

Priest Lake Cabin Owners' Association, Inc.

Randy Absalonson – President, John Brumley – Vice President, Maggie Drummond – Treasurer
Darin Davidson, Mike Budig, Denny Christenson, Tom Hartanov, Mike Belles, Matt Rudolf.
Trustees: Bill Symmes, Jerry Whitehead

August Annual Meeting Minutes

The meeting was called to order by Randy Absalonson at 9:12am on Saturday August 6th, 2022.

Board Members and Trustees Present: Randy Absalonson, Mike Budig, Denny Christenson, Tom Hartanov, Darin Davidson, Bill Symmes, Bud Belles

Current board members were introduced to everyone. Two retiring board members, Sherry Lee and Jennifer Lehn received gift cards as a token of our appreciation.

Everyone received the meeting minutes from August 2021 and the floor was opened for any questions. No questions were made, and a motion was made by Tom to approve the August 2021 meeting minutes and was seconded by Don. Motion was carried.

Treasurer's Report: Maggie's treasurer report was handed out to everyone.

PLCOA currently has 2 accounts, a checking, and a savings account, both at Columbia Bank.

PLCOA Profit & Loss totals for January through December 2021 showed a Total Income of \$30,497.51 and a Total Expense of \$17,444.40, resulting in a Net Income of \$4,052.55.

Maggie always has PLCOA financial records reviewed. A Board member is to review them according to our bylaws. Elaine Widman has reviewed the records and has found them to be well organized and complete with concise explanations given where necessary.

Maggie explained that most of our income comes from member dues. We currently have lot numbers up to 354.

Deeded lots (not former leased lots) were assigned lot numbers in the 400's.

We have added at least 30 new members in the last two years.

Randy asked for a motion to accept the Treasurer's Report. A motion was made by Wendy seconded by Sherry and was carried.

Randy explained to everyone that it was our goal to grow this organization to be lake wide. We would like to work on all the issues for the stake holders. We have sewer, water quality, wetland, and development issues. We are not against development; we just want to make sure things are in place and responsible.

Water Quality: Both speakers from Selkirk Conservation Alliance (SCA) that were invited to today's meeting were unable to attend. We are a strong proponent of SCA in some aspects. Randy read their report abbreviated report.

Nomination Committee Report: Bud Belles reports that we have 9 directors. Three of our directors' 3-year terms are ending, Tom Hartanov, Denny Christenson, and Mike Budig. Their work was acknowledged, and they have done a great job.

This year we are nominating the same three people, Tom Hartanov, Denny Christenson, and Mike Budig. The floor was opened to any other nominations, none were made.

A motion was made to nominate Tom Hartanov, Denny Christenson, and Mike Budig, it was seconded, and motion was carried.

Our Trustee's Bill Symmes, Jerry Whitehead one-year terms are ending and we are nominating Bill Symmes for another one year term. The floor was open to any other nominations, none were made. A motion was made to nominate Bill Symmes for another year, it was seconded, and motion was carried.

Annual Dues: Randy reports the board voted to keep the dues at \$100 for everyone again. These dues cover a lot of different things. We have been fighting a couple of big water issues, Coolin wetland development, IDL CC&R/HOA issues, funding water quality studies, and giving back to our community by helping our East Lake Fire Department. For more information on what we are working on our website is the best place to go (priestlakecoa.org)

Website Update: Bud Belles reports that they have revised the website quite a bit this year. The goal is making our website more in line with our mission statement

Lakes Commission Report: Molly McCahon was unable to attend today so Randy read her written report. The Lakes Commission was created by the Governor's office as an advisory board to the Pend Oreille Basin. The commission is to represent Lake Pend Oreille communities and the operation of Albeni Falls Dam. They are working with stakeholders about the issues regarding the Priest Lake Thorofare, Outlet Dam, and drought conditions on Priest River. They are not a regulatory agency, but they explain and educate the public about each agency's role and what they do.

Outlet Dam: Randy reports Outlet Dam has been under construction for 2 years. Neilly Meyer (w/Idaho Dept of Resources) reports during the winter of 2020 the contractor (Stridor) indicated it encountered piping that resulted in water flowing under the existing Outlet Dam apron, allowing water to flow into the coffer dam that they were working in. Stridor, the Idaho Water Resources Board and staff, and the consulting engineer conducted an onsite investigation to investigate the problem and to develop a plan. Due to the spring run-off, construction has been delayed and cannot start until fall of 2022. The dam remains in stable condition and is being monitored.

Lake Levels and Dam Operations: Michelle Richmond provided Randy with a report. Water run-off this year came very late, and the lake level did not reach 3ft by Memorial Day weekend. The gates were closed to get the lake level to 3.0ft for Memorial Day weekend. Immediately after Memorial Day weekend the gates were opened to prepare for the snow runoff. The peak snow melt happened on June 18th, 2022, which led to a lake level of 5 ft plus which was a top 10 in the history of Priest. Lake levels have come down since and have maintained at a level of 3.2 ft. In the fall, October the gates will open, and the lake level will be decreased for the winter.

A fisheries update from Rob Ryan was read by Randy. Lake Trout have always had high catch rates, 16-24inches, been very healthy and orange in color. Recent studies have shown that the Lake Trout are skinnier, not as orange in color and catch rates are lower. Lake Trout's main food source, Mysis Shrimp, has declined in population. Idaho Fish & Game is not sure of why this is happening. The same thing happened in Lake Pend Oreille, but their Mysis Shrimp population has only rebounded to about 60% of what it was. Lake Trout are a predator so if their food supply (Mysis Shrimp) decline they may move on to other sources (i.e., Kokanee, Silver Bull Trout, West Slope Trout).

The Kokanee numbers fluctuate from year to year, numbers are still low, but they are thriving, and average size is 14-16inches. West Slope Trout are still continuing to thrive. Small Mouth Bass are a newcomer to the lake and are thriving very well. They have a big population and Idaho Fish & Game do not know how they were introduced. Small Mouth Bass are found near rocky shore lines and docks.

Responsible Development at Priest Lake: Mike Budig reports that all of us are important to preserving Priest Lake. Our membership and numbers make a big difference in what we can do when we speak to people and attend meetings.

Coolin/Cavanaugh Sewer: Mike Budig reports things started when he and Bill Papesh had a pump house behind their cabins that smelled like raw sewage. They noticed every time there was a bigger population of people up there it smelled. Mike and Bill started asking questions and attended the sewer board meeting last September. The sewer board could not answer their questions. They kept asking more and more questions. More and more people are wanting to connect to the sewer but at the time you could tell the sewer system was overtaxed. You could tell by the odor that there were leaks. At the next meeting they decided to invite more people, the meeting was held, lots of people were there. At the meeting they calculated around 200 lots that developers were wanting to connect to the system. The system was originally put in around 1978, and it was improved a little bit in the early 2000's. The improvements in 2000 were some more lagoons, some new lines, new storage tanks and grinder pumps. The lines are nearly 44 years old and need to be repaired/replaced. The meters that exist in the system a lot of the time don't work. Some of the meters didn't work from January to April of this year. The batteries were bad, and they did not work. The flows going into the system are unpredictable.

There are 5 sewer districts at Priest Lake and the newer districts that are well run have increased 25% since 2000 while our district reported a 25% decrease since 2000. The question being asked is why would this district have a 25% decrease when the cabins are bigger (5-4 bathrooms)? Dr. Lee has informed us that the system has leaks. The systems that are well run do not have leaks where as we have leaks.

The sewer board has changed hands, we have some new people on the board. They are doing a good job and have been asking lots of questions. We are on a moratorium and have been since October, but we are having constant challenges to the moratorium from developers. The developers are coming to the meetings with reasons as to why they need/want to plug in their 25, 30-40 lots, pulling documents from the past that must be interpreted, saying they were promised something verbally and/or bringing in their lawyers. If people do not go to the meetings, then things get through. The board is being asked to make decisions and vote on things fast, so it is important for us to be there. We have managed to get the sewer district into a facility study. This study will determine the quality of the system, the quality of the pipes, the number of people in the system, the flows, and volumes. This sewer district was designed for 75 gallons of sewage per day per household. The normal amount in Washington and Coeur d'Alene is closer to 200 gallons. The existing sewer department engineer is proposing we drop it to 35 or 40. The reason they want to drop the unit count or bulk of gallons is because then they can say they can hook up another 1000-1200 houses, when in reality we can barely support the 500 houses that are already hooked up. It's important that people come to these meetings and be informed.

The floor was opened for questions.

Question was asked: When you get an engineering study done and you've determined the problems, does the county come into play at all where they would say to a developer that you can't develop in this area until the infrastructure is in place? And is there a way to get the developer to fund the improvements necessary?

Mike's Answer: The answer to the first part of this question is the county does what it does. The county took the building permit in 2016 and the President board of County Commissioners removed the line on the permit where you would have to go to the sewer district and let them know you want to hook up. They also removed the line where you must go to the fire department and let them know. So, the county's way of solving the problem was to make it so they're going to push through the developers. Our sewer district did not even know who's coming in. They are trying to keep track of what our actual count of people that are hooked up and they don't even know that. They had to pay a firm thousands of dollars to go through and untangle this mess. The county is completely complicit in this. They are all for hook ups. The County Commissioner Connolly said last year that he thought all the existing members of the sewer district should pay for the improvements to the sewer district, to include future connections that developers bring. We have been told by our engineer that the replacement is going to be about \$40,000 per connection. Developers (in the wetlands) are pushing for a new hook up for \$10,000 per connection, whereas 20 years ago it was around \$7,000 per connection. It is very hard to make a developer pay.

The sewer board is doing a good job, asking all the right questions. But they are being hit hard by people that have very, very specific issues and they are pushing hard for a quick answer. They want that quick answer so that they don't have a chance to think about it or get it reviewed by attorneys. Sometimes they do get a quick decision and in those hasty decisions are bad outcomes.

The answer to the second part of this question is that the sewer board has the ability to force the developer to study and submit a plan. The sewer board can also make the developer pay the associated cost to upgrade the system versus allowing a connection and then spreading those future improvement costs across all existing customers, which is what will happen. The by-laws for the district say that if you're a developer, you have to submit a development plan, which would be a design of all your count of structures, how you're going to get the sewage from those structures and how your going to connect to the main line. It also needs to say how much volume those structures are going to generate and then if the line can carry that volume to the lagoons. But what the developers tell Bonner County is that they just want to add 9 lots and hook up 9 tees to the line and then they don't have to call it a development. That typically how they do it, they just keep sneaking them in and then 9 becomes 40. And then you end up with volumes that the pipe cannot handle. In the real world where developers do it correctly, they tell you the full design, they show you what it will be and submit it to you. Your engineer reviews it, request changes, and then at that time they determine if there is capacity from that development to the lagoon and if the lagoon can handle the capacity. But the way the county and developers are doing it is they just push it through in a weekly format. You end up with no controls, no quality control, and you end up with pumps like the one behind Bill Papesh's cabin, where it smells all the time. Over New Year's raw sewage was pouring out of the front door of the pump house for 3 days.

That raw sewage formed a big lagoon close to his water well and it was most likely caused by the pump there, the pump in the next pump station were not coordinating. There was a ton of sewage coming in, it overflowed, and you ended up with a mess. The developers are trying to hook in 9 (that's what they say) but it will probably be around 40 between those 2 pump stations. Those pump stations cannot handle the current load.

The sewer district has hired an engineering firm to do a study of our system, what our capacities are and so forth. They may address those pump issues, they may change materials, they may redesign the system and determine the system is 42 years old.

A suggestion was made that the alarms should be checked regularly because sometimes they don't work. You're leaking for months and if those alarms don't work then you don't know.

Mike's Answer: It's worse than that. There are so many structural issues with that system that need to be studied. An example is that a developer is trying to put 9-40 lots by the second pump station. They are putting in a public road up there that would be for those parcels, and they want to put a pipe in the ground, a sewer line, either in the road or next to the road, and connect it to the existing sewer system. We have not done our facility study yet. We don't know when that study will be done, and we don't know if the study will say we need to change materials. These developers are trying to get an endorsement for their design right now, luckily the board has not voted on it yet. But it would be crazy to do this during a moratorium. We need to know what our future path is first. These are the types of things that keep popping up and we all need to be there to help the board.

Question: Is there no state level oversight of the integrity of this?

Mike's Answer: DEQ seems to rely on the engineer. The engineer that the district uses is 7B's Engineering. We have hired an engineering firm out of Spokane called Sewell Engineering. Sewell has done a complete study and has all kinds of issues with the system. Sewell has come up with recommendations, calculations that agreed with the study that was done earlier on the LID accounts and have determined the system is overloaded. 7B Engineering's response is in a memo that challenged all the items the other engineers pointed out. They basically said that if you don't allow these hook ups to hook up right now, this county is a "must develop county", these people will build cesspools. He basically inferred that the wetland developer is going to put a cesspool in the wetlands if we force this system to be improved before we hook in any new parcels. We don't even know if you can legally dig in the wetlands.

Once the district issues a will serve letter, that means the district is potentially on the hook for all the costs.

Question: Where were we a year ago for the meeting on this topic? South Bay Coolin?

Mike's Answer: It's still on hold. The sewer has everything on hold until they can untangle what our capacities are.

Question: Hearing you say that maybe more people at the meetings would be helpful, do we have a list of what those meeting times are?

Mike's Answer: 1st Tuesday of every month, it's typically at the Community Center on those days. There are additional meetings where they listen to developer's arguments as to why they should get past the moratorium. The board is a group of volunteers. The more people that show up to give them something to talk about, ideas, and guidance, it gives them power to stand up.

Question: Has Lake water testing been done in that surface area?

Mike's Answer: Selkirk Alliance does that for us. We are paying them to do that for us. They are tracking 12 parts of 12 different 815 places on the lake, they can use historical data and see how it's trending. Dr Lee mentioned a few years ago that the Department of Agriculture has determined the effluent that is pumped through the irrigation in our system in Jack Pine Flats has phosphates in it. The phosphates are going onto the ground where the conifers are, conifers do not process phosphates in the summer. So, all those phosphates are leaching into the aquifer and they are ending up in the area of those wetlands. Phosphates are some of the worst contaminants to get into the lake. We need to change what we're putting the effluence into so it can process the phosphates.

Question: Have you talked to the other sewer departments? Did they go through all of this?

Mike's Answer: Outlet Bay is being pushed for development. There is a development of 100+ and some parcels at Lamb Creek. All of those have been put on hold for at least 3 years due to the same issue here. There is a pipe across something that is totally overloaded, and it is leaking.

Question: Should we be taking a strong position now? In other words, does this organization invest in having an attorney or somebody representing our interests at every one of those meetings? Because the concern is if we miss a meeting or whatever we get kind of held over, and once the decision is made, there's kind of no going back.

Mike's Answer: We visited about this. The issue is the attorney that comes in here often does not know the facts on the ground and we know the facts on the ground. I think we are better served if we have people willing to show up at all the meetings. John Stockton, Bill Papesh, and Mike Budig have been at all the meetings since September. Many other people have attended meetings as well. That legacy of knowledge and information helps the board remember things. We have some attorneys involved, they have definitely helped but they miss a lot, we cannot delegate this to them.

Question: What time is the meeting on the 15th?

Mike's Answer: Don't know yet, Tuesday's meeting is at 8am

Randy updated everyone about Bonner County in that they now require a will serve letter before issuing a letter. Bonner County has had a planner that resigned, Milton Ollerton who was the county planner suddenly resigned. Randy pointed out that Pinto Point currently has a moratorium in place.

John Stockton: Reported that Mike covered the topic of wastewater/sewer district updates very well. John stated that it was very important for people to attend these meetings, in order to keep the lake, the precious commodity that we all enjoy. Once it's destroyed there is no going back. John talked about getting grants for studies, but some of them come with incentives. They seem like free money but sometimes you go away from what you believe to get the free money. He reminded us to "stick by our guns". The grants keep coming up at the meetings.

Randy updated everyone on what the wetlands actually do for Priest Lake. The wetlands are critical to the lake in that they act as a sponge and the cleaning agent for the waters of Priest Lake. The wetlands are classified by the government as Class 1 Wetlands. To be at the point of a developer even thinking of developing them seems crazy. Randy asked everyone if everyone has/had filed for their water rights. If you are served by a public water system, you don't have to file but if you pull out of the lake or have a well you do have to file. The information was on our website.

CC&R's: Darin Davidson gave everyone an update on the CC&R status. When IDL plotted the 354 lots, the plotting process was completed and the VAFO started, they recorded covenants, conditions, and restrictions (CC&R's). Everyone received a copy when they came into the meeting. Section 3, Article 3 includes standards and restrictions, the intent 10-12 years ago when working with IDL was to basically extend the standards and restrictions that were set forth in underlying resources. So, when the leases transitioned or went away and turned into simple ownership we would continue to have some use restrictions with the continuing theme of preserving and protecting the lake. They were originally recorded in 2013 since the first auction. This organization has been working with Mike Belles (not here today) to create a working group to help provide definition and clarity to the standards and restrictions that are set forth. In Article 3 for example, what are earth tone colors and then to help educate people, not just members of this organization but people who have purchased. Many people do not know that they even exist. Not only do they exist but they need to conform to them regardless of what Bonner County says. Section 3.58 has set back requirements. Just because Bonner County grants someone a variance to move their improvement closer to the lake does not give them a free pass on the CC&R's. First and foremost, we want to educate Mike's work in helping us come up with some guidance to share and hopefully be more sophisticated and intentional about how we educate people. Ideally, to help provide enforcement efforts so we don't have to be a neighbor on neighbor or more with our neighbors. The floor was opened for questions.

Question was asked about if the CC&Rs were the same? What is the impact on the vacation rentals with the single-family residence in these CC&R's?

Darin's answer was that they are all the same. Mike is working to provide clarity on these, for example what does single-family residential use mean? What does a use that fits within the rustic character of Idaho?

It was stated from someone that we don't know about vacation rentals.

Darin's answer was we need to get somewhere on this so we can educate people. We have the opportunity to provide some clarity deposition around this as there is no current defined position on vacation rentals. Randy stated Bonner County does have an ordinance for vacation rentals and VRBO's. We do not have rental or VRBO's in there in the past or present. You can call Bonner County and ask about their ordinance; it is pretty well written because you would have to conform to that. Before COVID we had a Bonner County Representative here to talk about that. So that ordinance has existed for at least 3 years. With rentals, it can become problematic so if you know the details of the ordinance, the more ammunition you have to restrict and guide correct or proper rent. It was stated that for a rental it is called the Vacation Rental Application and you must make an application in the application with Bonner County. You must define how many parking spaces you have; you have to post the approved application on the exterior of your cabin, and you have to post the CC&R's/HOA's for your neighborhood. Darin stated that there is a county ordinance but according to our CC&R's, Section 3.1 there could be a position to take that renting your cabin to 6 families at one time is inconsistent. As an organization we can provide some clarity about this and communicate it out to everyone. You would not want your neighbor to rent to six families at one time. Darin went on to say that in addition to the CC&R's set forth, IDL committed to form HOA's in each of the 18 neighborhoods. They still have not done it yet. They allowed Pinto Point to form its own HOA. Within the last few weeks, they have agreed to proceed as planned as they are obligated under the document to form our HOA. Those HOA's will be by neighborhood and will help us in doing things like maintaining our roads, fire prevention efforts, and potentially serve as a vehicle to help enforce our CC&R's. Question was asked if neighborhoods can add in bylaws to the HOA's and if they would be the same across all neighborhoods.

Darin answered that the bylaws would all be the same to start but each neighborhood could change them if they wanted. Pinto Point has been a great example of that.

Question was asked if the HOA's could be used to modify the CC&R's.

Darin answered that it was subject to the bylaws and that it would not be easy.

Denny Christenson added that the original CC&Rs were formed to maintain the current character of the lake. It was based upon what IDL would enforce as far as development goes. They had what they called "The Cottage Site Handbook" but it had various development criteria like maximum height, the setbacks, colors, materials, and so on. The state regulated all the building permits prior to 2014 based on the Cottage Site Handbook. So, if you took a plan into the Cavanaugh Bay Office to get an approval permit, they would evaluate your plans based on the Cottage Site Handbook. In 2013 the state filed the CC&R's, and an addendum which was passed out to you today. Beginning with the first VAFO in 2014, there were 46 cabins that were purchased through that VAFO. Each of those cabins, if they wanted to make improvements, tear down a cabin, build one, all those permits were then evaluated in accordance with the CC&R's that had been passed. That is what has happened early on as far as the history of the CC&R's. We began in 2011 as Priest Lake State Lease Association which morphed into Priest Lake Cabin Owner's Association and started having meetings. Three meetings were held and representatives for all 18 neighborhoods, either in person or by phone, and IDL was there for 2 of the meetings. With IDL the idea was that as people began buying their cabins, there would be no restrictions on development other than the county ordinance. We are concerned about maintaining the current character of the lake and we thought by enacting some CC&R's that we could somehow maintain the current character actively. Through that process the committee came up with 20 in the Cottage Site Handbook. There might have been 10 or 11 development standards. We came up with 21 and sent those off to state, went back and forth a few times State Attorney General's Office said let's just do the bare bones minimum. We did some work and that is how we got it to where it currently exists. And they were envisioned as a base document so that any neighborhood could make them to their conditions. All neighborhood conditions are different. These were created as a base document to be allowed to be changed by each neighborhood to suit their needs. Its not easy to change them because you need to 67% approval of every member of the neighborhood. We just got Pinto Points approved. That is the history of the CC&R's.

Randy pointed out that the CC&Rs are binding, you signed them and they are recorded with your deed. They are different than Bonner County's. **If you hire a contractor to do something on your lot, give them a copy of your CC&R's so they know the rules and can build accordingly.**

It was stated that the CC&Rs were poorly written and that we could have lawsuits with these. It was also stated that we could not enforce them due to them being so poorly written.

Darin answered that these CC&Rs were what we were forced to accept from IDL 12 years ago. Darin also asked if they would help us make these CC&R's better and be involved in making these better.

Question was asked what's your process and what's your authority to become an enforcement agency? Where do you get the authority for that?

Darin and Randy answered the question with the board (PLCOA) is not an enforcing board, we want to educate. The primary purpose is to just educate people that they are subject to these CC&R's. The document says the HOA is in control and not this board. There is a new variance procedure also. Everything has been accepted as to that we have CC&R's and HOA's to enforce managing each neighborhood. If there is a neighborhood that does not want to manage in the best interest of Priest Lake, then as a board we will have that conversation.

IDL: Josh Purkiss (Bureau Chief) Jim Melvin (Division Administrator for Trust Lands) and Dan Brown (Local Area Manager) Josh reported on the VAFO and the HOA's. A lot of people are very passionate about the HOA's and the intent for the state right now was to create the HOA's, hand it off to the individual subdivisions and then let the individual subdivisions own that process and take care of it.

Josh updated everyone on the leasing. In 2013 the Land board directed IDL to eliminate the split issue where there is a lease improvement on top of endowment land. The intent is to move forward through the VAFO process and have an end date for the residential leased lots. IDL had about 42 leased lots left in Priest Lake in January. We sent out notices to all the lessees seeking feedback on the future of leasing cottage sites.

There were 3 options:

- 1- long term lease of 30 years at 5% appraised value, the improvement would go back to the state at the end,
- 2- 10-year lease at 4.5% appraised value and
- 3- Status quo, 5-year lease

The Land Board has not seen this proposal and has not approved it yet. We have received 18 responses from the lessees and a majority wanted the status quo or the ability to opt into the VAFO.

Question was asked what the lease rate would be on the 30-year lease?

Josh answered it's 4%, the current rate. The rates were 4%, 4.5% and 5%.

Question was asked what your recommendation as lessee?

Josh answered that it will be one of those 3 options. They are going to recommend all 3 of those options be adopted and then the lessee will have the option to choose which one they want. They are also going to recommend an 8-year appraisal cycle.

Josh reported that people were opposed to the option where the improvement reverted back to state ownership. So, at the end of the 30-year lease at the higher rate the property will go to auction, you will own that improvement as the lessee and it will go back to you.

Question was asked what is the plan for the state regarding development of future lots?

Josh answered that there were 18 vacant platted lots that they have the approval to be in the auction. But that's as far as the plans go. They do not know what the future looks like.

Josh reported the current VAFO has 7 leased lots and 3 unleased lots that will be offered for auction. Josh reported after this VAFO there will be about 35 lots left. They anticipate there will be about 20 lots after 2024.

Question was asked where you can see these lots.

Josh answered that you can go to Corbett Bottles website for that information. Only the current lots in the auction are available to be seen. Future lots are not identified any where yet. Josh stated that there was a memo from the Land Board asking for approval and there were some lots in the Clambake area. There were a couple at the beach and some north of that. There were also some in the Bear Creek area.

Question was asked if you bought one of those unimproved lots at the auction next Saturday and if it was under a moratorium would it be disclosed.

Josh answered that they disclosed everything that was going on with the individual lots, the sewer and/or septic. He also stated each parcel has specific disclosures regarding each lot.

Question was asked about online remote bidding?

Josh answered that last year there was some collusion where we had cabin owner lose their cabin. It was very emotional; some threats were made, and the winning bidder backed out and wants nothing to do with Priest Lake. So, in order to make sure we are maximizing revenue and not having collusion, we've offered an online bidding option for people. It's the exact same process as everyone else would have to do that shows up. They must register 5 days prior, pay the \$50,000 deposit, and make sure they are verified and valid to participate.

Question was asked do you have any formal stance on transient camping?

Josh answered that they have 14-day camping maximum on endowment land. But what it really comes down to is the ability to enforce that and having the resources to be out there.

Dan also answered that they don't have a lot of enforcement resources so it would be the state police. We don't get a lot of support from the county either.

Question was asked with all the logging going on specifically at Rock Point, there was a nice trail system. It has been decimated with all the logging, is there a plan to restore that trail system?

Dan answered that they have not the entire area. The skidder operators have been asked to clean up the trail systems as they get through. There are no recreational leases or anything out there right now so it's just our fire crew that has gone out year after year clearing the trails for people to use. So, there will be some of that. Will it be the exact trail system you had before? Probably not, some trails had blown down and it's been there for years. We have logged 60 acres and they plan to come in this fall and finish the sale. So that is the plan for Rocky Point.

It was stated that it was agreed that we didn't understand why they are not going to clean up the area.

Dan answered that they'll come in and try to clean up as much as they can. He reiterated that some of the trails hadn't been used in years and they were utilizing some of those. We will see what trails get cleaned up because there are very few identified trails. The loop trails out there that have signs are the ones they will focus on. There are some random trails here and there, there are OHV trails that have been made that the neighborhoods are trying to

keep closed. We are working with those neighborhoods to try and keep them closed. The definite trails with the signs on them we are trying to stay off.

Question was asked that logging is a long-term concern. Regarding the Trident property in Payette, is there any future plan that you know of currently? Has there been any discussion about taking the Rocky Point Land that is going to be logged and won't be a viable revenue source?

Dan answered that Rocky Point has been a topic for years. It's a unique piece of property, there will always be ongoing discussion with it but at this time it is just in the endowment forestry program.

Question was asked for Dan to update our members on the Blue Diamond Marina?

Dan answered that the Blue Diamond Marina has a 3-acre land lease as well as a submerged lease for the docks on the water. The lease expires on December 31, 2023. People can make applications to lease the property at that time. We are looking to expand the lease area as we see the need for more moorage on Priest Lake. We also need more public launch areas and parking around the lake. There are a lot of discussions going on.

Dan updated everyone on the road down to Blue Diamond. The county is constructing a road re-route down to Blue Diamond. It is being built to county specs, probably 60% done, there is still more rocking to be done. They are constructing a switchback to connect to the existing Blue Diamond Road. At some point there will be an alternate route for traffic to come up the newly constructed road.

Question was asked about the cost of the road.

Dan answered that the county was responsible for all the rock that was going on the road. There is a private individual that is handling the portion of construction costs with it.

Question was asked if there was a plan for the logged areas and if they were going to replant those areas.

Dan answered that they had stopped logging already. Parts of those areas are already stocked and will continue to grow with the forest. As to the slash piles they will come and burn those. They will re-evaluate the area for replanting and bring in seedlings to put into the ground to start growing. In 45 years, we will look at harvest options again.

It was stated that at Rocky Point and logging in general up here, it is important for them to have community support. If they cannot log these areas, then they are going to consider other options. This area is one of the largest income producing areas in the state for timber.

Question was asked about maximization; can you manage the timber and make the logging done on the main roads a little more aesthetically pleasing?

Dan answered that on the Dickensheet project they got more good comments than bad. They are obligated for every acre they log. We manage the Selkirk Crest and if you look at that it's all rock. We are looking to get a 4% return on our assets otherwise we must look at other options. But we are also looking at this from a core sales standpoint. We have 5 foresters in our office that are on the ground looking at everything out there. When stands fall apart like Rocky Point, the amount of defect in the sand and rock in that span, we logged out there over 8 times, just picking away at it because it was falling apart. We have to focus on every saw market out there. Right now, the only place we can sell full saw logs to is Lewiston, ID, that is if you can find someone to haul to Lewiston, ID. We are trying to capture those stands that are falling apart, continually chasing bugs in product. We are trying to create healthy stands and economic standards for the beneficiaries going forward, that is our goal. We do have conflicts at times, but people are invited to come "Coffee with Forester". We have 5-6 sessions a year. It is held at our office, the door is open to talk with the foresters, they will tell you exactly what they're up to.

Question was asked about the species mix here at Priest Lake and how do we manage that?

Dan answered Priest Lake in general has lots of Grand Fir and Hemlock. Grand Fir and Hemlock come back naturally. We focus on sales species Douglas Fir and Larch. Cedar is king right now, but White Pine was king before. We are looking for diversity because we do not know what the future market holds. We try to manage what we have and also plan for the future as well.

East Priest Lake Fire District: Ann McKinstry (Commissioner) gave an update on the East Priest Lake Fire Department. We were officially formed in mid-2020. We cover from South Hunt Creek Road up through the Indian Creek Campground along Cape Horn Road and then up to Power Line Road to the end, that is the East Precinct fire district. It's a portion of the lake that has never had official fire coverage, so this is a real benefit for our community. Up until January 2022, we were funded by generous donations from the community businesses associations such as PLCOA and then as well as fund raisers. Priest A Palooza was the one of those, Mike and Stephanie Lyons helped with that. We really rely on the community's efforts to bring in dollars for our new district. Our Chiefs have been working on applying for available grants. Our Chief Tom Renzi applied for a grant that got us turnout gear. New radios were received through a grant also. We received our first round of tax revenue dollars in January this year. We set our budget annually and it directly reflects the needs of our new district and the things we need to put into place to be a viable responding fully pledged district. We need to work towards the acquisition of lands for an actual location for a fire station. We are also looking for a proposed fire dock. We are still working on response vehicles with adequate water capacity. An engine was donated by Coolin Cavanaugh Bay which we are working to equip. We need a quick response vehicle which will be an all-wheel drive vehicle that also carries water and supplies. We have put in a purchase order for this vehicle so that will come to fruition in 2023. We continue to work with neighboring fire districts as well as afar districts to learn about their fire boats. There are currently 3 fire boats on Priest Lake. But we know the value of accessing lots from the water. Driveways are too steep and conditions where cabins exist, we cannot get our equipment to the fire in order to respond adequately. Fire boats are our ideal in our setting, we will

continue to pursue that as well as looking at firefighting equipment. We are a full-fledged volunteer service. We accept anyone who would be willing to respond, help out and be trained. Right now, our Chiefs and volunteers respond with Coolin Cavanaugh Bay to any fires that are called at the lake. We also work closely with North of the Narrows and West Priest Lake fire as needed to create a community fire response system. Coolin Cavanaugh Bay has provided training to our volunteers and our Chiefs. We are volunteers in their district as well as ours while we wait to become a full-fledged responding district on our own.

This season, our volunteers are being trained to drive the new engine that was donated, the new radios have been distributed to volunteers and they are being educated on their use. We got approval from our board for a quick response vehicle and delivery will be in mid-2023. We have officially hired a part-time Chief and assistant and are on our payroll as well as a part-time secretary. We have a new website eastpriestlakefire.org, eastpriestlakefd@gmail.com There is contact information about our group on the website. We post our meeting dates and times plus agendas on the website now. There is an online form that you can fill out if you want information about our district or if you would like to volunteer. The most important thing is there is a donation button on the website also. Our goals for this year are to identify or acquire land to establish a fire station. This will be our primary focus. Last year we were challenged by a district that did not have a lot of extra land. We are meeting with IDL as well as the Parks and Recreation Department. We would like land along the main roadway if we could from the county if it was available. We really want to make sure we have the primary response equipment for a 24-hour response crew, a dedicated helicopter landing pad and we want to continue to work on emergency response.

We have an upcoming budget meeting that is open to the public. We encourage you to come and here what we have planned for the upcoming year. It's Aug 18th at 6:30pm.

Question was asked about funding. It was mentioned funding was through donations, but now it's hitting our property taxes, spending more time talking about what's the process that budget's get approved, and how does that apply?

Ann answered with the budget is something we know that we could look out at the potential revenue in our entire district. We know that we would be capped at a certain dollar amount based on what the total tax revenue could be. But what we really want to do is set a budget that aggressively gets us set up to be an active viable fire district. Once we get set up and are capable of for response, we can back down on our budget and our tax dollars will go down. Question Can you share with us the plan in terms of what that is on a per capita basis so that we can see it kind of coming up?

We will be guessing at a few of the things, but we are hoping that we will have land and a fire station in the next 3-5 years. I have said it takes up to 10 years to get up and running so it may take us longer than 5 years to be viable. In that 5-year plan, we want to consider what are the things that can get us the best fire response? Do we start out small? Add on to it later? Do things in stages so that it costs less up front? Come to our budget meeting and we will go line by line in our budget.

Question was asked about insurance gains by being in a fire district.

Ann answered by saying we have to be a viable fire district before we see any insurance gains. There is a checklist that we must go through. The best guess of time frame for being a viable district is 3-5 years.

Bonner County Commissioner: Asia Williams, our newly elected Bonner County Commissioner (elect) introduced herself. She ran on a Constitutional Liberty minded platform. She ran because of our issues with land use. We have a lot of growth beyond our infrastructure. She has worked in the community and helped develop their SW Bonner County Coalition. She said that we have a good thing going for us in that we are meeting together and coming together as groups to understand what is important. She sits in a lot of meetings and finds that there is a lot that goes on behind doors. A lot of information is missing, and it is very hard to find that information. The Bonner County website is not very free of information to welcome the involvement of our community. She wanted to answer any questions we may have. She stated that the CC&Rs were a hot topic because Bonner County does not enforce those. She stated that the option Bonner County gives you is to go the route of suing someone. That is not the route we want to take. We want to preserve our environment by means of becoming friends and educating people about what our CC&Rs are. But that is not easy to do in a large group, where a lot of people are vacationing and are not permanent here. We also need to make sure people understand what community is, what the community wants because if you want to do something you can literally go to the county, knock on their door, ask for a variance and they will give it to you. When someone complains, the only option the county gives to you is to sue them.

Understanding what they do at the county level is not transparent, that was one of Asia's issues and why she ran. We should be able to know what they are doing before we go to a meeting. When a decision is made, we should be able to follow it.

Asia's background is in quality risk management in healthcare, and she is a nurse. She does not like the medical direction in Bonner County. Our county is housed by a lot of traveling nurses being bussed in, especially because of our Covid issues. As a conservative state we have not taken a stand and healthcare facilities are still requiring a Covid vaccine.

One of the biggest things Asia would like is that we don't just have one commissioner. She is District 2, District 3 a lot of people have avoided. This is the time to mold all of the new people coming in to be what the community wants them to be. They need to be held accountable to come to the meetings of the community to represent what the community wants.

A big thing Asia wants to do is change the website so people can clearly see when meetings are held and what is being discussed. She does not like that they split planning and zoning. It is very hard for people to be a part of the meetings and know what is happening. We should be able to know before the meeting. The county is very developer friendly and there is a fast lane for developers to develop the land without the infrastructure. Those that are here are paying the fees and costs. Developers are not paying impact fees. Our taxes are going to go up because we are not able to extract money from the new construction. People need to get involved. We are seeing grant money come in that has so many contingencies that will actually scrape away the way of life in our county. Idaho has water freedom, and they are touching our water all the time. Water is the biggest topic in Washington, Oregon, and Idaho but Idaho has freedom. Southern Idaho is watching northern Idaho with how we use our water. There have been discussions of cloud seeding over Pend Oreille and Priest lakes. It is good to form groups to litigate the issues but it's also good to have a really good water attorney. We have hired one and he has been taking some of our cases at a discounted rate to help us in the county. In the HooDoo Valley area some of those wells have gone dry for days and yet they are still developing over that aquifer and prairie. So, people understanding is crucial and knowing how to position yourself to litigate because we anticipate litigation on a lot of these issues.

Question was asked what would you suggest being an effective, educated person who can manage that process to actually produce results and change? What are some of these things people can do?

Asia answered that what we have done is allowed free range of policies and to not do that. What we have seen differently is people have formulated groups that have been monitoring what has been happening at planning and zoning. It also requires in-depth education of what we're dealing with, which is also hard to do. As paid elected officials they should be reading what they are making decisions on. We need to start grooming the people we send to office before they get to office. Getting groomed when they get there is not what we want. North Idaho is very different than southern Idaho. We need to hold our elected officials accountable.

Question was asked we live in Washington, how much influence do we have?

Asia answered that they don't ask where you live when you show up to a meeting. They will make a decision based on how many people showed up because it is uncomfortable to do the wrong thing. You can zoom the meetings and all the Commissioners' emails are on the website, (bonnercountyidaho.gov) hold them accountable. Every Commissioner is responsible to every person in Bonner County. Every Commissioner has different committees that they sit on, but they should be able to answer you regardless of whether you live in the county or not.

Priest Lake Water Quality Testing/Temperature Findings: Randy read an abbreviated report from Selkirk Conservation Alliance has been doing that is in interest to us. They are monitoring 15 inlet streams, they have placed pods (temperature sensors) attached to debris/rocks in streams that catch tidbits of information on a 24-hour basis, 365 days a year. It catches all pertinent information like water temperature, ingredients, dissolved solids in the water, and everything we want to keep our lake clean. Before this, nothing was done. Your dollars are helping us fund a portion of this. SCA has been conducting water quality monitoring in conjunction with DEQ. Samples are collected and submitted to a laboratory for analysis, water temperature and dissolved oxygen are also collected at 18 sites. There are 18 sites all around the lake and those are different in that they collect air temperature, stream temperature, ph, and nutrients. The data on this is being taken from 15 tributaries collected from April to July. Temperature data is collected continuously throughout the year, and they are Lion's Head, Two Mouth, Indian Creek, Heart Creek, Soldier Creek, Caribou Creek, Kalispell Creek, Granite Creek, Upper Priest, Trapper Creek, Bear Creek, Lamb Creek, Chase Creek, and upper Cougar Creek. They will be updating our board as to the findings of this water quality testing and we will make them publicly available on our website.

They are also assisting us in our monitoring of development activities. With the Freedom of Information Act, they can get information on if any permits have been applied for and any correspondence as it's been done in the Coolin Wetland development and Sandpiper Shores Wetlands. Sandpiper Shores was sold to a developer (we believe) last year and they are at the beginning stages. But SCA is finding out information so we can be ahead of the game.

Question was asked about the wetlands at the golf course.

Randy answered if the question was about the ponds on the golf course and it was yes. Randy stated that there have been no discussions about those.

Stop the Priest Lake Siphon: Allan Songstag is a volunteer on the committee for the Stop the Priest Lake Siphon. The committee put together a pamphlet about this topic, it is a little outdated in that it talks about the June 18th town hall meeting. Bud put together a website that is excellent for information. Basically, the theory is to take cold water from the depths of Priest Lake and transport it by a 5-foot pipe to Priest River. The object is to cool the river and that will bring back the Bull Trout and West Slope Cutthroat. What it does not address is the effect it will have on the various parts of the lake. One of the problems is just with the construction. They want to bury this 5-foot pipe 7 feet into Outlet Bay. It would basically destroy Outlet Bay.

The engineers did a cost analysis on this project and came up with a cost of \$8-\$17 million dollars in 2019. They did this at Sullivan Lake, and it cost \$4.1 million dollars for a 900-foot pipe. This one for Priest is 8,000 feet long which would bring the cost to more like \$40 million dollars. We consulted with a professor from Washington State University and he believes that the studies that have been done are not valid because they are all only 1 year. You have to have two things to bring back a fishery. In a cold-water fishery, you need flow and temperature. The temperature target for the studies was around 19 degrees centigrade, according to the EPA you need 13-14 degrees centigrade for Bull Trout and West Slope Cutthroat. DEQ has an even lower temperature. This study was done in 2014 by Portland

State University. They did a computer model, and they showed a graph of what this bypass would look like. What it showed was the temperature of 13-14 degrees is reached only in the first 4 miles. Priest River is 45 miles long. The next thing was the flow. The flow below the dam right now barely pours right now. The minimum flow for Bull Trout or Cutthroat is 22 cubic feet per second. During the summer months there is no possibility that you can reach that level. There has been research that the flow can get as low as 35 cubic feet per second. When Fish and Game was presented with this information, they had no response. We tried to get some political pressure from Boise and now Fish and Game have made some kind of arrangement with Trout Unlimited. We have been able to get Fish and Game to back off a little bit but they are still pretty much set on this project. We have an attorney, Norm Semeco, he believes they would need a water right to do this. He has been working with the legislature to propose legislation which would stop any validation of a cold-water bypass and any plan to take cold water out of Priest Lake and dump it into Priest River. We are not opposed to creating a cold-water fishery just not at the expense of the lake. Question was asked as to why would they be so dubious on some many levels?

Allan answered with that there are a lot of theories. One of them was one of the initial studies that was done from Portland State University was actually commissioned by the Kalispell Tribe. But they didn't follow up on it, Fish and Game took it over and has been running with it. The regional director, Jim Corsi, now retired, had this as a pet project. The thought was it would go away when he retired but it has not.

Question was asked how many years did you have to go back to where the river was actually a viable good fishing river?

Allan answered that he had heard stories of people who were able to catch a Bull Trout in the river but that was maybe before the dam was there. People point to the dam as being the culprit, but you must look at Outlet Bay. Outlet Bay is essentially rock. If you lower the water level 3 feet, you're on the ground. So even if you took the dam out the flow would be insufficient and the water that would be going through (if any) would be needed water because it is going through a very shallow area. Which is another concern because the pipe would take 75% of the flow going through the dam and divert it through the pipe. So only 25% of what flow there is in the summertime would be going through the dam. That was a concern of ours that Fish and Game dismissed.

Question was asked where would the water come out of the pipe and if the system requires a pump, how can it be called a siphon?

Allan answered that is just what they call it and the pipe would come out right below the dam. They think they would just need a primer pump. You would prime it and then it would just flow.

Question was asked if people wanted to support you where do you go?

Allan answered that they were all volunteers, and they rely on donations. If you go to the website (www.stopthepriestlakesiphon.org) you can donate there. We do have an attorney working for us, that is our only really big expense.

Question was asked that this was also done at Sullivan Lake, what are the results, the positive, negative and detrimental?

Allan answered that he has not seen the report. They have been looking for it.

Randy updated all the members last year's meeting passed a motion to not be in favor of the siphon. It is on the record that our organization is against the establishment of this siphon.

New Business: No new business was brought to the floor.

Charitable Gifts: Randy reported at the last board meeting it was brought up that we would like to equally support the East Priest Lake Fire District, Coolin Cavanaugh Bay Fire District, and the Priest Lake Food Bank in the form of a \$1000 gift to each of those organizations. There is ample funding in our savings account for that. Is there any discussion about that?

Question was asked if we had thought or discussed anything about donating to the west side since our name was Priest Lake Cabin Owners Association?

Randy answered that there hasn't been. That we haven't really grown that way yet, we represent the east side as a high percentage and that's where our memberships have grown. Randy is working on some letters to the West Side Cabin Owners Association and Huckleberry Bay to let them know we are accepting memberships anywhere along the lake and our vision is to be a lake wide organization.

Question was asked if the food bank supported the whole community?

Randy answered that it does support the whole community.

Question was asked if we are suggesting any donations to the siphon project?

Randy answered that it was discussed but no formal amount or anything was decided. Now that membership has brought it up, we can look at it in the future and partnering with them financially.

Question was asked if we were going to consider donating to the West Lake Fire Department and North of the Narrows Fire Department?

Randy answered that we will consider and discuss it.

A motion was made to give a charitable gift to each of the Priest Lake Food Bank, East Priest Lake Fire District, and Coolin Cavanaugh Bay Fire District \$1000 each. The motion was seconded and carried.

There was no other business, the meeting was adjourned at 12:25pm.