BUDGET HEARING & REGULAR MEETING
OF THE CITY COUNCIL
DIETRICH, IDAHO

March 2, 2026

Regular meeting was called to order at 7:00 PM by Mayor, Aaron Nicholes. The roll was called; those answering present were Shawna Stewart, Trent Hanson, Dean Grissom, and Rex Hendrix. Also, present were City Maintenance Operator, Kelly Nebeker; City Clerk, Michelle Johnson; Deputy Clerk, Emily Buckway; Keller and Associates, Inc., Jeff Mansfield; Lincoln County Sheriff's Department, Deputy Hairston; City Auditor, Jacob Catmull and Community Members: John Varadi, Ryan Dilworth, Steve Shaw, Mike & Robin Burton, Steve Thomsen, Nic Clinton-Thomsen.

The Pledge of Allegiance was led by Mayor Nicholes.

The February meeting minutes were tabled.

The following bills were received:

FROM	FOR	ITEM		AMOUNT	CHECK
Emily Buckway	February Paycheck		*	$1,476.72	Direct Dep
Michelle Johnson	February Paycheck		*	$2,729.16	Direct Dep
Kelly Nebeker	February Paycheck		*	$3,168.55	Direct Dep
United States Treasury	Withholding February			$1,552.00	Online
Aaron Aggeler	February			$150.00	2061
American Legal Publishing	Internet Renewal 03/07/26-03/07/27			$450.00	2057
Black Mountain Software	Utility Billing - Subscription / BMS Pay			$5,968.00	2055
Century Link	City Hall - 2102 (# 333548962)	$107.29		$286.46	2056
	Pump House - 7847 (# 333619173)	$80.44			
	Lift Station - 7020 (# 333548963)	$98.73			
City of Dietrich	Water $44.0 / Sewer $54.00 - City Hall & City Park			$98.00	Online
Frontier Credit Card (1893)				$0.00	Online
Frontier Credit Card (6676)	Archive Paper / Record Book	$146.90		$1,462.66	Online
	Minute Book	$209.11			
	Envelope Opener	$4.99			
	Postcards	$26.19			
	Standing Desk	$143.99			
	Red Ink Refill	$9.75			
	#10 Envelopes (4)	$95.08			
	Tax1099 Filing	$4.89			
	Home Depot / Office Remodel	$205.14			
	Ridley's Ace Hardware / Office Remodel	$147.91			
	USPS (112 Postcards / 3 Rolls Stamps)	$302.32			
	Costco / Council Tables (2)	$166.39			
ICRMP	Insurance 25-26 Policy Year Annual Premium			$2,871.50	2054
Idaho Power	Lift Station - 8508	$110.71		$1,352.87	2058
	City Park - 0692	$31.39			
	Hall - 1730	$315.36			
	Wells - 1382	$537.92			
	New Meter - 8367	$25.84			

	Street Lights - 1088	$331.65			
Lincoln County	SIRCOMM			$714.20	2059
Lincoln County Sheriff's Office	Sheriff's Agreement			$350.00	2053
Magic Valley Lab	Monthly Water Test (INV # 37985)	$27.00		$54.00	2063
	Monthly Water Test (INV # 36859)	$27.00			
McHugh Bromley, PLLC	Rangan Water / INV # 1000 5044			$154.06	2060
Valley Wide Co-op Inc	Fuel	$93.69		$118.01	2062
	Nitrile Gloves	$11.99			
	Drill Bit	$7.99			
	Adhesive	$3.79			
	Bolts	$0.55			
		Total		$22,956.19	

The following credits were received:

FROM	FOR	ITEM		AMOUNT	CHECK
ACCT TRANSFER	Water Bond Fund (Transfer From Water Collections)			$1,500.00	Online
ACCT TRANSFER	Reimburse General Fund FEB 2026 Bills (Transfer From Water Collections)			$15,190.66	Online
TO LGIP	Deposit From Water Collections to Sewer LGIP			$20,000.00	Online
TO LGIP	Deposit From Water Collections to Water LGIP			$36,250.99	Online
TO LGIP	Deposit From Highway Fund to Highway LGIP			$8,830.15	Online
Deposit - 02/05/26	Into Water Collections Acct			$1,330.78	
Deposit - 02/17/26	Into Water Collections Acct			$2,012.89	
Deposit - 02/19/26	Into Water Collections Acct			$2,338.55	
Deposit - 02/19/26	Into Water Highway Funds - Lincoln County			$2.98	2026-1108384
Deposit -	Into Water Collections Acct			$98.00	Online
Deposit - 02/26/26	Into Water Collections Acct			$2,533.74	
Deposit - 02/05/26	Into General Fund			$30.00	
Deposit - 02/26/26	Into General Fund			$287.61	
Deposit - 02/19/26	Into General Fund (Reds $239.01 + Oxarc $136.25)	$375.26		$11,320.17	
Lincoln County	Restitution	$21.78			2026-1108532
Lincoln County	2024 Tax Receivable	$10,910.82			2026-1108441
	2024 Tax Penalty Receivable	$1.79			
	2024 Tax Interest Revenue	$10.52			
Transfers Between Accounts - Total					$66,581.14
HWY DEPT / TRANSPORTATION -					$2.98
Total Deposits Into Water Collections Account					$8,313.96
Total Deposits Into General Fund Account					$11,637.78
Total Deposits Into Water Bond Account					$1,500.00
		Total		$19,954.72	

A motion was made by Shawna Stewart and 2nd by Rex Hendrix to approve the monthly bills. All were in favor and the motion carried.

Deputy Hairston shared about the local law enforcement for Dietrich. He indicated that the patrol would limit the use of SIRCOMM for the local area checks and will hopefully track those calls independently through an app.

The planning and zoning committee is tabled until the next meeting.

<u>Property</u>

- Dietrich School District #314 – Ryan Dilworth indicated the school would like to build a new 30' X 80' / 2400 sq. ft. greenhouse for the Ag Dept. Steve Shaw stated the school received grant funding to build a greenhouse and would like to get the permit process started. A motion was made by Trent Hanson and 2nd by Shawna Stewart to approve the greenhouse building at the school. All were in favor and the motion carried.
- 517 N Main St (Backyard near Washington St) – Steve Thomsen indicated he would like to put a building on the property but didn't have specific details yet on what they would like to build. He wanted to find out what the process was for adding water/sewer to a property for an approximate 30' X 60' building and to eventually add a shop onto it. "I'm just kicking around ideas at this point and not really sure on what I want to build yet." Nic Clinton-Thomsen stated he would like to start with building a 4,000 ft. sq. shop and eventually add a barn dominium home to the property. The mayor and council indicated they will need to be sure to follow all setbacks and regulations for the city, county, and state.
- 460 N Waucanza St – John Varadi informed the council that the title company wanted him to deed a section of his property to his brother, and he is completing that paperwork.

Jeff Mansfield with Keller & Associates (located in Pocatello, ID) commended the mayor & council regarding their future goals for the city. Jeff indicated Keller & Associates have applied for the EPA State and Tribal Assistance Grant (STAG) at no cost to the city to help aid in the expense of the Water Planning Study. The funding would be secured by Representative Simpson and requested through the FY27 Community Project Funding (CPF). Jeff advised the council that Keller & Associates is familiar with the City of Dietrich water system, because they are the ones who aided in the initial installation. Jeff indicates that they are excited about the anticipated upgrade to the water system and to the growth of the city.

Jacob Catmull, CPA, presented to the council about the FY 2025–26 audit, explaining the distinction between a forensic audit and a standard audit. He reviewed the year's balance sheet, outlining the financial status of the water, sewer, and general funds. He also described how he receives revenue and property tax information from both the county and the state. As part of his verification process, he cross-checks expenditures recorded in meeting minutes to confirm that all expenses were properly approved. In addition, he shared a report illustrating how grant funds can be received in one year but spent in another, and how that timing affects financial reporting. He explained how depreciation works and provided examples of assets that qualify for it. Jacob spoke about the individual patron accounts and the current billing system to suggest what to look at as the mayor and council reviews the financial records. He presented graphs regarding income & expenses for the fiscal year. Jacob indicated that he reviewed the two QuickBooks company files. The new company file is simplified, organized, and itemized correctly. A motion was made by Shawna Stewart and 2nd by Dean Grissom to approve the FY 2025-26 audit findings. All were in favor and the motion carried.

Jacob shared situations with the council members of other city entities who struggled with the care and maintenance of their water & sewer systems. Some cities didn't have enough money to update their systems, and some had emergency issues, such as collapsing of their water/sewer lines.

The planning and zoning committee appointment has been tabled for next month.

The mayor updated the format of the agenda and advised the council to provide feedback or suggestions for improvements to the formatting.

Timberline Trash has not invoiced the city since 03/02/24 ($515.28). The clerks have made several calls and have communicated the issue with the trash collectors. Emily indicated she spoke with Joel Tew and he was supposed to get back to the city once he counseled with his accountant to make adjustments due to the city's FY/Budget closing. The mayor and council discussed reserving some monthly money for the bill or changing vendors for the service. In 2024, the monthly rate for trash collection was $128.82. It was also suggested to seek grant funding for the waste removal as potential revenue for the city. This discussion was tabled until next month.

Kelly Nebeker informed the council that the Dietrich Highway District has lost funding and is not certain if they will be completing any chip sealing for this upcoming season. Kelly shared information regarding Perma-zyme. It is a new street chemical application that lasts up to five years. The council asked Kelly to research the preparation process for the installation process. Shawna Stewart is researching other cities and/or counties that implemented the use of Perma-zyme.

The city clerk informed the council of the costs associated with repairing the irrigation ditch and culvert on 7th Street and requested clarification on who is responsible for the expense (§ 91.03). Historically, the landowner has been responsible for such repairs. Kelly updated the council on the completed work and noted that the damage may have resulted from increased traffic caused by the bridge closure on 750 Road. During that period, the Dietrich Highway District provided the culvert and pipe to the city and now needs to be reimbursed.

The council concluded that the city will ultimately be responsible for the road repair costs, with no reimbursement expected from the homeowner, the county/highway district, or the individuals whose increased traffic contributed to the damage following the bridge closure. It was suggested to review and update this ordinance.

The mayor and council reviewed the list of addresses in violation of Ordinances § 91.01 & § 153.01. The mayor and council spoke about one property with fencing materials used as weed barriers, along with a new fence line. Emily indicated she would research the right-of-way and fencing ordinances for further verification on that property. A motion was made by Trent Hanson and 2nd by Shawna Stewart to issue certified letters to individuals who are in violation of Ordinances § 91.01 & § 153.01 - with a due date of April 30, 2026. All were in favor and the motion carried.

If the city were to purchase its own hydrant pressure-reading device, staff would be able to complete the biannual hydrant report and perform the required flushing. The device would also support the fire department in meeting its reporting obligations, which directly affect homeowners' insurance rates. Kelly stated he will consult Jeff Cook regarding which device to purchase and whether any training is needed for its use.

The city clerk asked the mayor if there was any feedback from the legal counsel with the city attorney. The issues with the ETS/SCI settlement agreement for road damages and to see if the city has any recourse regarding the sidewalk installation are pending legal review currently.

The city clerk informed the council BMS Pay will set up the city's non-bill payment accounts to allow credit card and ACH transaction payments for separate invoices/billings (Borden Water, dog tags, invoices, violations, etc.). This service is provided at no cost to the city. They just need a list of what accounts need to be set up.

The city ordinances need to be reviewed and updated. The mayor suggested starting with one (for example § 91.01) and working through them one at a time.

The mayor asked if anyone had anything they needed to discuss or talk about. Rex Hendrix informed the council he picked the movies for the summer city park event.

The mayor reported back on what he found regarding the financing for the tractor ($42,500). There is a gentleman in Las Vegas who provides secured financing options for city entities. There are 3 plan options: 1) 36-month ($2,500.00 down payment), $1,500.00 monthly re-payment 2) 48-month ($2,182.00 down payment) $1,183.00 monthly re-payment 3) 60-month ($1,992.00 down payment) $999.00 monthly re-payment. Each of these requires an additional $1,000.00 document processing fee. The city clerk asked what the interest rates were and to consider the additional costs. The mayor was unsure of the interest rates or fees and will call to find out more information. He requested to get public input regarding the purchase of the tractor.

The mayor & council wanted to have a town hall meeting on March 30, 2026, at 7:00 PM. The council wanted to include scholarships, tractor purchase, summer events, grant update, revenue ideas, & growth for the community.

A couple of applications were received for the maintenance position. The city needs to research to see if a family member were hired, can a specific council member be assigned as the supervisor/manager?

The council discussed how much the RFQ expense is and the concern to make sure we have enough money to cover the costs associated with the development study plan.

A motion was made by Trent Hanson and 2nd by Shawna Stewart to adjourn the meeting. All were in favor and the motion carried. The meeting was adjourned at 9:02 PM.

_____________________________ Mayor _____________________________ Clerk