

**CITY OF KUNA
SPECIAL CITY COUNCIL WORKSHOP
MINUTES**

JANUARY 18, 2006

KUNA CITY HALL COUNCIL CHAMBER, 763 W. AVALON

NOTE: These minutes are an unofficial record of this City Council meeting until reviewed; corrected if deemed appropriate, and formally approved by the Kuna City Council at a subsequent Council meeting.

Mayor Dean Obray called the Sewer Plant Financing Workshop to order at 4:10 p.m.

Present: Mayor Dean Obray; Council Members Jeff Lang, Scott Dowdy, Trina Stroebel and Richard Cardoza; City Engineer Keven Shreeve; Treasurer Colleen Cook; City Clerk Lynda Burgess; Jim Keller and Justin Walker of Keller & Associates; Meridian City Engineer Len Grady.

Len Grady, Meridian Engineer, explained that the City of Meridian is proceeding with a regional lift station, which is currently under design for the Mason Creek area.

Mayor Obray stated that if the City of Meridian wanted to set its boundaries south of Hubbard, it would be highly contested by the City of Kuna. It makes more sense for the area to be serviced by the Kuna infrastructure south of Hubbard and east to Locust Grove because of its proximity to the city and also being within school boundaries.

Mr. Grady stated that he would take these boundary concerns back to the Meridian Mayor.

Mayor Obray explained that the City of Kuna would need a solid commitment for at least a three to five year period by the Meridian sewer facility to accept disposal and treatment until Kuna had a plant built.

Mr. Grady stated it makes economic sense for both cities if Meridian could take some of Kuna's wastewater for a period until Meridian needed the capacity to service its own customers. He explained that both he and Keven Shreeve had a goal of finalizing the boundary agreement between the cities by the end of January with a sewer agreement concept by the end of February.

Mr. Shreeve clarified that Meridian would be agreeable on a short-term period--three to five years--in accepting Kuna's flow until Kuna's facility is online.

Jim Keller distributed orientation hand-outs to Council explaining that Council had asked Keller & Associates to see what it would cost to develop some parks in association with the treatment plant project. The City will need to decide what level of service is desirable for each acre of park per 1,000 residents. Types of parks include: 1) a city park would require 18-30 acres. 2) a neighborhood park, 8 acres, 3) a regional park, 50-60 acres and 4) a sports complex would require even more acreage. Jim Keller calculated that 15,000 residents would equate to 90 acres of park. Cost projections based on these numbers are \$70,000 - \$75,000 per acre. The addition of a swimming pool and recreation facility would require \$3 million. It would also take \$10.2 to \$21 million to build parks and recreational facilities.

Mayor Obray stated that the two biggest factors limiting the existing plant is water quality and effluent--after it's treated, it is not sufficient to meet new DEQ requirements. The water has to be land applied. The limiting criteria in land applications is that the city has used up the total capacity of land, so in order to expand the existing system, the city has to buy more land. In addition, the city hasn't been able to grow enough crops to take the nutrients out of the soil.

Mr. Keller explained that the problem with a land application is that if the nutrient applied to the soil is not balanced with what the crop uses out of the soil, phosphorus builds up in the soil and becomes unusable over time. A treatment plant cannot be located on this type of soil because the water cannot be disposed of. He asked for direction from the Council as to whether they wanted to pursue an LID for the treatment plant only or to add on a general obligation bond for the parks.

Mayor Obray stated that there is money available at the present time, to build this facility on a lease per year basis and at some period of time, the city would own the facility. The lending company would structure the lease by year so the city is not obligating the Council beyond the year period, which meets the criteria per law. The city could proceed with the project in the same time period with no limit on the number of projects. The treatment facility could be constructed now and six months later, we could turn around and start another project such as a city hall or parks project. He stated that he would be meeting with a representative of the city's bank, Farmers and Merchants, to determine whether they have the capacity to help the city obtain this kind of financing. One advantage would be that the city could borrow the monies as long as user fees are available to make the payments. The entity lending the money would get tax breaks so the interest rate to the city would be very low.

In response to Councilwoman Stroebel regarding the length of time for processing an LID, Mr. Keller stated it would take approximately 2 to 3 months.

Councilman Cardoza thought that the City boundaries should be formalized with Meridian before starting the LID process, so we know how many acres might be encompassed within those boundaries.

Councilwoman Stroebel stated that she would like to revisit the basic funding of the plant. What steps would need to be taken to process the LID.

Mr. Keller explained the steps needed:

- 1) Condition of annexation defines the conditions for the property that is going to be in the LID.
- 2) Put legal description together.
- 3) 60% of property owners in favor and petition to form an LID.
- 4) LID boundary.
- 5) Advertise - 15-30 days.
- 6) Public hearing. People come in and protest
- 7) Council makes up its mind to proceed with the LID.

Keven Shreeve suggested that, to expedite the timeframe, the city could send out a mass mailing to see if the property owners within the LID boundary are interested in being included in the LID. Invite them to an informal meeting to discuss the procedure.

Councilman Dowdy stated this is how he would like to proceed: draw up blueprints for the 15,000 EDU plant and phase it so we build the first phase with the LID. In the meantime, educate the public about recreational facilities for the community. When the new plant is online, take the old treatment system off line and get rid of "The Farm."

Mr. Keller explained that Kuna has applied to DEQ for discharge into Mason Creek and Indian Creek.

Council instructed Mr. Shreeve to send out notification to property owners for participation in the LID.

Council instructed Keller Associates to present option #1 and move it over to option #3 with no revenue bond, only LID for the first phase, at the Town Hall Meeting on Tuesday, January 24, 2006.

ADJOURNMENT – There being no further business to discuss, Mayor Obray adjourned the meeting at 6:10 p.m.

O. Dean Obray, Mayor

ATTEST:

Lynda Burgess, City Clerk

APPROVED AS SUBMITTED: FEBRUARY 7, 2006