

Mayor David Anderson called the special council meeting of June 26, 2013 to order at 6:30 p.m. Present for the meeting were Mayor Anderson, Council President Mike Klaus, Council Members Rick Alonzo, Connie Wells, and Tom Mayo, Clerk Kris Larson, City Administrator Stephen Boorman, Assistant City Administrator Andrakay Pluid, Economic Development Coordinator David Sims, Water/Sewer Department Supervisor John Griffin, and Police Chief Steve Benkula. Also present were Toni Hackwith from Magnuson, McHugh and Company, Brett Converse from JUB Engineering, Dale Simpson, Ruth Sutton, Doug Ladely, Sr., Laura Roady from the Bonners Ferry Herald, and Marcia Cossette.

The purpose of the special meeting was to have a presentation of the financial statements for fiscal year 2012 and to have a hearing on the wastewater facility plan.

Toni Hackwith presented the fiscal year 2012 financial statements. In fiscal year 2012 we did not expend more than \$500,000 in federal funds so we were not required to have a single audit. A clean (unqualified) opinion was given by Magnuson, McHugh that our financial statements were correct. Toni explained why a fund balance is important in the general fund. The Government Finance Officers Association recommends a minimum of no less than five to 15 percent of regular general fund operating revenues or no less than one to two months of regular general fund operating expenses. We had 32 percent or 96 days of operating expenses in our general fund balance. Toni personally likes to see three to six months of operating expenses in the fund balance but said most of her northern Idaho clients have 60 to 100 days.

Toni spoke to council regarding the golf course being an enterprise fund rather than part of the general fund. She said we could also add a statement at the end of the financial statements that separates out the golf course. She said we could leave the golf course in the general fund but print out a separate financial statement in the audit. Stephen asked if we put the golf course as an enterprise fund and then in a few years changed our mind and wanted to put it back in the general fund, if that would be possible. Toni said it would be.

Jerry Higgs joined the meeting at 6:49 p.m. Loretta Hunsaker joined the meeting at 6:50 p.m.

Mike Klaus asked if there are guidelines as to how much money can be given from a utility fund to the general fund. Toni said to her knowledge there are none.

Stephen asked Toni if she had clients with golf courses. She does but they are not governmental clients.

Toni left the meeting at 6:59 p.m.

Mayor Anderson opened the public hearing at 7:00 p.m. for the wastewater facility master plan. Brett Converse from JUB Engineers gave a presentation. He said we received a grant from Department of Environmental Quality (DEQ) to pay for the study. Once the hearing is

completed he will submit the comments from this hearing along with the facility plan to DEQ for approval.

Brett said the projected growth in the wastewater facility plan looks at a period of 20 years in the future. The growth figure used was .75 percent annually. The sewer system consists of treatment and collection. The treatment system has 22,000 feet of gravity lines, 17,000 feet of forced main lines, and 7.5 million gallons of treatment volume as well as lift stations and various other equipment. The collection system consists of gravity lines and pressure lines.

Tremain Albright joined the meeting at 7:05 p.m.

The gravity system is made of manholes and lines and the water flows in and goes downhill. The gravity system has remaining capacity and most parts are more than half way through their useful life. There is a portion of a few lines that have adverse grade and it is recommended to fix the adverse grade on these lines. There are 14,635 feet of gravity fed lines in the city and 7,344 feet outside city limits.

The pressure force main is an eight inch line across the sewer bridge to the sewer lagoons. The transit pipe is getting brittle and the bridge has been observed to move during wind which is not good for brittle pipes. He said the piping should be replaced possibly with two pipes.

Brett spoke regarding the lift stations. John Griffin said it is not the best situation to send our employees in and it creates a great concern for him. We have eight lift stations and seven have remaining pumping capacity. One of the lift stations has trouble managing peak flows. He said all of the lift stations are nearing the end of their useful lives. Mike Klaus asked for Brett to explain the liability. Brett spoke about the level of effort the city expended before the fine was assessed by EPA on the discharge issue. He said if we do not extend a level of care before the EPA comes in the fines are higher. Brett said the new designs for lift stations make it so men do not have to go into the lift stations and they are much safer. Three of the lift stations need to be replaced.

Brett spoke of the wastewater treatment plant. We use biological treatment and a disinfection process and then a de-chlorination process is used before the wastewater is discharged into the river. We are still having issues with algae growth. The treatment volume is 7.44 million gallons. We have a suspension bridge, lines, 476 manholes, dredge, and other equipment. The total of our assets for the sewer system is \$21,300,000.

John Griffin said the NPDES (National Pollution Discharge Elimination System) permit runs in five year cycles and biological opinions are a wild card. We are currently two years into our five year cycle. David Sims said the permit allows for 500,000 gallons per day and our concentration is 45 milligrams per liter and the loading amount is the important figure. He said as we go forward with improving the treatment and cleaning up the discharge we can discharge more.

Brett said we are discharging into a nutrient starved river and that is good but in the future ammonia may be limited because this can harm fish. He spoke of the anti-degradation rules. Stephen said if a regional sewer system were to be looked at we may be able to combine our loads or transfer loads for discharge. A mechanical element could be added to our plant for the ammonia discharge issue according to Brett.

Brett recommended pretreatment by screening and grit removal. An option would be a rotating belt filter but Brett wants to see this in action before we decide to go there. Our lagoon liner may need to be replaced if it does not pass the leakage test. A tertiary membrane microfiltration system may help when we have an algae issue. We currently don't have a lagoon bypass for taking a lagoon offline. This can be remedied by having a pumping system to pump a lagoon. Brett suggested getting a buffer zone by obtaining development rights and easements now. He said we should also have security fencing. The total cost of improvements needed for the sewer system add up to over \$4 million dollars. Lift station five's cost of replacement would be \$840,000. The other lift stations replacement costs would be approximately \$300,000 each with lift station 2 being \$380,000 and lift station 4 being \$320,000. He said a portable generator would be \$40,000 that should be on a trailer so it could be taken to the different lift stations if needed. Brett showed a phased approach for improving the sewer system of the city. Phase one would cost \$4,030,000 and includes replacing lift stations five, one, and two, purchasing a portable generator, membrane microfiltration, bridge forced main, buffer zone, and security fencing (lift station five \$849,000, lift station one \$300,000, lift station two \$380,000, generator \$40,000, membrane microfiltration \$1,990,000, bridge \$330,000, buffer zone \$50,000, fencing \$100,000). Phase 2 estimated costs would be \$2,004,400.

Brett said the people being served south of town use three lift stations, miles of pipe, and miles of forced main so these people are using quite a bit of utility more than some of the customers on the system.

Connie asked about the electronic device that put out sonic waves in the lagoons to help prevent algae. John Griffin said it is not proving to work like it was recommended. The group briefly discussed the membrane filtration system as well as sand filtration. Algae growth was also discussed.

Loretta left the meeting at 8:00 p.m.

Mike Klaus said he has written some comments for Brett to review. Brett has to submit the report by Monday.

Jerry Higgs asked if Brett had reviewed the gas free engineering files. He explained there is an OSHA requirement for people working in a confined space for the ambient atmosphere and oxygen testing. Brett said the typical procedure is to use a gas analyzer and there is ventilator equipment that is used. John Griffin said the city has a well defined confined space entry

program that is standard policy and procedure. Brett said this would be part of the operation and maintenance policies. Jerry also asked about capacity of the sewer system. He asked when EPA would get involved and say we are not compliant on capacity. Brett explained that we have adequate capacity in our biological train to not trigger that requirement in the planning stage. We are well under the trigger for the biological part but we are having trouble with the total suspended solids due to the algae growth in the summer. He said the primary fix is the tertiary membrane filter to remove the algae. He said a plan must be in place for the future.

There being no further comment the hearing closed at 8:17 p.m.

Tom Mayo moved to go into executive session per Idaho Code 67-2345 (1) (f) at 8:18 p.m. Connie Wells seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”. Executive session ended at 8:55 p.m. No action was taken.

At 8:55 p.m. Tom Mayo moved to go into executive session per Idaho Code 67-2345 (1) (b). Rick Alonzo seconded the motion. The motion passed – Mike Klaus “yes”, Rick Alonzo “yes”, Connie Wells “yes”, Tom Mayo “yes”. At 10:55 executive session ended. No action was taken.

There being no further business the meeting adjourned.

David K. Anderson, Mayor

Attest:

Kris Larson, City Clerk