

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

Bonners 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
Bonners Ferry City Hall
7232 Main Street
267-3105
July 3, 2012
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

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 June 5, 2012 and June 19, 2012 Council Meeting Minutes and June 26, 2012 Special Council Meeting Minutes

OLD BUSINESS

5. City – Discuss Annexation
6. URD – Authorize Mayor to Sign Addendum to Master Owner Participation and Reimbursement Agreement for Kootenai Valley Preservation League (attachment)
7. URD – Authorize Mayor to Sign Addendum to Master Owner Participation and Reimbursement Agreement for Super 1(attachment)

NEW BUSINESS

8. City – Update on Association of Idaho Cities Conference
9. City – Approve Special Event Permit for Bonners Ferry Rotary Swish 3 on 3 Basketball Tournament on July 14-15, 2012 on Main Street (attachment)

ADDENDUM
TO MASTER OWNER PARTICIPATION AND REIMBURSEMENT AGREEMENT
KOOTENAI VALLEY PRESERVATION LEAGUE, LLC.

THIS AGREEMENT made and entered into this 4th day of JUNE, 2012, by and between the BONNERS FERRY URBAN RENEWAL AGENCY, an Idaho urban renewal agency, P.O. Box 149, Bonners Ferry, ID, 83805, hereinafter referred to as the Agency, and KOOTENAI VALLEY PRESERVATION LEAGUE, Idaho limited liability company, hereinafter referred to as the Participant.

WITNESSETH:

WHEREAS the Participant owns, controls or is constructing improvements in the vicinity of real property hereinafter referred to as the 'Development'; and

WHEREAS the Participant and the Agency entered into a Master Owner Participation and Reimbursement Agreement dated the 24th day of August, 2011, identifying the types of public infrastructure improvements that the Participant intends to construct within the District, and the estimated costs; and

WHEREAS the Participant intends to construct the specific public infrastructure improvements within and adjacent to the Development described in Exhibit A, attached hereto and incorporated by reference herein, and hereinafter referred to as the Project; and

WHEREAS the Agency has reviewed the elements of the Project and feels that the Project would enhance the redevelopment and revitalization of the District pursuant to the provisions of the Plan, and is consistent with the Master Owner Participation and Reimbursement Agreement; and

WHEREAS the Agency and the Participant seek to cooperate in the construction of public infrastructure improvements; and

WHEREAS until such time as the Project is completed and private sector improvement investments are made, the tax increment revenues from the District will be insufficient to pay for construction of the Project; and

WHEREAS the Participant is willing to construct and pay for the Project Improvements with the expectation of being reimbursed from future tax increment revenues and/or

borrowed funds received by the Agency from the District as those revenues are received; and

WHEREAS the Parties seek to memorialize understandings relating to the conditions associated with Agency funded reimbursement.

NOW, THEREFORE, in consideration of the mutual benefits to be derived herefrom, the Parties agree as follows:

1. EFFECTIVE DATE AND DESCRIPTION:

1.1. EFFECTIVE DATE: The effective date of this Agreement shall be the date first above-written, and shall continue until all obligations of each Party are completed or until the termination of the Plan, whichever shall first occur.

1.2. DESCRIPTION OF THE DEVELOPMENT: The 'Development' is generally bounded on the north by Bauman View Subdivision, on the east by Highway 95, on the west by the Burlington Northern Santa Fe Railroad Property, and on the south by the Co-Op Gas and Supply Company, Inc. Property. Properties within the Development area, the increment of which shall be used to reimburse Participant, are specifically identified in Exhibit B, Development Area Properties.

2. PUBLIC INFRASTRUCTURE AND OTHER PUBLIC FACILITIES:

2.1. The Parties agree that the public infrastructure and other public facilities and their estimated costs which are the subject of this Agreement are those listed in Exhibit A, attached hereto and incorporated by reference herein, and hereinafter referred to as the Agency Funded Public Improvements, which shall become eligible for reimbursement when they have been dedicated to the public, which acceptance shall not be unreasonably withheld. Reimbursements shall be based on actual costs; the parties recognize that Exhibit A contains only estimated costs.

2.2. Any other public improvements that are constructed by the Participant as part of the Project are only eligible for reimbursement pursuant to this Agreement or by addendum mutually agreed to by the Parties.

2.3. It is understood that the Participant is obligated to construct the described improvements, but shall not be

reimbursed until improvements are constructed, dedicated and accepted, and funds are available.

2.4. Any expense that greatly exceeds the estimate on Exhibit A (by 10% or more) shall be submitted to the Agency for approval and the greater amount may not be approved. The Agency shall consider the reasons behind the greater expense in evaluating whether to provide the additional funding.

3. CONSTRUCTION OF AGENCY FUNDED PUBLIC IMPROVEMENTS: The Participant agrees to construct the Agency Funded Public Improvements eligible for reimbursement consistent with the following:

3.1. The improvements to be constructed shall be in accordance with the overall City infrastructure plans approved by the City's engineers, and design and construction shall comply with Idaho Standards for Public Works, Idaho Transportation Department and Idaho Department of Environmental Quality requirements where applicable. Improvements shall subsequently be dedicated to the public.

3.2. Prior to commencing construction, all necessary permits will be obtained by the Participant.

3.3. Construction and quality control inspections shall be provided by the engineer of record and the City. Defects noted by the City shall be corrected during the course of the work.

3.4. All work will be guaranteed by Participant for a period of one (1) year after dedication and acceptance by the City of Bonners Ferry.

4. CONDITIONS: In consideration for the commitments presented by the Participant, the Agency agrees to proceed with reimbursement for the Agency Funded Public Improvements, subject to the following conditions:

4.1. The Participant shall comply with the City of Bonners Ferry design review approvals and all applicable local, state and federal laws, rules and other requirements for public improvements.

4.2. The Participant shall submit a proposed Project Schedule to the Agency upon receipt of City approvals. This schedule shall be only a planning document, and the Participant shall not be obligated to meet the proposed project schedule, and shall have the sole discretion to modify the proposed project schedule.

4.3. The Participant shall substantially and reasonably complete improvements as described in Exhibit A and any attachments or addendums to this agreement.

4.4. The City and the Agency or its agent shall review the final design for construction of the Project and may require reasonable design changes.

4.5. The Participant agrees to invoice the Agency per the actual cost of the items to be reimbursed for review by the Agency, with reimbursement to be based upon completion and final inspection by the City and the Agency or its agent, dedication to the public, and the availability of tax increment revenues for the District. Invoices shall contain billing from contractors and other documentation satisfactory to the Agency.

4.6. The contracts between the Participant and Contractors shall be provided to the Agency at least 15 days prior to executing when possible; invoices from the Contractors shall be provided to the Agency within one-hundred and eighty (180) days of their execution.

5. INITIAL CONSTRUCTION FUNDING: The Participant, its agents, lessees and/or assigns, shall pay for all of the costs of installation of the Agency Funded Public Infrastructure set forth in Exhibit A, including the cost of capital, and soft costs, as approved by the Agency, hereinafter referred to as Participant Advances.

6. REIMBURSEMENT OF PARTICIPANT'S ADVANCES: The Participant shall be entitled to reimbursement of Participant Advances subject to the following conditions and understandings:

6.1. It is the understanding of the Parties that the Participant shall only be paid the reimbursement of Participant Advances from the tax increment revenues of the portion of the District described in Paragraph 1.2 of this agreement, and/or borrowed funds. If for any reason tax increment revenues anticipated to be received by the Agency are insufficient or curtailed, the Agency shall not be obligated to use other sources of revenue to make reimbursements to the Participant.

6.2. Nothing in this Agreement prevents the Agency's board from bonding to pay obligations to the Participant; nothing in this Agreement prevents the Agency's board from paying interest on any such obligation to the participant. At the Agency Board's discretion, funds from outside the

Development area may be used to pay obligations in Exhibit A.

6.3. It is the understanding of the Parties that tax increment revenues received by the Agency for the District will first be used in the following manner and order:

6.3.1. To reimburse the Agency for the costs of the Plan and/or any remaining unpaid costs of designing, adopting or executing the Plan or agreements with Participants.

6.3.2. For the payment of the District's annual contribution to the administrative costs of the Agency, as established in the Agency's annual budget.

6.3.3. For the payment into a district wide reserve account pursuant to the policies of the Agency.

6.3.4. For the repayment of any debt of the District disclosed to the Participant upon the execution of this Agreement.

6.3.5. To the reimbursement of Participant Advances based on the prorated advances of each of the two participants within the development.

7. MISCELLANEOUS:

7.1 The Participant shall provide the Agency with evidence that the Participant, its agents, and Contractors have adequate liability insurance and workers compensation insurance as required by Idaho law.

7.2 The Participant agrees to indemnify and hold harmless the Agency from any and all liability and/or obligations not specifically provided for in this Agreement to be performed by the Agency with reference to the Project.

7.3 The Participant does hereby grant to the Agency and its agents, and the City of Bonners Ferry, a right of access to the Project area for the purposes of inspections.

7.4 The Participant agrees to convey title to Agency Funded Public Infrastructure to the City of Bonners Ferry when the City approves work completed as provided herein.

7.5. The Parties agree that this Agreement does not establish a partnership or joint venture relationship between the Parties.

7.6. The rights and obligations provided for in this Agreement may not be assigned without the mutual agreement of the Parties.

7.7. The Parties agree that in the event that there is a disagreement or dispute over the terms and provisions of this Agreement, including reimbursement submittals, that the Parties will mutually submit the disagreement or dispute to non-binding mediation utilizing a mediator mutually agreeable to the Parties, with the Parties jointly sharing the costs of the mediation. In the event that the Parties cannot agree on a mediator or if the mediation is unsuccessful, the Parties may then exercise their legal remedies in accordance with Idaho law.

7.8. This Agreement shall be construed and enforced under the laws of the State of Idaho, with any enforcement action to be brought in Boundary County, Idaho. The prevailing party in any action shall be entitled to its reasonable attorneys' fees and costs.

7.9. The Master Agreement between the Parties dated 24 August, 2011, Exhibit B, Development Area Properties, Exhibit C, Definition and Reimbursement of "Soft Cost Policy," and Exhibit D, Reimbursement of Proponent Borrowing Cost Policy, are hereby incorporated by this reference and made applicable to this agreement. The Parties agree that the Master Agreement and this Agreement constitute the entire agreement between the Parties, and are binding upon their successors. Any amendment or addendum to these agreements must be in writing.

7.10. All of the provisions of this Agreement are distinct and severable, and if any provision shall be deemed illegal, void or unenforceable, it shall not affect the legality, validity or enforceability of any other provision or portion of this Agreement.

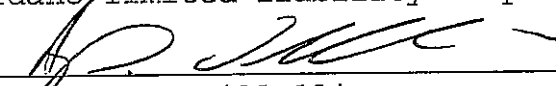
IN WITNESS WHEREOF, the Parties have set their hands effective the date first above-written.

BONNERS FERRY URBAN RENEWAL AGENCY
an Idaho urban renewal agency

By: Mike Klaus
Mike Klaus, Chairman

PARTICIPANT:

KOOTENAI VALLEY PRESERVATION LEAGUE, LLC,
An Idaho limited liability company

By: 
Anthony P. Villelli

ACCEPTANCE OF IMPROVEMENTS

The City of Bonners Ferry hereby agrees to accept dedication of the Right-of-Way and infrastructure improvements designated herein at such time as the City Engineer has approved construction.

Mayor



Attest:

City Clerk

Exhibit A
Agency Funded Public Improvements

URA Creation Cost	\$2,000.00
Survey Work	\$6,000.00
Property Dedication Hwy 95	\$40,369.50
Property Dedication Cossette St.	\$25,048.97
subtotal	\$73,418.47
Highway 95 Work (Alt 1)	\$43,857.50
Kennedy Street Work (Alt 2)	\$14,738.00
Cossette Street Work (Alt 3)	\$6,380.00
Sewer Line Extension	\$1,685.00
Water Line Extension	\$23,339.50
DEA Design Hwy 95 & Kennedy Street	
DEA Design Cossette Street	\$5,620.00
DEA Design Fee for Utility Plans	
DEA design Fee Cossette St revisions	
subtotal	\$95,620.00
City of Bonners Ferry Inspection Fee	
Totals	\$169,038.47

EXHIBIT B

Development Area Properties:

SEC 33 T62N R1E, Tax 42, RPB00000337242A (Mcintire Enterprises LLC)

SEC 33 T62N R1E, Tax 41, RPB00000339021A (Kootenai Valley Preservation League LLC)

Lot 1A Maxwell Acre Tract, RPB066000101A0A (Kootenai Valley Preservation League LLC)

SEC 33 T62N R1E, Tax 21, RPB00000339152A (Co-Op Gas and Supply Company, Inc.)

SEC 33 T62N R1E, Tax 22, RPB00000339161A (Co-Op Gas and Supply Company, Inc.)

SEC 33 T62N R1E, Tax 27, RPB00000339190A (Co-Op Gas and Supply Company, Inc.)

Lot 2A Maxwell Acre Tract, RPB066000102A0A (Co-Op Gas and Supply Company, Inc.)

Lot 4A Maxwell Acre Tract, RPB066000104A0A

Lot 4B Maxwell Acre Tract, RPB066000104B0A

Lot 5 Maxwell Acre Tract, RPB0660001005BA (Co-Op Gas and Supply Company, Inc.)

A handwritten signature or set of initials, possibly 'AR', is located in the bottom right corner of the page.

EXHIBIT C

BONNERS FERRY URBAN RENEWAL AGENCY

Definition and Reimbursement of "soft cost" Policy

Purpose: To define and establish a reimbursement policy for "soft costs".

This Policy recognizes that while a Proponent may incur legal, management, and administrative costs associated with the development and management of an Urban Renewal District, *such costs are simply a part of doing redevelopment business*. The Agency does not recognize, as appropriate for reimbursement, any Proponent costs associated with its legal or management activities.

The Policy is more directly aligned with the Agency's mission of improving *public infrastructure*, and specifies types of reimbursable "Soft Costs" as limited to

- ◆ Engineering
- ◆ Land planning
- ◆ Landscaping design
- ◆ Surveying
- ◆ Such testing as environmental, material, soil compaction and percolation

all of which support the public infrastructure "hard costs". *Only such soft costs as these* will be considered for reimbursement from tax increment.

The Policy is as follows:

- A. Reimbursable types of soft costs shall be limited to **engineering, land planning, landscaping design, surveying, and such testing as environmental, material, soil compaction and percolation** incurred by a Proponent in planning and making infrastructure improvements within an Urban Renewal District. Such costs shall be specifically set out in a budget submitted to the Commission at the time the Plan (or for phased Plans, each phase) is proposed, and shall also be specifically documented as separate from hard costs in the Proponent's submission for actual costs to be considered for reimbursement.
- B. Soft cost reimbursement shall be limited to **12% of the hard cost** expenses associated with capital improvements made in each Plan, (or for phased Plans, each phase) in an Urban Renewal District.
- C. Once the total of actual hard costs and soft costs are agreed upon for each phase or Plan, the Agency shall formally approve that figure in a duly-noticed meeting of the Commissioners.



EXHIBIT D

BONNERS FERRY URBAN RENEWAL AGENCY

Reimbursement of Proponent Borrowing Cost Policy

Purpose: To establish reimbursement guidelines for proponent borrowing costs associated with capital improvements made in an urban renewal district

POLICY:

A proponent will, in all probability, be required to borrow a portion of the funds needed to install improvements and infrastructure within a district to support the development that will be required to further the objectives of the Agency in its establishment of the district and create the additional tax base from which tax increment funds are to be derived.

- A. The Agency recognizes the need to borrow funds, provide letters of credit to secure financing and pay interest and costs associated with such financing.
- B. Prior to approving any development project, the Agency shall be provided with a financing plan by proponent. The financing plan shall provide detail regarding the type, amount and costs associated with any financing the proponent plans to use in conjunction with the hard cost improvements to a district.
- C. If the Agency agrees with the financing plan provided by the proponent, the Agency may agree to include a portion of the finance costs (interest and fees) associated with the plan, which the proponent may recover from tax increment payments associated with such district.
- D. All reimbursable financing costs shall be reasonable and shall be limited to financing not more than seventy-five percent (75%) of the hard cost improvements within a district.
- E. Reimbursement of interest costs associated with such improvements may not exceed a spread of two percent (2%) over the current prime rate as of the date of first funding by the proponent's lending source, with a maximum interest of eight percent (8%). Reimbursement of loan fees shall not exceed one percent (1%) of the amount financed.
- F. The financing plan shall address the issue of timing, and provide specific projections regarding the payment of the outstanding debt. Financing costs shall be limited to a reasonable construction, marketing and repayment period, which shall not exceed five (5) years.

Prior to reimbursement of proponent financing costs, the Agency shall be provided with documentation from proponent's lender detailing the costs incurred by proponent, the repayment of the debt and other relevant documentation to support the costs incurred.



ADDENDUM
TO MASTER OWNER PARTICIPATION AND REIMBURSEMENT AGREEMENT
SUPER ONE, INC.

THIS AGREEMENT made and entered into this 4 day of June, 2012, by and between the BONNERS FERRY URBAN RENEWAL AGENCY, an Idaho urban renewal agency, P.O. Box 149, Bonners Ferry, ID, 83805, hereinafter referred to as the Agency, and SUPER ONE, Idaho Corporation, hereinafter referred to as the Participant.

WITNESSETH:

WHEREAS the Participant owns, controls or is constructing improvements in the vicinity of real property hereinafter referred to as the 'Development;' and

WHEREAS the Participants and the Agency entered into a Master Owner Participation and Reimbursement Agreement dated the 24th day of August, 2011, identifying the types of public infrastructure improvements that the Participant intends to construct within the District, and the estimated costs; and

WHEREAS the Participant intends to construct the specific public infrastructure improvements within and adjacent to the Development described in Exhibit A, attached hereto and incorporated by reference herein, and hereinafter referred to as the Project; and

WHEREAS the Agency has reviewed the elements of the Project and feels that the Project would enhance the redevelopment and revitalization of the District pursuant to the provisions of the Plan, and is consistent with the Master Owner Participation and Reimbursement Agreement; and

WHEREAS the Agency and the Participant seek to cooperate in the construction of public infrastructure improvements; and

WHEREAS until such time as the Project is completed and private sector improvement investments are made, the tax increment revenues from the District will be insufficient to pay for construction of the Project; and

WHEREAS the Participant is willing to construct and pay for the Project Improvements with the expectation of being reimbursed from future tax increment revenues and/or borrowed funds received by the Agency from the District as those revenues are received; and

WHEREAS the Parties seek to memorialize understandings relating to the conditions associated with Agency funded reimbursement.

NOW, THEREFORE, in consideration of the mutual benefits to be derived herefrom, the Parties agree as follows:

1. EFFECTIVE DATE AND DESCRIPTION:

1.1. EFFECTIVE DATE: The effective date of this Agreement shall be the date first above-written, and shall continue until all obligations of each Party are completed or until the termination of the Plan, whichever shall first occur.

1.2. DESCRIPTION OF THE DEVELOPMENT: The 'Development' is generally bounded on the north by Bauman View Subdivision, on the east by Highway 95, on the west by the Burlington Northern Santa Fe Railroad Property, and on the south by the Co-Op Gas and Supply Company, Inc. Property. Properties within the Development area, the increment of which shall be used to reimburse Participant, are specifically identified in Exhibit B, Development Area Properties.

2. PUBLIC INFRASTRUCTURE AND OTHER PUBLIC FACILITIES:

2.1. The Parties agree that the public infrastructure and other public facilities and their estimated costs which are the subject of this Agreement are those listed in Exhibit A, attached hereto and incorporated by reference herein, and hereinafter referred to as the Agency Funded Public Improvements, which shall become eligible for reimbursement when they have been dedicated to the public, which acceptance shall not be unreasonably withheld. Reimbursements shall be based on actual costs; the parties recognize that Exhibit A contains only estimated costs.

2.2. Any other public improvements that are constructed by the Participant as part of the Project are only eligible for reimbursement pursuant to this Agreement or by addendum mutually agreed to by the Parties.

2.3. It is understood that the Participant is obligated to construct the described improvements, but shall not be reimbursed until improvements are constructed, dedicated and accepted, and funds are available.

2.4. Any expense that greatly exceeds the estimate on Exhibit A (by 10% or more) shall be submitted to the Agency for approval and the greater amount may not be approved. The Agency shall consider the reasons behind the greater expense in evaluating whether to provide the additional funding.

3. CONSTRUCTION OF AGENCY FUNDED PUBLIC IMPROVEMENTS: The Participant agrees to construct the Agency Funded Public Improvements eligible for reimbursement consistent with the following:

3.1. The improvements to be constructed shall be in accordance with the overall City infrastructure plans approved by the City's engineers, and design and construction shall comply with Idaho Standards for Public Works, Idaho Transportation Department and Idaho Department of Environmental Quality requirements where applicable. Improvements shall subsequently be dedicated to the public.

3.2. Prior to commencing construction, all necessary permits will be obtained by the Participant.

3.3. Construction and quality control inspections shall be provided by the engineer of record and the City. Defects noted by the City shall be corrected during the course of the work.

3.4. All work will be guaranteed by Participant for a period of one (1) year after dedication and acceptance by the City of Bonners Ferry.

4. CONDITIONS: In consideration for the commitments presented by the Participant, the Agency agrees to proceed with reimbursement for the Agency Funded Public Improvements, subject to the following conditions:

4.1. The Participant shall comply with the City of Bonners Ferry design review approvals and all applicable local, state and federal laws, rules and other requirements for public improvements.

4.2. The Participant shall submit a proposed Project Schedule to the Agency upon receipt of City approvals. This schedule shall be only a planning document, and the Participant shall not be obligated to meet the proposed project schedule, and shall have the sole discretion to modify the proposed project schedule.

4.3. The Participant shall substantially and

reasonably complete improvements as described in Exhibit A and any attachments or addendums to this agreement.

4.4. The City and the Agency or its agent shall review the final design for construction of the Project and may require reasonable design changes.

4.5. The Participant agrees to invoice the Agency per the actual cost of the items to be reimbursed for review by the Agency, with reimbursement to be based upon completion and final inspection by the City and the Agency or its agent, dedication to the public, and the availability of tax increment revenues for the District. Invoices shall contain billing from contractors and other documentation satisfactory to the Agency.

4.6. The contracts between the Participant and Contractors shall be provided to the Agency at least 15 days prior to executing when possible; invoices from the Contractors shall be provided to the Agency within one-hundred and eighty (180) days of their execution.

5. INITIAL CONSTRUCTION FUNDING: The Participant, its agents, lessees and/or assigns, shall pay for all of the costs of installation of the Agency Funded Public Infrastructure set forth in Exhibit A, including the cost of capital, and soft costs, as approved by the Agency, hereinafter referred to as Participant Advances.

6. REIMBURSEMENT OF PARTICIPANTS ADVANCES: The Participant shall be entitled to reimbursement of Participant Advances subject to the following conditions and understandings:

6.1. It is the understanding of the Parties that the Participant shall only be paid the reimbursement of Participant Advances from the tax increment revenues of the portion of the District described in Paragraph 1.2 of this agreement, and/or borrowed funds. If for any reason tax increment revenues anticipated to be received by the Agency are insufficient or curtailed, the Agency shall not be obligated to use other sources of revenue to make reimbursements to the Participant.

6.2. Nothing in this Agreement prevents the Agency's board from bonding to pay obligations to the Participant; nothing in this Agreement prevents the Agency's board from paying interest on any such obligation to the participant. At the Agency Board's discretion, funds from outside the Development area may be used to pay obligations in Exhibit A.

6.3. It is the understanding of the Parties that tax increment revenues received by the Agency for the District will first be used in the following manner and order:

6.3.1. To reimburse the Agency for the costs of the Plan and/or any remaining unpaid costs of designing, adopting or executing the Plan or agreements with Participants.

6.3.2. For the payment of the District's annual contribution to the administrative costs of the Agency, as established in the Agency's annual budget.

6.3.3. For the payment into a district wide reserve account pursuant to the policies of the Agency.

6.3.4. For the repayment of any debt of the District disclosed to the Participant upon the execution of this Agreement.

6.3.5. To the reimbursement of Participant Advances based on the prorated advances of each of the two participants within the development.

7. MISCELLANEOUS:

7.1 The Participant shall provide the Agency with evidence that the Participant, its agents, and Contractors have adequate liability insurance and workers compensation insurance as required by Idaho law.

7.2 The Participant agrees to indemnify and hold harmless the Agency from any and all liability and/or obligations not specifically provided for in this Agreement to be performed by the Agency with reference to the Project.

7.3 The Participant does hereby grant to the Agency and its agents, and the City of Bonners Ferry, a right of access to the Project area for the purposes of inspections.

7.4 The Participant agrees to convey title to Agency Funded Public Infrastructure to the City of Bonners Ferry when the City approves work completed as provided herein.

7.5. The Parties agree that this Agreement does not establish a partnership or joint venture relationship between the Parties.

7.6. The rights and obligations provided for in this

Agreement may not be assigned without the mutual agreement of the Parties.

7.7. The Parties agree that in the event that there is a disagreement or dispute over the terms and provisions of this Agreement, including reimbursement submittals, that the Parties will mutually submit the disagreement or dispute to non-binding mediation utilizing a mediator mutually agreeable to the Parties, with the Parties jointly sharing the costs of the mediation. In the event that the Parties cannot agree on a mediator or if the mediation is unsuccessful, the Parties may then exercise their legal remedies in accordance with Idaho law.

7.8. This Agreement shall be construed and enforced under the laws of the State of Idaho, with any enforcement action to be brought in Boundary County, Idaho. The prevailing party in any action shall be entitled to its reasonable attorneys' fees and costs.

7.9. The Master Agreement between the Parties dated 24 August, 2011, Exhibit B, Development Area Properties, Exhibit C, Definition and Reimbursement of "Soft Cost Policy," and Exhibit D, Reimbursement of Proponent Borrowing Cost Policy, are hereby incorporated by this reference and made applicable to this agreement. The Parties agree that the Master Agreement and this Agreement constitute the entire agreement between the Parties, and are binding upon their successors. Any amendment or addendum to these agreements must be in writing.

7.10. All of the provisions of this Agreement are distinct and severable, and if any provision shall be deemed illegal, void or unenforceable, it shall not affect the legality, validity or enforceability of any other provision or portion of this Agreement.

IN WITNESS WHEREOF, the Parties have set their hands effective the date first above-written.

BONNERS FERRY URBAN RENEWAL AGENCY
an Idaho urban renewal agency

By: Mike Klaus
Mike Klaus, Chairman

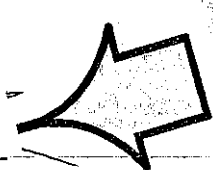
PARTICIPANTS:

SUPER ONE, INC.
An Idaho corporation

By: Randy McIntire
Randy McIntire

ACCEPTANCE OF IMPROVEMENTS

The City of Bonners Ferry hereby agrees to accept dedication of the Right-of-Way and infrastructure improvements designated herein at such time as the City Engineer has approved construction.



Mayor

Attest:

City Clerk

Exhibit A
Agency Funded Public Improvements

URA Creation Cost	\$8,000.00
Survey Work	
Property Dedication Hwy 95	
Property Dedication Cossette St.	
subtotal	\$8,000.00
Highway-95 Work (Alt 1)	\$218,642.50
Kennedy Street Work (Alt 2)	\$58,952.00
Cossette Street Work (Alt 3)	\$25,520.00
Sewer Line Extension	\$6,740.00
Water Line Extension	\$93,358.00
DEA Design Hwy 95 & Kennedy Street	\$40,531.18
DEA Design Fee for Utility Plans	\$3305.37
DEA design Fee Cossette St revisions	\$1836.32
subtotal	\$448,884.87
City of Bonners Ferry Inspection Fee	\$3672.63
Totals	\$460,558.00

EXHIBIT B

Development Area Properties:

SEC 33 T62N R1E, Tax 42, RPB00000337242A (Mcintire Enterprises LLC)

SEC 33 T62N R1E, Tax 41, RPB00000339021A (Kootenai Valley Preservation League LLC)

Lot 1A Maxwell Acre Tract, RPB066000101A0A (Kootenai Valley Preservation League LLC)

SEC 33 T62N R1E, Tax 21, RPB00000339152A (Co-Op Gas and Supply Company, Inc.)

SEC 33 T62N R1E, Tax 22, RPB00000339161A (Co-Op Gas and Supply Company, Inc.)

SEC 33 T62N R1E, Tax 27, RPB00000339190A (Co-Op Gas and Supply Company, Inc.)

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Lot 4A Maxwell Acre Tract, RPB066000104A0A

Lot 4B Maxwell Acre Tract, RPB066000104B0A

Lot 5 Maxwell Acre Tract, RPB0660001005BA (Co-Op Gas and Supply Company, Inc.)

EXHIBIT C

BONNERS FERRY URBAN RENEWAL AGENCY

Definition and Reimbursement of "soft cost" Policy

Purpose: To define and establish a reimbursement policy for "soft costs".

This Policy recognizes that while a Proponent may incur legal, management, and administrative costs associated with the development and management of an Urban Renewal District, *such costs are simply a part of doing redevelopment business*. The Agency does not recognize, as appropriate for reimbursement, any Proponent costs associated with its legal or management activities.

The Policy is more directly aligned with the Agency's mission of improving *public infrastructure*, and specifies types of reimbursable "Soft Costs" as limited to

- ◆ Engineering
- ◆ Land planning
- ◆ Landscaping design
- ◆ Surveying
- ◆ Such testing as environmental, material, soil compaction and percolation

all of which support the public infrastructure "hard costs". *Only such soft costs as these* will be considered for reimbursement from tax increment.

The Policy is as follows:

- A. Reimbursable types of soft costs shall be limited to **engineering, land planning, landscaping design, surveying, and such testing as environmental, material, soil compaction and percolation** incurred by a Proponent in planning and making infrastructure improvements within an Urban Renewal District. Such costs shall be specifically set out in a budget submitted to the Commission at the time the Plan (or for phased Plans, each phase) is proposed, and shall also be specifically documented as separate from hard costs in the Proponent's submission for actual costs to be considered for reimbursement.
- B. Soft cost reimbursement shall be limited to **12% of the hard cost** expenses associated with capital improvements made in each Plan, (or for phased Plans, each phase) in an Urban Renewal District.
- C. Once the total of actual hard costs and soft costs are agreed upon for each phase or Plan, the Agency shall formally approve that figure in a duly-noticed meeting of the Commissioners.

EXHIBIT D

BONNERS FERRY URBAN RENEWAL AGENCY

Reimbursement of Proponent Borrowing Cost Policy

Purpose: To establish reimbursement guidelines for proponent borrowing costs associated with capital improvements made in an urban renewal district

POLICY:

A proponent will, in all probability, be required to borrow a portion of the funds needed to install improvements and infrastructure within a district to support the development that will be required to further the objectives of the Agency in its establishment of the district and create the additional tax base from which tax increment funds are to be derived.

- A. The Agency recognizes the need to borrow funds, provide letters of credit to secure financing and pay interest and costs associated with such financing.
- B. Prior to approving any development project, the Agency shall be provided with a financing plan by proponent. The financing plan shall provide detail regarding the type, amount and costs associated with any financing the proponent plans to use in conjunction with the hard cost improvements to a district.
- C. If the Agency agrees with the financing plan provided by the proponent, the Agency may agree to include a portion of the finance costs (interest and fees) associated with the plan, which the proponent may recover from tax increment payments associated with such district.
- D. All reimbursable financing costs shall be reasonable and shall be limited to financing not more than seventy-five percent (75%) of the hard cost improvements within a district.
- E. Reimbursement of interest costs associated with such improvements may not exceed a spread of two percent (2%) over the current prime rate as of the date of first funding by the proponent's lending source, with a maximum interest of eight percent (8%). Reimbursement of loan fees shall not exceed one percent (1%) of the amount financed.
- F. The financing plan shall address the issue of timing, and provide specific projections regarding the payment of the outstanding debt. Financing costs shall be limited to a reasonable construction, marketing and repayment period, which shall not exceed five (5) years.

Prior to reimbursement of proponent financing costs, the Agency shall be provided with documentation from proponent's lender detailing the costs incurred by proponent, the repayment of the debt and other relevant documentation to support the costs incurred.

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

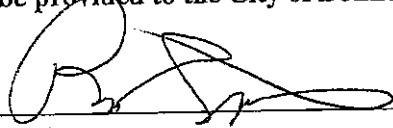
Date of Application 6/15/12
License Issued to: Bonnors Ferry Rotary Club
Business Name: _____
Mailing Address: PO Box 1921 Bonnors Ferry ID 83805
Physical Address: _____
Phone Number: 208-247-7802
Type of Event: Swish 3on3 Basketball
Dates of Event: 7/14 + 7/15
Location of Event: Main St, Bonnors Ferry
Time of Event: 8 AM - 5 PM

By application, the applicant shall, waive, indemnify, and hold harmless the City of Bonnors 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 Bonnors 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 Bonnors Ferry prior to the event.

Authorized Signature for Applicant 

Office/Title club secretary

Office Use:

Fee Paid 135⁰⁰

Date 6-27-12

Receipt No. 11 095-02

Approved By _____

Date _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
JULY 13-15, 2012

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 LOCKTON COMPANIES,LLC-K CHICAGO 525 W. Monros, Suite 600 CHICAGO IL 60661 (312) 669-6900	CONTACT NAME: Lockton Companies, LLC PHONE (A/C, No, Ext): 1-800-921-3172 E-MAIL ADDRESS: Rotary@lockton.com	FAX (A/C, No): 1-312-681-6769	
	INSURER(S) AFFORDING COVERAGE		
INSURED All Active US Rotary Clubs & Districts Attn: Risk Management Department 1560 Sherman Ave. Evanston, IL 60201-3698	INSURER A: ACE American Insurance Company		NAIC # 22667
	INSURER B: ACE Property & Casualty Insurance Co		NAIC # 20699
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

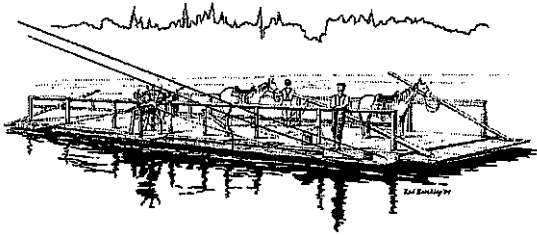
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Liquor Liability Included GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	N	PMI G23861355 003	7/1/2011	7/1/2012	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 500,000 MED EXP (Any one person) \$ XXXXXXXX PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COM/PROP AGG \$ 4,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	N	PMI G23861355 003	7/1/2011	7/1/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	N	M00534092 003	7/1/2011	7/1/2012	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 10,000,000 WC STATUTORY LIMITS OTHER \$ XXXXXXXX
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	NOT APPLICABLE			E.L. EACH ACCIDENT \$ XXXXXXXX E.L. DISEASE - EA EMPLOYEE \$ XXXXXXXX E.L. DISEASE - POLICY LIMIT \$ XXXXXXXX

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

The Certificate Holder is included as Additional Insured where required by written contract or permit subject to the terms and conditions of the General Liability policy, but only to the extent bodily injury or property damage is caused in whole or in part by the acts or omissions of the insured.

CERTIFICATE HOLDER BONNERS FERRY ROTARY CLUB AND CITY OF BONNERS FERRY EVENT: BONNERS FERRY SWISH	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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MEMO

CITY OF BONNERS FERRY
CITY ADMINISTRATOR

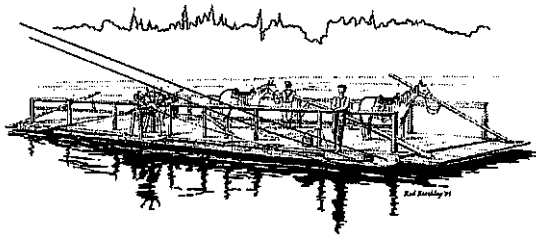
Date: 28 June 2012
To: City Council
From: Stephen Boorman, City Administrator
Subject: Fourth of July Volunteers.

This memo is to recommend that the City approve the attached volunteers for the Fourth of July celebration.

SJB

Performer Fireworks Needs Coverage
 Food Display
 Volunteer

Cat	Name	Needs Coverage	Phone	Address
Fireworks	Garhart Redl	Y	208 446 8548	7450 W Division Street
Fireworks	Nichole O'Fallon-Redl	Y	208 640 4173	7450 W Division Street
Fireworks	Chad Lacolucci	Y	208 267 9025	1466 Smith Lake Road
Fireworks	Missy Lacolucci	Y	208 267 9025	1466 Smith Lake Road
Fireworks	Desi Eggers	Y	208 290 8796	
Fireworks	Alan Hamilton	Y	208 610 9926	6472 Jackson St
Fireworks	Vickie Hamilton	Y	208 610 9926	6472 Jackson St
Performer	Quartermason	Y		
Performer	Mountain Springs Church	Y		
Performer	Leonard Pine	Y		
Performer	Markale Acord	Y		
Performer	Boy Scouts/Cub Scouts	Y		
Performer	Mark Carpenter	Y		
Volunteer	Pat Warkintin	Y		
Volunteer	Tony Rohwasser	Y		
Volunteer	Tom Leonard	Y	208 267 8028	
Volunteer	Barbara Leonard	Y		
Volunteer	Stacy Leonard	Y		
Volunteer	Brandon Leonard	Y		
Volunteer	Lynsee Leonard	Y		
Volunteer	Ginny Carpenter	Y		
Volunteer	Steve Iverson	Y	949 246 6475	
Volunteer	Chet Savage	Y		
Volunteer	Deny Knight	Y		
Volunteer	Stanley Knight	Y		
Volunteer	Mike Davis	Y		
Volunteer	Richard Williams	Y		
Volunteer	Steven Iverson	Y		
Volunteer	Gordon Newell	Y		



MEMO

CITY OF BONNERS FERRY
CITY ADMINISTRATOR

Date: 28 June 2012
To: City Council
From: Stephen Boorman, City Administrator
Subject: Contract with Mastre Backhoe.

This memo is to recommend that the City enter into the attached contract with Mastre Backhoe.

SJB

INDEPENDENT CONTRACTOR AGREEMENT

AGREEMENT made between City of Bonners Ferry, a political subdivision of the state of Idaho, herein "ENTITY" and Mastre Backhoe Service 610-0714 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:

Excavation, Heavy equipment services, and underground utility installation

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

Specifications and scope of work will be provided to CONTRACTOR at beginning of work.

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

CONTRACTOR shall commence work on the project by _____, 20____ and complete the project by _____, 20____.

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 as directed by the City from 1 January 2012 and continue until 31 December 2012 unless this Agreement is terminated with thirty (30) days written notice by either party.

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

The sum of \$ _____, payable upon receipt of materials, invoice and acceptance by ENTITY.

The sum of \$ 95, per hour for Backhoe work.

The sum of \$ 95, per hour for D5 Dozer work.

The sum of \$ 50, per hour for D5 Dozer rental.

The sum of \$ 95, per hour for 12 Yard Dump Truck work.

The sum of \$ 24, per hour for an additional Unskilled Labor if required.

The sum of \$ 30, per hour for an additional Skilled Labor if required.

The sum of \$ 12, per foot for boring up to 2 ½ inch conduit with 20 foot minimum.*

The sum of \$ 25, per foot for boring up to 3-4 inch conduit with 20 foot minimum.*

*Not applicable to for State Highway Crossings

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:

CITY OF BONNERS FERRY
(Governmental Entity)

By Dave Anderson MAYOR

ATTEST:

Kris Larson, Clerk

CONTRACTOR:

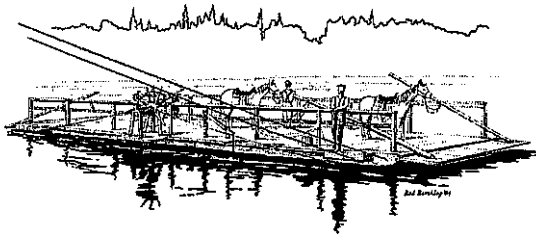
By _____
(Name)

Its _____
(Title or Office)

WITNESS:

(Signature of Witness or Notary Public)

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



MEMO

CITY OF BONNERS FERRY
CITY ADMINISTRATOR

Date: 28 June 2012
To: City Council
From: Stephen Boorman, City Administrator
Subject: Special Event Application.

This memo is to recommend that the City consider adopting the attached Subject Application for all Special Events.

This is with the understanding that more work needs to be done on our processes and forms for Special Events.

STB

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

Date of Application _____

License Issued to: _____

Business Name: _____

Mailing Address: _____

Physical Address: _____

Phone Number: _____

Type of Event: _____

Dates of Event: _____

Location of Event: _____

Time of Event: _____

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.

\$35.00 Event Fee plus \$100.00 Cleanup Fee

Authorized Signature for Applicant _____

Office/Title _____

Office Use:

Fee Paid _____ Date _____ Receipt No. _____

Approved By _____ Date _____

CHAPTER 7

ENTERTAINMENT PERFORMANCE

SECTION:

- 3-7-1: License Required
- 3-7-2: Applications; Requirements
- 3-7-3: Permit Fee; Regulations
- 3-7-4: Term Of License
- 3-7-5: Time And Place Restricted
- 3-7-6: Advertisement By Use Of Parade

3-7-1: **LICENSE REQUIRED:** It shall be unlawful for any person engaging in, or producing, any entertainment performance whether such is to be conducted by an individual or group of individuals or by use of animals, birds, reptiles or other living creatures, to do so without having first obtained a license to do so from the city clerk. (Ord. 468, 7-2-2002)

3-7-2: **APPLICATIONS; REQUIREMENTS:**

A. Form; Requirements: Applications shall be upon an application form approved by resolution of the council and the applicant shall comply with the following requirements:

1. Hold Harmless Agreement: An agreement on a form to be provided by the city, holding the city harmless from any and all acts of malfeasance and nonfeasance of the licensee, its agents, employees and guests; and

2. Contract With Local Sponsor: If sponsored by a local resident, entity or group, a signed copy of licensee's contract with the local sponsor; and

3. Liability Insurance: Evidence of at least one million dollars (\$1,000,000.00) combined single limit liability insurance that names the city as coinsured; and (Ord. 468, 7-2-2002)

4. Cleanup Fee: A cleanup fee, established by resolution of the mayor and city council, all, some or none of which will be returned upon recommendation of the chief of police after his/her inspection of the premises after the organization has left the premises and their permit expired. (Ord. 468, 7-2-2002; amd. Ord. 477, 5-6-2003)

- B. Waiver Of Financial Requirements: Upon application to the council and good cause shown, the council may, by resolution, reduce or waive part or all of the financial requirements for issuance of a permit where the proceeds of the performance or parade is to be donated to a charitable or community organization or purpose to benefit the residents, business or purpose of the city. (Ord. 468, 7-2-2002)

3-7-3: PERMIT FEE; REGULATIONS:

- A. Established By Resolution: The council shall establish, by resolution, a schedule of permit fees and length of time in which the various activities are to be permitted. The council shall, by resolution, establish such regulation of said activities as they deem appropriate to preserve the peace, health and safety of the persons, property and businesses within the city. (Ord. 468, 7-2-2002)
- B. Time Or Regulation: The authorized time for a parade and sound equipment shall be two (2) hours, for performances the authorized time shall be one week with two (2) performances two (2) hours in duration permitted each day. The time when parades shall be conducted shall not be earlier than nine o'clock (9:00) A.M. and shall be concluded not later than one-half ($\frac{1}{2}$) hour prior to sunset. (Ord. 468, 7-2-2002; amd. Ord. 477, 5-6-2003)

3-7-4: TERM OF LICENSE: The duration of the time such conduct is authorized shall be stated on the permit, as shall the location where such activity is to be conducted, and it will be unlawful to engage in such activity except at the time and at the place stated in the permit. (Ord. 468, 7-2-2002)

3-7-5: TIME AND PLACE RESTRICTED: The time and place where such conduct is permitted may be limited or restricted by order of the chief of police or fire chief as such is necessary and

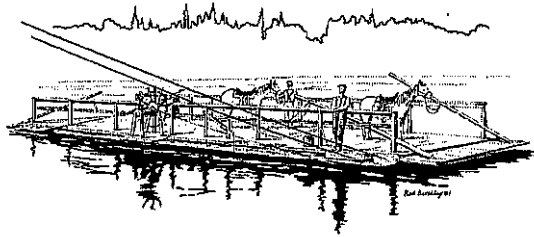
3-7-5

3-7-6

appropriate to protect the health and safety of the community as well as the peace and quiet thereof. (Ord. 468, 7-2-2002)

3-7-6: **ADVERTISEMENT BY USE OF PARADE:** It shall be unlawful for any person to advertise such an entertainment performance by the use of a parade upon the public rights of way or by the use of sound equipment promoting the performance with music, speech, or other audible communications without first obtaining a permit to do so from the city clerk. (Ord. 468, 7-2-2002)

October 2003



MEMO

CITY OF BONNERS FERRY

Date: 29 June 2012
To: City Council
From: David Sims
Subject: Myrtle Creek Turbidity Monitor Power Source

After the fire in the Myrtle Creek drainage, the City installed a turbidity monitor at the water intake structure. When first installed, communications to the monitor was supplied by a company that used part of the railroad's radio spectrum. Power for the equipment was supplied by solar cells and batteries. Approximately one year ago, the company stopped providing communication services and we installed a cellular modem at the site. At the same time, we installed a PLC that provides greater control options than were previously available. The recent slides in the Myrtle Creek drainage have made the turbidity monitor a crucial part of our water treatment process.

The solar cell and battery setup was marginal with the previous equipment, and the new equipment requires more power. The current solar cells produce 110 watts of power. We are proposing to install new solar cells that would supply between 490 and 735 watts. The estimated cost of the equipment and installation is \$3,200.

We are asking Council approval to spend up to \$3,200 for the equipment and installation.

David

City Budget Calendar for Fiscal Year 2013

PLEASE NOTE: *The dates shown are statutory deadlines for budgeting actions. City officials are strongly encouraged to complete each step in the budgeting process as early as possible.*

<u>Date</u>	<u>Action/Event</u>	<u>Idaho Code</u>
Friday, April 27, 2012	Last day for the city to notify the county clerk of the date, time and location of the city budget hearing. ("Not later than April 30 of each year...")	63-802A
Monday, June 4, 2012	The new construction roll is due from the county assessor. ("As soon as possible, but in any event by no later than the first Monday in June...")	63-301A
Friday, August 3, 2012	The county auditor will notify the city of the taxable valuation of all the taxable property from the property roll for the current year, from the operating property roll for the previous year, from the prior year's actual or current year's estimated subsequent property roll and missed property roll, and the amount of value subject to occupancy tax notwithstanding exemptions authorized in chapter 6, title 63 of Idaho Code, for the previous year. The auditor will furnish the valuation from the current operating property roll upon receipt from the State Tax Commission. ("Prior to the first Monday in August...")	63-1312
Choose date that will meet publication and hearing requirements 8-23-12 8-20-12	The City Council must adopt a tentative budget prior to the public hearing on the budget. Legal notice of the budget hearing must be published twice, at least 7 days apart, in the official newspaper. Please Note: Cities that advertise in a weekly newspaper should be aware of publication dates and adjust deadlines accordingly.	50-1002
Wednesday, Sept. 5, 2012	Last day for budget hearing ("...Prior to certifying to the county commissioners...")	50-1002
Thursday, September 6, 2012	Last day to certify property tax levy to county commissioners. ("...not later than the Thursday prior to the second Monday in September...")	63-803(3)
Friday, September 28, 2012	Appropriations ordinance must be passed by the council and published once in the official newspaper by this date. The ordinance must also be sent to the Secretary of State. ("The city council of each city shall, prior to the commencement of each fiscal year, pass an ordinance to be termed the annual appropriation ordinance...")	50-1003
Monday, Oct. 1, 2012	Beginning of 2013 Fiscal Year.	50-1001

Stephen Boorman

From: Williams, John J (BPA) - DKR-BOISE [jjwilliams@bpa.gov]
Sent: Tuesday, June 12, 2012 11:37 AM
To: 'Will Hart'; 'eanderso@house.idaho.gov'; 'Roach, Mike (Risch)'; 'Randy Lobb (randy.lobb@puc.idaho.gov)'; 'rhendricks@idahofb.org'; 'Ronald Williams'; 'rbarker@idahostatesman.com'; 'rstark@boisechamber.org'; 'tim_petty@risch.senate.gov'; 'tuhling@simplot.com'; 'tpoinelli@idcounties.org'; 'Idaho Water Users Association'; 'Hardy, Phil'; 'patbarclay@icie.org'; 'Albert Barker'; 'Brunelle, Andy -FS'; 'Smith, Kari'; 'Carlton, Scott'; 'sgoodson@gov.idaho.gov'; 'Senator Joyce Broadsword'; 'sgrigg@idcounties.org'; 'Sid_Smith@Risch.senate.gov'; 'sdrumheller@idahoconservation.org'; 'skeough@senate.idaho.gov'; 'siddoway@dcdi.net'; 'snuxoll@senate.idaho.gov'; 'sboorman@bonnersferry.id.gov'; 'David Hawk'; 'Representative Dell Raybould'; 'dtanikuni@idahofb.org'; 'fwood@house.idaho.gov'; 'ford@ejame.com'; 'Representative George Eskridge'; 'George Eskridge'; 'gary.spackman@idwr.idaho.gov'; 'John.Chatburn@oer.idaho.gov'; 'Representative John "Bert" Stevenson'; 'Ball, Jake'; 'jsiddoway@senate.idaho.gov'; 'jboyle@house.idaho.gov'; 'john.revier@mail.house.gov'; 'john_hoehne@crapo.senate.gov'; 'jawood@house.idaho.gov'; 'jthompson@house.idaho.gov'; 'jyoung@co.bonner.id.us'; 'kelliott@idcounties.org'; 'katiebrodie62@yahoo.com'; 'Roetter, Karen (Crapo)'; 'Lou Ann Westerfield'; 'Leon Duce'; 'lynn_tominaga@hotmail.com'; 'Bangerter, Layne (Crapo)'; 'laurel.sayer@mail.house.gov'; 'lbarrett@house.idaho.gov'; 'lrich@co.bonner.id.us'; 'pvasquez@co.bonner.id.us'; 'Carlton, Scott'; 'cmckenzie@senate.idaho.gov'; 'crasor@co.bonner.id.us'; 'commissioners@boundarycountyid.org'; 'Vicki_Fulton@Risch.senate.gov'; 'Patton, Brian'; 'btominaga@hotmail.com'; 'Bonnie Butler'; 'bmdavis@senate.idaho.gov'; 'bhill@senate.idaho.gov'; 'bsmith@idahoconservation.org'; 'bhoward@co.bonner.id.us'; 'Norm Semanko'; 'mitch_silvers@crapo.senate.gov'; 'mike_hanna@risch.senate.gov'; 'Miller, Brianne (Risch)'; 'mwarbis@gov.idaho.gov'; 'mpearce@senate.idaho.gov'; 'mayor@ci.sandpoint.id.us'
Subject: Columbia River Treaty "Listening Sessions" set
Attachments: atta02b1.gif

The U.S. Army Corps of Engineers and the Bonneville Power Administration will be holding regional stakeholder listening sessions on the results of "Iteration One," the first stage of the Treaty Review analytical analysis, on the following dates:

June 27, 2012
Doubletree Hotel, Lloyd Center
Portland, OR

July 9, 2012
Northern Quest Resort
Spokane, WA (location will also serve North Idaho)

July 13, 2012
Owyhee Plaza Hotel
Boise, Idaho

July 18, 2012
Red Lion Inn, Kalispell
Kalispell, MT

Treaty Review Listening Sessions

Each of the Listening Sessions below will follow this format:

- 8 a.m.-coffee and networking
- 8:30 a.m. - Treaty Review 101 Informational Sessions (for those of you who are brand new to the Treaty Review process.)
- 10 a.m. - 4 p.m. Listening Session: Key Insights: Results of Iteration 1 Modeling

2014/2024 Columbia River Treaty Review Recap:

The Columbia River Treaty between the United States and Canada has served as a model of international cooperation since 1964, bringing significant flood control and power generation benefits to both countries.

The year 2024 is a significant date for the Treaty. It marks the end of 60 years of pre-paid flood control space from Canada. In addition, either Canada or the United States can terminate most of the provisions of the Treaty any time on or after Sep. 16, 2024, with a minimum 10 years' written advance notice (hence, the reference to 2014).

Due to the importance of these issues, the U.S. Army Corps of Engineers and the Bonneville Power Administration, the agencies responsible for implementing the Treaty for the United States on behalf of the U.S. Entity, are conducting a multi-year effort to study these post-2024 Treaty issues. This effort is called the 2014/2024 Columbia River Treaty Review.

Treaty web site: <http://www.crt2014-2024review.gov>

John J Williams
Idaho Constituent Account Executive
Bonneville Power Administration ~ Constituent Service Office
1109 West Main Street, Suite 315
Boise, Idaho 83702
Phone (208) 338-3017 Cell (208) 867-4978
Email: jjwilliams@bpa.gov



Celebrating 75 years of
serving the Northwest

**CITY OF BONNERS FERRY ELECTRIC FUND
MONTHLY FINANCIAL AND OPERATING REPORT**

REPORT FOR THE MONTH OF: *May, 2012*

	ENERGY SALES		DOLLARS		KWH SOLD	
	This Month	Year to Date	This Month	Year to Date	This Month	# of Cust.
1 Residential & Farm	\$110,606	\$1,329,093	1,627,422	18,173,624	1,923	
2 Residential Seasonal						
3 Commercial - small (50 KVA or less)	\$36,768	\$372,051	521,522	5,511,485	453	
4 Commercial - large (over 50 KVA)	\$71,969	\$557,961	1,126,272	10,092,450	172	
5 Industrial	\$68,443	\$576,830	1,456,630	12,498,737	12	
6 Irrigation and/or drainage pumping	\$2,530	\$17,107	31,786	210,720	8	
7 Public Street Lighting	\$2,438	\$19,455			3	
8 Interdepartmental	\$4,113	\$35,738	59,379	529,068	26	
9 Self Consumed	\$213	\$1,560	2,615	18,398	3	
10						
11						
12 Total (1 thru 11)	\$297,080	\$2,909,795	4,825,626	47,034,482	2,600	
OTHER REVENUES						
13 Pole Use		\$9,197				
14 Connects		\$2,225		\$301,684		\$2,930,782
15 Conservation						
16 Misc. Electric Revenue		\$2,379		\$34,200		\$273,600
17 Total Misc. Revenue (13 thru 15)		\$4,604		\$20,987		\$20,064
18 Total Operating Revenue (12 + 16)		\$301,684		\$2,930,782		\$131,866
OPERATING EXPENSES						
19 Generation		\$18,389		\$149,784		\$20,603
20 Power Purchases - BPA		\$143,480		\$1,405,455		\$2271,908
21 Power Purchases - Other						\$29,776
22 Maintenance - General Property		\$5,069		\$38,867		\$2,615
23 Conservation				\$45		\$1,028
24 Customer's Srvc & Record		\$6,147		\$40,072		\$3,643
25 Total Ops & Treatment Expense						\$33,419
26 Administrative and General		\$27,232		\$381,502		\$33,419
27 Transmission		\$2,215		\$6,136		\$2,602
28 Distribution		\$13,746		\$164,503		\$2,602
29 Rolling Equipment		\$3,743		\$25,975		\$2,602
30 Total Operating Expenses(19 thru 29)		\$220,021		\$2,212,339		\$2,602
INCOME STATEMENT						
			1. Total operating Revenue (line 18)			
			2. Operating revenue deductions:			
			3. Total operating expenses (line 30)			
			4. Depreciation			
			5. Amortization			
			6. Taxes (transfer to General Fund)			
			7. Tax equivalents (interest to General Fund)			
			8. Total operating revenue deductions(3 thru 7)			
			9. Operating Income (1 minus 8)			
OTHER INCOME						
			10. Interest			
			11. Misc. Non-operating revenue (net)			
			12. Total other income (10 + 11)			
			13. Gross Income (9 + 12)			
DEDUCTIONS						
			14. Interest on long term debt			
			15. Interest on investment of municipality			
			16. BPA Revenues			
			17. BPA Expenditures			
			18. Miscellaneous income deductions			
			19. Total Income deductions (14 thru 18)			
			20. Net Income(13 minus 19)			

**CITY OF BONNERS FERRY WATER FUND
MONTHLY FINANCIAL AND OPERATING REPORT**

REPORT FOR THE MONTH OF: May, 2012

	DOLLARS		Cubic Feet Sold		Year to Date	# of Cust. This Month
	This Month	Year to Date	This Month	Year to Date		
SALES						
1 Residential	\$44,035	\$349,660	629,615	4,933,844		1,077
2 Commercial - small	\$13,825	\$114,159	293,031	2,047,638		207
3 Commercial - large	\$7,601	\$63,220	171,714	1,934,880		76
4 Interdepartmental	\$120	\$964	1,328	4,102		3
5 Wholesale						
6 Industrial	\$289	\$2,311				2
7 Pumping & Drainage	\$65	\$518				1
8 Total (1 thru 7)	\$65,935	\$530,832	1,095,688	8,920,464		1,366
OTHER REVENUES						
9 Bulk Water Sales	\$100	\$302				\$543,755
10 Coin Op Sales		\$111				\$265,422
11 Misc. Water Revenue						
13 Connect Fees		\$12,510				
14 Grant Revenue						
15 Total Misc. Revenue (9 thru 14)	\$100	\$12,923				\$205,200
16 Total Operating Revenue (8 + 15)	\$66,035	\$543,755				\$497,810
OPERATING EXPENSES						
17 Source of Supply	\$2,795	\$11,488				\$67,641
18 Pumping	\$922	\$10,007				(\$1,606)
19 Treatment	\$14,926	\$79,117				
20 Transmission	\$2,187	\$17,370				\$144
21 Distribution	\$6,425	\$18,496				\$144
22 Line Operation/Maintenance	\$11	\$6,137				(\$1,462)
23 Meter Maintenance/Reading	\$427	\$4,582				(\$1,462)
24 Structure Maintenance		\$402				
25 Customer Service	\$55	\$1,340				
26 Customer Accounting	\$1,542	\$11,370				\$17,431
27 Rolling Equipment	\$1,173	\$8,385				
28 General & Administrative	\$8,226	\$95,558				
29 Conservation						
30 General Property Maintenance		\$1,170				
31 Total Operating Expenses(17 thru 28)	\$38,689	\$265,422				\$0
						\$17,431
INCOME STATEMENT						
1. Total operating Revenue(line 16)						
2. Operating revenue deductions:						
3. Total operating expenses(line 29)						
4. Depreciation						
5. Amortization						
6. Taxes (in lieu of)						
7. Tax equivalents (Interest to General Fund)						
8. Total operating revenue deductions(3 thru 7)						
9. Operating Income (1 minus 8)						
OTHER INCOME						
10. Interest						
11. Misc. Non-operating revenue (net)						
12. Total other Income (10 + 11)						
13. Gross Income (9 + 12)						
14. Interest on long term debt						
15. Interest on Investment of municipality						
16. Miscellaneous income deductions						
17. Total Income deductions (14 thru 16)						
18. Net Income (13 minus 17)						

CITY OF BONNERS FERRY SEWER FUND

MONTHLY FINANCIAL AND OPERATING REPORT

REPORT FOR THE MONTH OF: May, 2012

	DOLLARS		Cubic Feet Sold	# of Cust.
	This Month	Year to Date		
SALES				
1 Residential	\$20,329	\$163,974		994
2 Commercial - small	\$11,687	\$93,192		202
3 Commercial - large	\$5,408	\$43,198		63
4 Interdepartmental	\$21	\$168		1
5 Wholesale				
6 Industrial	\$42	\$336		2
7 Pumping & Drainage				
8				
9 Total (1 thru 7)	\$37,487	\$300,868	0	1,262
OTHER REVENUES				
10 Junk or Salvage Sold				
11 Flusher Truck Rental		\$440		
12 Misc. Sewer Revenue		\$1,581		
13 Connect Fees				
14 Grant Revenue				
15 Total Misc. Revenue (10 thru 14)	\$0	\$2,021		\$53,760
16 Total Operating Revenue (9 + 15)	\$37,487	\$302,889		
OPERATING EXPENSES				
17 Pumping & Lift	\$3,131	\$33,344		\$15,144
18 Treatment	\$10,740	\$55,014		\$28,141
19 Transmission		\$199		\$9,346
20 Distribution		\$735		\$216
21 Collection				\$216
22 Operation Lines	\$137	\$1,533		\$216
23 Maintenance of Lines		\$832		\$9,562
24 Structure Maintenance				
25 Customer Service				
26 Customer Accounting	\$54	\$878		
27 Rolling Equipment	\$826	\$6,448		
28 General & Administrative	\$3,889	\$47,800		
29 General Property Maintenance	\$35	\$1,184		\$0
Total Operating Expenses(17 thru 27)	\$19,547	\$157,230		\$78,363
INCOME STATEMENT				
			This Month	Year to Date
1. Total operating Revenue (line 15)			\$37,487	\$302,889
2. Operating revenue deductions:				
3. Total operating expenses (line 28)			\$19,547	\$157,230
4. Depreciation			\$6,720	\$53,760
5. Amortization				
6. Taxes (general fund transfer)			\$1,874	\$15,144
7. Tax equivalents (Interest to General Fund)				
8. Total operating revenue deductions(3 thru 7)			\$28,141	\$226,134
9. Operating Income (1 minus 8)			\$9,346	\$76,755
OTHER INCOME				
10. Interest				\$216
11. Misc. Non-operating revenue (net)				\$216
12. Total other income (10 + 11)				\$432
13. Gross Income (9 + 12)				\$9,562
14. Interest on long term debt				
15. Interest on investment of municipality				
16. Miscellaneous income deductions				\$97,381.00
17. Total Income deductions (14 thru 16)				\$0
18. Net Income (8 minus 17)			\$9,562	\$78,363



CITY OF BONNERS FERRY

7232 Main Street
P.O. Box 149
Bonners Ferry, Idaho 83805
Phone: 208-267-3105 Fax: 208-267-4375

June 28, 2012

U.S. Army Corps of Engineers, Seattle District
Emergency Management Branch
Attn: Douglas Weber
4735 E. Marginal Way South
Seattle, WA-98134

Dear Mr. Weber:

The City of Bonners Ferry requests the U.S. Army Corps of Engineers provide direct assistance under the authority of Public Law 84-99 to reinforce and stabilize the dikes within the city of Bonners Ferry.

The sustained duration of high water this year, including flows above flood stage, have threatened the dikes within Bonners Ferry. We are particularly concerned about a section of the left bank along Riverside Street, which is a high traffic street with a high volume of commercial traffic. Failure of this section of dike would result in flooding that would threaten lives, private property and public property. There is an important four-inch pressurized gas pipeline that runs along the edge of Riverside Street that is in danger of being exposed.

The needed work is beyond our capabilities, as the City of Bonners Ferry does not have the necessary expertise or resources to complete the repairs. The current high water level in the river has caused multiple operational problems for the City, including having to pump the effluent from our wastewater treatment lagoons, having to pump the storm water from the south side of the Kootenai River, and dealing with seepage issues on the north side of the Kootenai River. These issues have exhausted the capabilities of our staff and resources. Assistance from the Corps is needed to prevent further loss of infrastructure and avoid serious public safety and economic impacts to Bonners Ferry and Boundary County. The City of Bonners Ferry will be the local sponsoring entity.

Sincerely,

Dave Anderson, Mayor, City of Bonners Ferry

**COOPERATION AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA**

and

City of Bonners Ferry

for

EMERGENCY ASSISTANCE (FLOOD or COASTAL STORM)

THIS AGREEMENT, entered into this 28 day of 2012, by and between THE DEPARTMENT OF THE ARMY (hereinafter referred to as the "Government") acting by and through the District Engineer, Seattle District, U.S. Army Corps of Engineers; and the City of Bonners Ferry, (hereinafter referred to as the "Public Sponsor"), acting by and through Mayor David Anderson [TITLE OF PERSON SIGNING THIS AGREEMENT].

WITNESSETH THAT:

WHEREAS, Public Law 99, 84th Congress, approved 28 June 1955, authorizes the Chief of Engineers to flood fight and perform rescue operations.

WHEREAS, the Public Sponsor has requested assistance under Public Law 84-99, and the Public Sponsor qualifies for assistance in accordance with the established policies of the U.S. Army Corps of Engineers.

NOW, THEREFORE, the parties agree as follows:

1. The Government will perform the work described in its scope of work (attached) that is made part of this agreement.
2. The Public Sponsor agrees, in consideration of the Government providing assistance, to fulfill the requirement of non Federal cooperation required by the U.S. Army Corps of Engineers regulations, to wit:
 - a. Provide without cost to the Government all lands, easements, rights-of-ways, borrow material, and disposal areas necessary for the authorized work, for the use of borrow areas and/or spoil areas, and for access to and from the site(s) of the structure(s) or work area(s), the borrow sites, and spoil areas.
 - b. Hold and save the Government free from damages due to the authorized work, except damages due to the fault or negligence of the Government or its contractors.
 - c. Maintain and operate the completed work in a manner satisfactory to the Government.
3. The public Sponsor further agrees to remove, at no cost to the U.S. Army Corps of Engineers, all temporary work constructed by the Government; and,

a. (Add others as applicable)

4. Additional obligation under the terms of this agreement terminates when the authorized work performed by the Government is completed.

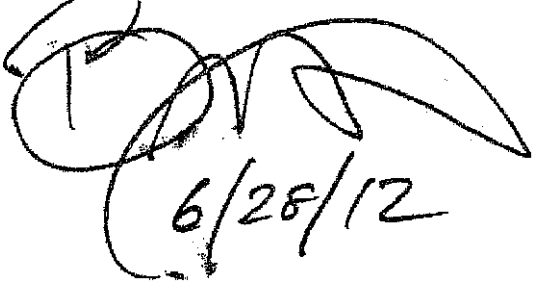
5. ATTACHMENTS:

a. Exhibit A -Government Scope of Work.

b. (Add others as applicable)

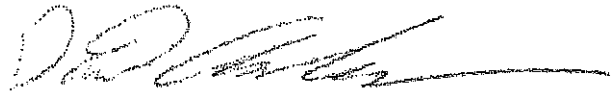
IN WITNESS WHEREOF, the parties hereto have executed this agreement of the day and year first above written.

THE DEPARTMENT OF THE ARMY



6/28/12

THE CITY OF BONNERS FERRY



To: NRU Board of Directors

From: John Saven and Geoff Carr

Re: BPA Wholesale Power Rate Increase Update

Date: June 21, 2012

NRU staff would like to provide a general update regarding the BPA rate case, given what we know today, with an emphasis on the likely size of the next wholesale power rate increase. We will be using two slides from the June 19, 2012 BPA Debt Management Workshop (attached). The first slide "Power Rate Driver: Summary" describes the potential range of the size of the power rate increase. The second slide "Summary of Action and Other Options for Power Rate Relief" identifies actions that are likely to occur that can reduce the size of the rate increase. While BPA has not "put 2+2 together to equal 4" yet, our analysis puts the pieces together and the result is described below.

It is important to note that all of these numbers are preliminary, and we are still in the early phases of the rate case. BPA will take comments regarding the Integrated Program Review through August 10th, and will issue a final close out letter in the fall. The IPR process establishes the amounts BPA has to recover through rates, and then we move into the rate case that assigns costs to different power products using the Tiered Rates Methodology. Nonetheless, there is enough information based on the June 19th meeting to provide a clearer picture of where power rates could be headed.

Power Rate Driver: Summary (first attachment)

This is the document BPA has been using to describe the possible range of the rate increase. The top left shows expense levels for all of the power functions BPA supports, assuming each function stays within the financial target established by Finance. This shows 2% for IPR costs plus 2% non-IPR costs compared to existing rates (BP - 12). Non -IPR costs are transmission costs paid for by power and capital related costs (e.g. debt service on existing debt). On the right are the proposed expense levels as contained in the Integrated Program Review (the Agency's preferred proposal subject to public comment). This is 6% for IPR costs plus 2% for non-IPR costs. The "left" target has a total of \$77 M in added costs while the right has a total of \$140 M. These totals represent changes in program costs only and do not consider the rate effects of changes in sales and revenues and purchased power costs.

The bottom half of the page displays the impact of declining gas prices, particularly on BPA's secondary revenues. BPA shows that using their current projections, the decline in the price of natural gas will have an 8% upward impact on BP-12 rates. Alternatively, if a lower market forecast of gas prices is adopted, it could have a 13% impact. This would add \$120 M to \$190 M to the cost that needs to be recovered through power rates since the revenue credit to Non-Slice rates is declining.

When the top half of the chart's expense increases are combined with the bottom half revenue declines, four outcomes are presented as percentage changes from current rates for Non-Slice customers.

Target – Current Gas	Target - Low Gas	Proposed - Current Gas	Proposed - Low Gas
12%	17%	16%	21%

Summary of Actions and Other Options for Power Rate Relief (second attachment)

This chart shows in column A the total annual average capital related debt service costs in BP-12 (\$1.009 B) that are being recovered from current power rates. In column B this total increases to \$1.035 B assuming the Proposed IPR level of spending (the right hand column on the previous chart). Then in columns E – K, BPA proposes various actions that will reduce the total capital related costs for FY 2014 – FY 2015. The largest of these is \$170 M associated with Columbia Generating Station (CGS) debt extension (tied to the 20 year license extension). While the total on the right is \$217 M, this does not yet include the \$23 M in CGS decommissioning and \$40 M for the Uranium Tails Financing (because BPA is still refining the accounting treatment of these transactions, but we think nearly all of them will add to the available total for rate relief). These actions when combined should lead to a \$280 M reduction in IPR costs for a two year period, or \$140 M per year on average.

Keep in mind that the term “capital related costs” is not the actual cost of the capital program, but rather the amount of debt service costs (interest, amortization and/or depreciation) shown in the IPR documents that has to be recovered from BPA power rates in FY 2014 – FY 2015.

Connecting the Dots

If \$140 M per year becomes available from these “Other Options,” then this would nearly offset the \$150 M in IPR cost increases at the proposed level of \$150 M. This would then leave a rate increase of 8% to 13% for Non-Slice customers which would be nearly all related to the decline in secondary revenues. Remember that Slice customers do feel a portion of these Non-Slice rate effects through their BPA Slice Block purchases.

Moving Forward

NRU staff is still working to develop our comments on the Proposed IPR levels, and we sent 5 pages of questions to BPA regarding the IPR spending levels. For example, the Bureau of Reclamation is \$35 M over the IPR Target number and wants to add 50 new positions at Grand Coulee. We will include our questions to BPA in this Friday’s Portland Update. Any IPR reductions from the “Proposed” levels will reduce rates. BPA will have 3 days of workshops during July where BPA and the related business partners will explain why their budgets have exceeded targets. NRU staff will likely support some of the increases and not others depending upon their merit.

It is important to note that debt extension for CGS can reduce rates for the next period, but it does push costs into the future, beyond the date the debt was scheduled to be retired. Even with

this caveat, we think this is reasonable since the operating license has been extended 20 years, and NRU staff supports the proposals of "Other Options" BPA has identified. No one is proposing an extension of WNP-1 and -3 debt.

BPA has a habit of proposing alarmingly large power rate increases, and then finding tools to mitigate the increases down to a more palatable number. While the outcome of the case is not certain, we continue to expect a high single digit number for the power rate increase.

BPA may still make adjustments in the numbers based on their continuing internal review and based on the comments they receive during the IPR process. Your utility needs to stay engaged. Also, the outcome of the rate case won't be determined until the spring of 2013, well after Steve Wright has departed, so that creates an element of uncertainty.

Clearly the assumptions used in the rate case for Net Secondary Revenues will be very important in determining the FY 2014 – FY 2015 Non-Slice rates. Once BPA adopts a forecast in the rate case, it doesn't change, and we live with the results. To the extent these revenues are above or below forecast amount the Agency's reserves increase or decline.

Finally, while we focus here on Non-Slice power rate numbers, BPA still has a major access to capital problem, with remaining borrowing authority scheduled to expire by 2017 absent new sources of capital. How this fits into the equation of rate setting, and the possibility of revenue financing, remains to be seen.

Remember that this document does not touch on transmission rates. BPA has stated that a transmission rate increase of up to 13% is possible. We are also working to mitigate the size of this rate increase. Analyses of rate increase effects on the transmission side are complicated, particularly given the on-going cost allocation debate between the NT and PTP customers and BPA. We are expecting a significantly lower than 13% increase for NT customers.

We hope this is helpful. Please call Geoff Carr or me at (503) 233-5823 if you have questions. Thanks.

Power

Rate Driver: Summary

IPR Proposed and Target Scenario Cost Deltas from BP-12

	(Delta in \$ Million)	Rate %	Proposed (Delta in \$)	Rate %
IPR Costs:				
Columbia Generating Station:	14	1%	29	1%
Bureau of Reclamation:	1	<1%	35	2%
Corps of Engineers:	5	<1%	22	1%
Renewables:	1	<1%	2	<1%
Energy Efficiency:	1	<1%	1	<1%
Non-Generation Operations:	2	<1%	4	<1%
Fish & Wildlife:	18	1%	19	1%
Northwest Power & Conservation Council:	0	<1%	0	<1%
Power Internal Support:	2	<1%	5	<1%
Total Rate Effect:	44	2%	117	6%
Non-IPR Costs:	33	2%	33	2%

Revenues and Costs Affected by Gas Price:

	Target Current Gas	Target Rate %	Target Low Gas	Rate %	Proposed Current Gas	Proposed Rate %	Proposed Low Gas	Rate %
Net Secondary Revenue:	114	8%	196	14%	114	8%	196	14%
IP Rate Revenue:	-9	<-1%	-14	-1%	-13	-1%	-18	-1%
Other Revenue Credits:	-8	<-1%	-3	<-1%	-8	<-1%	-3	<-1%
Purchased Power:	20	1%	5	<1%	20	1%	5	<1%
Residential Exchange Program:	-1	<-1%	-2	<-1%	-1	<-1%	-2	<-1%
Irrigation Rate Discount:	5	<1%	8	<1%	8	<1%	10	1%
Low Density Discount:	122	8%	190	13%	120	8%	188	13%
Total Rate Effect:		12%		17%		16%		21%

1/ Non-IPR costs include transmission expenses and capital-related costs.
 2/ Net Secondary Revenue after Slice has a larger per dollar rate impact than the other revenue and expense categories, which are before Slice amounts.
 3/ Other revenue credits include such things as 4(h)(10)(c) credits, generation input revenues, reimburseable energy efficiency revenue, and green tags.



Summary of Actions and Other Options for Power Rate Relief

Actions that will Affect Proposed IPR Levels

	A	B	C	E				H		J		K	L
				E	F	G	H	I	J	K	L		
	BP-12 Final Proposal - Average	Target & Proposed IPR - Average	Delta	ISFSI Settlement Completed	EN Refinancing Savings Completed	Wasco Refinancing Completed	Lewis County Refinancing 2013	CGS Debt Extension 2013	Reduce Contributions to CGS Decommissioning Trust Fund 2012	Uranium Tails Financing 2012	Potential Net Change to Proposed IPR		
1 Non-Federal Debt Service	556	576	20	(32)	(6)	(1)	(9)	(163)			(210)		
2 Depreciation and Amort.	209	222	14					(7)			(7)		
3 Total Net Interest	215	236	21										
4 MRNR	28	-	(28)							(23)			
5 Other (Expense)										(23)			
6 TOTAL CAPITAL RELATED COSTS	1,009	1,035	26	(32)	(6)	(1)	(9)	(170)	(23)	(23)	(217)		

(\$ millions) Transaction Date

10. City – Approve the Volunteers for the 4th of July Celebration (attachment)
11. City – Authorize Mayor to Sign Contract with Mastre Backhoe (attachment)
12. City – Adopt Special Event Permit Application Form (attachment)
13. Water – Authorize Expenditure for Power Source for Myrtle Creek Turbidity Monitor (attachment)
14. City – Set Budget Workshops (attachment)
15. City – Approve Bid for Sidewalk from Super 1 to Bauman Street

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

16. City – Columbia River Treaty Review Listening Session Schedule (attachment)
17. Electric/Water/Sewer – Profit/Loss Reports (attachment)
18. City – Cooperation Agreement between USA and City of Bonners Ferry for Emergency Assistance (attachment)
19. Electric – Memo Dated June 21, 2012 from John Saven and Geoff Carr RE: BPA Wholesale Power Rate Increase Update (attachment)