

**ABBREVIATED MINUTES
POCATELLO DEVELOPMENT AUTHORITY
August 13, 2002**

Members present: S. Brown, J.O. Cotant, T. Brower, R. Chase, D. Johnson, H. Neuhardt, J. Ricks, D. Sanna, D. Schroeder

Staff present: Dean Tranmer, City Attorney; Ray Burstedt and Char DeWall, Bannock Development

City Staff present: Tim Tingey

1. Preliminary matters. The meeting was called to order at 11:05 a.m. by Chairman Neuhardt. No conflicts were declared. Additions to the agenda:

South Cliffs pay request
Central Corridor finances
AMI project needs
Koseris property disposition

2. Minutes and general financial matters. It was MSC (Ricks, Chase) to approve the minutes from the July meeting. C. DeWall then reviewed the financial statement, noting that the revenue projections were quite close to the actual revenues. Expenditures were for the audit, BDC quarterly payment, and lunch. It was MSC (Schroeder, Ricks) to approve the financial report. Tax revenues received need to be sent to the Trustee; it was MSC (Chase, Cotant) to approve issuing a check in the amount of \$2,351,429.76 to be sent to the Trustee.

3. Roosevelt District. C. DeWall presented an invoice from RMES for engineering services for the Roosevelt District. It was MSC (Chase, Cotant) to approve payment of the invoice. Tim Tingey provided an update. The design work has been completed; a public-information meeting has been set for August 14, 2002; and bid opening will be August 20th. Since time is so short, he's requesting a special meeting of the Board to review the bids and determine if any are acceptable so that this phase of the project can proceed. It was MSC (Chase, Brown) to set a special meeting for 11:00 a.m. August 22, 2002.

4. Central Corridor. An invoice has been received from the City in the amount of \$15,806.07 for the agreed-upon 20% of engineering costs for the Cheyenne crossing project. It was MSC (Brown, Schroeder) to approve payment.

5. Storm Sewer . D. Schiess and P. Scoresby provided an update. Final completion is expected by the Board's next meeting. There has been no resolution to the dispute over the testing method, but the DEQ official is in the process of writing his decision. Schiess reiterated that the specs for the HK contract did cover the type of testing that DEQ is requiring. Ultimately, the responsibility will lie with the contractor, who will be in the position of having to rip out piping, etc. in order to do the test at this stage of the project. The requirement is arguably excessive, but it was part of the contract and is HK's responsibility.

Phase I soil remediation will cost approximately \$257,000.00 and any costs for the UPRR flag crews may well run the estimated \$5.15 million up to \$5.98 million. Schiess recommends that we not ask HK to handle the excess soil removal as a change order under the contract, but to close it out and make other arrangements.

Change order #6 should be held for investigation. It may be a cost to be borne by the City if it was caused by hydrant flushing that flooded parts of the project. The Board questioned payment of the E7 invoice to HK; information requested was in C. DeWall's files in the BDC office. It was MSC(Brown, Chase) to table the matter until the August 22nd meeting and to authorize payment of E8 in the amount of \$13,838.00.

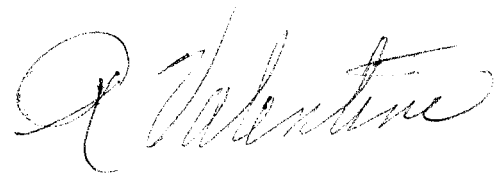
6. AMI project. Dan Schroeder noted his conflict of interest. R. Burstedt reported that the project has run into a "shortfall problem." An additional \$450,000 will be needed; the PDA has been asked to fund \$250,000 of this as an outright grant. Brent Nichols answered concerns about lack of Idaho contractors by stating that 85% of the subcontractors will be Idaho companies. The Board consensus was that the money loaned and/or granted would be available for professional services, as well as for actual construction, but that PDA would not pay invoices for work done by the developers or their companies, partnerships, etc.—solely to third party entities. **It was MSC (Cotant, Sanna)** to approve up to \$250,000.00 additional funding as a "grant" in addition to the initial \$1.2 million loan.

7. South Cliffs. The first invoice has been received for engineering and rock-blasting and removal costs. **It was MSC (Chase, Ricks)** to approve payment of costs for work occurring after PDA's approval of the project, not for anything occurring prior to that. C. DeWall and R. Burstedt will verify and report back to the Board.

8. Central Corridor finances/AMI project. R. Burstedt explained that while we have sufficient cash flow, PDA will have approved expenditures in excess of the \$10 million limit set by the City Council. Discussion ensued regarding whether to request the maximum amount received by the District during its lifetime, whether to request a specific amount, etc. Consensus was that PDA could be more pro-active and work more closely with community leaders and businesses for projects such as the establishment of an industrial park area rather than being re-active to individual requests. Board requested a letter to the Council requesting approval for an amendment authorizing at least \$2 million in additional projects. Thereafter, **it was MSC (Chase, Ricks)** to authorize the Chairman to sign the loan agreement documents, subject to the provisions regarding eligibility for the funds as discussed in item #6 above.

9. Koseris property, The School District is interested in using the land for tennis courts and would be willing to trade this property for the auto shop area along Main. Consensus was for J. Ricks to pursue the possibility. School District would need a portion of the adjacent alley to be vacated in order to so use the property. Application will be made to the City Council and PDA will be kept informed.

There being no further business, the meeting was adjourned at 1:30 p.m.

A handwritten signature in cursive script, appearing to read "R. Burstedt", is written in black ink on the right side of the page.