

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.

**CITY OF KUNA
SPECIAL CITY COUNCIL MEETING
MINUTES
OCTOBER 23, 2007
KUNA CITY HALL COUNCIL CHAMBER, 763 W. AVALON**

1. CALL TO ORDER AND ROLL CALL:

M/Dowdy called the meeting to order at 7:03 p.m.

PRESENT: Mayor Dowdy, Council President Lang,
Councilwoman Stroebel and Councilmember
Cardoza.

ALSO PRESENT: City Attorney Randy Grove, P&Z Director Steven
Hasson, Public Works Director Jim Taylor, City
Clerk Lynda Burgess and Jim Keller, Justin Walker
and Larry Rupp, Keller Associates.

Moved by C/Lang, seconded by C/Stroebel and carried 3-0 to add the following to the Agenda:

3. APPROVE REPLACEMENT OF SOUND SYSTEM AND CONSTRUCTION OF COUNCIL SEATING IN CITY COUNCIL CHAMBER BY S&S AUDIO, LLC IN AN AMOUNT NOT TO EXCEED \$10,505 AND AUTHORIZE PAYMENT OF A DEPOSIT OF \$4,200; 4. REVIEW AND CONSIDER RESOLUTION NO. R-11-2007 EXPRESSING SUPPORT FOR THE LOCATION OF A BOYS AND GIRLS CLUB IN KUNA; EXPRESSING A WILLINGNESS TO ACCEPT DONATED LAND AND LEASE SUCH LAND FOR A BOYS AND GIRLS CLUB; 5.B. REVIEW AND CONSIDER RESOLUTION NO. R10-2007 ADOPTING A POLICY FOR TRANSFER OF EDU CONNECTIONS FOR MEMBERS OF LOCAL IMPROVEMENT DISTRICT 2006-1 AND OTHER HOLDERS OF EDU CONNECTIONS; CREATING A REGISTRY OF REQUESTS FOR TRANSFER; PROVIDING A MECHANISM FOR RECORDING TRANSFERS AND PAYMENTS TOWARD ASSESSMENTS OR OTHER OBLIGATIONS (continued from 10/16/07).

2. PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was lead by
Mayor Dowdy.

3. APPROVED REPLACEMENT OF SOUND SYSTEM AND CONSTRUCTION OF COUNCIL SEATING IN CITY COUNCIL CHAMBER BY S&S AUDIO, LLC IN AN AMOUNT NOT TO EXCEED \$10,505 AND AUTHORIZED PAYMENT OF A DEPOSIT OF \$4,200.

Moved by C/Lang, seconded by C/Stroebel to approve agreement with S&S Audio, LLC in an amount not to exceed \$10,505 and authorized payment of a deposit of \$4,200. Motion carried by the following Roll Call vote:

AYES: Lang, Stroebel, Cardoza
NOES: None
ABSENT: None

4. ADOPTED RESOLUTION NO. R11-2007 EXPRESSING SUPPORT FOR THE LOCATION OF A BOYS AND GIRLS CLUB IN KUNA; EXPRESSING A WILLINGNESS TO ACCEPT DONATED LAND AND LEASE SUCH LAND FOR A BOYS AND GIRLS CLUB

Moved by C/Lang, seconded by C/Stroebel to adopt Resolution No. R11-2007. Motion carried 3-0.

5. PUBLIC HEARING

DISCUSSION REGARDING BID FOR CONSTRUCTION OF THE KUNA NORTH WASTEWATER TREATMENT PLANT.

Justin Walker provided an overview of the process involved by the City in developing the treatment plant including initiation of the LID process and annexation of properties providing a path to the chosen plant site at Ten Mile Road near Lake Hazel Road.

M/Dowdy opened the Public Hearing.

Tim Gordon, 1206 Black Cat Rd., asked the Council to consider scaling back on the treatment plant to approximately \$4,200 connections to lighten the potential burden on LID property owners in light of the current real estate market downturn. Form a committee to work with the City in making decisions about spending LID funds.

M/Dowdy explained that the City has already expended approximately \$8,000,000 on design and preparation of the treatment plant site. The LID Ordinance guarantees 8,300 connections to participants and is the number being relied upon by the bank. Scaling back would be in violation of the City's ordinance. At this point, the City would have to start over with the plant and a completely new LID process.

Jim Jewett, 1560 Carol St., Meridian, asked for specifics on what was involved in the original estimate and the current estimate for construction. He did not feel he agreed to modifications. Further, he asked for a projection of the annual costs for connections.

M/Dowdy stated that the language in the LID ordinance adopted a year ago addresses the City's responsibility, the estimated facility costs and a lot of the other issues being discussed this evening. The ordinance does not stipulate the size of the treatment plant but it does say what the City is guaranteeing the participants in the LID which is a total number of 8,353

connections. Upgrade of the plant is being funded by a separate source, not by the LID members. We're not asking the LID members to fund the upgrade.

Charlie Connolly, 2181 W. Lake Hazel said that he did not join LID because he was concerned about his ability to make the payments so he was speaking on behalf of those who did join the LID. He could not imagine needing more than 8,300 EDU's since it is estimated that that amount would serve approximately 26,000 people. The addition of another 3,000 EDU's could add another 33,800 people. The original LID participants should be protected through this process.

Kevin Shreeve, 2655 E. Meadowview Rd., indicated that he supported protecting the property owners in the LID and encouraged the Council to allow the EDU transfers. He suggested that Osprey Ridge should be willing to work with the City to help buy, transfer, etc. the EDU's from current LID participants.

Steve Bradbury, Boise, representing Tim Gordon, stated that he felt the ordinance does define the size of the treatment plant in Section 1(b) "IMPROVEMENTS: The construction of wastewater treatment facilities and conveyance pipelines, lift stations and related facilities and improvements for the provision of wastewater collection and treatment for eight thousand three hundred fifty three (8,353) new sewer connections to serve the property within Local Improvement District No. 2006-1." Nothing in the ordinance suggests that there could be a larger plant or more sewer connections that would be owned and served by the City.

Sam Johnston, 392 N. Black Cat, felt that Osprey Ridge is beyond the boundaries of Kuna and is not even in the City's Comp Plan. He felt that the process being used for Osprey is not the same as that required of the LID participants.

M/Dowdy explained that the negotiations with Osprey Ridge took place before he became Mayor. The only conversations he has had with Osprey indicated that they were told at that time that the City had to create a sewer facility that would supply 3 EDU's per acre to all of the LID participants and if they wanted to come into the City, that they were going to have to expand the plant, at their own expense, to accommodate their need. This was at a time when the economy and the real estate market was booming and the then Mayor assumed that the market expansion would continue. They haven't been treated any differently than anyone else and they've been told that they would have to follow through with the agreements put on the table before when Mayor Obrey was here in order to protect the interests of the LID participants. He further pointed out that the City would just be increasing the concrete basin at the plant for Osprey Ridge, not providing a larger treatment plant.

Craig Groves, 6223 Discovery Ln., Boise, stated that doing what the ordinance requires will cost a lot of money. The Council should re-assess where the market is today. There's not going to be a market for even 6,000 EDU's over the next couple of years.

There being no further testimony offered, M/Dowdy closed the Public Hearing.

Justin Walker pointed out that the City has only spent \$3.5 million currently but contracts have been let for \$8 million.

Regarding scaling back the treatment plant, Larry Rupp explained that the City would have to deal with issues relating to pre-purchase of the membranes and a construction schedule that's already been set. Even though there is a downturn in residential construction, there is not currently a downturn in the municipal construction market.

Floyd Ayres, the City's LID financial consultant, explained that only one commercial bank was interested in financing this project for the City. The bank that bought the bonds provided an interim warrant for 3 years so that the developers would not have to start paying assessments up front. In addition, the bank has reserved capital, as required by the federal government, for the \$30,000,000 for the entire project and if the City were to scale back the plant and not use that capital, the bank would charge the City for a lost investment opportunity.

In response to C/Stroebel regarding stopping all construction on the wastewater treatment plant, Jim Keller explained that the City has already made contracts totaling approximately \$8,000,000. If the City were to elect to stop the project, the City would be obligated to somehow terminate the obligation for those contracts and pay whatever is due remaining on them with whatever finances are available. That will put the City right back to where it was 4 years ago with a debt of approximately \$4-6,000,000. If there's something that the Council would like to consider in terms of scaling back, it can be considered but keep in mind that the City is already paying interest on its contractual obligations. The longer the project is delayed the more interest that will accrue which, in turn, will increase the cost of the obligation. The Council needs to seriously look at the cost consequences to do that. Further, he pointed out that Osprey Ridge pre-paid 300 connections and that 300 right now would be used for the increase in concrete for the basin expansion. Any further payment that Osprey Ridge would make or payment by any other developer outside of the LID would buy down the LID obligation. In addition, the old treatment plant--the lagoon--could also be used to buy down the LID obligation.

C/Cardoza moved, seconded by C/Stroebel to continue consideration of the bids for construction to the November 8, 2007 Special Meeting since the City just received the Irrevocable Letter of Credit from Osprey and the funding has not been investigated yet. Motion carried 3-0.

- 5.B. REVIEW AND CONSIDER RESOLUTION NO. R10-2007 ADOPTING A POLICY FOR TRANSFER OF EDU CONNECTIONS FOR MEMBERS OF LOCAL IMPROVEMENT DISTRICT 2006-1 AND OTHER HOLDERS OF EDU CONNECTIONS; CREATING A REGISTRY OF REQUESTS FOR TRANSFER; PROVIDING A MECHANISM FOR RECORDING TRANSFERS AND PAYMENTS TOWARD ASSESSMENTS OR OTHER OBLIGATIONS (continued from 10/16/07). C/Lang moved, seconded by C/Stroebel to continue the matter to November 8, 2007.

- 6. ADJOURNMENT:** There being no further business to conduct, it was moved by C/Lang, seconded by C/Stroebel to adjourn the meeting at 9:25 p.m. Motion carried 3-0.

J. SCOTT DOWDY, MAYOR

ATTEST:

LYNDA BURGESS, CITY CLERK

DATE APPROVED: November 4, 2007