September 17, 2025

Board of Directors
Payette Lakes Recreational Water & Sewer District
201 Jacob Street
McCall, ID 83638

Re: Support for Pine Creek Ranch Annexation – 90 Acres (Stockton 90)

Dear Board Members,

On behalf of Pine Creek Ranch, LLC, I respectfully submit this letter in support of our annexation request for the Stockton 90. Multiple independent reviews — from engineering experts, legal counsel, land planners and District patrons — confirm the financial, technical, and environmental benefits of this annexation. I summarize these points below.

1. Financial Benefits to the District

- Per the attached Fiscal Analysis prepared by Launch Development and Land Advisors at full buildout, Pine Creek Ranch will generate $8,215,264 in one time connection fees, $587,680/yr annually in sewer revenue ($6,969,331 over 20 years), and $378,037 over 20 years in property tax contributions. Total Revenues over 20 years is $15,562,623 not considering the offsite upgrades below.
- The developer has committed to $1.939 million in offsite upgrades (projects E4, B4, B6, and Lift Station 25) already identified in the District's Master Plan. Without annexation, these costs fall entirely on existing ratepayers.
- Approval reduces reliance on rate increases and new bond elections, which would otherwise be required to fund the $55M in identified system upgrades.

2. Alignment with Master Plans and Planning Documents

- The City of McCall Comprehensive Plan and Area of Impact designations anticipate residential development on the Stockton 90.
- J-U-B's Technical Memorandum (IR-25-01) confirms Pine Creek Ranch flows are in line with Master Plan buildout projections.
- Excluding Pine Creek Ranch while including other luxury developments appears inconsistent and inequitable, especially given this project's community housing benefits.

3. Capacity and Environmental Responsibility

- The PLRWSD Master Plan (Vol. III) confirms the treatment plant has sufficient capacity until 2043. Current bottlenecks are caused by infiltration and inflow (I/I), not annexation.
- Annexation strengthens the system by funding I/I improvements, reducing risk of sewer overflows and phosphorus discharge into Payette Lake.
- Annexation also prevents reliance on septic systems, protecting groundwater and surface water quality.

4. Growth Pays for Growth

- The Master Plan forecasts 2–3% annual growth (~2,013 new connections) over 20 years. These connections cannot be accommodated within the current boundary alone.
- Pine Creek Ranch represents only a 15% increase in connections, phased over 25 years — a modest, manageable level of growth.
- Approving annexation ensures growth pays its fair share toward fixing long-standing deficiencies.

5. Community Benefit and Equity

- Pine Creek Ranch will provide a range of housing types — including ADUs, townhomes, and patio homes — designed to meet the needs of McCall's workforce and families.
- Unlike luxury developments included in the Master Plan, Pine Creek Ranch delivers attainable housing options while still contributing proportionally to infrastructure improvements.
- This ensures equity in District planning decisions and supports the long-term vitality of the McCall community.

Conclusion

The evidence is clear:
- Annexation reduces the financial burden on existing ratepayers.
- It aligns with adopted planning documents and engineering analyses.
- It improves environmental protection by addressing I/I and reducing septic reliance.
- It supports orderly, equitable growth that benefits both the District and the McCall community.

For these reasons, we respectfully request that the PLRWSD Board approve the annexation of the Stockton 90. Doing so fulfills the District's mission of protecting public health and the environment while ensuring fiscal responsibility to its patrons.

Sincerely,

R. Craig Groves
Manager
Pine Creek Ranch, LLC

Pine Creek Ranch
Payette Lakes Recreational Water and Sewer District
Summary of Projected Sewer Revenues

Revenue Assumptions		
Property Tax Levy (1)		0.000092264
Sewer Connection Fee (2)	$	13,784.00
Annual Sewer Rate (2)	$	657.48
Average Finished Living Space per Home		2,600
Square Footage Surcharge Rate (2)	$	328.56

Estimated Annual Tax and Revenues	20-Year Total	
Property Taxes		
Estimated Assessed Valuation (3)	$	392,050,000
Property Tax Levy (1)		0.000092264
Property Tax Collections	**$**	**378,037**
Sewer Connection Fee (One-Time)		
Homes Constructed (3)		596
Sewer Connection Fee (2)	$	13,784
Sewer Fee Connection (One-Time)	**$**	**8,215,264**
Sewer Rates (Recurring)		
Cumulative Homes Constructed (3)		596
Annual Sewer Rate w/ Surcharge (2)	$	986.04
Sewer Rate Collection (Recurring)	**$**	**6,969,331**
Total Revenues Collected	**$**	**15,562,632**

Footnotes:

(1) Per Valley County Treasurer's Office.

(2) Per Payette Lakes Recreational Water and Sewer District rates and billing.

(3) See residential assumptions in **Exhibit A**.

Pine Creek Ranch
Payette Lakes Recreational Water and Sewer District
Projected Sewer Revenues

Revenue Assumptions	
Property Tax Levy (1)	0.000092264
Sewer Connection Fee (2)	$ 13,784.00
Annual Sewer Rate (2)	$ 657.48
Average Finished Living Space per Home	2,600
Square Footage Surcharge Rate (2)	$ 328.56

Estimated Annual Tax and Revenues	20-Year Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Property Taxes											
Estimated Assessed Valuation (3)	$ 392,050,000	$ -	$ -	$ 4,475,000	$ 18,525,000	$ 43,400,000	$ 71,400,000	$ 101,900,000	$ 133,650,000	$ 165,400,000	$ 197,150,000
Property Tax Levy (1)	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264
Property Tax Collections	$ 378,037	$ -	$ -	$ 413	$ 1,709	$ 4,004	$ 6,588	$ 9,402	$ 12,331	$ 15,260	$ 18,190
Sewer Connection Fee (One-Time)											
Homes Constructed (3)	596	-	-	35	40	45	50	50	50	50	50
Sewer Connection Fee (2)	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784
Sewer Fee Connection (One-Time)	$ 8,215,264	$ -	$ -	$ 482,440	$ 551,360	$ 620,280	$ 689,200	$ 689,200	$ 689,200	$ 689,200	$ 689,200
Sewer Rates (Recurring)											
Cumulative Homes Constructed (3)	596	-	-	35	75	120	170	220	270	320	370
Annual Sewer Rate w/ Surcharge (2)	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04
Sewer Rate Collection (Recurring)	$ 6,969,331	$ -	$ -	$ 34,511	$ 73,953	$ 118,325	$ 167,627	$ 216,929	$ 266,231	$ 315,533	$ 364,835
Total Revenues Collected	$ 15,562,632	$ -	$ -	$ 517,364	$ 627,022	$ 742,609	$ 863,414	$ 915,531	$ 967,762	$ 1,019,993	$ 1,072,225

Footnotes:
(1) Per Valley County Treasurer's Office.
(2) Per Payette Lakes Recreational Water and Sewer District rates and billing.
(3) See residential assumptions in **Exhibit A**.

Pine Creek Ranch
Payette Lakes Recreational Water and Sewer District
Projected Sewer Revenues

Revenue Assumptions	
Property Tax Levy (1)	0.000092264
Sewer Connection Fee (2)	$ 13,784.00
Annual Sewer Rate (2)	$ 657.48
Average Finished Living Space per Home	2,600
Square Footage Surcharge Rate (2)	$ 328.56

Estimated Annual Tax and Revenues	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Property Taxes											
Estimated Assessed Valuation (3)	$ 228,900,000	$ 260,650,000	$ 291,650,000	$ 319,755,000	$ 343,390,000	$ 363,455,000	$ 379,940,000	$ 389,600,000	$ 392,050,000	$ 392,050,000	$ 392,050,000
Property Tax Levy (1)	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264	0.000092264
Property Tax Collections	$ 21,119	$ 24,049	$ 26,909	$ 29,502	$ 31,683	$ 33,534	$ 35,055	$ 35,946	$ 36,172	$ 36,172	$ 36,172
Sewer Connection Fee (One-Time)											
Homes Constructed (3)	50	50	44	29	25	21	7	-	-	-	-
Sewer Connection Fee (2)	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784	$ 13,784
Sewer Fee Connection (One-Time)	$ 689,200	$ 689,200	$ 606,496	$ 399,736	$ 344,600	$ 289,464	$ 96,488	$ -	$ -	$ -	$ -
Sewer Rates (Recurring)											
Cumulative Homes Constructed (3)	420	470	514	543	568	589	596	596	596	596	596
Annual Sewer Rate w/ Surcharge (2)	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04	$ 986.04
Sewer Rate Collection (Recurring)	$ 414,137	$ 463,439	$ 506,825	$ 535,420	$ 560,071	$ 580,778	$ 587,680	$ 587,680	$ 587,680	$ 587,680	$ 587,680
Total Revenues Collected	$ 1,124,456	$ 1,176,687	$ 1,140,229	$ 964,658	$ 936,353	$ 903,775	$ 719,223	$ 623,626	$ 623,852	$ 623,852	$ 623,852

Footnotes:
(1) Per Valley County Treasurer's Office.
(2) Per Payette Lakes Recreational Water and Sewer District rates and billing.
(3) See residential assumptions in **Exhibit A**.

Exhibit A
Pine Creek Ranch
Residential Assumptions

Residential Homes Constructed (1)	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Single-Family	275	-	-	14	16	18	20	20	20	20	20
Accessory Dwelling	108	-	-	7	8	9	10	10	10	10	10
Townhomes	153	-	-	12	13	14	15	15	15	15	15
Patio Homes	60	-	-	2	3	4	5	5	5	5	5
Total	**596**	-	-	**35**	**40**	**45**	**50**	**50**	**50**	**50**	**50**
Cumulative	**596**	-	-	**35**	**75**	**120**	**170**	**220**	**270**	**320**	**370**

Homes on County Tax Rolls (1)(2)	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Single-Family	275	-	-	3	9	16	18	19	20	20	20
Accessory Dwelling	108	-	-	1	4	8	9	10	10	10	10
Townhomes	153	-	-	2	7	13	14	15	15	15	15
Patio Homes	60	-	-	0	1	3	4	5	5	5	5
Total	**596**	-	-	**7**	**22**	**39**	**44**	**48**	**50**	**50**	**50**
Cumulative	**596**	-	-	**7**	**29**	**68**	**112**	**160**	**210**	**260**	**310**

Market Value (1)	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Single-Family ($925,000)	$ 254,375,000	$ -	$ -	$ 2,590,000	$ 8,140,000	$ 14,430,000	$ 16,280,000	$ 17,760,000	$ 18,500,000	$ 18,500,000	$ 18,500,000
Accessory Dwelling ($275,000)	$ 29,700,000	$ -	$ -	$ 385,000	$ 1,210,000	$ 2,145,000	$ 2,420,000	$ 2,640,000	$ 2,750,000	$ 2,750,000	$ 2,750,000
Townhomes ($675,000)	$ 103,275,000	$ -	$ -	$ 1,620,000	$ 4,995,000	$ 8,640,000	$ 9,315,000	$ 9,855,000	$ 10,125,000	$ 10,125,000	$ 10,125,000
Patio Homes ($575,000)	$ 34,500,000	$ -	$ -	$ 230,000	$ 805,000	$ 1,610,000	$ 2,185,000	$ 2,645,000	$ 2,875,000	$ 2,875,000	$ 2,875,000
Total	**$ 421,850,000**	$ -	$ -	**$ 4,825,000**	**$ 15,150,000**	**$ 26,825,000**	**$ 30,200,000**	**$ 32,900,000**	**$ 34,250,000**	**$ 34,250,000**	**$ 34,250,000**
Cumulative	**421,850,000**	-	-	**4,825,000**	**19,975,000**	**46,800,000**	**77,000,000**	**109,900,000**	**144,150,000**	**178,400,000**	**212,650,000**

Assessed Value (1)(3)	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Single-Family	$ 240,625,000	$ -	$ -	$ 2,450,000	$ 7,700,000	$ 13,650,000	$ 15,400,000	$ 16,800,000	$ 17,500,000	$ 17,500,000	$ 17,500,000
Accessory Dwelling	$ 24,300,000	$ -	$ -	$ 315,000	$ 990,000	$ 1,755,000	$ 1,980,000	$ 2,160,000	$ 2,250,000	$ 2,250,000	$ 2,250,000
Townhomes	$ 95,625,000	$ -	$ -	$ 1,500,000	$ 4,625,000	$ 8,000,000	$ 8,625,000	$ 9,125,000	$ 9,375,000	$ 9,375,000	$ 9,375,000
Patio Homes	$ 31,500,000	$ -	$ -	$ 210,000	$ 735,000	$ 1,470,000	$ 1,995,000	$ 2,415,000	$ 2,625,000	$ 2,625,000	$ 2,625,000
Total	**$ 392,050,000**	$ -	$ -	**$ 4,475,000**	**$ 14,050,000**	**$ 24,875,000**	**$ 28,000,000**	**$ 30,500,000**	**$ 31,750,000**	**$ 31,750,000**	**$ 31,750,000**
Cumulative	**392,050,000**	-	-	**4,475,000**	**18,525,000**	**43,400,000**	**71,400,000**	**101,900,000**	**133,650,000**	**165,400,000**	**197,150,000**

Footnotes:
(1) Per Developer estimates.
(2) Assumes 20% is assessed in year 1, 40% is assessed in year 2 and 40% is assessed in year 3.
(3) Assumes a $125,000 homeowner exemption and that 40% of homes qualify for the exemption.

Exhibit A
Pine Creek Ranch
Residential Assumptions

Residential Homes Constructed (1)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Single-Family	20	20	20	20	20	20	7	-	-	-	-
Accessory Dwelling	10	10	10	4	-	-	-	-	-	-	-
Townhomes	15	15	9	-	-	-	-	-	-	-	-
Patio Homes	5	5	5	5	5	1	-	-	-	-	-
Total	**50**	**50**	**44**	**29**	**25**	**21**	**7**	-	-	-	-
Cumulative	**420**	**470**	**514**	**543**	**568**	**589**	**596**	**596**	**596**	**596**	**596**

Homes on County Tax Rolls (1)(2)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Single-Family	20	20	20	20	20	20	17	11	3	-	-
Accessory Dwelling	10	10	10	9	6	2	-	-	-	-	-
Townhomes	15	15	14	10	4	-	-	-	-	-	-
Patio Homes	5	5	5	5	5	4	2	0	-	-	-
Total	**50**	**50**	**49**	**43**	**34**	**26**	**20**	**11**	**3**	-	-
Cumulative	**360**	**410**	**459**	**502**	**536**	**562**	**582**	**593**	**596**	**596**	**596**

Market Value (1)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Single-Family ($925,000)	$ 18,500,000	$ 18,500,000	$ 18,500,000	$ 18,500,000	$ 18,500,000	$ 18,500,000	$ 16,095,000	$ 9,990,000	$ 2,590,000	$ -	$ -
Accessory Dwelling ($275,000)	$ 2,750,000	$ 2,750,000	$ 2,750,000	$ 2,420,000	$ 1,540,000	$ 440,000	$ -	$ -	$ -	$ -	$ -
Townhomes ($675,000)	$ 10,125,000	$ 10,125,000	$ 9,315,000	$ 6,480,000	$ 2,430,000	$ -	$ -	$ -	$ -	$ -	$ -
Patio Homes ($575,000)	$ 2,875,000	$ 2,875,000	$ 2,875,000	$ 2,875,000	$ 2,875,000	$ 2,415,000	$ 1,380,000	$ 230,000	$ -	$ -	$ -
Total	**$ 34,250,000**	**$ 34,250,000**	**$ 33,440,000**	**$ 30,275,000**	**$ 25,345,000**	**$ 21,355,000**	**$ 17,475,000**	**$ 10,220,000**	**$ 2,590,000**	$ -	$ -
Cumulative	**246,900,000**	**281,150,000**	**314,590,000**	**344,865,000**	**370,210,000**	**391,565,000**	**409,040,000**	**419,260,000**	**421,850,000**	**421,850,000**	**421,850,000**

Assessed Value (1)(3)	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Single-Family	$ 17,500,000	$ 17,500,000	$ 17,500,000	$ 17,500,000	$ 17,500,000	$ 17,500,000	$ 15,225,000	$ 9,450,000	$ 2,450,000	$ -	$ -
Accessory Dwelling	$ 2,250,000	$ 2,250,000	$ 2,250,000	$ 1,980,000	$ 1,260,000	$ 360,000	$ -	$ -	$ -	$ -	$ -
Townhomes	$ 9,375,000	$ 9,375,000	$ 8,625,000	$ 6,000,000	$ 2,250,000	$ -	$ -	$ -	$ -	$ -	$ -
Patio Homes	$ 2,625,000	$ 2,625,000	$ 2,625,000	$ 2,625,000	$ 2,625,000	$ 2,205,000	$ 1,260,000	$ 210,000	$ -	$ -	$ -
Total	**$ 31,750,000**	**$ 31,750,000**	**$ 31,000,000**	**$ 28,105,000**	**$ 23,635,000**	**$ 20,065,000**	**$ 16,485,000**	**$ 9,660,000**	**$ 2,450,000**	$ -	$ -
Cumulative	**228,900,000**	**260,650,000**	**291,650,000**	**319,755,000**	**343,390,000**	**363,455,000**	**379,940,000**	**389,600,000**	**392,050,000**	**392,050,000**	**392,050,000**

Footnotes:

(1) Per Developer estimates.

(2) Assumes 20% is assessed in year 1, 40% is assessed in year 2 and 40% is assessed in year 3.

(3) Assumes a $125,000 homeowner exemption and that 40% of homes qualify for the exemption.