the Probability of Presence Summary. [Additional measures](#) or [permits](#) may be advisable depending on the type of activity you are conducting and the type of infrastructure or bird species present on your project site.

What does IPaC use to generate the list of migratory birds that potentially occur in my specified location?

The Migratory Bird Resource List is comprised of USFWS [Birds of Conservation Concern \(BCC\)](#) and other species that may warrant special attention in your project location.

The migratory bird list generated for your project is derived from data provided by the [Avian Knowledge Network \(AKN\)](#). The AKN data is based on a growing collection of [survey, banding, and citizen science datasets](#) and is queried and filtered to return a list of those birds reported as occurring in the 10km grid cell(s) which your project intersects, and that have been identified as warranting special attention because they are a BCC species in that area, an eagle ([Eagle Act](#) requirements may apply), or a species that has a particular vulnerability to offshore activities or development.

Again, the Migratory Bird Resource list includes only a subset of birds that may occur in your project area. It is not representative of all birds that may occur in your project area. To get a list of all birds potentially present in your project area, please visit the [Rapid Avian Information Locator \(RAIL\) Tool](#).

What does IPaC use to generate the probability of presence graphs for the migratory birds potentially occurring in my specified location?

The probability of presence graphs associated with your migratory bird list are based on data provided by the [Avian Knowledge Network \(AKN\)](#). This data is derived from a growing collection of [survey, banding, and citizen science datasets](#).

Probability of presence data is continuously being updated as new and better information becomes available. To learn more about how the probability of presence graphs are produced and how to interpret them, go to the Probability of Presence Summary and then click on the "Tell me about these graphs" link.

How do I know if a bird is breeding, wintering or migrating in my area?

To see what part of a particular bird's range your project area falls within (i.e. breeding, wintering, migrating or year-round), you may query your location using the [RAIL Tool](#) and look at the range maps provided for birds in your area at the bottom of the profiles provided for each bird in your results. If a bird on your migratory bird species list has a breeding season associated with it, if that bird does occur in your project area, there may be nests present at some point within the timeframe specified. If "Breeds elsewhere" is indicated, then the bird likely does not breed in your project area.

What are the levels of concern for migratory birds?

Migratory birds delivered through IPaC fall into the following distinct categories of concern:

1. "BCC Rangewide" birds are [Birds of Conservation Concern](#) (BCC) that are of concern throughout their range anywhere within the USA (including Hawaii, the Pacific Islands, Puerto Rico, and the Virgin Islands);
2. "BCC - BCR" birds are BCCs that are of concern only in particular Bird Conservation Regions (BCRs) in the continental USA; and
3. "Non-BCC - Vulnerable" birds are not BCC species in your project area, but appear on your list either because of the [Eagle Act](#) requirements (for eagles) or (for non-eagles) potential susceptibilities in offshore areas from certain types of development or activities (e.g. offshore energy development or longline fishing).

Although it is important to try to avoid and minimize impacts to all birds, efforts should be made, in particular, to avoid and minimize impacts to the birds on this list, especially eagles and BCC species of rangewide concern. For more information on conservation measures you can implement to help avoid and

minimize migratory bird impacts and requirements for eagles, please see the FAQs for these topics.

Details about birds that are potentially affected by offshore projects

For additional details about the relative occurrence and abundance of both individual bird species and groups of bird species within your project area off the Atlantic Coast, please visit the [Northeast Ocean Data Portal](#). The Portal also offers data and information about other taxa besides birds that may be helpful to you in your project review. Alternately, you may download the bird model results files underlying the portal maps through the [NOAA NCCOS Integrative Statistical Modeling and Predictive Mapping of Marine Bird Distributions and Abundance on the Atlantic Outer Continental Shelf](#) project webpage.

Bird tracking data can also provide additional details about occurrence and habitat use throughout the year, including migration. Models relying on survey data may not include this information. For additional information on marine bird tracking data, see the [Diving Bird Study](#) and the [nanotag studies](#) or contact [Caleb Spiegel](#) or [Pam Loring](#).

What if I have eagles on my list?

If your project has the potential to disturb or kill eagles, you may need to [obtain a permit](#) to avoid violating the Eagle Act should such impacts occur.

Proper Interpretation and Use of Your Migratory Bird Report

The migratory bird list generated is not a list of all birds in your project area, only a subset of birds of priority concern. To learn more about how your list is generated, and see options for identifying what other birds may be in your project area, please see the FAQ "What does IPaC use to generate the migratory birds potentially occurring in my specified location". Please be aware this report provides the "probability of presence" of birds within the 10 km grid cell(s) that overlap your project; not your exact project footprint. On the graphs provided, please also look carefully at the survey effort (indicated by the black vertical bar) and for the existence of the "no data" indicator (a red horizontal bar). A high survey effort is the key component. If the survey effort is high, then the probability of presence score can be viewed as more dependable. In contrast, a low survey effort bar or no data bar means a lack of data and, therefore, a lack of certainty about presence of the species. This list is not perfect; it is simply a starting point for identifying what birds of concern have the potential to be in your project area, when they might be there, and if they might be breeding (which means nests might be present). The list helps you know what to look for to confirm presence, and helps guide you in knowing when to implement conservation measures to avoid or minimize potential impacts from your project activities, should presence be confirmed. To learn more about conservation measures, visit the FAQ "Tell me about conservation measures I can implement to avoid or minimize impacts to migratory birds" at the bottom of your migratory bird trust resources page.

Facilities

National Wildlife Refuge lands

Any activity proposed on lands managed by the [National Wildlife Refuge](#) system must undergo a 'Compatibility Determination' conducted by the Refuge. Please contact the individual Refuges to discuss any questions or concerns.

There are no refuge lands at this location.

Fish hatcheries

There are no fish hatcheries at this location.

Wetlands in the National Wetlands Inventory (NWI)

Impacts to [NWI wetlands](#) and other aquatic habitats may be subject to regulation under Section 404 of the Clean Water Act, or other State/Federal statutes.

For more information please contact the Regulatory Program of the local [U.S. Army Corps of Engineers District](#).

Please note that the NWI data being shown may be out of date. We are currently working to update our NWI data set. We recommend you verify these results with a site visit to determine the actual extent of wetlands on site.

This location overlaps the following wetlands:

FRESHWATER EMERGENT WETLAND

[PEM1Cx](#)

[PEM1C](#)

FRESHWATER FORESTED/SHRUB WETLAND

[PFOAx](#)

FRESHWATER POND

[PUBFx](#)

RIVERINE

[R4SBC](#)

[R5UBFx](#)

[R4SBCx](#)

A full description for each wetland code can be found at the [National Wetlands Inventory website](#)

NOTE: This initial screening does **not** replace an on-site delineation to determine whether wetlands occur. Additional information on the NWI data is provided below.

Data limitations

The Service's objective of mapping wetlands and deepwater habitats is to produce reconnaissance level information on the location, type and size of these resources. The maps are prepared from the analysis of high altitude imagery. Wetlands are identified based on vegetation, visible hydrology and geography. A margin of error is inherent in the use of imagery; thus, detailed on-the-ground inspection of any particular site may result in revision of the wetland boundaries or classification established through image analysis.

The accuracy of image interpretation depends on the quality of the imagery, the experience of the image analysts, the amount and quality of the collateral data and the amount of ground truth verification work conducted. Metadata should be consulted to determine the date of the source imagery used and any mapping problems.

Wetlands or other mapped features may have changed since the date of the imagery or field work. There may be occasional differences in polygon boundaries or classifications between the information depicted on the map and the actual conditions on site.

Data exclusions

Certain wetland habitats are excluded from the National mapping program because of the limitations of aerial imagery as the primary data source used to detect wetlands. These habitats include seagrasses or submerged aquatic vegetation that are found in the intertidal and subtidal zones of estuaries and nearshore coastal waters. Some deepwater reef communities (coral or tubercid worm reefs) have also been excluded from the inventory. These habitats, because of their depth, go undetected by aerial imagery.

Data precautions

Federal, state, and local regulatory agencies with jurisdiction over wetlands may define and describe wetlands in a different manner than that used in this inventory. There is no attempt, in either the design or products of this inventory, to define the limits of proprietary jurisdiction of any Federal, state, or local government or to establish the geographical scope of the regulatory programs of government agencies. Persons intending to engage in activities involving modifications within or adjacent to wetland areas should seek the advice of appropriate Federal, state, or local agencies concerning specified agency regulatory programs and proprietary jurisdictions that may affect such activities.

APPENDIX D

OMCS LLC Wastewater Critical Needs Assessment



City of Bellevue

Wastewater Critical Needs Assessment

Performed by OMCS LLC

2022

History

On September 12th, 2022 the City of Bellevue, through its retained City Manager, Troy Butzlaff, reached out to OMCS LLC with an emergency need for staffing at the Bellevue Wastewater Treatment Facility. OMCS responded and requested a tour of the facility to see if OMCS LLC had the ability to provide the proper amount of staffing and support for the facility.

On September 26th, 2022, OMCS LLC owners Ty Waterman and Jay Irby met Troy Butzlaff and outgoing Site Operator Tyrel Vaughn for the facility tour. During the tour, several items were disclosed that OMCS LLC and Troy Butzlaff felt a deeper understanding of the current critical facility issues was needed. After the tour, a discussion was had to provide a critical needs assessment that would help prioritize immediate critical needs as well as non-critical needs that will require future attention.

On October 21st, 2022, OMCS LLC met with Tyrel Vaughn and Bryson Ellsworth. The following information is the itemized and prioritized items that came out of the meeting and site walk through. Information was also garnered from previous Annual Reports and Idaho DEQ Annual Report Reviews. The opinions laid forth in this document are solely those of OMCS LLC and do not reflect the views and opinions of the City of Bellevue Wastewater Treatment Staff. They are intended to be used as guidance for the improvement of the City of Bellevue Wastewater Treatment Facility, Collections System, and Staff.

Scope

The purpose of the critical needs assessment is to perform a full-scale evaluation of the equipment, structure, electrical components, and operational practices of the City of Bellevue's Wastewater Treatment Facility and related Lift Stations, to identify urgent needs.

The scope contains 3 major tasks encompassing the Lift Stations and Collection System, Wastewater Treatment Facility, and Operational Practices.

All opinions provided are based solely on visual observations, disseminated observations, and public records requests made through the Idaho Department of Environmental Quality. No material testing was performed during the critical needs assessment. Any prices quoted are best estimates as market volatility can cause change quickly.

Task 1 – Lift Stations and Collections System

The overall condition of the lift stations was good. It was noted that the city is in the process of changing out and updating the pumping equipment in the 4 satellite lift stations. Note that all lift station pumps should be sole sourced and compatible with the rails and mounting brackets that are installed in the lift stations currently. If a change is made to the manufacturer mounting brackets will need to be updated as well.

Lift Station 1 Main

- **Site**
 - The main lift station site was in good shape.
 - Building security was intact.
 - All electrical systems were located inside of the building.

- **Wetwell**
 - The wetwell appeared to be intact and in good shape. There is limited access for cleaning and maintenance.
 - Padlock needed on the hatch for security.

- **Pumps and Hardware**
 - There is a grinder that is significantly below grade on the influent stream prior to entering the wetwell. This grinder is in place to breakdown material that may enter the wetwell so that the pumps don't clog.
 - Flyght style non-submersible pumps are installed. Pumps are in good condition.
 - Noted that there was no exercising of the valves associated with the lift station.
 - There is a sump installed in the corner of the drywell used to pump out flood flows. Pump appears to be old and upon asking, it was relayed that the pump is not checked for functionality on a regular basis.

- **Piping**
 - Piping was in good shape.
 - Need an emergency cam lock connection into the force main for emergency flow diversion.

- **Electrical**
 - Building electrical appeared to be in good shape. No noticeable corrosion.
 - Generator was in good shape.

- **Safety**

- There was a chemical for tree fertilization stored inside of the building with no label.
- Drywell and wetwell access lids were not labeled with confined space signage.
- When asked about fall arrest and retrieval equipment, it was stated that the equipment hoist was used. This is not the proper form of equipment to utilize for confined space entry.
- Ladder into the drywell did not have any fall arrest equipment on it. The cage around the ladder does not meet safety standards to not have a fall arrest system in place.
- Ventilation pipe extending into the drywell needs to be extended to within 6" of the floor of the drywell to ensure that heavier than air gases such as hydrogen sulfide and carbon monoxide, both of which have the capability to kill, do not buildup at the working level of a crouched individual.
- Overall cleanliness was good but could be improved upon.

- **Controls**

- Local controls are in place and in good condition.
- System is integrated into the drinking water SCADA system for monitoring purposes only.

- **Recommendations**

- Install fall arrest system on the drywell entry ladder. \$6,000-\$15,000
- Install "Confined Space Entry" signage on the wetwell and drywell access hatches. \$100-\$200
- Install a bifold hatch on the wetwell for better access for maintenance and cleaning purposes. \$5,000-\$15,000
- Install a cam fitting riser on the force main so the flows can be directed to the force main during emergency situations where the lift station is not functional. \$15,000-\$30,000
- Integrate controls into new SCADA System dedicated to the wastewater side only. Provide for alarms, meters, levels, and pump control. \$100,000-\$150,000 Full Project
- Procure an additional grinder for redundancy. \$3,500-\$8,500
- Procure an additional emergency flood flow pump to have on the shelf should the need to replace the service pump arise. \$350-\$1,000
- Verify proper operation of the emergency flood pump on a regular basis (once per month).
- Extend air exchange pipe to within 6" of the floor of the drywell. \$1,000-\$2,000
- Integrate all lift station equipment into a Computerized Maintenance Management System (CMMS). Software is based on licenses required \$2,500-\$10,000 Annually. Labor and maintenance on the CMMS Program Setup \$50,000-\$75,000 Initial \$5,000-\$10,000 Annually.
- Exercise valves to ensure proper operation and functionality.

- Remove the 55-gallon drum of chemical that is being stored in the building. Do not store chemicals in the building unless they are being utilized in the wastewater conveyance system.

Lift Station 2 Glenn Aspen

- **Site**

- The Glenn Aspen lift station site was in fair shape.
- There did not appear to be any security measures in place to keep the public out of the area.

- **Wetwell**

- The wetwell appeared to be intact and in good shape.

- **Pumps and Hardware**

- Pumps were in working condition.
- One of the rail systems was broken.
- Noted that there was no exercising of the valves associated with the lift station.

- **Piping**

- Piping was in good shape.

- **Electrical**

- Mount was rickety and in disrepair.
- Electrical boxes were not locked so that the public could not tamper with them.
- No emergency generator.

- **Safety**

- No fencing around the site to keep the public away from the lift station.
- No confined space signage on entry hatches.

- **Controls**

- Local controls are in place and in good condition.
- System is integrated into the drinking water SCADA system for monitoring purposes only.

- **Recommendations**

- Install “Confined Space Entry” signage on the wetwell check valve access hatches. \$100-\$200
- Install Fencing around the site with signage stating, “No Public Entry”. \$1,500-\$3,500

- Install emergency generator. \$25,000-\$50,000
- Secure all electrical panels and switches in their proper operating positions with locks to ensure that the public does not shut the lift station down.
- Integrate controls into new SCADA System dedicated to the wastewater side only. Provide for alarms, meters, levels, and pump control. \$100,000-\$150,000 Full Project
- Integrate all lift station equipment into a Computerized Maintenance Management System (CMMS). Software is based on licenses required \$2,500-\$10,000 Annually. Labor and maintenance on the CMMS Program Setup \$50,000-\$75,000 Initial \$5,000-\$10,000 Annually.
- Exercise valves to ensure proper operation and functionality.
- Repair the rail guide system for the pumps. \$1,500-\$3,500
- Procure one additional pump for shelf spare.

Lift Station 3 Martin

- **Site**
 - The Martin lift station site was in fair shape.
 - There did not appear to be any security measures in place to keep the public out of the area.
- **Wetwell**
 - The wetwell appeared to be intact and in good shape.
- **Pumps and Hardware**
 - Operations staff noted that one pump is a Resilient and the other is a Hydromatic. He noted that there is a plexi-glass shim that was created using operator ingenuity to force the Hydromatic pump to seat because the mounting bracket that is installed is specific to the Resilient manufacturer. This type of fix while functional, is not recommended because it may fail and not be able to be repeated.
 - Noted that there was no exercising of the valves associated with the lift station.
- **Piping**
 - Piping was in good shape.
- **Electrical**
 - All electrical systems were located outside on a rickety plywood mount.
 - Electrical switches did not have locks to deter public tampering.
 - No emergency generator.

- **Safety**
 - No fencing around the site to keep the public away from the lift station.
 - No confined space signage on entry hatches.

- **Controls**
 - Local controls are in place and in good condition.
 - System is integrated into the drinking water SCADA system for monitoring purposes only.

- **Recommendations**
 - Install “Confined Space Entry” signage on the wetwell check valve access hatches. \$100-\$200
 - Install Fencing around the site with signage stating, “No Public Entry”. \$1,500-\$3,500
 - Install emergency generator. \$25,000-\$50,000
 - Secure all electrical panels and switches in their proper operating positions with locks to ensure that the public does not shut the lift station down.
 - Integrate controls into new SCADA System dedicated to the wastewater side only. Provide for alarms, meters, levels, and pump control. \$100,000-\$150,000 Full Project
 - Integrate all lift station equipment into a Computerized Maintenance Management System (CMMS). Software is based on licenses required \$2,500-\$10,000 Annually. Labor and maintenance on the CMMS Program Setup \$50,000-\$75,000 Initial \$5,000-\$10,000 Annually.
 - Exercise valves to ensure proper operation and functionality.

Lift Station 4 Chanterelle

- **Site**
 - The Chanterelle lift station site was in fair shape.
 - There did not appear to be any security measures in place to keep the public out of the area.

- **Wetwell**
 - Recently relined.
 - Wetwell appears to be intact and in good shape.

- **Pumps and Hardware**
 - 1 new pump installed recently. 1 old pump still in service.
 - Pumps were in working condition.
 - Noted that there was no exercising of the valves associated with the lift station.

- **Piping**
 - Piping was in good shape.

- **Electrical**
 - All electrical systems were located outside on a rickety plywood mount.
 - Electrical switches did not have locks to deter public tampering.
 - No emergency generator.

- **Safety**
 - No fencing around the site to keep the public away from the lift station.
 - No confined space signage on entry hatches.

- **Controls**
 - Local controls are in place and in good condition.
 - System is integrated into the drinking water SCADA system for monitoring purposes only.

- **Recommendations**
 - Install “Confined Space Entry” signage on the wetwell check valve access hatches.
 - Install Fencing around the site with signage stating, “No Public Entry”. \$1,500-\$3,500
 - Install emergency generator. \$25,000-\$50,000
 - Secure all electrical panels and switches in their proper operating positions with locks to ensure that the public does not shut the lift station down.
 - Integrate controls into new SCADA System dedicated to the wastewater side only. Provide for alarms, meters, levels, and pump control. \$100,000-\$150,000 Full Project
 - Integrate all lift station equipment into a Computerized Maintenance Management System (CMMS). Software is based on licenses required \$2,500-\$10,000 Annually. Labor and maintenance on the CMMS Program Setup \$50,000-\$75,000 Initial \$5,000-\$10,000 Annually.
 - Exercise valves to ensure proper operation and functionality.

Lift Station 5 Honeysuckle

- **Site**
 - The Honeysuckle lift station site was in fair shape.
 - There did not appear to be any security measures in place to keep the public out of the area.

- **Wetwell**
 - Wetwell appears to be intact and in good shape.

- **Pumps and Hardware**

- Pumps were in working condition.
- Noted that there was no exercising of the valves associated with the lift station.
- **Piping**
 - Piping was in good shape.
- **Electrical**
 - All electrical systems were located outside on a rickety plywood mount.
 - Electrical switches did not have locks to deter public tampering.
 - No emergency generator.
- **Safety**
 - No fencing around the site to keep the public away from the lift station.
 - No confined space signage on entry hatches.
- **Controls**
 - Local controls are in place and in good condition.
 - System is integrated into the drinking water SCADA system for monitoring purposes only.
- **Recommendations**
 - Install “Confined Space Entry” signage on the wetwell check valve access hatches.
 - Install Fencing around the site with signage stating, “No Public Entry”.
 - Install emergency generator. \$25,000-\$50,000
 - Secure all electrical panels and switches in their proper operating positions with locks to ensure that the public does not shut the lift station down.
 - Integrate controls into new SCADA System dedicated to the wastewater side only. Provide for alarms, meters, levels, and pump control. \$100,000-\$150,000 Full Project
 - Integrate all lift station equipment into a Computerized Maintenance Management System (CMMS). Software is based on licenses required \$2,500-\$10,000 Annually. Labor and maintenance on the CMMS Program Setup. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.
 - Exercise valves to ensure proper operation and functionality.

Lift Station Recommendations

1. **Emergency generators-** Except for the main lift station there is currently no emergency power at the lift stations. All lift stations should be equipped emergency power in the case of an extended power outage.

2. **Redundancy** – All of the pumps contained within the lift stations should have a redundant backup that is easily accessible and easily installed in an emergency. Redundant pumps should be securely stored onsite so that the operations staff does not have to search for, retrieve, return to the site. In an emergency, time is valuable. All redundant pumps should be of the same make and models that they will be replacing as pump manufacturers have proprietary rail and mounting systems that other pumps may not properly seat on. Per Idaho wastewater rules IDAPA 58.01.16 455.04.d. The private municipal wastewater treatment plant shall be a dual train type (or equivalent/greater) with redundant pumps and blowers from influent works to the disposal site and provide sufficient redundancy to continue processing incoming wastewater at peak flows while any one (1) component or process is out of service. Standby or emergency power shall be provided to fully operate the wastewater treatment plant during a power outage unless the water system would also be out during a power outage.
3. **Controls Integration** - All lift stations should be tied into the central Supervisory Control and Data Acquisition (SCADA) system at the treatment facility. All alarms, controls, and instrumentation at each lift station should be integrated into the SCADA system. This will allow a small staff to quickly and remotely access and monitor these systems in emergencies.
4. **Lift Station Maintenance and Cleaning** – Lift stations should be inspected for potential issues including grease buildup, proper operation, and cleanliness in the operation staff work areas at a minimum of once per week. This will help reduce the risk of issues that may cause lift station failure, backups, SSOs, and unlawful/unpermitted discharges. Deep cleanings and full inspections where the entire flow is bypassed and the wetwell drawn down, should be performed semi-annually.
5. **Computerized Maintenance Management System (CMMS)** - All equipment associated with the lift stations including wetwells, pumps, rail systems, valves, electrical, piping, safety (i.e., fire extinguishers), and HVAC, should be integrated into a CMMS to ensure that preventative maintenance is performed as prescribed by the manufacturer and that corrective maintenance is being tracked properly.

Lift Station Priorities

1. **Emergency generators**- Except for the main lift station there is currently no emergency power at the lift stations. All lift stations should be equipped emergency power in the case of an extended power outage. \$100,000-\$200,000
2. **Redundant Equipment and** - With global backups and shortages, lead times for equipment are ranging between 2-6 months. The city should protect their systems by ordering a like for like redundant pump for the lift stations. If all the pumps are made by

the same manufacturer and are the same model, OMCS recommends a minimum of two redundant backup pumps be placed in a location that can easily and quickly be accessed in an emergency. If each lift station houses different pumps, OMCS recommends that 1 redundant pump be purchased, securely stored and easily accessible in an emergency. \$25,000-\$75,000

3. **Lift Station Cleaning and Maintenance** – All of the lift stations should immediately be deep cleaned and inspected for potential wetwell degradation and grit buildup. Once the initial cleaning and inspection is completed, weekly inspections should be performed, and the first semi-annual cleaning and inspection should be scheduled. The semi-annual cleaning and inspections can be contracted out to sub-contractors. Future cleanings and inspections can be moved out to annually if the initial semi-annual cleaning and inspection is proven to be adequate. The initial cleaning can be performed concurrently with the collections system cleaning. \$500-\$3500 per wetwell.
4. **Controls Integration** – All of the lift stations should have controls and instrumentation integrated into the central SCADA system for alarm notification, remote monitoring, and day to day instrumentation readings including levels, runtime, flow meters, and HOA control. \$100,000-\$150,000 Full Project
5. **Emergency Bypass Pumping** - The main lift station needs to have a means of conveying raw sewage through the system should the lift station have a catastrophic failure. This can easily be done by providing a valve and cam lock fitting to accommodate a bypass pump that can lift and push flows into the force mains so that backups do not occur. \$15,000-\$30,000

Collections System

1. **Infiltration and inflow** – Infiltration is caused when the ground water table reaches the level of the collections system. Ground water can enter the collections systems through damaged/degraded taps, damaged or misaligned piping joints, or complete line breaks. Inflow is caused by surface waters such as rainfall, snowmelt, flooding of surface waters, and irrigation systems flowing into the collections system through improperly connected storm drains and manhole lids. These types of flows can cause 3 major types of issues in the collections system and treatment facility.
 - Lift station pumps must run more often to convey this added flow to the treatment facility.
 - Normal collections system flows are diluted which can cause biological upsets in the treatment trains at the facility.
 - The extra flows can cause hydraulic overloading conditions that can cause backups in the sewer system and cause damage to treatment trains at the treatment facility.

Staff noted that during significant rain events and major snow melts, influent flows into the facility can increase dramatically, causing poor performance of the facility and potential collection system backups caused by scouring velocities in the sewer breaking accumulated grease from the walls of the sewer piping and lodging them in piping, manholes, or lift station pumps. These flows can also cause reduced capacity in lift stations and facility structures due to the migration of accumulated solids and grit.

2. **Illegal/Improper Sewer Taps** – Operations staff noted an instance where several sewer lines were connected to a French style storm drain. This type of illegal/improper sewer connection can create significant problems including sewer backups, sanitary sewer overflows (SSO), and unlawful/unpermitted discharge of sanitary sewers into receiving waters or ground water which can create massive environment disasters, expensive cleanup efforts, and potential lawsuits.
3. **Undersized Sewer Mains** – Operations staff noted a sewer main on Chestnut St. that necks down to a size smaller than incoming lines. With this line located at the bottom end of the collection system, it conveys a significant percentage of the community's wastewater to the treatment facility. This reduction in size at a location where it should be sized up can cause potential backups, SSOs, bypass, and unlawful/unpermitted discharges.

Collections System Recommendations

- **Collections System Cleaning and Inspection** – The collections system requires maintenance on a rotating 5-year schedule. The system should be broken down into 5 equally sized sections. Maintenance includes cleaning of all lines and manholes in a section of the system and after cleaning is completed, camera inspections should be performed to observe the condition of the underground pipes, connections, and manholes. This cleaning and inspection will allow the city management team to ensure proper conveyance of sewer flows to the facility, find and correct issues associated with aging infrastructure, infiltration and inflow, and rectify illegal/improper taps. It also protects the city from potential litigation regarding SSOs in homes because the cleaning can identify potential issues such as clogged sewer vents in homes, root intrusions on owners' property, and infrastructure that may need repair.

Collections System Priorities

1. **Collection System Cleaning and Inspections** – If possible, immediately clean and inspect the entire collections system. Review the findings and recommendations with your chosen sub-contractor. Note areas of high grease accumulation. These areas may need more attention. Note illegal/improper taps and areas of high infiltration and inflow. Develop a plan to rectify any issues. After the initial cleaning and inspection, develop a

plan to break the collections system into 5 areas. Develop and implement a strategy to clean and inspect one area per year, so that all 5 areas are cleaned and inspected on a rotating 5-year schedule. If extra cleanings are required in areas of high impact. Make sure to include a strategy to maintain these areas at acceptable intervals. Initial full system cleaning and inspection \$100,000-\$150,00. Annual maintenance cleaning and inspection by phase \$20,000-\$30,000

2. **Collections System Repairs** – Once the initial cleaning and camera inspection is complete, collections system staff and the Public Works Director should review the camera inspection footage with their contractor. If repairs are needed to fix major issues including, offset joints, infiltration, illegal/improper taps, and deteriorating infrastructure, the city should immediately develop and implement a strategy to fund and begin repairs. The following list shows the priorities for repairs to be made:
 - **Infiltration and Inflow**
 - **Illegal/Improper Taps**
 - **Offset Joints**
 - **Deteriorating Infrastructure including broken or degraded piping, sagging piping, and degraded or broken manhole structures.**
 - **Costs will depend on the inspection findings.**

3. **Chestnut St. Force Main** – Dig up and replace the section of pipe that necks down with a size that will accommodate current and future flows without backing the entire system up at this lower end crucial junction. \$200,000-\$500,000

4. **Pretreatment**- Implement a FOG (Fat, Oil, Grease) program. This would include annual grease trap inspections of all commercial hookups. Records will need to be kept through a CMMS program (online asset management software) that would auto generate a PM schedule based on the cities needs. FOG can be harmful to the collections system causing grease plugs and potential collection system backups. FOG will also cause additional operational challenges at the facility. The Idaho DEQ can administer this program if requested.

Task 2 - Wastewater Treatment Facility

Influent Valve Station

The influent valve station located in the roadway adjacent to Lagoon A on the Northeast corner, has limited access. This valving station is of the utmost importance in emergency bypass situations. Two configurations allow flows to either enter the treatment facility directly or be bypassed into Lagoon A for storage during times of facility function loss. Operators noted that some valves are not functioning, and new valves have been installed.

Recommendations

1. Move valving to a better location than the roadway so that valves can still be accessed during foul weather but not damaged by snow removal operations. \$50,000-\$100,000
2. Place valves into a heated and insulated vault for easy access and inclement weather protection. \$15,000-\$30,000
3. Install electrically actuated valves for quicker operation during emergency situations. \$18,000-\$30,000
4. Integrate electrical actuators into updated/new SCADA system with auto and manual control, valve positioning, and alarms. \$100,000-\$150,000 Full Project
5. Integrate valves and actuators into a CMMS system to track maintenance including exercising, corrective maintenance, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.
6. Perform preventative maintenance such as valve exercising to ensure proper operation of valves and actuators when they need to be utilized.

Headworks - This room, located in the Southwest corner of the building, receives influent flows directly from the community. It is in fair condition with large amounts of spilled grease and oil under motors, trash, and plant growth in, on, and around the screening equipment. It featured two influent stream channels, and one JWC Environmental Band Screen. Operations noted that minimal maintenance had been performed on the screen.

Recommendations

1. Purchase and install a second redundant screen in the second influent channel.
2. Install safety controls such as spatial gas monitoring, mechanical safety pull cords on equipment, and spatial environment alarms that report to SCADA.
3. Integrate screening controls into SCADA system including levels, headloss, local and remote control, and alarms. \$100,000-\$150,000 Full Project
4. Integrate equipment in the headworks room into a CMMS program including screens, motors, level indicators, safety equipment (i.e., gas monitors, equipment safety controls), ventilation equipment, and structural components to track manufacturer

recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

5. Perform preventative maintenance such as inspections, greasing, oil changes, and cleaning to prevent premature equipment failure.
6. Clean the building.

Aeration Basins

Located just outside of the building on the North side. The basins receive screened influent flows mixed with Return Activated Sludge (RAS) that is pumped from the Membrane Bioreactors (MBR). The mixed flows are then split into two aeration basins that provide dissolved oxygen (D.O.) supplied by low-pressure high-volume air blowers located in the air handling room on the South side of the building. The air that is provided, assists the biomass in the breakdown of ammonia and Biological Oxygen Demand (BOD). Residual D.O. probes, and Total Suspended Solids (TSS) meters provide data for operators to adjust the process. Operators noted that flow meters are not operating properly, and the D.O. probes and TSS probes are not functioning properly.

The overall condition of the aeration basins is good. Operators noted that there is a programming issue that stops flows from entering the aeration basin caused by a flow metering issue. Operators have found a working solution by switching two wires in the PLC cabinet that circumvents to overarching problem.

Recommendations

1. Integrate controls including flows, D.O., TSS, levels, Air SCFM, and alarms into SCADA. \$100,000-\$150,000 Full Project
2. Integrate structures, instrumentations, diffusers, and piping, into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.
3. Perform preventative maintenance such as inspections, calibrations, and verifications of probes, to help prevent costly downtime.
4. Investigate and repair issues associated with flow programming. \$2,000-\$3500
5. Investigate and repair TSS probes. Replace if necessary. Each basin should have a TSS probe. \$2,000-\$7,500
6. Investigate and repair D.O. Probes. Replace if necessary. Each basin should have a D.O. probe. \$2,000-\$7,500
7. Install life rings on the walkways for immediate rescue if someone were to fall into the basins.

Membrane Bioreactor

Located just inside the North end of the building, the membrane bioreactors utilize vacuum pumps to separate clean water from the activated sludge. Due to the membranes being submerged, visual inspection was not made. Operations staff noted that one full set of

membranes had been swapped out within the last year. The other set has old and new membranes in it.

Operational Issues

The main operational issue with the MBR system is the inability to remove solids from the system. The Zee Weed 500 system is designed to be ran at a MLSS range of 5,000 mg/l to 12,000 mg/l. At the time of inspection, the MLSS was around 22,000 mg/l and was reported that the MLSS had been all the way up to 40,000 mg/l. This can and will cause premature failure of the membranes. Also operating outside of the designed range will void any warranties on the membranes.

Recommendations

1. Speak with operators to purchase and install the rest of the membranes for the second train. \$60,000-\$115,000
2. Begin budgeting to have the funds to purchase full replacements within 7 years.
3. Purchase and install solids dewatering/handling equipment. \$600,000-\$1,200,000

Permeate Pumps

The permeate pumps, located in the basement just to the east of the WAS pumps, provide a vacuum on the membranes to pull clean water through and leave behind the biomass. The overall condition of the pumps is good. Operations noted that the three-way valves had some programming issues regarding controls and positions.

Recommendations

1. Investigate and repair the three-way valve programming issues. \$2,000-\$5,000
2. Purchase a spare three-way valve to have on the shelf should the need arise to replace one. \$1,500-\$2,500
3. Perform preventative maintenance such as greasing, cleaning, and impeller inspections to prevent premature equipment failure.
4. Integrate controls into SCADA. \$100,000-\$150,000 Full Project
5. Integrate any structural components and equipment associated with the permeate pumps into a CMMS Program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

Return Activated Sludge Pumps (RAS)

Located in the basement in the West corner, the RAS pumps take thickened sludge from the membrane vault and return the flows back to the head of the aeration basin to begin working on influent constituents.

Recommendations

1. Integrate pump controls, motor speed, flow meters, and RAS solids into SCADA. \$100,000-\$150,000 Full Project
2. Integrate the pumps, instrumentation, motors, structures, and piping associated with the RAS pumping into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.
3. Perform preventative maintenance such as greasing, cleaning, and impeller inspections to prevent premature equipment failure.

Wasting Pumps

Located in the basement in the Northwest corner, the pumps appear to be in working condition. Operations noted that minimal preventative maintenance has been performed.

Recommendations

1. Integrate pump controls, motor speed, flow meters, and WAS solids into SCADA. \$100,000-\$150,000 Full Project
2. Integrate the pumps, instrumentation, motors, structures, and piping associated with the WAS pumping into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.
3. Perform preventative maintenance such as greasing, cleaning, and impeller inspections to prevent premature equipment failure.

Wasting Vault

Located just inside the West entry, Waste Activated Sludge (WAS) is pumped into this holding tank. The structure is in good shape. The operations staff noted that this is a significant bottleneck in the system. Wasting of sludge is a primary and necessary operation in any wastewater treatment system. Without the ability to waste solids, biomass concentrations can range wildly out of manufacturer specified parameters. When this happens, premature fouling of MBR units can occur, constituents such as ammonia and BOD can pass through untreated causing permit violations, and dispersed floc can pass through reducing disinfection and causing potential total coliform excursions.

Recommendations

1. Operations noted that the city is currently pursuing dewatering options. Continue to focus on dewatering options to dewater and remove solids from the biological process efficiently and effectively.

2. During the interim period, operations has found a way to dewater the biosolids to reduce water storage and reduce the need to handle wasted solids daily. Continue to dewater the vault until dewatering technologies have been installed.
3. Once the wasting technology has been selected and installed, work with local trash hauling companies to reduce the need for operations to haul solids to the landfill. Contract with a local hauler.
4. Integrate level controls, and level alarms into SCADA. \$100,000-\$150,000 Full Project
5. Integrate any structures and equipment associated with the wasting vault into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

Chemical Cleaning System

Located in the Southeast corner of the building, housed both sodium hypochlorite and acid for membrane cleaning. The sodium hypochlorite is delivered in 55-gallon drums and stored in a non-contained area directly adjacent to acid drums. The acid is also delivered in 55-gallon drums. The storage for both of chemicals is extremely unsafe. If leaks occurred and the chemicals were able to mix, chlorine gas can result causing severe harm and injury to operators and possibly death.

Dosing lines on the acid dosing system have been leaking for a substantial amount of time as indicated by the drips onto system controllers and several levels of electrical tape repairs.

The sodium hypochlorite system has a bulk container that operators fill using the 55-gallon drums.

Recommendations

1. Consider installing proper and separate containment for the chemicals.
2. Have spare dosing line parts to immediately and effectively repair leaks. \$500-\$1,000
3. Due to the multiple uses in the facility including membrane cleaning, and disinfection of stored effluent waters and irrigation waters, consider receiving sodium hypochlorite in a bulk tank with a separate room and leak enclosure from the chemical cleaning room where the acid is stored instead of storing 55-gallon drums. \$175,000-\$300,000 Full Project
4. Integrate controls and feedback into SCADA. \$100,000-\$150,000 Full Project
5. Integrate all equipment associated with the MBR cleaning systems into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

Chlorine Gas Dosing System

Located on the west side of the building, is a 1-ton chlorine gas dosing system. The space that contains the dosing system did not seem to have been expressly built for this purpose. Ventilation has been modified, and there is no cylinder containment or security restraints in use. Operations staff seemed aware of safety issues surrounding chlorine gas, but due to staffing issues and facility needs, safety does not appear to be the top priority when handling cylinder changes.

Recommendations

1. Switch disinfectant from chlorine gas to sodium hypochlorite. This switch will reduce the need for operators to wear SCBAs and reduce the risk of exposure to chlorine gas which can be deadly.
2. Due to the multiple uses in the facility including membrane cleaning, and disinfection of stored effluent waters and irrigation waters, consider receiving sodium hypochlorite in a bulk tank with a separate room and leak enclosure from the chemical cleaning room where the acid is stored.
3. If the swap is considered, provide for central dosing to all needed areas including chemical cleaning, initial disinfection, and pre-reuse disinfection from the bulk tank. Place any underground lines in insulated utilidoors with leak detection so that repairs can easily be made. \$175,000-\$300,000 Full Project
4. Install chlorine residual analyzers at both disinfection locations that report back to SCADA so that operators can ensure proper disinfection and dosing. \$2,500-\$5,000
5. Integrate dosing pump controls into SCADA so that operators can adjust feed rates on pumps remotely. \$100,000-\$150,000 Full Project
6. Integrate all equipment and piping associated with the chlorine disinfection system into a CMMS program. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

Lagoon A

Located due West of the treatment facility has been newly relined with an HDPE liner and seepage tested. Operations intends to utilize this lagoon as emergency storage should a major failure occur in the treatment facility.

Recommendations

1. The new lagoon lining is very slick and has limited means of egress. Life ring stations should be placed at 200' intervals around the lagoon to assist in rescue if someone were to fall in.
2. Fix the leaking headgate in the Southwest discharge box. \$2,500-\$7,500
3. Directional valving in the embankment on the Southwest corner of the lagoon should be dug up and installed into an insulated and heated valve box out of the roadway for easy operational access and inclement weather protection. \$15,000-\$30,000

4. Valves should have electric actuators to remotely operate from SCADA. \$18,000-\$30,000
5. Integrate actuator controls and feedback into SCADA. \$100,000-\$150,000 Full Project
6. Integrate all equipment associated with Lagoon A into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

Lagoon B

Located just West of Lagoon A is slightly smaller. It is a clay and riprap liner. It was due for seepage testing in September of 2022. Operations noted that Lagoon B is slated to have seepage testing performed as soon as Lagoon A is completed. Lagoon B will be utilized as a storage lagoon for effluent discharges prior to land application.

Recommendations

1. Regardless of seepage testing outcome, the City should look at funding the liner replacement within the next ten years.
2. Distribution valving from the treatment facility and between Lagoon B and C should be dug up and installed into an insulated and heated valve box out of the roadway for easy operational access and inclement weather protection. \$15,000-\$30,000
3. Valves should have electric actuators to remotely operate from SCADA. \$5,000-\$15,000
4. Integrate actuator controls and feedback into SCADA. \$100,000-\$150,000 Full Project
5. Integrate all equipment associated with Lagoon B into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

Lagoon C

Located just to the West of Lagoon B is slightly smaller. It is a newly lined with an HDPE liner and recently been seepage tested. Lagoon C will be utilized as a storage lagoon for effluent discharges prior to land application.

Recommendations

1. The new lagoon lining is very slick and has limited means of egress. Life ring stations should be placed at 200' intervals around the lagoon to assist in rescue if someone were to fall in.
2. Distribution valving from the treatment facility and between Lagoon B and C should be dug up and installed into an insulated and heated valve box out of the roadway for easy operational access and inclement weather protection. \$15,000-\$30,000
3. Valves should have electric actuators to remotely operate from SCADA. \$5,000-\$15,000
4. Integrate actuator controls and feedback into SCADA. \$100,000-\$150,000 Full Project
5. Integrate all equipment associated with Lagoon C into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

Pre- Land Application Chlorine Gas Dosing System

Located just North of Lagoon A, this dosing station provides final disinfection to stored effluent waters from Lagoons B and C. Chlorine gas is stored and pumped into a dosing line that travels West from the building to a dosing point in a very deep manhole located just North of Lagoon C. There is no chlorine residual monitoring to verify disinfection.

Recommendations

1. Switch disinfectant from chlorine gas to sodium hypochlorite. This switch will reduce the need for operators to wear SCBAs and reduce the risk of exposure to chlorine gas which can be deadly. \$175,000-\$300,000 Full Project
2. Install chlorine residual analyzers at both disinfection locations that report back to SCADA so that operators can ensure proper disinfection and dosing. \$2,500-\$7500
3. If the swap is considered, provide for central dosing to all needed areas including chemical cleaning, initial disinfection, and pre-reuse disinfection from the bulk tank. Place any underground lines in insulated utilidors with leak detection so that repairs can easily be made.
4. Integrate dosing pump controls into SCADA so that operators can adjust feed rates on pumps remotely. \$100,000-\$150,000 Full Project

RI Basin/Irrigation Dosing Vault and Pumps

The RI Basin/Irrigation Dosing Vault and Pumps are located Northwest of Lagoon C. There are three pumps that deliver stored and disinfected effluent waters from the lagoons to the RI Basins or to Irrigation.

Recommendations

1. There are several fall/trip hazards including rotting plywood covers, rusty expanded metal covers, and missing covers over the vault. Replace old and unstable vault covers with new covers.
2. Install electric actuators onto valves so that they can be controlled remotely or programmed for flow changes. \$18,000-\$50,000
3. Add instrumentation to monitor flows, valve position, and chlorine residuals that report back to SCADA. \$100,000-\$150,000 Full Project
4. Integrate all equipment associated with Lagoon C into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

Electrical/PLC controls/Instruments

Located on the South side of the building, the PLC/Electrical room houses the main logic control and all electrical for the facility.

Recommendations

1. It was noted that the electrical panels breakers do not trip when needed. One GFCI was replaced by operations. This will need to be looked at by a licensed electrician. \$2,500-\$10,000
2. Critical spare parts for instrumentation:
 - Pressure transmitter
 - Spare lamp for on-line turbidity meter
 - Spare photocell for on-line turbidity meter
3. Controls Spare parts for PLC electrical panel can be found on pages 152-153 Section 7 Vol. 2 of the O&M
4. Good Housekeeping should be performed in this room to prevent fire hazards as well as slips, trips, and falls.
5. Integrate all equipment associated with PLC, Electrical, and Instrumentation into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

Blowers and Compressors

Located in the South side of the building, and in the pre-application, chlorine building to the north of Lagoon A, blowers and compressors provide air to support different processes throughout the facility.

Recommendations

1. Integrate controls, motor speed, SCFM flow meters, and PITs into SCADA. \$100,000-\$150,000 Full Project
2. Integrate the pumps, instrumentation, motors, structures, and piping associated with the blowers and compressors into a CMMS program to track manufacturer recommended preventative maintenance, corrective maintenance, parts, and life cycle costs. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.
3. Perform preventative maintenance such as greasing, cleaning, and routine inspections to prevent premature equipment failure.
4. Have critical components including belts and air filters on hand for maintenance.

Wastewater Treatment Facility Priorities

1. Select and install solids handling equipment as soon as possible.
2. Sodium hypochlorite is a much safer disinfection chemical than chlorine gas. With sodium hypochlorite required to clean the membranes, and disinfection requirements in

the permit, consider moving to centralized storage of sodium hypochlorite and move away from chlorine gas disinfection to sodium hypochlorite disinfection. \$175,000-\$300,000

3. Install a new SCADA program to capture all instrumentation and controls of the entire treatment and collections system. \$100,000-\$150,000 Full Project
4. Integrate a CMMS program to track maintenance schedules and maintenance activities on the facility equipment. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.
5. Move all buried valving that is in the roadways around the lagoons into insulated and heated valve structures with easy operator access. Install and integrate electric actuators on the valves so that operators can remotely operate them in an emergency from SCADA. \$140,000-\$270,000
6. Purchase and install redundant screen. \$300,000-\$600,000
7. Purchase and shelve spare parts and equipment with long lead times so that equipment can be rebuilt in a timely manner and downtime can be reduced. If equipment must be sent out for repair to outside vendors, it is a strong recommendation that redundant shelf units for all major equipment be on hand to be placed in service due to repair times being significantly longer than normal. \$5,000-\$30,000

Task 3 - Operational Practices

Safety Procedures

- Operations stated several times that they were aware through previous employment of safety procedures such as confined space entry, lock out/tag out, SCBA, and general industry safety, but throughout our visit, operations recounted incidences where they had been shocked, crawled down chains into confined spaces without proper isolation or safety gear, performed chlorine gas exchanges with SCBA while having facial hair which prevents proper sealing and protection. These types of complacent actions open the city to significant risk including injury and loss of life lawsuits. Integrate a written safety policy and hold all staff accountable to it.
- Ensure that proper training schedules are followed as required. Confined space refreshers should be taken annually, lock out/tag out refreshers should be taken annually, electrical safety should be reviewed annually, and life safety such as CPR certifications should be held by your staff due to the remoteness of the facility.
- Confined Space Entry Multi Gas Meter does not provide for proper confined space testing. The Gasclip unit that is currently being utilized is a personal wear unit, it does not have the bump testing station, it cannot perform pick testing for deeper spaces, and it is not being calibrated properly.
- No less than two employees should be always working onsite. This helps ensure that safety measures are adhered to, and in the case of an emergency, there is someone capable of contacting emergency services.
- Have a current MSDS developed. Make sure it is onsite and available to all employees.

Safety Procedure Recommendations

1. Implement a written safety program and hold operators accountable to the program.
2. Provide industry safety training as required by OSHA. If SCBAs are utilized, be sure to perform fit testing on an annual basis.
3. Purchase a full multi gas meter kit including pump, bump test station, calibration gas, and hose and filter. \$1,800-\$2,300

Standard Operating Procedures - Standard Operating Procedures (SOPs) are written to help train and inform future operators about current operational practices that have been developed, deviated from original practices, or have been generated by performing a new task. SOPs help provide insight and guidance to perform a task safely and efficiently with step-by-step direction.

Standard Operating Procedure Recommendations

1. Task operations staff with developing and instituting written SOPs into every task that they perform. This will allow for seamless training and integration of future operators.
2. Review SOPs annually for accuracy of information.
3. Update SOPs as tasks evolve, during annual reviews, and as new tasks are added.

Data Entry and Daily Logging

- Data entry and daily logging are a crucial and required piece of the annual reporting and permitting.
- Data entry consists of meter readings, daily lab testing, and permit sampling data analysis, review, and entry. It is important to verify and track all data generated for permit compliance so that annual reports can easily be drafted, site inspectors can easily review information they request during site visits, and operators can accurately gauge how the facility is operating and adjust processes based on the data they are reviewing.
- Daily logging is important as a legal recording of what takes place at the facility daily. It provides an oversight as to the daily activities that are performed in the facility. This log should pertain information that highlights the operator's daily activities including observations of equipment, any maintenance that is performed, and any process adjustments that are made. This documentation helps protect operators and cities from potential lawsuits or provides evidence if something catastrophic were to occur in the treatment facility, lift stations, or collections system. Digital logs can be easily downloaded at the end of the year in a PDF format to submit with annual reports.

Data Entry and Daily Logging Recommendations

1. Utilize spreadsheet software such as Microsoft Excel to build a workbook that will capture daily data, weekly data, monthly data, and annual data including sample analysis, meter readings, and daily inhouse lab analysis, process health data, and QA/QC data all in one location.
2. Review all sample analysis for accuracy.
3. Utilize digital journaling software such as The Journal to log all daily activities and maintenance information.

Maintenance Tracking

- Maintenance tracking is an important part of the efficient and effective operation of any wastewater treatment facility. A Computerized Maintenance Management System (CMMS) is essential in providing critical data to any operational staff including, install dates for equipment, manufacturer warranty information, preventative maintenance

tracking, corrective maintenance, and full life history of the facility and equipment. Currently, operations staff utilize a whiteboard and their memory to track needed maintenance.

- Preventative maintenance programs such as manufacturer recommended equipment maintenance intervals should followed to help keep warranties intact as well as the equipment running at peak performance. Not only are there equipment advantages to preventative maintenance programs, but there are also financial advantages. Breakdowns are costly and time consuming. If equipment is properly and preventatively maintained, many failures and breakdowns can be caught and corrected before they become major issues.
- Maintenance programs when properly integrated can also track life cycle costs, which is important in guiding future decisions for equipment purchases, process efficiency, and replacement schedules.

Maintenance Tracking Recommendation

Establish and implement a Computerized Maintenance Management System to provide clear preventative maintenance schedules for future operations staff, track corrective maintenance, and life cycle costs to be used for decision guidance. \$50,000-\$75,000 Initial \$2,500-\$10,000 Annually.

Sampling

- Upon review of several Annual Reports and Idaho Department of Environmental Quality (IDEQ) Annual Report Reviews ranging from 2017-2021, it became apparent that samples were being missed. Sampling regimens are clearly laid out in the Reuse Permit and operators should be very aware of the sampling requirements.
- Also found during report review, IDEQ brought to light instances where the contract lab was not using the appropriate analytical methods for the required sampling analyses. IDEQ stated that discussion should be had with the contract lab and corrections made including writing of the proper analytical methods on the chain of custody for the samples. The analytical methods can be found in the permit.

Sampling Recommendations

1. Meet with the contract lab to verify the tests that are required in the facility Quality Assurance Project Plan (QAPP).
2. Ensure that operations staff are reviewing and verifying accurate and appropriate sample generated data.
3. Place any abnormal sampling routines such as seasonal well monitoring into the CMMS program to generate schedules as to when sampling should take place and on what portion of the system the testing will be performed such as ground water wells or soil monitoring.

Annual Reporting and Review

- Annual reporting is a means of providing the site required data to be easily reviewed by permitting agencies. It covers all information including sample analysis, nutrient loading, maintenance activities, flow monitoring, and any compliance activity information for the years being reported.
- Annual reporting is specified and required in the city's permit.
- Annual reports are reviewed by the permitting agencies and a report is returned with information regarding how permit compliance should be improved for the future.

Annual Reporting and Review Recommendations

1. Centralize all sampling data into one digital workbook for easy review by the engineering firm that will be drafting the annual report.
2. Have the engineering firm review previous annual reports to ensure that the data that is being utilized in the annual report is accurate and meets any recommendations made in the previous annual report.
3. Provide the final annual report to the permitting agency on time as specified in the reuse permit.
4. When the report is accepted and the permitting agency's findings report is returned, have the engineering firm review the report with operations staff so that operators are aware of the permitting agency's findings as well as the permitting agency's recommendations for improvement including sample collection, data analysis, and facility compliance.

Permitting

- Permitting cycles for the City of Bellevue are currently on a 5-year basis. There are compliance activities laid out in the permit. Every five years, the permitting agency will review and reissue the reuse permit.
- In the permit are dates and compliance activities that must be met prior to reissuing the permit.

Permitting Recommendations

1. Ensure that all compliance activities are being performed. This can include seepage testing, workshops for permit reissuing, QA/QC or QAPP review and update and any number of other requirements that the permitting agency would like implemented during the current permitting cycle.

2. Make sure that your engineering firm and operators are working closely with one another to complete all compliance activities by their specified completion dates.

Operational Practice Priorities

1. Implement a written safety program and hold operators accountable to it. Along with the safety program, provide for proper safety training and certification.
2. Review and implement any changes or missed items from the permitting agency findings reports.
3. Review permit to verify that all compliance activities are being completed within the specified timelines.
4. Move to digital workbooks to track all permit related data including flows, permit related sample analysis, inhouse sample analysis, ground water monitoring analysis, and any other permit related information.
5. Integrate digital journaling to track daily facility activities.
6. Task operations staff with developing SOPs for all major facility activities for training and integration of future operators.

APPENDIX E

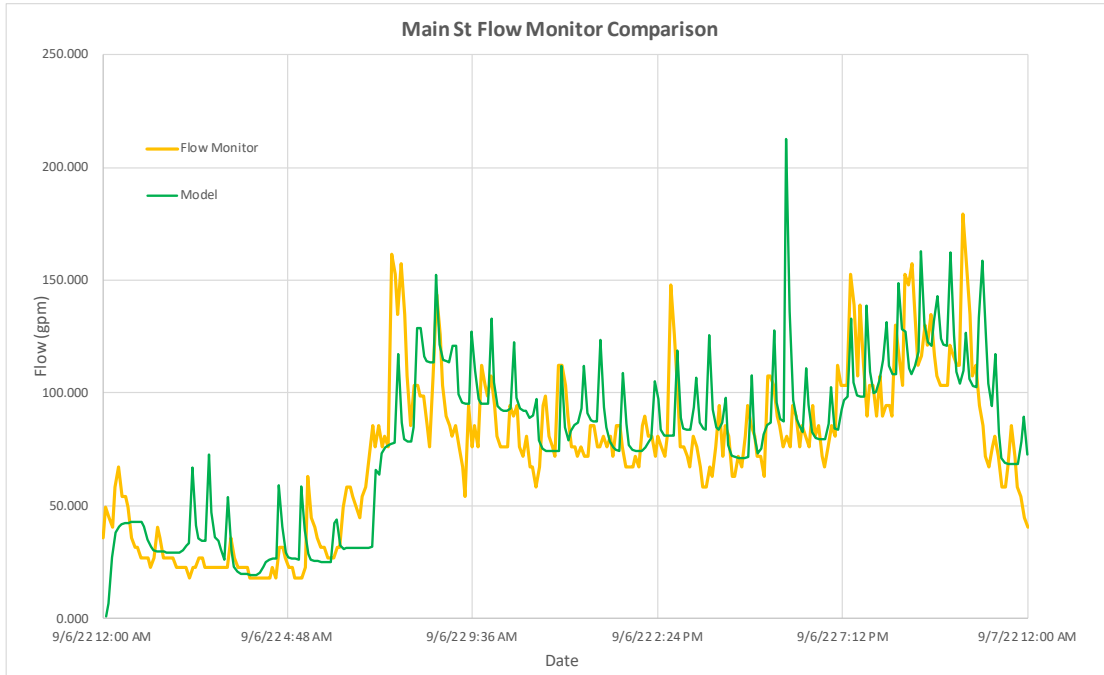
Base Flow Calibration Curves



→ **Note:** For the following graphs, the **yellow** line represents observed flow data from the field and the **green** line represents model output.

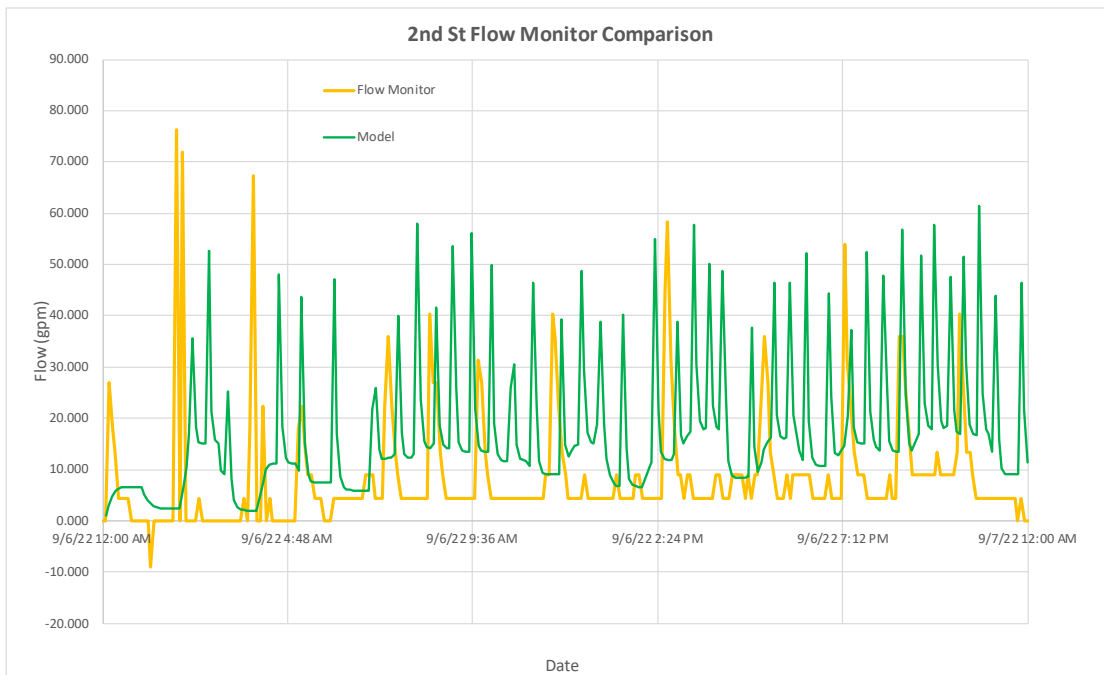
Site 1 (Main St.) Calibration

Global factor applied: 0.7



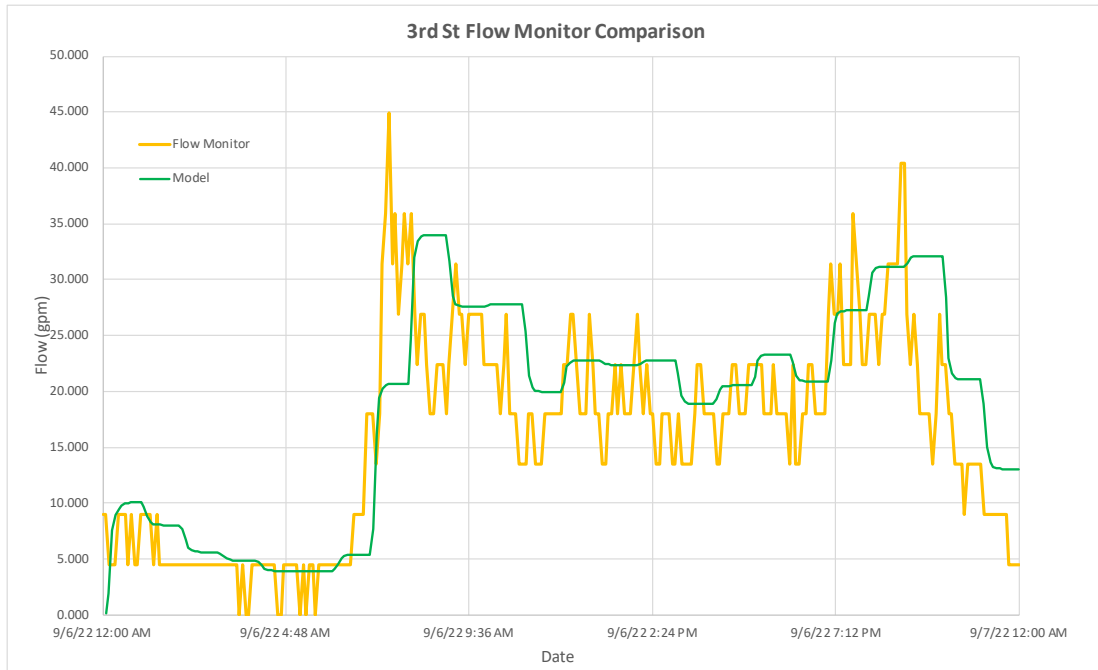
Site 2 (2nd St.) Calibration

Global factor applied: 0.7



Site 3 (3rd St.) Calibration

Global factor applied: **0.5**



APPENDIX F

Financial Status of Existing Facilities



CITY OF BELLEVUE, IDAHO

Financial Statements

Year Ended September 30, 2017

CITY OF BELLEVUE, IDAHO
Financial Statements
For the year ended September 30, 2017

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Independent Auditor's Report

October 29, 2018

To the Honorable Mayor and City Council
City of Bellevue, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, and the discretely presented component unit of the City of Bellevue, Idaho (City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the discretely presented component unit of the City of Bellevue, Idaho as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and public employee pension information on pages 3-11, 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bellevue, Idaho's basic financial statements. The accompanying other supplementary information on page 36 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho



**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

The City of Bellevue, Idaho's general purpose external financial statements are presented in this report. The components of the general purpose external financial statements include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Other Required Supplementary Information (RSI).

FINANCIAL HIGHLIGHTS

- The total of all fund assets of the City of Bellevue exceeded liabilities at the close of the most recent fiscal year by \$ 10,224,459. Of that amount, \$ 2,343,332 (unrestricted net position) may be used to meet future obligations and programs.
- General Fund Revenues were \$1,310,856 and expenditures were \$1,318,745.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Bellevue's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds. Financial statements for the City's component unit are also presented.

Component Unit

The City has one discretely reported component unit. The Bellevue Urban Renewal Agency is reported separately from the City's Government-wide Financial Statements. This Agency is created to improve property within the City through property tax revenues. (See Footnote 1 of the Financials)

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Table 1: Major Features of the Basic Financial Statements

	Government-wide <u>Financial Statements</u>	Fund Financial Statements	
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire City government and the City's component unit	Activities of the City that are not proprietary.	Activities of the City that are operated similar to private businesses
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures and changes in fund balances	* Statement of net assets * Statement of revenues, expenses and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	* Revenues for which cash is received during or soon after the end of the year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 of the financial statements for more detailed information on the elements of the financial statements. Table 1 above summarizes the major features of the basic financial statements.

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Position

The largest component (\$ 7,523,046) of the City's net position reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not eligible for future spending. Restricted net position total \$ 313,154. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, debt service requirements, or enabling legislation on how they can be used.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The remaining portion of net assets is unrestricted, which can be used to finance government operation.

Table 2 below presents the City's condensed statement of net position as of September 30, 2017 derived from the government-wide Statement of Net Position.

**Table 2: Condensed Statement of Net Position
As of September 30, 2017**

	Governmental Activities	Business- type Activities	Total Primary Government	Component Unit - Urban Renewal Agency
Current and other assets	\$ 547,055	\$ 2,552,324	\$ 3,099,379	\$ 96,999
Capital assets	1,755,954	10,447,576	12,203,530	
Total Assets	2,303,009	12,999,900	15,302,909	96,999
Deferred Outflows	43,219	11,489	54,708	0
Current Liabilities	28,069	336,554	364,623	
Long-term liabilities	443,051	4,270,183	4,713,234	
Total Liabilities	471,120	4,606,737	5,077,857	0
Deferred Inflows	41,287	10,976	52,263	0
Net position:				
invested in capital assets				
net of related debt	1,584,592	5,938,454	7,523,046	
Restricted	44,927	313,154	358,081	96,999
Unrestricted	204,302	2,139,030	2,343,332	
Total Net Position	\$ 1,833,821	\$ 8,390,638	\$ 10,224,459	\$ 96,999

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the fiscal year ended September 30, 2017 as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities decreased by \$50,467 or 2.68% percent, and the net position of the business-type activities increased by \$752,811, or 9.86%.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 3: Condensed Statement of Activities
As of September 30, 2017**

	Governmental Activities	Business- type Activities	Total Primary Government	Urban Renewal Agency
Revenue:				
Program revenues				
Charges for services	\$ 8,056	\$ 1,621,842	\$ 1,629,898	\$
Capital grants /contributions	5,205	179,383	184,588	
Total program revenues	<u>13,261</u>	<u>1,801,225</u>	<u>1,814,486</u>	<u>0</u>
General revenues				
Taxes	647,208		647,208	37,628
Franchise, licenses, permits	128,468		128,468	
State shared revenues	318,576		318,576	
Interest	4,272	13,628	17,900	4
Other revenues	212,718	3,628	216,346	
Total general revenues	<u>1,311,242</u>	<u>17,256</u>	<u>1,328,498</u>	<u>37,632</u>
Total revenues	<u>1,324,503</u>	<u>1,818,481</u>	<u>3,142,984</u>	<u>37,632</u>
Program expenses:				
Administrative	266,974		266,974	804
Planning and Zoning	132,122		132,122	
Parks and recreation	36,520		36,520	
Fire	144,036		144,036	
Library	76,036		76,036	
Marshall	441,674		441,674	
Building and grounds	31,735		31,735	
Streets	230,283		230,283	
Shop	15,590		15,590	
Wastewater		353,233	353,233	
Water		564,420	564,420	
Interest, long-term debt		148,017	148,017	
Total program expenses	<u>1,374,970</u>	<u>1,065,670</u>	<u>2,440,640</u>	<u>804</u>
Change In net assets	(50,467)	752,811	702,344	36,828
Beginning net assets	1,884,288	7,637,827	9,522,115	60,171
Ending net assets	<u>\$ 1,833,821</u>	<u>\$ 8,390,638</u>	<u>\$ 10,224,459</u>	<u>\$ 96,999</u>

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, mainly taxes.

**Table 4: Program Expenses and Revenues
for Government Activities
For the Fiscal Year Ended September 30, 2017**

	Program Expenses	Program Revenues	Net Expense (Revenues) (a)
Administrative	\$ 266,974	\$ 2,287	\$ (264,687)
Planning and Zoning	132,122	100	(132,022)
Parks and Recreation	36,520	822	(35,698)
Fire	144,036	4,847	(139,189)
Library	76,036	3,836	(72,200)
Marshal	441,674	1,369	(440,305)
Building and Grounds	31,735		(31,735)
Streets	230,283		(230,283)
Shop	15,590		(15,590)
Totals	\$ 1,374,970	\$ 13,261	\$ (1,361,709)

(a) Net Program Expenses are mainly supported by taxes and state shared revenues.

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses.

**Table 5: Program Expenses and Revenues
for Business-type Activities
For the Fiscal Year Ended September 30, 2017**

City Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)
Water	\$ 353,233	\$ 473,235	\$ 120,002
Wastewater	564,420	1,327,990	763,570
Interest on long-term debt	148,017		(148,017)
Totals	\$ 1,065,670	\$ 1,801,225	\$ 735,555

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The City of Bellevue, Idaho adopts an annual budget. A budgetary comparison statement of Governmental Funds is provided below. In total, any negative variances are insignificant.

**Table 6: Analysis of Significant Budget Variances
for Government Activities
For the Fiscal Year Ended September 30, 2017**

	Original and Final Budget	Actual	Variances
Revenues:			
Taxes (including penalties/interest)	\$ 629,026	\$ 647,208	\$ 18,182
Franchises, licenses, permits	131,359	128,468	(2,891)
State of Idaho	350,687	318,576	(32,111)
Fees, Charges for Services	1,700	8,056	6,356
Other	261,162	208,548	(52,614)
Totals	<u>1,373,934</u>	<u>1,310,856</u>	<u>(63,078)</u>
Expenditures:			
Administrative	252,716	258,287	(5,571)
Planning and Zoning	143,877	132,122	11,755
Parks and Recreation	30,756	20,814	9,942
Fire	141,127	122,576	18,551
Library	103,742	75,496	28,246
Marsnall	464,568	435,239	29,329
Building and Grounds	34,618	30,110	4,508
Streets	100,910	171,563	(70,653)
Shop	9,803	14,193	(4,390)
Capital Expenditures	205,698	58,345	147,353
Totals	<u>1,487,815</u>	<u>1,318,745</u>	<u>169,070</u>
Excess (Deficiency)	\$ <u>(113,881)</u>	\$ <u>(7,889)</u>	\$ <u>105,992</u>

BUDGET VARIANCES IN THE GENERAL FUND

The changes made to the budget format have moved the City into compliance with the budget standards developed by the Government Finance Officers of America (GFOA). An analysis of budget variances this year shows that more assets were budgeted for expenditure than were expended during the current operating cycle.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 7: Comparison of Statement of Net Position
As of September 30, 2017 and 2016**

	2017	2016	Percentage Change
Current Assets	\$ 3,099,379	\$ 2,622,980	18.1625%
Capital Assets	12,203,530	12,363,467	-1.2936%
Total Assets	15,302,909	14,986,447	2.1117%
Deferred Outflows of Resources	54,708	225,969	-75.7896%
Current Liabilities	364,623	456,149	-20.0649%
Long Term Liabilities	4,713,234	5,088,940	-7.3828%
Total Liabilities	5,077,857	5,545,089	-8.4261%
Deferred inflows of Resources	52,263	145,212	-64.0092%
Net Position:			
Invested in Capital Assets net of related debt	7,523,046	7,407,209	1.5638%
Restricted	358,081	301,040	18.9480%
Unrestricted	2,343,332	1,813,866	29.1899%
Total Net Position	\$ 10,224,459	\$ 9,522,115	7.3759%

OVERALL ANALYSIS

Financial highlights for the City as a whole during the fiscal year ended September 30, 2017 show the assets of the City exceeded its liabilities (net position) at the close to the fiscal year by \$ 10,224,459 (for governmental activities \$ 1,833,821, for the business-type activities \$ 8,390,638). Additionally, the City's total net position increased during the year by \$ 702,344. This is due to more revenue collected and grants received compared to less expenditures during the current year. Net position of the governmental activities decreased by \$ 50,467 (due to depreciation of City-wide capital assets of \$89,615), while net position of business-type activities increased by \$ 752,811.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 8: Changes in Fixed Assets
for All Funds
For the Fiscal Year Ended September 30, 2017**

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Infrastructure	\$ 4,568,761			\$ 4,568,761
Buildings and Improvements	16,329,130	231,508		16,560,638
Vehicles and Equipment	1,206,639	46,576		1,253,215
Construction in Progress	0		0	0
Totals	<u>22,104,530</u>	<u>278,084</u>	<u>0</u>	<u>22,382,614</u>
Accumulated Depreciation	<u>(9,741,063)</u>	<u>(438,021)</u>		<u>(10,179,084)</u>
Net Book Value	<u>\$ 12,363,467</u>			<u>\$ 12,203,530</u>

CAPITAL ASSET AND LONG-TERM, ACTIVITY

Capital Asset Activity

At September 30, 2017, the City reported \$1,755,954 in capital assets for governmental activities and \$10,447,573 in capital assets for business-type activities.

Long-term Debt Activity

See Note 4 of the financial statements for information on the City's long-term debt.

FUNDS ANALYSIS

Funds that experienced significant changes during the year are as follows:

Governmental funds

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$535,355. The fund balance decreased \$ 7,889 during the fiscal year. The decrease is the result of \$1,310,856 of revenues reduced by \$ 1,318,745 of expenditures. The decrease in fund balance follows a fund balance increase of \$112,034 in FY 2016. The positive trends in the City's governmental fund results from a continuation of fiscal policies designed to limit spending and preserve and strengthen the City's financial position during uncertain economic times. This ongoing accomplishment is due to the commitment and determination of the City Council and staff to make prudent financial decisions while also seeking to preserve levels of service to the community by continually pursuing and implementing cost savings and efficiencies in operations.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

REQUESTS FOR INFORMATION

Requests for information regarding City finances should be directed to:

Kathy Clark
City Treasurer
City of Bellevue, Idaho
P O. Box 825
Bellevue, Idaho, 83313
Telephone: (208) 788-5351

CITY OF BELLEVUE, IDAHO
Statement of Net Position
at September 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit Urban Renewal Agency</u>
<u>ASSETS</u>				
Cash and Deposits	\$ 355,895	\$ 2,059,378	\$ 2,415,273	
Accounts Receivable	8,310	179,792	188,102	
Taxes Receivable	52,243		52,243	
Due From Other Governments	85,680		85,680	
Restricted and Assigned Cash	44,927	313,154	358,081	\$ 96,999
Other			0	
Totals	<u>547,055</u>	<u>2,552,324</u>	<u>3,099,379</u>	<u>96,999</u>
Capital Assets:				
Land	717,340		717,340	
Infrastructure	3,851,421		3,851,421	
Buildings and Improvements	752,432	15,808,206	16,560,638	
Equipment and Vehicles	891,788	361,426	1,253,214	
Accumulated Depreciation	(4,457,027)	(5,722,056)	(10,179,083)	
Total Capital Assets	<u>1,755,954</u>	<u>10,447,576</u>	<u>12,203,530</u>	<u>0</u>
Total Assets	<u>2,303,009</u>	<u>12,999,900</u>	<u>15,302,909</u>	<u>96,999</u>
Deferred Outflows of Resources:				
Deferred Outflows from Pension Activity	43,219	11,489	54,708	0
<u>LIABILITIES</u>				
Accounts and Payroll Liabilities Payable	13,012	14,866	27,878	
Interest Payable		53,950	53,950	
Refundable User Deposits	1,347		1,347	
Long-term Liabilities:				
Portion due or payable within one year:				
Loans Payable	13,710	267,738	281,448	
Portion due or payable after one year:				
Loans Payable	157,652	4,187,434	4,345,086	
Net Pension Liability	275,237	73,167	348,404	
Compensated Absences	10,162	9,582	19,744	
Total Liabilities	<u>471,120</u>	<u>4,606,737</u>	<u>5,077,857</u>	<u>0</u>
Deferred Inflows of Resources:				
Deferred Inflows from Pension Activity	41,287	10,976	52,263	0
<u>NET POSITION</u>				
Invested in Capital Assets - net of related debt	1,584,592	5,938,454	7,523,046	
Restricted For:				
Debt Service		313,154	313,154	
Other Purposes	44,927		44,927	96,999
Unrestricted	204,302	2,139,030	2,343,332	
Total Net Position	<u>\$ 1,833,821</u>	<u>\$ 8,390,638</u>	<u>\$ 10,224,459</u>	<u>\$ 96,999</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Activities
For the Year Ended September 30, 2017

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position			Component Unit - Urban Renewal Agency
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental:							
Administrative	\$ 266,974	\$ 2,287	\$	\$ (264,687)		\$ (264,687)	
Planning and Zoning	132,122	100		(132,022)		(132,022)	
Parks and Recreation	38,520	822		(35,698)		(35,698)	
Fire	144,036	4,847		(139,189)		(139,189)	
Library	78,036		3,836	(72,200)		(72,200)	
Marshal	441,674		1,369	(440,305)		(440,305)	
Building and Grounds	31,735			(31,735)		(31,735)	
Streets	230,283			(230,283)		(230,283)	
Shop	15,590			(15,590)		(15,590)	
Total Governmental Activities	1,374,970	8,056	5,205	(1,361,709)		(1,361,709)	
Business Type:							
Water	353,233	473,235			\$ 120,002	120,002	
Wastewater	584,420	1,148,607	179,383		783,570	783,570	
Interest - on long-term debt	(48,017)				(148,017)	(148,017)	
Total Business-type Activities	1,065,670	1,621,842	179,383		735,555	735,555	
Total City of Bellevue, Idaho	\$ 2,440,640	\$ 1,629,898	\$ 184,588	(1,361,709)	735,555	(626,154)	
Component Units							
Urban Renewal Agency	\$ 804						\$ (804)
Total							(804)
General Revenues:							
State of Idaho liquor receipts				64,145		64,145	
State highway user collections				111,682		111,682	
State of Idaho shared revenue				116,929		116,929	
County Revenue Sharing				25,820		25,820	
Franchises, licenses, permits				128,468		128,468	
City Property Assessments				647,208		647,208	37,628
Administrative Fees Water/Wastewater				177,912		177,912	
Earnings on Investments				4,272	13,628	17,900	4
County court fines				13,878		13,878	
Miscellaneous				7,281		7,281	
Gain (Loss) on Pension Activity				13,647	3,628	17,275	
Total general revenues and transfers				1,311,242	17,256	1,328,498	37,632
Changes in net position				(50,467)	752,811	702,344	36,828
Net Position - Beginning				1,884,268	7,637,827	9,522,115	60,171
Net Position - Ending				\$ 1,833,821	\$ 8,390,638	\$ 10,224,459	\$ 96,999

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Balance Sheet
Governmental Funds
for the year ended September 30, 2017

	General Fund	Total
ASSETS:		
Cash and Cash Deposits	\$ 355,895	\$ 355,895
Taxes and Other Receivables	60,556	60,556
Due From Other Governments	85,680	85,680
Restricted Cash	44,927	44,927
Total Assets	\$ 547,058	547,058
LIABILITIES:		
Accounts Payable	317	317
Accrued Payroll Expenses	10,039	10,039
Refundable User Deposits	1,347	1,347
Total Liabilities	11,703	11,703
FUND BALANCE:		
Non-spendable	0	0
Restricted	44,927	44,927
Committed	0	0
Assigned	0	0
Unassigned	490,428	490,428
Total Fund Balance	535,355	535,355
Total Liabilities and Fund Balance	\$ 547,058	

Amounts reported for governmental activities in the Statement of Net Position (page 12) are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is \$ 6,212,981 and the accumulated depreciation is \$ 4,457,027 1,755,954

Long-term liabilities, net pension liabilities, and compensated absences are not payable in the current period and therefore are not reported in the governmental funds. (457,488)

Net Position of Governmental Funds **\$ 1,833,821**

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2017

	<u>General Fund</u>	<u>Totals</u>
REVENUE:		
State of Idaho liquor receipts	\$ 64,145	\$ 64,145
State highway user collections	111,682	111,682
State of Idaho shared revenue	116,929	116,929
County Revenue Sharing	25,820	25,820
Franchises, licenses, permits	128,468	128,468
City Property Assessments	647,208	647,208
Administrative Fees Water/Wastewater	177,912	177,912
Earnings on investments	4,272	4,272
Fees, fines and charges for services	8,056	8,056
Grants and contributions	5,205	5,205
County court fines	13,878	13,878
Miscellaneous	7,281	7,281
Total Revenue	<u>1,310,856</u>	<u>1,310,856</u>
EXPENDITURES:		
Administrative	258,287	258,287
Planning and Zoning	132,122	132,122
Parks and Recreation	20,814	20,814
Fire	122,576	122,576
Library	75,496	75,496
Marshall	435,239	435,239
Building and Grounds	30,110	30,110
Streets	171,563	171,563
Shop	14,193	14,193
Capital Expenditures	<u>58,345</u>	<u>58,345</u>
Total Expenditures	<u>1,318,745</u>	<u>1,318,745</u>
EXCESS REVENUE (EXPENDITURES)	(7,889)	(7,889)
OTHER FINANCING SOURCES (USES):		
Operating transfers from other funds		
Operating transfers (to) other funds		
NET CHANGE IN FUND BALANCES	(7,889)	(7,889)
FUND BALANCE - BEGINNING	<u>543,244</u>	<u>543,244</u>
FUND BALANCE - ENDING	<u>\$ 535,355</u>	<u>\$ 535,355</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
for the year ended September 30, 2017

Net Change in Fund Balance - Total Governmental Funds (Page 15)	\$ (7,889)
<p>Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.</p>	
This is the amount of current year depreciation.	(89,615)
This is the amount of new Governmental Fund assets.	20,000
This is the amount of disposed of Governmental Fund assets.	0
<p>Long term liabilities are not recorded in the Governmental funds. Capital lease payments are expensed in the period that the payments are paid. Capital leases are recorded as liabilities in the Statement of Net Position. Current year payments reduce the amount of the debt.</p>	
This is the amount of current year payments of capital leases and capital costs.	10,735
<p>Net pension activity in the current period is not recorded in Governmental funds.</p>	
This is the net gain (loss) from current pension activity	13,647
<p>Liability for personal leave days are not recorded in Governmental funds.</p>	
This is the decrease in compensated leave during the year.	<u>2,655</u>
Change in Net Position of Governmental Activities (Page 13)	\$ <u><u>(50,467)</u></u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Net Position
Proprietary Funds
at September 30, 2017

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Assets:			
Current Assets:			
Cash and Deposits	\$ 517,956	\$ 1,541,422	\$ 2,059,378
Accts receivable - customers	54,845	124,947	179,792
Accts receivable - other govts.			0
	<u>572,801</u>	<u>1,666,369</u>	<u>2,239,170</u>
Restricted Current Assets:			
Cash and Deposits	<u>0</u>	<u>313,154</u>	<u>313,154</u>
Total Current Assets	<u>572,801</u>	<u>1,979,523</u>	<u>2,552,324</u>
Capital Assets:			
Plant and equipment	4,264,797	11,904,835	16,169,632
Accumulated depreciation	<u>(2,019,308)</u>	<u>(3,702,748)</u>	<u>(5,722,056)</u>
Net Plant and equipment	<u>2,245,489</u>	<u>8,202,087</u>	<u>10,447,576</u>
Total Assets	<u>2,818,290</u>	<u>10,181,610</u>	<u>12,999,900</u>
Deferred Outflows of Resources:			
Deferred Outflows from Pension Activity	<u>5,255</u>	<u>6,234</u>	<u>11,489</u>
Liabilities:			
Current Liabilities:			
Accounts and Wages Payable	3,038	14,866	17,904
Interest Payable		53,950	53,950
Current portion long-term debt		<u>267,738</u>	<u>267,738</u>
Total current liabilities	<u>3,038</u>	<u>336,554</u>	<u>339,592</u>
Noncurrent Liabilities:			
Loans Payable		4,187,434	4,187,434
Net Pension Liability	33,465	39,702	73,167
Compensated Absences Payable	<u>6,927</u>	<u>2,655</u>	<u>9,582</u>
Total noncurrent liabilities	<u>40,392</u>	<u>4,229,791</u>	<u>4,270,183</u>
Total Liabilities	<u>43,430</u>	<u>4,566,345</u>	<u>4,609,775</u>
Deferred inflows of Resources:			
Deferred inflows from Pension Activity	<u>5,020</u>	<u>5,956</u>	<u>10,976</u>
Net Position:			
investment in capital assets			
net of related debt	2,245,489	3,692,965	5,938,454
Restricted	0	313,154	313,154
Unrestricted	<u>529,606</u>	<u>1,609,424</u>	<u>2,139,030</u>
Total Net Position	<u>\$ 2,775,095</u>	<u>\$ 5,615,543</u>	<u>\$ 8,390,638</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
for the year ended September 30, 2017

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Operating Revenues:			
Charges for services	\$ 472,615	\$ 1,147,560	\$ 1,620,175
Hookups and connections			0
Reimbursements and Misc.	620	1,047	1,667
Total Operating Revenue	<u>473,235</u>	<u>1,148,607</u>	<u>1,621,842</u>
Operating Expenses:			
Salaries and benefits	48,456	52,066	100,522
Administrative and supplies	214,896	253,829	468,725
Depreciation	89,881	258,525	348,406
Total Operating Expenses	<u>353,233</u>	<u>564,420</u>	<u>917,653</u>
Operating Income	<u>120,002</u>	<u>584,187</u>	<u>704,189</u>
Nonoperating Revenues (Expenses):			
Interest Income	5,694	7,934	13,628
Interest Expense		(148,017)	(148,017)
Gain (Loss) on Pension Activity	1,659	1,969	3,628
Grants		179,383	179,383
Total Nonoperating	<u>7,353</u>	<u>41,269</u>	<u>48,622</u>
Income before transfers	<u>127,355</u>	<u>625,456</u>	<u>752,811</u>
Transfers in		54,529	54,529
Transfers out	(54,529)		(54,529)
Net Income	72,826	679,985	752,811
Total Net Position - Beginning	<u>2,702,269</u>	<u>4,935,558</u>	<u>7,637,827</u>
Total Net Position - Ending	<u>\$ 2,775,095</u>	<u>\$ 5,615,543</u>	<u>\$ 8,390,638</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Cash Flows
Proprietary Funds
for the year ended September 30, 2017

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Receipts from customers	\$ 429,963	\$ 1,062,976	\$ 1,492,939
Payments to suppliers	(224,473)	(251,764)	(476,237)
Payments to employees	(48,456)	(52,066)	(100,522)
Payments from (to) other funds	(54,529)	54,529	
Other receipts	620	180,430	181,050
Net cash provided (used) by operations	<u>103,125</u>	<u>994,105</u>	<u>1,097,230</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase and construction of capital assets	(144,120)	(113,963)	(258,083)
Amounts provided from capital debt			0
Principal paid on capital debt		(259,244)	(259,244)
Interest paid on capital debt		(151,147)	(151,147)
Net cash provided (used) by capital and related financing activities	<u>(144,120)</u>	<u>(524,354)</u>	<u>(668,474)</u>
Cash Flows From Investing Activities:			
Interest Income	<u>5,694</u>	<u>7,934</u>	<u>13,628</u>
Net Increase (Decrease) in Cash and Deposits	<u>(35,301)</u>	<u>477,685</u>	<u>442,384</u>
Balances - Beginning of the year	<u>553,257</u>	<u>1,376,891</u>	<u>1,930,148</u>
Balances - Ending of the year	<u>\$ 517,956</u>	<u>\$ 1,854,576</u>	<u>\$ 2,372,532</u>
Displayed as:			
Pooled Cash and Investments	<u>517,956</u>	<u>1,541,422</u>	<u>2,059,378</u>
Restricted Assets		<u>313,154</u>	<u>313,154</u>
Balances - Ending of the year	<u>\$ 517,956</u>	<u>\$ 1,854,576</u>	<u>\$ 2,372,532</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	120,002	584,187	704,189
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Grant Receipts and Transfers	(54,529)	233,912	179,383
Depreciation expense	89,881	258,525	348,406
Changes in assets and liabilities:			
Receivables, net	(42,652)	(84,584)	(127,236)
Accounts and other payables	<u>(9,577)</u>	<u>2,065</u>	<u>(7,512)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 103,125</u>	<u>\$ 994,105</u>	<u>\$ 1,097,230</u>

The accompanying notes are a part of these financial statements

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bellevue, Idaho was incorporated by charter on February 8, 1883. The City operates under a Mayor-Common Council form of government and provides the following services to the residents of Bellevue, Blaine County, Idaho: public safety, public works, recreation, and community development. The City also provides water and wastewater services which are financed by user charges. The accounting policies of the City of Bellevue, Idaho conform to generally accepted accounting principles as applicable to governmental units. The financial statements of the City of Bellevue, Idaho have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities (enterprise funds) provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

(A) Basis of Presentation – Basis of Accounting

Basis of Presentation:

For this reporting period, the City has conformed its financial statement model to *Governmental Auditing Standards Board (GASB) Statement No. 34*. This model presents the financial statements as follows:

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental* and *proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

-Continued

The City reports the following governmental funds:

General Fund. This is the City's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following enterprise funds:

Water and Wastewater Funds. These funds accounts for the operation, maintenance, and development of the City's water and waste-water facilities.

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the City's only discretely presented component unit, the Bellevue Urban Renewal Agency. It is reported in a separate column to emphasize that it is separate from the City's operations. The Agency was formed in December of 2007 under provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code). The Agency is designed to raise money (through tax incremental financing) over the next several decades for City improvements based on a projected increase in property values in the downtown area.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statement. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting. The City adheres to City budget requirements in Title 50, Chapter 10 of the Idaho Code. The provisions of this chapter include the following procedures to establish budgetary data which is reflected in these financial statements:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

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- A. Prior to certifying the tax levy to the county commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of a majority of the members of the council.
- B. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. Uncommitted appropriations lapse at year end.
- C. There are no provisions in Title 50, Chapter 10 for budget augmentations.

Entity Classifications.

- A. City-Wide Financial Statements – The City reports net position in three categories – invested in capital assets, restricted and unrestricted.
- B. Fund Financial Statements – The City has adopted GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments’ highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

Order of Use of Fund Balance – The City’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

Allocation of Indirect Expenses. The City allocates indirect expense, primarily comprised of central governmental services, to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

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to programs based on use of central services determined by various allocation methodologies. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include police, fire, and certain divisions with public services and parks.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(B) Assets, Liabilities, and Equity

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the State of Idaho Treasurer's Office for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at September 30 of each year based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash and Deposits". Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average daily balance of each participating fund.

Cash and Deposits

The City considers cash and deposits in proprietary funds to be cash on hand. In addition, because the State Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a deposit.

Receivables and Payable

All trade and property tax receivables are shown net of an allowance for uncollectibles. Amounts due from other governments are shown in total. Accounts and accrued expenses payable are stated at cost and are recognized liabilities for goods and services rendered to the City as of September 30.

Property Tax Calendar

Property taxes are levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The Blaine County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June. Property taxes become a lien on the property when it is levied.

Capital Assets

Purchased or constructed capital assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. They are reported net of accumulated depreciation on the Statement of Net Position. The City capitalizes assets in excess of \$5,000.

Under the requirements of *GASB Statement No. 34*, the City is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. Accordingly, the City has determined not to retroactively report this type of capital asset.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

-Continued

Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Building Improvements	50
Vehicles	2-15
Office and Other Equipment	3-15

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In 2007, the Governmental Accounting Standards Board (GASB) released Concepts Statement No. 4 *Elements of Financial Statements* which provides a framework for determining the nature of financial accounting or reporting issues. Since the release of the framework, GASB has been looking at the assets and liabilities on the balance sheet to determine if they should continue to be reflected as such. GASB has concluded that, in order to improve financial reporting, there are assets and liabilities that no longer should be reflected as assets and liabilities. These changes are included in the recently-issued GASB Statement No. 65, *Items Previously Reported as Asset and Liabilities*.

These changes include two new items that are reflected on the Statement of Net Position.

- Deferred outflow of resources – the current *consumption* of net assets that is applicable to a *future* reporting period.
- Deferred inflows of resources – the current *acquisition* of net assets that is applicable to a *future* reporting period.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

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The City's financial statements may report a separate section for deferred inflows of resources which reflects an increase in resources that applies to a future period.

NOTE 2 – CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, \$156,509 of the City's bank balances were exposed to custodial credit risk because it was uninsured by the FDIC.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City held the following investments:

Investment Type

Idaho State Local Government Investment Pool	\$ 1,935,688
Idaho State Local Government Diversified Bond Fund	222,198

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the City voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. And the fair value of the City's position in the external investment pool is the same as the value of the pool shares.

Credit Risk: The City's policy is to comply with Idaho State statutes which authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of credit risk: The City has no policy regarding these two investment risk categories.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as "Cash and Deposits".

Cash and Deposits are comprised of the following at the financial statement date:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

-Continued

Demand deposits	\$ 615,468
State of Idaho Diversified Bond Fund	222,198
State of Idaho Investment Pool	<u>1,935,688</u>
Total	<u>\$2,773,354</u>

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the current year ended was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 717,340	\$	\$	\$ 717,340
Construction in Progress				
Total	<u>717,340</u>	<u>0</u>	<u>0</u>	<u>717,340</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	752,432			752,432
Infrastructure	3,851,421			3,851,421
Vehicles and Equipment	871,788	20,000		891,788
Total	<u>5,475,641</u>	<u>20,000</u>	<u>0</u>	<u>5,495,641</u>
Less: Accumulated Depreciation:	4,367,413	89,614		4,457,027
Total Net Depreciated Assets	<u>1,108,228</u>	<u>(69,614)</u>	<u>0</u>	<u>1,038,614</u>
Governmental capital assets, net	\$ <u>1,825,568</u>	\$ <u>(69,614)</u>	\$ <u>0</u>	\$ <u>1,755,954</u>
Business-type activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$	\$	\$	\$ 0
Construction in Progress				0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	15,576,697	231,508		15,808,205
Vehicles and Equipment	334,851	26,576		361,427
Total	<u>15,911,548</u>	<u>258,084</u>	<u>0</u>	<u>16,169,632</u>
Less: Accumulated Depreciation	5,373,650	348,406		5,722,056
Total Net Depreciated Assets	<u>10,537,898</u>	<u>(90,322)</u>	<u>0</u>	<u>10,447,576</u>
Business-type capital assets, net	\$ <u>10,537,898</u>	\$ <u>(90,322)</u>	\$ <u>0</u>	\$ <u>10,447,576</u>

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

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NOTE 4 - LOANS PAYABLE

In November of 2010, the City acquired \$ 6,000,000 under a loan agreement with the Idaho Department of Health and Welfare for improvements to the wastewater treatment facility. The loan is secured by revenue bonds and is being repaid in semi-annual payments at 3.25%.

The following is a list of the interest and principal payments through the end of the loans:

	<u>Wastewater Loan 2010</u>	
<u>FY</u>	<u>Interest</u>	<u>Principal</u>
2018	\$ 142,663	\$ 267,737
2019	133,890	276,510
2020	125,166	285,234
2021	115,485	294,915
2022	105,823	304,577
2023-2031	<u>462,163</u>	<u>3,026,199</u>
Total	<u>\$1,085,190</u>	<u>\$4,455,172</u>

NOTE 5 - LITIGATION

The City, at the financial statement date, is not involved any litigation. No material amount of liability exists with the City.

NOTE 6 - RESTRICTED NET ASSETS

The Sewer Revenue Bond Ordinance for the 2010 loan provides for the creation of a debt service reserve in connection with the issuance of revenue bonds for the upgraded wastewater treatment facility. A separate account in the Idaho State Treasurer's Investment Pool presently has a balance of \$ 313,154. As provided by the rate ordinances, sewer capitalization fees are to be deposited into a fund for purpose of replacing the existing system facilities and equipment. The City also has deposited "in lieu fees" and certain donated amounts in restricted or assigned cash accounts in the amount of \$44,927.

NOTE 7 - RISK MANAGEMENT

A City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the City is contracted with Idaho County Risk Management Program (ICRMP) for property, crime and fleet insurance and the State Insurance Fund for workman's compensation. Under the terms of the ICRMP policy, the City of Bellevue's liability is limited to the amount of annual financial membership contributions, including a per occurrence deductible. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

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NOTE 8 – EMPLOYEE RETIREMENT PLAN

Plan Description

The City of Bellevue contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age and highest average salary. Members become fully vested in their retirement benefits with five years of credited services (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of employer rate for general employees and 72% for police and firefighters. As of June 30, 2016, it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The City's contributions were \$ 76,144 for the year ended September 30, 2017.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

-Continued

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At September 30, 2017, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017, the City's proportion was 0.0221655 percent.

For the year ended September 30, 2017, the City recognized pension (expense) revenue of \$17,275. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,265	\$ 31,388
Changes in assumptions or other inputs	\$ 6,443	
Net difference between projected and actual earnings on pension plan investments	\$ 20,874	\$ 20,875
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$ (42,755)	
City's contributions subsequent to the measurement date	\$ 21,881	
Total	\$ 54,708	\$ 52,263

\$ 21,881 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2018.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2017 the beginning of the measurement period ended June 30, 2017 is 4.9 and 5.5 for the measurement period June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

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Year ended September 30, 2017:

2018	\$ (18,940)
2019	\$ 32,733
2020	\$ 9,288
2021	\$ (20,635)
2022 and Thereafter	\$ 0

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.5 – 10.25%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2017 is based on the results of an actuarial valuation date of July 1, 2017.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

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Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

Capital Market Assumptions

	<u>Expected Return</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities:			70%	66%-77%
Broad Domestic Equity	9.15%	19.00%	55%	50%-65%
International	9.25%	20.20%	15%	10%-20%
Fixed Income:	3.05%	3.75%	30%	23%-33%
Cash	2.25%	0.90%	0%	0%-5%

	<u>Expected Return</u>	<u>Expected Inflation</u>	<u>Expected Real Return</u>	<u>Expected Risk</u>
Total Fund				
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

* Expected arithmetic return net of fees and expenses

Actuarial Assumptions:

Assumed Inflation - Standard Deviation:	3.25%
Portfolio Arithmetic Mean Return	2.00%
	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	
Assumed Investment Expenses	7.50%
Long-Term Expected Geometric Rate of Return	
Net of Investment Expenses	<u>0.40%</u>
	7.10%

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

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Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 383,244	\$ 348,404	\$ 313,564

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov

Payables to the pension plan

At September 30, 2017, the City reported payables to the defined benefit pension plan of \$ 778 for legally required employer contributions and \$ 420 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 9 – LOANS PAYABLE

On March 7, 2012 the City entered into a financing capital lease for the purchase of new fire truck. The lease is payable in equal annual installments of \$ 21,169. The lease is capitalized in the statement of net position in the amount of \$171,362 and will be expensed annually in the funds.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2017

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

**Required
Supplementary Information**

CITY OF BELLEVUE, IDAHO
Schedule of Revenues, Expenditures and Changes In Fund Balances
Budget and Actual -- General Fund
for the year ended September 30, 2017

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
State of Idaho liquor receipts	\$ 70,114	\$ 64,145	\$ (5,969)
State highway user collections	104,000	111,682	7,682
State of Idaho shared revenue	144,170	116,929	(27,241)
County Revenue Sharing	32,403	25,820	(6,583)
Franchises, licenses, permits	131,359	128,468	(2,891)
City Property Assessments	629,026	647,208	18,182
Administrative Fees Water/Wastewater	177,912	177,912	0
Earnings on investments	300	4,272	3,972
Fees, fines and charges for services	1,700	8,056	6,356
Grants and contributions	51,500	5,205	(46,295)
County court fines	25,000	13,878	(11,122)
Miscellaneous	6,450	7,281	831
Total Revenue	<u>1,373,934</u>	<u>1,310,856</u>	<u>(63,078)</u>
EXPENDITURES:			
Administrative	252,716	258,287	(5,571)
Planning and Zoning	143,877	132,122	11,755
Parks and Recreation	30,756	20,814	9,942
Fire	141,127	122,576	18,551
Library	103,742	75,496	28,246
Marshall	484,568	435,239	29,329
Building and Grounds	34,618	30,110	4,508
Streets	100,910	171,563	(70,653)
Shop	9,803	14,193	(4,390)
Capital Expenditures	205,698	58,345	147,353
Total Expenditures	<u>1,487,815</u>	<u>1,318,745</u>	<u>169,070</u>
EXCESS REVENUE (EXPENDITURES)	(113,881)	(7,889)	105,992
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds			0
Operating transfers (to) other funds			0
NET CHANGE IN FUND BALANCES	(113,881)	(7,889)	105,992
FUND BALANCE - BEGINNING	<u>543,244</u>	<u>543,244</u>	
FUND BALANCE - ENDING	<u>\$ 429,363</u>	<u>\$ 535,355</u>	<u>\$ 105,992</u>

**CITY OF BELLEVUE, IDAHO
PUBLIC EMPLOYEE PENSION INFORMATION
For the year ended September 30, 2017**

Required Supplementary Information

**Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability	.0221655%	.0219022%	0156724%
Employer's proportionate share of the net pension liability	\$ 348,404	\$ 443,991	\$ 206,380
Employer's covered-employee payroll	713,441	671,267	435,150
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	48.83%	66.14%	47.43%
Plan fiduciary net position as a percentage of the total pension liability	2934.66%	2144.66%	459.65%

* GASB Statement No. 68 required ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of June 30, 2017

**Schedule of Employer's Contributions
PERSI - Base Plan
Last 10 - Fiscal Years***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 77,932	\$ 88,119	\$ 56,998
Contributions in relation to the statutorily required contribution	(77,932)	(88,119)	(56,998)
Contribution (deficiency) excess	0	0	0
Employer's covered-employee payroll	713,441	671,267	435,150
Contributions as a percentage of covered-employee payroll	10.92%	12.98%	13.10%

CITY OF BELLEVUE, IDAHO
Bond-Future Principal and Interest Requirements
at September 30, 2017

	<u>Annual Payment</u>			
	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
City of Bellevue Blaine County Sewer Construction Loan				
Waste Water Treatment Plant Revolving Promissory Note Series 2010 \$6,000,000. November 17, 2010 3.25% per annum				
	3.25%	2018	\$ 267,737	\$ 142,863
	3.25%	2019	276,510	133,890
	3.25%	2020	285,234	125,166
	3.25%	2021	294,915	115,485
	3.25%	2022	304,577	105,823
	3.25%	2023	314,557	95,844
	3.25%	2024	324,636	85,764
	3.25%	2025	335,499	74,901
	3.25%	2026	346,491	63,909
	3.25%	2027	357,844	52,556
	3.25%	2028	369,465	40,935
	3.25%	2029	381,673	28,726
	3.25%	2030	394,179	16,221
	3.25%	2031	201,855	3,307
			<u>\$ 4,455,172</u>	<u>\$ 1,085,190</u>

The accompanying notes are a part of these financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

October 29, 2018

To the Honorable Mayor and City Council
City of Bellevue, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Bellevue, Idaho (City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Bellevue, Idaho's basic financial statements, and have issued our report thereon dated October 29, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bellevue, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

CITY OF BELLEVUE, IDAHO

Financial Statements

Year Ended September 30, 2018

CITY OF BELLEVUE, IDAHO
Financial Statements
For the year ended September 30, 2018

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Independent Auditor's Report

June 4, 2019

To the Honorable Mayor and City Council
City of Bellevue, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, and the discretely presented component unit of the City of Bellevue, Idaho (City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the discretely presented component unit of the City of Bellevue, Idaho as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and public employee pension information on pages 3-11, 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bellevue, Idaho's basic financial statements. The accompanying other supplementary information on page 36 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho



website:bellevueidaho.us

CITY OF BELLEVUE

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CITY OF BELLEVUE, IDAHO MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2018

The City of Bellevue, Idaho's general purpose external financial statements are presented in this report. The components of the general purpose external financial statements include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Other Required Supplementary Information (RSI).

FINANCIAL HIGHLIGHTS

- The total of all fund assets of the City of Bellevue exceeded liabilities at the close of the most recent fiscal year by \$ 10,502,249. Of that amount, \$ 2,535,644 (unrestricted net position) may be used to meet future obligations and programs.
- General Fund Revenues were \$1,262,821 and expenditures were \$1,363,356.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Bellevue's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds. Financial statements for the City's component unit are also presented.

Component Unit

The City has one discretely reported component unit. The Bellevue Urban Renewal Agency is reported separately from the City's Government-wide Financial Statements. This Agency is created to improve property within the City through property tax revenues. (See Footnote 1 of the Financials)

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Table 1: Major Features of the Basic Financial Statements

	Government-wide	Fund Financial Statements	
	<u>Financial Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire City government and the City's component unit.	Activities of the City that are not proprietary	Activities of the City that are operated similar to private businesses
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net assets * Statement of revenues, expenses, and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	* Revenues for which cash is received during or soon after the end of the year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 of the financial statements for more detailed information on the elements of the financial statements. Table 1 above summarizes the major features of the basic financial statements.

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Position

The largest component (\$ 7,616,921 of the City's net position reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not eligible for future spending. Restricted net position total \$ 349,684. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, debt service requirements, or enabling legislation on how they can be used.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The remaining portion of net assets is unrestricted, which can be used to finance government operation.

Table 2 below presents the City's condensed statement of net position as of September 30, 2018 derived from the government-wide Statement of Net Position.

**Table 2: Condensed Statement of Net Position
As of September 30, 2018**

	Governmental Activities	Business- type Activities	Total Primary Government	Component Unit - Urban Renewal Agency
Current and other assets	\$ 449,040	\$ 2,933,113	\$ 3,382,153	\$ 149,367
Capital assets	1,674,365	10,338,076	12,012,441	
Total Assets	<u>2,123,405</u>	<u>13,271,189</u>	<u>15,394,594</u>	<u>149,367</u>
Deferred Outflows	41,111	11,568	52,679	0
Current Liabilities	20,649	477,366	498,015	
Long-term liabilities	405,878	3,984,900	4,390,778	
Total Liabilities	<u>426,527</u>	<u>4,462,266</u>	<u>4,888,793</u>	<u>0</u>
Deferred Inflows	43,883	12,348	56,231	0
Net position:				
Invested in capital assets				
net of related debt	1,516,987	6,099,934	7,616,921	
Restricted	404	349,280	349,684	149,367
Unrestricted	<u>176,715</u>	<u>2,358,929</u>	<u>2,535,644</u>	
Total Net Position	<u>\$ 1,694,106</u>	<u>\$ 8,808,143</u>	<u>\$ 10,502,249</u>	<u>\$ 149,367</u>

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the fiscal year ended September 30, 2018 as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities decreased by \$ 139,715 or 7.62% percent, and the net position of the business-type activities increased by \$417,505 or 4.98%.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 3: Condensed Statement of Activities
As of September 30, 2018**

	Governmental Activities	Business- type Activities	Total Primary Government	Urban Renewal Agency
Revenue:				
Program revenues				
Charges for services	\$ 6,240	\$ 1,463,234	\$ 1,469,474	\$
Capital grants /contributions	532	120,769	121,301	
Total program revenues	<u>6,772</u>	<u>1,584,003</u>	<u>1,590,775</u>	<u>0</u>
General revenues				
Taxes	670,219		670,219	53,470
Franchise, licenses, permits	127,780		127,780	
State shared revenues	350,089		350,089	
Interest	16,927	33,592	50,519	18
Other revenues	134,327	5,708	140,035	
Total general revenues	<u>1,299,342</u>	<u>39,300</u>	<u>1,338,642</u>	<u>53,488</u>
Total revenues	<u>1,306,114</u>	<u>1,623,303</u>	<u>2,929,417</u>	<u>53,488</u>
Program expenses:				
Administrative	304,671		304,671	1,120
Planning and Zoning	131,017		131,017	
Parks and recreation	40,173		40,173	
Fire	181,767		181,767	
Library	88,541		88,541	
Marshall	400,544		400,544	
Building and grounds	34,314		34,314	
Streets	255,204		255,204	
Shop	9,598		9,598	
Wastewater		411,286	411,286	
Water		655,092	655,092	
Interest, long-term debt		139,420	139,420	
Total program expenses	<u>1,445,829</u>	<u>1,205,798</u>	<u>2,651,627</u>	<u>1,120</u>
Change in net assets	(139,715)	417,505	277,790	52,368
Beginning net assets	1,833,821	8,390,638	10,224,459	96,999
Ending net assets	<u>\$ 1,694,106</u>	<u>\$ 8,808,143</u>	<u>\$ 10,502,249</u>	<u>\$ 149,367</u>

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, mainly taxes.

**Table 4: Program Expenses and Revenues
for Government Activities
For the Fiscal Year Ended September 30, 2018**

	Program <u>Expenses</u>	Program <u>Revenues</u>	Net Expense (Revenues) (a)
Administrative	\$ 304,671	\$ 1,585	\$ (303,086)
Planning and Zoning	131,017	2,398	(128,619)
Parks and Recreation	40,173	890	(39,283)
Fire	181,767		(181,767)
Library	88,541	1,899	(86,642)
Marshall	400,544		(400,544)
Building and Grounds	34,314		(34,314)
Streets	255,204		(255,204)
Shop	9,598		(9,598)
Totals	\$ <u>1,445,829</u>	\$ <u>6,772</u>	\$ <u>(1,439,057)</u>

(a) Net Program Expenses are mainly supported by taxes and state shared revenues.

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses.

**Table 5: Program Expenses and Revenues
for Business-type Activities
For the Fiscal Year Ended September 30, 2018**

City Programs	Program <u>Expenses</u>	Program <u>Revenues</u>	Net Program Expenses (Revenues)
Water	\$ 411,286	\$ 422,864	\$ 11,578
Wastewater	655,092	1,200,439	545,347
Interest on long-term debt	139,420		(139,420)
Totals	\$ <u>1,205,798</u>	\$ <u>1,623,303</u>	\$ <u>417,505</u>

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The City of Bellevue, Idaho adopts an annual budget. A budgetary comparison statement of Governmental Funds is provided below. In total, any negative variances are insignificant.

**Table 6: Analysis of Significant Budget Variances
for Government Activities
For the Fiscal Year Ended September 30, 2018**

	Original and Final Budget	Actual	Variances
Revenues:			
Taxes (including penalties/interest)	\$ 647,897	\$ 655,276	\$ 7,379
Franchises, licenses, permits	139,734	128,348	(11,386)
State of Idaho	399,292	357,144	(42,148)
Fees, Charges for Services	10,200	5,670	(4,530)
Other	131,000	116,383	(14,617)
Totals	<u>1,328,123</u>	<u>1,262,821</u>	<u>(65,302)</u>
Expenditures:			
Administrative	271,362	283,111	(11,749)
Planning and Zoning	131,396	131,017	379
Parks and Recreation	49,946	28,043	21,903
Fire	198,968	176,567	22,401
Library	89,338	87,430	1,908
Marshall	462,336	395,359	66,977
Building and Grounds	41,853	34,314	7,539
Streets	189,944	219,313	(29,369)
Shop	12,749	8,202	4,547
Capital Expenditures			0
Totals	<u>1,447,892</u>	<u>1,363,356</u>	<u>84,536</u>
Excess (Deficiency)	<u>\$ (119,769)</u>	<u>\$ (100,535)</u>	<u>\$ 19,234</u>

BUDGET VARIANCES IN THE GENERAL FUND

The changes made to the budget format have moved the City into compliance with the budget standards developed by the Government Finance Officers of America (GFOA). An analysis of budget variances this year shows that more assets were budgeted for expenditure than were expended during the current operating cycle.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Table 7: Comparison of Statement of Net Position As of September 30, 2018 and 2017			
	2018	2017	Percentage Change
Current Assets	\$ 3,382,153	\$ 3,099,379	9.1236%
Capital Assets	12,012,441	12,203,530	-1.5659%
Total Assets	<u>15,394,594</u>	<u>15,302,909</u>	0.5991%
Deferred Outflows of Resources	<u>52,679</u>	<u>54,708</u>	-3.7088%
Current Liabilities	498,015	364,623	36.5835%
Long Term Liabilities	4,390,778	4,713,234	-6.8415%
Total Liabilities	<u>4,888,793</u>	<u>5,077,857</u>	-3.7233%
Deferred Inflows of Resources	<u>56,231</u>	<u>52,263</u>	7.5924%
Net Position:			
Invested in Capital Assets net of related debt	7,616,921	7,523,046	1.2478%
Restricted	349,684	358,081	-2.3450%
Unrestricted	<u>2,535,644</u>	<u>2,343,332</u>	8.2068%
Total Net Position	<u>\$ 10,502,249</u>	<u>\$ 10,224,459</u>	<u>2.7169%</u>

OVERALL ANALYSIS

Financial highlights for the City as a whole during the fiscal year ended September 30, 2018 show the assets of the City exceeded its liabilities (net position) at the close to the fiscal year by \$ 10,502,249 (for governmental activities \$ 1,694,106, for the business-type activities \$ 8,808,143). Additionally, the City's total net position increased during the year by \$ 277,790. This is due to more revenue collected and grants received compared to less expenditures during the current year. Net position of the governmental activities decreased by \$ 139,715 (due to depreciation of City-wide capital assets of \$81,588), while net position of business-type activities increased by \$ 417,505.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 8: Changes in Fixed Assets
for All Funds
For the Fiscal Year Ended September 30, 2018**

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Infrastructure	\$ 4,568,761			\$ 4,568,761
Buildings and Improvements	16,560,638	244,005		16,804,643
Vehicles and Equipment	1,253,215			1,253,215
Construction in Progress	0		0	0
Totals	<u>22,382,614</u>	<u>244,005</u>	<u>0</u>	<u>22,626,619</u>
Accumulated Depreciation	<u>(10,179,084)</u>	<u>(435,092)</u>		<u>(10,614,176)</u>
Net Book Value	\$ <u>12,203,530</u>			\$ <u>12,012,443</u>

CAPITAL ASSET AND LONG-TERM, ACTIVITY

Capital Asset Activity

At September 30, 2018, the City reported \$1,674,365 in capital assets for governmental activities and \$10,338,076 in capital assets for business-type activities.

Long-term Debt Activity

See Note 4 of the financial statements for information on the City's long-term debt.

FUNDS ANALYSIS

Funds that experienced significant changes during the year are as follows:

Governmental funds

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$434,820. The fund balance decreased \$ 100,535 during the fiscal year. The decrease is the result of \$1,262,821 of revenues reduced by \$ 1,363,356 of expenditures. The decrease in fund balance follows a fund balance decrease of \$ 7,889 in FY 2017. The positive trends in the City's governmental fund results from a continuation of fiscal policies designed to limit spending and preserve and strengthen the City's financial position during uncertain economic times. This ongoing accomplishment is due to the commitment and determination of the City Council and staff to make prudent financial decisions while also seeking to preserve levels of service to the community by continually pursuing and implementing cost savings and efficiencies in operations.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

REQUESTS FOR INFORMATION

Requests for information regarding City finances should be directed to:

Marian Edwards
City Clerk/Treasurer
City of Bellevue, Idaho
P.O. Box 825
Bellevue, Idaho, 83313
Telephone: (208) 788-5351

CITY OF BELLEVUE, IDAHO
Statement of Net Position
at September 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit Urban Renewal Agency</u>
<u>ASSETS</u>				
Cash and Deposits	\$ 205,933	\$ 2,430,695	\$ 2,636,628	
Accounts Receivable		153,138	153,138	
Taxes Receivable	15,389		15,389	
Due From Other Governments	91,043		91,043	
Restricted and Assigned Cash	404	349,280	349,684	\$ 149,367
Due From Other Funds	136,271		136,271	
Totals	<u>449,040</u>	<u>2,933,113</u>	<u>3,382,153</u>	<u>149,367</u>
Capital Assets:				
Land	717,340		717,340	
Infrastructure	3,851,421		3,851,421	
Buildings and Improvements	752,432	16,052,210	16,804,642	
Equipment and Vehicles	891,788	361,426	1,253,214	
Accumulated Deprecation	(4,538,616)	(6,075,560)	(10,614,176)	
Total Capital Assets	<u>1,674,365</u>	<u>10,338,076</u>	<u>12,012,441</u>	<u>0</u>
Total Assets	<u>2,123,405</u>	<u>13,271,189</u>	<u>15,394,594</u>	<u>149,367</u>
Deferred Outflows of Resources:				
Deferred Outflows from Pension Activity	<u>41,111</u>	<u>11,568</u>	<u>52,679</u>	<u>0</u>
<u>LIABILITIES</u>				
Accounts and Payroll Liabilities Payable	4,984	13,876	18,860	
Interest Payable		50,708	50,708	
Refundable User Deposits	1,346		1,346	
Due To Other Funds		136,272	136,272	
Long-term Liabilities:				
Portion due or payable within one year:				
Loans Payable	14,319	276,510	290,829	
Portion due or payable after one year:				
Loans Payable	143,059	3,910,924	4,053,983	
Net Pension Liability	235,132	66,166	301,298	
Compensated Absences	27,687	7,810	35,497	
Total Liabilities	<u>426,527</u>	<u>4,462,266</u>	<u>4,888,793</u>	<u>0</u>
Deferred Inflows of Resources:				
Deferred Inflows from Pension Activity	<u>43,883</u>	<u>12,348</u>	<u>56,231</u>	<u>0</u>
<u>NET POSITION</u>				
Invested in Capital Assets - net of related debt	1,516,987	6,099,934	7,616,921	
Restricted For:				
Debt Service		349,280	349,280	
Other Purposes	404		404	149,367
Unrestricted	<u>176,715</u>	<u>2,358,929</u>	<u>2,535,644</u>	
Total Net Position	<u>\$ 1,694,106</u>	<u>\$ 8,808,143</u>	<u>\$ 10,502,249</u>	<u>\$ 149,367</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Activities
For the Year Ended September 30, 2018

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position			Component Unit - Urban Renewal Agency
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental:							
Administrative	\$ 304,671	\$ 1,585	\$	\$ (303,086)		\$ (303,086)	
Planning and Zoning	131,017	2,398		(128,619)		(128,619)	
Parks and Recreation	40,173	540	350	(39,283)		(39,283)	
Fire	181,767			(181,767)		(181,767)	
Library	88,541	1,717	182	(86,642)		(86,642)	
Marshall	400,544			(400,544)		(400,544)	
Building and Grounds	34,314			(34,314)		(34,314)	
Streets	255,204			(255,204)		(255,204)	
Shop	9,598			(9,598)		(9,598)	
Total Governmental Activities	1,445,829	6,240	532	(1,439,057)		(1,439,057)	
Business Type:							
Water	411,286	416,362			\$ 5,076	5,076	
Wastewater	655,092	1,046,872	120,769		512,549	512,549	
Interest - on long-term debt	139,420				(139,420)	(139,420)	
Total Business-type Activities	1,205,798	1,463,234	120,769		378,205	378,205	
Total City of Bellevue, Idaho	\$ 2,651,627	\$ 1,469,474	\$ 121,301	(1,439,057)	378,205	(1,060,852)	
Component Units:							
Urban Renewal Agency	\$ 1,120						\$ (1,120)
Total							(1,120)
General Revenues:							
State of Idaho liquor receipts				70,300		70,300	
State highway user collections				82,816		82,816	
State of Idaho shared revenue				155,013		155,013	
County Revenue Sharing				41,960		41,960	
Franchises, licenses, permits				127,780		127,780	
City Property Assessments				670,219		670,219	53,470
Administrative Fees Water/Wastewater				95,000		95,000	
Earnings on investments				16,927	33,592	50,519	18
County court fines				2,945		2,945	
Miscellaneous				980		980	
Gain (Loss) on Pension Activity				35,402	5,708	41,110	
Total general revenues and transfers				1,299,342	39,300	1,338,642	53,488
Changes in net position				(139,715)	417,505	277,790	52,368
Net Position - Beginning				1,833,821	8,390,638	10,224,459	96,999
Net Position - Ending				\$ 1,694,106	\$ 8,808,143	\$ 10,502,249	\$ 149,367

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Balance Sheet
Governmental Funds
for the year ended September 30, 2018

	<u>General Fund</u>	<u>Total</u>
ASSETS:		
Cash and Cash Deposits	\$ 205,933	\$ 205,933
Taxes and Other Receivables	15,389	15,389
Due From Other Governments	91,043	91,043
Due From Other Funds	136,271	136,271
Restricted Cash	<u>404</u>	<u>404</u>
 Total Assets	 \$ <u>449,040</u>	 \$ <u>449,040</u>
LIABILITIES:		
Accounts Payable	4,984	4,984
Accrued Payroll Expenses		0
Refundable User Deposits	<u>1,347</u>	<u>1,347</u>
 Total Liabilities	 <u>6,331</u>	 <u>6,331</u>
FUND BALANCE:		
Non-spendable	0	0
Restricted	404	404
Committed	0	0
Assigned	0	0
Unassigned	<u>442,305</u>	<u>442,305</u>
 Total Fund Balance	 <u>442,709</u>	 <u>442,709</u>
 Total Liabilities and Fund Balance	 \$ <u>449,040</u>	

Amounts reported for governmental activities in the Statement of Net Position (page 12) are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is \$ 6,212,981 and the accumulated depreciation is \$ 4,538,616	1,674,365
Long-term liabilities, net pension liabilities, and compensated absences are not payable in the current period and therefore are not reported in the governmental funds.	<u>(422,968)</u>
 Net Position of Governmental Funds	 \$ <u>1,694,106</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2018

	<u>General Fund</u>	<u>Totals</u>
REVENUE:		
State of Idaho liquor receipts	\$ 70,300	\$ 70,300
State highway user collections	82,816	82,816
State of Idaho shared revenue	155,014	155,014
County Revenue Sharing	49,014	49,014
Franchises, licenses, permits	128,348	128,348
City Property Assessments	655,276	655,276
Administrative Fees Water/Wastewater	95,000	95,000
Earnings on investments	16,927	16,927
Fees, fines and charges for services	5,670	5,670
Grants and contributions	532	532
County court fines	2,945	2,945
Miscellaneous	979	979
Total Revenue	1,262,821	1,262,821
EXPENDITURES:		
Administrative	283,111	283,111
Planning and Zoning	131,017	131,017
Parks and Recreation	28,043	28,043
Fire	176,567	176,567
Library	87,430	87,430
Marshall	395,359	395,359
Building and Grounds	34,314	34,314
Streets	219,313	219,313
Shop	8,202	8,202
Capital Expenditures	0	0
Total Expenditures	1,363,356	1,363,356
EXCESS REVENUE (EXPENDITURES)	(100,535)	(100,535)
OTHER FINANCING SOURCES (USES):		
Operating transfers from other funds		
Operating transfers (to) other funds		
NET CHANGE IN FUND BALANCES	(100,535)	(100,535)
FUND BALANCE - BEGINNING	535,355	535,355
FUND BALANCE - ENDING	\$ 434,820	\$ 434,820

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
for the year ended September 30, 2018

Net Change in Fund Balance - Total Governmental Funds (Page 15)	\$ (100,535)
<p>Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.</p>	
This is the amount of current year depreciation.	(81,588)
This is the amount of new Governmental Fund assets.	0
This is the amount of disposed of Governmental Fund assets.	0
<p>Long term liabilities are not recorded in the Governmental funds. Capital lease payments are expensed in the period that the payments are paid. Capital leases are recorded as liabilities in the Statement of Net Position. Current year payments reduce the amount of the debt.</p>	
This is the amount of current year payments of capital leases and capital costs.	13,983
<p>Net pension activity in the current period is not recorded in Governmental funds.</p>	
This is the net gain (loss) from current pension activity	35,402
<p>Liability for personal leave days are not recorded in Governmental funds.</p>	
This is the increase in compensated leave during the year.	<u>(6,977)</u>
Change in Net Position of Governmental Activities (Page 13)	\$ <u><u>(139,715)</u></u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Net Position
Proprietary Funds
at September 30, 2018

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Assets:			
Current Assets:			
Cash and Deposits	\$ 520,867	\$ 1,909,828	\$ 2,430,695
Accts receivable - customers	42,214	110,924	153,138
Accts receivable - other govts.			0
	<u>563,081</u>	<u>2,020,752</u>	<u>2,583,833</u>
Restricted Current Assets:			
Cash and Deposits	<u>0</u>	<u>349,280</u>	<u>349,280</u>
Total Current Assets	<u>563,081</u>	<u>2,370,032</u>	<u>2,933,113</u>
Capital Assets:			
Plant and equipment	4,389,754	12,023,882	16,413,636
Accumulated depreciation	<u>(2,112,630)</u>	<u>(3,962,930)</u>	<u>(6,075,560)</u>
Net Plant and equipment	<u>2,277,124</u>	<u>8,060,952</u>	<u>10,338,076</u>
Total Assets	<u>2,840,205</u>	<u>10,430,984</u>	<u>13,271,189</u>
Deferred Outflows of Resources:			
Deferred Outflows from Pension Activity	<u>6,125</u>	<u>5,443</u>	<u>11,568</u>
Liabilities:			
Current Liabilities:			
Accounts and Wages Payable	2,019	11,857	13,876
Interest Payable		50,708	50,708
Current portion long-term debt		<u>276,510</u>	<u>276,510</u>
Total current liabilities	<u>2,019</u>	<u>339,075</u>	<u>341,094</u>
Noncurrent Liabilities:			
Loans Payable		3,910,924	3,910,924
Net Pension Liability	35,033	31,133	66,166
Due to Other Funds	11,807	124,465	136,272
Compensated Absences Payable	<u>4,260</u>	<u>3,550</u>	<u>7,810</u>
Total noncurrent liabilities	<u>51,100</u>	<u>4,070,072</u>	<u>4,121,172</u>
Total Liabilities	<u>53,119</u>	<u>4,409,147</u>	<u>4,462,266</u>
Deferred Inflows of Resources:			
Deferred Inflows from Pension Activity	<u>6,538</u>	<u>5,810</u>	<u>12,348</u>
Net Position:			
Investment in capital assets net of related debt	2,277,124	3,822,810	6,099,934
Restricted	0	349,280	349,280
Unrestricted	<u>509,549</u>	<u>1,849,380</u>	<u>2,358,929</u>
Total Net Position	<u>\$ 2,786,673</u>	<u>\$ 6,021,470</u>	<u>\$ 8,808,143</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
for the year ended September 30, 2018

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Operating Revenues:			
Charges for services	\$ 415,130	\$ 1,046,150	\$ 1,461,280
Hookups and connections			0
Reimbursements and Misc.	<u>1,232</u>	<u>722</u>	<u>1,954</u>
Total Operating Revenue	<u>416,362</u>	<u>1,046,872</u>	<u>1,463,234</u>
Operating Expenses:			
Salaries and benefits	117,920	98,702	216,622
Administrative and supplies	200,044	296,208	496,252
Depreciation	<u>93,322</u>	<u>260,182</u>	<u>353,504</u>
Total Operating Expenses	<u>411,286</u>	<u>655,092</u>	<u>1,066,378</u>
Operating Income	<u>5,076</u>	<u>391,780</u>	<u>396,856</u>
Nonoperating Revenues (Expenses):			
Interest Income	8,718	24,874	33,592
Interest Expense		(139,420)	(139,420)
Gain (Loss) on Pension Activity	(2,216)	7,924	5,708
Grants		<u>120,769</u>	<u>120,769</u>
Total Nonoperating	<u>6,502</u>	<u>14,147</u>	<u>20,649</u>
Income before transfers	<u>11,578</u>	<u>405,927</u>	<u>417,505</u>
Transfers in			0
Transfers out			<u>0</u>
Net Income	11,578	405,927	417,505
Total Net Position - Beginning	<u>2,775,095</u>	<u>5,615,543</u>	<u>8,390,638</u>
Total Net Position - Ending	<u>\$ 2,786,673</u>	<u>\$ 6,021,470</u>	<u>\$ 8,808,143</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Cash Flows
Proprietary Funds
for the year ended September 30, 2018

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Receipts from customers	\$ 427,761	\$ 1,060,173	\$ 1,487,934
Payments to suppliers	(191,923)	(173,856)	(365,779)
Payments to employees	(117,920)	(98,702)	(216,622)
Payments from (to) other funds			
Other receipts	1,232	121,491	122,723
Net cash provided (used) by operations	<u>119,150</u>	<u>909,106</u>	<u>1,028,256</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase and construction of capital assets	(124,957)	(119,048)	(244,005)
Amounts provided from capital debt			0
Principal paid on capital debt		(267,738)	(267,738)
Interest paid on capital debt		(142,662)	(142,662)
Net cash provided (used) by capital and related financing activities	<u>(124,957)</u>	<u>(529,448)</u>	<u>(654,405)</u>
Cash Flows From Investing Activities:			
Interest Income	8,718	24,874	33,592
Net Increase (Decrease) in Cash and Deposits	2,911	404,532	407,443
Balances - Beginning of the year	<u>517,956</u>	<u>1,854,576</u>	<u>2,372,532</u>
Balances - Ending of the year	<u>\$ 520,867</u>	<u>\$ 2,259,108</u>	<u>\$ 2,779,975</u>
Displayed as:			
Pooled Cash and Investments	520,867	1,909,828	2,430,695
Restricted Assets		349,280	349,280
Balances - Ending of the year	<u>\$ 520,867</u>	<u>\$ 2,259,108</u>	<u>\$ 2,779,975</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	5,076	391,780	396,856
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Grant Receipts and Transfers		120,769	120,769
Depreciation expense	93,322	260,182	353,504
Changes in assets and liabilities:			
Receivables, net	12,631	14,023	26,654
Accounts and other payables	8,121	122,352	130,473
Net Cash Provided (Used) by Operating Activities	<u>\$ 119,150</u>	<u>\$ 909,106</u>	<u>\$ 1,028,256</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bellevue, Idaho was incorporated by charter on February 8, 1883. The City operates under a Mayor-Common Council form of government and provides the following services to the residents of Bellevue, Blaine County, Idaho: public safety, public works, recreation, and community development. The City also provides water and wastewater services which are financed by user charges. The accounting policies of the City of Bellevue, Idaho conform to generally accepted accounting principles as applicable to governmental units. The financial statements of the City of Bellevue, Idaho have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities (enterprise funds) provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

(A) Basis of Presentation – Basis of Accounting

Basis of Presentation:

For this reporting period, the City has conformed its financial statement model to *Governmental Auditing Standards Board (GASB) Statement No. 34*. This model presents the financial statements as follows:

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental* and *proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

The City reports the following governmental funds:

General Fund. This is the City's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following enterprise funds:

Water and Wastewater Funds. These funds accounts for the operation, maintenance, and development of the City's water and waste-water facilities.

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the City's only discretely presented component unit, the Bellevue Urban Renewal Agency. It is reported in a separate column to emphasize that it is separate from the City's operations. The Agency was formed in December of 2007 under provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code). The Agency is designed to raise money (through tax incremental financing) over the next several decades for City improvements based on a projected increase in property values in the downtown area.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statement. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting. The City adheres to City budget requirements in Title 50, Chapter 10 of the Idaho Code. The provisions of this chapter include the following procedures to establish budgetary data which is reflected in these financial statements:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-continued

- A. Prior to certifying the tax levy to the county commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of a majority of the members of the council.
- B. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. Uncommitted appropriations lapse at year end.
- C. There are no provisions in Title 50, Chapter 10 for budget augmentations.

Entity Classifications.

- A. City-Wide Financial Statements – The City reports net position in three categories – invested in capital assets, restricted and unrestricted.
- B. Fund Financial Statements – The City has adopted GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments’ highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

Order of Use of Fund Balance – The City’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

Allocation of Indirect Expenses. The City allocates indirect expense, primarily comprised of central governmental services, to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

to programs based on use of central services determined by various allocation methodologies. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include police, fire, and certain divisions with public services and parks.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(B) Assets, Liabilities, and Equity

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the State of Idaho Treasurer's Office for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at September 30 of each year based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash and Deposits". Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average daily balance of each participating fund.

Cash and Deposits

The City considers cash and deposits in proprietary funds to be cash on hand. In addition, because the State Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a deposit.

Receivables and Payable

All trade and property tax receivables are shown net of an allowance for uncollectibles. Amounts due from other governments are shown in total. Accounts and accrued expenses payable are stated at cost and are recognized liabilities for goods and services rendered to the City as of September 30.

Property Tax Calendar

Property taxes are levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The Blaine County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June. Property taxes become a lien on the property when it is levied.

Capital Assets

Purchased or constructed capital assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. They are reported net of accumulated depreciation on the Statement of Net Position. The City capitalizes assets in excess of \$5,000.

Under the requirements of *GASB Statement No. 34*, the City is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. Accordingly, the City has determined not to retroactively report this type of capital asset.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Building Improvements	50
Vehicles	2-15
Office and Other Equipment	3-15

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In 2007, the Governmental Accounting Standards Board (GASB) released Concepts Statement No. 4 *Elements of Financial Statements* which provides a framework for determining the nature of financial accounting or reporting issues. Since the release of the framework, GASB has been looking at the assets and liabilities on the balance sheet to determine if they should continue to be reflected as such. GASB has concluded that, in order to improve financial reporting, there are assets and liabilities that no longer should be reflected as assets and liabilities. These changes are included in the recently-issued GASB Statement No. 65, *Items Previously Reported as Asset and Liabilities*.

These changes include two new items that are reflected on the Statement of Net Position.

- Deferred outflow of resources – the current *consumption* of net assets that is applicable to a *future* reporting period.
- Deferred inflows of resources – the current *acquisition* of net assets that is applicable to a *future* reporting period.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

The City's financial statements may report a separate section for deferred inflows of resources which reflects an increase in resources that applies to a future period.

NOTE 2 – CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, none of the City's bank balances were exposed to custodial credit risk because it was uninsured by the FDIC.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City held the following investments:

Investment Type

Idaho State Local Government Investment Pool	\$ 2,477,621
Idaho State Local Government Diversified Bond Fund	226,664

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the City voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. And the fair value of the City's position in the external investment pool is the same as the value of the pool shares.

Credit Risk: The City's policy is to comply with Idaho State statutes which authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of credit risk: The City has no policy regarding these two investment risk categories.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as "Cash and Deposits".

Cash and Deposits are comprised of the following at the financial statement date:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

Demand deposits	\$ 282,027
State of Idaho Diversified Bond Fund	226,664
State of Idaho Investment Pool	<u>2,477,621</u>
Total	<u>\$2,986,312</u>

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the current year ended was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 717,340	\$	\$	\$ 717,340
Construction in Progress				
Total	<u>717,340</u>	<u>0</u>	<u>0</u>	<u>717,340</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	752,432			752,432
Infrastructure	3,851,421			3,851,421
Vehicles and Equipment	891,788			891,788
Total	<u>5,495,641</u>	<u>0</u>	<u>0</u>	<u>5,495,641</u>
Less: Accumulated Depreciation:	4,457,027	81,588		4,538,615
Total Net Depreciated Assets	<u>1,038,614</u>	<u>(81,588)</u>	<u>0</u>	<u>957,026</u>
Governmental capital assets, net	<u>\$ 1,755,954</u>	<u>\$ (81,588)</u>	<u>\$ 0</u>	<u>\$ 1,674,366</u>
Business-type activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$	\$	\$	\$ 0
Construction in Progress				0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	15,808,205	244,005		16,052,210
Vehicles and Equipment	361,427			361,427
Total	<u>16,169,632</u>	<u>244,005</u>	<u>0</u>	<u>16,413,637</u>
Less: Accumulated Depreciation	5,722,056	353,504		6,075,560
Total Net Depreciated Assets	<u>10,447,576</u>	<u>(109,499)</u>	<u>0</u>	<u>10,338,077</u>
Business-type capital assets, net	<u>\$ 10,447,576</u>	<u>\$ (109,499)</u>	<u>\$ 0</u>	<u>\$ 10,338,077</u>

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

NOTE 4 - LOANS PAYABLE

In November of 2010, the City acquired \$ 6,000,000 under a loan agreement with the Idaho Department of Health and Welfare for improvements to the wastewater treatment facility. The loan is secured by revenue bonds and is being repaid in semi-annual payments at 3.25%.

The following is a list of the interest and principal payments through the end of the loans:

	<u>Wastewater Loan 2010</u>	
<u>FY</u>	<u>Interest</u>	<u>Principal</u>
2019	\$ 133,890	\$ 276,510
2020	125,166	285,234
2021	115,485	294,915
2022	105,823	304,577
2023	95,844	314,557
2024-2031	<u>366,319</u>	<u>2,711,642</u>
Total	<u>\$ 942,527</u>	<u>\$4,187,435</u>

NOTE 5 – LITIGATION

The City, at the financial statement date, is not involved any litigation. No material amount of liability exists with the City.

NOTE 6 – RESTRICTED NET ASSETS

The Sewer Revenue Bond Ordinance for the 2010 loan provides for the creation of a debt service reserve in connection with the issuance of revenue bonds for the upgraded wastewater treatment facility. A separate account in the Idaho State Treasurer's Investment Pool presently has a balance of \$ 349,280. As provided by the rate ordinances, sewer capitalization fees are to be deposited into a fund for purpose of replacing the existing system facilities and equipment. The City also has deposited "in lieu fees" and certain donated amounts in restricted or assigned cash accounts in the amount of \$ 404.

NOTE 7 – RISK MANAGEMENT

A City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the City is contracted with Idaho County Risk Management Program (ICRMP) for property, crime and fleet insurance and the State Insurance Fund for workman's compensation. Under the terms of the ICRMP policy, the City of Bellevue's liability is limited to the amount of annual financial membership contributions, including a per occurrence deductible. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

NOTE 8 – EMPLOYEE RETIREMENT PLAN

Plan Description

The City of Bellevue contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age and highest average salary. Members become fully vested in their retirement benefits with five years of credited services (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of employer rate for general employees and 72% for police and firefighters. As of June 30, 2018, it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The City's contributions were \$ 81,476 for the year ended September 30, 2018.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At September 30, 2018, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2018, the City's proportion was 0.0204267 percent.

For the year ended September 30, 2018, the City recognized pension (expense) revenue of \$41,110. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,074	\$ 33,476
Changes in assumptions or other inputs	\$ 19,605	
Net difference between projected and actual earnings on pension plan investments	\$ 0	\$ 22,755
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$ (20,369)	
City's contributions subsequent to the measurement date	\$ 20,369	
Total	\$ 52,679	\$ 56,231

\$ 20,369 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2017 the beginning of the measurement period ended June 30, 2018 is 4.9 and 5.5 for the measurement period June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

Year ended September 30, 2018:

2018	\$ (23,128)
2019	\$ 24,492
2020	\$ 2,886
2021	\$ (24,689)
2022 and Thereafter	\$ (6,240)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 – 10.00%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2018 is based on the results of an actuarial valuation date of July 1, 2018.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

Capital Market Assumptions

	<u>Expected Return</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities:			70%	66%-77%
Broad Domestic Equity	9.15%	19.00%	55%	50%-65%
International	9.25%	20.20%	15%	10%-20%
Fixed Income:	3.05%	3.75%	30%	23%-33%
Cash	2.25%	0.90%	0%	0%-5%
	<u>Expected Return</u>	<u>Expected Inflation</u>	<u>Expected Real Return</u>	<u>Expected Risk</u>
Total Fund				
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

* Expected arithmetic return net of fees and expenses

Actuarial Assumptions:

Assumed Inflation - Standard Deviation	3.25%
Portfolio Arithmetic Mean Return	2.00% 8.42%
Portfolio Long-Term Expected Geometric Rate of Return	
Assumed Investment Expenses	7.50%
Long-Term Expected Geometric Rate of Return Net of Investment Expenses	<u>0.40%</u>
	7.10%

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

-Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 331,428	\$ 301,298	\$ 271,168

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov

Payables to the pension plan

At September 30, 2018, the City reported payables to the defined benefit pension plan of \$ 0 for legally required employer contributions and \$ 0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 9 – LOANS PAYABLE

On March 7, 2012 the City entered into a financing capital lease for the purchase of new fire truck. The lease is payable in equal annual installments of \$ 21,169. The lease is capitalized in the statement of net position in the amount of \$157,378 and will be expensed annually in the funds.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2018

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

**Required
Supplementary Information**

CITY OF BELLEVUE, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- General Fund
for the year ended September 30, 2018

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:			
State of Idaho liquor receipts	\$ 121,763	\$ 70,300	\$ (51,463)
State highway user collections	103,794	82,816	(20,978)
State of Idaho shared revenue	121,763	155,014	33,251
County Revenue Sharing	51,972	49,014	(2,958)
Franchises, licenses, permits	139,734	128,348	(11,386)
City Property Assessments	647,897	655,276	7,379
Administrative Fees Water/Wastewater	95,000	95,000	0
Earnings on investments	8,500	16,927	8,427
Fees, fines and charges for services	10,200	5,670	(4,530)
Grants and contributions	5,000	532	(4,468)
County court fines	14,000	2,945	(11,055)
Miscellaneous	8,500	979	(7,521)
	<u>1,328,123</u>	<u>1,262,821</u>	<u>(65,302)</u>
EXPENDITURES:			
Administrative	271,362	283,111	(11,749)
Planning and Zoning	131,396	131,017	379
Parks and Recreation	49,946	28,043	21,903
Fire	198,968	176,567	22,401
Library	89,338	87,430	1,908
Marshall	462,336	395,359	66,977
Building and Grounds	41,853	34,314	7,539
Streets	189,944	219,313	(29,369)
Shop	12,749	8,202	4,547
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,447,892</u>	<u>1,363,356</u>	<u>84,536</u>
EXCESS REVENUE (EXPENDITURES)	(119,769)	(100,535)	19,234
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	<u>0</u>	<u>0</u>	<u>0</u>
Operating transfers (to) other funds	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(119,769)	(100,535)	19,234
FUND BALANCE - BEGINNING	<u>535,355</u>	<u>535,355</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 415,586</u>	<u>\$ 434,820</u>	<u>\$ 19,234</u>

**CITY OF BELLEVUE, IDAHO
PUBLIC EMPLOYEE PENSION INFORMATION
For the year ended September 30, 2018**

Required Supplementary Information

**Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability	.0204267%	.0221655%	.0219022%	.0156724%
Employer's proportionate share of the net pension liability	\$ 301,297	\$ 348,404	\$ 443,991	\$ 206,380
Employer's covered-employee payroll	719,144	713,441	671,267	435,150
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	41.90%	48.83%	66.14%	47.43%
Plan fiduciary net position as a percentage of the total pension liability	3485.68%	2934.66%	2144.66%	459.65%

* GASB Statement No. 68 required ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of June 30, 2018

**Schedule of Employer's Contributions
PERSI - Base Plan
Last 10 - Fiscal Years***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 81,476	\$ 77,932	\$ 88,119	\$ 56,998
Contributions in relation to the statutorily required contribution	(81,476)	(77,932)	(88,119)	(56,998)
Contribution (deficiency) excess	0	0	0	0
Employer's covered-employee payroll	719,144	713,441	671,267	435,150
Contributions as a percentage of covered-employee payroll	11.33%	10.92%	13.13%	13.10%

**Other
Supplementary Information**

CITY OF BELLEVUE, IDAHO
Bond-Future Principal and Interest Requirements
at September 30, 2018

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
City of Bellevue Blaine County Sewer Construction Loan				
Waste Water Treatment Plant Revolving Promissory Note Series 2010 \$6,000,000, November 17, 2010 3.25% per annum	3.25%	2019	\$ 276,510	\$ 133,890
	3.25%	2020	285,234	125,166
	3.25%	2021	294,915	115,485
	3.25%	2022	304,577	105,823
	3.25%	2023	314,557	95,844
	3.25%	2024	324,636	85,764
	3.25%	2025	335,499	74,901
	3.25%	2026	346,491	63,909
	3.25%	2027	357,844	52,556
	3.25%	2028	369,465	40,935
	3.25%	2029	381,673	28,726
	3.25%	2030	394,179	16,221
	3.25%	2031	201,855	3,307
			\$ <u>4,187,435</u>	\$ <u>942,527</u>

The accompanying notes are a part of these financial statements.

WORKMAN & COMPANY

Office of
Accounting

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

June 4, 2019

To the Honorable Mayor and City Council
City of Bellevue, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Bellevue, Idaho (City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Bellevue, Idaho's basic financial statements, and have issued our report thereon dated June 4, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bellevue, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

CITY OF BELLEVUE, IDAHO

Financial Statements

Year Ended September 30, 2019

CITY OF BELLEVUE, IDAHO
Financial Statements
For the year ended September 30, 2019

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WORKMAN & COMPANY

Office of
Accounting

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

Independent Auditor's Report

December 20, 2019

To the Honorable Mayor and City Council
City of Bellevue, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, and the discretely presented component unit of the City of Bellevue, Idaho (City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the discretely presented component unit of the City of Bellevue, Idaho as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and public employee pension information on pages 3-11, 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bellevue, Idaho's basic financial statements. The accompanying other supplementary information on page 36 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho



website:bellevueidaho.us

CITY OF BELLEVUE

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CITY OF BELLEVUE, IDAHO MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2019

The City of Bellevue, Idaho's general purpose external financial statements are presented in this report. The components of the general purpose external financial statements include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Other Required Supplementary Information (RSI).

FINANCIAL HIGHLIGHTS

- The total of all fund assets of the City of Bellevue exceeded liabilities at the close of the most recent fiscal year by \$ 10,455,545. Of that amount, \$ 2,230,323 (unrestricted net position) may be used to meet future obligations and programs.
- General Fund Revenues were \$1,479,264 and expenditures were \$1,630,351.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Bellevue's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds. Financial statements for the City's component unit are also presented.

Component Unit

The City has one discretely reported component unit. The Bellevue Urban Renewal Agency is reported separately from the City's Government-wide Financial Statements. This Agency is created to improve property within the City through property tax revenues. (See Footnote 1 of the Financials)

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Table 1: Major Features of the Basic Financial Statements

	Government-wide <u>Financial Statements</u>	Fund Financial Statements	
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire City government and the City's component unit.	Activities of the City that are not proprietary.	Activities of the City that are operated similar to private businesses.
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net assets * Statement of revenues, expenses, and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	* Revenues for which cash is received during or soon after the end of the year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 of the financial statements for more detailed information on the elements of the financial statements. Table 1 above summarizes the major features of the basic financial statements.

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Position

The largest component (\$ 7,847,298 of the City's net position reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not eligible for future spending. Restricted net position total \$ 357,924. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, debt service requirements, or enabling legislation on how they can be used.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The remaining portion of net assets is unrestricted, which can be used to finance government operation.

Table 2 below presents the City's condensed statement of net position as of September 30, 2019 derived from the government-wide Statement of Net Position.

**Table 2: Condensed Statement of Net Position
As of September 30, 2019**

	Governmental Activities	Business- type Activities	Total Primary Government	Component Unit - Urban Renewal Agency
Current and other assets	\$ 559,710	\$ 2,558,145	\$ 3,117,855	\$ 192,578
Capital assets	1,677,319	10,317,525	11,994,844	
Total Assets	<u>2,237,029</u>	<u>12,875,670</u>	<u>15,112,699</u>	<u>192,578</u>
Deferred Outflows	33,720	9,511	43,231	0
Current Liabilities	56,842	378,422	435,264	
Long-term liabilities	433,065	3,698,625	4,131,690	
Total Liabilities	<u>489,907</u>	<u>4,077,047</u>	<u>4,566,954</u>	<u>0</u>
Deferred Inflows	14,076	29,355	43,431	0
Net position:				
Invested in capital assets				
net of related debt	1,488,057	6,359,241	7,847,298	
Restricted	20,000	357,924	377,924	192,578
Unrestricted	168,709	2,061,614	2,230,323	
Total Net Position	<u>\$ 1,676,766</u>	<u>\$ 8,778,779</u>	<u>\$ 10,455,545</u>	<u>\$ 192,578</u>

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the fiscal year ended September 30, 2019 as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities decreased by \$ 17,340 or 1.03% percent, and the net position of the business-type activities decreased by \$ 29,364 or 0.33%.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 3: Condensed Statement of Activities
As of September 30, 2019**

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Urban Renewal Agency</u>
Revenue:				
Program revenues				
Charges for services	\$ 117,405	\$ 1,553,099	\$ 1,670,504	\$
Capital grants /contributions	16,634		16,634	
Total program revenues	<u>134,039</u>	<u>1,553,099</u>	<u>1,687,138</u>	<u>0</u>
General revenues				
Taxes	692,801		692,801	50,701
Franchise, licenses, permits	100,058		100,058	
State shared revenues	367,332		367,332	
Interest	6,731	62,506	69,237	32
Other revenues and Transfers	349,613	(247,659)	101,954	
Total general revenues	<u>1,516,535</u>	<u>(185,153)</u>	<u>1,331,382</u>	<u>50,733</u>
Total revenues	<u>1,650,574</u>	<u>1,367,946</u>	<u>3,018,520</u>	<u>50,733</u>
Program expenses:				
Administrative	344,299		344,299	7,522
Planning and Zoning	189,650		189,650	
Parks and recreation	37,361		37,361	
Fire	194,138		194,138	
Library	76,855		76,855	
Marshall	541,768		541,768	
Building and grounds	50,838		50,838	
Streets	205,600		205,600	
Shop	16,536		16,536	
Wastewater		481,692	481,692	
Water		785,055	785,055	
Interest, long-term debt	10,869	130,563	141,432	
Total program expenses	<u>1,667,914</u>	<u>1,397,310</u>	<u>3,065,224</u>	<u>7,522</u>
Change in net assets	<u>(17,340)</u>	<u>(29,364)</u>	<u>(46,704)</u>	<u>43,211</u>
Beginning net assets	<u>1,694,106</u>	<u>8,808,143</u>	<u>10,502,249</u>	<u>149,367</u>
Ending net assets	<u>\$ 1,676,766</u>	<u>\$ 8,778,779</u>	<u>\$ 10,455,545</u>	<u>\$ 192,578</u>

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, mainly taxes.

**Table 4: Program Expenses and Revenues
for Government Activities
For the Fiscal Year Ended September 30, 2019**

	Program Expenses	Program Revenues	Net Expense (Revenues) (a)
Administrative	\$ 344,299	\$ 21	\$ (344,278)
Planning and Zoning	189,650	65,344	(124,306)
Parks and Recreation	37,361	250	(37,111)
Fire	194,138	64,486	(129,652)
Library	76,855	3,888	(72,967)
Marshall	541,768		(541,768)
Building and Grounds	50,838		(50,838)
Streets	205,600	50	(205,550)
Shop	16,536		(16,536)
Interest	10,869		(10,869)
Totals	\$ 1,667,914	\$ 134,039	\$ (1,533,875)

(a) Net Program Expenses are mainly supported by taxes and state shared revenues.

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses.

**Table 5: Program Expenses and Revenues
for Business-type Activities
For the Fiscal Year Ended September 30, 2019**

City Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)
Water	\$ 481,692	\$ 450,614	\$ (31,078)
Wastewater	785,055	1,102,485	317,430
Interest on long-term debt	130,563		(130,563)
Totals	\$ 1,397,310	\$ 1,553,099	\$ 155,789

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The City of Bellevue, Idaho adopts an annual budget. A budgetary comparison statement of Governmental Funds is provided below. In total, any negative variances are insignificant.

**Table 6: Analysis of Significant Budget Variances
for Government Activities
For the Fiscal Year Ended September 30, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variances</u>
Revenues:			
Taxes (including penalties/interest)	\$ 687,194	\$ 692,801	\$ 5,607
Franchises, licenses, permits	96,750	100,058	3,308
State of Idaho	364,612	367,332	2,720
Fees, Charges for Services	85,321	117,405	32,084
Other	214,763	201,668	(13,095)
Totals	<u>1,448,640</u>	<u>1,479,264</u>	<u>30,624</u>
Expenditures:			
Administrative	338,454	337,185	1,269
Planning and Zoning	189,676	189,650	26
Parks and Recreation	30,000	25,231	4,769
Fire	230,578	194,849	35,729
Library	86,033	75,744	10,289
Marshall	529,609	528,844	765
Building and Grounds	51,000	50,838	162
Streets	222,966	212,871	10,095
Shop	17,000	15,139	1,861
Capital Expenditures			0
Totals	<u>1,695,316</u>	<u>1,630,351</u>	<u>64,965</u>
Excess (Deficiency)	<u>\$ (246,676)</u>	<u>\$ (151,087)</u>	<u>\$ 95,589</u>

BUDGET VARIANCES IN THE GENERAL FUND

The changes made to the budget format have moved the City into compliance with the budget standards developed by the Government Finance Officers of America (GFOA). An analysis of budget variances this year shows that more assets were budgeted for expenditure than were expended during the current operating cycle.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 7: Comparison of Statement of Net Position
As of September 30, 2019 and 2018**

	2019	2018	Percentage Change
Current Assets	\$ 3,117,855	\$ 3,382,153	-7.8145%
Capital Assets	11,994,844	12,012,441	-0.1465%
Total Assets	<u>15,112,699</u>	<u>15,394,594</u>	-1.8311%
Deferred Outflows of Resources	<u>43,231</u>	<u>52,679</u>	-17.9350%
Current Liabilities	435,264	498,015	-12.6002%
Long Term Liabilities	<u>4,131,690</u>	<u>4,390,778</u>	-5.9007%
Total Liabilities	<u>4,566,954</u>	<u>4,888,793</u>	-6.5832%
Deferred Inflows of Resources	<u>133,431</u>	<u>56,231</u>	137.2908%
Net Position:			
Invested in Capital Assets net of related debt	7,847,298	7,616,921	3.0245%
Restricted	359,924	349,684	2.9284%
Unrestricted	<u>2,230,323</u>	<u>2,535,644</u>	-12.0412%
Total Net Position	<u>\$ 10,437,545</u>	<u>\$ 10,502,249</u>	<u>-0.6161%</u>

OVERALL ANALYSIS

Financial highlights for the City as a whole during the fiscal year ended September 30, 2019 show the assets of the City exceeded its liabilities (net position) at the close to the fiscal year by \$ 10,437,545 (for governmental activities \$ 1,676,766, for the business-type activities \$ 8,778,779). Additionally, the City's total net position decreased during the year by \$ 46,704. This relatively small amount is due to more expenditures made than revenues received. Net position of the governmental activities decreased by \$ 17,340 (due to depreciation of City-wide capital assets of \$74,694), while net position of business-type activities decreased by \$ 29,364.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 8: Changes in Fixed Assets
for All Funds
For the Fiscal Year Ended September 30, 2019**

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Infrastructure	\$ 4,568,761			\$ 4,568,761
Buildings and Improvements	16,804,643	333,460		17,138,103
Vehicles and Equipment	1,253,215	77,647		1,330,862
Construction in Progress	0		0	0
Totals	<u>22,626,619</u>	<u>411,107</u>	<u>0</u>	<u>23,037,726</u>
Accumulated Depreciation	<u>(10,614,176)</u>	<u>(428,706)</u>		<u>(11,042,882)</u>
Net Book Value	\$ <u>12,012,443</u>			\$ <u>11,994,844</u>

CAPITAL ASSET AND LONG-TERM, ACTIVITY

Capital Asset Activity

At September 30, 2019, the City reported \$1,677,319 in capital assets for governmental activities and \$10,317,525 in capital assets for business-type activities.

Long-term Debt Activity

See Note 4 of the financial statements for information on the City's long-term debt.

FUNDS ANALYSIS

Funds that experienced significant changes during the year are as follows:

Governmental funds

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$ 522,363. The fund balance increased \$ 79,654 during the fiscal year. The increase is the result of \$1,479,264 of revenues and \$ 230,741 in transfers from the utility funds, reduced by \$1,630,351 of expenditures. The increase in fund balance follows a fund balance decrease of \$100,535 in FY 2018. The positive trends in the City's governmental fund results from a continuation of fiscal policies designed to limit spending and preserve and strengthen the City's financial position during uncertain economic times. This ongoing accomplishment is due to the commitment and determination of the City Council and staff to make prudent financial decisions while also seeking to preserve levels of service to the community by continually pursuing and implementing cost savings and efficiencies in operations.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

REQUESTS FOR INFORMATION

Requests for information regarding City finances should be directed to:

Marian Edwards
City Clerk/Treasurer
City of Bellevue, Idaho
P.O. Box 825
Bellevue, Idaho, 83313
Telephone: (208) 788-2128x2

CITY OF BELLEVUE, IDAHO
Statement of Net Position
at September 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit Urban Renewal Agency</u>
<u>ASSETS</u>				
Cash and Deposits	\$ 415,043	\$ 2,057,213	\$ 2,472,256	
Accounts Receivable		143,008	143,008	
Taxes Receivable	30,905		30,905	
Due From Other Governments	93,762		93,762	
Restricted and Assigned Cash	20,000	357,924	377,924	\$ 192,578
Due From Other Funds			0	
Totals	<u>559,710</u>	<u>2,558,145</u>	<u>3,117,855</u>	<u>192,578</u>
Capital Assets:				
Land	717,340		717,340	
Infrastructure	3,851,421		3,851,421	
Buildings and Improvements	752,432	16,385,670	17,138,102	
Equipment and Vehicles	969,435	361,427	1,330,862	
Accumulated Deprecation	(4,613,309)	(6,429,572)	(11,042,881)	
Total Capital Assets	<u>1,677,319</u>	<u>10,317,525</u>	<u>11,994,844</u>	<u>0</u>
Total Assets	<u>2,237,029</u>	<u>12,875,670</u>	<u>15,112,699</u>	<u>192,578</u>
Deferred Outflows of Resources:				
Deferred Outflows from Pension Activity	<u>33,720</u>	<u>9,511</u>	<u>43,231</u>	<u>0</u>
<u>LIABILITIES</u>				
Accounts and Payroll Liabilities Payable	37,347	45,828	83,175	
Interest Payable		47,360	47,360	
Refundable User Deposits			0	
Due To Other Funds			0	
Long-term Liabilities:				
Portion due or payable within one year:				
Capital Leases Payable	19,495	285,234	304,729	
Portion due or payable after one year:				
Capital Leases Payable	169,767	3,625,690	3,795,457	
Net Pension Liability	226,979	64,020	290,999	
Compensated Absences	<u>36,319</u>	<u>8,915</u>	<u>45,234</u>	
Total Liabilities	<u>489,907</u>	<u>4,077,047</u>	<u>4,566,954</u>	<u>0</u>
Deferred Inflows of Resources:				
Deferred Inflows from Pension Activity	<u>104,076</u>	<u>29,355</u>	<u>133,431</u>	<u>0</u>
<u>NET POSITION</u>				
Invested in Capital Assets - net of related debt	1,488,057	6,359,241	7,847,298	
Restricted For:				
Debt Service		357,924	357,924	
Other Purposes	20,000		20,000	192,578
Unrestricted	<u>168,709</u>	<u>2,061,614</u>	<u>2,230,323</u>	
Total Net Position	<u>\$ 1,676,766</u>	<u>\$ 8,778,779</u>	<u>\$ 10,455,545</u>	<u>\$ 192,578</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Activities
For the Year Ended September 30, 2019

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position			Component Unit - Urban Renewal Agency
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental:							
Administrative	\$ 344,299	\$ 21	\$	\$ (344,278)		\$ (344,278)	
Planning and Zoning	189,650	65,344		(124,306)		(124,306)	
Parks and Recreation	37,361		250	(37,111)		(37,111)	
Fire	194,138	50,273	14,213	(129,652)		(129,652)	
Library	76,855	1,717	2,171	(72,967)		(72,967)	
Marshall	541,768			(541,768)		(541,768)	
Building and Grounds	50,838			(50,838)		(50,838)	
Streets	205,600	50		(205,550)		(205,550)	
Shop	16,536			(16,536)		(16,536)	
Interest	10,869			(10,869)		(10,869)	
Total Governmental Activities	1,667,914	117,405	16,634	(1,533,875)		(1,533,875)	
Business Type:							
Water	481,692	450,614			\$ (31,078)	(31,078)	
Wastewater	785,055	1,102,485			317,430	317,430	
Interest - on long-term debt	130,563				(130,563)	(130,563)	
Total Business-type Activities	1,397,310	1,553,099	0		155,789	155,789	
Total City of Bellevue, Idaho	\$ 3,065,224	\$ 1,670,504	\$ 16,634	(1,533,875)	155,789	(1,378,086)	
Component Units:							
Urban Renewal Agency	\$ 7,522						\$ (7,522)
Total							(7,522)
General Revenues:							
State of Idaho liquor receipts				72,945		72,945	
State highway user collections				114,045		114,045	
State of Idaho shared revenue				134,935		134,935	
County Revenue Sharing				45,407		45,407	
Franchises, licenses, permits				100,058		100,058	
City Property Assessments				692,801		692,801	50,701
Administrative Fees Water/Wastewater				158,100		158,100	
Earnings on investments				6,731	62,506	69,237	32
County court fines				19,907		19,907	
Miscellaneous				296		296	
Interfund Transfers				230,741	(230,741)	0	
Gain (Loss) on Pension Activity				(59,431)	(16,918)	(76,349)	
Total general revenues and transfers				1,516,535	(185,153)	1,331,382	50,733
Changes in net position				(17,340)	(29,364)	(46,704)	43,211
Net Position - Beginning				1,694,106	8,808,143	10,502,249	149,367
Net Position - Ending				\$ 1,676,766	\$ 8,778,779	\$ 10,455,545	\$ 192,578

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Balance Sheet
Governmental Funds
for the year ended September 30, 2019

	<u>General Fund</u>	<u>Total</u>
ASSETS:		
Cash and Cash Deposits	\$ 435,043	\$ 435,043
Taxes and Other Receivables	30,905	30,905
Due From Other Governments	93,762	93,762
Restricted Cash	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 559,710</u>	<u>559,710</u>
LIABILITIES:		
Accounts Payable	3,331	3,331
Accrued Payroll Expenses	34,016	34,016
Refundable User Deposits	<u>0</u>	<u>0</u>
Total Liabilities	<u>37,347</u>	<u>37,347</u>
FUND BALANCE:		
Non-spendable	0	0
Restricted	0	0
Committed	0	0
Assigned	20,000	20,000
Unassigned	<u>502,363</u>	<u>502,363</u>
Total Fund Balance	<u>522,363</u>	<u>522,363</u>
Total Liabilities and Fund Balance	<u>\$ 559,710</u>	

Amounts reported for governmental activities in the Statement of Net Position (page 12) are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is \$ 6,290,628 and the accumulated depreciation is \$ 4,613,309	1,677,319
Long-term liabilities, net pension liabilities, and compensated absences are not payable in the current period and therefore are not reported in the governmental funds.	<u>(522,916)</u>
Net Position of Governmental Funds	<u>\$ 1,676,766</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2019

	<u>General Fund</u>	<u>Totals</u>
REVENUE:		
State of Idaho liquor receipts	\$ 72,945	\$ 72,945
State highway user collections	114,045	114,045
State of Idaho shared revenue	134,935	134,935
County Revenue Sharing	45,407	45,407
Franchises, licenses, permits	100,058	100,058
City Property Assessments	692,801	692,801
Administrative Fees Water/Wastewater	158,100	158,100
Earnings on investments	6,731	6,731
Fees, fines and charges for services	117,405	117,405
Grants and contributions	16,634	16,634
County court fines	19,907	19,907
Miscellaneous	296	296
Total Revenue	<u>1,479,264</u>	<u>1,479,264</u>
EXPENDITURES:		
Administrative	337,185	337,185
Community Development	189,650	189,650
Parks and Recreation	25,231	25,231
Fire	194,849	194,849
Library	75,744	75,744
Marshall	528,844	528,844
Building and Grounds	50,838	50,838
Streets	212,871	212,871
Shop	15,139	15,139
Capital Expenditures	0	0
Total Expenditures	<u>1,630,351</u>	<u>1,630,351</u>
EXCESS REVENUE (EXPENDITURES)	(151,087)	(151,087)
OTHER FINANCING SOURCES (USES):		
Operating transfers from other funds	230,741	230,741
Operating transfers (to) other funds	<u> </u>	<u> </u>
NET CHANGE IN FUND BALANCES	79,654	79,654
FUND BALANCE - BEGINNING	<u>442,709</u>	<u>442,709</u>
FUND BALANCE - ENDING	<u>\$ 522,363</u>	<u>\$ 522,363</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
for the year ended September 30, 2019

Net Change in Fund Balance - Total Governmental Funds (Page 15)	\$ 79,654
<p>Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.</p>	
This is the amount of current year depreciation.	(74,694)
This is the amount of new Governmental Fund assets.	77,647
This is the amount of disposed of Governmental Fund assets.	0
<p>Long term liabilities are not recorded in the Governmental funds. Capital lease payments are expensed in the period that the payments are paid. Capital leases are recorded as liabilities in the Statement of Net Position. Current year payments reduce the amount of the debt.</p>	
This is the amount of new capital leases during the current year	(52,092)
This is the amount of current year payments of capital leases and capital costs.	20,207
<p>Net pension activity in the current period is not recorded in Governmental funds.</p>	
This is the net gain (loss) from current pension activity	(59,431)
<p>Liability for personal leave days are not recorded in Governmental funds.</p>	
This is the increase in compensated leave during the year.	<u>(8,631)</u>
Change in Net Position of Governmental Activities (Page 13)	\$ <u><u>(17,340)</u></u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Net Position
Proprietary Funds
at September 30, 2019

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Assets:			
Current Assets:			
Cash and Deposits	\$ 422,910	\$ 1,634,303	\$ 2,057,213
Accts receivable - customers	43,388	99,620	143,008
Accts receivable - other govts.			0
	<u>466,298</u>	<u>1,733,923</u>	<u>2,200,221</u>
Restricted Current Assets:			
Cash and Deposits	<u>0</u>	<u>357,924</u>	<u>357,924</u>
Total Current Assets	<u>466,298</u>	<u>2,091,847</u>	<u>2,558,145</u>
Capital Assets:			
Plant and equipment	4,687,735	12,059,362	16,747,097
Accumulated depreciation	<u>(2,215,885)</u>	<u>(4,213,687)</u>	<u>(6,429,572)</u>
Net Plant and equipment	<u>2,471,850</u>	<u>7,845,675</u>	<u>10,317,525</u>
Total Assets	<u>2,938,148</u>	<u>9,937,522</u>	<u>12,875,670</u>
Deferred Outflows of Resources:			
Deferred Outflows from Pension Activity	<u>5,188</u>	<u>4,323</u>	<u>9,511</u>
Liabilities:			
Current Liabilities:			
Accounts and Wages Payable	22,059	23,769	45,828
Interest Payable		47,360	47,360
Current portion long-term debt		<u>285,234</u>	<u>285,234</u>
Total current liabilities	<u>22,059</u>	<u>356,363</u>	<u>378,422</u>
Noncurrent Liabilities:			
Loans Payable		3,625,690	3,625,690
Net Pension Liability	34,920	29,100	64,020
Due to Other Funds			0
Compensated Absences Payable	<u>1,913</u>	<u>7,002</u>	<u>8,915</u>
Total noncurrent liabilities	<u>36,833</u>	<u>3,661,792</u>	<u>3,698,625</u>
Total Liabilities	<u>58,892</u>	<u>4,018,155</u>	<u>4,077,047</u>
Deferred Inflows of Resources:			
Deferred Inflows from Pension Activity	<u>16,012</u>	<u>13,343</u>	<u>29,355</u>
Net Position:			
Investment in capital assets net of related debt	2,471,850	3,887,391	6,359,241
Restricted	0	357,924	357,924
Unrestricted	<u>396,582</u>	<u>1,665,032</u>	<u>2,061,614</u>
Total Net Position	<u>\$ 2,868,432</u>	<u>\$ 5,910,347</u>	<u>\$ 8,778,779</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
for the year ended September 30, 2019

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Operating Revenues:			
Charges for services	\$ 412,497	\$ 1,060,530	\$ 1,473,027
Hookups and connections	37,257	41,705	78,962
Reimbursements and Misc.	<u>860</u>	<u>250</u>	<u>1,110</u>
Total Operating Revenue	<u>450,614</u>	<u>1,102,485</u>	<u>1,553,099</u>
Operating Expenses:			
Salaries and benefits	140,257	159,664	299,921
Administrative and supplies	238,180	374,634	612,814
Depreciation	<u>103,255</u>	<u>250,757</u>	<u>354,012</u>
Total Operating Expenses	<u>481,692</u>	<u>785,055</u>	<u>1,266,747</u>
Operating Income	<u>(31,078)</u>	<u>317,430</u>	<u>286,352</u>
Nonoperating Revenues (Expenses):			
Interest Income	9,653	52,853	62,506
Interest Expense		(130,563)	(130,563)
Gain (Loss) on Pension Activity	(10,298)	(6,620)	(16,918)
Grants			<u>0</u>
Total Nonoperating	<u>(645)</u>	<u>(84,330)</u>	<u>(84,975)</u>
Income before transfers	<u>(31,723)</u>	<u>233,100</u>	<u>201,377</u>
Transfers in	113,482		0
Transfers out		<u>(344,223)</u>	<u>0</u>
Net Income	81,759	(111,123)	(29,364)
Total Net Position - Beginning	<u>2,786,673</u>	<u>6,021,470</u>	<u>8,808,143</u>
Total Net Position - Ending	<u>\$ 2,868,432</u>	<u>\$ 5,910,347</u>	<u>\$ 8,778,779</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Cash Flows
Proprietary Funds
for the year ended September 30, 2019

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Receipts from customers	\$ 448,580	\$ 1,113,539	\$ 1,562,119
Payments to suppliers and other funds	(237,290)	(487,186)	(724,476)
Payments to employees	(135,260)	(159,664)	(294,924)
Payments from (to) other funds	113,482	(344,223)	(230,741)
Other receipts	860	250	1,110
Net cash provided (used) by operations	<u>190,372</u>	<u>122,716</u>	<u>313,088</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase and construction of capital assets	(297,982)	(35,480)	(333,462)
Amounts provided from capital debt			0
Principal paid on capital debt		(276,510)	(276,510)
Interest paid on capital debt		(130,460)	(130,460)
Net cash provided (used) by capital and related financing activities	<u>(297,982)</u>	<u>(442,450)</u>	<u>(740,432)</u>
Cash Flows From Investing Activities:			
Interest Income	<u>9,653</u>	<u>52,853</u>	<u>62,506</u>
Net Increase (Decrease) in Cash and Deposits	(97,957)	(266,881)	(364,838)
Balances - Beginning of the year	<u>520,867</u>	<u>2,259,108</u>	<u>2,779,975</u>
Balances - Ending of the year	<u>\$ 422,910</u>	<u>\$ 1,992,227</u>	<u>\$ 2,415,137</u>
Displayed as:			
Pooled Cash and Investments	422,910	1,634,303	2,057,213
Restricted Assets	<u> </u>	<u>357,924</u>	<u>357,924</u>
Balances - Ending of the year	<u>\$ 422,910</u>	<u>\$ 1,992,227</u>	<u>\$ 2,415,137</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	(31,078)	317,431	286,353
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Grant Receipts and Transfers	113,482	(344,223)	(230,741)
Depreciation expense	103,255	250,757	354,012
Changes in assets and liabilities:			
Receivables, net	1,174	11,304	12,478
Accounts and other payables	<u>3,539</u>	<u>(112,553)</u>	<u>(109,014)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 190,372</u>	<u>\$ 122,716</u>	<u>\$ 313,088</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bellevue, Idaho was incorporated by charter on February 8, 1883. The City operates under a Mayor-Common Council form of government and provides the following services to the residents of Bellevue, Blaine County, Idaho: public safety, public works, recreation, and community development. The City also provides water and wastewater services which are financed by user charges. The accounting policies of the City of Bellevue, Idaho conform to generally accepted accounting principles as applicable to governmental units. The financial statements of the City of Bellevue, Idaho have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities (enterprise funds) provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

(A) Basis of Presentation – Basis of Accounting

Basis of Presentation:

For this reporting period, the City has conformed its financial statement model to *Governmental Auditing Standards Board (GASB) Statement No. 34*. This model presents the financial statements as follows:

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental* and *proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

The City reports the following governmental funds:

General Fund. This is the City's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following enterprise funds:

Water and Wastewater Funds. These funds accounts for the operation, maintenance, and development of the City's water and waste-water facilities.

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the City's only discretely presented component unit, the Bellevue Urban Renewal Agency. It is reported in a separate column to emphasize that it is separate from the City's operations. The Agency was formed in December of 2007 under provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code). The Agency is designed to raise money (through tax incremental financing) over the next several decades for City improvements based on a projected increase in property values in the downtown area.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statement. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting. The City adheres to City budget requirements in Title 50, Chapter 10 of the Idaho Code. The provisions of this chapter include the following procedures to establish budgetary data which is reflected in these financial statements:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-continued

- A. Prior to certifying the tax levy to the county commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of a majority of the members of the council.
- B. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. Uncommitted appropriations lapse at year end.
- C. There are no provisions in Title 50, Chapter 10 for budget augmentations.

Entity Classifications.

- A. City-Wide Financial Statements – The City reports net position in three categories – invested in capital assets, restricted and unrestricted.
- B. Fund Financial Statements – The City has adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments' highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

Order of Use of Fund Balance – The City's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

Allocation of Indirect Expenses. The City allocates indirect expense, primarily comprised of central governmental services, to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

to programs based on use of central services determined by various allocation methodologies. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include police, fire, and certain divisions with public services and parks.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(B) Assets, Liabilities, and Equity

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the State of Idaho Treasurer's Office for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at September 30 of each year based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash and Deposits". Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average daily balance of each participating fund.

Cash and Deposits

The City considers cash and deposits in proprietary funds to be cash on hand. In addition, because the State Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a deposit.

Receivables and Payable

All trade and property tax receivables are shown net of an allowance for uncollectibles. Amounts due from other governments are shown in total. Accounts and accrued expenses payable are stated at cost and are recognized liabilities for goods and services rendered to the City as of September 30.

Property Tax Calendar

Property taxes are levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The Blaine County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June. Property taxes become a lien on the property when it is levied.

Capital Assets

Purchased or constructed capital assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. They are reported net of accumulated depreciation on the Statement of Net Position. The City capitalizes assets in excess of \$5,000.

Under the requirements of *GASB Statement No. 34*, the City is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. Accordingly, the City has determined not to retroactively report this type of capital asset.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Building Improvements	50
Vehicles	2-15
Office and Other Equipment	3-15

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In 2007, the Governmental Accounting Standards Board (GASB) released Concepts Statement No. 4 *Elements of Financial Statements* which provides a framework for determining the nature of financial accounting or reporting issues. Since the release of the framework, GASB has been looking at the assets and liabilities on the balance sheet to determine if they should continue to be reflected as such. GASB has concluded that, in order to improve financial reporting, there are assets and liabilities that no longer should be reflected as assets and liabilities. These changes are included in the recently-issued GASB Statement No. 65, *Items Previously Reported as Asset and Liabilities*.

These changes include two new items that are reflected on the Statement of Net Position.

- Deferred outflow of resources – the current *consumption* of net assets that is applicable to a *future* reporting period.
- Deferred inflows of resources – the current *acquisition* of net assets that is applicable to a *future* reporting period.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

The City's financial statements may report a separate section for deferred inflows of resources which reflects an increase in resources that applies to a future period.

NOTE 2 – CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, \$ 172,256 of the City's bank balances were exposed to custodial credit risk because it was uninsured by the FDIC.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City held the following investments:

Investment Type

Idaho State Local Government Investment Pool	\$ 2,388,532
Idaho State Local Government Diversified Bond Fund	231,970

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the City voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. And the fair value of the City's position in the external investment pool is the same as the value of the pool shares.

Credit Risk: The City's policy is to comply with Idaho State statutes which authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of credit risk: The City has no policy regarding these two investment risk categories.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as "Cash and Deposits".

Cash and Deposits are comprised of the following at the financial statement date:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

Demand deposits	\$ 422,256
State of Idaho Diversified Bond Fund	231,970
State of Idaho Investment Pool	<u>2,388,532</u>
Total	<u>\$3,042,758</u>

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the current year ended was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 717,340	\$	\$	\$ 717,340
Construction in Progress	<u>717,340</u>	<u>0</u>	<u>0</u>	<u>717,340</u>
Total				
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	752,432			752,432
Infrastructure	3,851,421			3,851,421
Vehicles and Equipment	891,788	77,647		969,435
Total	<u>5,495,641</u>	<u>77,647</u>	<u>0</u>	<u>5,573,288</u>
Less: Accumulated Depreciation:	<u>4,538,615</u>	<u>74,694</u>		<u>4,613,309</u>
Total Net Depreciated Assets	<u>957,026</u>	<u>2,953</u>	<u>0</u>	<u>959,979</u>
 Governmental capital assets, net	 <u>\$ 1,674,366</u>	 <u>\$ 2,953</u>	 <u>\$ 0</u>	 <u>\$ 1,677,319</u>
 Business-type activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$	\$	\$	\$ 0
Construction in Progress				0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	16,052,210	333,460		16,385,670
Vehicles and Equipment	361,427			361,427
Total	<u>16,413,637</u>	<u>333,460</u>	<u>0</u>	<u>16,747,097</u>
Less: Accumulated Depreciation	<u>6,075,560</u>	<u>354,012</u>		<u>6,429,572</u>
Total Net Depreciated Assets	<u>10,338,077</u>	<u>(20,552)</u>	<u>0</u>	<u>10,317,525</u>
 Business-type capital assets, net	 <u>\$ 10,338,077</u>	 <u>\$ (20,552)</u>	 <u>\$ 0</u>	 <u>\$ 10,317,525</u>

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

NOTE 4 - LOANS PAYABLE

In November of 2010, the City acquired \$ 6,000,000 under a loan agreement with the Idaho Department of Health and Welfare for improvements to the wastewater treatment facility. The loan is secured by revenue bonds and is being repaid in semi-annual payments at 3.25%.

The following is a list of the interest and principal payments through the end of the loans:

<u>FY</u>	<u>Interest</u>	<u>Principal</u>
2020	\$ 125,166	\$ 285,234
2021	115,485	294,915
2022	105,823	304,577
2023	95,844	314,557
2024	85,764	324,636
2025-2031	<u>280,555</u>	<u>2,387,006</u>
Total	<u>\$ 808,637</u>	<u>\$3,910,925</u>

NOTE 5 – LITIGATION

The City, at the financial statement date, is not involved in litigation that any unfavorable outcome would have a material effect on the financial position of the City.

NOTE 6 – RESTRICTED NET ASSETS

The Sewer Revenue Bond Ordinance for the 2010 loan provides for the creation of a debt service reserve in connection with the issuance of revenue bonds for the upgraded wastewater treatment facility. A separate account in the Idaho State Treasurer's Investment Pool presently has a balance of \$ 357,924. As provided by the rate ordinances, sewer capitalization fees are to be deposited into a fund for purpose of replacing the existing system facilities and equipment.

NOTE 7 – RISK MANAGEMENT

A City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the City is contracted with Idaho County Risk Management Program (ICRMP) for property, crime and fleet insurance and the State Insurance Fund for workman's compensation. Under the terms of the ICRMP policy, the City of Bellevue's liability is limited to the amount of annual financial membership contributions, including a per occurrence deductible. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

NOTE 8 – EMPLOYEE RETIREMENT PLAN

Plan Description

The City of Bellevue contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age and highest average salary. Members become fully vested in their retirement benefits with five years of credited services (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of employer rate for general employees and 72% for police and firefighters. As of June 30, 2019, it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate, as a percent of covered payroll, is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The City's contributions were \$ 102,028 for the year ended September 30, 2019.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At September 30, 2019, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2019, the City's proportion was 0.0254933 percent.

For the year ended September 30, 2019, the City recognized pension (expense) revenue of (\$76,350.) At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,044	\$ 34,296
Changes in assumptions or other inputs	\$ 16,187	
Net difference between projected and actual earnings on pension plan investments	\$ 0	\$ 99,135
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$ (25,961)	
City's contributions subsequent to the measurement date	\$ 25,961	
Total	\$ 43,231	\$ 133,431

\$ 25,961 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2020.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2018 the beginning of the measurement period ended June 30, 2018 is 4.8 and 4.8 for the measurement period June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

Year ended September 30, 2019:

2020	\$ (10,479)
2021	\$ (44,893)
2022	\$ (21,868)
2023	\$ (12,960)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2019 is based on the results of an actuarial valuation date of July 1, 2019.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

Capital Market Assumptions

	<u>Expected Return</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities:			70%	66%-77%
Broad Domestic Equity	9.15%	19.00%	55%	50%-65%
International	9.25%	20.20%	15%	10%-20%
Fixed Income:	3.05%	3.75%	30%	23%-33%
Cash	2.25%	0.90%	0%	0%-5%

	<u>Expected Return</u>	<u>Expected Inflation</u>	<u>Expected Real Return</u>	<u>Expected Risk</u>
Total Fund				
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

* Expected arithmetic return net of fees and expenses

Actuarial Assumptions:

Assumed Inflation - Standard Deviation	3.25%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	
Assumed Investment Expenses	7.50%
Long-Term Expected Geometric Rate of Return Net of Investment Expenses	<u>0.45%</u>
	7.05%

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05%) or 1-percentage-point higher (8.05%) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$ 293,909	\$ 290,999	\$ 288,089

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov

Payables to the pension plan

At September 30, 2019, the City reported payables to the defined benefit pension plan of \$ 5,126 for legally required employer contributions and \$ 2,883 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 9 – CAPITAL LEASES PAYABLE

On March 7, 2012 the City entered into a financing capital lease for the purchase of new fire truck. The lease is payable in equal annual installments of \$ 21,169. The lease is capitalized in the statement of net position in the amount of \$143,059 and will be expensed annually in the funds. In January of 2019 the City entered into a financing capital lease for the purchase of a 2018 Model 5610 Bobcat Toolcat. This lease is capitalized in the amount of \$46,203 and will also be expensed annually in the funds. The following is a summary of the City's capital leases payable.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2019

-Continued

	Equip Cost	2020	2021	2022	2023	Total
Governmental Activities						
2012 Pierce 7400 Pumper Fire Truck						
PNC Equipment Finance	258,290	12,569	12,569	12,569	12,569	50,276
Less Interest 4.65%		(6,759)	(6,488)	(6,206)	(5,910)	(25,363)
Due 2/27	258,290	5,810	6,081	6,363	6,659	24,913
 2018 Bobcat 5610 Toolcat						
Wells Fargo Financing	51,397	9,951	9,951	9,951	9,951	39,804
Less Interest 7%		(3,025)	(2,515)	(1,977)	(1,400)	(8,917)
Due 1/24	51,397	6,926	7,436	7,974	8,551	30,887
 Total Capital Leases	\$ <u>309,687</u>	\$ <u>12,736</u>	\$ <u>13,517</u>	\$ <u>14,337</u>	\$ <u>15,210</u>	\$ <u>55,800</u>

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

**Required
Supplementary Information**

CITY OF BELLEVUE, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- General Fund
for the year ended September 30, 2019

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
State of Idaho liquor receipts	\$ 69,200	\$ 74,053	\$ 72,945	\$ (1,108)
State highway user collections	108,837	112,715	114,045	1,330
State of Idaho shared revenue	126,599	133,821	134,935	1,114
County Revenue Sharing	39,486	44,023	45,407	1,384
Franchises, licenses, permits	86,200	96,750	100,058	3,308
City Property Assessments	687,140	687,194	692,801	5,607
Administrative Fees Water/Wastewater	158,100	158,100	158,100	0
Earnings on investments	3,500	6,084	6,731	647
Fees, fines and charges for services	33,700	85,321	117,405	32,084
Grants and contributions	44,500	33,921	16,634	(17,287)
County court fines	5,000	16,362	19,907	3,545
Miscellaneous	2,250	296	296	0
Total Revenue	<u>1,364,512</u>	<u>1,448,640</u>	<u>1,479,264</u>	<u>30,624</u>
EXPENDITURES:				
Administrative	284,576	338,454	337,185	1,269
Community Development	168,651	189,676	189,650	26
Parks and Recreation	52,578	30,000	25,231	4,769
Fire	209,578	230,578	194,849	35,729
Library	92,786	86,033	75,744	10,289
Marshall	517,245	529,609	528,844	765
Building and Grounds	45,803	51,000	50,838	162
Streets	191,589	222,966	212,871	10,095
Shop	10,549	17,000	15,139	1,861
Capital Expenditures	_____	_____	_____	0
Total Expenditures	<u>1,573,355</u>	<u>1,695,316</u>	<u>1,630,351</u>	<u>64,965</u>
EXCESS REVENUE (EXPENDITURES)	(208,843)	(246,676)	(151,087)	95,589
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	_____	_____	230,741	230,741
Operating transfers (to) other funds	_____	_____	_____	0
NET CHANGE IN FUND BALANCES	(208,843)	(246,676)	79,654	326,330
FUND BALANCE - BEGINNING	<u>442,709</u>	<u>442,709</u>	<u>442,709</u>	_____
FUND BALANCE - ENDING	<u>\$ 233,866</u>	<u>\$ 196,033</u>	<u>\$ 522,363</u>	<u>\$ 326,330</u>

CITY OF BELLEVUE, IDAHO
PUBLIC EMPLOYEE PENSION INFORMATION
For the year ended September 30, 2019

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability	.0254933%	.0204267%	.0221655%	.0219022%	.0156724%
Employer's proportionate share of the net pension liability	\$ 290,999	\$ 301,297	\$ 348,404	\$ 443,991	\$ 206,380
Employer's covered-employee payroll	\$ 890,981	\$ 719,144	\$ 713,441	\$ 671,267	\$ 435,150
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	32.66%	41.90%	48.83%	66.14%	47.43%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	91.69%	90.68%	87.26%	91.38%

* GASB Statement No. 68 required ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of June 30, 2019

Schedule of Employer's Contributions
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 102,028	\$ 81,476	\$ 77,932	\$ 88,119	\$ 56,998
Contributions in relation to the statutorily required contribution	\$ (102,028)	\$ (81,476)	\$ 77,932	\$ (88,119)	\$ (56,998)
Contribution (deficiency) excess	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$ 890,981	\$ 719,144	\$ 713,441	\$ 671,267	\$ 435,150
Contributions as a percentage of covered-employee payroll	11.45%	11.33%	10.92%	13.13%	13.10%

**Other
Supplementary Information**

CITY OF BELLEVUE, IDAHO
Bond-Future Principal and Interest Requirements
at September 30, 2019

	Annual Payment			
	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
City of Bellevue Blaine County Sewer Construction Loan				
Waste Water Treatment Plant Revolving Promissory Note Series 2010 \$6,000,000, November 17, 2010 3.25% per annum				
	3.25%	2020	\$ 285,234	\$ 125,166
	3.25%	2021	294,915	115,485
	3.25%	2022	304,577	105,823
	3.25%	2023	314,557	95,844
	3.25%	2024	324,636	85,764
	3.25%	2025	335,499	74,901
	3.25%	2026	346,491	63,909
	3.25%	2027	357,844	52,556
	3.25%	2028	369,465	40,935
	3.25%	2029	381,673	28,726
	3.25%	2030	394,179	16,221
	3.25%	2031	201,855	3,307
			<u>\$ 3,910,925</u>	<u>\$ 808,637</u>

The accompanying notes are a part of these financial statements.

WORKMAN & COMPANY

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

December 20, 2019

To the Honorable Mayor and City Council
City of Bellevue, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Bellevue, Idaho (City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Bellevue, Idaho's basic financial statements, and have issued our report thereon dated December 20, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bellevue, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

CITY OF BELLEVUE, IDAHO

Financial Statements

Year Ended September 30, 2020

CITY OF BELLEVUE, IDAHO
Financial Statements
For the year ended September 30, 2020

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Accounting

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Independent Auditor's Report

November 13, 2020

To the Honorable Mayor and City Council
City of Bellevue, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, and the discretely presented component unit of the City of Bellevue, Idaho (City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the discretely presented component unit of the City of Bellevue, Idaho as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and public employee pension information on pages 3-11, 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bellevue, Idaho's basic financial statements. The accompanying other supplementary information on page 36 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Workman & Company

WORKMAN AND COMPANY
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Twin Falls, Idaho

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CITY OF BELLEVUE

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CITY OF BELLEVUE, IDAHO MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2020

The City of Bellevue, Idaho's general purpose external financial statements are presented in this report. The components of the general purpose external financial statements include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Other Required Supplementary Information (RSI).

FINANCIAL HIGHLIGHTS

- The total of all fund assets of the City of Bellevue exceeded liabilities at the close of the most recent fiscal year by \$ 10,679,554. Of that amount, \$ 2,204,148 (unrestricted net position) may be used to meet future obligations and programs.
- General Fund Revenues were \$1,473,903 and expenditures were \$1,473,273.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Bellevue's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds. Financial statements for the City's component unit are also presented.

Component Unit

The City has one discretely reported component unit. The Bellevue Urban Renewal Agency is reported separately from the City's Government-wide Financial Statements. This Agency is created to improve property within the City through property tax revenues. (See Footnote 1 of the Financials)

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Table 1: Major Features of the Basic Financial Statements

	Government-wide <u>Financial Statements</u>	Fund Financial Statements	
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire City government and the City's component unit.	Activities of the City that are not proprietary.	Activities of the City that are operated similar to private businesses
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net assets * Statement of revenues, expenses, and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	* Revenues for which cash is received during or soon after the end of the year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 of the financial statements for more detailed information on the elements of the financial statements. Table 1 above summarizes the major features of the basic financial statements.

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Position

The largest component (\$ 8,069,205 of the City's net position reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not eligible for future spending. Restricted net position total \$ 406,201. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, debt service requirements, or enabling legislation on how they can be used.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The remaining portion of net assets is unrestricted, which can be used to finance government operation.

Table 2 below presents the City's condensed statement of net position as of September 30, 2020 derived from the government-wide Statement of Net Position.

**Table 2: Condensed Statement of Net Position
As of September 30, 2020**

	Governmental Activities	Business- type Activities	Total Primary Government	Component Unit - Urban Renewal Agency
Current and other assets	\$ 527,754	\$ 2,626,986	\$ 3,154,740	\$ 235,589
Capital assets	1,608,999	10,299,208	11,908,207	
Total Assets	2,136,753	12,926,194	15,062,947	235,589
Deferred Outflows	97,569	27,520	125,089	0
Current Liabilities	24,766	338,463	363,229	
Long-term liabilities	653,323	3,400,111	4,053,434	
Total Liabilities	678,089	3,738,574	4,416,663	0
Deferred Inflows	15,195	4,286	19,481	0
Net position:				
Invested in capital assets				
net of related debt	1,439,235	6,629,970	8,069,205	
Restricted	42,454	363,747	406,201	235,589
Unrestricted	59,349	2,144,799	2,204,148	
Total Net Position	\$ 1,541,038	\$ 9,138,516	\$ 10,679,554	\$ 235,589

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the fiscal year ended September 30, 2020 as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities decreased by \$ 135,728 or 8.09% percent, and the net position of the business-type activities increased by \$359,737 or 4.09%.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 3: Condensed Statement of Activities
As of September 30, 2020**

	Governmental Activities	Business- type Activities	Total Primary Government	Urban Renewal Agency
Revenue:				
Program revenues				
Charges for services	\$ 44,044	\$ 1,522,995	\$ 1,567,039	\$
Capital grants /contributions	219	113,148	113,367	
Total program revenues	<u>44,263</u>	<u>1,636,143</u>	<u>1,680,406</u>	0
General revenues				
Taxes	711,567		711,567	68,901
Franchise, licenses, permits	139,780		139,780	
State shared revenues	386,813		386,813	
Interest	5,475	36,041	41,516	2,851
Other revenues and Transfers	100,349	(24,159)	76,190	
Total general revenues	<u>1,343,984</u>	<u>11,882</u>	<u>1,355,866</u>	<u>71,752</u>
Total revenues	<u>1,388,247</u>	<u>1,648,025</u>	<u>3,036,272</u>	<u>71,752</u>
Program expenses:				
Administrative	307,936		307,936	28,741
Planning and Zoning	203,544		203,544	
Parks and recreation	32,176		32,176	
Fire	180,080		180,080	
Library	62,971		62,971	
Marshall	510,442		510,442	
Building and grounds	32,467		32,467	
Streets	181,337		181,337	
Shop	1,397		1,397	
Wastewater		419,190	419,190	
Water		747,744	747,744	
Interest, long-term debt	11,625	121,354	132,979	
Total program expenses	<u>1,523,975</u>	<u>1,288,288</u>	<u>2,812,263</u>	<u>28,741</u>
Change in net assets	<u>(135,728)</u>	<u>359,737</u>	<u>224,009</u>	<u>43,011</u>
Beginning net assets	1,676,766	8,778,779	10,455,545	192,578
Ending net assets	<u>\$ 1,541,038</u>	<u>\$ 9,138,516</u>	<u>\$ 10,679,554</u>	<u>\$ 235,589</u>

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, mainly taxes.

**Table 4: Program Expenses and Revenues
for Government Activities
For the Fiscal Year Ended September 30, 2020**

	Program Expenses	Program Revenues	Net Expense (Revenues) (a)
Administrative	\$ 307,936	\$	\$ (307,936)
Planning and Zoning	203,544	32,024	(171,520)
Parks and Recreation	32,176		(32,176)
Fire	180,080	10,720	(169,360)
Library	62,971	219	(62,752)
Marshall	510,442		(510,442)
Building and Grounds	32,467		(32,467)
Streets	181,337	1,300	(180,037)
Shop	1,397		(1,397)
Interest	11,625		(11,625)
Totals	\$ 1,523,975	\$ 44,263	\$ (1,479,712)

(a) Net Program Expenses are mainly supported by taxes and state shared revenues.

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses.

**Table 5: Program Expenses and Revenues
for Business-type Activities
For the Fiscal Year Ended September 30, 2020**

City Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)
Water	\$ 419,190	\$ 438,319	\$ 19,129
Wastewater	747,744	1,197,824	450,080
Interest on long-term debt	121,354		(121,354)
Totals	\$ 1,288,288	\$ 1,636,143	\$ 347,855

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The City of Bellevue, Idaho adopts an annual budget. A budgetary comparison statement of Governmental Funds is provided below. In total, any negative variances are insignificant.

**Table 6: Analysis of Significant Budget Variances
for Government Activities
For the Fiscal Year Ended September 30, 2020**

	Final Budget	Actual	Variances
Revenues:			
Taxes (including penalties/interest)	\$ 727,508	\$ 711,567	\$ (15,941)
Franchises, licenses, permits	133,082	139,780	6,698
State of Idaho	397,262	386,813	(10,449)
Fees, Charges for Services	51,850	44,044	(7,806)
Other	242,298	191,699	(50,599)
Totals	1,552,000	1,473,903	(78,097)
Expenditures:			
Administrative	355,360	294,582	60,778
Planning and Zoning	208,505	203,544	4,961
Parks and Recreation	35,330	20,046	15,284
Fire	204,744	181,237	23,507
Library	62,068	61,430	638
Marshall	528,000	512,891	15,109
Building and Grounds	40,961	32,467	8,494
Streets	239,206	167,076	72,130
Shop	0	0	0
Capital Expenditures			0
Totals	1,674,174	1,473,273	200,901
Excess (Deficiency)	\$ (122,174)	\$ 630	\$ 122,804

BUDGET VARIANCES IN THE GENERAL FUND

The changes made to the budget format have moved the City into compliance with the budget standards developed by the Government Finance Officers of America (GFOA). An analysis of budget variances this year shows that more assets were budgeted for expenditure than were expended during the current operating cycle.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 7: Comparison of Statement of Net Position
As of September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>Percentage Change</u>
Current Assets	\$ 3,154,740	\$ 3,117,855	1.1830%
Capital Assets	11,908,207	11,994,844	-0.7223%
Total Assets	<u>15,062,947</u>	<u>15,112,699</u>	<u>-0.3292%</u>
Deferred Outflows of Resources	<u>125,089</u>	<u>43,231</u>	<u>189.3502%</u>
Current Liabilities	363,229	435,264	-16.5497%
Long Term Liabilities	4,053,434	4,131,690	-1.8940%
Total Liabilities	<u>4,416,663</u>	<u>4,566,954</u>	<u>-3.2908%</u>
Deferred Inflows of Resources	<u>19,481</u>	<u>133,431</u>	<u>-85.3999%</u>
Net Position:			
Invested in Capital Assets net of related debt	8,069,205	7,847,298	2.8278%
Restricted	406,201	359,924	12.8574%
Unrestricted	<u>2,204,148</u>	<u>2,230,323</u>	<u>-1.1736%</u>
Total Net Position	\$ <u>10,679,554</u>	\$ <u>10,437,545</u>	<u>2.3186%</u>

OVERALL ANALYSIS

Financial highlights for the City as a whole during the fiscal year ended September 30, 2020 show the assets of the City exceeded its liabilities (net position) at the close to the fiscal year by \$ 10,679,554 (for governmental activities \$ 1,541,038, for the business-type activities \$ 9,138,516). Additionally, the City's total net position increased during the year by \$ 224,009. This amount is due to the wastewater funds net income of \$ 375,747 and net losses in the general fund (\$ 135,728) and water fund (\$16,020). These losses were mostly due to depreciation of fixed assets and net losses in the City's pension funds.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 8: Changes in Fixed Assets
for All Funds
For the Fiscal Year Ended September 30, 2020**

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Infrastructure	\$ 4,568,761			\$ 4,568,761
Buildings and Improvements	17,138,103	352,956		17,491,059
Vehicles and Equipment	1,330,862	9,000		1,339,862
Construction in Progress	0		0	0
Totals	<u>23,448,833</u>	<u>361,956</u>	<u>0</u>	<u>23,399,682</u>
Accumulated Depreciation	<u>(11,042,881)</u>	<u>(448,594)</u>		<u>(11,491,475)</u>
Net Book Value	<u>\$ 12,405,952</u>			<u>\$ 11,908,207</u>

CAPITAL ASSET AND LONG-TERM, ACTIVITY

Capital Asset Activity

At September 30, 2020, the City reported \$1,608,999 in capital assets for governmental activities and \$10,299,208 in capital assets for business-type activities.

Long-term Debt Activity

See Note 4 of the financial statements for information on the City's long-term debt.

FUNDS ANALYSIS

Funds that experienced significant changes during the year are as follows:

Governmental funds

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$ 522,993. The fund balance increased \$ 630 during the fiscal year. The increase is the result of \$1,473,903 of revenues, reduced by \$1,473,273 of expenditures. The increase in fund balance follows a fund balance increase of \$ 79,654 in FY 2019. The positive trends in the City's governmental fund results from a continuation of fiscal policies designed to limit spending and preserve and strengthen the City's financial position during uncertain economic times. This ongoing accomplishment is due to the commitment and determination of the City Council and staff to make prudent financial decisions while also seeking to preserve levels of service to the community by continually pursuing and implementing cost savings and efficiencies in operations.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

REQUESTS FOR INFORMATION

Requests for information regarding City finances should be directed to:

Marian Edwards
City Clerk/Treasurer
City of Bellevue, Idaho
P.O. Box 825
Bellevue, Idaho, 83313
Telephone: (208) 788-2128x2

CITY OF BELLEVUE, IDAHO
Statement of Net Position
at September 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit Urban Renewal Agency</u>
<u>ASSETS</u>				
Cash and Deposits	\$ 379,179	\$ 2,122,570	\$ 2,501,749	
Accounts Receivable		140,669	140,669	
Taxes Receivable	15,360		15,360	
Due From Other Governments	90,761		90,761	
Restricted and Assigned Cash	42,454	363,747	406,201	\$ 235,589
Due From Other Funds			0	
Totals	<u>527,754</u>	<u>2,626,986</u>	<u>3,154,740</u>	<u>235,589</u>
Capital Assets:				
Land	717,340		717,340	
Infrastructure	3,851,421		3,851,421	
Buildings and Improvements	752,432	16,738,626	17,491,058	
Equipment and Vehicles	978,435	361,427	1,339,862	
Accumulated Deprecation	<u>(4,690,629)</u>	<u>(6,800,845)</u>	<u>(11,491,474)</u>	
Total Capital Assets	<u>1,608,999</u>	<u>10,299,208</u>	<u>11,908,207</u>	<u>0</u>
Total Assets	<u>2,136,753</u>	<u>12,926,194</u>	<u>15,062,947</u>	<u>235,589</u>
Deferred Outflows of Resources:				
Deferred Outflows from Pension Activity	<u>97,569</u>	<u>27,520</u>	<u>125,089</u>	<u>0</u>
<u>LIABILITIES</u>				
Accounts and Payroll Liabilities Payable	4,762		4,762	
Interest Payable		43,548	43,548	
Refundable User Deposits			0	
Due To Other Funds			0	
Long-term Liabilities:				
Portion due or payable within one year:				
Capital Leases Payable	20,004	294,915	314,919	
Portion due or payable after one year:				
Capital Leases Payable	149,760	3,330,775	3,480,535	
Net Pension Liability	465,364	59,662	525,026	
Compensated Absences	<u>38,199</u>	<u>9,674</u>	<u>47,873</u>	
Total Liabilities	<u>678,089</u>	<u>3,738,574</u>	<u>4,416,663</u>	<u>0</u>
Deferred Inflows of Resources:				
Deferred Inflows from Pension Activity	<u>15,195</u>	<u>4,286</u>	<u>19,481</u>	<u>0</u>
<u>NET POSITION</u>				
Invested in Capital Assets - net of related debt	1,439,235	6,629,970	8,069,205	
Restricted For:				
Debt Service		363,747	363,747	
Other Purposes	42,454		42,454	235,589
Unrestricted	<u>59,349</u>	<u>2,144,799</u>	<u>2,204,148</u>	
Total Net Position	<u>\$ 1,541,038</u>	<u>\$ 9,138,516</u>	<u>\$ 10,679,554</u>	<u>\$ 235,589</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Activities
For the Year Ended September 30, 2020

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position			Component Unit - Urban Renewal Agency
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental:							
Administrative	\$ 307,936	\$	\$	\$ (307,936)		\$ (307,936)	
Planning and Zoning	203,544	32,024		(171,520)		(171,520)	
Parks and Recreation	32,176			(32,176)		(32,176)	
Fire	180,080	10,720		(169,360)		(169,360)	
Library	62,971		219	(62,752)		(62,752)	
Marshall	510,442			(510,442)		(510,442)	
Building and Grounds	32,467			(32,467)		(32,467)	
Streets	181,337	1,300		(180,037)		(180,037)	
Shop	1,397			(1,397)		(1,397)	
Interest	11,625			(11,625)		(11,625)	
Total Governmental Activities	1,523,975	44,044	219	(1,479,712)		(1,479,712)	
Business Type:							
Water	419,190	438,319			\$ 19,129	19,129	
Wastewater	747,744	1,084,676	113,148		450,080	450,080	
Interest - on long-term debt	121,354				(121,354)	(121,354)	
Total Business-type Activities	1,288,288	1,522,995	113,148		347,855	347,855	
Total City of Bellevue, Idaho	\$ 2,812,263	\$ 1,567,039	\$ 113,367	(1,479,712)	347,855	(1,131,857)	
Component Units:							
Urban Renewal Agency	\$ 28,741						\$ (28,741)
Total							(28,741)
General Revenues:							
State of Idaho liquor receipts				74,098		74,098	
State highway user collections				113,773		113,773	
State of Idaho shared revenue				174,825		174,825	
County Revenue Sharing				24,117		24,117	
Franchises, licenses, permits				139,780		139,780	
City Property Assessments				711,567		711,567	68,901
Administrative Fees Water/Wastewater				168,458		168,458	
Earnings on investments				5,475	36,041	41,516	2,851
County court fines				15,579		15,579	
Miscellaneous				1,967		1,967	
Interfund Transfers						0	
Gain (Loss) on Pension Activity				(85,655)	(24,159)	(109,814)	
Total general revenues and transfers				1,343,984	11,882	1,355,866	71,752
Changes in net position				(135,728)	359,737	224,009	43,011
Net Position - Beginning				1,676,766	8,778,779	10,455,545	192,578
Net Position - Ending				\$ 1,541,038	\$ 9,138,516	\$ 10,679,554	\$ 235,589

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Balance Sheet
Governmental Funds
for the year ended September 30, 2020

	<u>General Fund</u>	<u>Total</u>
ASSETS:		
Cash and Cash Deposits	\$ 421,633	\$ 421,633
Taxes and Other Receivables	15,360	15,360
Due From Other Governments	90,762	90,762
Restricted Cash	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 527,755</u>	<u>527,755</u>
LIABILITIES:		
Accounts Payable	4,762	4,762
Accrued Payroll Expenses		0
Refundable User Deposits		<u>0</u>
Total Liabilities	<u>4,762</u>	<u>4,762</u>
FUND BALANCE:		
Non-spendable	0	0
Restricted	0	0
Committed	0	0
Assigned	42,454	42,454
Unassigned	<u>480,539</u>	<u>480,539</u>
Total Fund Balance	<u>522,993</u>	<u>522,993</u>
Total Liabilities and Fund Balance	<u>\$ 527,755</u>	

Amounts reported for governmental activities in the Statement of Net Position (page 12) are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is \$ 6,299,628 and the accumulated depreciation is \$ 4,690,629	1,608,999
Long-term liabilities, net pension liabilities, and compensated absences are not payable in the current period and therefore are not reported in the governmental funds.	<u>(590,954)</u>
Net Position of Governmental Funds	<u>\$ 1,541,038</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2020

	<u>General Fund</u>	<u>Totals</u>
REVENUE:		
State of Idaho liquor receipts	\$ 74,098	\$ 74,098
State highway user collections	113,773	113,773
State of Idaho shared revenue	174,825	174,825
County Revenue Sharing	24,117	24,117
Franchises, licenses, permits	139,780	139,780
City Property Assessments	711,567	711,567
Administrative Fees Water/Wastewater	168,458	168,458
Earnings on investments	5,475	5,475
Fees, fines and charges for services	44,044	44,044
Grants and contributions	219	219
County court fines	15,579	15,579
Miscellaneous	1,968	1,968
Total Revenue	<u>1,473,903</u>	<u>1,473,903</u>
EXPENDITURES:		
Administrative	294,582	294,582
Community Development	203,544	203,544
Parks and Recreation	20,046	20,046
Fire	181,237	181,237
Library	61,430	61,430
Marshall	512,891	512,891
Building and Grounds	32,467	32,467
Streets	167,076	167,076
Shop	0	0
Capital Expenditures	<u>0</u>	<u>0</u>
Total Expenditures	<u>1,473,273</u>	<u>1,473,273</u>
EXCESS REVENUE (EXPENDITURES)	630	630
OTHER FINANCING SOURCES (USES):		
Operating transfers from other funds		0
Operating transfers (to) other funds	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	630	630
FUND BALANCE - BEGINNING	<u>522,363</u>	<u>522,363</u>
FUND BALANCE - ENDING	<u>\$ 522,993</u>	<u>\$ 522,993</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
for the year ended September 30, 2020

Net Change in Fund Balance - Total Governmental Funds (Page 15)	\$	630
<p>Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.</p>		
This is the amount of current year depreciation.		(77,320)
This is the amount of new Governmental Fund assets.		9,000
This is the amount of disposed of Governmental Fund assets.		0
<p>Long term liabilities are not recorded in the Governmental funds. Capital lease payments are expensed in the period that the payments are paid. Capital leases are recorded as liabilities in the Statement of Net Position. Current year payments reduce the amount of the debt.</p>		
This is the amount of new capital leases during the current year		
This is the amount of current year payments of capital leases and capital costs.		19,497
<p>Net pension activity in the current period is not recorded in Governmental funds.</p>		
This is the net gain (loss) from current pension activity		(85,655)
<p>Liability for personal leave days are not recorded in Governmental funds.</p>		
This is the increase in compensated leave during the year.		<u>(1,880)</u>
Change in Net Position of Governmental Activities (Page 13)	\$	<u><u>(135,728)</u></u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Net Position
Proprietary Funds
at September 30, 2020

	Water	Wastewater	Totals
Assets:			
Current Assets:			
Cash and Deposits	\$ 436,279	\$ 1,686,291	\$ 2,122,570
Accts receivable - customers	39,387	101,282	140,669
Accts receivable - other govts.			0
	475,666	1,787,573	2,263,239
Restricted Current Assets:			
Cash and Deposits	0	363,747	363,747
Total Current Assets	475,666	2,151,320	2,626,986
Capital Assets:			
Plant and equipment	4,757,381	12,342,672	17,100,053
Accumulated depreciation	(2,320,970)	(4,479,875)	(6,800,845)
Net Plant and equipment	2,436,411	7,862,797	10,299,208
Total Assets	2,912,077	10,014,117	12,926,194
Deferred Outflows of Resources:			
Deferred Outflows from Pension Activity	15,011	12,509	27,520
Liabilities:			
Current Liabilities:			
Accounts and Wages Payable			0
Interest Payable		43,548	43,548
Current portion long-term debt		294,915	294,915
Total current liabilities	0	338,463	338,463
Noncurrent Liabilities:			
Loans Payable		3,330,775	3,330,775
Net Pension Liability	71,594	59,662	131,256
Due to Other Funds			0
Compensated Absences Payable	744	9,674	10,418
Total noncurrent liabilities	72,338	3,400,111	3,472,449
Total Liabilities	72,338	3,738,574	3,810,912
Deferred Inflows of Resources:			
Deferred Inflows from Pension Activity	2,338	1,948	4,286
Net Position:			
Investment in capital assets net of related debt	2,436,411	4,193,559	6,629,970
Restricted	0	363,747	363,747
Unrestricted	416,001	1,728,798	2,144,799
Total Net Position	\$ 2,852,412	\$ 6,286,104	\$ 9,138,516

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
for the year ended September 30, 2020

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Operating Revenues:			
Charges for services	\$ 413,668	\$ 1,053,424	\$ 1,467,092
Hookups and connections	23,586	24,952	48,538
Reimbursements and Misc.	1,065	6,300	7,365
	<u>438,319</u>	<u>1,084,676</u>	<u>1,522,995</u>
Total Operating Revenue			
Operating Expenses:			
Salaries and benefits	143,999	174,046	318,045
Administrative and supplies	170,105	307,509	477,614
Depreciation	105,086	266,189	371,275
	<u>419,190</u>	<u>747,744</u>	<u>1,166,934</u>
Total Operating Expenses			
Operating Income	<u>19,129</u>	<u>336,932</u>	<u>356,061</u>
Nonoperating Revenues (Expenses):			
Interest Income	1,819	34,222	36,041
Interest Expense		(121,354)	(121,354)
Gain (Loss) on Pension Activity	(13,177)	(10,982)	(24,159)
Grants		113,148	113,148
	<u>(11,358)</u>	<u>15,034</u>	<u>3,676</u>
Total Nonoperating			
Income before transfers	<u>7,771</u>	<u>351,966</u>	<u>359,737</u>
Transfers in		23,791	23,791
Transfers out	(23,791)		(23,791)
Net Income	(16,020)	375,757	359,737
Total Net Position - Beginning	<u>2,868,432</u>	<u>5,910,347</u>	<u>8,778,779</u>
Total Net Position - Ending	<u>\$ 2,852,412</u>	<u>\$ 6,286,104</u>	<u>\$ 9,138,516</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Cash Flows
Proprietary Funds
for the year ended September 30, 2020

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Receipts from customers	\$ 441,255	\$ 1,076,714	\$ 1,517,969
Payments to suppliers and other funds	(170,105)	(307,509)	(477,614)
Payments to employees	(167,227)	(195,143)	(362,370)
Payments from (to) other funds	(23,791)	23,791	0
Other receipts	1,065	119,448	120,513
Net cash provided (used) by operations	<u>81,197</u>	<u>717,301</u>	<u>798,498</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase and construction of capital assets	(69,646)	(283,310)	(352,956)
Amounts provided from capital debt			0
Principal paid on capital debt		(285,234)	(285,234)
Interest paid on capital debt		(125,168)	(125,168)
Net cash provided (used) by capital and related financing activities	<u>(69,646)</u>	<u>(693,712)</u>	<u>(763,358)</u>
Cash Flows From Investing Activities:			
Interest Income	<u>1,818</u>	<u>34,222</u>	<u>36,040</u>
Net Increase (Decrease) in Cash and Deposits	13,369	57,811	71,180
Balances - Beginning of the year	<u>422,910</u>	<u>1,992,227</u>	<u>2,415,137</u>
Balances - Ending of the year	<u>\$ 436,279</u>	<u>\$ 2,050,038</u>	<u>\$ 2,486,317</u>
Displayed as:			
Pooled Cash and Investments	436,279	1,686,291	2,122,570
Restricted Assets		<u>363,747</u>	<u>363,747</u>
Balances - Ending of the year	<u>\$ 436,279</u>	<u>\$ 2,050,038</u>	<u>\$ 2,486,317</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	19,129	336,932	356,061
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Grant Receipts and Transfers	(23,791)	136,939	113,148
Depreciation expense	105,086	266,189	371,275
Changes in assets and liabilities:			
Receivables, net	4,001	(1,662)	2,339
Accounts and other payables	(23,228)	(21,097)	(44,325)
Net Cash Provided (Used) by Operating Activities	<u>\$ 81,197</u>	<u>\$ 717,301</u>	<u>\$ 798,498</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bellevue, Idaho was incorporated by charter on February 8, 1883. The City operates under a Mayor-Common Council form of government and provides the following services to the residents of Bellevue, Blaine County, Idaho: public safety, public works, recreation, and community development. The City also provides water and wastewater services which are financed by user charges. The accounting policies of the City of Bellevue, Idaho conform to generally accepted accounting principles as applicable to governmental units. The financial statements of the City of Bellevue, Idaho have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities (enterprise funds) provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

(A) Basis of Presentation – Basis of Accounting

Basis of Presentation:

For this reporting period, the City has conformed its financial statement model to *Governmental Auditing Standards Board (GASB) Statement No. 34*. This model presents the financial statements as follows:

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental* and *proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

The City reports the following governmental funds:

General Fund. This is the City's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following enterprise funds:

Water and Wastewater Funds. These funds accounts for the operation, maintenance, and development of the City's water and waste-water facilities.

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the City's only discretely presented component unit, the Bellevue Urban Renewal Agency. It is reported in a separate column to emphasize that it is separate from the City's operations. The Agency was formed in December of 2007 under provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code). The Agency is designed to raise money (through tax incremental financing) over the next several decades for City improvements based on a projected increase in property values in the downtown area.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statement. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting. The City adheres to City budget requirements in Title 50, Chapter 10 of the Idaho Code. The provisions of this chapter include the following procedures to establish budgetary data which is reflected in these financial statements:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-continued

- A. Prior to certifying the tax levy to the county commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of a majority of the members of the council.
- B. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. Uncommitted appropriations lapse at year end.
- C. There are no provisions in Title 50, Chapter 10 for budget augmentations.

Entity Classifications.

- A. City-Wide Financial Statements – The City reports net position in three categories – invested in capital assets, restricted and unrestricted.
- B. Fund Financial Statements – The City has adopted GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments’ highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

Order of Use of Fund Balance – The City’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

Allocation of Indirect Expenses. The City allocates indirect expense, primarily comprised of central governmental services, to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

to programs based on use of central services determined by various allocation methodologies. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include police, fire, and certain divisions with public services and parks.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(B) Assets, Liabilities, and Equity

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the State of Idaho Treasurer's Office for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at September 30 of each year based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash and Deposits". Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average daily balance of each participating fund.

Cash and Deposits

The City considers cash and deposits in proprietary funds to be cash on hand. In addition, because the State Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a deposit.

Receivables and Payable

All trade and property tax receivables are shown net of an allowance for uncollectibles. Amounts due from other governments are shown in total. Accounts and accrued expenses payable are stated at cost and are recognized liabilities for goods and services rendered to the City as of September 30.

Property Tax Calendar

Property taxes are levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The Blaine County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June. Property taxes become a lien on the property when it is levied.

Capital Assets

Purchased or constructed capital assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. They are reported net of accumulated depreciation on the Statement of Net Position. The City capitalizes assets in excess of \$5,000.

Under the requirements of *GASB Statement No. 34*, the City is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. Accordingly, the City has determined not to retroactively report this type of capital asset.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Building Improvements	50
Vehicles	2-15
Office and Other Equipment	3-15

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In 2007, the Governmental Accounting Standards Board (GASB) released Concepts Statement No. 4 *Elements of Financial Statements* which provides a framework for determining the nature of financial accounting or reporting issues. Since the release of the framework, GASB has been looking at the assets and liabilities on the balance sheet to determine if they should continue to be reflected as such. GASB has concluded that, in order to improve financial reporting, there are assets and liabilities that no longer should be reflected as assets and liabilities. These changes are included in the recently-issued GASB Statement No. 65, *Items Previously Reported as Asset and Liabilities*.

These changes include two new items that are reflected on the Statement of Net Position.

- Deferred outflow of resources – the current *consumption* of net assets that is applicable to a *future* reporting period.
- Deferred inflows of resources – the current *acquisition* of net assets that is applicable to a *future* reporting period.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

The City's financial statements may report a separate section for deferred inflows of resources which reflects an increase in resources that applies to a future period.

NOTE 2 – CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, \$ 172,256 of the City's bank balances were exposed to custodial credit risk because it was uninsured by the FDIC.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City held the following investments:

Investment Type

Idaho State Local Government Investment Pool	\$ 2,680,594
Idaho State Local Government Diversified Bond Fund	236,636

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the City voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. And the fair value of the City's position in the external investment pool is the same as the value of the pool shares.

Credit Risk: The City's policy is to comply with Idaho State statutes which authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of credit risk: The City has no policy regarding these two investment risk categories.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as "Cash and Deposits".

Cash and Deposits are comprised of the following at the financial statement date:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

Demand deposits	\$ 195,757
State of Idaho Diversified Bond Fund	236,636
State of Idaho Investment Pool	<u>2,680,594</u>
Total	<u>\$3,112,987</u>

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the current year ended was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 717,340	\$	\$	\$ 717,340
Construction in Progress				
Total	<u>717,340</u>	<u>0</u>	<u>0</u>	<u>717,340</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	752,432			752,432
Infrastructure	3,851,421			3,851,421
Vehicles and Equipment	969,435	9,000		978,435
Total	<u>5,573,288</u>	<u>9,000</u>	<u>0</u>	<u>5,582,288</u>
Less: Accumulated Depreciation:	4,613,309	77,320		4,690,629
Total Net Depreciated Assets	<u>959,979</u>	<u>(68,320)</u>	<u>0</u>	<u>891,659</u>
Governmental capital assets, net	<u>\$ 1,677,319</u>	<u>\$ (68,320)</u>	<u>\$ 0</u>	<u>\$ 1,608,999</u>
Business-type activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$	\$	\$	\$ 0
Construction in Progress				0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	16,385,670	352,956		16,738,626
Vehicles and Equipment	361,427			361,427
Total	<u>16,747,097</u>	<u>352,956</u>	<u>0</u>	<u>17,100,053</u>
Less: Accumulated Depreciation	6,429,571	371,274		6,800,845
Total Net Depreciated Assets	<u>10,317,526</u>	<u>(18,318)</u>	<u>0</u>	<u>10,299,208</u>
Business-type capital assets, net	<u>\$ 10,317,526</u>	<u>\$ (18,318)</u>	<u>\$ 0</u>	<u>\$ 10,299,208</u>

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

NOTE 4 - LOANS PAYABLE

In November of 2010, the City acquired \$ 6,000,000 under a loan agreement with the Idaho Department of Health and Welfare for improvements to the wastewater treatment facility. The loan is secured by revenue bonds and is being repaid in semi-annual payments at 3.25%.

The following is a list of the interest and principal payments through the end of the loans:

<u>FY</u>	<u>Wastewater Loan 2010</u>	
	<u>Interest</u>	<u>Principal</u>
2021	\$ 115,485	\$ 294,915
2022	105,823	304,577
2023	95,844	314,557
2024	85,764	324,636
2025	74,901	335,499
2026-2031	<u>205,654</u>	<u>2,051,507</u>
Total	<u>\$ 983,471</u>	<u>\$3,625,691</u>

NOTE 5 – LITIGATION

The City, at the financial statement date, is not involved in litigation that any unfavorable outcome would have a material effect on the financial position of the City.

NOTE 6 – RESTRICTED NET ASSETS

The Sewer Revenue Bond Ordinance for the 2010 loan provides for the creation of a debt service reserve in connection with the issuance of revenue bonds for the upgraded wastewater treatment facility. A separate account in the Idaho State Treasurer's Investment Pool presently has a balance of \$ 363,747. As provided by the rate ordinances, sewer capitalization fees are to be deposited into a fund for purpose of replacing the existing system facilities and equipment.

NOTE 7 – RISK MANAGEMENT

A City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the City is contracted with Idaho County Risk Management Program (ICRMP) for property, crime and fleet insurance and the State Insurance Fund for workman's compensation. Under the terms of the ICRMP policy, the City of Bellevue's liability is limited to the amount of annual financial membership contributions, including a per occurrence deductible. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

NOTE 8 – EMPLOYEE RETIREMENT PLAN

Plan Description

The City of Bellevue contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age and highest average salary. Members become fully vested in their retirement benefits with five years of credited services (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of employer rate for general employees and 72% for police and firefighters. As of June 30, 2020, it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate, as a percent of covered payroll, is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City's contributions were \$ 110,664 for the year ended September 30, 2020.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At September 30, 2020, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2020, the City's proportion was 0.0256928 percent.

For the year ended September 30, 2020, the City recognized pension (expense) revenue of (\$109,814.) At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,615	\$ 19,481
Changes in assumptions or other inputs	\$ 10,090	
Net difference between projected and actual earnings on pension plan investments	\$ 68,384	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$ (27,666)	
City's contributions subsequent to the measurement date	\$ 27,666	
Total	\$ 125,089	\$ 19,481

\$ 27,666 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2018 the beginning of the measurement period ended June 30, 2019 is 4.8 and 4.8 for the measurement period June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

Year ended September 30, 2020:

2021	\$ 1,927
2022	\$ 25,132
2023	\$ 34,110
2024	\$ 44,439

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2020 is based on the results of an actuarial valuation date of July 1, 2020.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2020.

Capital Market Assumptions from Callan 2020

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05%) or 1-percentage-point higher (8.05%) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$ 602,587	\$ 596,621	\$ 590,655

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov

Payables to the pension plan

At September 30, 2020, the City reported payables to the defined benefit pension plan of \$ 0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 9 – CAPITAL LEASES PAYABLE

On March 7, 2012 the City entered into a financing capital lease for the purchase of new fire truck. The lease is payable in equal annual installments of \$ 21,169. The lease is capitalized in the statement of net position in the amount of \$143,059 and will be expensed annually in the funds. In January of 2019 the City entered into a financing capital lease for the purchase of a 2018 Model 5610 Bobcat Toolcat. This lease is capitalized in the amount of \$46,203 and will also be expensed annually in the funds. The following is a summary of the City's capital leases payable.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2020

-Continued

	Equip Cost	2021	2022	2023	2024	Total
Governmental Activities						
2012 Pierce 7400 Pumper Fire Truck						
PNC Equipment Finance	258,290	21,169	21,169	21,169	21,169	84,676
Less Interest 4.65%		(5,551)	(4,857)	(4,133)	(3,377)	(17,918)
Due 2/27						
	258,290	15,618	16,312	17,036	17,792	66,758
2018 Bobcat 5610 Toolcat						
Wells Fargo Financing	51,397	9,951	9,951	9,951	9,951	39,804
Less Interest 7%		(2,515)	(1,977)	(1,400)	(792)	(6,684)
Due 1/24						
	51,397	7,436	7,974	8,551	9,159	33,120
Total Capital Leases	\$ 309,687	\$ 23,054	\$ 24,286	\$ 25,587	\$ 26,951	\$ 99,878

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

**Required
Supplementary Information**

CITY OF BELLEVUE, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- General Fund
for the year ended September 30, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
State of Idaho liquor receipts	\$ 68,000	\$ 73,905	\$ 74,098	\$ 193
State highway user collections	111,197	111,197	113,773	2,576
State of Idaho shared revenue	133,717	166,153	174,825	8,672
County Revenue Sharing	46,007	46,007	24,117	(21,890)
Franchises, licenses, permits	128,082	133,082	139,780	6,698
City Property Assessments	710,009	727,508	711,567	(15,941)
Administrative Fees Water/Wastewater	167,300	167,300	168,458	1,158
Earnings on investments	5,000	5,000	5,475	475
Fees, fines and charges for services	41,200	51,850	44,044	(7,806)
Grants and contributions	44,600	44,600	219	(44,381)
County court fines	12,542	12,542	15,579	3,037
Miscellaneous	12,857	12,856	1,968	(10,888)
	<u>1,480,511</u>	<u>1,552,000</u>	<u>1,473,903</u>	<u>(78,097)</u>
EXPENDITURES:				
Administrative	355,360	355,360	294,582	60,778
Community Development	183,505	208,505	203,544	4,961
Parks and Recreation	35,330	35,330	20,046	15,284
Fire	204,744	204,744	181,237	23,507
Library	62,068	62,068	61,430	638
Marshall	473,083	528,000	512,891	15,109
Building and Grounds	31,162	40,961	32,467	8,494
Streets	236,206	239,206	167,076	72,130
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,581,458</u>	<u>1,674,174</u>	<u>1,473,273</u>	<u>200,901</u>
EXCESS REVENUE (EXPENDITURES)	(100,947)	(122,174)	630	122,804
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating transfers (to) other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(100,947)	(122,174)	630	122,804
FUND BALANCE - BEGINNING	<u>522,363</u>	<u>522,363</u>	<u>522,363</u>	<u>0</u>
FUND BALANCE - ENDING	<u>\$ 421,416</u>	<u>\$ 400,189</u>	<u>\$ 522,993</u>	<u>\$ 122,804</u>

CITY OF BELLEVUE, IDAHO
PUBLIC EMPLOYEE PENSION INFORMATION
For the year ended September 30, 2020

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability	.0254933%	.0204267%	.0221655%	.0219022%	.0156724%
Employer's proportionate share of the net pension liability	\$ 290,999	\$ 301,297	\$ 348,404	\$ 443,991	\$ 206,380
Employer's covered-employee payroll	\$ 890,981	\$ 719,144	\$ 713,441	\$ 671,267	\$ 435,150
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	32.66%	41.90%	48.83%	66.14%	47.43%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	91.69%	90.68%	87.26%	91.38%
<u>2020</u>					
Employer's portion of the net pension liability					.0256928%
Employer's proportionate share of the net pension liability				\$ 596,621	
Employer's covered-employee payroll				\$ 923,442	
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll					64.61%
Plan fiduciary net position as a percentage of the total pension liability					88.22%

* GASB Statement No. 68 required ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of June 30, 2020

Schedule of Employer's Contributions
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 102,028	\$ 81,476	\$ 77,932	\$ 88,119	\$ 56,998
Contributions in relation to the statutorily required contribution	\$ (102,028)	\$ (81,476)	\$ (77,932)	\$ (88,119)	\$ (56,998)
Contribution (deficiency) excess	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$ 890,981	\$ 719,144	\$ 713,441	\$ 671,267	\$ 435,150
Contributions as a percentage of covered-employee payroll	11.45%	11.33%	10.92%	13.13%	12.03%
<u>2020</u>					
Statutorily required contributions				\$ 110,664	
Contributions in relation to the statutorily required contribution				\$ (110,664)	
Contribution (deficiency) excess				\$ 0	
Employer's covered-employee payroll				\$ 923,442	
Contributions as a percentage of covered-employee payroll					11.98%

**Other
Supplementary Information**

CITY OF BELLEVUE, IDAHO
Bond-Future Principal and Interest Requirements
at September 30, 2020

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
City of Bellevue Blaine County Sewer Construction Loan				
Waste Water Treatment Plant Revolving Promissory Note Series 2010 \$6,000,000, November 17, 2010 3.25% per annum	3.25%	2021	\$ 294,915	\$ 115,485
	3.25%	2022	304,577	105,823
	3.25%	2023	314,557	95,844
	3.25%	2024	324,636	85,764
	3.25%	2025	335,499	74,901
	3.25%	2026	346,491	63,909
	3.25%	2027	357,844	52,556
	3.25%	2028	369,465	40,935
	3.25%	2029	381,673	28,726
	3.25%	2030	394,179	16,221
	3.25%	2031	201,855	3,307
			\$ <u>3,625,691</u>	\$ <u>683,471</u>

The accompanying notes are a part of these financial statements.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

November 13, 2020

To the Honorable Mayor and City Council
City of Bellevue, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Bellevue, Idaho (City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Bellevue, Idaho's basic financial statements, and have issued our report thereon dated November 13, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bellevue, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

CITY OF BELLEVUE, IDAHO

Financial Statements

Year Ended September 30, 2021

CITY OF BELLEVUE, IDAHO
Financial Statements
For the year ended September 30, 2021

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WORKMAN & COMPANY

Office of
Accounting

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Independent Auditor's Report

November 15, 2021

To the Honorable Mayor and City Council
City of Bellevue, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, the business-type activities, and the discretely presented component unit of the City of Bellevue, Idaho (City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the discretely presented component unit of the City of Bellevue, Idaho as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and public employee pension information on pages 3-11, 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bellevue, Idaho's basic financial statements. The accompanying other supplementary information on page 36 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho



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CITY OF BELLEVUE

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CITY OF BELLEVUE, IDAHO MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2021

The City of Bellevue, Idaho's general purpose external financial statements are presented in this report. The components of the general purpose external financial statements include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Other Required Supplementary Information (RSI).

FINANCIAL HIGHLIGHTS

- The total of all fund assets of the City of Bellevue exceeded liabilities at the close of the most recent fiscal year by \$ 11,533,915. Of that amount, \$ 2,575,621 (unrestricted net position) may be used to meet future obligations and programs.
- General Fund Revenues were \$1,716,624 and expenditures were \$1,428,867.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Bellevue's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds. Financial statements for the City's component unit are also presented.

Component Unit

The City has one discretely reported component unit. The Bellevue Urban Renewal Agency is reported separately from the City's Government-wide Financial Statements. This Agency is created to improve property within the City through property tax revenues. (See Footnote 1 of the Financials)

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Table 1: Major Features of the Basic Financial Statements

	Government-wide <u>Financial Statements</u>	Fund Financial Statements	
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire City government and the City's component unit.	Activities of the City that are not proprietary.	Activities of the City that are operated similar to private businesses
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net assets * Statement of revenues, expenses, and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	* Revenues for which cash is received during or soon after the end of the year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 of the financial statements for more detailed information on the elements of the financial statements. Table 1 above summarizes the major features of the basic financial statements.

CONDENSED FINANCIAL INFORMATION

Condensed Statement of Net Position

The largest component (\$ 8,464,784 of the City's net position reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not eligible for future spending. Restricted net position total \$ 493,510. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, debt service requirements, or enabling legislation on how they can be used.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The remaining portion of net assets is unrestricted, which can be used to finance government operation.

Table 2 below presents the City's condensed statement of net position as of September 30, 2021, derived from the government-wide Statement of Net Position.

**Table 2: Condensed Statement of Net Position
As of September 30, 2021**

	Governmental Activities	Business- type Activities	Total Primary Government	Component Unit - Urban Renewal Agency
Current and other assets	\$ 943,167	\$ 2,631,912	\$ 3,575,079	\$ 301,655
Capital assets	1,589,267	10,453,714	12,042,981	
Total Assets	2,532,434	13,085,626	15,618,060	301,655
Deferred Outflows	192,162	54,199	246,361	0
Current Liabilities	162,765	343,686	506,451	
Long-term liabilities	226,297	3,032,878	3,259,175	
Total Liabilities	389,062	3,376,564	3,765,626	0
Deferred Inflows	440,606	124,274	564,880	0
Net position:				
Invested in capital assets net of related debt	1,380,954	7,083,830	8,464,784	
Restricted	128,660	364,850	493,510	301,655
Unrestricted	385,314	2,190,307	2,575,621	
Total Net Position	\$ 1,894,928	\$ 9,638,987	\$ 11,533,915	\$ 301,655

Condensed Statement of Activities

Table 3 below presents the City's condensed statement of activities for the fiscal year ended September 30, 2021, as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities increased by \$ 353,890 or 22.96% percent, and the net position of the business-type activities increased by \$ 500,471 or 5.48%.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 3: Condensed Statement of Activities
As of September 30, 2021**

	Governmental Activities	Business- type Activities	Total Primary Government	Urban Renewal Agency
Revenue:				
Program revenues				
Charges for services	\$ 32,697	\$ 1,651,467	\$ 1,684,164	\$
Capital grants /contributions	259,930	213,472	473,402	
Total program revenues	<u>292,627</u>	<u>1,864,939</u>	<u>2,157,566</u>	<u>0</u>
General revenues				
Taxes	571,635		571,635	66,638
Franchise, licenses, permits	159,401		159,401	
State shared revenues	457,717		457,717	
Interest	1,696	9,707	11,403	758
Other revenues and Transfers	368,092	37,948	406,040	
Total general revenues	<u>1,558,541</u>	<u>47,655</u>	<u>1,606,196</u>	<u>67,396</u>
Total revenues	<u>1,851,168</u>	<u>1,912,594</u>	<u>3,763,762</u>	<u>67,396</u>
Program expenses:				
Administrative	322,428		322,428	1,330
Planning and Zoning	187,596		187,596	
Parks and recreation	42,995		42,995	
Fire	184,723		184,723	
Library	62,810		62,810	
Marshall	481,890		481,890	
Building and grounds	35,365		35,365	
Streets	169,781		169,781	
Shop	1,397		1,397	
Wastewater		846,262	846,262	
Water		454,815	454,815	
Interest, long-term debt	8,293	111,046	119,339	
Total program expenses	<u>1,497,278</u>	<u>1,412,123</u>	<u>2,909,401</u>	<u>1,330</u>
Change in net assets	<u>353,890</u>	<u>500,471</u>	<u>854,361</u>	<u>66,066</u>
Beginning net assets	1,541,038	9,138,516	10,679,554	235,589
Ending net assets	<u>\$ 1,894,928</u>	<u>\$ 9,638,987</u>	<u>\$ 11,533,915</u>	<u>\$ 301,655</u>

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, mainly taxes.

**Table 4: Program Expenses and Revenues
for Government Activities
For the Fiscal Year Ended September 30, 2021**

	Program Expenses	Program Revenues	Net Expense (Revenues) (a)
Administrative	\$ 322,428	\$	\$ (322,428)
Planning and Zoning	187,596	30,663	(156,933)
Parks and Recreation	42,995	1,884	(41,111)
Fire	184,723		(184,723)
Library	62,810		(62,810)
Marshall	481,890		(481,890)
Building and Grounds	35,365		(35,365)
Streets	169,781	150	(169,631)
Shop	1,397		(1,397)
Interest	8,293		(8,293)
Totals	\$ 1,497,278	\$ 32,697	\$ (1,464,581)

(a) Net Program Expenses are mainly supported by taxes and state shared revenues.

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses.

**Table 5: Program Expenses and Revenues
for Business-type Activities
For the Fiscal Year Ended September 30, 2021**

City Programs	Program Expenses	Program Revenues	Net Program (Expenses) Revenues
Water	\$ 454,815	\$ 515,581	\$ 60,766
Wastewater	846,262	1,135,886	289,624
Interest on long-term debt	111,046		(111,046)
Totals	\$ 1,412,123	\$ 1,651,467	\$ 239,344

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

The City of Bellevue, Idaho adopts an annual budget. A budgetary comparison statement of Governmental Funds is provided below. In total, any negative variances are insignificant.

**Table 6: Analysis of Significant Budget Variances
for Government Activities
For the Fiscal Year Ended September 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variances</u>
Revenues:			
Taxes (including penalties/interest)	\$ 560,019	\$ 571,635	\$ 11,616
Franchises, licenses, permits	135,500	159,401	23,901
State of Idaho	337,312	457,717	120,405
Fees, Charges for Services	25,800	32,697	6,897
Other	366,512	495,174	128,662
Totals	<u>1,425,143</u>	<u>1,716,624</u>	<u>291,481</u>
Expenditures:			
Administrative	311,993	311,486	507
Planning and Zoning	187,622	187,596	26
Parks and Recreation	31,690	30,865	825
Fire	213,527	174,597	38,930
Library	64,125	62,629	1,496
Marshall	480,439	480,246	193
Building and Grounds	35,424	35,365	59
Streets	221,042	146,083	74,959
Shop	0	0	0
Capital Expenditures	0	0	0
Totals	<u>1,545,862</u>	<u>1,428,867</u>	<u>116,995</u>
Excess (Deficiency)	<u>\$ (120,719)</u>	<u>\$ 287,757</u>	<u>\$ 408,476</u>

BUDGET VARIANCES IN THE GENERAL FUND

The changes made to the budget format have moved the City into compliance with the budget standards developed by the Government Finance Officers of America (GFOA). An analysis of budget variances this year shows that more assets were budgeted for expenditure than were expended during the current operating cycle.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 7: Comparison of Statement of Net Position
As of September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>	Percentage Change
Current Assets	\$ 3,575,079	\$ 3,154,740	13.3240%
Capital Assets	12,042,981	11,908,207	1.1318%
Total Assets	<u>15,618,060</u>	<u>15,062,947</u>	3.6853%
Deferred Outflows of Resources	<u>246,361</u>	<u>125,089</u>	96.9486%
Current Liabilities	506,451	363,229	39.4302%
Long Term Liabilities	<u>3,259,175</u>	<u>4,053,434</u>	-19.5947%
Total Liabilities	<u>3,765,626</u>	<u>4,416,663</u>	-14.7405%
Deferred Inflows of Resources	<u>564,880</u>	<u>19,481</u>	2799.6458%
Net Position:			
Invested in Capital Assets net of related debt	8,464,784	8,069,205	4.9023%
Restricted	493,510	406,201	21.4940%
Unrestricted	<u>2,575,621</u>	<u>2,204,148</u>	16.8534%
Total Net Position	<u>\$ 11,533,915</u>	<u>\$ 10,679,554</u>	<u>8.0000%</u>

OVERALL ANALYSIS

Financial highlights for the City as a whole during the fiscal year ended September 30, 2021, show the assets of the City exceeded its liabilities (net position) at the close to the fiscal year by \$ 11,533,915 (for governmental activities \$ 1,894,928, for the business-type activities \$ 9,638,987). Additionally, the City's total net position increased during the year by \$ 854,361. This amount is due to the water funds net income of \$ 240,830, wastewater funds net income of \$ 259,641 and general fund net income in \$ 353,890.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

**Table 8: Changes in Fixed Assets
for All Funds
For the Fiscal Year Ended September 30, 2021**

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Infrastructure	\$ 4,568,761			\$ 4,568,761
Buildings and Improvements	17,491,058	507,129		17,998,187
Vehicles and Equipment	1,309,862	127,460		1,437,322
Construction in Progress	0		0	0
Totals	<u>23,448,833</u>	<u>634,589</u>	<u>0</u>	<u>24,004,270</u>
Accumulated Depreciation	<u>(11,491,474)</u>	<u>(469,815)</u>		<u>(11,961,289)</u>
Net Book Value	\$ <u>11,957,359</u>			\$ <u>12,042,981</u>

CAPITAL ASSET AND LONG-TERM, ACTIVITY

Capital Asset Activity

At September 30, 2021, the City reported \$1,589,267 in capital assets for governmental activities and \$10,453,714 in capital assets for business-type activities.

Long-term Debt Activity

See Note 4 of the financial statements for information on the City's long-term debt.

FUNDS ANALYSIS

Funds that experienced significant changes during the year are as follows:

Governmental funds

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$ 810,750. The fund balance increased \$ 287,757 during the fiscal year. The increase is the result of \$1,716,624 of revenues, reduced by \$1,428,867 of expenditures. The increase in fund balance follows a fund balance increase of \$ 630 in FY 2020. The positive trends in the City's governmental fund results from a continuation of fiscal policies designed to limit spending and preserve and strengthen the City's financial position during uncertain economic times. This ongoing accomplishment is due to the commitment and determination of the City Council and staff to make prudent financial decisions while also seeking to preserve levels of service to the community by continually pursuing and implementing cost savings and efficiencies in operations.

**CITY OF BELLEVUE, IDAHO
MANAGEMENT DISCUSSION AND ANALYSIS**

Continued...

REQUESTS FOR INFORMATION

Requests for information regarding City finances should be directed to:

Marian Edwards
City Clerk/Treasurer
City of Bellevue, Idaho
P.O. Box 825
Bellevue, Idaho, 83313
Telephone: (208) 788-2128x2

CITY OF BELLEVUE, IDAHO
Statement of Net Position
at September 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit Urban Renewal Agency</u>
<u>ASSETS</u>				
Cash and Deposits	\$ 697,904	\$ 2,138,464	\$ 2,836,368	
Accounts Receivable		128,598	128,598	
Taxes Receivable	8,662		8,662	
Due From Other Governments	107,941		107,941	
Restricted and Assigned Cash	128,660	364,850	493,510	\$ 301,655
Due From Other Funds			0	
Totals	<u>943,167</u>	<u>2,631,912</u>	<u>3,575,079</u>	<u>301,655</u>
Capital Assets:				
Land	717,340		717,340	
Infrastructure	3,851,421		3,851,421	
Buildings and Improvements	764,947	17,233,240	17,998,187	
Equipment and Vehicles	1,029,211	408,111	1,437,322	
Accumulated Deprecation	(4,773,652)	(7,187,637)	(11,961,289)	
Total Capital Assets	<u>1,589,267</u>	<u>10,453,714</u>	<u>12,042,981</u>	<u>0</u>
Total Assets	<u>2,532,434</u>	<u>13,085,626</u>	<u>15,618,060</u>	<u>301,655</u>
Other Net Assets & Deferred Outflows of Resources:				
Post Employment Activity - Net Asset	13,773	3,885	17,658	
Deferred Outflows from Pension Activity	178,389	50,314	228,703	0
<u>LIABILITIES</u>				
Accounts and Payroll Liabilities Payable	3,760		3,760	
Interest Payable		39,109	39,109	
Refundable User Deposits	128,658		128,658	
Long-term Liabilities:				
Portion due or payable within one year:				
Capital Leases and Loans Payable	30,347	304,577	334,924	
Portion due or payable after one year:				
Capital Leases and Loans Payable	177,966	3,026,198	3,204,164	
Compensated Absences	48,331	6,680	55,011	
Total Liabilities	<u>389,062</u>	<u>3,376,564</u>	<u>3,765,626</u>	<u>0</u>
Deferred Inflows of Resources:				
Deferred Inflows from Pension Activity	440,606	124,274	564,880	0
<u>NET POSITION</u>				
Invested in Capital Assets - net of related debt	1,380,954	7,083,830	8,464,784	
Restricted For:				
Debt Service		364,850	364,850	
Other Purposes	128,660		128,660	301,655
Unrestricted	385,314	2,190,307	2,575,621	
Total Net Position	<u>\$ 1,894,928</u>	<u>\$ 9,638,987</u>	<u>\$ 11,533,915</u>	<u>\$ 301,655</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Activities
For the Year Ended September 30, 2021

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position			Component Unit - Urban Renewal Agency
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Governmental:							
Administrative	\$ 322,428	\$	\$ 211,834	\$ (110,594)		\$ (110,594)	
Planning and Zoning	187,596	30,663		(156,933)		(156,933)	
Parks and Recreation	42,995	1,884		(41,111)		(41,111)	
Fire	184,723		20,000	(164,723)		(164,723)	
Library	62,810		532	(62,278)		(62,278)	
Marshall	481,890			(481,890)		(481,890)	
Building and Grounds	35,365			(35,365)		(35,365)	
Streets	169,781	150	27,564	(142,067)		(142,067)	
Shop	1,397			(1,397)		(1,397)	
Interest	8,293			(8,293)		(8,293)	
Total Governmental Activities	1,497,278	32,697	259,930	(1,204,651)		(1,204,651)	
Business Type:							
Water	454,815	515,581	163,472		\$ 224,238	224,238	
Wastewater	846,262	1,135,886	50,000		339,624	339,624	
Interest - on long-term debt	111,046				(111,046)	(111,046)	
Total Business-type Activities	1,412,123	1,651,467	213,472		452,816	452,816	
Total City of Bellevue, Idaho	\$ 2,909,401	\$ 1,684,164	\$ 473,402	(1,204,651)	452,816	(751,835)	
Component Units:							
Urban Renewal Agency	\$ 1,330						\$ (1,330)
Total							(1,330)
General Revenues:							
State of Idaho liquor receipts				79,314		79,314	
State highway user collections				120,795		120,795	
State of Idaho shared revenue				257,608		257,608	
Franchises, licenses, permits				159,401		159,401	
City Property Assessments				571,635		571,635	66,638
Administrative Fees Water/Wastewater				207,613		207,613	
Earnings on investments				1,696	9,707	11,403	758
County court fines				10,368		10,368	
Miscellaneous				15,565		15,565	
Interfund Transfers						0	
Gain (Loss) on Pension Activity				134,546	37,948	172,494	
Total general revenues and transfers				1,558,541	47,655	1,606,196	67,396
Changes in net position				353,890	500,471	854,361	66,066
Net Position - Beginning				1,541,038	9,138,516	10,679,554	235,589
Net Position - Ending				\$ 1,894,928	\$ 9,638,987	\$ 11,533,915	\$ 301,655

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Balance Sheet
Governmental Funds
for the year ended September 30, 2021

	<u>General Fund</u>	<u>Total</u>
ASSETS:		
Cash and Cash Deposits	\$ 826,565	\$ 826,565
Taxes and Other Receivables	8,662	8,662
Due From Other Governments	<u>107,941</u>	<u>107,941</u>
Total Assets	<u>\$ 943,168</u>	<u>943,168</u>
LIABILITIES:		
Accounts and Accrued Payables	3,760	3,760
Refundable User Deposits	<u>128,658</u>	<u>128,658</u>
Total Liabilities	<u>132,418</u>	<u>132,418</u>
FUND BALANCE:		
Non-spendable	0	0
Restricted	0	0
Committed	0	0
Assigned	82,655	82,655
Unassigned	<u>728,095</u>	<u>728,095</u>
Total Fund Balance	<u>810,750</u>	<u>810,750</u>
Total Liabilities and Fund Balance	<u>\$ 943,168</u>	

Amounts reported for governmental activities in the Statement of Net Position (page 12) are different because:

Governmental fund capital assets are not financial resources and therefore are not reported in the funds. The cost of assets is \$ 6,362,919 and the accumulated depreciation is \$ 4,773,652	1,589,267
Long-term liabilities, net pension liabilities, and compensated absences are not payable in the current period and therefore are not reported in the governmental funds.	<u>(505,089)</u>
Net Position of Governmental Funds	<u>\$ 1,894,928</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2021

	<u>General Fund</u>	<u>Totals</u>
REVENUE:		
State of Idaho liquor receipts	\$ 79,314	\$ 79,314
State highway user collections	120,795	120,795
State of Idaho shared revenue	257,608	257,608
Franchises, licenses, permits	159,401	159,401
City Property Assessments	571,635	571,635
Administrative Fees Water/Wastewater	207,613	207,613
Earnings on investments	1,696	1,696
Fees, fines and charges for services	32,697	32,697
Grants and contributions	259,930	259,930
County court fines	10,368	10,368
Miscellaneous	15,567	15,567
Total Revenue	<u>1,716,624</u>	<u>1,716,624</u>
EXPENDITURES:		
Administrative	311,486	311,486
Community Development	187,596	187,596
Parks and Recreation	30,865	30,865
Fire	174,597	174,597
Library	62,629	62,629
Marshall	480,246	480,246
Building and Grounds	35,365	35,365
Streets	146,083	146,083
Capital Expenditures	0	0
Total Expenditures	<u>1,428,867</u>	<u>1,428,867</u>
EXCESS REVENUE (EXPENDITURES)	287,757	287,757
OTHER FINANCING SOURCES (USES):		
Operating transfers from other funds		0
Operating transfers (to) other funds		<u>0</u>
NET CHANGE IN FUND BALANCES	287,757	287,757
FUND BALANCE - BEGINNING	<u>522,993</u>	<u>522,993</u>
FUND BALANCE - ENDING	<u>\$ 810,750</u>	<u>\$ 810,750</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
for the year ended September 30, 2021

Net Change in Fund Balance - Total Governmental Funds (Page 15)	\$ 287,757
<p>Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.</p>	
This is the amount of current year depreciation.	(83,023)
This is the amount of new Governmental Fund assets.	93,291
This is the amount of disposed of Governmental Fund assets.	0
<p>Long term liabilities are not recorded in the Governmental funds. Capital lease payments are expensed in the period that the payments are paid. Capital leases are recorded as liabilities in the Statement of Net Position. Current year payments reduce the amount of the debt.</p>	
This is the amount of new capital leases during the current year	
This is the amount of current year payments of capital leases and capital costs.	(68,549)
<p>Net pension activity in the current period is not recorded in Governmental funds.</p>	
This is the net gain (loss) from current pension activity	134,546
<p>Liability for personal leave days are not recorded in Governmental funds.</p>	
This is the increase in compensated leave during the year.	<u>(10,132)</u>
Change in Net Position of Governmental Activities (Page 13)	<u>\$ 353,890</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Net Position
Proprietary Funds
at September 30, 2021

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Assets:			
Current Assets:			
Cash and Deposits	\$ 668,412	\$ 1,470,052	\$ 2,138,464
Accts receivable - customers	40,217	88,381	128,598
Accts receivable - other govts.			0
	<u>708,629</u>	<u>1,558,433</u>	<u>2,267,062</u>
Restricted Current Assets:			
Cash and Deposits	<u>0</u>	<u>364,850</u>	<u>364,850</u>
Total Current Assets	<u>708,629</u>	<u>1,923,283</u>	<u>2,631,912</u>
Capital Assets:			
Plant and equipment	4,855,448	12,785,903	17,641,351
Accumulated depreciation	<u>(2,429,325)</u>	<u>(4,758,312)</u>	<u>(7,187,637)</u>
Net Plant and equipment	<u>2,426,123</u>	<u>8,027,591</u>	<u>10,453,714</u>
Total Assets	<u>3,134,752</u>	<u>9,950,874</u>	<u>13,085,626</u>
Other Net Assets & Deferred Outflows of Resources:			
Post Employment Activity - Net Asset	2,119	1,766	3,885
Deferred Outflows from Pension Activity	<u>27,444</u>	<u>22,870</u>	<u>50,314</u>
Liabilities:			
Current Liabilities:			
Accounts and Wages Payable			0
Interest Payable		39,109	39,109
Current portion long-term debt		<u>304,577</u>	<u>304,577</u>
Total current liabilities	<u>0</u>	<u>343,686</u>	<u>343,686</u>
Noncurrent Liabilities:			
Loans Payable		3,026,198	3,026,198
Compensated Absences Payable	<u>3,287</u>	<u>3,393</u>	<u>6,680</u>
Total noncurrent liabilities	<u>3,287</u>	<u>3,029,591</u>	<u>3,032,878</u>
Total Liabilities	<u>3,287</u>	<u>3,373,277</u>	<u>3,376,564</u>
Deferred Inflows of Resources:			
Deferred Inflows from Pension Activity	<u>67,786</u>	<u>56,488</u>	<u>124,274</u>
Net Position:			
Investment in capital assets net of related debt	2,426,123	4,657,707	7,083,830
Restricted	0	364,850	364,850
Unrestricted	<u>667,119</u>	<u>1,523,188</u>	<u>2,190,307</u>
Total Net Position	<u>\$ 3,093,242</u>	<u>\$ 6,545,745</u>	<u>\$ 9,638,987</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
for the year ended September 30, 2021

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Operating Revenues:			
Charges for services	\$ 433,919	\$ 1,078,176	\$ 1,512,095
Hookups and connections	79,452	56,610	136,062
Reimbursements and Misc.	<u>2,210</u>	<u>1,100</u>	<u>3,310</u>
Total Operating Revenue	<u>515,581</u>	<u>1,135,886</u>	<u>1,651,467</u>
Operating Expenses:			
Salaries and benefits	104,645	154,145	258,790
Administrative and supplies	241,815	413,680	655,495
Depreciation	<u>108,355</u>	<u>278,437</u>	<u>386,792</u>
Total Operating Expenses	<u>454,815</u>	<u>846,262</u>	<u>1,301,077</u>
Operating Income	<u>60,766</u>	<u>289,624</u>	<u>350,390</u>
Nonoperating Revenues (Expenses):			
Interest Income	540	9,167	9,707
Interest Expense		(111,046)	(111,046)
Gain (Loss) on Pension Activity	20,699	17,249	37,948
Grants	<u>163,472</u>	<u>50,000</u>	<u>213,472</u>
Total Nonoperating	<u>184,711</u>	<u>(34,630)</u>	<u>150,081</u>
Income before transfers	<u>245,477</u>	<u>254,994</u>	<u>500,471</u>
Transfers in		4,647	4,647
Transfers out	<u>(4,647)</u>		<u>(4,647)</u>
Net Income	240,830	259,641	500,471
Total Net Position - Beginning	<u>2,852,412</u>	<u>6,286,104</u>	<u>9,138,516</u>
Total Net Position - Ending	<u>\$ 3,093,242</u>	<u>\$ 6,545,745</u>	<u>\$ 9,638,987</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Statement of Cash Flows
Proprietary Funds
for the year ended September 30, 2021

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Receipts from customers	\$ 512,541	\$ 1,147,687	\$ 1,660,228
Payments to suppliers and other funds	(241,815)	(413,680)	(655,495)
Payments to employees	(102,101)	(160,425)	(262,526)
Payments from (to) other funds	(4,647)	4,647	0
Other receipts	165,682	51,100	216,782
Net cash provided (used) by operations	<u>329,660</u>	<u>629,329</u>	<u>958,989</u>
Cash Flows From Capital and Related Financing Activities:			
Purchase and construction of capital assets	(98,067)	(443,232)	(541,299)
Amounts provided from capital debt			0
Principal paid on capital debt		(294,915)	(294,915)
Interest paid on capital debt		(115,485)	(115,485)
Net cash provided (used) by capital and related financing activities	<u>(98,067)</u>	<u>(853,632)</u>	<u>(951,699)</u>
Cash Flows From Investing Activities:			
Interest Income	540	9,167	9,707
Net Increase (Decrease) in Cash and Deposits	232,133	(215,136)	16,997
Balances - Beginning of the year	<u>436,279</u>	<u>2,050,038</u>	<u>2,486,317</u>
Balances - Ending of the year	<u>\$ 668,412</u>	<u>\$ 1,834,902</u>	<u>\$ 2,503,314</u>
Displayed as:			
Pooled Cash and Investments	668,412	1,686,291	2,354,703
Restricted Assets		<u>363,747</u>	<u>363,747</u>
Balances - Ending of the year	<u>\$ 668,412</u>	<u>\$ 2,050,038</u>	<u>\$ 2,718,450</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income	60,766	289,624	350,390
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Grant Receipts and Transfers	158,825	54,647	213,472
Depreciation expense	108,355	278,437	386,792
Changes in assets and liabilities:			
Receivables, net	(830)	12,901	12,071
Accounts and other payables	2,544	(6,280)	(3,736)
Net Cash Provided (Used) by Operating Activities	<u>\$ 329,660</u>	<u>\$ 629,329</u>	<u>\$ 958,989</u>

The accompanying notes are a part of these financial statements.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bellevue, Idaho was incorporated by charter on February 8, 1883. The City operates under a Mayor-Common Council form of government and provides the following services to the residents of Bellevue, Blaine County, Idaho: public safety, public works, recreation, and community development. The City also provides water and wastewater services which are financed by user charges. The accounting policies of the City of Bellevue, Idaho conform to generally accepted accounting principles as applicable to governmental units. The financial statements of the City of Bellevue, Idaho have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities (enterprise funds) provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies:

(A) Basis of Presentation – Basis of Accounting

Basis of Presentation:

For this reporting period, the City has conformed its financial statement model to *Governmental Auditing Standards Board (GASB) Statement No. 34*. This model presents the financial statements as follows:

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City). These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental* and *proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

The City reports the following governmental funds:

General Fund. This is the City's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following enterprise funds:

Water and Wastewater Funds. These funds accounts for the operation, maintenance, and development of the City's water and waste-water facilities.

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the City's only discretely presented component unit, the Bellevue Urban Renewal Agency. It is reported in a separate column to emphasize that it is separate from the City's operations. The Agency was formed in December of 2007 under provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code). The Agency is designed to raise money (through tax incremental financing) over the next several decades for City improvements based on a projected increase in property values in the downtown area.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statement. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting. The City adheres to City budget requirements in Title 50, Chapter 10 of the Idaho Code. The provisions of this chapter include the following procedures to establish budgetary data which is reflected in these financial statements:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-continued

- A. Prior to certifying the tax levy to the county commissioners, and prior to passing the annual appropriation ordinance, a public meeting shall be held to adopt a budget by a favorable vote of a majority of the members of the council.
- B. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. Uncommitted appropriations lapse at year end.
- C. There are no provisions in Title 50, Chapter 10 for budget augmentations.

Entity Classifications.

- A. City-Wide Financial Statements – The City reports net position in three categories – invested in capital assets, restricted and unrestricted.
- B. Fund Financial Statements – The City has adopted GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments’ highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

Order of Use of Fund Balance – The City’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

Allocation of Indirect Expenses. The City allocates indirect expense, primarily comprised of central governmental services, to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

to programs based on use of central services determined by various allocation methodologies. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include police, fire, and certain divisions with public services and parks.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(B) Assets, Liabilities, and Equity

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the State of Idaho Treasurer's Office for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at September 30 of each year based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash and Deposits". Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average daily balance of each participating fund.

Cash and Deposits

The City considers cash and deposits in proprietary funds to be cash on hand. In addition, because the State Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a deposit.

Receivables and Payable

All trade and property tax receivables are shown net of an allowance for uncollectibles. Amounts due from other governments are shown in total. Accounts and accrued expenses payable are stated at cost and are recognized liabilities for goods and services rendered to the City as of September 30.

Property Tax Calendar

Property taxes are levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The Blaine County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June. Property taxes become a lien on the property when it is levied.

Capital Assets

Purchased or constructed capital assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. They are reported net of accumulated depreciation on the Statement of Net Position. The City capitalizes assets in excess of \$5,000.

Under the requirements of *GASB Statement No. 34*, the City is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. Accordingly, the City has determined not to retroactively report this type of capital asset.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Building Improvements	50
Vehicles	2-15
Office and Other Equipment	3-15

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In 2007, the Governmental Accounting Standards Board (GASB) released Concepts Statement No. 4 *Elements of Financial Statements* which provides a framework for determining the nature of financial accounting or reporting issues. Since the release of the framework, GASB has been looking at the assets and liabilities on the balance sheet to determine if they should continue to be reflected as such. GASB has concluded that, in order to improve financial reporting, there are assets and liabilities that no longer should be reflected as assets and liabilities. These changes are included in the recently-issued GASB Statement No. 65, *Items Previously Reported as Asset and Liabilities*.

These changes include two new items that are reflected on the Statement of Net Position.

- Deferred outflow of resources – the current *consumption* of net assets that is applicable to a *future* reporting period.
- Deferred inflows of resources – the current *acquisition* of net assets that is applicable to a *future* reporting period.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

The City's financial statements may report a separate section for deferred inflows of resources which reflects an increase in resources that applies to a future period.

NOTE 2 – CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City has no deposit policy for custodial credit risk. At year end, \$ 154,233 of the City's bank balances were exposed to custodial credit risk because it was uninsured by the FDIC.

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City held the following investments:

Investment Type

Idaho State Local Government Investment Pool	\$ 2,734,986
Idaho State Local Government Diversified Bond Fund	240,480

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the City voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. And the fair value of the City's position in the external investment pool is the same as the value of the pool shares.

Credit Risk: The City's policy is to comply with Idaho State statutes which authorize the City to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of credit risk: The City has no policy regarding these two investment risk categories.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as "Cash and Deposits".

Cash and Deposits are comprised of the following at the financial statement date:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

Demand deposits	\$ 354,412
State of Idaho Diversified Bond Fund	240,480
State of Idaho Investment Pool	<u>2,734,986</u>
Total	<u>\$3,329,878</u>

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the current year ended was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 717,340	\$	\$	\$ 717,340
Construction in Progress				
Total	<u>717,340</u>	<u>0</u>	<u>0</u>	<u>717,340</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	752,432	12,515		764,947
Infrastructure	3,851,421			3,851,421
Vehicles and Equipment	978,435	80,776		1,059,211
Total	<u>5,582,288</u>	<u>93,291</u>	<u>0</u>	<u>5,675,579</u>
Less: Accumulated Depreciation:	4,690,629	83,023		4,773,652
Total Net Depreciated Assets	<u>891,659</u>	<u>10,268</u>	<u>0</u>	<u>901,927</u>
 Governmental capital assets, net	 <u>\$ 1,608,999</u>	 <u>\$ 10,268</u>	 <u>\$ 0</u>	 <u>\$ 1,619,267</u>
 Business-type activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$	\$	\$	0
Construction in Progress				0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	16,738,626	494,614		17,233,240
Vehicles and Equipment	361,427	46,684		408,111
Total	<u>17,100,053</u>	<u>541,298</u>	<u>0</u>	<u>17,641,351</u>
Less: Accumulated Depreciation	6,800,845	386,792		7,187,637
Total Net Depreciated Assets	<u>10,299,208</u>	<u>154,506</u>	<u>0</u>	<u>10,453,714</u>
 Business-type capital assets, net	 <u>\$ 10,299,208</u>	 <u>\$ 154,506</u>	 <u>\$ 0</u>	 <u>\$ 10,453,714</u>

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

NOTE 4 - LOANS PAYABLE

In November of 2010, the City acquired \$ 6,000,000 under a loan agreement with the Idaho Department of Health and Welfare for improvements to the wastewater treatment facility. The loan is secured by revenue bonds and is being repaid in semi-annual payments at 3.25%.

The following is a list of the interest and principal payments through the end of the loans:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>
2022	\$ 105,823	\$ 304,577
2023	95,844	314,557
2024	85,764	324,636
2025	74,901	335,499
2026	63,909	346,491
2027-2031	<u>141,745</u>	<u>1,705,016</u>
Totals	<u>\$ 567,986</u>	<u>\$ 3,330,776</u>

NOTE 5 – LITIGATION

The City, at the financial statement date, is not involved in litigation that any unfavorable outcome would have a material effect on the financial position of the City.

NOTE 6 – RESTRICTED NET ASSETS

The Sewer Revenue Bond Ordinance for the 2010 loan provides for the creation of a debt service reserve in connection with the issuance of revenue bonds for the upgraded wastewater treatment facility. A separate account in the Idaho State Treasurer's Investment Pool presently has a balance of \$ 364,850. As provided by the rate ordinances, sewer capitalization fees are to be deposited into a fund for purpose of replacing the existing system facilities and equipment.

NOTE 7 – RISK MANAGEMENT

A City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the City is contracted with Idaho County Risk Management Program (ICRMP) for property, crime and fleet insurance and the State Insurance Fund for workman's compensation. Under the terms of the ICRMP policy, the City of Bellevue's liability is limited to the amount of annual financial membership contributions, including a per occurrence deductible. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

NOTE 8 – EMPLOYEE RETIREMENT PLAN

Plan Description

The City of Bellevue contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age and highest average salary. Members become fully vested in their retirement benefits with five years of credited services (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of employer rate for general employees and 74% for police and firefighters. As of June 30, 2021, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate, as a percent of covered payroll, is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City's contributions were \$ 103,785 for the year ended September 30, 2021.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At September 30, 2021, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021, the City's proportion was 0.02235782 percent.

For the year ended September 30, 2021, the City recognized pension (expense) revenue of \$172,495.) At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 554,616
Changes in assumptions or other inputs	\$ 202,688	
Net difference between projected and actual earnings on pension plan investments	\$ 26,016	\$ 10,264
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$ (25,946)	
City's contributions subsequent to the measurement date	\$ 25,946	
Total	\$ 228,704	\$ 564,880

\$ 25,946 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2021 the beginning of the measurement period ended June 30, 2020 is 4.7 and 4.6 for the measurement period June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

Year ended September 30, 2021:

2022	\$ (79,080)
2023	\$ (71,267)
2024	\$ (62,279)
2025	\$(123,550)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.05%, net of investment expenses
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries

- General Employees and All Beneficiaries - Males Pub-2010 General Tables, increased 11%
- General Employees and All Beneficiaries - Females Pub-2010 General Tables, increased 21%
- Fire & Police - Males Pub-2010 Safety Tables, increased 21%
- Fire & Police - Females Pub-2010 Safety Tables, increased 26%
- Disabled Members - Males Pub-2010 Disabled Tables, increased 38%
- Disabled Members - Females Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2021, is based on the results of an actuarial valuation date of July 1, 2021.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024.

Capital Market Assumptions from Callan 2021

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35%) or 1-percentage-point higher (7.35%) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	\$(17,481)	\$(17,658)	\$(17,835)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov

Payables to the pension plan

At September 30, 2021, the City reported payables to the defined benefit pension plan of \$ 0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

CITY OF BELLEVUE, IDAHO
Notes to the Financial Statements
September 30, 2021

-Continued

NOTE 9 – CAPITAL LEASES PAYABLE

On March 7, 2012, the City entered into a financing capital lease for the purchase of new fire truck. The lease is payable in equal annual installments of \$ 21,169. The lease is capitalized in the statement of net position in the amount of \$143,059 and will be expensed annually in the funds. In January of 2019 the City entered into a financing capital lease for the purchase of a 2018 Model 5610 Bobcat Toolcat. This lease is capitalized in the amount of \$46,203 and will also be expensed annually in the funds. On December 22, 2020, the City entered into a financing capital lease for the purchase of a 2021 Ford F-150 pickup for the fire department. This lease is capitalized in the amount of \$43,125 and will also be expensed annually in the funds. The following is a summary of the City's capital leases payable.

	Equip Cost	2022	2023	2024	2025+	Total
Governmental Activities						
2012 Pierce 7400 Pumper Fire Truck						
PNC Equipment Finance	258,290	21,169	21,169	21,169	63,507	127,014
Less Interest 4.65%		(4,857)	(4,133)	(3,377)	(5,248)	(17,615)
Due 2/27	<u>258,290</u>	<u>16,312</u>	<u>17,036</u>	<u>17,792</u>	<u>58,259</u>	<u>109,399</u>
2018 Bobcat 5610 Toolcat						
Wells Fargo Financing						
Less Interest 7%	51,397	9,951	9,951	9,951	9,951	39,804
Due 1/24		(1,977)	(1,400)	(792)	(156)	(4,325)
	<u>51,397</u>	<u>7,974</u>	<u>8,551</u>	<u>9,159</u>	<u>9,795</u>	<u>35,479</u>
2021 Ford F-150 Pickup						
NCL Government Capital						
Less Interest 4.185%	43,125	7,514	7,514	7,514	15,030	37,572
Due 2/15		(1,453)	(1,187)	(909)	(935)	(4,484)
	<u>43,125</u>	<u>6,061</u>	<u>6,327</u>	<u>6,605</u>	<u>14,095</u>	<u>33,088</u>
Total Capital Leases	\$ <u>352,812</u>	\$ <u>30,347</u>	\$ <u>31,914</u>	\$ <u>33,556</u>	\$ <u>82,149</u>	\$ <u>177,966</u>

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

**Required
Supplementary Information**

CITY OF BELLEVUE, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual -- General Fund
for the year ended September 30, 2021

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUE:				
State of Idaho liquor receipts	\$ 67,000	\$ 67,000	\$ 79,314	\$ 12,314
State highway user collections	94,615	94,615	120,795	26,180
State of Idaho shared revenue	175,697	175,697	257,608	81,911
Franchises, licenses, permits	135,500	135,500	159,401	23,901
City Property Assessments	560,019	560,019	571,635	11,616
Administrative Fees Water/Wastewater	152,090	152,090	207,613	55,523
Earnings on investments	5,000	5,000	1,696	(3,304)
Fees, fines and charges for services	25,800	25,800	32,697	6,897
Grants and contributions	201,197	201,197	259,930	58,733
County court fines			10,368	10,368
Miscellaneous	8,225	8,225	15,567	7,342
Total Revenue	<u>1,425,143</u>	<u>1,425,143</u>	<u>1,716,624</u>	<u>291,481</u>
EXPENDITURES:				
Administrative	311,993	311,993	311,486	507
Community Development	187,622	187,622	187,596	26
Parks and Recreation	31,690	31,690	30,865	825
Fire	213,527	213,527	174,597	38,930
Library	64,125	64,125	62,629	1,496
Marshall	480,439	480,439	480,246	193
Building and Grounds	35,424	35,424	35,365	59
Streets	221,042	221,042	146,083	74,959
Capital Expenditures				0
Total Expenditures	<u>1,545,862</u>	<u>1,545,862</u>	<u>1,428,867</u>	<u>116,995</u>
EXCESS REVENUE (EXPENDITURES)	(120,719)	(120,719)	287,757	408,476
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds				0
Operating transfers (to) other funds				0
NET CHANGE IN FUND BALANCES	(120,719)	(120,719)	287,757	408,476
FUND BALANCE - BEGINNING	<u>522,993</u>	<u>522,993</u>	<u>522,993</u>	
FUND BALANCE - ENDING	<u>\$ 402,274</u>	<u>\$ 402,274</u>	<u>\$ 810,750</u>	<u>\$ 408,476</u>

CITY OF BELLEVUE, IDAHO
PUBLIC EMPLOYEE PENSION INFORMATION
For the year ended September 30, 2021

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability	.0254933%	.0204267%	.0221655%	.0219022%	.0156724%
Employer's proportionate share of the net pension liability	\$ 290,999	\$ 301,297	\$ 348,404	\$ 443,991	\$ 206,380
Employer's covered-employee payroll	\$ 890,981	\$ 719,144	\$ 713,441	\$ 671,267	\$ 435,150
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	32.66%	41.90%	48.83%	66.14%	47.43%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	91.69%	90.68%	87.26%	91.38%
				<u>2021</u>	<u>2020</u>
Employer's portion of the net pension liability				.02235782%	.0256928%
Employer's proportionate share of the net pension liability (Asset)				\$ (17,658)	\$ 596,621
Employer's covered-employee payroll				\$ 103,785	\$ 923,442
Employer's proportional share of the net pension liability (Asset) as a percentage of its covered-employee payroll				-17.01%	64.61%
Plan fiduciary net position as a percentage of the total pension liability				100.36%	88.22%

* GASB Statement No. 68 required ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of June 30, 2021.

Schedule of Employer's Contributions
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 102,028	\$ 81,476	\$ 77,932	\$ 88,119	\$ 56,998
Contributions in relation to the statutorily required contribution	\$ (102,028)	\$ (81,476)	\$ (77,932)	\$ (88,119)	\$ (56,998)
Contribution (deficiency) excess	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer's covered-employee payroll	\$ 890,981	\$ 719,144	\$ 713,441	\$ 671,267	\$ 435,150
Contributions as a percentage of covered-employee payroll	11.45%	11.33%	10.92%	13.13%	12.03%
				<u>2021</u>	<u>2020</u>
Statutorily required contributions				\$ 103,785	\$ 110,664
Contributions in relation to the statutorily required contribution				\$ (103,785)	\$ (110,664)
Contribution (deficiency) excess				\$ 0	\$ 0
Employer's covered-employee payroll				\$ 862,111	\$ 923,442
Contributions as a percentage of covered-employee payroll				12.04%	11.98%

**Other
Supplementary Information**

CITY OF BELLEVUE, IDAHO
Bond-Future Principal and Interest Requirements
at September 30, 2021

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
City of Bellevue Blaine County Sewer Construction Loan				
Waste Water Treatment Plant Revolving Promissory Note Series 2010 \$6,000,000, November 17, 2010 3.25% per annum				
	3.25%	2022	\$ 304,577	\$ 105,823
	3.25%	2023	314,557	95,844
	3.25%	2024	324,636	85,764
	3.25%	2025	335,499	74,901
	3.25%	2026	346,491	63,909
	3.25%	2027	357,844	52,556
	3.25%	2028	369,465	40,935
	3.25%	2029	381,673	28,726
	3.25%	2030	394,179	16,221
	3.25%	2031	201,855	3,307
			<u>\$ 3,330,776</u>	<u>\$ 567,986</u>

The accompanying notes are a part of these financial statements.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

November 15, 2021

To the Honorable Mayor and City Council
City of Bellevue, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Bellevue, Idaho (City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Bellevue, Idaho's basic financial statements, and have issued our report thereon dated November 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bellevue, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Workman & Company

WORKMAN AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

APPENDIX G

Screw Press Pilot Report



Huber Technology Inc. Q-Press 440.2 Pilot Test

City of Bellevue WWTP
31 Alyson Road
Bellevue, ID 83313

Test Date: August 15, 2022 - August 26, 2022



Attendants

Sebastian Seiber

Position

Technician

Association

Huber Technology, Inc.

1. Facility Specifications and Requirements

Table 1 Facility Details

City of Bellevue WWTP	
Design Daily Flow	0.35 MGD
Sludge Type	Storage
Solid Content	0.92%
Volatile Solids	83%

2. Pilot Test Results

Table 2 represents the schedule which was followed throughout the testing period.

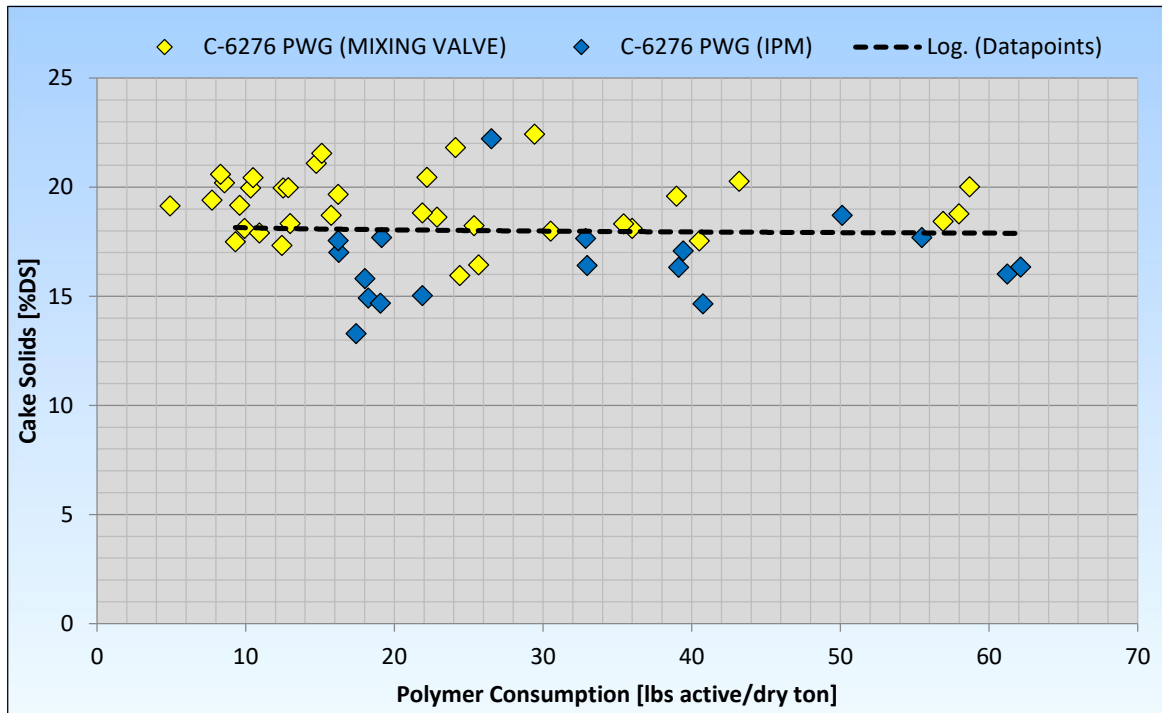
Table 2 Pilot Test Schedule

Day	Test Runs	Sludge Type	Polymers Used
Monday	Travel	N/A	N/A
Tuesday	Arrival / Setup	N/A	N/A
Wednesday	1 to 7	Storage	C-6276 PWG
Thursday	8 to 15	Storage	C-6276 PWG
Friday	Cleanup /Departure	N/A	N/A
Monday	16 to 24	Storage	C-6276 PWG
Tuesday	25 to 33	Storage	C-6276 PWG
Wednesday	34 to 44	Storage	C-6276 PWG
Thursday	45 to 53	Storage	C-6276 PWG
Friday	Cleanup /Departure	N/A	N/A

2.1 Polymer Dosing Effect on Cake Solids

The screw press was operated with one polymer and multiple dosing rates ranging from 5-62 lbs active/dry ton. Figure 1 illustrates the effect that the polymer dosing had on the cake solids.

Figure 1 Polymer Dosing Effect on Cake Solids



Cake solids were produced between 13.3% to 22.4% when using a polymer consumption of 5-62 lbs active/dry ton. The dry solid was consistent with the increase of polymer consumption. The optimal polymer dosing range is between 12.0 and 20.0 lbs active/dry ton.

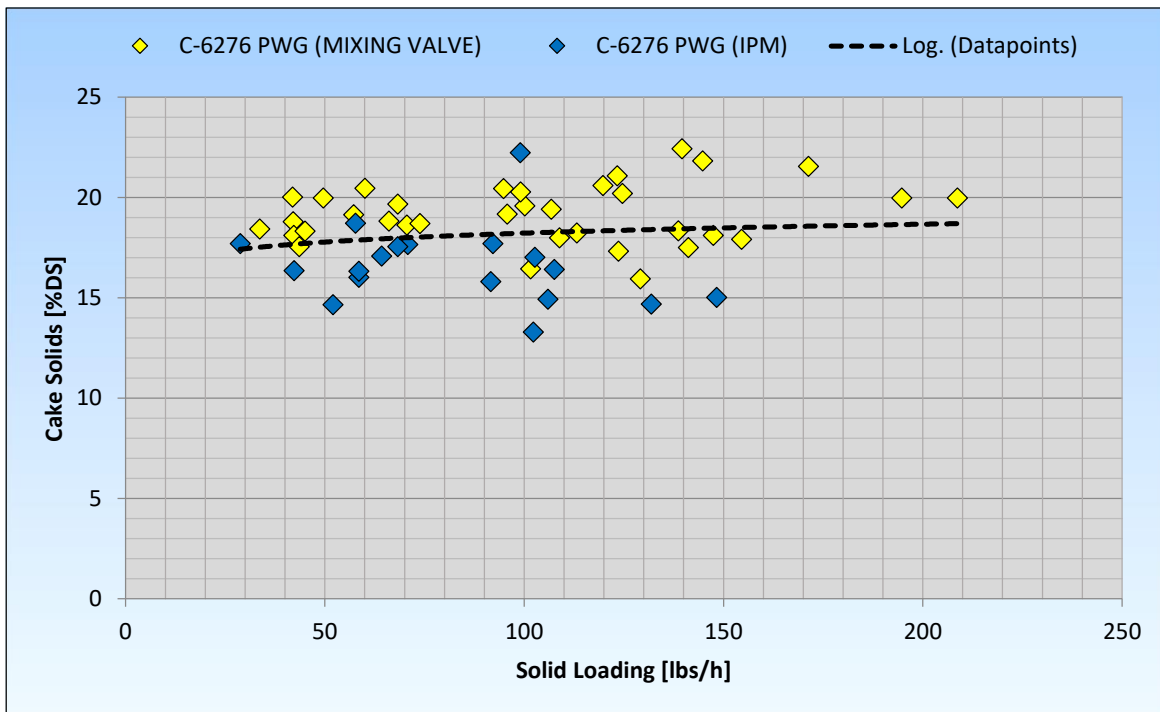
During this demonstration, HUBER employed two different methods of polymer injection for comparison. On this and the following figures, samples that were taken using the injection ring and mixing valve are shown in yellow. Samples taken while using the inline polymer mixer are shown in blue.

2.2 Solid and Hydraulic Loading Effect on Cake Solids

The screw press was operated using sludge with an inlet solid content of 0.2% and 1.3% DS. The sludge flow rate was set between 25.9 and 38.1 GPM resulting in a maximum solid loading of 209 lbs/hr.

The solid loading certainly affects the performance of the screw press and there is always an optimum loading for a certain set of parameters. Figure 2 shows that the median cake solids achievable with these parameters was 18.3 % DS.

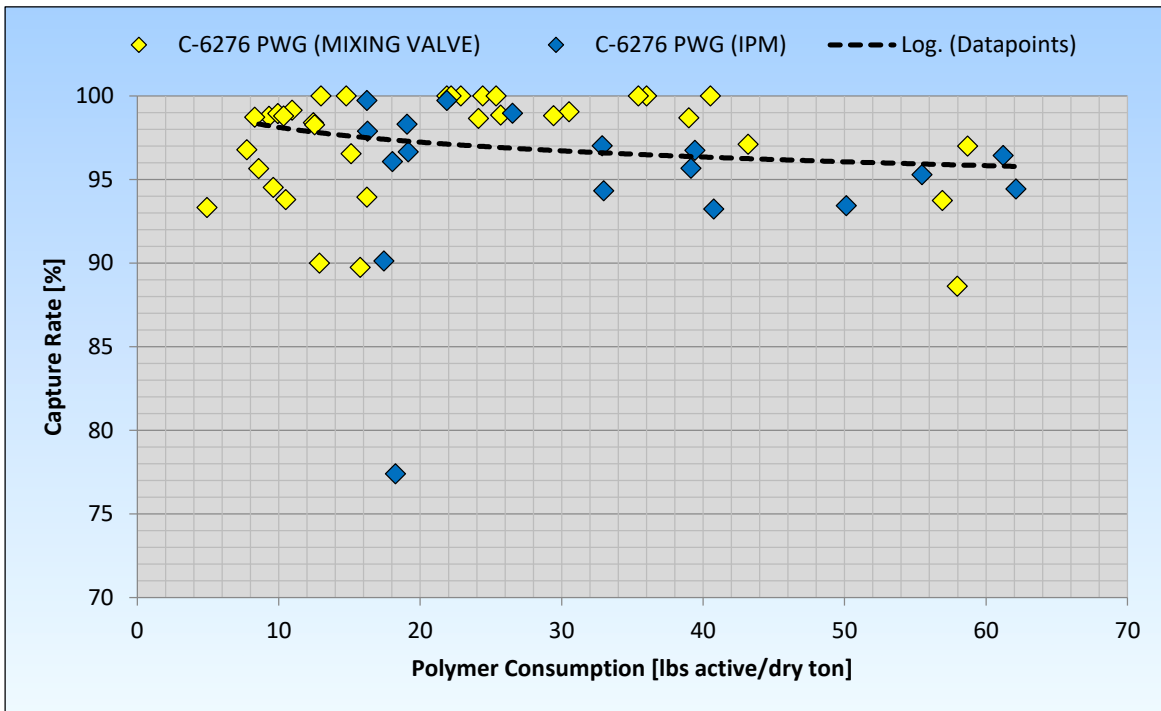
Figure 2 Solid Loading Effect on Cake Solids



2.3 Capture Rate

The median capture rate was 97.9% throughout the pilot demonstration. The capture rate is influenced by the polymer consumption which may be seen in the figure below.

Figure 3 Polymer Consumption and Capture Rate



As shown in Figure 3, the capture rate decreased with increasing polymer consumption. The first few data points show a lower capture rate which is typical during the initial press setup. Once the optimal settings are determined, consistently high results can be expected.

3. Conclusion

The pilot test proved the capability of the Huber screw press to dewater the sludge at the City of Bellevue WWTP. The optimal performance condition for the Q-Press using each polymer injection method was selected based on the data collected and is shown below in Table 3:

Table 3 Sludge Test Conclusion

Sludge Parameters	Optimum Running Condition (Mixing Valve)	Optimum Running Condition (Inline Polymer Mixer)
Flow Rate (GPM)	32.0	36.1
Solid Loading (lbs/hr) at % Feed Solid	171 at 1.1%	92 at 0.5%
Polymer Consumption (lbs. active / dry ton)	12-15	18-20
Cake Produced (% DS)	19-22	17-18
Capture Rate (%)	>95	>95

For the Storage sludge, cake can be expected to be consistent in the range of 17.1%-22.0% with a filtrate which is clear and almost without any solids during dewatering mode when using between 12.0 and 20.0 lbs. active / dry ton of the polymer. Median capture rate was observed to be above 95% throughout the pilot demonstration. HUBER recommends feeding the machine from a sludge source that is well mixed so that feed solids does not fluctuate and the unit produces consistent results.

We here at Huber Technology would like to extend our gratitude to everyone who participated in the safe and successful Q-Press 440.2 pilot tests this week at the wastewater treatment plant in Bellevue, ID. We enjoyed the opportunity to present Huber Technology's capabilities of helping your facility operate at a more sustainable and efficient level of dewatering. Huber Technology looks forward to providing your facility highly reliable products in the future.

Appendices

Appendix A – Q-Press 440.2 Pilot Test Photos



Pilot Cake



Pilot Filtrate



100 E Bower St., Suite 110 | Meridian, ID 83642 | (208) 288-1992