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CITY OF STANLEY

APPROVED

City Council Special Council Meeting Minutes

August 5, 2026 @ 8:00 am

Stanley Community Center, 510 Eva Falls Stanley, ID 83278

Call to Order: (Mayor Botti) 8:12 am

Roll Call: Councilmember Cardoso – Present; Councilmember Hernandez – Present, Councilmember Thompson – Present; Councilmember Cron – Present; Mayor Botti – Present

Also present: Savannah Pedersen – Treasurer, Hannah Menzel – City Clerk; Geoffrey Schroeder - City Attorney; Brad Cramer – Project management; John Vance

Agenda Amendments: none

Mayor/Council Comments: Councilmember Cardoso said that 8 am meetings are not in the public's interest, this seems like an important one, would prefer not to have council meetings at this time.

Topics:

- Approve Northwest Real Estate Capital Corps to engage in drilling wells on the workforce housing site Action Item

Mayor shared that the well drilling is predevelopment work that needs to be completed for the engineering assessment for the lender and complete engineering plans. The developer solicited over 30 bids. Usually, it is hard to find a well driller and he found one that can start the work immediately. This is different than the other predevelopment work like architectural and engineering because they need site access and will disturb the site so we must give them permission. This agreement has been reviewed by project management team, and by the regular city law firm Geoffry Schoder who specializes in land use issues and the housing attorney. We have had appropriate input from all the parties.

Brad Cramer said drilling wells is a milestone we have identified that needs to happen and is not uncommon to start drilling to move the project along. If you have found someone to do it, and it is infrastructure that is necessary for the project.. Ryan Singleon agreed with all the terms. He is available for a call if needed. Brad stated that due diligence that needs to be done like the well drilling would be a reasonable request to be reimbursed if the agreements are not signed with the developer.

Councilmember Thompson asked what the capacity of the well would be. John Vance responded that the specifications for drilling came for S&A engineers and we won't know what the capacity of the wells are until they are drilled.

Mayor thinks that it will be a shallow well for drinking water, but we don't know what the flow will be. The geothermal engineers have done temperature gradient tests and are confident the heat profile looks good, but you don't know for sure until you drill down and find out what is there.

Councilmember Cardoso asked why this is last minute and said it should have been handled earlier.

John Vance replied that the plan was originally to do test wells which is a lot less investment for due diligence, but S&A didn't think test wells would provide enough information and so the decision was made to drill a useable instead of a test well because it will provide more information and be more cost effective. This agreement is needed because permanent infrastrucutre will be left on site.

Cardoso asked if we held off and signed a ground lease would Northwest have the same access and why is an injection well being drilled because his research says they have a high rate of failure? The Mayor responded yes, Northwest would have the same access but in order to move the project forward and to

make sure it is feasible the well needs to be drilled now otherwise a lot of things would be pushed down the road and delayed. John Vance responded that in terms of the injection well, the permitting process would be potentially a lot longer because it would be discharging into Valley Creek which is endangered salmon habitat so an injection well was determined as the best way forward.

Thompson said that he was all for the City getting started right then and finding about the wells. He asked if it was a hydronic or heat pump system. John Vance responded it is a heat pump system and to do direct heat the well would have to be much deeper and there are more unknowns with that. With the heat pump you could use regular ground water if needed and you can also do cooling.

Cardoso asked when we decided to go with geothermal rather than a regular system and has a cost analysis been done. The Mayor responded that we have discussed using geothermal for a long time, but we need to get the info to make sure it works. John Vance has determined that is feasible and viable and long term it is cost effective to put in the heat pump system.

Cardoso asked what the failure rate of systems like this are. John Vance responded that it is usually an issue with the pump. He doesn't know if there is a percentage of success, but it depends on the temperature and the water flow. You can have cool water if you have a lot of it, or less water if it is hotter. The cost benefit and efficiency go to the tenant. A formal cost savings review has not been done but it will reduce the utilities for the tenants.

Cardoso's main concern is that we are side stepping with the RFQ process. John Vance said that the procurement was not done through the City. Northwest tried to reach over 30 different companies. They received 3 bids which are within 10-12% of each other. Geoffrey Schroder said that this is to facilitate the preparation of the site for the lessor, it does not implicate City procurement rules and it's not sidestepping as the same process will be used throughout the rest of the project.

Cardoso had several questions about specific wording within the document regarding agreements, the survey, the time frame of the document, and what it applied to. Geoffrey Shroder answered all his questions.

Councilmember Hernandez asked if Northwest had made other agreements like this. John Vance wasn't immediately able to answer and the Clerk replied that yes, Vance said he had and this agreement is based off of another agreement he had with the City of Boise.

Brad Cramer added that this, in concept, is also very common with urban renewal work.

The Mayor added that the plan was that the City would pay for the infrastructure with the HUD grant and so one way or another the city was planning to pay for the infrastructure.

Cardoso asked how we ensure we are getting a good deal because that is why the RFQ process exists. Brad Cramer replied that the City went through an RFP process to select Northwest, by doing that you satisfied the procurement process. The Clerk added that this was like we selected a contractor to build the bathrooms at the park, but we didn't oversee how they procured the concrete and other building materials.

Thompson said that this must be done to move on and he sees this as a test to see if Northwest can advance or not. His previous concerns have been addressed by provided edits to the agreement.

Cardoso asked what is to prevent Northwest from giving a sweetheart deal to their friends. Cardoso wants to avoid the appearance of doing inferior work or not going through the appropriate processes. John Vance reiterated the process they went through to obtain the bids and offered to share the bids. Treasurer Pedersen added that from her previous experience it is very hard to obtain a bid from well drillers in this area. The previous municipality she worked for couldn't even get 3 bids for a well. Also, the City does not have as many contacts and so having a contractor doing the research will likely be more successful

and this is why we engage with contractors to do this work. Geoffrey Schroeder said that it is important to realize the distinction between the City signing a ground lease and doing a public works project. The City has been invited to be involved in the project somewhat but that does not implicate or allow the City to have any voice in how the developer selects contractors. Northwest is economically incentivized to get the best project because they must manage it for a long time.

Mayor said that this is a complicated process and things will come up that we aren't expecting. We had something come up where the developer was able to schedule well drillers and we must react to that as best we can. We are trying to be transparent, but we also want to keep the project moving forward.

Cardoso asked if this isn't completed now, what happens. John Vance replied if we don't get the wells drilled and resulting information now we will have to start that in the spring. It would likely push back the timeline of the entire project. There are ways to overlap civil and vertical construction but that is not ideal. The Clerk reiterated that this information is needed to complete the design of the infrastructure.

Ryan Singleton joined the meeting. He said he would be willing to review the bid proposals for the work. He said that it was difficult to get specialized contractors to respond in this area and so it would be strategic to take advantage of a contractor in the time they have.

There was a question of the cost of the bids. The lowest bid was the winning bid at about 273k for 3 wells.

Councilmember Cron said that in his experience when a well driller says they can do the work, you must jump on it. He had the same decision in drilling a well on his property. He is okay with moving forward with the drilling to move the project along.

Cardoso was concerned that the public would be upset with him and this was rushed.

MOTION by Councilmember Thompson to sign the site access agreement. SECOND by Councilmember Cron

Roll call vote: Councilmember Cardoso – No; Councilmember Hernandez – Yes; Councilmember Thompson – Yes; Councilmember Cron - Yes

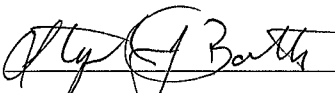
MOTION PASSES: 3 IN FAVOR; 1 OPPOSED

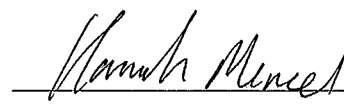
Councilmember Thompson asked if a formal risk assessment has been done on the project. Brad Cramer replied that he hasn't done a formal risk assessment but has read through the agreements and evaluated them for risks to the City. Thompson requested a formal review.

Ryan Singleton said that he has been very impressed with this project so far and that it is an amazing deal and opportunity for the City of Stanley. It is not easy to put together a private-public partnership that is so beneficial to the City. The willingness of the private sector partner to take risks and provide the City as the client as much assurance as possible is impressive. He wants the council to understand from the outside that they have an amazing project with a great opportunity that they will not be able to find again. He is amazed at the lack of relative risk the city is subjected to. He thinks this is a great project and wants to make sure the council realizes this and that they should seize this opportunity in front of them.

There will be further discussion on constitution and meeting milestones at the 10th meeting.

Adjourn: 9:20 am


Steve Botti – Mayor


Attest: Hannah Menzel - City Clerk