

Welcome to tonight's City Council meeting!

The elected officials of the City of Bonners Ferry are appreciative of an involved constituency. Testimony from the public is encouraged concerning issues when addressed under the Public Hearing portion of the agenda. Any individual who wishes may address the council on any issue, whether on the agenda or not, during the Public Comments period. Normal business will preclude public participation during the business portion of the meeting with the discretion left to the Mayor and Council.

Vision Statement

Bonnors Ferry, "The Friendliest City", strives to achieve balanced growth, builds on community strengths, respects natural resources, promotes excellence in Government, and values quality of life.

AGENDA
CITY COUNCIL MEETING
Bonnors Ferry City Hall
7232 Main Street
267-3105
August 20, 2013
7:00 p.m.

PLEDGE OF ALLEGIANCE

PUBLIC HEARING

PUBLIC COMMENTS

Each speaker will be allowed a maximum of five minutes, unless repeat testimony is requested by the Mayor/Council

GUESTS

Ken Baker – Boundary Volunteer Ambulance

REPORTS

Police/Fire/City Administrator/Economic Development Coordinator/Urban Renewal District

CONSENT AGENDA

1. Call to Order/Roll Call
2. Approval of Bills and Payroll
3. Treasurer's Report
4. Approve August 6, 2013 Council Meeting Minutes

OLD BUSINESS

5. City – Swear in City Attorney Andrakay Pluid
6. City – Second Reading of Ordinance Amending Title 10 of the Bonners Ferry City Code (attachment)

NEW BUSINESS

7. City – Approve Special Event Permit for Bonners Ferry Herald for August 23, 2013 Block Party in Downtown Bonners Ferry near Bonners Ferry Herald (attachment)

8. Water – Authorize Mayor to Sign Change Order #3, Pay Requests #4 & #5 for Payment to Accelerated Excavating and Construction for the Highway 95 South Waterline Project (attachment)
9. City – Authorize Mayor to Sign Audit Engagement Letter with Magnuson, McHugh and Company for Fiscal Year 2013 Audit (attachment)
10. City – Approve Beverage License for The Rusty Moose Tavern & Grill (attachment)
11. Electric – Authorize the Mayor to Sign the Bonneville Power Administration Contract Revision (attachment)
12. Electric – Approve Asplundh Tree Trimming Services (attachment)
13. Golf – Discuss Mower Lease (attachment)
14. Golf – Discuss Golf Clubhouse

EXECUTIVE SESSION PURSUANT TO IDAHO CODE 67-2345, SUBSECTION 1

- (a) Consider hiring a public officer, employee, staff member or individual agent.
- (b) Consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student.
- (c) Conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency.
- (d) Consider records that are exempt from disclosure as provided in chapter 3, title 9, Idaho Code.
- (e) Consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations.
- (f) Communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.
- (g) Engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed.

ADJOURNMENT

NEXT MEETING DATE

INFORMATION

15. Electric – Claim for Damage (attachment)
16. Electric – FERC ODSP Letter (attachment)

ORDINANCE NO. _____

2nd Reading
8-20-13

AN ORDINANCE OF THE CITY OF BONNERS FERRY, A MUNICIPALITY OF THE STATE OF IDAHO, MAKING TYPOGRAPHICAL CORRECTIONS TO SECTIONS 10-4-2 AND 10-4-4 OF BONNERS FERRY CITY CODE; AMENDING SECTION 10-4-5; REPEALING SECTION 10-4-5 OF BONNERS FERRY CITY CODE, CONCERNING SEWER USE CHARGES FOR SOUTH HILL WATER AND SEWER DISTRICT AND NORTH WATER AND SEWER DISTRICT; PROVIDING SEVERABILITY; PROVIDING THAT THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT FROM AND AFTER ITS PASSAGE, APPROVAL AND PUBLICATION ACCORDING TO LAW.

WHEREAS, the Mayor and City Council have deemed it in the public interest to correct typographical errors existing within Bonners Ferry City Code Title Ten, Chapter Four and to repeal a section of Bonners Ferry City Code Title Ten, Chapter Four, for the purpose of repealing a now inapplicable provision deemed to be in the best interest of the citizens of the City of Bonners Ferry. The provision repealed is no longer applicable as both South Hill Water and Sewer District and North Water and Sewer District have been dissolved and incorporated into the City of Bonners Ferry.

NOW THEREFORE, Be it ordained by the Mayor and the Council of the City of Bonners Ferry, Idaho, as follows:

Section 1: That Bonners Ferry City Code Section 10-4-2 is hereby amended as follows:

10-4-2: DEFINITIONS:

As used in this chapter, the following words and terms shall have the meanings ascribed to them in this section:

BOD (Denoting Biochemical Oxygen Demand): The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at twenty degrees Celsius (20°C) expressed in milligrams per liter (mg/l).

COMMERCIAL CUSTOMER: All retail stores, restaurants, office buildings, laundries, and other private business and service establishments.

EQUIVALENT DWELLING UNIT: An average or standard residential dwelling as with respects to sewer flow produced. This average dwelling unit produces six thousand (6,000) gallons per month of sewer effluent.

Section 2: That Bonners Ferry City Code Section 10-4-4 is hereby amended as follows:

D. No Surface Water Or Pollutants To Be Discharged In Treatment Works: No user shall introduce surface storm drainage water into the city sanitary sewer system. Any user which

discharges any toxic pollutants (as defined in chapter 3 of this title) which cause an increase in the cost of managing the effluent and/or of the sludge from the city's treatment works, or any user which discharges any substance which singly or by interaction with other substances causes identifiable increases in costs of the treatment works, shall pay for such increased costs. The charge to each such user shall be as determined by the appropriate city personnel and approved by the city council.

Section 3: That Bonners Ferry City Code Section 10-4-5 is hereby amended as follows:

A. Due Date: All users shall be billed monthly. Payments are due fourteen (14) ~~within ten (10)~~ days after the billing date ~~end of the month~~. Any payment not received within fourteen (14) ~~ten (10)~~ days after the billing date ~~end of the month~~ shall be delinquent.

Section 4: That Bonners Ferry City Code Section 10-4-8 is hereby repealed.

Section 5: PROVISIONS SEVERABLE: The provisions of this Ordinance are hereby declared to be severable and if any provision of this Ordinance or application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of remaining portions of this Ordinance.

Section 6: EFFECTIVE DATE: This ordinance shall be effective upon its passage and publication in the manner provided by law.

APPROVED by the Mayor and City Council of the City of Bonners Ferry this _____ day of _____, 2013.

CITY OF BONNERS FERRY, IDAHO

BY: _____
Mayor

Attest:

Clerk, City of Bonners Ferry

CITY OF BONNERS FERRY, IDAHO
APPLICATION FOR CITY SPECIAL EVENT PERMIT
(REQUIRED UNDER ORDINANCE NO. 468)

Date of Application: July 18th 2013
License Issued to: Jaycee Atkins
Business Name: Bonnerr's Ferry Herald
Mailing Address: PO Box 539
Physical Address: 7183 Main Street
Phone Number: 208-267-5521
Type of Event: 2nd Annual Block Party
Dates of Event: August 23rd
Location of Event: Downtown Bonners Ferry Herald
Time of Event: 11:30-3pm

RECEIVED

AUG 01 2013

CITY OF BONNERS FERRY

By application, the applicant shall, waive, indemnify, and hold harmless the City of Bonners Ferry, its agents, its employees and authorized volunteers from and against all claims, damages, losses and expenses, including attorneys' fees, arising out of the permitted activity or the conduct of applicant's operation of the event if such claim (1) is attributed to personal injury, bodily injury, disease or death, or to injury or to destruction of property, including the loss of use there from, and (2) is not caused by any gross negligent act or omission or willful misconduct of the City of Bonners Ferry or its employees acting within the scope of their employment.

The following requirements must be met:

- A. If sponsored by a local resident, entity or group, a signed copy of licensee's contract with the local sponsor.
- B. Evidence of at least one million dollars (\$1,000,000.00) combined single limit liability insurance that names the City as co-insured.
- C. A clean-up fee of one hundred dollars (\$100.00); all, some or none of which will be returned upon recommendation of the Chief of Police after his inspection of the premises after the organization has left the premises and their permit expired. The foregoing fee is subject to change from time to time by resolution of Council.

Fees and proof of insurance must be provided to the City of Bonners Ferry prior to the event.

Authorized Signature for Applicant: Jaycee Atkins
Printed Name: Jaycee R. Atkins
Office/Title: _____

Office Use:
Fee Paid: \$100 Date: 8-1-13 Receipt No. 11385-13
Approved By: _____ Date: _____

*2013-13
8-7 to police & fire*



183995

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/6/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Commercial Lines - (509) 358-3800 Wells Fargo Insurance Services USA, Inc. - CA Lic#: 0D08408 601 West Main Street, Suite 1400 Spokane, WA 99201-0635	CONTACT NAME: SUSAN AMES PHONE (A/C, No, Ext): 509-358-3907 FAX (A/C, No): 866-510-9588 E-MAIL ADDRESS: susan.ames@wellsfargo.com	
	INSURER(S) AFFORDING COVERAGE NAIC #	
INSURED Haganone Investment Co. P.O. Box 6200 Coeur D'Alene, ID 83816	INSURER A: National Union Fire Ins. Co. of Pittsburgh, PA 19445	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 6435662

REVISION NUMBER: See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			GL1929681	12/15/12	12/15/13	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 1,000
	<input checked="" type="checkbox"/> WA STOP GAP \$1,000,000						PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COM/OP AGG \$ 2,000,000
							\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR					EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$
							\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH)	<input type="checkbox"/> Y/N	N/A				E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

AS RESPECTS: BONNER COUNTY DAILY BEE BLOCK PARTY, AUGUST 23, 2013

CERTIFICATE HOLDER
 CITY OF BONNERS FERRY
 KRIS LARSON
 PO BOX 149
 BONNERS FERRY, ID 83805
CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CHANGE ORDER No. 3

TO

BONNERS FERRY DEEP CREEK CROSSING WATERLINE PROJECT

Item #1 - Adjusted Balancing contract amount to actual in-place quantities

Description

The purpose of this change order item is to adjust the contract amount to reflect the actual documented installed quantities by the Contractor. The original contract amount is the bid quantities plus any change order quantities that were added during the course of the contract.

To determine the amount of this change order item, subtract the contract quantities from the actual in-place quantities. Please refer to the spreadsheet below.

Certification

The parties to the contract do hereby agree that the actual in-place quantities and contract amount shown below represents a full and final accounting for all work and materials provided by the Contractor to the Owner during the course of the project.

(-\$9,298.50)

TOTAL NET CHANGE ITEM 1

TOTAL PROJECT

BALANCING CONTRACT CHANGE ORDER

TO DOCUMENT ACTUAL IN-PLACE QUANTITIES

Pay Item	Description	Pay Unit	Unit Price	CONTRACT AMOUNT			ACTUAL IN-PLACE			DIFFERENCE	
				Orig. Qty	CO Qty	Total Qty	Total	Quantity	Total	Quantity	Total
01 5050.01	Mobilization	LS	\$ 6,300.00	1.00	0.00	1.00	\$6,300.00	1.00	\$6,300.00	0.00	\$0.00
01 5500.02	Traffic Control	LS	\$ 1,000.00	1.00	0.00	1.00	\$1,000.00	1.00	\$1,000.00	0.00	\$0.00
01 5713.04	Site Control	LS	\$ 1,000.00	1.00	0.00	1.00	\$1,000.00	1.00	\$1,000.00	0.00	\$0.00
01 5713.09	Fiber Wattle	LF	\$ 3.00	150.00	0.00	150.00	\$450.00	150.00	\$450.00	0.00	\$0.00
31 231613.01	Trench Excavation & Backfill	LF	\$ 13.00	1425.00	0.00	1425.00	\$18,525.00	1470.00	\$19,110.00	45.00	\$585.00
31 231613.03	Exploratory Excavation	HR	\$ 150.00	32.00	0.00	32.00	\$4,800.00	30.00	\$4,500.00	(2.00)	(\$300.00)
31 2323.02	Type S2 - Excavated Granular Soil (Import)	CY	\$ 20.00	75.00	0.00	75.00	\$1,500.00	0.00	\$0.00	(75.00)	(\$1,500.00)
31 2323.15	Type A10 - Pipe Bedding Material	LF	\$ 2.00	1425.00	0.00	1425.00	\$2,850.00	1470.00	\$2,940.00	45.00	\$90.00
31 2323.17	Unsuitable Material Excavation and Haul O	CY	\$ 12.00	75.00	0.00	75.00	\$900.00	60.00	\$720.00	(15.00)	(\$180.00)
32 1123.02	Type A3: 3/4" Minus Crushed Aggregate	CY	\$ 40.00	8.00	0.00	8.00	\$320.00	8.00	\$320.00	0.00	\$0.00
32 1216.01	Saw Cutting	LF	\$ 2.00	340.00	0.00	340.00	\$680.00	360.00	\$720.00	20.00	\$40.00
32 1216.02	AC Pavement Removal	SY	\$ 3.00	185.00	0.00	185.00	\$555.00	82.00	\$246.00	(103.00)	(\$309.00)
32 1216.03	PG58-28 Superpave Hot Mix Asphalt (HMA)	SY	\$ 13.50	425.00	0.00	425.00	\$5,737.50	268.00	\$3,618.00	(157.00)	(\$2,119.50)
32 9219.02	Hydroseed	SY	\$ 0.80	700.00	0.00	700.00	\$560.00	700.00	\$560.00	0.00	\$0.00
32 9219.03	Landscape Restoration	SY	\$ 10.00	80.00	0.00	80.00	\$800.00	0.00	\$0.00	(80.00)	(\$800.00)
33 1116.09	8-inch AWWA C900 DR-18 Water Line	LF	\$ 10.50	1425.00	0.00	1425.00	\$14,962.50	1470.00	\$15,435.00	45.00	\$472.50
33 1116.32	8-inch AWWA C515 Resilient-Seated Gate	EA	\$ 1,740.00	2.00	0.00	2.00	\$3,480.00	2.00	\$3,480.00	0.00	\$0.00
33 1116.35	1" Water Service Reconnection	EA	\$ 500.00	1.00	0.00	1.00	\$500.00	10.00	\$5,000.00	9.00	\$4,500.00
33 1116.36	1.5" Water Service Reconnection	EA	\$ 1,000.00	1.00	0.00	1.00	\$1,000.00	3.00	\$3,000.00	2.00	\$2,000.00

Item	Description	Unit	Price	Orig. Qty	CO Qty	Total Qty	Total	Quantity	Total	Quantity	Total
33 1116.39	Fire Hydrant Reconnection	EA	\$ 2,300.00	1.00	0.00	1.00	\$2,300.00	0.00	\$0.00	(1.00)	(\$2,300.00)
33 1116.40	Fire Hydrant Replacement	EA	\$ 2,500.00	1.00	0.00	1.00	\$2,500.00	2.00	\$5,000.00	1.00	\$2,500.00
33 1116.45	Tie-in to Existing 6-Inch Waterline	EA	\$ 1,950.00	1.00	0.00	1.00	\$1,950.00	1.00	\$1,950.00	0.00	\$0.00
33 1116.46	Tie-in to Existing 8-Inch Waterline	EA	\$ 1,250.00	1.00	0.00	1.00	\$1,250.00	1.00	\$1,250.00	0.00	\$0.00
33 1116.51	12-Inch Potable Water Line Casing	LF	\$ 25.00	20.00	0.00	20.00	\$500.00	40.00	\$1,000.00	20.00	\$500.00
33 1116.55	Cap and Abandon Existing Waterline	EA	\$ 150.00	1.00	0.00	1.00	\$150.00	1.00	\$150.00	0.00	\$0.00
33 1116.60	Water Service Relocation	EA	\$ 1,100.00	1.00	0.00	1.00	\$1,100.00	0.00	\$0.00	(1.00)	(\$1,100.00)
33 1116.68	Water Service Stub	EA	\$ 800.00	2.00	0.00	2.00	\$1,600.00	2.00	\$1,600.00	0.00	\$0.00
33 1116.80	1" Poly Water Service Pipe	LF	\$ 1.50	535.00	0.00	535.00	\$802.50	382.00	\$573.00	(153.00)	(\$229.50)
33 1116.81	2" Poly Water Service Pipe	LF	\$ 10.00	20.00	0.00	20.00	\$200.00	20.00	\$200.00	0.00	\$0.00
33 1116.82	1.5" Poly Water Service Pipe	LF	\$ 2.50	170.00	0.00	170.00	\$425.00	0.00	\$0.00	(170.00)	(\$425.00)
33 1116.84	Trench Service Installation	LF	\$ 13.00	135.00	0.00	135.00	\$1,755.00	150.00	\$1,950.00	15.00	\$195.00
33 1116.85	Bore Service Installation	LF	\$ 11.00	590.00	0.00	590.00	\$6,490.00	232.00	\$2,552.00	(358.00)	(\$3,938.00)
33 1116.107	1" Water Service Reconnection and Curb S	EA	\$ 700.00	9.00	0.00	9.00	\$6,300.00	0.00	\$0.00	(9.00)	(\$6,300.00)
33 1116.108	1.5" Water Service Reconnection and Curb	EA	\$ 1,000.00	2.00	0.00	2.00	\$2,000.00	0.00	\$0.00	(2.00)	(\$2,000.00)
33 1116.109	Water Service Replacement	EA	\$ 1,700.00	1.00	0.00	1.00	\$1,700.00	1.00	\$1,700.00	0.00	\$0.00
33 1116.33	6-Inch AWWA C515 Resilient Seat Gate V	EA	\$ 1,300.00	1.00	0.00	1.00	\$1,300.00	3.00	\$3,900.00	2.00	\$2,600.00
33 1116.34	4-Inch AWWA C515 Resilient Seat Gate V	EA	\$ 1,000.00	2.00	0.00	2.00	\$2,000.00	0.00	\$0.00	(2.00)	(\$2,000.00)
Id Alternate No 0		0	\$ -	0.00	0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
01 5500.03	Traffic Control (Add Alternate No. 1)	LS	\$ 1,000.00	1.00	0.00	1.00	\$1,000.00	1.00	\$1,000.00	0.00	\$0.00
31 2227.01	Highway Bore (Add Alternate No. 1)	LF	\$ 328.00	45.00	0.00	45.00	\$14,760.00	45.00	\$14,760.00	0.00	\$0.00
31 231613.01	Trench Excavation & Backfill	LF	\$ 20.00	35.00	0.00	35.00	\$700.00	45.00	\$900.00	10.00	\$200.00
31 2323.15	Type A10 - Pipe Bedding Material	LF	\$ 4.00	35.00	0.00	35.00	\$140.00	45.00	\$180.00	10.00	\$40.00
33 1116.09	8-inch AWWA C900 DR-18 Water Line	LF	\$ 48.00	35.00	0.00	35.00	\$1,680.00	45.00	\$2,160.00	10.00	\$480.00
33 1116.32	8-inch AWWA C515 Resilient-Seated Gate	EA	\$ 1,500.00	1.00	0.00	1.00	\$1,500.00	1.00	\$1,500.00	0.00	\$0.00
33 1116.37	Fire Hydrant Assembly (Add Alternate No.	EA	\$ 1,500.00	1.00	0.00	1.00	\$1,500.00	1.00	\$1,500.00	0.00	\$0.00
Change Orders		0	\$ -	0.00	0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00
CO1-1	Hydrant Changes	LS	\$ 1,070.95	0.00	1.00	1.00	\$1,070.95	1.00	\$1,070.95	0.00	\$0.00
CO2-1	Water Service Repairs	LS	\$ 967.06	0.00	1.00	1.00	\$967.06	1.00	\$967.06	0.00	\$0.00
							\$0.00		\$0.00		\$0.00
							\$123,560.51		\$114,262.01		(\$9,298.50)

CITY OF BONNERS FERRY, IDAHO U.S. 95 WATERLINE KENNEDY RD TO COUNTY RD NO. 19 PROJECT PAY REQUEST SUPPORTING WORKSHEET										Pay Request No. 4		Total-to-Date		Difference	
Pay Item	Description	Pay Unit	Contract Est. Quantities	Change Order Quantities	Total Est. Contract Quantities	Unit Price	Quantities	Amount	Quantities	Amount	Quantities*	Amount*			
01 5050.01	Mobilization	LS	1.00		1.00	\$ 6,300.00		\$ -	1.00	\$ 6,300.00	0.00	\$ -			
01 5500.02	Traffic Control	LS	1.00		1.00	\$ 1,000.00		\$ -	1.00	\$ 1,000.00	0.00	\$ -			
01 5713.04	Site Control	LS	1.00		1.00	\$ 1,000.00		\$ -	1.00	\$ 1,000.00	0.00	\$ -			
01 5713.09	Fiber Waffle	LF	150.00		150.00	\$ 3.00		\$ -	150.00	\$ 450.00	0.00	\$ -			
31 231613.0	Trench Excavation & Backfill	LF	1425.00		1425.00	\$ 13.00		\$ -	1470.00	\$ 19,110.00	45.00	\$ 585.00			
31 231613.0	Exploratory Excavation	HR	32.00		32.00	\$ 150.00		\$ -	30.00	\$ 4,500.00	(2.00)	\$ (300.00)			
31 2323.02	Type S2 - Excavated Granular Soil (Import)	CY	75.00		75.00	\$ 20.00		\$ -	0.00	\$ -	(75.00)	\$ (1,500.00)			
31 2323.15	Type A10 - Pipe Bedding Material	LF	1425.00		1425.00	\$ 2.00		\$ -	1470.00	\$ 2,940.00	45.00	\$ 90.00			
31 2323.17	Unsuitable Material Excavation and Haul Off	CY	75.00		75.00	\$ 12.00		\$ -	60.00	\$ 720.00	(15.00)	\$ (180.00)			
32 1123.02	Type A3: 3/4" Minus Crushed Aggregate	CY	8.00		8.00	\$ 40.00		\$ -	8.00	\$ 320.00	0.00	\$ -			
32 1216.01	Saw Cutting	LF	340.00		340.00	\$ 2.00		\$ -	360.00	\$ 720.00	20.00	\$ 40.00			
32 1216.02	AC Pavement Removal	SY	185.00		185.00	\$ 3.00		\$ -	82.00	\$ 246.00	(103.00)	\$ (309.00)			
32 1216.03	PG58-28 Superpave Hot Mix Asphalt (HMA)	SY	425.00		425.00	\$ 13.50		\$ -	268.00	\$ 3,618.00	(157.00)	\$ (2,119.50)			
32 9219.02	Hydroseed	SY	700.00		700.00	\$ 0.80		\$ 560.00	700.00	\$ 560.00	0.00	\$ -			
32 9219.03	Landscape Restoration	SY	80.00		80.00	\$ 10.00		\$ -	0.00	\$ -	(80.00)	\$ (800.00)			
33 1116.09	8-inch AWWA C900 DR-18 Water Line	LF	1425.00		1425.00	\$ 10.50		\$ -	1470.00	\$ 15,435.00	45.00	\$ 472.50			
33 1116.32	8-inch AWWA C515 Resilient-Seated Gate	EA	2.00		2.00	\$ 1,740.00		\$ -	2.00	\$ 3,480.00	0.00	\$ -			
33 1116.35	1" Water Service Reconnection	EA	1.00		1.00	\$ 500.00		\$ -	10.00	\$ 5,000.00	9.00	\$ 4,500.00			
33 1116.36	1.5" Water Service Reconnection	EA	1.00		1.00	\$ 1,000.00		\$ -	3.00	\$ 3,000.00	2.00	\$ 2,000.00			
33 1116.39	Fire Hydrant Reconnection	EA	1.00		1.00	\$ 2,300.00		\$ -	0.00	\$ -	(1.00)	\$ (2,300.00)			
33 1116.40	Fire Hydrant Replacement	EA	1.00		1.00	\$ 2,500.00		\$ -	2.00	\$ 5,000.00	1.00	\$ 2,500.00			
33 1116.45	Tie-in to Existing 6-Inch Waterline	EA	1.00		1.00	\$ 1,950.00		\$ -	1.00	\$ 1,950.00	0.00	\$ -			
33 1116.46	Tie-in to Existing 8-Inch Waterline	EA	1.00		1.00	\$ 1,250.00		\$ -	1.00	\$ 1,250.00	0.00	\$ -			
33 1116.51	12-Inch Potable Water Line Casing	LF	20.00		20.00	\$ 25.00		\$ -	40.00	\$ 1,000.00	20.00	\$ 500.00			
33 1116.55	Cap and Abandon Existing Waterline	EA	1.00		1.00	\$ 150.00		\$ -	1.00	\$ 150.00	0.00	\$ -			
33 1116.60	Water Service Relocation	EA	1.00		1.00	\$ 1,100.00		\$ -	0.00	\$ -	(1.00)	\$ (1,100.00)			
33 1116.68	Water Service Stub	EA	2.00		2.00	\$ 800.00		\$ -	2.00	\$ 1,600.00	0.00	\$ -			
33 1116.80	1" Poly Water Service Pipe	LF	535.00		535.00	\$ 1.50		\$ -	362.00	\$ 573.00	(153.00)	\$ (229.50)			
33 1116.81	2" Poly Water Service Pipe	LF	20.00		20.00	\$ 10.00		\$ -	20.00	\$ 200.00	0.00	\$ -			
33 1116.82	1.5" Poly Water Service Pipe	LF	170.00		170.00	\$ 2.50		\$ -	0.00	\$ -	(170.00)	\$ (425.00)			

Pay Item	Description	Pay Unit	Contract Est. Quantities	Change Order Quantities	Total Est. Contract Quantities	Unit Price	Quantities	Amount	Quantities	Amount	Quantities*	Amount*
33 1116.84	Trench Service Installation	LF	135.00		135.00	\$ 13.00		\$ -	150.00	\$ 1,950.00	15.00	\$ 195.00
33 1116.85	Bore Service Installation	LF	590.00		590.00	\$ 11.00		\$ -	232.00	\$ 2,552.00	(358.00)	\$ (3,938.00)
33 1116.107	1" Water Service Reconnection and Curb	SEA	9.00		9.00	\$ 700.00		\$ -	0.00	\$ -	(9.00)	\$ (6,300.00)
33 1116.108	1.5" Water Service Reconnection and Curb	EA	2.00		2.00	\$ 1,000.00		\$ -	0.00	\$ -	(2.00)	\$ (2,000.00)
33 1116.109	Water Service Replacement	EA	1.00		1.00	\$ 1,700.00		\$ -	1.00	\$ 1,700.00	0.00	\$ -
33 1116.33	6-Inch AWWA C515 Resilient Seat Gate Valve	EA	1.00		1.00	\$ 1,300.00		\$ -	3.00	\$ 3,900.00	2.00	\$ 2,600.00
33 1116.34	4-Inch AWWA C515 Resilient Seat Gate Valve	EA	2.00		2.00	\$ 1,000.00		\$ -	0.00	\$ -	(2.00)	\$ (2,000.00)
Add Alternate No. 1			0.00		0.00	\$ -		\$ -	0.00	\$ -	0.00	\$ -
01 5500.03	Traffic Control (Add Alternate No. 1)	LS	1.00		1.00	\$ 1,000.00		\$ -	1.00	\$ 1,000.00	0.00	\$ -
31 2227.01	Highway Bore (Add Alternate No. 1)	LF	45.00		45.00	\$ 328.00		\$ -	45.00	\$ 14,760.00	0.00	\$ -
31 231613.0	Trench Excavation & Backfill	LF	35.00		35.00	\$ 20.00		\$ -	45.00	\$ 900.00	10.00	\$ 200.00
31 2323.15	Type A10 - Pipe Bedding Material	LF	35.00		35.00	\$ 4.00		\$ -	45.00	\$ 180.00	10.00	\$ 40.00
33 1116.09	8-Inch AWWA C900 DR-18 Water Line	LF	35.00		35.00	\$ 48.00		\$ -	45.00	\$ 2,160.00	10.00	\$ 480.00
33 1116.32	8-Inch AWWA C515 Resilient-Seated Gate Valve	EA	1.00		1.00	\$ 1,500.00		\$ -	1.00	\$ 1,500.00	0.00	\$ -
33 1116.37	Fire Hydrant Assembly (Add Alternate No. 1)	EA	1.00		1.00	\$ 1,500.00		\$ -	1.00	\$ 1,500.00	0.00	\$ -
Change Orders												
CO1-1	Hydrant Changes	LS	0	1	1.00	\$1,070.95	1.00	\$ 1,070.95	1.00	\$ 1,070.95	0.00	\$ -
CO2-1	Water Service Repairs	LS	0	1	1.00	\$ 967.06	1.00	\$ 967.06	1.00	\$ 967.06	0.00	\$ -
						SUBTOTAL		\$ 2,598.01		\$ 114,262.01		\$ (9,298.50)
						STOCKPILED MATERIALS		\$ -		\$ -		\$ -
						LESS RETAINAGE		\$ (129.90)		\$ (5,713.10)		\$ -
						LESS PREVIOUS PAYMENTS		\$ (106,080.80)		\$ (106,080.80)		\$ -
						TOTAL AMOUNT NOW DUE		\$ 2,468.11		\$ 2,468.11		\$ -

Contractor's Application for Payment No. 5

Application Period: 7/14/13 - 7/14/13	Application Date: August 7, 2013
To (Owner): City of Bonners Ferry, Idaho	Via (Engineer): Welch, Comer & Associates, Inc.
Project: U.S. 95 WATERLINE KENNEDY RD TO COUNTY RD NO. 19 PROJECT	Contractor's Project No.: 45004
Owner's Contract No.:	Engineer's Project No.: 45004

APPLICATION FOR PAYMENT Change Order Summary

Approved Change Orders Number	Additions	Deductions	Net Change
CO #1	\$1,070.95	\$0.00	(\$7,260.49)
CO #2	\$ 967.06	\$0.00	\$114,262.01
CO #3		(\$9,298.50)	114,262.01
TOTALS			\$2,038.01 (\$9,298.50)
NET CHANGE BY CHANGE ORDERS			(\$7,260.49)

1. ORIGINAL CONTRACT PRICE..... \$ 121,522.50
2. Net Change by Change Orders..... (\$7,260.49)
3. CURRENT CONTRACT PRICE (Line 1 +/- 2)..... \$114,262.01
4. TOTAL COMPLETED AND STORED TO DATE (Column F on Progress Estimate)..... 114,262.01
5. RETAINAGE:
 - a. 5% x \$114,262.01 Work Completed.....
 - a. 5% x \$ Stored Material.....
 - c. Total Retainage (Line 5a + Line 5b)..... \$0.00
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5c)..... \$114,262.01
7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application) (108,548.91)
8. AMOUNT DUE THIS APPLICATION..... \$5,713.10
9. BALANCE TO FINISH, PLUS RETAINAGE (Column G on Progress Estimate + Line 5 Above) \$0.00

CONTRACTOR CERTIFICATION

The undersigned Contractor certifies that: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to Owner indemnifying Owner against any such Liens, security interest or encumbrances); and (3) all Work covered by the Application for Payment is in accordance with the Contract Documents and is not defective.

By: _____ Date: _____

Payment of: \$ 5,713.10
(Line 8 or other - attach explanation of other amount)

is recommended by: Xuewen J. Osterlock (Engineer) 8/8/13 (Date)

Payment of: \$ 5,713.10
(Line 8 or other - attach explanation of other amount)

is approved by: _____ (Owner)

Approved by: _____ (Date)

Funding Agency (if applicable) _____ (Date)

CITY OF BONNERS FERRY, IDAHO U.S. 95 WATERLINE KENNEDY RD TO COUNTY RD NO. 19 PROJECT PAY REQUEST SUPPORTING WORKSHEET										Total-to-Date		Total-to-Date - Contract Qty	
Pay Item	Description	Pay Unit	Contract Est. Quantities	Change Order Quantities	Total Est. Contract Quantities	Unit Price	Pay Request No. 5 This Period		Total-to-Date		Difference		
							Quantities	Amount	Quantities	Amount	Quantities*	Amount*	
01 5050.01	Mobilization	LS	1.00		1.00	\$ 6,300.00		\$ -	1.00	\$ 6,300.00	0.00	\$ -	
01 5500.02	Traffic Control	LS	1.00		1.00	\$ 1,000.00		\$ -	1.00	\$ 1,000.00	0.00	\$ -	
01 5713.04	Site Control	LS	1.00		1.00	\$ 1,000.00		\$ -	1.00	\$ 1,000.00	0.00	\$ -	
01 5713.09	Fiber Wattle	LF	150.00		150.00	\$ 3.00		\$ -	150.00	\$ 450.00	0.00	\$ -	
31 231613.0	Trench Excavation & Backfill	LF	1425.00	45.00	1470.00	\$ 13.00		\$ -	1470.00	\$ 19,110.00	0.00	\$ -	
31 231613.0	Exploratory Excavation	HR	32.00	(2.00)	30.00	\$ 150.00		\$ -	30.00	\$ 4,500.00	0.00	\$ -	
31 2323.02	Type S2 - Excavated Granular Soil (Import)	CY	75.00	(75.00)	0.00	\$ 20.00		\$ -	0.00	\$ -	0.00	\$ -	
31 2323.15	Type A10 - Pipe Bedding Material	LF	1425.00	45.00	1470.00	\$ 2.00		\$ -	1470.00	\$ 2,940.00	0.00	\$ -	
31 2323.17	Unsuitable Material Excavation and Haul Off	CY	75.00	(15.00)	60.00	\$ 12.00		\$ -	60.00	\$ 720.00	0.00	\$ -	
32 1123.02	Type A3: 3/4" Minus Crushed Aggregate	CY	8.00		8.00	\$ 40.00		\$ -	8.00	\$ 320.00	0.00	\$ -	
32 1216.01	Saw Cutting	LF	340.00	20.00	360.00	\$ 2.00		\$ -	360.00	\$ 720.00	0.00	\$ -	
32 1216.02	AC Pavement Removal	SY	185.00	(103.00)	82.00	\$ 3.00		\$ -	82.00	\$ 246.00	0.00	\$ -	
32 1216.03	PG58-28 Superpave Hot Mix Asphalt (HMA)	SY	425.00	(157.00)	268.00	\$ 13.50		\$ -	268.00	\$ 3,618.00	0.00	\$ -	
32 9219.02	Hydroseed	SY	700.00		700.00	\$ 0.80		\$ -	700.00	\$ 560.00	0.00	\$ -	
32 9219.03	Landscape Restoration	SY	80.00	(80.00)	0.00	\$ 10.00		\$ -	0.00	\$ -	0.00	\$ -	
33 1116.09	8-inch AWWA C900 DR-18 Water Line	LF	1425.00	45.00	1470.00	\$ 10.50		\$ -	1470.00	\$ 15,435.00	0.00	\$ -	
33 1116.32	8-inch AWWA C515 Resilient-Seated Gate	EA	2.00		2.00	\$ 1,740.00		\$ -	2.00	\$ 3,480.00	0.00	\$ -	
33 1116.35	1" Water Service Reconnection	EA	1.00	9.00	10.00	\$ 500.00		\$ -	10.00	\$ 5,000.00	0.00	\$ -	
33 1116.36	1.5" Water Service Reconnection	EA	1.00	2.00	3.00	\$ 1,000.00		\$ -	3.00	\$ 3,000.00	0.00	\$ -	
33 1116.39	Fire Hydrant Reconnection	EA	1.00	(1.00)	0.00	\$ 2,300.00		\$ -	0.00	\$ -	0.00	\$ -	
33 1116.40	Fire Hydrant Replacement	EA	1.00	1.00	2.00	\$ 2,500.00		\$ -	2.00	\$ 5,000.00	0.00	\$ -	
33 1116.45	Tie-in to Existing 6-Inch Waterline	EA	1.00		1.00	\$ 1,950.00		\$ -	1.00	\$ 1,950.00	0.00	\$ -	
33 1116.46	Tie-in to Existing 8-Inch Waterline	EA	1.00		1.00	\$ 1,250.00		\$ -	1.00	\$ 1,250.00	0.00	\$ -	
33 1116.51	12-Inch Potable Water Line Casing	LF	20.00	20.00	40.00	\$ 25.00		\$ -	40.00	\$ 1,000.00	0.00	\$ -	
33 1116.55	Cap and Abandon Existing Waterline	EA	1.00		1.00	\$ 150.00		\$ -	1.00	\$ 150.00	0.00	\$ -	
33 1116.60	Water Service Relocation	EA	1.00	(1.00)	0.00	\$ 1,100.00		\$ -	0.00	\$ -	0.00	\$ -	
33 1116.68	Water Service Stub	EA	2.00		2.00	\$ 800.00		\$ -	2.00	\$ 1,600.00	0.00	\$ -	
33 1116.80	1" Poly Water Service Pipe	LF	535.00	(153.00)	382.00	\$ 1.50		\$ -	382.00	\$ 573.00	0.00	\$ -	
33 1116.81	2" Poly Water Service Pipe	LF	20.00		20.00	\$ 10.00		\$ -	20.00	\$ 200.00	0.00	\$ -	
33 1116.82	1.5" Poly Water Service Pipe	LF	170.00	(170.00)	0.00	\$ 2.50		\$ -	0.00	\$ -	0.00	\$ -	

Pay Item	Description	Pay Unit	Contract Est. Quantities	Change Order Quantities	Total Est. Contract Quantities	Unit Price	Quantities	Amount	Quantities	Amount	Quantities*	Amount*
33 1116.84	Trench Service Installation	LF	135.00	15.00	150.00	\$ 13.00		\$ -	150.00	\$ 1,950.00	0.00	\$ -
33 1116.85	Bore Service Installation	LF	590.00	(358.00)	232.00	\$ 11.00		\$ -	232.00	\$ 2,552.00	0.00	\$ -
33 1116.107	1" Water Service Reconnection and Curb Service	EA	9.00	(9.00)	0.00	\$ 700.00		\$ -	0.00	\$ -	0.00	\$ -
33 1116.108	1.5" Water Service Reconnection and Curb Service	EA	2.00	(2.00)	0.00	\$ 1,000.00		\$ -	0.00	\$ -	0.00	\$ -
33 1116.109	Water Service Replacement	EA	1.00		1.00	\$ 1,700.00		\$ -	1.00	\$ 1,700.00	0.00	\$ -
33 1116.33	6-Inch AWWA C515 Resilient Seat Gate Valve	EA	1.00	2.00	3.00	\$ 1,300.00		\$ -	3.00	\$ 3,900.00	0.00	\$ -
33 1116.34	4-Inch AWWA C515 Resilient Seat Gate Valve	EA	2.00	(2.00)	0.00	\$ 1,000.00		\$ -	0.00	\$ -	0.00	\$ -
Add Alternate No. 1			0.00		0.00	\$ -		\$ -	0.00	\$ -	0.00	\$ -
01 5500.03	Traffic Control (Add Alternate No. 1)	LS	1.00		1.00	\$ 1,000.00		\$ -	1.00	\$ 1,000.00	0.00	\$ -
31 2227.01	Highway Bore (Add Alternate No. 1)	LF	45.00		45.00	\$ 328.00		\$ -	45.00	\$ 14,760.00	0.00	\$ -
31 231613.0	Trench Excavation & Backfill	LF	35.00	10.00	45.00	\$ 20.00		\$ -	45.00	\$ 900.00	0.00	\$ -
31 2323.15	Type A10 - Pipe Bedding Material	LF	35.00	10.00	45.00	\$ 4.00		\$ -	45.00	\$ 180.00	0.00	\$ -
33 1116.09	8-Inch AWWA C900 DR-18 Water Line	LF	35.00	10.00	45.00	\$ 48.00		\$ -	45.00	\$ 2,160.00	0.00	\$ -
33 1116.32	8-Inch AWWA C515 Resilient-Seated Gate Valve	EA	1.00		1.00	\$ 1,500.00		\$ -	1.00	\$ 1,500.00	0.00	\$ -
33 1116.37	Fire Hydrant Assembly (Add Alternate No. 1)	EA	1.00		1.00	\$ 1,500.00		\$ -	1.00	\$ 1,500.00	0.00	\$ -
Change Orders												
CO1-1	Hydrant Changes	LS	0	1	1.00	\$1,070.95		\$ -	1.00	\$ 1,070.95	0.00	\$ -
CO2-1	Water Service Repairs	LS	0	1	1.00	\$ 967.06		\$ -	1.00	\$ 967.06	0.00	\$ -
						SUBTOTAL		\$ -		\$ 114,262.01		\$ -
						STOCKPILED MATERIALS		\$ -		\$ -		\$ -
						LESS RETAINAGE		\$ -		\$ -		\$ -
						LESS PREVIOUS PAYMENTS		\$ -		\$ (108,548.91)		\$ -
						TOTAL AMOUNT NOW DUE		\$ -		\$ 5,743.10		\$ -

August 6, 2013

To the Management,
Honorable Mayor and City Council
City of Bonners Ferry, Idaho
P.O. Box 149
Bonners Ferry, ID 83805

You have requested that we audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Bonners Ferry, Idaho, as of September 30, 2013, and for the year then ended, and the related notes to the financial statements, which collectively comprise City of Bonners Ferry, Idaho's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal award programs for the period ended September 30, 2013. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis.
2. Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget & Actual – General Funds.

Supplementary information other than RSI will accompany City of Coeur d'Alene's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal Awards.
2. Combining Statement of Net Position – Non-major Proprietary Funds.
3. Combining Statement of Revenues, Expenses, and Changes in Net Position – Non-major Proprietary Fund.
4. Combining Statement of Cash Flows – Non-Major proprietary Fund.

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and *Government Auditing Standards* of the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will issue a written report upon completion of our audit of City of Bonners Ferry, Idaho's basic financial statements. Our report will be addressed to the governing body of City of Bonners Ferry, Idaho. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of City of Bonners Ferry, Idaho's major federal award program(s) compliance will be made in accordance with the requirements of the Single Audit Act, as amended; and the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and will include tests of accounting records, a determination of major programs in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget Circular A-133 *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to Circular A-133.

Also, as required by Circular A-133, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that Management, the Honorable Mayor and City Council acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. For safeguarding assets;
4. For identifying all federal awards expended during the period;
5. For identifying and ensuring that the entity complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs; and
6. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

In addition, as required by Circular A-133, it is management's responsibility to prepare the schedule of expenditures of federal awards in accordance with Circular A-133 requirements, follow up and take corrective action on reported audit findings from prior periods and to prepare a summary schedule of prior audit findings, and follow up on current year audit findings and prepare a corrective action plan for such findings. Management is also responsible for submitting the reporting package and data collection form to the appropriate parties. Management will also make the auditor aware of any significant vendor relationships where the vendor is responsible for program compliance. You agree that you will confirm your understanding of your responsibilities as defined in this letter to us in your management representation letter.

As part of our audit process, we will request from Management, the Honorable Mayor, and City Council written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Fees and Timing

We expect to begin our audit in January 2014 and to issue our reports shortly after fieldwork has been complete.

Toni Hackwith is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Magnuson, McHugh & Company's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered once a month and are payable upon presentation. We estimate that our fee for the audit will be \$18,650 without a single audit and \$20,650 with a single audit. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use City of Bonners Ferry, Idaho's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The audit documentation for this engagement is the property of Magnuson, McHugh & Company and constitutes confidential information. However, we may be requested to make certain audit documentation available to the regulator and federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Magnuson, McHugh & Company's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

With respect to any nonattest services we perform, City of Bonners Ferry, Idaho's management is responsible for: (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. We will perform the following nonattest services:

1. We will prepare and propose a journal entry for your review and approval to adjust the property tax receivable, deferred revenue and revenue accounts at year end.
2. Draft the City of Bonners Ferry, Idaho's financial statements and related footnote disclosures.
3. With regard to our provision of health benefits administration, the City of Bonners Ferry, Idaho is the legal administrator and has assigned a competent individual who is familiar with the operation of the plan, oversees our work and internal controls and makes policy decisions regarding it. The service we provide is not complex and is reviewed by this individual on an ongoing basis.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

It is our policy to keep records related to this engagement for five years. However, Magnuson, McHugh & Company, P.A. does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the five year period, Magnuson, McHugh & Company, P.A. shall be free to destroy our records related to this engagement.

At the conclusion of our audit engagement, we will communicate to Management, the Honorable Mayor and City Council the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Sincerely,

Magnuson, McHugh's Company, P.A.

Magnuson, McHugh & Company, P.A.

RESPONSE:

This letter correctly sets forth our understanding.

City of Bonners Ferry, Idaho

Acknowledged and agreed on behalf of City of Bonners Ferry, Idaho by:

Title: _____

Date: _____

Evans & Poulsen P.A.

Certified Public Accountants

Members of the American Institute of CPAs
and the Idaho Society of CPAs
Edward G. Evans, CPA
Jeffrey D. Poulsen, CPA

System Review Report

November 5, 2010

To the Owners of
Magnuson, McHugh & Company, P.A.
and the Peer Review Committee of the Idaho Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Magnuson, McHugh & Company, P.A. (the firm) in effect for the year ended July 31, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Magnuson, McHugh & Company, P.A. in effect for the year ended July 31, 2010, has been suitably designed and complied with to provided the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Magnuson, McHugh & Company, P.A. has received a peer review rating of *pass*.


Evans & Poulsen, P.A.

1360 Albion Avenue • Burley, Idaho 83318 • (208) 678-1300 • Fax (208) 678-1301 • evanscpa@pmt.org

City of Bonners Ferry

2013

RETAIL ALCOHOLIC BEVERAGE LICENSE

THIS IS TO CERTIFY THAT Gill Nystrom doing business as The Rusty Moose Tavern and Grill is licensed to sell Alcoholic Beverages as stated below, subject to the provisions of Chapter 23-903 and 23-916 Idaho Code Annotated, the laws of the State of Idaho, and Municipal Ordinances on file in the Office of the City Clerk, in regard to the sale of alcoholic liquor within the corporate limits of the City of Bonners Ferry, Idaho.

On Premises	
LIQUOR	000.00
BEER: Container Only	00.00
Draft/Container	100.00
WINE	100.00
Off Premises	
BEER: Container	00.00
Keg	000.00
WINE	000.00
Transfer Fee- Beer and Wine	00.00
TOTAL FEE \$	200.00

APPROVED:

Mayor

ATTEST:

Clerk

Date

THIS LICENSE EXPIRES DECEMBER 31, 2013

This License Must Be Conspicuously Displayed



Department of Energy

Bonneville Power Administration
Spokane Customer Service Center
707 West Main, Suite 500
Spokane, Washington 99201-0641

POWER SERVICES

August 09, 2013

In reply refer to: PSE-Spokane

Mr. Stephen Boorman
City Administrator
City of Bonners Ferry
PO Box 149
Bonners Ferry, ID 83805

Dear Mr. ~~Boorman~~ ^{Stephen}:

Enclosed are two originals of Revision 2 to Exhibit D, Additional Products And Special Provisions, for the City of Bonners Ferry's (Bonners Ferry) Power Sales Agreement Contract No. 09PB-13010 (Agreement). This Exhibit D revision modifies language in section 3.2, Demand Charges, to more accurately describe how the Demand Charge is calculated. Also, the Monthly GMS Reservation Fee table in section 3.3 has been updated to reflect the rate for the FY 2014 – FY 2015 Rate Period.

Pursuant to the Agreement, this exhibit revision is bilateral and requires a signature. If Bonners Ferry finds Revision No. 2 to Exhibit D acceptable, please sign and date the enclosed originals and return both copies to me no later than September 30, 2013. I will sign and return a fully executed original back to you for your records.

Please feel free to contact me at 406-676-2669, if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Normandeau".

Michael R. Normandeau
Account Executive

Enclosures (2)

Revision No. 2, Exhibit D
ADDITIONAL PRODUCTS AND SPECIAL PROVISIONS
Effective October 1, 2013

This revision updates section 3 "Grandfathered Generation Management Service (GMS)" for the FY 2014 – FY 2015 Rate Period.

1. CF/CT AND NEW LARGE SINGLE LOADS

1.1 CF/CT Loads

Bonnors Ferry has no loads identified that were contracted for, or committed to (CF/CT), as of September 1, 1979, as defined in section 3(13)(A) of the Northwest Power Act.

1.2 Potential NLSLs

Bonnors Ferry has no identified potential NLSLs.

1.3 Existing NLSLs

Bonnors Ferry has no existing NLSLs.

2. RESOURCE SUPPORT SERVICES

2.1 BPA shall develop the RSS products to support applicable Specified Resources listed in section 2 of Exhibit A for the FY 2012 through 2014 Purchase Period and offer such as a revision to this exhibit by August 1, 2009 and by August 1 prior to each Notice Deadline thereafter. Prior to that date, BPA shall provide Bonners Ferry a reasonable opportunity to provide input into the development of the products and the related contract provisions. By the November 1, 2009 Notice Deadline and each Notice Deadline thereafter, Bonners Ferry shall notify BPA in writing of any RSS products it elects to buy from BPA under the terms of this Agreement and shall identify the applicable resource(s), for which it shall purchase the RSS product(s) for the upcoming Purchase Period. Such election shall be a binding commitment of both Parties. If Bonners Ferry makes such election, the Parties shall revise this exhibit so that it incorporates the agreed changes to applicable provisions, including the applicable resource amounts, if known, by March 31, 2010 or by March 31 of the year following the Notice Deadline-for future years. By September 30 of the last Rate Case Year prior to the first Rate Period when service begins, and by each applicable September 30 thereafter in accordance with the applicable incorporated contract language, BPA shall update the relevant tables included in the incorporated contract language with the applicable charges and any necessary updates to resource amounts.

2.2 If Bonners Ferry adds a new Specified Resource within a Purchase Period to meet its obligations to serve Above-RHWM Load with Dedicated Resources, consistent with section 3.5.1 of the body of this Agreement, Bonners Ferry may purchase DFS or FORS to support such resource. Bonners Ferry shall request a copy of the then-current DFS or FORS standard contract provisions from BPA and shall notify BPA in writing by October 31 of a Rate Case Year that it

elects to purchase DFS or FORS for the new Specified Resource under the terms stated in the then-current contract provisions and the terms of this section 2.2. Such election shall be a binding commitment of both Parties. The elected DFS or FORS will be effective at the start of the upcoming Rate Period. The duration of such purchase shall be for the remainder of the Purchase Period and for the following Purchase Period. If Bonners Ferry makes such election, the Parties shall revise this exhibit by March 31 of the calendar year after Bonners Ferry has given notice of its election. Such revision shall incorporate the agreed changes to applicable provisions, including the applicable resource amounts, if known. By September 30 of the last Rate Case Year prior to the first Rate Period when service begins, and by each applicable September 30 thereafter, in accordance with the applicable incorporated contract language, BPA shall update the relevant tables included in the incorporated contract language with the applicable charges and any necessary updates to resource amounts.

3. GRANDFATHERED GENERATION MANAGEMENT SERVICE (GMS)

Bonners Ferry shall apply all of the output from Moyie, listed in section 2.1(1) of Exhibit A, as it is generated to Bonners Ferry's Total Retail Load. BPA shall provide energy to Bonners Ferry's Total Retail Load to meet any variations between the amounts generated and the amounts listed in section 2.1(1)(C) of Exhibit A for Moyie. Bonners Ferry shall provide BPA with hourly meter data from Moyie in accordance with section 17.3 of the body of this Agreement.

If on a monthly basis Moyie generates more or less energy than is listed in section 2.1(1)(C) of Exhibit A, then BPA shall provide Bonners Ferry with a credit for such over-generation or a charge for such under-generation, in accordance with section 3.1 and 3.2 below. Bonners Ferry shall pay a reservation fee to BPA on a monthly basis in accordance with section 3.3 below.

3.1 Load Shaping Charge

BPA shall credit or charge Bonners Ferry for any monthly over- or under-generation using the Load Shaping Charge, as established in section 5.2 of the TRM. From October 1, 2011 through September 30, 2015, when BPA calculates Bonners Ferry's Actual Tier 1 Load (which BPA will use to calculate Bonners Ferry's Load Shaping Billing Determinant), BPA shall subtract (1) the amounts measured by the meters listed in Exhibit E for Moyie, from (2) Bonners Ferry's Total Retail Load. Future charges shall be established in the applicable 7(i) Process.

3.2 Demand Charge

BPA shall charge Bonners Ferry the Demand Charge, as established in section 5.3 of the TRM. From October 1, 2011 through September 30, 2015, when BPA calculates Bonners Ferry's Tier 1 Customer System Peak, the Tier 1 Customer System Peak demand amount will not include the measured amount for Moyie Dam In Meter Point 2676. Future charges shall be established in the applicable 7(i) Process.

3.3 Reservation Fee for GMS

By September 15, 2011 and by September 15 of each Rate Case Year thereafter, BPA shall determine, and update the table below with, Bonners Ferry's monthly reservation fee for Moyie for the upcoming Rate Period. BPA shall calculate Bonners Ferry's reservation fee using an expected outage ratio for Moyie, based on past generation data, and the Demand Rate as established in BPA's Wholesale Power Rate Schedules and GRSPs.

Monthly GMS Reservation Fee					
Fiscal Year	2012	2013	2014	2015	2016
\$/month	874	874	771	771	
Fiscal Year	2017	2018	2019	2020	2021
\$/month					
Fiscal Year	2022	2023	2024	2025	2026
\$/month					
Fiscal Year	2027	2028			
\$/month					

4. LIMITATIONS ON EXCHANGE OF EXISTING RESOURCES

4.1 Option on Full ASC Participation and Alternative Contract

BPA's 2008 Average System Cost (ASC) Methodology limits the loads and resource costs included in ASCs for consumer-owned utilities that sign a CHWM Contract. The TRM establishes a Tier 1 PF Exchange Rate for such consumer-owned utilities. Pursuant to section 12.2 of the body of this Agreement and section 20 of the Residential Purchase and Sale Agreement (RPSA), Bonners Ferry is contractually precluded from seeking or receiving Residential Exchange Program (REP) benefits based on an ASC other than as provided for in Section IV(G) of the 2008 ASC Methodology or its successor.

BPA and Bonners Ferry understand and acknowledge that this is the first time BPA has attempted to implement an REP with two different ASC cost structures and two differing levels of benefits, and that as a consequence, the implementation of the REP may be revised over time. Because of the contractual preclusions in the paragraph above and because a limited number of consumer-owned utilities with CHWM Contracts may participate in the REP, the intent of this section 4 is to provide limited protection to such consumer-owned utilities from future changes in the REP.

Any impact to Bonners Ferry's access to REP benefits, pursuant to section 5(c) of the Northwest Power Act, as a result of an action taken by BPA as required by a statutory change or final judicial action shall not be considered an Action as provided in section 4.2 below, shall not be subject to the criteria provided in section 4.3 below, and shall not make available the option provided in section 4.4 below.

Absent the exercise by Bonners Ferry of the option set forth in section 4.4 below, nothing in this section 4 is intended to alter the application of any provision of the ASC Methodology.

4.2 **Actions**

If BPA takes any of the following Actions and such Actions meet the criteria specified in section 4.3, then Bonners Ferry may elect the option set forth in section 4.4 below.

Action 1. BPA adopts, in a final record of decision issued in a section 7(i) proceeding for a Rate Period, a Base Tier 1 PF Exchange Rate for customers with CHWM Contracts which is calculated in a manner that differs from the following:

$$\text{Base T1 PF Exchange Rate} = \frac{(\text{PFCosts} - \text{PFCredits}) - (\text{T2Costs} - \text{T2Credits})}{\text{PFLoad} - \text{T2Load}} + \text{TmnAddr}$$

Where:

Base T1 PF Exchange Rate is the Base Tier 1 PF Exchange rate prior to the final allocation of any rate protection costs arising from the section 7(b)(2) rate test, as determined in each 7(i) Process.

PFCosts are all costs allocated in a 7(i) Process to the Priority Firm rates when the Base PF Exchange rate is calculated (also known as the unbifurcated PF rate) and prior to any reflection of the tiering of the PF Preference rate.

PFCredits are all credits allocated in a 7(i) Process to the Priority Firm rates when the Base PF Exchange rate is calculated (also known as the unbifurcated PF rate) and prior to any reflection of the tiering of the PF Preference rate.

T2Costs are all costs allocated in a 7(i) Process to Tier 2 Cost Pools.

T2Credits are all credits allocated in a 7(i) Process to Tier 2 Cost Pools.

PFLoad is the BPA forecast of load used to determine the unbifurcated PF rate in a 7(i) Process.

T2Load is the BPA forecast of load used to determine Tier 2 Rates in a 7(i) Process.

TmnAddr is the same unit charge for transmission added to the Base PF Exchange rate.

The Tier 1 PF Exchange rate used to calculate Bonners Ferry's REP benefits is the Base Tier 1 PF Exchange rate as modified by any Supplemental 7(b)(3) Rate Charge, as determined in each 7(i) Process and may be adjusted pursuant to the Supplemental 7(b)(3) Rate Charge Adjustment, any cost recovery adjustment clause, and any dividend distribution clause, as determined to be applicable to the Tier 1 PF Exchange rate in a 7(i) Process.

Action 2. BPA adopts, in a final record of decision, policy or interpretation, a method of calculating Bonners Ferry's ASC for a Fiscal Year(s) of an Exchange Period pursuant to BPA's 2008 ASC Methodology or its successor that differs from the following formula:

$$\text{RHWM ASC} = \frac{\text{Contract System Cost} - \text{NewRes\$}}{\text{Contract System Load} - \text{NewResMWh}}$$

Where:

RHWM ASC is the ASC for Bonners Ferry for an Exchange Period, as defined by BPA's 2008 ASC Methodology.

Contract System Cost is as defined in BPA's 2008 ASC Methodology.

NewRes\$ is the forecast cost of resources (including purchased power contracts) used under this Agreement to serve Bonners Ferry's Above-RHWM Load. Such resources are exclusive of Bonners Ferry's Existing Resources for CHWMs as specified in Attachment C, Column D, of the TRM, and exclusive of purchases of power at Tier 1 Rates from BPA. The costs included in NewRes\$ will be determined using a methodology similar to Appendix 1 Endnote d of BPA's 2008 ASC Methodology.

Contract System Load is as defined in BPA's 2008 ASC Methodology.

NewResMWh is the forecast generation from resources (including purchased power contracts) used under this agreement to serve Bonners Ferry's Above-RHWM Load. Such resources are exclusive of Bonners Ferry's Existing Resources for CHWMs specified in Attachment C, Column D, of the TRM, and exclusive of purchases of power at Tier 1 Rates from BPA.

Action 3. BPA offers Bonners Ferry an RPSA with an Exchange Load used to calculate Bonners Ferry's REP benefits payments that differs from the following formula, or interprets such RPSA in a manner that differs from the following formula:

$$\text{Actual RHWM Exchange Load} = \text{RRL} \times \text{T1Pctg}$$

Where:

Actual RHWL Exchange Load is the monthly residential and small farm load of Bonners Ferry used to calculate the actual monthly REP payments to Bonners Ferry as specified in the RPSA.

RRL is Bonners Ferry's actual total qualifying residential and small farm retail load for a month as specified in the RPSA.

$$\text{T1Pctg} = \frac{\text{T1MWh} + \text{ExistResMWh}}{\text{TRL} - \text{NLSL}}$$

Where:

T1Pctg is BPA's forecast percentage of Bonners Ferry's load that is expected to be served by purchases of power at Tier 1 Rates from BPA and from Bonners Ferry's Existing Resources for CHWM, and will be computed for each Fiscal Year of the applicable Rate Period. Such computation will be performed in the applicable RHWL Process for the Rate Period.

T1MWh is the amount of power at Tier 1 Rates BPA forecasts to be purchased by Bonners Ferry from BPA in each Fiscal Year of a Rate Period as forecast in each RHWL Process for a Rate Period.

ExistResMWh is the specified output of Bonners Ferry's Existing Resources for CHWM, as specified in Attachment C, Column D, of the TRM.

TRL is BPA's forecast of Bonners Ferry's Total Retail Load in each Fiscal Year of a Rate Period as forecast in each RHWL Process for a Rate Period.

NLSL is BPA's forecast of Bonners Ferry's New Large Single Loads in each Fiscal Year of a Rate Period as forecast in each RHWL Process for a Rate Period.

Action 4. BPA adopts a final record of decision, policy or interpretation that changes the terms of the TRM or the 2008 ASC Methodology applicable to REP participants with CHWM Contracts and such change is not encompassed in Actions 1-3, and such change meets the criteria in section 4.3 for application of the option in section 4.4.

4.3 Criteria

The option set forth in section 4.4 below is available to Bonners Ferry if BPA has taken any of the Actions 1-4 set forth in section 4.2 and the Actions taken, when considered in combination with all BPA actions being undertaken at that time, result in a material reduction in the REP benefits of the class of REP participants with CHWM Contracts. A reduction shall not be "material" for purposes of this section 4.3 if such Action(s), when considered in combination with all BPA actions being undertaken at that time, are applied to the

provisions applicable to all REP participants and produce the same or comparable effects on all REP participants, even if such Action(s) results in an otherwise material reduction in the REP benefits of the class of REP participants with CHWM Contracts.

4.4 **Option**

If Bonners Ferry believes that BPA has taken any of the Actions 1 through 4 set forth in section 4.2 that satisfies the criteria for this option as set forth in section 4.3, and if BPA has provided a public comment process as part of BPA's decision process (for the relevant Action of Actions 1 through 4 set forth in section 4.2) in which Bonners Ferry has commented that BPA was proposing or about to take such Action, then Bonners Ferry, within 30 calendar days of BPA taking such alleged Action(s), may provide written notice to BPA in accordance with section 20 of this Agreement requesting an alternative power sales contract without a CHWM. Upon receipt of such written notice, BPA shall review the request and, within 60 calendar days, issue a written statement regarding whether the criteria of section 4.3 have been satisfied.

4.4.1 If BPA believes the criteria of section 4.3 have not been satisfied, the dispute shall be resolved through the dispute resolution provisions in section 22 of this Agreement, provided, however, that the sole function of arbitration shall be to determine whether the criteria of section 4.3 have been satisfied, not the exclusive remedy of money damages set forth in section 22.4 of this Agreement. If the dispute resolution results in a final determination that the criteria of section 4.3 have been satisfied, BPA shall have 90 calendar days from the date of such final determination to take curative action to restore the REP benefits of the class of REP participants with CHWM Contracts to the level that would have existed had BPA not taken the Action(s) that resulted in the criteria of section 4.3 being satisfied; provided, however, that if BPA elects not to take such curative action within such 90 day period, BPA shall have 180 calendar days after the date of such determination to offer to Bonners Ferry an alternative power sales contract without a CHWM.

4.4.2 If BPA determines that the criteria of section 4.3 have been satisfied, BPA shall have 90 calendar days from the date of such determination to take curative action to restore the REP benefits of the class of REP participants with CHWM Contracts to the level that would have existed had BPA not taken the Action(s) that resulted in the criteria of section 4.3 being satisfied; provided, however, that if BPA elects not to take such curative action, it shall have 180 calendar days after the date of such determination to offer to Bonners Ferry an alternative power sales contract without a CHWM.

4.4.3 Such alternative power sales contract shall be for the same purchase obligation in section 3 of this Agreement that is in effect at the time the notice under this section 4.4 is provided to BPA. Bonners Ferry

acknowledges that the terms and conditions of such alternative power sales contract may vary from those contained in the CHWM Contract.

4.4.4 Bonners Ferry shall notify BPA in accordance with section 20 no later than 60 calendar days after the date of its receipt of such alternative power sales contract whether it will terminate its CHWM Contract and execute such alternative power sales contract, or retain its CHWM Contract. If Bonners Ferry fails to notify BPA within the 60-day period of its decision regarding its CHWM Contract, BPA's offer of the alternative power sales contract without a CHWM shall be withdrawn as of the 61st day and Bonners Ferry will be conclusively presumed to have elected to retain its CHWM Contract.

4.4.5 If Bonners Ferry provides BPA timely notice of its election to terminate its CHWM Contract and executes the alternative power sales contract, service under such alternative power sales contract shall not commence until the beginning of the Rate Period immediately following the Rate Period in which the alternative power sales contract is executed. Termination of Bonners Ferry's CHWM Contract shall be effective at commencement of service under the alternative power sales contract.

5. REVISIONS

This exhibit shall be revised by mutual agreement of the Parties to reflect additional products Bonners Ferry purchases during the term of this Agreement.

6. SIGNATURES

The Parties have executed this revision as of the last date indicated below.

THE CITY OF BONNERS FERRY, IDAHO

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

Name _____
(Print/Type)

Name Michael R. Normandeau
(Print/Type)

Title _____

Title Account Executive

Date _____

Date _____

(PSE-W:\power\CONTRACT\CUSTOMER\Bonners Ferry.cty\13010\Exh D\13010 Exh D R 2.doc) - 07/29/13

Revision No. 2, Exhibit D
ADDITIONAL PRODUCTS AND SPECIAL PROVISIONS
Effective October 1, 2013

This revision updates section 3 "Grandfathered Generation Management Service (GMS)" for the FY 2014 – FY 2015 Rate Period.

1. CF/CT AND NEW LARGE SINGLE LOADS

1.1 CF/CT Loads

Bonnors Ferry has no loads identified that were contracted for, or committed to (CF/CT), as of September 1, 1979, as defined in section 3(13)(A) of the Northwest Power Act.

1.2 Potential NLSLs

Bonnors Ferry has no identified potential NLSLs.

1.3 Existing NLSLs

Bonnors Ferry has no existing NLSLs.

2. RESOURCE SUPPORT SERVICES

2.1 BPA shall develop the RSS products to support applicable Specified Resources listed in section 2 of Exhibit A for the FY 2012 through 2014 Purchase Period and offer such as a revision to this exhibit by August 1, 2009 and by August 1 prior to each Notice Deadline thereafter. Prior to that date, BPA shall provide Bonners Ferry a reasonable opportunity to provide input into the development of the products and the related contract provisions. By the November 1, 2009 Notice Deadline and each Notice Deadline thereafter, Bonners Ferry shall notify BPA in writing of any RSS products it elects to buy from BPA under the terms of this Agreement and shall identify the applicable resource(s), for which it shall purchase the RSS product(s) for the upcoming Purchase Period. Such election shall be a binding commitment of both Parties. If Bonners Ferry makes such election, the Parties shall revise this exhibit so that it incorporates the agreed changes to applicable provisions, including the applicable resource amounts, if known, by March 31, 2010 or by March 31 of the year following the Notice Deadline for future years. By September 30 of the last Rate Case Year prior to the first Rate Period when service begins, and by each applicable September 30 thereafter in accordance with the applicable incorporated contract language, BPA shall update the relevant tables included in the incorporated contract language with the applicable charges and any necessary updates to resource amounts.

2.2 If Bonners Ferry adds a new Specified Resource within a Purchase Period to meet its obligations to serve Above-RHWM Load with Dedicated Resources, consistent with section 3.5.1 of the body of this Agreement, Bonners Ferry may purchase DFS or FORS to support such resource. Bonners Ferry shall request a copy of the then-current DFS or FORS standard contract provisions from BPA and shall notify BPA in writing by October 31 of a Rate Case Year that it

elects to purchase DFS or FORS for the new Specified Resource under the terms stated in the then-current contract provisions and the terms of this section 2.2. Such election shall be a binding commitment of both Parties. The elected DFS or FORS will be effective at the start of the upcoming Rate Period. The duration of such purchase shall be for the remainder of the Purchase Period and for the following Purchase Period. If Bonners Ferry makes such election, the Parties shall revise this exhibit by March 31 of the calendar year after Bonners Ferry has given notice of its election. Such revision shall incorporate the agreed changes to applicable provisions, including the applicable resource amounts, if known. By September 30 of the last Rate Case Year prior to the first Rate Period when service begins, and by each applicable September 30 thereafter, in accordance with the applicable incorporated contract language, BPA shall update the relevant tables included in the incorporated contract language with the applicable charges and any necessary updates to resource amounts.

3. GRANDFATHERED GENERATION MANAGEMENT SERVICE (GMS)

Bonners Ferry shall apply all of the output from Moyie, listed in section 2.1(1) of Exhibit A, as it is generated to Bonners Ferry's Total Retail Load. BPA shall provide energy to Bonners Ferry's Total Retail Load to meet any variations between the amounts generated and the amounts listed in section 2.1(1)(C) of Exhibit A for Moyie. Bonners Ferry shall provide BPA with hourly meter data from Moyie in accordance with section 17.3 of the body of this Agreement.

If on a monthly basis Moyie generates more or less energy than is listed in section 2.1(1)(C) of Exhibit A, then BPA shall provide Bonners Ferry with a credit for such over-generation or a charge for such under-generation, in accordance with section 3.1 and 3.2 below. Bonners Ferry shall pay a reservation fee to BPA on a monthly basis in accordance with section 3.3 below.

3.1 Load Shaping Charge

BPA shall credit or charge Bonners Ferry for any monthly over- or under-generation using the Load Shaping Charge, as established in section 5.2 of the TRM. From October 1, 2011 through September 30, 2015, when BPA calculates Bonners Ferry's Actual Tier 1 Load (which BPA will use to calculate Bonners Ferry's Load Shaping Billing Determinant), BPA shall subtract (1) the amounts measured by the meters listed in Exhibit E for Moyie, from (2) Bonners Ferry's Total Retail Load. Future charges shall be established in the applicable 7(i) Process.

3.2 Demand Charge

BPA shall charge Bonners Ferry the Demand Charge, as established in section 5.3 of the TRM. From October 1, 2011 through September 30, 2015, when BPA calculates Bonners Ferry's Tier 1 Customer System Peak, the Tier 1 Customer System Peak demand amount will not include the measured amount for Moyie Dam In Meter Point 2676. Future charges shall be established in the applicable 7(i) Process.

3.3 Reservation Fee for GMS

By September 15, 2011 and by September 15 of each Rate Case Year thereafter, BPA shall determine, and update the table below with, Bonners Ferry's monthly reservation fee for Moyie for the upcoming Rate Period. BPA shall calculate Bonners Ferry's reservation fee using an expected outage ratio for Moyie, based on past generation data, and the Demand Rate as established in BPA's Wholesale Power Rate Schedules and GRSPs.

Monthly GMS Reservation Fee					
Fiscal Year	2012	2013	2014	2015	2016
\$/month	874	874	771	771	
Fiscal Year	2017	2018	2019	2020	2021
\$/month					
Fiscal Year	2022	2023	2024	2025	2026
\$/month					
Fiscal Year	2027	2028			
\$/month					

4. LIMITATIONS ON EXCHANGE OF EXISTING RESOURCES

4.1 Option on Full ASC Participation and Alternative Contract

BPA's 2008 Average System Cost (ASC) Methodology limits the loads and resource costs included in ASCs for consumer-owned utilities that sign a CHWM Contract. The TRM establishes a Tier 1 PF Exchange Rate for such consumer-owned utilities. Pursuant to section 12.2 of the body of this Agreement and section 20 of the Residential Purchase and Sale Agreement (RPSA), Bonners Ferry is contractually precluded from seeking or receiving Residential Exchange Program (REP) benefits based on an ASC other than as provided for in Section IV(G) of the 2008 ASC Methodology or its successor.

BPA and Bonners Ferry understand and acknowledge that this is the first time BPA has attempted to implement an REP with two different ASC cost structures and two differing levels of benefits, and that as a consequence, the implementation of the REP may be revised over time. Because of the contractual preclusions in the paragraph above and because a limited number of consumer-owned utilities with CHWM Contracts may participate in the REP, the intent of this section 4 is to provide limited protection to such consumer-owned utilities from future changes in the REP.

Any impact to Bonners Ferry's access to REP benefits, pursuant to section 5(c) of the Northwest Power Act, as a result of an action taken by BPA as required by a statutory change or final judicial action shall not be considered an Action as provided in section 4.2 below, shall not be subject to the criteria provided in section 4.3 below, and shall not make available the option provided in section 4.4 below.

Absent the exercise by Bonners Ferry of the option set forth in section 4.4 below, nothing in this section 4 is intended to alter the application of any provision of the ASC Methodology.

4.2 **Actions**

If BPA takes any of the following Actions and such Actions meet the criteria specified in section 4.3, then Bonners Ferry may elect the option set forth in section 4.4 below.

Action 1. BPA adopts, in a final record of decision issued in a section 7(i) proceeding for a Rate Period, a Base Tier 1 PF Exchange Rate for customers with CHWM Contracts which is calculated in a manner that differs from the following:

$$\text{Base T1 PF Exchange Rate} = \frac{(\text{PFCosts} - \text{PFCredits}) - (\text{T2Costs} - \text{T2Credits})}{\text{PFLoad} - \text{T2Load}} + \text{TmnAddr}$$

Where:

Base T1 PF Exchange Rate is the Base Tier 1 PF Exchange rate prior to the final allocation of any rate protection costs arising from the section 7(b)(2) rate test, as determined in each 7(i) Process.

PFCosts are all costs allocated in a 7(i) Process to the Priority Firm rates when the Base PF Exchange rate is calculated (also known as the unbifurcated PF rate) and prior to any reflection of the tiering of the PF Preference rate.

PFCredits are all credits allocated in a 7(i) Process to the Priority Firm rates when the Base PF Exchange rate is calculated (also known as the unbifurcated PF rate) and prior to any reflection of the tiering of the PF Preference rate.

T2Costs are all costs allocated in a 7(i) Process to Tier 2 Cost Pools.

T2Credits are all credits allocated in a 7(i) Process to Tier 2 Cost Pools.

PFLoad is the BPA forecast of load used to determine the unbifurcated PF rate in a 7(i) Process.

T2Load is the BPA forecast of load used to determine Tier 2 Rates in a 7(i) Process.

TmnAddr is the same unit charge for transmission added to the Base PF Exchange rate.

The Tier 1 PF Exchange rate used to calculate Bonners Ferry's REP benefits is the Base Tier 1 PF Exchange rate as modified by any Supplemental 7(b)(3) Rate Charge, as determined in each 7(i) Process and may be adjusted pursuant to the Supplemental 7(b)(3) Rate Charge Adjustment, any cost recovery adjustment clause, and any dividend distribution clause, as determined to be applicable to the Tier 1 PF Exchange rate in a 7(i) Process.

Action 2. BPA adopts, in a final record of decision, policy or interpretation, a method of calculating Bonners Ferry's ASC for a Fiscal Year(s) of an Exchange Period pursuant to BPA's 2008 ASC Methodology or its successor that differs from the following formula:

$$\text{RHWM ASC} = \frac{\text{Contract System Cost} - \text{NewRes\$}}{\text{Contract System Load} - \text{NewResMWh}}$$

Where:

RHWM ASC is the ASC for Bonners Ferry for an Exchange Period, as defined by BPA's 2008 ASC Methodology.

Contract System Cost is as defined in BPA's 2008 ASC Methodology.

NewRes\$ is the forecast cost of resources (including purchased power contracts) used under this Agreement to serve Bonners Ferry's Above-RHWM Load. Such resources are exclusive of Bonners Ferry's Existing Resources for CHWMs as specified in Attachment C, Column D, of the TRM, and exclusive of purchases of power at Tier 1 Rates from BPA. The costs included in NewRes\$ will be determined using a methodology similar to Appendix 1 Endnote d of BPA's 2008 ASC Methodology.

Contract System Load is as defined in BPA's 2008 ASC Methodology.

NewResMWh is the forecast generation from resources (including purchased power contracts) used under this agreement to serve Bonners Ferry's Above-RHWM Load. Such resources are exclusive of Bonners Ferry's Existing Resources for CHWMs specified in Attachment C, Column D, of the TRM, and exclusive of purchases of power at Tier 1 Rates from BPA.

Action 3. BPA offers Bonners Ferry an RPSA with an Exchange Load used to calculate Bonners Ferry's REP benefits payments that differs from the following formula, or interprets such RPSA in a manner that differs from the following formula:

$$\text{Actual RHWM Exchange Load} = \text{RRL} \times \text{T1Pctg}$$

Where:

Actual RHWM Exchange Load is the monthly residential and small farm load of Bonners Ferry used to calculate the actual monthly REP payments to Bonners Ferry as specified in the RPSA.

RRL is Bonners Ferry's actual total qualifying residential and small farm retail load for a month as specified in the RPSA.

$$\text{T1Pctg} = \frac{\text{T1MWh} + \text{ExistResMWh}}{\text{TRL} - \text{NLSL}}$$

Where:

T1Pctg is BPA's forecast percentage of Bonners Ferry's load that is expected to be served by purchases of power at Tier 1 Rates from BPA and from Bonners Ferry's Existing Resources for CHWM, and will be computed for each Fiscal Year of the applicable Rate Period. Such computation will be performed in the applicable RHWM Process for the Rate Period.

T1MWh is the amount of power at Tier 1 Rates BPA forecasts to be purchased by Bonners Ferry from BPA in each Fiscal Year of a Rate Period as forecast in each RHWM Process for a Rate Period.

ExistResMWh is the specified output of Bonners Ferry's Existing Resources for CHWM, as specified in Attachment C, Column D, of the TRM.

TRL is BPA's forecast of Bonners Ferry's Total Retail Load in each Fiscal Year of a Rate Period as forecast in each RHWM Process for a Rate Period.

NLSL is BPA's forecast of Bonners Ferry's New Large Single Loads in each Fiscal Year of a Rate Period as forecast in each RHWM Process for a Rate Period.

Action 4. BPA adopts a final record of decision, policy or interpretation that changes the terms of the TRM or the 2008 ASC Methodology applicable to REP participants with CHWM Contracts and such change is not encompassed in Actions 1-3, and such change meets the criteria in section 4.3 for application of the option in section 4.4.

4.3 Criteria

The option set forth in section 4.4 below is available to Bonners Ferry if BPA has taken any of the Actions 1-4 set forth in section 4.2 and the Actions taken, when considered in combination with all BPA actions being undertaken at that time, result in a material reduction in the REP benefits of the class of REP participants with CHWM Contracts. A reduction shall not be "material" for purposes of this section 4.3 if such Action(s), when considered in combination with all BPA actions being undertaken at that time, are applied to the

provisions applicable to all REP participants and produce the same or comparable effects on all REP participants, even if such Action(s) results in an otherwise material reduction in the REP benefits of the class of REP participants with CHWM Contracts.

4.4 **Option**

If Bonners Ferry believes that BPA has taken any of the Actions 1 through 4 set forth in section 4.2 that satisfies the criteria for this option as set forth in section 4.3, and if BPA has provided a public comment process as part of BPA's decision process (for the relevant Action of Actions 1 through 4 set forth in section 4.2) in which Bonners Ferry has commented that BPA was proposing or about to take such Action, then Bonners Ferry, within 30 calendar days of BPA taking such alleged Action(s), may provide written notice to BPA in accordance with section 20 of this Agreement requesting an alternative power sales contract without a CHWM. Upon receipt of such written notice, BPA shall review the request and, within 60 calendar days, issue a written statement regarding whether the criteria of section 4.3 have been satisfied.

4.4.1 If BPA believes the criteria of section 4.3 have not been satisfied, the dispute shall be resolved through the dispute resolution provisions in section 22 of this Agreement, provided, however, that the sole function of arbitration shall be to determine whether the criteria of section 4.3 have been satisfied, not the exclusive remedy of money damages set forth in section 22.4 of this Agreement. If the dispute resolution results in a final determination that the criteria of section 4.3 have been satisfied, BPA shall have 90 calendar days from the date of such final determination to take curative action to restore the REP benefits of the class of REP participants with CHWM Contracts to the level that would have existed had BPA not taken the Action(s) that resulted in the criteria of section 4.3 being satisfied; provided, however, that if BPA elects not to take such curative action within such 90 day period, BPA shall have 180 calendar days after the date of such determination to offer to Bonners Ferry an alternative power sales contract without a CHWM.

4.4.2 If BPA determines that the criteria of section 4.3 have been satisfied, BPA shall have 90 calendar days from the date of such determination to take curative action to restore the REP benefits of the class of REP participants with CHWM Contracts to the level that would have existed had BPA not taken the Action(s) that resulted in the criteria of section 4.3 being satisfied; provided, however, that if BPA elects not to take such curative action, it shall have 180 calendar days after the date of such determination to offer to Bonners Ferry an alternative power sales contract without a CHWM.

4.4.3 Such alternative power sales contract shall be for the same purchase obligation in section 3 of this Agreement that is in effect at the time the notice under this section 4.4 is provided to BPA. Bonners Ferry

acknowledges that the terms and conditions of such alternative power sales contract may vary from those contained in the CHWM Contract.

4.4.4 Bonners Ferry shall notify BPA in accordance with section 20 no later than 60 calendar days after the date of its receipt of such alternative power sales contract whether it will terminate its CHWM Contract and execute such alternative power sales contract, or retain its CHWM Contract. If Bonners Ferry fails to notify BPA within the 60-day period of its decision regarding its CHWM Contract, BPA's offer of the alternative power sales contract without a CHWM shall be withdrawn as of the 61st day and Bonners Ferry will be conclusively presumed to have elected to retain its CHWM Contract.

4.4.5 If Bonners Ferry provides BPA timely notice of its election to terminate its CHWM Contract and executes the alternative power sales contract, service under such alternative power sales contract shall not commence until the beginning of the Rate Period immediately following the Rate Period in which the alternative power sales contract is executed. Termination of Bonners Ferry's CHWM Contract shall be effective at commencement of service under the alternative power sales contract.

5. REVISIONS

This exhibit shall be revised by mutual agreement of the Parties to reflect additional products Bonners Ferry purchases during the term of this Agreement.

6. SIGNATURES

The Parties have executed this revision as of the last date indicated below.

THE CITY OF BONNERS FERRY, IDAHO

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____

By _____

Name _____
(Print / Type)

Name Michael R. Normandeau
(Print / Type)

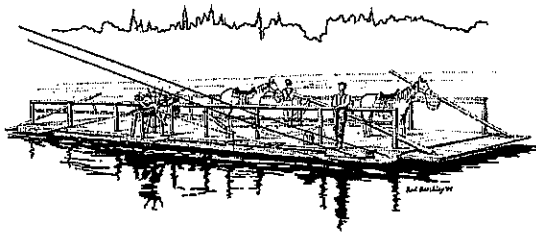
Title _____

Title Account Executive

Date _____

Date _____

(PSE-W:\power\CONTRACT\CUSTOMER\Bonners Ferry.cty\13010\Exh D\13010 Exh D R 2.doc) - 07/29/13



MEMO

CITY OF BONNERS FERRY
CITY ADMINISTRATOR

Date: 16 August 2013
To: City Council
From: Stephen Boorman, City Administrator
Subject: Tree Trimming Services.

This memo is to recommend that the City enter into a contract with Asplundh for tree trimming services. The cost is \$1,422.32 per day for up to three weeks, for a total cost of \$21,334.80. This has been budgeted.

This work will focus in town where there is significant benefit to having arborist trim the trees.

STB

INDEPENDENT CONTRACTOR AGREEMENT

AGREEMENT made between City of Bonners Ferry, a political subdivision of the state of Idaho, herein "ENTITY" and Asplundh Tree Expert Co. herein "CONTRACTOR",

THE PARTIES AGREE AS FOLLOWS:

1. **CONTRACT:** ENTITY hereby employs CONTRACTOR as an independent contractor to complete and perform the following project and work:

Powerline Tree Trimming and provide a three man crew, chipper, and aerial lift.

CONTRACTOR agrees to provide all materials and services for the project in accordance with the attached written specifications.

Specifications and scope of work as shown in attached proposal.

2. **TIME OF PERFORMANCE AND TERMINATION:** Parties agree that:

CONTRACTOR shall complete the project by 31 December, 2013.

CONTRACTOR will commence work on the project on _____, 20____ and continue until this Agreement is terminated by _____ days written notice by either party.

CONTRACTOR will work at various times from 1 January 2013 and continue until 31 December 2017 unless this Agreement is terminated with thirty (30) days written notice by either party.

3. **COMPENSATION:** ENTITY agrees to pay CONTRACTOR as compensation:

\$1,422.32 per day. See attached bid proposal.

4. **INDEPENDENT CONTRACTOR:** The parties agree that CONTRACTOR is the independent contractor of ENTITY and in no way an employee or agent of ENTITY and is not entitled to workers compensation or any benefit of employment with the ENTITY. ENTITY shall have no control over the performance of this Agreement by CONTRACTOR or its employees, except to specify the time and place of performance, and the results to be achieved. ENTITY shall have no responsibility for security or protection of CONTRACTOR'S supplies or equipment. CONTRACTOR agrees to pay and be responsible for all taxes due from the compensation received under this contract.

5. **WARRANTY:** CONTRACTOR warrants that all materials and goods supplied under this Agreement shall be of good merchantable quality and that all services will be performed in a good workmanlike manner. CONTRACTOR acknowledges that it will be liable for any breach of this warranty.

6. **INDEMNIFICATION:** CONTRACTOR agrees to indemnify, defend, and hold harmless ENTITY, and its officers, agents and employees, from and against any and all claims, losses, actions, or judgments for damages or injury to persons or property arising out of or in connection with the acts and/or any performances or activities of CONTRACTOR, CONTRACTOR'S agents, employees, or representative under this agreement.

7. **INSURANCE:** CONTRACTOR agrees to obtain and keep in force during its acts under this agreement a comprehensive general liability insurance policy in the minimum amount of \$\$1,000,000 which shall name and protect CONTRACTOR, all CONTRACTOR'S employees, ENTITY and its officers, agents and employees, from and against any and all claims, losses, actions, and judgments for damages or injury to persons or property arising out of or in connection with the CONTRACTOR'S acts. CONTRACTOR shall provide proof of liability coverage as set forth above to ENTITY prior to commencing its performance as herein provided, and require insurer to notify ENTITY ten (10) days prior to cancellation of said policy.

8. **WORKER'S COMPENSATION:** CONTRACTOR shall maintain in full force and effect worker's compensation for CONTRACTOR and any agents, employees, and staff that the CONTRACTOR may employ,

and provide proof to ENTITY of such coverage or that such worker's compensation insurance is not required under the circumstances.

9. **COMPLIANCE WITH LAWS:** CONTRACTOR agrees to comply with all federal, state, city, and local laws, rules and regulations.

10. **ENTIRE AGREEMENT:** This is the entire agreement of the parties and can only be modified or amended in writing by the parties.

11. **ATTORNEY FEES:** Reasonable attorney fees shall be awarded to the prevailing party in any action to enforce this Agreement or to declare forfeiture or termination of this Agreement.

DATED this _____ day of _____, 20 _____.

ENTITY:

CONTRACTOR:

CITY OF BONNERS FERRY
(Governmental Entity)

By _____
(Name)

By _____
Dave Anderson MAYOR

Its _____
(Title or Office)

ATTEST:

WITNESS:

Kris Larson, Clerk

(Signature of Witness or Notary Public)

Form and content approved by _____ as attorney for _____
(Governmental Entity).

ASPLUNDH

ASPLUNDH TREE EXPERT CO.

7524 NE 175TH STREET, KENMORE, WA 98028 • OFFICE: 425-483-9339 • FAX: 425-806-9750

Bonnors Ferry

2013

Effective 8-01-2013 to 12-31-2013

Asplundh Tree Expert Co. - 3 person Tree Trimming crew - tools and saws included

	ST	OT	DT
Foreman	\$ 60.26	\$ 87.38	\$ 105.46
J. Trimmer	\$ 53.26	\$ 77.23	\$ 93.21
Groundman	\$ 39.82	\$ 57.73	\$ 69.68
55' Lift	\$ 18.00		
Chipper Self Feed	\$ 6.00		
Cell Phone	\$ 0.45		

153.34 per hr. wage

1226.72 per hour wages

Approved _____ Title _____ Date _____

1422.32 per day



Equipment Distributors Inc.

Serving customers since 1956

Seattle Main Office • 20224 80th Ave. S., Kent, WA 98032 (253) 872-8858 Fax: (253) 872-6942
Spokane • E. 2824 Garland Ave., Spokane, WA 99207 (509) 483-8665 Fax: (509) 483-7563
Oregon • 19635 SW 129th, Tualatin, OR 97062 (503) 691-0250 Fax: (503) 691-0849

Mirror lake golf
Ralph Lotspiech
Re: Toro pricing and leasing

As requested, I am providing NIPA pricing for the Toro 3500 Sidewinder and the 5410 Fairway mower. Please see the following. Note the purchase prices do not include sales tax. TCEF finance is the institution whose lease rates I derived these figures from. This is a municipal rate of 3.99%. I have also sent the credit application for them which should be filled out and sent to them directly. Marc Callahan will be the man from TCEF Finance who you will be dealing with. Marc is excellent at his job and will make this a very easy transaction. Please note there is a one payment in advance clause for municipal transactions.

Toro 3500 Sidewinder #30839n comes complete \$32,651.63 (purchase Price)

Toro 5410 Reelmaster fairway mower #030670n comes with #03694 eight blade cutting units, #03668 powered rear roller brushes \$45,417.76 (purchase price)

As requested, I am providing 2 options for this Conditional sales contract (dollar buyout). A 36 monthly payment plan and 60 month payment plan.

Purchase price for both units

3500 Toro Sidewinder \$32,651.63
5410 Reelmaster \$45,417.76
Total purchase price for both units \$78,069.39

CSC lease options

Purchase price \$78,069.39 (both units)
Documentation fee \$250.00
Lease figure \$78,319.39

36 month payment plan rate factor of .02942
\$2,304.15 plus 6% sales tax=\$138.24 **Total monthly payment for 36 months \$2,442.39**

60 month payment plan rate factor of .01835
\$1,437.16 plus 6% sales tax=\$86.22 **Total monthly payment for 60 months \$1,523.38**

Please let me know if I can do anything else for you. Thank you for the opportunity.

Please note that depending on time frame of transaction, these figures could vary slightly. Unfortunately, time is of the essence here. In order to beat the normal price changes in mid October we are also up against availability on the non tier 4 models. To make this all happen we need to order as soon as possible and have shipped and delivered before mid October.

Sincerely,

Mark Jones SCPS Certified
Territory Sales Mgr. 509-701-1467

CITY OF BONNERS FERRY

7232 Main Street

P.O. Box 149

Bonnors Ferry, Idaho 83805

Phone: (208) 267-3105 Fax: (208) 267-4375



FAX COVER SHEET

TO: ICRMP

DATE: 8-9-13

PHONE: (800) 336-1985

FAX: (208) 336-2100

FROM: Kris Larson

PHONE: (208) 267-0351

SUBJECT: Claim for Damage

3

PAGES, INCLUDING COVER SHEET

REMARKS

We had an extensive power outage today. If you
need clarification please call Dan Rice, Electric
Dept. Superintendent. His phone number is
(208) 267-4382. I will be out of the office next
Week. Thank you, Kris

P.S. Mrs. Stanton's address is: 180 Whispering Lane
Moyie Springs, ID 83845

CLAIM FOR DAMAGE OR INJURY

(NOTE: It is a requirement that this form, if used, be presented to and filed with the clerk or secretary of the public entity involved. This form is being provided as a courtesy to assist you in filing your claim. Providing this form to you is not an admission nor shall it be construed to be an admission of liability or an acknowledgement of the validity of a claim by the political subdivision. Legal requirements for filing claims can be found in Title 6, Chapter 9, Idaho Code. All claims must be filed promptly, in writing!)

RECEIVED
AUG 09 2013 4:50P.M. BJ

Name:	Lisa Stanton	CITY OF BONNERS FERRY	Phone Number: (Home) 208-267-0731 (Work)
Current Address:	180 Whispering Lane		
Address for the Six Months Immediately Prior to the Date the Damage or Injury Occurred:	same		
Date Damage or Injury Occurred:	08-09-13	Time:	around noon A.M. or P.M.
Location of Occurrence:	in home		
Any Injuries?	NO	If so, what type?	
Describe How Damage or Injury Occurred:	lights began flickering, went off, came back on for full minute brightly, began dimming and after approx. 30 seconds went completely off for approx 2 hrs. This caused the electronic panel (control) to be ruined. Contacted whirlpool. Needs replaced. (free standing electric range. This was obli an equipment failure (maybe shorting out) and not just an interruption of service		

I hereby certify that I have read the above information and it is true and correct to the best of my knowledge.

I hereby make a claim against City of Bonners Ferry
a public entity, for damages (damage, injury, etc.)
in the amount of unknown

DATE: 08-09-13 SIGNATURE: Lisa Stanton

DIAGNOSTICS

Unplug range or disconnect power before performing the following checks:

- A potential cause of a control not functioning is corrosion on connections. Observe connections and check for continuity with an ohmmeter.
- Check all connections before replacing components, looking for broken or loose wires, failed terminals, or wires not pressed into connectors far enough.
- All tests/checks should be made with a VOM or DVM having a sensitivity of 20,000 ohms per volt DC or greater.

- Resistance checks must be made with power cord unplugged from outlet, and with wiring harness or connectors disconnected.

Temperature Adjustment

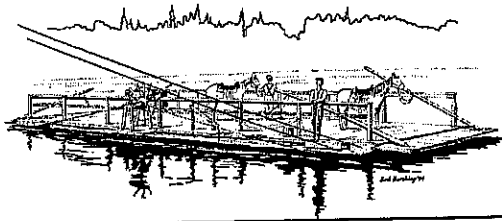
- Press and hold BAKE pad for 5 seconds. Current offset, if any, is shown in 3-digit display. CAL is shown in 4-digit display (3 digits on right).
- Pressing the TEMP pad "up" arrow (▲) adjusts the temperature in 5.6°C (10°F) increments in the following sequence: Celsius: 0°, 5.6°, 11.1°, 16.7°, -16.7°, -11.1°, -5.6°, 0°; (Fahrenheit: 0°, 10°, 20°, 30°, -30°, -20°, -10°, 0°) and so on.
- Press START/ENTER pad to activate the desired temperature adjustment. If the

- START/ENTER pad is not pressed within 1 minute, adjustment is ignored.
- BAKE temperature adjustment cannot result in operating temperatures higher than 260°C (500°F) or lower than 77°C (170°F), as measured at oven cavity center.
- Once the BAKE temperature has been adjusted, BROIL temperatures are automatically offset to the same degree.
- CLEAN temperature is also offset automatically when BAKE temperature is adjusted. If BAKE temperature has been raised, CLEAN temperature is offset +3°C (+5°F). If BAKE temperature has been lowered, CLEAN temperature is offset -3°C (-5°F).

FAILURE/ERROR DISPLAY CODES

4-DIGIT DISPLAY	3-DIGIT DISPLAY	LIKELY FAILURE CONDITION	SUGGESTED CORRECTIVE ACTION PROCEDURE
Go	od	No failure.	Will only display if user enters diagnostic mode and there are no pre-existing faults. Press STOP/CLEAR key to clear display.
F1	E0	EEPROM communications failure - Power line noise - Lightning	<ol style="list-style-type: none"> 1. Unplug range or disconnect power. 2. Replace the control. 3. Replace all parts and panels before operating. 4. Plug in range or reconnect power. 5. Verify operation is normal. Go to step 1 and complete checks.
	E1	EEPROM checksum failure - Power line noise - Lightning	
	E3	Fuel type (gas/electric) select failure - Wrong EEPROM installed	
F2	E0	Key contact closed for more than 60 seconds - Key held down too long or shorted key - Warped keypad - Moisture inside keypad - Missing keytail	<ol style="list-style-type: none"> 1. Verify failure if not displayed. Go to manual diagnostics screen 5 to view and clear error codes. 2. Unplug range or disconnect power. 3. Unplug keytail connector. Inspect connector and keytail ends for damage. Ensure keytail is not bent or broken, and keytail is not creased or torn. 4. Plug keytail into connector. Ensure keytail is fully seated on both ends. 5. Replace all parts and panels before operating. 6. Plug in range or reconnect power. 7. Observe for longer than 1 minute. 8. If any false key presses occur or the failure remains, go to step 9. 9. Unplug range or disconnect power. 10. Replace keypad. 11. Replace all parts and panels before operating. 12. Plug in range or reconnect power. 13. Observe for longer than 1 minute. 14. If any false key presses occur or the failure remains, go to step 15. 15. Unplug range or disconnect power. 16. Replace control. 17. Plug in range or reconnect power. 18. Verify operation is normal. Go to step 1 and complete checks.
	E1	No communication between keyboard and control. - Keytail loose, unplugged, or damaged	
	E6	STOP/CLEAR key contact closed for more than 60 seconds - Key held down too long or shorted key - Warped keypad - Moisture inside keypad	
F3	E0	Break in oven sensor circuit - Open sensor - Loosened or disconnected sensor connector at sensor or control - Open wire in harness	<ol style="list-style-type: none"> 1. Verify failure if not displayed. Go to manual diagnostics screen 5 to view and clear error codes. 2. Use manual diagnostics screen 2 to view the status screen. 3. The temperature shown should read approximately room temperature if oven has not been turned on and heated up. If it does, the sensor is good. If temperature is greater than 100°F or less than 60°F, go to step 4. 4. Unplug range or disconnect power. 5. Disconnect sensor from harness. 6. Measure sensor value (between connector pins) between 1000 ohms @ 32°F and 2697 ohms @ 900°F (room temperature approx. = 1080 ohms). Also measure from sensor connector to sensor casing for possible short. If measurement does not correlate to real temperature, or short is found, replace sensor. 7. Trace wires and connectors from control to sensor and back to the control. If the wire or connection is damaged, replace the harness. 8. Reconnect the sensor to the harness. 9. Replace all parts and panels before operating. 10. Plug in range or reconnect power. 11. Press BAKE, then START. Observe from longer than 1 minute. If failure remains, go to step 12. 12. Unplug range or disconnect power. 13. Replace the control. 14. Replace all parts and panels before operating. 15. Plug in range or reconnect power. 16. Verify operation is normal. Go step 1 and complete checks.
	E1	Short in oven sensor circuit - Short in sensor - Sensor shorted to sensor casing - Pinched or shorted harness sensor wires - Sensor terminals shorted at sensor or control	

Continued...



CITY OF BONNERS FERRY

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16 August 2013

Mr. Douglas Johnson, P.E.
Regional Engineer
Division of Dam Safety and Inspections
Portland Regional Office
805 SW Broadway, Suite 550
Portland, Oregon 97205
douglas.johnson@ferc.gov

Subject: Owners Dam Safety Program Review, City of Bonners Ferry - Moyie River Hydro
Project No. 1991-ID

Reference: Letter Mr. Johnson, FERC, to Mayor Anderson, CBF, dated 5 August 2013

Dear Mr. Johnson:

The Reference Letter requested a number of changes to the Subject ODSP and a meeting between Mayor Anderson and your office. As discussed on the phone 8 Aug 13, we would like to invite you and/or someone from your office to attend a council meeting to explain to the Mayor and Council; who is the FERC, what does the FERC do, and about the programs implemented by the Division of Dam Safety. We feel that this could potentially be an optimal forum for your office to communicate with our elected officials.

If your office feels that this forum provides the best opportunity for enhancement of your ODSP, please let us know what dates would work for you. The city council meetings are held on the first and third Tuesday of every month.

Sincerely,

SJB

Stephen Boorman, PE
City Administrator

cc: Ms. Kellie Langenwaller, kellie.langenwaller@ferc.gov
File