

# **City Council Special Meeting Minutes**

**RE: Sewer Project**

**August 28, 2008**



Meeting started at 6:00 pm

Clerk, Lyndsey Anderson: Mayor, Rex Jardine; Councilmen: Orville Armstrong, Tiera Ball, and Deck Green (absent – Dee Cullum).

- Sewer Project Update from Jardine with comments, discussion, and conclusion from council:
  - USDA won't have anything to do with our sewer project (no grants/loans) if we do Judicial Confirmation.
  - We have to show that the community is behind us. By going with Judicial Confirmation it appears that we are going over their heads.
  - USDA says to either have a Bond election in November (2008) or there is loan money available from the DEQ next July (2009) around 4% interest.
  - If we do try to pass a Bond and it doesn't pass, then the USDA will allow us to do a Judicial Confirmation (and continue to work with us). This shows that we made an effort with the community.
  - USDA says that whatever we Bond for, they will give us a Grant for 25% of the bond.
  - The bids will be broken out into segments and we will rebid for construction.
  - Possibly need to Bond for \$300-350,000.
  - Passing the Bond will raise the current sewer base rates from \$40 to \$45 a month. Not sure when it would be applied.
  - Ball - if we raise the rates by 3% over the next two years (which is normal) then we would be around \$45 anyways.
  - Ted, Development Company thinks we need to Bond for \$300-350,000. (With the addition of the USDA Grant of 25% of that, we should have enough to complete the sewer project).
  - Example: Bond \$350,000, USDA would grant us (25%) around \$100,000.
  - Green, Ball, & Armstrong – so pretty much, we have no choice. We have to have a Bond Election if we want to complete the sewer project.
  - We could possibly supplement our dept (loans) from what we make off of the sewer land application and/or connection hookups.
  - If the city would have done the sewer system correctly in the first place (many years ago) with the right pipes, two lagoons as planned, purchased the land when planned, and not cut corners; we wouldn't be in the situation that we are in.

- USDA won't let you grant a bid if you can't pay it back; at the moment we can't supply that.
  - Ted, Development Company, will do/post the public notice for the Bond Election.
  - Bond Loan and Grants we have so far:
    - \$750,000 Bond Loan
    - \$300,000 USDA Grant (awarded once Bond Loan is spent)
    - \$25,000 DEQ Grant
    - \$500,000 Idaho Block Grant
    - = \$1,575,000 Total
  - Example: Proposed Possible additional Bond Loan and Grant:
    - \$350,000 Bond Loan (just a guess at the moment)
    - \$100,000 USDA Grant (awarded once Bond Loan is spent)
    - = \$450,000 Proposed Possible Total
  - Example: Possible Total (not certain on Bond amount needed yet)
    - = \$2,025,000
  - The council wants to be certain on the amount needed so that we don't have to Bond for a third time in the future.
  - Armstrong and Jardine will meet with the Development Company and the USDA the first week of September to find out the exact amount needed to Bond for.
  - **Ball moves to try and pass a Bond Election in November 2008 for more sewer money. Seconded. All in favor: aye, aye, and aye. Motion carried.**
- **Ball moves to adjourn meeting. Seconded. All in favor: aye, aye, and aye. Motion carried.**

Meeting closed at 7:00 pm

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Mayor, Rex Jardine

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Date

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Clerk/Treasurer, Lyndsey L. Anderson

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Date