



**CITY OF BELLEVUE
COMMON COUNCIL
May 13, 2024**

The Common Council of the City of Bellevue, Idaho, met in a Regular Meeting, on Monday, May 13, 2024, at 5:30 p.m. in the Council Chambers of the City of Bellevue Offices, located at 115 E. Pine Street, Bellevue, ID 83313.

Call to Order: Mayor Johnson called the Regular Meeting to order at 5:32 p.m.

Roll Call:

Present

Chris Johnson, Mayor – *via Zoom (5:32 pm)*

Christina Giordani, Council President

Robin Leahy, Council Member

John Carreiro, Council Member

Diane Shay, Council Member

Jessica Obenauf, Council Member

Shaun Mahoney, Council Member – *via Zoom (5:32 pm)*

Roll Call was conducted; all Members were present. Mayor Johnson and Council Member Mahoney were present *via Zoom*.

Staff Present: Rick Allington, City Legal Representative; Greg Beaver, Fire Chief ; Kirt Gaston, Marshal; Casey McGehee, Streets Supervisor; Shane Garrison, Water Contractor – *via Zoom*; Bryson Ellsworth, Wastewater Contractor – *via Zoom*; Shelly Shoemaker, City Treasurer; Amy Phelps, Planning and Zoning Coordinator; Michelle Snarr, City Clerk

Others in Attendance: Tammy Davis, Suzann Wrede, Jim, Jeff Pfaffle, Kristina Gillespie, Merrick & Co., *via Zoom*, Greg Dye, Merrick & Co., *via Zoom*, Rian Rooney, BCHA, *via Zoom*, Carissa Connelly, BCHA, *via Zoom*, Tom Blanchard, *via Zoom*, and Cece Osborn, *via Zoom*

1. Notice of Agenda Compliance:

The posting of this regular meeting agenda complies with Idaho Code §74-204. The regular meeting agenda was posted within forty-eight (48) hours prior to the meeting at the Bellevue City Hall, Post Office, and on the city website on *May 8, 2024*, and the amended agenda was posted on *May 9, 2024*.

Motion: President Giordani moved the noticed agenda was in compliance with Idaho Code §74-204. Council Member Carreiro seconded the motion. The motion passed unanimously.

2. Call for Conflict as Outlined in Idaho Code §74-404:

Mayor Johnson called for conflict from any Council Member or staff member with any agenda item. No conflict was noted.

3. Work Session and Public Comment:

- a. Regarding the City of Bellevue's 2024 Drinking Water System Improvements; and,
- b. Questions and Answers Regarding the Water Bond Answered by Merrick & Company (Engineers) and Hawley Troxell (Bond Counsel)

Mayor Johnson introduced agenda item number 3, public comment to discuss the City of Bellevue's 2024 Drinking Water System Improvements. He noted they would take questions and provide answers regarding the water bond. He explained Merrick Engineering was present via Zoom. He opened the meeting for public comment/open discussion at 5:34 pm. | [Video](#) and [Audio](#)

Mayor Johnson said the Department of Environmental Quality (DEQ) goes around the state and looks at water systems every five years to determine if items associated with the water system are being done in

compliance and properly. He noted that in July 2022, there was a significant deficiency at a spring site and a few of the well sites. The city fixed all the small items.; however, it comes down to the age of the infrastructure for the spring system.

Mayor Johnson stated that there is a way the city could save money, which would be working with the Idaho Department of Transportation (ITD) when they start work on Highway 75. The city has some projects located on Highway 75 due to some undersized water mains. In order for the city to be in compliance with Idaho Administrative Procedures Act (IDAPA), the city needs to increase the diameter of the pipes . In addition, the city will have better fire protection and better water delivery.

Mayor Johnson addressed the city's spring collection system. The spring collection system is a series of wear boxes, pipes and a control valve. There are three to four springs in the entire system. He referenced pictures that were shared at the city's Open House on April 20, 2024. He stated the deterioration of the concrete and some of the boxes could be seen.

Mayor Johnson said the spring collection system needs to be improved. The pipeline that runs along the easement, through the EE-DA-HO property, from the spring collection to the main water tank is roughly two to three miles. The city will run the main line down the county road where the city can have an easement to access its water and be able to do repairs. He added that a part of the agreement with EE-DA-HO when the spring collection system was installed, is if any construction were to happen on the pipeline, it would be removed from the property.

Mayor Johnson indicated the spring collection system is approximately 40 years old, and they expect there is quite a bit of water loss. By updating the piping and installing a new main, the city will be saving quite a bit of water that can be put into the city's water tank and reduce the need for the city to use its wells.

Mayor Johnson stated the city's water is testing great, and they don't have any issues with water quality. The project is primarily to improve the city's water quantity and sustainability for the next 40 years and get the city back into full compliance with DEQ.

Mayor Johnson addressed funding. He explained the long-term solution is a 3.5-million dollar grant from DEQ. He added the city requested an overhead amount in case there are increases in material costs. There are several different funding opportunities in Idaho, and the city is trying to find other grants. In addition, he asked Congressman Simpson for help. There is also Rural Development, DEQ and the State Revolving Fund.

The loan from DEQ if the bond is approved, will be drawn down; meaning the money is released as needed. The entire amount is not issued to the city. When the city starts owing monies for the initial startup of the project, the city will use the loan from DEQ. The city anticipates the project will be a two to three-year project. The loan is a 2.5 percent fixed interest rate. This is the best funding opportunities he has seen in the past five years.

Tammy Davis – 300 5th Street; Suzanne Wrede, 24 Muldoon Road; Jeff Pfaffle, Developer; and Jim Williams:

Ms. Davis inquired how the city got to the 2.5 percent interest rate and if the city secured that rate. It was explained that the funds come from the Environmental Protection Agency (EPA), which come from state revenue funds. The EPA controls the rate, and the funding gets paid back to DEQ. It was inquired if there is a letter of commitment. Mayor Johnson explained there is a letter of commitment in the bonding package and if the bond passes, the city is secured into the 2.5 percent interest rate through the project.

Kristina Gillespie, Merrick & Co, added there is a preliminary letter of commitment that is coming through an offer. She went on to say there are a lot of steps and many of them have been completed. The proposed loan terms from DEQ is a 2.5 percent fixed interest rate for 20 years. The final step to secure funding is the passage of the revenue bond or seek judicial confirmation prior to July 1, 2024.

Council Member Obenauf referenced a previous conversation relating to natural disasters or if the wells dried up. She questioned if there was a reason it is not in the proposal. Mayor Johnson said it has been a part of the overall discussion. Mr. Bromley, one of the city's water attorneys, has been helping the city through the Big Wood River Ground Management Plan. If the city does not have its spring source, it would rely 100 percent on its wells. If the city were to drill another well to meet its capacity demands, it would cost a couple million dollars. He added the problem with drilling a well is the city would have very few water rights.

If the Big Wood River Ground Management Plan stays the way it is, and it looks like it will be close to what it has been the past three years, anytime there is a water call from the senior water right users, there is a possibility the city could have its wells shut down or curtailed. That would leave the city with no other options except its spring. The city has a senior water right, and they can't curtail a surface water right.

The city's current summer consumption is approximately 2-million gallons per day. The city's spring can provide approximately 198-thousand gallon per day combined with the city's two wells. One well is approximately 2-million gallons per day and the other is approximately 3/4-million gallons per day. Mayor Johnson added DEQ and IDAPA require the city to have a backup water source, and the spring functions as the backup water source. It is the primary source of water and produces the cheapest water for the city. It gets the amount of water the city needs, and it provides almost double the amount of water the city utilizes.

Mayor Johnson said the city knows it has a lot of water losses throughout the system. Part of the plan is leak detection from the springs to the tank and distributed throughout the city, and it could have a significant decrease on the city's water delivery.

Mayor Johnson commented that many of the residents are upset because the water meters are installed; however, the city doesn't have a metered rate. He explained the Council approved the software that will read the meters and enable the utility billing software to work. Ms. Wrede asked if everyone had a water meter or if there were homes without water meters. Mayor Johnson said he thought there were a few meters to be installed. The city is at approximately 85-percent. He noted the city would never have all meters installed; there will always be new developments.

Mr. Pfaffle said he spoke to various residents/landowners relating to the water bond. In addition, the city and the landowner have not come to an agreement. The city inherited the problems with DEQ back to the early 2000. Mayor Johnson added the Compliance Agreement Schedule is tied to the city's water right, which is a legal document. The city is bound to it, and it allows the city to have access to its source and work on the waterlines.

Mr. Pfaffle discussed the inherited situation from approximately 20 years ago, and it hasn't left the city with any other options. The sewer system has not been pursued nor have many other major projects. There has to be a source of funds and even if the city wanted to extend the deadline past July 1, 2024, it couldn't. Mayor Johnson said that is correct. If the city doesn't get the funding secured, the funds will go back to DEQ and go to the next system.

It was said there were concerns that if the city passes the bond, the funds could be spent on anything. It was asked if it was true that the funds could only be used for the water system. Mayor Johnson explained

everything has to be laid out in the scope of the work, and the city has to go by that scope of work. The water bond funds would be in a separate account, and it is strictly for water. It can't be used for the sewer system. The city gets audited each year, and the bond is a dedicated water project; it will not go to any other capital projects.

Discussion followed regarding the loan terms for the project. Ms. Wrede question if there was a letter of commitment. Mayor Johnson said there is a letter in the packaging offer for the 2.5 percent interest rate if the bond passes. Ms. Gillespie added the offer is 6.3 million dollars in state loans and the Leading Idaho Funds with a 2.5 percent fixed interest rate for 20 years. They have worked with DEQ many times, and sometimes they set aside funding for overruns on projects and that is the purpose for the 7-million dollar bond amount.

Ms. Wrede expressed concern with easements and access to other properties that may be affected. Mayor Johnson explained it is very common to have easements on properties, and the lines are underground and covered. Ms. Wrede questioned if there would be more inconveniences other than the easements. Mayor Johnson said they didn't foresee any issues with the easements because they will be running the lines along the county's road not across properties. It is an access way not eminent domain.

Ms. Wrede questioned if it was true EE-DA-HO doesn't want the easements, and is the city prepared to pay what the owner wants or condemn the property? Mayor Johnson indicated they have been working with the property owner. The property owner owns a line and they have an interest in making sure the ranch receives its domestic water. He supports the project because he knows the dated age of the infrastructure and the value to the community as a whole. Furthermore, he understands it affects 1,100 connections, and he is not going to hold up the project.

Mr. Pfaffle commented that he knows the property owner and has talked to him. He has been cooperative and agreeable to leave the lines under his property. He is not looking to extract money from the city. If it came down to appraisals of what the property actually cost, it would end his ability to require any amount he wanted. He stated what is being expressed is not a very accurate portrayal of what could happen.

Ms. Wrede said there were lawsuits starting in Sun Valley based on the State's appraisals of the properties along Highway 75. She questioned if there was any truth to the rumors that EE-DA-HO wants to sale its property for development. Mayor Johnson said he has not heard of any development or plans to sale the property. There have not been any discussions about this property with the city.

Mr. Jim Williams asked if there was an estimated appraisal for the property. Mayor Johnson commented the property owner is interested in having the lines moved underground and/or removed from the property, which the city agreed to do at a certain point.

Discussion followed regarding the repayment of the bond. Ms. Gillespie explained there are stipulations on how the city can pay back the debt, and they are fundamentally addressed in the ordinance that was adopted. It also addresses how the city will draw on the loan and only pay back what is utilized.

Mayor Johnson addressed water rates. If the city were to get another 200 to 500 customers, the city would have an excess of revenue from those fees. The city could either pay off the loan sooner or reduce rates and keep the rates balanced. It would depend on the city's budget. The city would always gain additional revenue for future projects. A project list was reviewed, and the city choose the lowest set of projects to get the city back into compliance with DEQ, and ensure they were set up for success.

Mayor Johnson said the city would continue to have leaks; however, ITD could be resurfacing all of Highway 75 through Bellevue, and that would be a great time to do any additional repairs on the

pipelines. He re-emphasized the water funds have to stay in the water fund. The city can't spend water funds on street projects.

Ms. Wrede asked what other companies bid on the water project. Mayor Johnson explained the city has five on-call consulting engineering firms, and the city wouldn't necessarily have to use RFPs all the time. The city had four presentations, and they felt this was the best firm. She asked if things went bad with Merrick, would the city have to continue working with them. Mayor Johnson explained if Merrick or the city is not meeting the agreement, there is a mutual cancellation clause. Ms. Gillespie added the cancellation clause was typically for a cause such as failure to pay, and the city has more latitude because the money stays with the city.

Mr. Pfaffle asked if the city knew what the system could produce if it was running at 100-percent. He thought that rates could stabilize, potential come down or the bond would be paid down quicker. Mayor Johnson said if the city had all its water production running at 100-percent, and they were able to gather 100-prcent of its water rights, they could be looking at 4.5 million gallons of water a day. Right now, the city is probably only using 1.5 gallons on summer flows. The city has the potential of getting another 500 to 1,000 connections if they needed to.

Ms. Wrede said she didn't dispute the need for the water bond; however, they city still owes 3-million dollars on a loan for the sewer system. She thought it was very reasonable to expect this project would come in at full capacity with all the money being spent. They can't get rid of the sewer plant, and they have to deal with the stench that is emitting from the sewer. She questioned how the city could move forward with the water project when they are spending money they don't have. In her opinion, the project is a 9-million dollar plus 1-million dollar undertaking.

Mayor Johnson said the city is already looking at other funding options for the sewer plant. That is part of the whole process of working with engineering and rural development; to find funding to reduce the costs. It's unfortunate when the plant was put in, they just pushed the start button and failed to maintain it properly. The membranes were supposed to be replaced every 10 years, and they hadn't been replaced from the time the plant was put in until he was on the council.

Mayor Johnson state there was going to be additional needs for road improvement. That is why the city is doing a transportation study so they can start to apply for more grants and funding opportunities. This is how city government works. We try to find as much money as we can because no one wants to see their rates increase each year to pay for another project. He knows everyone wants services, so they actively try to find the best services and ways to fund projects.

Mayor Johnson said it's unfortunate that everything is doubling in price. Since COVID, the cost of oil has raised the cost of everything, including the cost of water and wastewater systems because everything is basically plastic based. The city is stuck between a rock and hard spot. It can continue to patch things together and limp along until they have their next emergency and need more money and the city can work on developing the staff and a team that takes ownership and actually do the preventative maintenance.

Mayor Johnson stated we are now here because for 40 years the city neglected to do the proper maintenance on the water system. They thought they could just let it go, and it would be there forever; but that isn't the case anymore. If they don't start getting ahead of these projects, it's going to cost the city more money in the long term. There could be a critical failure and they won't have the ability to use the lagoons and take care of the treatment the best they could. The city works on challenges every week, and they are trying to do their best.

Mayor Johnson noted the topic at hand is water and this is the water project and water bond. They will be seeing the sewer one soon enough.

Ms. Wrede said that is the point – 7-million dollars here and 7-million dollars here. She didn't know if it could work this way. If it was a bond initiative, could they have put 5-million dollars toward a water bond and 1.3-million dollars for the sewer and try to get some support there and cut down on the excessive interest rate.

Ms. Wrede stated she didn't want to live in a city that is living on a credit card. She referred to the mechanisms of how the city is structured, and at this point, she believes there is some financial thinking and opportunities by utilizing some members of the community to do some of the items and assist with the financials. She said some of this is lacking from your process and lacking a broader plan. They are still not dealing with the nitty gritty. They are struggling, and the city can't say, we hope we get more money. She asked where does it stop? The methodology is lacking and there are pieces missing.

Mayor Johnson stated this has been kicked down the road, and others didn't want to address it until it became a problem. Now it's a problem, and they are dealing with it. The city can look at all the other options; they could raise the rates and bankroll that money into something. However, they want to slowly help people understand, ease people into the rates; not dramatically raise the water rates.

Mr. Pfaffle commented that he attended a meeting the city held, and he thought he heard DEQ say if the bond didn't pass, the city would have to comply within a certain amount of time. If the city didn't come into compliance, at that time, they have the power to take control of the situation. He asked, wouldn't the bond be a better option than the DEQ not recognizing the city as a water source.

Mayor Johnson explained DEQ is not interested in shutting down people's water rights. They want to work with the city to fix the system and bring the city into compliance. But yes, they have the authority to shut the system down; DEQ would require the city to give up its spring source or take a full loan, which would be all on the taxpayers.

Mayor Johnson said the funding pools are drying up, and the government as a whole, has seen an influx of water and wastewater infrastructure parts. There are over \$300 to \$500 million dollars in wastewater projects that are needed throughout the state. There were two (2) out of 58 applications that were funded and this is the one opportunity they city will have for infrastructure money at this level and interest rate.

Council Member Mahoney said he thought it was a great project, and the issues go back to the 1970s. For years, others kicked the bucket down the road for any project. The city has a good project going on, and if they doesn't finish it, the city will be in big trouble.

Mayor Johnson said he thought they had a great discussion, and they will continue to look for more funding. He looks for funding on a daily basis, and he believes he may have found another one for \$150,000.

The Public comment period regarding the City of Bellevue's 2024 Drinking Water System Improvements closed at 6:52 p.m.

4. Public Comment: (FOR ITEMS OF CONCERN NOT ON THE AGENDA):

Mayor Johnson opened the meeting for public comment at 6:53 p.m.

Tammy Davis, Crisis Hotline

Ms. Davis informed the Council that she and others are getting building materials together because they want to resurrect the Haunted Forest this year.

Council Member Carrero expressed appreciation to all the volunteers that helped with the Clean Sweep sponsored by ERC. There were three times more volunteers this year than the previous year. He thanked Council Member Obenauf for all the work she put in to help get more volunteers.

Public comment closed at 6:54 p.m.

5. PRESENTATION: Blaine County Housing Authority

Blaine County Housing Presentation on Community Housing and Incentive Tools: Rian Rooney, City of Ketchum/House Fellow and Carissa Connally, City of Ketchum/Housing Director

Mr. Rooney and Ms. Carissa Connell, Blaine County Housing Authority, were present at the meeting to discuss community housing in the Wood River Valley. Presentation: [Blaine County Housing Authority](#) || [Video](#) and [Audio](#)

6. PROCLAMATION:

Proclamation for Mental Health Awareness Month 2024 (This measure recognizes May 2024 as Mental Health Awareness Month in Blaine County to enhance public awareness of mental health and well-being, dispelling the stigma surrounding it.)

Mayor Johnson introduced the proclamation. Ms. Tammy Davis indicated mental health is not a negative connotation, and they are trying to change the narrative and recognize the month of May as mental health month. Ms. Davis read Proclamation 2024-02, Mental Health Awareness Month 2024.

Motion: President Giordani moved to adopt Proclamation 2024-02 for Mental Health Awareness Month 2024 recognizing May 2024 as Mental Health Awareness Month in Blaine County to enhance public awareness of mental health and well-being, dispelling the stigma surrounding it. Council Member Shay seconded the motion. The motion passed unanimously.

7. Consent Agenda:

- a.** Approval of Common Council Meeting Minutes
 - i. February 26, 2024, Regular Council Meeting Minutes
 - ii. March 11, 2024, Regular Council Meeting Minutes
- b.** Approval of Claims: April 23, 2024, through May 13, 2024
- c.** Approval of the Bill of Sale and Release Agreement Between the City of Sun Valley, Idaho, and the Bellevue Fire Department for a 1994 International Fire Truck in the amount of \$1.00: Chief Greg Beaver, Fire Chief
- d.** Request for Funds, Water Department: In the amount of \$4,654.00 for the 2024 Tank Maintenance Project: Shane Garrison, Water Contractor
- e.** Request for Funds, Streets Department: In the amount of \$13,791 for a Load Trailer, Model TH8324073: Casey McGehee, Street Supervisor

Motion: Council Member Carrero moved to approve the consent agenda. President Giordani seconded the motion. Council Members voting aye: Members Mahoney, Giordani, Carreiro, Obenauf, Leahy and Shay. Members voting nay: None. The motion passed unanimously.

8. NEW BUSINESS:

- a.** [Consideration of Resolution No. 2375, A Resolution of the Common Council of the City of Bellevue, Idaho, Expressing Appreciation and Acceptance of a 2011 Elgin Pelican Street Sweeper Purchased by the Bellevue Urban Renewal Agency](#)

Mayor Johnson proceeded with Resolution No. 2375, a resolution accepting the street sweeper as a part of its fleet. The city obtained the street sweeper through the efforts of the Bellevue Urban Renewal Agency (BURA).

Motion: President Giordani moved to adopt Resolution No. 2375, A Resolution of the Common Council of the City of Bellevue, Idaho, expressing appreciation and acceptance of a 2011 Elgin Pelican Street Sweeper purchased by the Bellevue Urban Renewal Agency. Council Member Mahoney seconded the motion. Council Members voting aye: Members Mahoney, Giordani, Carreiro, Obenauf, Leahy and Shay. Members voting nay: None. The motion passed unanimously.

b. Consideration of Resolution No. 2376, A Resolution of the Common Council of the City of Bellevue, Idaho, Authorizing the Treasurer to Transfer \$10,358 from Strahorn Phase 2 Bond Savings (LGIP 4037) to the City of Bellevue General Fund (8993) as Payment toward City Engineering Invoices Paid on Behalf of Strahorn Subdivision

Ms. Shoemaker explained Strahorn Subdivision has some outstanding engineering fees, and Mr. Jeff Pfaffle requested that \$10,358 of the Strahorn Phase 2 Bond Savings be transferred to the city as a payment toward city engineering fees paid on behalf of Strahorn Subdivision.

Motion: Council Member Shay moved to adopt Resolution No. 2376, A Resolution of the Common Council of the City of Bellevue, Idaho, authorizing the Treasurer to transfer \$10,358 from Strahorn Phase 2 Bond Savings (LGIP 4037) to the City of Bellevue General Fund (8993) as payment toward city engineering invoices paid on behalf of Strahorn Subdivision. President Giordani seconded the motion. Council Members voting aye: Members Carreiro, Obenauf, Giordani, Leahy, Shay and Mahoney. Members voting nay: None. The motion passed unanimously.

c. Consideration of Resolution No. 2377, A Resolution of the Common Council of the City of Bellevue, Idaho, Authorizing the Mayor to Execute a Standby Preventive Maintenance Customer Support Agreement with Western States Cat for New and Used Electric Power Equipment for a Term of Three Years Beginning May 2024 with an Agreed Total of \$6,908.01 per Year

Mayor Johnson explained the preventive maintenance support agreement is for overall annual maintenance and for the generators and lift station.

Motion: President Giordani moved to adopt Resolution No. 2377, A Resolution of the Common Council of the City of Bellevue, Idaho, authorizing the Mayor to execute a Standby Preventive Maintenance Customer Support Agreement with Western States Cat for new and used electric power equipment for a term of three years beginning May 2024 with an agreed total of \$6,908.01 per year. Council Member Carreiro seconded the motion. Council Members voting aye: Members Shay, Obenauf, Leahy, Carreiro, Mahoney and Giordani. Members voting nay: None. The motion passed unanimously.

d. Consideration of Discussion and Possible Approval of Budget Reallocation for the Administrative, Fire, Marshal, and Streets Departments and Wastewater and Water Funds for Fiscal Year 2024

Ms. Shoemaker requested to reallocate funds for the Administrative, Fire, Marshal, and Streets Departments and Wastewater and Water Funds within each fund for Fiscal Year 2024, to prevent a budget amendment at the end of the fiscal year.

Motion: Council Member Carreiro moved to approve the budget reallocations for the Administrative, Fire, Marshal, and Streets Departments and Wastewater and Water Funds for Fiscal Year 2024. President Giordani seconded the motion. Council Members voting aye: Members Obenauf, Giordani, Mahoney, Carreiro, Shay and Leahy. Members voting nay: None. The motion passed unanimously.

ADJOURNMENT:

With no further business coming before the Common Council at this time, President Giordani moved to adjourn the meeting at 7:55 p.m. Council Member Carrero seconded the motion. The motion passed unanimously.



Chris Johnson, Mayor



Michelle K. Vest Snarr, City Clerk