

CITY OF SHELLEY
COUNCIL MEETING
MINUTES

August 27, 2025

PRESENT: Mayor Stacy Pascoe
Council Members: Kim Westergard, Jeff Kelley,
Don West, Sean Kress
Public Work Director: Justin Johnson
Police Chief: Chad Purser
Recreation Director: Mikel Anderson
City Building Inspector/Planner: Jordon Johnson
Attorney: B.J. Driscoll
City Clerk/Treasurer: Lisa Ybarra (Absent)
Deputy City Clerk/ Treasurer: Tori Pacheco

Pledge of Allegiance: Justin Johnson

Prayer: Sean Kress

The meeting was opened at 7:31 p.m.

Kim moved; Jeff seconded to approve the consent calendar:

Approval of Council Meeting Minutes of August 13, 2025

Approval of Building Permits

Tyler Ward Egress Windows

A roll call vote was taken: Sean – aye, Jeff – aye, Kim – aye, Don – aye.

Approved unanimously.

SICOG – Public Hearing – Multi–Sport Complex update with consideration of approval of close out

Amanda Collins – Community Development Manager from South East Idaho Council of Governments (SICOG). Amanda came into the City of Shelley on the project a couple of years ago after meeting Kim at a conference in Boise. Amanda informed the council that the project is approximately 50% complete. Amanda commented that the tennis courts look beautiful, and per the agreement, a second public hearing is required. The public hearing will include an update on the amount of money expended throughout the project. Through the Community Development Blog Grant, the City has expended just over \$207,000. The remaining amount through the grant is \$42,000, with some outstanding invoices with Richardson's Concrete. The company needs to finalize some compliance issues with SICOG regarding the Davis-Bacon Act. Amanda spoke with Jordon about some list items that need to be completed before the City can issue a substantial conclusion. Amanda thanked the city staff for the great job and Lisa and Jordon for managing the project. They hope to have compliance and close out the project before the end of the fiscal year. Kim thanked Amanda and let her know that the Council appreciates her and all the work she has put into the project. Amanda commented on the perfect team that the city has compiled for the project. The mayor asked for any public comment. BJ interrupted to say that the public hearing must be opened before moving on to public comment. Bj

confirmed the purpose of the public hearing with Amanda. Amanda stated that the public hearing is intended to allow for public questions and comments regarding HUD funding projects, which can sometimes take five to eight years. These projects require benchmarks for the public hearings to allow for community input. BJ opened the public hearing and asked if there were any public comments or questions regarding the Brinkman Park project. There were no public comments or questions. BJ then closed the public hearing.

Richard Savage – Discuss the West Fir Street Construction and City Planning

Richard Savage – a resident, met with Lisa to get on the agenda to discuss the project in front of the High School on Fir St. Mr. Savage commented that he wanted to meet with the Council instead of posting his questions and concerns on social media. Mr. Savage then mentioned that there are a lot of activities going on at the High School this time of year, especially with football. He has a Varsity football player in his home, and the construction has made it hard to get to the games. Mr. Savage inquired why the project started in June and if the council considered the school starting when the decision was made to start the project. Mr. Savage also questioned if there was any thought about starting the project in possibly May, when there aren't as many activities happening. Kim asked Dave, the City Engineer, to answer Mr. Savages questions. Dave explained that the City reached out to the contractors that are in the area, and they were told that they did not have the availability to start the project earlier, and if the City were to bid the project earlier, there would be approximately a 25% increase in bid value. The bid was postponed in order to get a better bid price. The reason for the June start date was based on the contractor's availability. Mr. Savage confirmed the reason for the June start date was for a better price and contractors' availability. Mr. Savages next question was why the entirety of Fir St was done at the same time. He asked why the contractor couldn't split it up into smaller stretches of road. Kim responded that the contractors were doing pressure testing and bacteria testing, and if they were to pave and the test came back with a problem, the freshly paved road would then need to be dug up to fix the problem. Kim then asked Justin to confirm if she was correct. Justin confirmed that Kim is correct about the pressure testing. He also stated that the pressure testing came back, and it looked good. They are currently doing bacterial testing. The bacterial testing can be fixed through coronation and flushing. H&K has its asphalt crew coming next Tuesday or Wednesday. They will be prepping a portion of the road and then paving next Thursday or Friday. Justin addressed the lights that have been left up. It looks to the public that there isn't a lot of work being done on that portion of the road, but H&K has been doing testing and etc., on that section of roadway. The majority of the equipment is further down the road toward Highway 91, but the contractor has been going up and down on Fir St for testing. The lights have stayed up for safety and cost efficiency. It would not be beneficial to take the lights down and put them back up. Justin said that the light should be moved sometime next week to open up more of Fir St. Justin has been in contact with the schools, the fire department, and Broulim's. Chief Purser has been in meetings with Justin and the above-listed about traffic control and public safety. Mr. Savage commented that the first day of school was a mess, but it has improved since then. Justin mentioned that that is to be expected. Mr. Savage said that it is hard to hear that the City went with the cheaper route at the inconvenience of the citizens. Kim wanted to share that the Council has worked hard to secure the grant money for the project. As good stewards, the Council

tries to do the best it can for the citizens of Shelley. She also thanked Mr. Savage for coming to talk with the Council. Don also reminded Mr. Savage that when he speaks to the community about this issue that it also depends on the availability of the contractors. Sean mentioned that the Council members are all citizens of Shelley as well. They also curse the decision when they go to drop their kids off at activities. Sean also mentioned that it has not been too bad, and it has gone pretty smoothly.

Ted Hendrix – Consider approving bid award for the Lead/Copper line replacement and meter installment project

Ted Hendrix – Ted let the Council know that the contract from the USDA should be in their packets. This contract is an obligation of approximately \$14 million. This would be through a loan with a 4.25% interest rate, with the option for a lower rate at the end of the construction if it is available. This money would be for the FPS project that would provide improvements to our current water system. This would include wells, water lines, booster pumps, and generators that can all be repaired or improved under this funding source. Ted is requesting approval for the full amount. The contract authorizes and obligates the entire loan offer. Sean inquired if this is separate from the other funding that will need to be secured. Ted confirmed that he is talking about the \$14 million USDA rural development. Kim inquired if the entirety of the \$14 million is not used, if it would not be obligated. Ted confirmed. This contract is the approval of the Mayor to execute the documents for approval.

Jeff moved to give the Mayor the authority to sign the documents provided by the USDA, funding the water project in the amount of \$14,036,000. Don seconded. All in favor approved unanimously.

Ted then spoke about an offer from DEQ in the amount of approximately \$770,000, which was a loan with 100% loan forgiveness to go toward the water component in the Fir St project. The said water component is approximately \$1 million in cost. This loan will help fund the project without using City Reserves. This had to be completed before June 30th. Ted is asking the Council to ratify this decision.

Sean moved to ratify the approval of the DEQ loan with 100% loan forgiveness that the Mayor and the City signed in June of this year. Jeff seconded. All in favor approved unanimously.

The next funding that has been secured was discussed in the work meeting prior to the service line project. The bid costs were much higher than expected. \$16.3 million was secured from DEQ prior to the bids. Additional funding was authorized through DEQ. The council was provided an email confirming approval, and contract documents should come as early as next week. DEQ will amend the original contract to offer approximately \$28 million at 1% interest for 30 years, with approximately \$14 million in a loan and the remaining in loan forgiveness. Jeff confirmed that this funding would be for the service lines and the replacement of the lead/ copper.

Jeff moved to allow the Mayor to execute the amended documents when received at the City. Don seconded. All in favor approved unanimously.

The last funding came from DEQ in the amount of approximately \$5 million, with about half in loan forgiveness and the remaining in a loan for 30 years at a 2.75 % interest. This fund will go toward the general improvement project. The FPS project has not been bid on yet. Ted commented that with all the loans and

grants that the City has acquired, they should have enough, even with high bids and overruns.

Kim moved to approve the Mayor to execute the documents from DEQ for the \$5 million loan with approximately half of the loan forgiveness. Jeff Seconded. All in favor approved unanimously.

Ted proposed a contract to the city to administer the Fir St project. The funding should be wrapped up within a couple of weeks. Ted's contract to administer the funding will be in the amount of \$43,500. Bj interrupted with a question about the agenda. He wanted to ensure that this proposal is on the agenda. The item did not make it to the agenda for this meeting. BJ recommended waiting until the next meeting. Ted thanked the Council and commented that you don't see these grants as often anymore. He also mentioned that the rates will still be affordable even with the amount of money the project will cost. Jeff interjected that it would be hard to get these grants in the future. The Mayor thanked Ted and Dave for their recommendations on the water project

City Well #5 Controller – Discuss replacement of Well #5 Controller

Justin said that about two weeks prior, he got a notification from the SKADA system with a power failure at well #5. A pipe broke and sprayed water throughout the well building. The building did not flood due to the drain in the building, but all the electrical systems got saturated with water. The VFD (variable frequency drive) that runs the pump and motor went bad. To replace the drive with an exact replacement would cost approximately \$23,000. He would like to look at replacing it with a larger pump in the future. Currently, they are pumping around 1,100 gallons per minute with a larger pump, which would increase to around 2,400 gallons per minute. The VFD drives are good for seven to ten years. After that time frame, the parts are obsolete. The VFD that went bad was eleven years old. A larger VFD will cost approximately \$64,000. If the City replaces it with the smaller VFD, it will be back up and running in about three days. If the City goes with the larger VFD, it would take ten days. Kim suggested that a larger one would be best if the City sees growth. Don said that we need a larger one for the larger pipe. Justin's recommendation is to move forward with the larger pump and VFD. Jeff asked where the funding would come from for the VFD device replacement. It would be part of the water project funds.

Jeff moved to replace the VFD device with a larger device in Well 5. Don seconded. All in favor approved unanimously.

Forsgren – Consider approving bid award for the Lead/Copper line replacement and meter installment project

Dave inquired if the recommendation letter from Forsgren was included in the Council packets. Tori confirmed that it was included. Bids for phase one of the lead/copper replacement project were received. Five contractors picked up packets, but only two were submitted. This result was based on the availability of the contractors. The two bids that were submitted were from H&K contractors and Knife River. The bids were reviewed, and both were good bids. There is a discrepancy in the prices between the two. One being \$4.7 million vs \$3.4 million. The reasoning for the difference is the availability and workload of the contractors. Dave stated that the Knife River bid is a competitive bid and worth the consideration of the Council. Dave reminded the Council that the bid is to replace the service lines from the main line and remove all old materials up to the foundation of the resident's home. Dave also mentioned that not every home will

need a new service line. This will be evaluated on a case-by-case basis. Each homeowner will be able to determine if they are interested in the replacement of their line. The agreement of the homeowner to replace their private line will result in a license for the contractors to enter their property for the replacement line work. This will also result in a repayment program to finance the private side work. Dave pointed out that this is an unusual expense allocated by federal and government funding. This is a unit price work project, meaning each actual unit is paid for. This includes furnishing and installing a water meter pit, which will cost \$3000 each. This allows for managing project cost and gives information needed to expand the quantities and numbers of the project. Dave does not foresee any risk of Knife River doing a bad job. They are very reputable.

Sean moved to approve the bid from Knife River for phase one of the lead/copper replacement project. Kim seconded. All in favor approved unanimously. Dave also informed the Council of an engineering amendment to the design for the road to include the design of the road, bidding assistance, and the on-site inspection. The engineering fee is \$90,000, and the project value is approximately \$1 million, as Ted discussed earlier. Dave would like the Council to consider the contract for the next meeting.

New Council Business – Consider Approval of Business Licenses -

Consider Approval of: Spinner Fall Flies

Consider Approval of: Russet Rollers

Kim inquired if the pending business license from the last meeting had been concluded. Chief Purser confirmed that there has not been any progress with said license. Chief reached out to surrounding cities to see how they do their background checks. Idaho Falls has a tiered structure for their licenses depending on business type. The license type determines the type of background check that is performed. Blackfoot does a general background check to determine who is doing business within its city. The council needs to determine the type of background check it wants to do moving forward.

Sean moved to approve the business licenses as stated. Jeff seconded. All in favor approved unanimously.

Old Council Business

Consider approval of West Fir Construction pay request

Dave referenced the application of payments provided in the council packets. The amount due is \$300,480.20. The contract is a unit-priced contract. The inspector's payment is included in this contractor. The inspector is on the job site every day to ensure that the work is done correctly. Don asked if this contract is for work that has been completed. Dave confirmed that it is.

Jeff moved to pay the partial application payment in the amount of \$300,480.20 for completion of a portion of the project. Don seconded. All in favor approved unanimously.

Department Head Reports

BJ: Kim asked if there was any further information about the appeal that was submitted. There was nothing to report.

Tori (sub for Lisa): Thanked the council for patience and mentioned that it was interesting to see the meeting from this point of view.

Mikel: Pool closed for the season. Flag football is underway and going great. Mayors Youth Council Association (MYAC) is up and going for the school year and is currently working with Tree City USA and the City Crew for Arbor Day. Kim asked how many memorial trees are waiting to be planted. There are currently three trees, and Mikel is working on planting dates.

Jordon: Update on Brinkman Park Richardson's portion of the contract is mostly complete. Protec is scheduled to wrap up the fence next week, and the lights are all working. The underground power needs to be confirmed before the concrete is done. The City Crew is working on the prep work for concrete, and Richardsons will be coming in to do curbs, gutters, and sidewalks. The shelters have been ordered. Jordon thinks we will be ready for a ribbon-cutting shortly. Don stated that the sponsors are looking at a possible rebrand, so signage may be delayed. Kim asked about security cameras. Justin is working with Anthem Broadband on the cameras. Kim is concerned about having cameras prior to opening for the prevention of property damage.

Dave: He thanked the Council for all the work on the water project.

Justin: Reported that all the projects seem to be running smoothly.

Chief Purser: Testing for the open position will be held on Saturday, September 6, 2025. Testing will include physical fitness, a written exam, and oral boards. He has had six RSVPs. The DUI task force will be underway until September 2nd. He also reminded the Council about the fair traffic that will be seen starting next week. The step grant unit will be working extra hours to help with traffic enforcement.

Ted: Nothing additional to report.

Council Reports

Sean: The city BBQ was phenomenal, and he thanked those who put it together. It was great to put faces to the names of all the city employees and volunteers. He also rented out the pool and thanked Mikel for the pool facilities and crew.

Don: He thanked Chief Purser and his officers for the work they do and the sacrifices that they make.

Jeff: Ditto the same to the Chief.

Kim: She asked Tori to note a few things that were not on the agenda for tonight's meeting. The garbage policy needs to be addressed. The library parking was tabled. Kim spoke with Justin, and they discussed a new layout for the parking lot of the library and which has been concluded. Kim also dittoed Don for the police department. She acknowledged a scary call that happened recently. She also spoke with Sheriff Gardener, who said it is a privilege to work with Chief Purser and his Officers. They are great to partner with.

Mayor: thanked everyone for all their hard work on all the projects happening in the City.

Adjourned: 8:41 p.m.

APPROVE: _____



ATTEST: _____

