

Mayor David Sims called the regularly scheduled council meeting of February 6, 2018 to order at 7:00 p.m. Present for the meeting were Mayor Sims, Council President Rick Alonzo, Council Members Ron Smith, Valerie Thompson, and Adam Arthur, Clerk Kris Larson, Engineer/Administrator Mike Klaus, Attorney Andrakay Pluid, Police Chief Vic Watson, Fire Chief Dave Winey, Economic Development Coordinator Dennis Weed, and Bookkeeper Christine McNair. Also present were Jessica Tingley, Jerry Higgs, Marcia Cossette, Denise Crichton, Dave Gray, Richard and Elsie Hollenbeck, and Jennifer VanEtten.

The first order of business was a fee increase hearing for application fees for electric, water, and sewer. Mayor Sims explained this is a new fee for estimates for new services. Mike Klaus said there is a lot of time put into the estimates given by the department heads, diverting them from other work at the City, without compensation from the people requesting this service. Mike said he estimated the amount of time for the service connection estimates and assigned a dollar figure to that. He said a commercial service and a three phase commercial service estimated service fees are higher based on the extra time that it takes. Ron Smith said for a new residential service the cost would be \$315 for electric, water, and sewer. He asked if the person follows through with the hook ups if this application fee will be credited to the customer. Mike said he did not think this would be refunded. This is in addition to the hookup fees that we require now. Valerie said she has heard that there are some people requesting several quotes and then not following through with the jobs. Mike said this is true and this kind of speculation eats up a lot of staff time preparing the quotes. If there is already an existing residential service and an upgrade is needed, there would be no application fee. The fee would be for non-existing residential services. Elsie Hollenbeck asked what the current costs are now for a hookup. Mayor Sims said there are capitalization fee or hook on fee and the cost to build the service. Mike Klaus gave the figures for a new water service, a sewer service, and an electric service. The building of the service is accounted for by actual costs and at the end of the job the City either refunds the customer or bills them the difference. Mike explained capitalization fees to the group as a buy in to a slice of the capacity of the system or plant. Mayor Sims explained how capitalization fees are figured. Valerie asked about an upgrade fee for current users. Mike did not know the answer. Adam asked about an increased commercial service. An upgraded residential service would be internal and not involve the City. Jerry Higgs said we should consider an exemption of capitalization fees for the previous owners of the water and sewer districts that we absorbed. Mayor Sims explained that we do not charge them an additional capitalization fee for their owned services. The hearing closed at 7:14 p.m.

Jennifer VanEtten spoke to council regarding Kootenai River Days planned for July 16-21, 2018. They want to do a street dance on Main Street and asked that Main Street be closed and also Bonner Street for vendors and bouncy houses. On Friday night there will be a rodeo. She asked for power hookup and possibly water because they have water slides for the kids. There is a hydrant at Bonner and Main that we may be able to meter. Jennifer also asked about an open container exemption. Mayor Sims told her to speak to the City Attorney and the Police Chief. Jennifer said Kootenai River Days will be the week after Swish. Jennifer left the meeting at 7:18 p.m.

Jerry Higgs said there have been dogs chasing deer lately. He will speak to the Police Chief about this, as the dogs have been identified. Jerry is also concerned about people feeding the wildlife as this attracts turkeys, deer, and squirrels. He said there are cougars that are visiting the Marx Addition. He has seen tracks of a large cougar and also a smaller cougar quite often. He is worried about children playing outside, particularly on the hill.

Mr. Hollenbeck asked about gates on the snow plows so driveways are not plowed shut. Mayor Sims will have the City Administrator look into this.

Police Chief Vic Watson gave the police report. Over the past two weeks there have been one domestic, one petit theft, recovery of a stolen vehicle, one trespass, two warrant arrests, one possession of a controlled substance, one felony possession of a controlled substance, one investigate suspicious, one civil standby, one excessive DUI case, one burglary, and one theft. The roads have been good so there have been less traffic problems. Training is done for the officers in the winter. Vic said regarding the dogs and deer, the police department can enforce the State Codes and cite the owners of the dogs. Vic said he is thankful the streets are plowed but understands the frustration of the snow berms in the driveways.

Mr. Hollenbeck said he can shovel the berms but is concerned about people that are unable to shovel the snow.

Fire Chief Dave Winey gave the fire report. Since the last meeting there have been two false alarms – one at the Hospital and Regional Health Center, and one lift assist.

Mike commended the street crew for painting the council room, kitchen, and hallway. Council liked the white board that was painted also. Plumbing issues in the building were also repaired. Mike reported on the water users summit that he attended in Boise. He said some entities are trying to establish an enterprise fund for storm water. He said a storm water ordinance will be looked at by our city. Department of Environmental Quality (DEQ) regulates our drinking water system and that is based on the Code of Federal Regulations administered by the Environmental Protection Agency (EPA). The concept of cooperative federalism is one where federal, state and local governments are able to cooperate to solve common problems. Cooperative federalism emphasizes that the responsibilities of federal and state governments overlap, making no clear distinction between the two. This came out at the meeting. EPA intends to delegate authority to the State of Idaho and DEQ. He is hoping that some of the flexibility will help the City. Primacy should take place in mid-2018. Mike said we pay a fee to DEQ for their regulating and service. This fee may be extended to sewer systems. He said it will be based on population and gave an example of how this annual fee may be calculated. Mike said this fee will be worth it for the services the City will receive. He spoke of water rights and adjudication of those water rights. First in time is first in line, and we are fortunate that we have adequate water rights. He has heard that adjudication is not on the radar for Boundary County due to the water coming in from Canada and going back to Canada. We have a water right for surface water of 11.2 cubic feet per second for Myrtle Creek and the Kootenai River. He was hoping to use a portion of our current water right but have found that a surface water right cannot be used for a well water right. He is in the process of getting a water right for the wells that we intend to develop. We

cannot drill the well until the water right is in place. Ron Smith commented about private wells. Mike said Boundary County has pocket aquifers due to the soil types in our community. Our well site did not have any high levels of iron, calcium, or manganese, which are the three metals that cause well problems of discoloration, taste, and odor. There was no bacteria either. This is a good sign. He thinks it is influenced by the river but there is a lot of filtration between the river and the well. He is optimistic that we won't have to do filtration.

Dennis Weed said Yoder's Store opened on the top of the North Hill and the store is doing well. Performance Off Road will be moving to the Yoder building at the end of February. Dennis said the County Road and Bridge has applied for a grant for paving the road near Yoder's and the Log Inn. Dennis is looking at two businesses interested in coming to town that will have 50 jobs or so. Dennis highly recommends folks going to the meeting in Sandpoint regarding the silicone plant that will be going in at Newport. The wind pattern and weather patterns are the problem of particles blowing into our water resources. He is following what the impact would be on our watershed. Dennis is following this issue and urged council to attend. Valerie said the Kalispell Tribe is active with this issue and has asked for a study of air quality. The meeting will be held in Sandpoint on February 28<sup>th</sup> from 5:30 p.m. to 7:30 p.m. Dennis said the silicone plant cannot be put in Spokane at one of the vacant smelter sites because it would send the amount of pollutants over the amount allotted by EPA for that area. He said the power rates were also a factor in choosing an area for the silicone plant. Mayor Sims said the way the process works is they take silicone oxide sand that goes through a process to end up with silicone metal and the byproducts are carbon dioxide, sulfur dioxide, and nitrous oxide so you get acid rain. Valerie clarified that if the silicone plant in Newport does not meet the standards of Washington it will not go in. Dennis said that is correct. Andrakay said the City of Sandpoint officials were concerned about the plant being fast tracked in the Newport area due to job creation. Air quality must be looked at for Idaho and Washington. Valerie said her father is a county commissioner in Newport so she thought she should disclose this fact. Dennis said the highest paid workers will come from the outside and the lowest paid employees will be hired. The meeting in Sandpoint is hosted by the City of Sandpoint and it will be a panel discussion. The presentation will be 100 minutes and the questions period will be only a 20 minute period. Dennis said the County selected Keller and Associates to engineer the sewer study. The Three Mile Area and Moyie Springs are the areas of the study.

Rick Alonzo moved to add late agenda items for decision on the fee increase hearing and adopt Fee Resolution 2018-02-01; authorize Mayor to sign Consulting Services Agreement with EES Consulting for updating the cost of service study and Idaho Forest Group rate analysis; and to authorize the Mayor to sign swimming pool grant paperwork to be sent to Department of Commerce for payment to Panhandle Area Council for grant administration. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Valerie Thompson “yes”, Adam Arthur “yes”.

Valerie Thompson moved to approve the consent agenda. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Valerie Thompson “yes”, Adam Arthur “yes”. The consent agenda contained the following: roll call; approval of accounts

payable and payroll; approval of Treasurer's Report; and approval of January 16, 2018 council meeting minutes.

Ron Smith moved to approve the purchase of blinds for the council room and lunch room for no more than \$2,055. Valerie Thompson seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Valerie Thompson “yes”, Adam Arthur “yes”.

Adam Arthur moved to authorize advertisement for lifeguards. Valerie Thompson seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Valerie Thompson “yes”, Adam Arthur “yes”.

The group discussed the amended plat of North Ridge Estates being in the area of impact for the City. Valerie Thompson moved to authorize the signature of the Mayor for the amended plat of Lot 1, Block 1 of North Ridge Estates. Ron Smith seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Valerie Thompson “yes”, Adam Arthur “yes”.

There was an error in the wage memo adopted by council in July, 2014 regarding the percentage increases for a foreman and superintendent. The original memo state 10 per cent increase for a foreman and 30 percent increase for a superintendent but it should have been five percent for a foreman and 20 percent for a superintendent. Rick Alonzo moved to approve the correction to the wage memo dated 7-1-14. Ron Smith seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Valerie Thompson “yes”, Adam Arthur “yes”.

The group discussed the security counter for the Clerk's Office. Mike showed a PowerPoint drawing of the proposal. It is a baffle system for separation of the public from the employees at the front counter and there is a security door at the end of the counter with a keypad for entry. Police Chief Vic Watson said the frequency and agitation of visitors coming in has increased. He said the first point of contact with people are in the lobby. He said the lobby is a poor confined area for dealing with patrons. For the safety of the employees he supports some kind of system to protect the girls. Jerry Higgs suggested we put in a speaker system for some of the patrons. Rick said we need to address the door to the Clerk's office. Mike said it would be removed. Adam asked if there is a better system for interacting or communicating with the public. The group would like to see some examples. Valerie said with the open carry laws in Idaho and the increasing volatility of people in our community, there is nothing more important than the safety of the people who are the faces of the City, because the girls do the most to relax the people that are in a dangerous situation. Council thinks this is important. Vic thinks it is impertinent to protect the City workers. Mike will move forward with quotes for the project.

Rick Alonzo moved to adopt Resolution 2018-02-01 for fees and charges of the City. Ron Smith stated that the fee schedule is a compilation of fees the City has had for quite a while. That was correct with the addition of the new fees considered this evening. Ron Smith seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Valerie Thompson “yes”, Adam Arthur “yes”.

Mike Klaus incorporated figures into a capital plan for the electric fund that was submitted to EES Consulting for the cost of service analysis. Mayor Sims said another factor is the BPA

increase that we are facing. Mike said there are some problems at the Moyie Hydro that are identifiable that need to be fixed including spillway repair and silt removal. Mike wanted council to see the updated proposal because the scope of work changed a bit since the last consideration was given by Council. Mike drew a picture of the proposed Dam resurfacing that will take place. He said the top six inches of concrete will be removed and then replaced with rebar and new concrete. Mike said the concrete will be coated to help protect the new surface. Mike met with CH2MHill in Boise and they are having problems changing the timeframe for silt removal with FERC. He said it may take a license rewrite. Mike wants to use a clam shell to remove some of the silt this year during the time allowed in our license. Mike said the rate study is assuming no borrowing for the repairs that are anticipated. Adam Arthur moved to authorize the Mayor to sign the Consulting Services Agreement with EES Consulting, Inc. for updating the cost of service analysis and Idaho Forest Group rate analysis. Valerie Thompson seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Valerie Thompson “yes”, Adam Arthur “yes”.

Valerie Thompson moved to authorize the Mayor to sign the paperwork for the swimming pool grant to be sent to Department of Commerce for payment to Panhandle Area Council for grant administration. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Valerie Thompson “yes”, Adam Arthur “yes”.

There being no further business, the meeting adjourned at 8:30 p.m.

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David Sims, Mayor

Attest:

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Kris Larson, City Clerk