Mayor Anderson called the special council meeting of May 10, 2010 to order at 6:11 p.m. Present for the meeting were Mayor Anderson, Council President Chris Clark, Council Members Mike Klaus, Connie Wells, and Tom Mayo, Clerk Kris Larson, City Administrator Stephen Boorman, Assistant City Administrator David Sims, Jim Fritzsche and Doug Ladely from the Water/Sewer Department, Economic Development Coordinator Mike Sloan, and Attorney Tim Wilson. Also present were Dave Gray and Carolyn Testa.

The purpose of the special meeting was to discuss the water/sewer service area.

Stephen Boorman gave a power point presentation on the water and sewer service area. Long lines with lower density cause more risk than shorter lines with high density. Municipal ordinances apply only to citizens within the municipal boundaries.

Tim Wilson reported on the City of Sandpoint water service area lawsuit in the late 1970’s. Judge Prather found that if the City of Sandpoint was going to serve outside the boundaries of the city for some it must service all according to Tim.

Stephen said it is best to never serve outside the city limits in theory but in practice we do. Recommended components of a water/sewer service area policy for service outside the city limits are as follows: 1) where water or sewer are a condition of easement, 2) where service is not in the service area of another utility, 3) where the service is inside the area of city impact, 4) where the service can be provided without violation of DEQ requirements (in particular the pressure requirements which are primarily driven by the elevation of the residence), and 5) the property owner provides written agreement to annexation.

Stephen and David Sims showed pictures of areas we service that are outside city limits. David said there is not enough flow for firefighting out at the Kootenai Mission. We are not sure why some of the areas were served on the north side because they were under North Water and Sewer previous to the city taking over the districts. The group discussed the service areas of the North Water and Sewer District and South Hill Water and Sewer District before they dissolved and merged with the city.

David said Idaho is a right to farm state and that creates a huge problem for anticipated development because housing developments do not like dust, chemicals, or noise and these are characteristic of farming.

David said the city does not have unlimited capacity so if a large development were to come into the city, we would not have the capacity to service them.

Tim Wilson said by contract we had an agreement to service the residents of the former North Water and South Hill Water districts and they were grandfathered. Tim said the Sandpoint case would not apply to these areas in his opinion.

John Youngwirth, Street Department Supervisor, joined the meeting at 6:50 p.m.
Connie asked if it would be legal to charge the people outside the city limits a higher rate than the people inside the city limits. Stephen said it is valid to look at the history of the establishment of the South Hill Water District. He gave the example of Gabby Goose Day Care and how the residence was a city customer so we extended service to the day care.

Mike Klaus asked if we are obligated to serve people outside the boundaries of the city since we have done services outside. He said until we merged with North and South Water we did not serve water or sewer outside the city limits. Tim said we are developing our policy now and it can be argued 1) that the city is looking at expansion and its ability to keep up with development, 2) the city is looking at its tax base and how to support the water and sewer systems, and 3) the cost to the city to develop a policy to stand by and these are defensible in court. Stephen said we also need to consider economic development. David said we are already facing problems with capacity and gave the example of the old mill site. Tim spoke of the proposed development that was previously made and the costs that were given to the developers to come into the city for services. Chris Clark said these fees would out price the market for the lots. Tim said the infrastructure costs that would be borne by the developer would have benefitted the city because their needs would have been quite a draw on the city. Mike said we need a policy to get the city through for a while. He said we need to decide if we will require annexation prior to allowing services or just the consent to annexation before providing services. David asked if we have a parcel that we service a residence on then can we serve more than one residence on the same parcel. The group briefly discussed this issue and it was determined if there is more than one residence on a meter that it becomes a commercial service such as a duplex.

Chris Clark asked if we can charge a higher rate for outside city limits services. We can if there is justification for it.

The group discussed what a problem it is for the city when there are spaghetti lines off the main line to private residences. Mike said DEQ requires a residence to have 40 pounds of pressure. The discussion also continued for police and fire services for properties adjacent to city limits.

Mike Klaus and Chris Clark agree that annexation must be had before we can allow city services outside city limits. Connie thinks it sounds good in principle but does not see how it will work because not all people requesting services are contiguous to the city boundary. Tom thinks it should be all or nothing because people should not be getting city services unless they are paying city taxes. Stephen said pragmatically this will be hard to implement due to the time it will take to accomplish the annexation. Dave Gray said he does not want to lose city water or sewer capacity due to non-city residents joining on the city services. Stephen said we do need to do annexation.

Stephen said staff can have drafts for the service policy ready for the next council meeting.
Tom Mayo moved to go into executive session at 7:45 p.m. per Idaho Code 67-2345 (1) f. Connie Wells seconded the motion. The motion passed – Mike Klaus “yes”, Chris Clark “yes”, Connie Wells “yes”, Tom Mayo “yes”. At 8:00 p.m. executive session ended.

There being no further business, the meeting adjourned at 8:00 p.m.

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David K. Anderson, Mayor

Attest:

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Kris Larson, City Clerk