

CITY OF SHELLEY
SPECIAL COUNCIL MEETING
MINUTES

NOVEMBER 3, 2004

PRESENT: Mayor Eric "Swede" Christensen
Council Members: Lorin Croft, Chad Landon, Steve Cederberg, John Lent
City Clerk: Sandy Gaydusek

This meeting was called to order at 7:00 p.m. for the purpose of canvassing the votes from the November 2, 2004, Sewer Bond Election. Sandy said there were 1675 registered voters and 109 newly registered voters on election day. She said there was a 42% voters turn out which was very good for our city. Sandy said there were 757 votes cast, 601 in favor of the issuance of a sewer bond to construction a waste water treatment facility, and 156 votes against the issuance of the bond. Sandy presented and read Resolution 2004-013 accepting the votes that were cast during the bond election for the City of Shelley November 2, 2004. Chad moved, Steve seconded to approve Resolution 2004-013 regarding the outcome of the sewer bond election as read. Approved unanimously.

Sandy said Steve gave her a copy of the Southeast Idaho Travel Guide that gives information to tourists about different areas and city's to promote tourism. She said to buy ¼ of a page to advertise is \$550. Sandy said 50,000 copies are printed and there is a shelf life of approximately three years. The Mayor and Council felt this would be a good idea to get involved in, and suggested if ½ of a page was available to expend \$1100 for ½ of a page.

Ted Hendricks and Husk Crowler arrived to discuss the proposed wastewater treatment facility. Ted said what needs to be discussed tonight is the Melaleuca/Northern Interceptor Line. He said there needs to be a decision made on the bid that was received, which was \$500,000 over the estimated cost. Ted said the project could be re-bid, but then there is a risk that a different contractor would be awarded the job. He said Melaleuca may come up with more funding, but then they would gain control over the new line. Ted said Bonneville and Bingham Counties have agreed to help with the paving of the New Sweden Road which will save about \$130,000. He said he has received several calls from developers who are interested in accessing the line once it has been constructed. Ted said if Melaleuca has control over the line, they will be able to decide who hooks to the line, and they will receive the majority of the tap fees involved. He said the way this project was negotiated left Melaleuca receiving a reimbursement for all of the cost that was obligated by Melaleuca which is approximately 1.3 million. Ted said Melaleuca evens wants reimbursed for the \$500,000 grant that was received from the State of Idaho. Sandy asked about the associated tap fees for Melaleuca. Ted said the tap fees totaled \$800,000. Sandy asked what happened to the tap fees. Ted said the \$800,000 is included in the 1.3 million that Melaleuca is paying for the project; they were given credit for the tap fees. Sandy said basically the city paid for \$800,000 of the project, since normally the tap fees would go to the city. Chad felt that Melaleuca should only be reimbursed for one-half of what is paid out of their pocket. He felt they should not be reimbursed for the tap fee portion or the grant. Chad figured the cost

Melaleuca would be expending which totaled \$900,000, therefore they should be reimbursed \$450,000 as user access the line. Chad suggested a meeting be called with Melaleuca to discuss this matter further. The Council felt it would be appropriate to hold the meeting at city hall. Mayor Christensen suggested that since the new line would run to Hummingbird and hook into the city's infrastructure that we exchange capacity of the line with Melaleuca because they need our main line to get to the treatment facility. Ted suggested that the city council determine what their bottom line will be to negotiate this deal and then submit it in writing to Melaleuca.

The Council did not feel it would benefit the city by putting up more funds to help the Melaleuca line be constructed. Mayor Christensen said this issue should go back before the Regional Steering Committee and inform them that the City of Shelley will not be able to fund anymore of the project, and they can decide if the project should be re-bid.

Adjourned 8:55 p.m.

ATTEST: Sandy Daydusik APPROVE: Em Christensen