

Mayor David Anderson called the regularly scheduled council meeting of September 1, 2015 to order at 7:00 p.m. Present for the meeting were Mayor Anderson, Council President Rick Alonzo, Council Members Ron Smith, Connie Wells, and Adam Arthur, Clerk Kris Larson, City Administrator Mike Klaus, City Attorney Andrakay Pluid, Police Chief Vic Watson, Fire Chief Pat Warkentin, and Electric Line Foreman Brian Kerins. Also present were Jerry Higgs, Mike Normandeau from Bonneville Power Administration, Kyle Watts, Levi Falck, Carolyn Testa, and Jessica Tingley.

The first order of business was the hearing for fiscal year 2016 budget appropriation. There were no comments from the public. Mayor Anderson closed the budget hearing at 7:01 p.m.

Carolyn Testa spoke to council about a kiosk erected near the Bonnerport building. She said there is traffic asking for information whenever she is working at the Bonnerport. She and Robert Hanover designed the kiosk and the intention is to provide public information. Two sides of the kiosk will be behind glass and will be locked. Jenny Kirsch, volunteer for the Pearl Theater, is a graphic designer and she will be taking care of the kiosk. She is preparing a map for walking to the businesses. Another side of the kiosk will be points of interest for vehicle traffic. The third side will be cork board for flyers. Carolyn will keep the kiosk well maintained like her building. It is a nice welcome to Bonners Ferry. Council thanked Carolyn. Carolyn left the meeting at 7:08 p.m.

Mike Normandeau, Power Services Executive from Bonneville Power Administration (BPA), spoke to council regarding rates that take effect October 1, 2015. He said the upcoming two year BPA rate period average increase is 7.1 percent in the northwest but Bonners Ferry has the second lowest rate of 1.5 percent. Our average is lower due to the hydro generation at our power plant. He said when we have excess power generation BPA gives us a credit on our bill. Mike said very few utilities in the northwest have such an asset. Growth trajectories for the use of power are not being seen nationally - not a lot of load growth. This is mostly due to conservation and Energy Star. He said a lot more energy efficient equipment is going into homes, businesses, and industry. Summer peaking utilities saw a bigger rate increase this time around. The utilities that peak in the winter, like Bonners Ferry, saw lower rate increases. Long term rate forecasts for the next 20 years will be out from BPA later this fall. Our contract is good through 2028. Mike said BPA is seeing equipment that needs to be replaced or repaired as the hydro system is 75 years old and this will be the primary reason for future rate increases. Historical revenues from surplus energy sales are not being seen because markets are so low. Integration of wind, solar, and the dry weather have affected the rates. Hydro generation is lower this year due to the dry year we are having.

Mayor Anderson asked about BPA's position regarding the Columbia River Treaty. Mike said the United States' proposal was to move forward with renegotiating the treaty. The power and revenues that are sent to Canada for them to hold the water and the benefits of them holding the water is too high. The Northwest sends roughly \$300 million each year to Canada as part of the treaty. It was a 50 year treaty to help them build the Arrow Mica Dams in Canada and we have helped finance the construction of those dams. As part of this we get flood control and callable water rights to call water down in dry years. We called for water this year and will have to

replace it sometime in the future. The State Department has been sitting on the recommendation to renegotiate it and a negotiator has been assigned. It requires a ten year notice of termination but we would rather just renegotiate. Mike said the treaty is a good tool. The biggest shift is the interest from Tribes to add an ecosystem component. It will be a long process. The ability to use Canadian reservoirs is an important aspect. BPA wants to use the Canadian water.

Kyle Watts spoke regarding fees for the special event permit for the Demolition Derby. He asked for understanding for himself of the permitting process. Kyle said it was a slight shock to him when he was notified that there was an additional \$300 fee for his event. He asked if these fees will be part of the permitting process in the future and if there will be a policy or a standard set. According to the people Kyle has spoken with there has never been another fee charged. Ron Smith said the discussion was in the past that the Lions Club made donations to the fire and police. Kyle said he did not make any money for the event. He lost \$900 last year and this year he is facing a \$1200 loss. He wants to keep the event going and does not think fire and police or the ambulance should not receive funding for these type events. Kyle wants to know why and how the fees will be applied. Rick said the Demolition Derby has been the only event that has requested police and fire at all times. He said no other organization has requested these services. Rick said the Lions used to send money over to the fire and pay for a reserve officer. Rick said the fire will respond if there is no funding paid but the response will be delayed if they are not on scene.

Mayor Anderson said we do not have an official policy but we do have fees for the fire department that are quite a lot higher. Kyle said it will be up to the promoters of the events if they want police and fire and if they do then they will be required to pay for the services. Mayor Anderson said we do not have an ordinance that says someone must have the fire department on scene.

Kyle spoke of the cleanup deposits charged for the events by the City and County. He does not understand why both charge deposits and also said both the City and County require an additional insured. Kyle wants to bring more events to Bonners Ferry and spoke of concerts and the Moto cross. Mayor Anderson said we are anxious to see those types of events here. He said it helps to start early to get questions answered. He said an ordinance might cause more of a hindrance than be a help in some cases. Mayor Anderson spoke of the Chamber of Commerce and Kootenai River Days. He said the best thing is to start the process early. Kyle said he is working on creating an events association to make a calendar of events to look at in the future. Mayor Anderson said to come in early and we will work it out.

Kyle said he read the minutes from the last council meeting and asked what the difference is between a non-profit and a for-profit event and does not want to be segregated against. He said it does not make sense for him to fill out the 501 (c) (3) paperwork. Rick again said the Demolition Derby is the only event that wants the fire and police on site. Kyle asked if it is appropriate to have other fire departments or outside security at the events. Ron Smith said the Mud Bog has private security for their events but it is not on county or city property. Ron said the county fairgrounds is located in the city limits. Kyle asked that the City and County work together. Pat said if Kyle is comfortable with locals using their water trucks there is not a

problem, but he would not like to see another fire department in our jurisdiction as it is disrespectful. Pat does not have an issue if it is not another fire organization. Kyle does not see it as an issue for another fire entity in the community to come down and volunteer their services. Pat said there are seven fire agencies in our community and EMS in our community. He said there are seven kingdoms and no one wants to share the funds and it is crazy. He said it is expensive and poor service to the people in the community for more money.

Ron said Kyle wants to know what he is looking at in the future. He thinks it is council's duty to come up with something before an event is scheduled in the future. People planning events need to know what they are going to be charged or expected to have. Kyle said the Demo Derby was three hours long and \$150 covered Officer Winter's wages just fine. Kyle would like to see one entity run the events. Kyle does not think there should be segregation between events. Rick said no other entity has requested fire and police other than the Demo Derby. Mayor Anderson said we do have a rate structure and insurance requirements. He suggested that our permits spell out the details. Jerry Higgs said for years he has heard the same problem and thinks the city should pass an ordinance and give all county owned parcels back to them by un-incorporating them such as Kootenai County. Vic Watson agreed. Where he came from county law enforcement took care of county owned property. He has trouble grasping this as county property should be managed by the county. Ron spoke of liability for county property in the city limits. Mayor Anderson said we will agendize these items and call Kyle back for that meeting. He said we do want to see events in town. Vic said our officer reported no incidents this year. Kyle said he was surprised that his event permit was agendized to be discussed and he was not informed. He thinks we could have all been more productive with it. Council urged him to come early next time.

Police Chief Vic Watson said in the past two weeks officers have responded to the following: one burglary, three thefts, one vehicle theft, two auto accidents, one driving without privileges, one check fraud, one warrant arrest, one felony warrant arrest, one resist and obstruct, one marijuana/paraphernalia, one felony controlled substance and paraphernalia, one domestic, one child abuse, and they wrote 16 speeding tickets. He said they are coming to the end of their summer mobilizations. There was a man from Switzerland doing 72 in a 35 mph that was cited.

Fire Chief Pat Warkentin said there were a total of eight calls last month. Since the last meeting there were two unintentional false alarm fire calls and two EMS calls. There was a big feed put on for the fire fighters from the Parker Ridge Fire at the Forest Service and Bonners Ferry Fire Department assisted with the dinner. The City will received \$800 for the night the fire department responded up north when they were requested. A portion of the response was mutual aid but hourly rates are paid if the event extends for a longer period of time.

City Administrator Mike Klaus said the utility crews are doing an exceptional job. He said he mentions something that needs done and they get it done. Mike really appreciates them. Mike said Myrtle creek has been problematic due to low flows. The water/sewer department has worked on cleanup on Myrtle Creek; a few sewer backups, six water leaks, finished hauling junk and trash from the lagoons, are cleaning up around the water department, and the pool is closed down. Mike said this month we came close to violating the total suspended solids at the sewer

lagoons. We spend about \$1300 per day on chemicals treating the algae and he knows this issue needs to be resolved. John Delaney works on keeping this level down and he should be commended. The structural outfit that put the drawings together for the substation project did not do a good job initially. The general contractor has been held up a fair bit because of this. All the foundation work and fencing is in but until the steel arrives that hold up all the equipment the project is on hold. The project is scheduled to be done mid-October to early November. This dove tails with the line project that bids the 9th of September. The completion date for the line project is the end of January, a longer window than what we had in the original bid, so hopefully we can get other bidders involved. The street crews have been working hard doing a lot of asphalt patching the past couple weeks.

Connie Wells moved to approve the consent agenda. Rick Alonzo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Adam Arthur “yes”. The consent agenda contained the following: roll call; approval of accounts payable and payroll; approval of the August 18, 2015 council meeting minutes and the August 21, 2015 special council meeting minutes.

Rick Alonzo moved to affirm Mayor’s appointment of Mike Klaus as City Engineer. Ron Smith seconded the motion. The group discussed Mike also taking on the duties of City Administrator. Mayor Anderson said we can title Mike City Engineer/City Administrator. Mike said that would be accurate. Rick said he would be an engineer with administrator duties. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Adam Arthur “yes”.

Mike Klaus said the pay requests from Knight Construction for the Moyie Substation project included sales tax and this is in error. They are adjusting the previous invoice for us. The current invoice is for \$162,729.35. Ron Smith moved to pay Knight Construction without the sales tax. Rick Alonzo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Adam Arthur “yes”.

Mayor Anderson recommended doing a cost of service study for the electric rates. Connie asked if we have to do a rate study since we can raise rates without one. Mike Klaus said we want the rates to be defensible and for \$29,000 it is worth it. He thinks gradual adjustments will be the way to go and explained that the customers will appreciate this rather than a huge rate increase at one time. He spoke of the needed improvements at the dam and said this will be built into the rates. Ron Smith moved to hire EES Consulting to do a rate study. Rick Alonzo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Adam Arthur “yes”.

Mike Klaus said only one bid was received for the chip spreader. The bid was from Clyde West and John Youngwirth was pleased with it. The bid price of \$67,728 includes delivery and refurbishing the machine. Adam Arthur moved to approve the bid for the chip spreader. Connie Wells seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Adam Arthur “yes”.

Connie Wells moved to hire Deby Garcia as office clerk/receptionist. Ron Smith seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Adam Arthur “yes”.

The group discussed the budget for fiscal year 2016. Ron Smith moved to suspend the three readings of Ordinance 551 and read it by title only. Connie Wells seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Adam Arthur “yes”. Attorney Andrakay Fluid read Fiscal Year 2016 Appropriation Ordinance #551 by title only.

Rick Alonzo moved to adopt Ordinance #551. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Adam Arthur “yes”. Ordinance #551 reads as follows:

Ordinance #551

AN ORDINANCE ENTITLED THE ANNUAL APPROPRIATION ORDINANCE FOR THE FISCAL YEAR, BEGINNING OCTOBER 1, 2015, APPROPRIATING THE SUM OF \$15,980,028 TO DEFRAY THE EXPENSES AND LIABILITIES OF THE CITY OF BONNERS FERRY, FOR SAID FISCAL YEAR, AUTHORIZING A LEVY OF SUFFICIENT TAX UPON THE TAXABLE PROPERTY AND SPECIFYING THE OBJECTS AND PURPOSES FOR WHICH SUCH APPROPRIATIONS ARE MADE.

BE IT ORDAINED by the Mayor and City Council of the City of Bonners Ferry, Boundary County, Idaho

Section 1. That the sum of \$15,980,028 be and the same is hereby appropriated to defray the necessary expenses and liabilities of the City of Bonners Ferry, Boundary County, Idaho, for the fiscal year beginning October 1, 2015.

Section 2. That the objects and purposes for such appropriations are made as follows:

<u>Proposed General Government Fund Expenditures</u>		
General Government	\$318,728	
Police Department & Police Grants	547,192	
Animal Control	9,700	
Fire Department	204,940	
Parks Department & Visitor Center	56,998	
Swimming Pool	43,513	
Golf Course	138,483	
Street Department	518,902	
South Hill Slough Grant	40,199	
D.A.R.E./School Resource Officer	63,140	
Economic Development Coordinator Grant	73,156	
Dike Maintenance	10,000	
Capital	40,000	
Inter-Department Contingency	238,056	
Total General Fund Expenditures		\$2,303,007
 <u>Proposed Enterprise and Capital Project Fund Expenditures</u>		
Electric Fund	9,872,966	
Water Fund	2,136,740	
Sewer Fund	1,037,775	
Garbage Fund	145,540	
Capital Project Fund	484,000	
Total Enterprise and Capital Project Expenditures		13,677,021
Total Expense Budget Fiscal Year 2015		\$ 15,980,028

Section 3. That the general levy of \$568,309 on all taxable property within the City of

Bonnors Ferry be levied in an amount allowed by law for general purposes for said City, for the fiscal year beginning October 1, 2015.

Section 4.

All ordinances and parts of ordinances in conflict with this ordinance are hereby repealed.

Section 5.

This ordinance shall take effect and be in full force on October 1, 2015, after its passage, approval and publication in the Bonnors Ferry Herald, a newspaper of general circulation in the City of Bonnors Ferry, and the official newspaper thereof.

PASSED under suspension of the rules upon which a roll call vote was taken and duly enacted an ordinance of the City of Bonnors Ferry at a convened meeting of the Bonnors Ferry City Council held on September 1, 2015.

APPROVED by the Mayor the 1st day of September, 2015.

/s/ David K. Anderson,
Mayor
Attest: /s/ Kris Larson,
City Clerk

Ron Smith moved to authorize Mayor Anderson to sign the request for funds signature authorization form for the Idaho Community Development Block Grant to include Rick Alonzo. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Adam Arthur “yes”.

Mike Klaus spoke of the Cassia water tank project. He said there was a pre-bid meeting and project walk through today and there were four contractors represented, three locals and one from Spokane. Mike said we have received approval from DEQ for the project. The job will be substantially complete by June 17, 2016. Demolition on the old tank will be done by late October.

There being no further business, the meeting adjourned at 8:20 p.m.

David K. Anderson, Mayor

Attest:

Kris Larson, City Clerk