

*CITY COUNCIL MEETING  
October 10, 2022*

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MAYOR & COUNCIL

Daniel M. Keller, Mayor  
Todd Thomas, Council  
Terry Larson, Council  
Brent Dodge, Council  
Chris Larsen, Council

STAFF

Linda Acock, City Clerk  
Tyrell Simpson, City Engineer  
Shawn Oliverson, Community Development  
Cuyler Stoker, Sergeant  
Kelly Mickelsen, City Treasurer  
Lyle Fuller, Attorney

Council Meeting was called to order at 5:00 P.M. by Mayor Dan Keller.

Mayor &  
Council  
Community  
Comments

Mayor Dan Keller reported that our community has two high school sports teams headed for state. Preston High School Cross Country will be representing our community in Lewiston, Idaho and Westside's volleyball team will be headed to state. He wished both teams best of luck.

Mayor Dan Keller then commented on the sewer treatment plant project, and the most recent activities. Preston City is in the fourth year of an eight-year federal state mandated project to upgrade the sewer system. The State of Idaho Department of Environmental Quality (DEQ), under the auspices of the Environmental Protection Agency (EPA), has required that Preston complete the sewer upgrade no later than the spring of 2025. Failure to do so could result in significant financial penalties. The cost of compliance is estimated to be in excess of thirty million dollars. Preston City does not have the financial resources for this amount of money. The only way to raise the required funds is to incur indebtedness. Idaho state law does not allow public entities to incur debt unless approval is obtained by the general populace. Given the scope of this project and the time frame, Preston City Council took this matter to judicial confirmation. At the judicial hearing on September 2, 2020, Judge Mitchell Brown ruled in favor of the city incurring up to thirty-four million dollars debt for the sewer treatment plant project. Our engineering firm, Keller and Associates has completed all studies and testing requirements to move forward with the project to meet the 2025 deadline. Preston City has purchased over eleven acres where the new treatment plant will go, and has actively sought financing and loans. On September 22, 2022, Preston City received two bids for this project. Both were considerably over the amount allowed in the judicial confirmation. The lowest of the two bids was more than double the thirty-four million.

With the thirty-four million dollars, the citizen's monthly sewer rate was expected to double. With the bids coming in at more than double the expected costs, the sewer rates for the citizens becomes prohibitive.

The Preston City staff and elected officials are working hard to obtain additional grants, loan forgiveness, and possibly reducing the scope of the project.

Councilmember Brent Dodge stated that a tremendous amount of work has gone into seeking and obtaining grants, loan forgiveness, etc. The Mayor and Council have had many meetings with our legislative representative and Senate. At this point, it is pretty discouraging and there needs to be additional funding. In looking at the information given to the council from Keller and Associates, if Preston City were to accept financing for the additional amounts, the sewer portion alone is projected to be over \$111.00 per month. That makes the monthly bill over \$150.00 per month, for at least forty years. The EPA is mandating that Preston City reduce the phosphorus level by 1,000%.

Councilmember Brent Dodge quoted U.S. Senator Jim Risch. "I frequently hear that the EPA's one-size-fits-all mandates, an example of this is the new drinking water quality standards. We all agree, water standards are good, but systems in places like Worley and Soda Springs shouldn't be treated like those in Washington D.C. and New York City. Big cities can afford multimillion-dollar projects. Rural Idaho cannot." He further stated that the mindset of penalizing rather than helping is what causes much animosity regarding the EPA. Fines do not push rural communities to improve water quality. It drives them towards bankruptcy.

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Councilmember Todd Thomas stated that the recoil to us of not doing the project, regardless of the cost, is going to be worse than the actual projectile of completing it. Preston City is backed into a corner, not leaving us with much choice.

He further stated that now is the time to continue seeking as much funding as possible and not have to pass as much onto the citizens.

Councilmember Chris Larsen also stated that the council is doing everything that they possibly can to try to mitigate this cost. The note would be for forty years to pay for the treatment plant. It doesn't just affect everybody here and now. It will affect us, our children's ability to live in this community, and our grandkids. We are being pushed into a corner without any recourse. We should all do our part to make the environment a good, safe place. This just seems unreasonable to our community. This also affects our ability to do other projects within the city that are needed. We need additional water sources. If we start paying \$111.00 dollars per month for wastewater, how do we get more money for these other projects that are just as important? He then invited all members of the Preston City community to be actively involved in this project.

Councilmember Chris Larsen thanked the mayor for his countless hours spent seeking funding for this project and invited the citizens of Preston City to be involved.

Councilmember Terry Larson stated that this is an unfunded government mandate by an agency that has no oversight but has overreaching power. Someone from DEQ once mentioned that the water in Worm Creek is the dirtiest body of water in the state of Idaho. It's cleaner coming out of our existing plant than it is going in. The DEQ is not interested at all in revisiting or loosening the permits which could drastically affect the overall costs of the project. Councilmember Terry Larson also invited the community to get involved.

Consent  
Calendar

The consent calendar includes items which require formal Council action, but which are typically routine or not of great controversy. Individual Council members may ask that any specific item be removed from the consent calendar in order that it be discussed in greater detail. Explanatory information is included in the City Council's agenda packet regarding these items.

- A. Council Minutes (October 10, 2022)
- B. Bills (October 24, 2022)
- C. Treasurer's Monthly/Quarterly Report (September 30, 2022)

It was moved by Councilmember Todd Thomas and seconded by Councilmember Terry Larson to approve all items within the Consent Calendar which include the Council Minutes of October 10, 2022, Bills through October 24, 2022, and the Treasurer's Monthly/Quarterly Report dated September 30, 2022. This received unanimous approval.

Professional  
Services  
Agreement  
Amendment 1  
WWTP  
Project  
SICOG

Amanda Collins of SICOG presented Amendment #1 to the Professional Services Agreement between the City of Preston Wastewater Improvement Project and the Southeast Idaho Council of Governments. As the project is largely funded by the Idaho DEQ, Davis Bacon Act Labor Monitoring is required, so the amendment includes the requirement that all contractors on the wastewater treatment plant project comply with Davis Bacon Act Labor Monitoring. This also includes a sum, not to exceed \$100,000, to SICOG for the administration and monitoring of the Davis Bacon Act.

It was moved by Councilmember Terry Larson and seconded by Councilmember Brent Dodge to approve Amendment #1 to the professional services agreement, requiring Davis Bacon Act and allowing for SICOG to oversee that Davis Bacon requirements are met, and to authorize Mayor Keller to sign said agreement. The vote was as follows:

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Councilmember Todd Thomas	<u>Aye</u>
Councilmember Terry Larson	<u>Aye</u>
Councilmember Brent Dodge	<u>Aye</u>
Councilmember Chris Larsen	<u>Aye</u>

Motion received unanimous approval.

Water  
Facility  
Planning  
Study  
Findings

Colter Hollingshead, Keller Associates, presented the Water Facility Planning Study, asking for approval of the findings to finalize the study.

One of the primary deficiencies found is the lack of a secondary water source. At the present time, the only source of water is in the springs.

The water demand shows the maximum day demand as 2,410 per minute. The water right capacity is 2,570 gallons per minute. This is crucial to the city's growth. The differential shows what the city's growth can be before it meets water rights capacity and creates a deficit in the tank's recovery during maximum use times, like July and August.

Councilmember Chris Larsen asked Mr. Hollingshead to explain the average usage for Preston City residences compared to some of the other cities.

Mr. Hollingshead stated that part of the study focused on what the City of Preston uses per capita versus the Idaho average. Preston's average is at about 282 gallons, per person, per day. The Idaho average is around 184 gallons per capita per day.

The priority project in the capital improvements plan is to find a secondary source of water.

It was moved by Councilmember Chris Larsen and seconded by Councilmember Terry Larson to accept the findings of the Water Facility Planning Study, October 2022 by Keller and Associates, and put the study into public record. The vote was as follows:

Councilmember Todd Thomas	<u>Aye</u>
Councilmember Terry Larson	<u>Aye</u>
Councilmember Brent Dodge	<u>Aye</u>
Councilmember Chris Larsen	<u>Aye</u>

Motion received unanimous approval.

Oneida  
Academy  
Sewer  
Connection

Alexis Beckstead came before the council to request the sewer fees for the Oneida Stake Academy waived. In May she made a request for a monetary donation. At that time, she was told that Preston City did not budget a donation to the Oneida Stake Academy, but could help with the cost of the connections.

It was moved by Councilmember Brent Dodge and seconded by Councilmember Terry Larson to waive the \$5,000 sewer connection fee for the Oneida Stake Academy. The vote was as follows:

Councilmember Todd Thomas	<u>Nay</u>
Councilmember Terry Larson	<u>Aye</u>
Councilmember Brent Dodge	<u>Aye</u>
Councilmember Chris Larsen	<u>Nay</u>

Motion received a tie vote. Mayor Dan Keller cast the tie breaking vote in favor of waiving the sewer connection fee, and therefore, the Motion passed by majority vote.

Water  
Connection  
& Growth  
Concerns

Jean Carter, Preston resident, asked the Mayor and Council to justify how Preston City can lower the allowed monthly gallons, raise rates, and ask citizens to conserve, yet still add new water connections.

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Mayor Dan Keller explained that state law limits the city's ability to place a moratorium on building permits. If a permit meets all applicable measures of the city code, it is eligible for a building permit, and if a commercial or residential building is approved, the city must provide water services to it.

Councilmember Terry Larson added that when it comes to placing a moratorium, there needs to be certain justifications. It cannot just be a blanket moratorium that lasts as long as we see fit. They are only applicable for ninety days. And, laws are more stringent on building moratoriums.

Councilmember Todd Thomas stated that as well as a drought, the council also took future water projects into consideration. The allowed gallons per month, and the monthly fee are out of balance, and hinders grants and funding for future projects.

Ms. Carter stated that it doesn't make sense, if there isn't enough water available to those already on the water system, why keep adding more onto the system.

Councilmember Brent Dodge agreed that her questions make sense. The city has approximately 130 connections left before there's a daily deficit in the storage tanks on high use days. Choices seem to be to cut the users on the system, or obtain additional water. That is the task at hand. The council is currently searching for solutions.

(a copy of Jean Carter's letter follows Minutes)

Adjourn Meeting was adjourned at 6:06 P.M. by Mayor Dan Keller.

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Linda Acock, Clerk

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Daniel M. Keller, Mayor