

Mayor David Sims called the special council meeting of August 8, 2017 to order at 6:00 p.m. Present for the meeting were Mayor Sims, Council President Rick Alonzo, Council Members Ron Smith, Ken Toline, and Adam Arthur, City Administrator Mike Klaus, Planner Lisa Ailport, and Clerk Kris Larson. Also present was Dan Villalobos from Bonneville Power Administration.

Lisa gave a background of the Bonneville Power Administration (BPA) conservation program. She said our allocation for the next rate period is about \$106,000.

Mayor Sims said we can consider how to use the conservation funds – residential, commercial, or public. Lisa said there is one entity that would like to use the total amount of our conservation dollars. The question is what and who we want to support. Lisa said historically the City has been on a first come, first serve basis. She said it is up to council to let us know how to spend these dollars.

Dan Villalobos said he has been with BPA for six years but prior to that he worked in the utility industry for 37 years. Dan said BPA takes the money from us first and then gives it back to us. This is dictated by law. He said he is here to help us with our program. There was an industrial program where Idaho Forest Group went directly through BPA for an energy efficiency custom project. City of Bonners Ferry has spent all the conservation dollars allocated for this rate period. October, 2017 is another rate period so we will have a new allocation then.

Dan explained deemed measures and custom projects. He looks at utility sector profiles and tries to fit them to utility companies. He gave the example of rebate programs and how the amounts change.

Lisa said we had \$28,000 in inappropriate requests. Either we submitted a reimbursement request twice or there was no documentation for the projects submitted. She said after the audit we had to verify about \$12,000 in kilowatt savings so we used our street lighting project to accomplish this. Lisa thinks there are still more lights to be changed. She said it is good to look at how to save our infrastructure dollars.

Dan said BPA tells us how to spend the dollars, and they must have the information to back up the program expenditures. Mike said in the past we have been weak in the process of documentation as the people that were working with the program had many other duties to take care of. Now, part of Lisa's duties are to operate the program and make sure we have the documentation. Mayor Sim's said sometimes an audit shows something that we may be missing. He said it would be good to have a policy in place for the conservation program. Ken Toline said it is integral to the program to have the proper documentation.

Dan said on a custom project BPA has their own engineers do the inspections. He told council that we also receive an administrative performance payment from BPA. Dan suggested that we spend as many dollars as we can on the City's side of the meter as that benefits everyone on the system.

Mike said he wants to give council the information as to how many lights have been replaced and how many we have left. He said part of this is workload as we pushed the electric

department hard to get this \$12,000 reconciled. Mike said we have a lot to do internally, but we need to prioritize. Mayor Sims said we need to work to get a policy before October. Dan again said he thinks we should look at keeping the projects to the City's side of the meter as this benefits all the customers. He said this would be the first priority and then look at the public entities that need efficiency projects. Dan said the LEDs are so much brighter than other lights and it saves because they use less kilowatts.

Lisa said the Hospital is looking at a custom project that would include HVAC systems and lighting. Mike said we are concerned about equity. Mayor Sims said the last time the conservation program was discussed with council was around 2008, so that is why we are meeting tonight. Lisa said the guidance from council is very important to make the program operate successfully. Adam thinks first come, first serve is a bad idea. He thinks cost of energy savings is important. Mayor Sims said some people are educated about the program and know how to use it but others do not know anything about it. Dan again said he would do in-house projects first and then go outside.

Dan said if there is a utility out there that cannot carry over their funding, we may be eligible to receive that funding. He said \$50,000 would be the most we could receive of these carry over funds.

Mike suggested that he and Lisa bring a project priority for using the conservation funding to council for approval. Mayor Sims said we should look at general fund projects first.

The group briefly discussed conservation funds being deposited in the general fund. Bonners Ferry pays the expenses out of the electric fund so the reimbursements are deposited in the electric fund.

Ron Smith said we need to have the policy in place for the conservation projects. Mayor Sims would like to see the target date of the end of September for the policy to be adopted. He would like to see also what type of incentives are available for consumers. Dan said one of the best programs is to send a direct mailing to our residential customers for LEDs. He said a residential program is hard when we have a small budget. Mayor Sims suggested that we do a self-funded project for city customers.

Council thanked Dan for coming to the meeting. Dan said we have a contract to sign. Lisa said it will go on the council agenda for next week. Dan left the meeting at 7:18 p.m.

The group went over the proposed budget for fiscal year 2018.

Discussion ensued about the dike maintenance that is needed. Mike explained the PL8499 Program that the City belongs to. Mayor Sims said we are responsible for 100 percent of the routine maintenance. If there is non-emergency work to be done the City pays 20 percent and Corps pays 80 percent.

Enterprise funds proposed budgets were reviewed.

Mike Klaus updated the group about the Cassia tank and a waterline that is needed.

Council tentatively approved the fiscal year 2018 budget for publication in the Herald.

There being no further business, the meeting adjourned at 8:35 p.m.

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David Sims, Mayor

Attest:

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Kris Larson, City Clerk