

# CITY OF SHELLEY

## WORK MEETING

### MINUTES

August 27, 2025

PRESENT: Mayor Stacy Pascoe

COUNCIL MEMBERS: Kim Westergard, Jeff Kelley, Don West, Sean Kress

Police Chief:	Chad Purser
Public Works Director:	Justin Johnson
City Building Insp/Planner:	Jordon Johnson
City Attorney:	BJ Driscoll (absent)
City Clerk/Treasurer:	Lisa Ybarra (absent)
Recreation Director:	Mikel Anderson (absent)
Deputy City Clerk:	Tori Pacheco

The meeting was opened at 6:03 p.m.

Dave (Forsgren Engineer) reviewed some of the costs with the lead/copper service line project. In the upcoming project, homeowners will be given the option to replace the private line to their property. Knife River will serve as the contractor for this project, performing trenchless digs on private property. This type of line replacement creates two small access points, avoiding large-scale excavation. This method saves time, money, and minimizes disruption to private property. The private service lines are estimated to cost \$45 million. If homeowners choose to participate, the repayment plan will be approximately \$10–\$12 per month for 30 years. This offers a competitive financing option for the replacement work. There may also be an option to pay the full amount upon completion of the work.

Ted Hendrix (Grant assistance) said that the service line project, estimated at \$16 million, will cost more than expected. Additional funding is being secured. A loan of \$28 million at 1% interest for 30 years, with about half in loan forgiveness, is available to the City. A grant of \$770,036 has been secured from DEQ to cover a mistake on their part. This will prevent the city from using reserve funds. DEQ has offered \$5 million at 2.75% interest for 30 years, with a contract expected at City Hall next week. Part of this loan will support the Fir Street project to address the funding shortfall. FPS identified necessary improvements. The current two-inch water lines must be replaced with six-inch lines; however, this estimate was made before the actual costs were known, and will likely be more. A loan of \$14 million at 4.25% interest for 30 years has been offered through USDA Rural Development. This rate is guaranteed, with an option to secure a lower rate at the end of the project if available. A reserve is required for this loan and is based on current ERU connections. Ted suggested that an increase of \$55 a month would cover the debt plus roughly 10%. This is an affordable index for the area we reside in. Ted also stated that the money the City is receiving may not be available at a later date.

Dave then gave a list of the projects to be completed:

- Finish the West Fir Street project
- Update well five and generator
- Replace frozen water valves
- Update the SKADA system that allows for remote control of the water system
- Rehab frozen tank for water storage

Dave also commented that the water meter project will result in approximately a 30% decrease in water usage.

Adjourned: 6:50 p.m.

APPROVE: \_\_\_\_\_

ATTEST: \_\_\_\_\_