STAFF REPORT
To: City Council
From: Jay T. Mazalewski
Meeting Date: 06/02/2026

PUBLIC WORKS DEPARTMENT

Action Item: 60% Design Approval and Discussion

Purpose: Determine what the size of wastewater treatment should be based on information provided.

Background: The current wastewater treatment plant (WWTP) was designed to handle flows and loading (from Victor and Driggs) until 2030 at which time the facility would need to be expanded to additional accommodate flows and loading. Council adopted the new wastewater facility plan in December of 2023 which recommended changing treatment technologies and expanding the plant to accommodate the next 20-years of growth for both cities. Council entered into a design contract with Forsgren Engineering in April of 2024 to design a treatment plant expansion and upgrade that would accommodate 20-years of growth for both Driggs and Victor. The project was anticipated to be completed and online and operational in 2029.

The 60% Design Plans from Forsgren were submitted to the City in February of 2025. Late March of 2025, after completion of the 60% design, the City of Victor requested termination of the inter-agency agreement and would stop sending wastewater at some point. Driggs proposed a 2029 stop date for accepting wastewater from Victor as this coincided with the original completion date for the upgraded facility. Driggs has not received any progress updates or an anticipated date the when Victor's proposed facility will be functional and on-line (this was promised in the 3/28/2025 Notice of Termination from Victor to Driggs).

With Victor's notice of termination, Driggs City Council directed Forsgren to re-design the WWTP expansion and upgrade to only accommodate Driggs flows for the 20-year planning period. Part of this re-design required a re-submittal of the Preliminary Engineering Report (PER) to the Idaho Department of Environmental Quality. The PER outline the proposed plan for expansion, treatment type and the 20-year design criteria (flow, loading, concentrations, etc.). The re-design effort pushed the anticipated project completion date to February of 2030. Driggs is required by the EPA and Department of Justice to have the upgraded WWTP online and compliant in February of 2030 or it will be subject to significant fines.

The Idaho Department of Environmental Quality communicated to the City in the attached May 22, 2026 letter that it did not approve the revised PER (Driggs only plant) because *"the proposed wastewater treatment facilities will not have **adequate capacity to support flow from both the City of Driggs and the City of Victor upon completion of the treatment plant upgrades and through the 20-year planning period** required by IDAPA 58.01.16.411.03.c.ii.2." DEQ also noted that "the legal status of the inter-city sewer agreement between Driggs and Victor is unclear, including whether Driggs is obligated to continue to provide service throughout the remainder of the agreement."*

In summary:

- Driggs is legally required, by the Federal Government, to have the upgraded plant online and compliant by 2030

- The "Driggs Only" plant will be at capacity at start-up (Feb, 2030) if Victor is still connected and will probably violate its discharge permit.

- IDEQ will not approve a “Driggs “Only” plant without legal documentation that Driggs will not be obligated to provide wastewater service to Victor starting in 2030.

- Victor has not provided any progress updates or an anticipated timeline for when their plant will be functional and on-line.

- Driggs needs to continue with the design process in order to meet the Federal EPA requirements. Construction is anticipated to start in the May of 2027 (next year).

- The current inter-city agreement between Driggs and Victor is in effect through September 30, 2031.

Inter-City Agreement: Sam Angel will review the intercity agreement between Driggs and Victor. Staff recommends council pay special attention to Section 3 and Section 13.

60% Design Capacity Update from Forsgren: Dave Noel provided an analysis on facility the 60% Designs capacities, and is available for questions.

Victor Input/Update: City of Victor representatives have been invited to attend the June 2nd City Council meeting and provide an update on their new wastewater treatment plant schedule and any response to the DEQ directives. City Council should review submitted material form Victor regarding progress and timeline for their new plant.

Council Discussion Items: City Council should discuss and determine how the City should proceed in designing and sizing the WWTP Expansion and Upgrade.

Option 1: Design and construct the Driggs-only plant under the scenario that Victor is able to construct its own facility by 2030.

- DEQ will need a legal document from Victor that they will be physically disconnected by February 2030, regardless of if they have a plant online or not.

Option 2: Revert to the previous design and construct the facility to handle 20-year flow from Driggs and Victor.

Some discussion items for each option are below: Council, please expand on these items:

- Impacts to the Federal construction/compliance timeline
- Overall cost implications
- How will costs be allocated between Driggs and Victor
- How are rate payers protected?
- What happens if Victor does or does-not construct its own plant?
- Is it feasible?
- Is it legal?
- How does this protect Driggs (permit holder) from additional fines?
- Can we get funding for this project?
- What additional information is needed.
- Do we have a choice between Options 1 and 2 if Victor cannot satisfy DEQ that they will be off the system by 2030?

POTENTIAL MOTION:

1. I move to direct Forsgren Associated to design the wastewater treatment plant to include/exclude the City of Victor service area.
2. Discussion
3. Move to amend (to add or modify approval conditions) or move to table
4. Move the previous question (to limit debate)
5. Vote

[address redacted]
[address redacted] • [phone redacted]

Brad Little, Governor
Jess Byrne, Director

May 22, 2026

Jay Mazalewski, PE
City of Driggs
PO Box 48
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jmaz@driggsidaho.org

Subject: Approval Rescinded – Preliminary Engineering Report and 60% Design – City of Driggs Water Reclamation Facility Expansion and Upgrade; DEQ No. 25-09-41.

Dear Mr. Mazalewski:

The Idaho Department of Environmental Quality (DEQ) received the preliminary engineering report entitled 'City of Driggs Water Reclamation Facility Expansion and Upgrade' (PER) submitted to DEQ on April 17, 2026. The PER was sealed and signed by David W. Noel, PE, on April 17, 2026. DEQ approved the PER on May 15, 2026. The DEQ is rescinded the approval based on recent information provided to DEQ demonstrating that capacity of the proposed wastewater treatment plant may not be adequate. The PER and accompanying 60% design are hereby **not approved**.

City of Driggs personnel and consultants met with DEQ on May 19, 2026. City personnel provided additional information to DEQ indicating that the proposed wastewater treatment facilities will not have adequate capacity to support flow from both the City of Driggs and the City of Victor upon completion of the treatment plant upgrades and through the 20-year planning period required by IDAPA 58.01.16.411.03.c.ii.2. The legal status of the inter-city sewer agreement between Driggs and Victor is unclear, including whether Driggs is obligated to continue to provide service throughout the remainder of the agreement. Therefore, DEQ must rescind the approval of the PER based on inadequate capacity demonstration necessary to satisfy the requirements of IDAPA 58.01.16.411. Please revise the PER to account for the combined flows or provide additional legal documentation to demonstrate that the City of Driggs will not be obligated to provide service to the City of Victor upon completion of the wastewater treatment plant and through the 20-year planning cycle.

If you have any questions or comments, please contact me at [phone redacted] or tyler.ayers@deq.idaho.gov.

Regards,



Tyler Ayers, PE
Senior Water Quality Engineer

cc: Dave Noel, PE, Forsgren, an Apex Company, [email redacted]
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Alex Bell, DEQ Surface Water Quality Manager
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May 28, 2026

City of Driggs
Attn. Mayor August Christensen
60 South Main Street
Driggs, ID 83422

RE: City of Driggs WRF Capacity

Mayor Christensen,

The flow and loading design criteria for the City of Driggs Water Reclamation Facility (WRF) expansion and upgrade are based on projected future flows from the City of Driggs and residents of unincorporated Teton County. Additionally, existing and future WRF treatment capacities have been evaluated for a short-term condition with the WRF continuing to serve the City of Victor until the completion of the upgraded WRF in 2030. This analysis shows that the design period of the City of Driggs and residents of unincorporated Teton County is sufficient to allow the short-term scenario and accommodation for the City of Victor. However, it also shows that the capacity is insufficient to extend this short-term scenario beyond 2030.

Table 1 presents the existing WRF capacities, and flows and loading from May 2025 to April 2026 from the City of Driggs and the City of Victor. The table also identifies the percentage currently being used for each winter and summer design parameter.

Table 1: Existing WRF Capacity

Parameters	Unit	Treatment Capacity	2025 Winter Loadings	Winter Capacity Used	2025 Summer Loadings	Summer Capacity Used
Average Day Flow	MGD	0.90	0.59	66%	0.53	59%
Biochemical Oxygen Demand (BOD)	lb/day	1,877	1,491	79%	1,474	79%
Total Suspended Solids (TSS)	lb/day	1,501	802	53%	854	57%
Total Kjeldahl Nitrogen (TKN)	lb/day	263	165	62%	185	70%

As presented in Table 1, the existing system has not reached its hydraulic capacity or nutrient treatment capacity. Although the nutrient limits have not been exceeded for the design, the NPDES permit limits ammonia as nitrogen discharge and this constituent is not specifically addressed in the existing design. However, the WRF regularly exceeds the NPDES permit limits for ammonia. The current system has available capacity, but the City will continue to violate ammonia limits until upgrades to the WRF are completed.

In 2030, when the City of Driggs WRF Expansion and Upgrade is completed the new WRF capacities are shown in Table 2. The capacities indicate how much influent the upgraded WRF will be able to accept. The effluent permit limits are also presented in Table 2.

Table 2: Upgraded WRF Capacity

Parameters	Unit	Effluent Permit Limit	Winter Capacity	Summer Capacity
Average Day Flow	MGD	-	0.72	0.94
Max Day Flow	MGD	-	1.23	1.52
Max Month Flow	MGD	-	0.79	1.16
Peak Hour Flow	MGD	-	2.02	2.02
BOD	lb/day	225	2,635	3,870
TSS	lb/day	225	1,647	2,419
TKN	lb/day	Report	329	484
Ammonia (NH_3)	lb/day	4.2	264	387

Table 3 presents the projected 2030 flows and loadings, including contributions from the City of Victor, along with the upgraded WRF capacity.

Table 3: Projected Loadings Including the City of Victor in 2030

Parameters	Unit	Winter Projected Loadings	Winter Capacity Used	Summer Projected Loadings	Summer Capacity Used
Average Day Flow	MGD	0.70	98%	0.92	97%
Max Day Flow	MGD	1.20	97%	1.48	97%
Max Month Flow	MGD	0.78	98%	1.13	97%
Peak Hour Flow	MGD	1.97	98%	1.97	98%
BOD	lb/day	2,587	98%	3,763	97%
TSS	lb/day	1,617	98%	2,352	97%
TKN	lb/day	323	98%	470	97%
NH_3	lb/day	259	98%	376	97%

As shown in Table 3, the projected loadings are nearly within 3% of the upgraded WRF capacity. This indicates that the WRF will be operating at full capacity. If additional growth is realized beyond this point the upgraded WRF with flows from the City of Victor to the facility will be unable to meet the BOD, TSS, and NH_3 permit limits. The City of Driggs is obligated to comply with the terms of the consent decree, which requires that the proposed WRF begin operation in February 2030 and remain in continuous operation while complying with all permit limits by October 2030. To allow the City of Driggs to remain compliant without implementing a full moratorium on increased sewer flows, the City of Victor must be removed from the system no later than February 2030.

The proposed WRF expands and optimizes the existing infrastructure to maximize potential capacity within the infrastructure. The existing MSABP basins are fully utilized for anoxic zones, aeration zones, MBR basins and the MBR Room. The existing influent channel, coarse screens, grit system, and UV system will continue to be used at their maximum capacity. If additional capacity is needed beyond the capacity identified in Table 2, additional infrastructure will be required for process volume as well as upgrades to

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capacity for the existing influent channel, coarse screens, grit system, and UV system. Adding additional infrastructure for minimal or short-term capacity disproportionally increases project costs and is not practical. The alternative is returning to the regional design concept where the use of the existing system is optimized and expanded for additional capacity sufficient for all users.

Once the City of Victor is removed from the system, the projected flows and loadings for the City of Driggs and the residents of unincorporated Teton County are shown in Table 4.

Table 4: Projected Loadings Excluding the City of Victor in 2031

Parameters	Unit	Winter Projected Loadings	Winter Capacity Used	Summer Projected Loadings	Summer Capacity Used
Average Day Flow	MGD	0.40	56%	0.52	55%
Max Day Flow	MGD	0.68	55%	0.84	55%
Max Month Flow	MGD	0.44	56%	0.64	55%
Peak Hour Flow	MGD	1.12	56%	1.12	56%
BOD	lb/day	1,472	56%	2,141	55%
TSS	lb/day	920	56%	1,338	55%
TKN	lb/day	184	56%	268	55%
NH_3	lb/day	147	56%	214	55%

The upgraded WRF will have the capacity to accommodate approximately 800 additional residential connections above the residential connections that are currently flowing to the WRF as represented by the May 2025 to April 2026 flow data and displayed in Table 1.

Once the City of Victor exits the system in 2030, the City of Driggs WRF will be operating at approximately 55% of the WRF capacities with the remaining 45% available for future growth.

If you have any questions, please feel free to contact me at [phone redacted].

Sincerely,

Dave Noel, P.E.
Project Manager

Hall Angell & Associates LLP
Attorneys at Law

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Cory R. Stegelmeier
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May 27, 2026

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RE: Inter-City Agreement – Capital Improvements and WWTP Expansion

Counsel:

I am writing to inform you that on May 22, 2026, DEQ formally notified the City of Driggs that it has rescinded approval of Driggs' Preliminary Engineering Report and 60% Design, which had previously been approved by DEQ on May 15, 2026. The reason DEQ rescinded its approval was based upon recent information that Victor has lost its purchase of land for a WWTP site and may have a contractual basis to remain connected to Driggs' WWTP until as late as September 30, 2041. DEQ found that Driggs' proposed plant "will not have adequate capacity to support flow from both the City of Driggs and the City of Victor upon completion of the treatment plant upgrades and through the 20-year planning period." With DEQ approval rescinded, Driggs is left with no option but to incur the capital improvement costs necessary to implement WWTP plant upgrades with sufficient capacity to ensure that Driggs can treat the combined wastewater from Driggs and Victor through 2041.

As you know, Driggs is subject to a Consent Decree with the United States of America in Case No. 4:22-cv-0444-DCN. As part of that Consent Decree, Driggs has agreed to implement certain injunctive relief which includes WWTP upgrades capable of meeting all NPDES permit requirements. When Driggs initially entered the Consent Decree in 2024, it reasonably relied upon written communication from Victor that Victor intended to continue to partner with Driggs and use Driggs' WWTP for wastewater treatment services. After more than a year of design efforts including reaching the 60% design marker to build a "big plant" capable of handling twenty years' worth of flows from both cities, Victor changed course and notified Driggs that it intended to build its own treatment plant. Victor took steps to acquire land and

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*also admitted in Montana

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proceed with the design of its own wastewater plant. Accordingly, Driggs received informal permission from EPA and DEQ to revise the design for its proposed WWTP upgrades and downsize capacity (and costs) to an appropriate level to meet Driggs' needs under its twenty-year facility planning study. In other words, Driggs changed design to build a "small plant" capable of handling flows from Driggs alone.

Recently, it has come to the attention of Driggs that Victor has lost the contract to purchase the site for its proposed WWTP. Driggs has not received any direct communication from Victor regarding its progress toward completing a wastewater treatment plant. Experts question whether Victor has the current ability to acquire land, complete design, receive judicial confirmation for loans, secure a permit from DEQ and ultimately complete construction of a plant prior to the date that Driggs' new "small plant" will come online in early 2030.

On May 18, 2026, Driggs received a technical memorandum from Forsgren Engineering regarding plant upgrades and capacity. The Forsgren memo concludes that after the new upgrades for the "small plant" come online in 2030, if Victor is still connected to the WWTP, Driggs will no longer have the capacity available to treat flows from both cities and meet the BOD, TSS, and NH3 permit limits. It is categorically unacceptable to the City of Driggs to find itself in a situation where it will be unable to meet its NPDES permit requirements when the new upgrades come online in 2030. Driggs raised these issues with DEQ personnel at a meeting held on May 19, 2026. Following that meeting, DEQ rescinded approval of Driggs' preliminary engineering report and 60% design for the "small plant". As we understand it, DEQ is concerned that if Victor cannot have a plant up and running by the time that Driggs' new plant upgrades come online (early 2030), Driggs will not have enough plant capacity to be able to treat effluent from both Driggs and Victor and meet Driggs' NPDES permit requirements. DEQ is concerned that under the language of the Inter-City Agreement between Driggs and Victor, that Victor has the right to continue in the Agreement until its expiration on September 30, 2031, and that Victor may have the ability to exercise two (2) five-year extensions of the Inter-City Agreement at its sole discretion. Victor may end up remaining connected to Driggs' WWTP until September 30, 2041.

With that potential contingency in mind Driggs hereby notifies Victor that in order to meet a "government mandate" it will incur "treatment facility capital improvement" costs under paragraph 3(A) of the Inter-City Agreement. Driggs must decide now whether it needs to pivot back to design and construction of the "big plant" capable of handling flows from both cities. If that is the direction that Driggs decides to go, Driggs will pass through to Victor its proportionate share of "the debt service of such costs" pursuant to the terms of the Inter-City Agreement. This matter will come before the Driggs City Council for discussion and decision on June 2, 2026. Representatives from Victor are strongly encouraged to attend and provide an update on Victor's wastewater project timeline and a response to the directives included in DEQ's May 22, 2026, letter. Driggs emphasizes that it will do everything in its power to ensure that it can meet its NPDES permit requirements going forward. In addition to its contractual obligations to EPA and DEQ, Driggs must look forward and responsibly plan for the future of Teton Valley by implementing WWTP designs and upgrades that will have capacity to

accommodate flows from Driggs and Victor – in the event Victor is unable to build its own treatment plant.

Sincerely,

Sam L. Angell

Cc: Mayor August Christensen

Encl: DEQ Letter Dated May 22, 2026
Forsgren Memorandum re: WRF Capacity