



Mayor Robert E. Simison

City Council Members:

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Doug Taylor
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TO: Mayor Robert E. Simison
Members of the City Council

FROM: Warren Stewart, P.E.
City Engineer

DATE: November 18, 2025

SUBJECT: Sewer Trunk Line Cooperative Development Agreement with Toll Brothers
for the construction of a portion of the McDermott sewer trunk line.

REQUESTED COUNCIL DATE: December 2, 2025

I. RECOMMENDED ACTION

- A. Approve the Sewer Trunk Line Cooperative Development Agreement with Toll Brothers, and authorize the Mayor to sign the agreement.

II. DEPARTMENT CONTACT PERSONS

Warren Stewart, City Engineer	208-489-0350
Laurelei McVey, Director of Public Works	208-489-0365

III. DESCRIPTION

A. Background

The City Council was provided with information on a proposed reimbursement agreement between the City and Toll Brothers to construct a large diameter trunk sewer line in a portion of McDermott Road. The City planned to construct the sewer in 2028, but Toll Brothers would like to partner with the City and advance the sewer line approximately 2 years. The project has the potential to significantly reduce the City's cost compared to the City completing the work independently.

B. The Agreement

Since initially discussing this concept with the City Council, city staff have been working with the developer to finalize the cooperative reimbursement agreement. City Council placed a January 8, 2026 deadline for the agreement to be approved. The agreement and various exhibits are provided for your review. Total project costs currently identified in the agreement are based on recent estimates of construction costs. The agreement allows for the revision of the cost estimates to actual costs as they become known. There are also off-ramps in the agreement if the actual cost differs significantly from the estimates.

The City will not be responsible for reimbursing the developer our portion of the project until 2028. This aligns with our regularly scheduled construction timeline. As a result, there will be no accelerated financial impact to the City.

Design, construction and testing costs reimbursable by the City only apply to components of the project the City planned to construct. Any other design, construction or testing costs are the sole responsibility of the developer.

The agreement limits the City's responsibility for Change Orders to 5% of the bid amount. Anything over that value is the sole responsibility of the developer.

This project will take months to complete. Work is anticipated to start in the spring of 2026, but final acceptance is not expected until sometime in 2027. Once the project is complete, other parcels along the new sewer line will have access to the City sewer and could start the development process.

By entering into this cooperative agreement, the City will save approximately \$3.6 million dollars over what it would cost to complete the project independently. It will advance the completion of this section of sewer line by 2 years and allow for the orderly development of other parcels along McDermott Road.

C. Time Constraints

The agreement must be signed by January 8th, 2026, to meet the City Council's deadline.

D. Alternatives

The City Council could choose to reject the agreement. Rejecting the agreement would delay the construction of the sewer project and prohibit/delay the construction of development projects previously annexed by the Council. The City would also lose approximately \$3.6 million dollars in savings for the construction of this portion of the McDermott sewer trunk line.