

Mayor David Anderson called the regularly scheduled meeting of September 15, 2009 to order at 7:00 p.m. Present for the meeting were Mayor Anderson, Council President Dave Gray, Council Members Chris Clark, Connie Wells, and John Langs, Clerk Kris Larson, City Administrator Stephen Boorman, Assistant City Administrator David Sims, Police Chief Rick Alonzo, Fire Chief Pat Warkentin, Economic Development Coordinator Mike Sloan, Water/Sewer Department Supervisor Jim Fritzsche, and Attorney Tim Wilson. Also present were Merrill Marcy, Elsie Hollenbeck, Tom Mayo, Mike Klaus, Claine Skeen, Carolyn Testa, and Sam Fodge.

Mayor Anderson changed the order of business for the guests to speak and then will take the comments for the rate increase hearing. He introduced Claine Skeen from Boundary County Landfill and urged recycling to keep the landfill open longer. Claine said there was 17.91 ton per day brought into the landfill last year and three percent was taken out for recycling. The county has taken out 14,000 pounds of #1 and #2 plastics this year so far. Claine gave an overview of the weight of material in the landfill. The largest generation is cardboard and newspaper. Boundary County is under a small community exemption allowing 20 ton per day maximum and we are getting very close. To haul the garbage out of the county it will be over \$360,000 per year. Claine said all recycling helps keep the tonnage down and will keep the landfill open longer. The county is looking at manned dumpsites. Claine said there will be six dumpster sites that will close north of the landfill and one manned site will remain open. Claine said the majority of garbage that comes into the landfill is cardboard and newspaper and paper materials. Claine is looking at taking #1 through #7 plastics at the landfill for recycling. John Langs asked how much a household would pay if we went to a transfer station. A city resident pays about \$103 per year now for the landfill fee but if we were to go to a transfer station it would double the cost. Chris Clark asked about manned sites and if the person at the manned site would sort the garbage. Claine said garbage dumping will be on the honor system but the public will be asked to voluntarily recycle. Dave Gray commented on how much garbage is reduced by recycling. Claine said glass does not get recycled but it is taken out of the waste stream. Stephen offered to put a bill stuffer regarding recycling in the utility bills.

Mayor Anderson said Fodge Pulp is enlarging their business and putting in a new chipper. Sam Fodge said his business has expanded and his 1250 hp motor causes lights on the city electrical system to flicker. He said a soft start is being requested to be installed by him and it costs \$70,000 and he does not think he should be responsible to pay the cost. Sam said the City Engineer is telling him to pay for the soft start. He does not think he should be responsible to pay the entire cost and is asking the city to pay half of the costs. If the city had told him up front that this soft start was required he may have been able to get a loan for these costs originally. Mayor Anderson asked where the soft start would be located. Stephen explained that when a motor starts up, a soft start reduces the voltage and the pull on the main line during the start up process. Sam said he usually starts up once a day but if there is a problem such as a rock or something then they have to stop the motors and change knives. Stephen explained the flicker factor. He said during the in-rush current of the motors starting up, it is bringing the current of the system down causing problems for other city customers. Stephen did not expect the motor to not have a soft start when he began looking at the project. The Kootenai River Inn is experiencing problems and their gaming machines and ice machines have to be reset. They are also experiencing problems with their generators. The problem is from the Bonners Ferry

substation down to the Fodge Mill but the City has changed the source of power for this summer to accommodate the load but there is still a problem.

Dave Gray moved to add the Memorandum of Understanding for a Highway Safety Grant between Bonners Ferry and ITD for FY2010 to the agenda. John Langs seconded the motion. The motion passed, all in favor.

The fee increase hearing for electric and sewer rates was opened. Stephen said there is a sheet with sewer rates listed but explained that our rates are based on revenue needed to cover the costs of operating the system. He said there is a seven percent increase from Bonneville Power Administration for our purchased power and this is primarily the reason for the electric rate increase. Mayor Anderson said the electric rate increase is not generating net revenue to the city but it is needed to cover our costs. He also said there are regulatory issues pushing the city to increase the sewer rates because we are required to meet the regulations to keep in compliance. He said the rate for sewer will only go to the sewer department and will help cover our costs and if we are fined for not being in compliance that we will be facing more funding to cover. Mayor Anderson said we must meet the DEQ and EPA requirements. He said he has received many calls from citizens complaining about the rate increases. Elsie Hollenbeck inquired how we arrived at the new rates. Mayor Anderson said the city had a rate study done and we have projects that need to be done to keep our lagoon system in compliance. Tim Wilson said the individual members of council can be held responsible if they do not follow the compliance regulations. David Sims read the different fine amounts assessed to other Idaho cities. Stephen said our rate study showed that we should increase rates to \$20 per equivalent dwelling unit (EDU) but we are hopeful to keep the rates at \$17 per EDU if we start early enough with the higher rates and show caution with our improvements. David explained the algae problem at the lagoons. Carolyn Testa asked if the City had spoken with EPA about the algae and nutrients in the river. David Sims said we have spoken to EPA and the problem is that we have to convince Fish and Wildlife that it is good for the river. David said this will be a long term battle. He also said pharmaceuticals are a big problem for the sewer lagoon discharge. David said we are lucky that we are not fighting the phosphorous problem like other cities. Mayor Anderson said we have a camera to look at the sewer lines so we may have infrastructure problems that need attention also. Mike Klaus commented that the list of sewer rates for the other entities shows how low our rate is and inquired if the City feels comfortable with the \$17 being enough. David said a facility plan needs to be done on the sewer lagoon to identify the issues that need to be taken care of. He also spoke about the regulations changing and the city having to meet them. Mayor Anderson recessed the hearing.

Rick Alonzo gave the police report. He said there has been a problem in the county with counterfeit money. The Secret Service was up and went over the counterfeit money and there are a couple suspects. There have been two petit thefts, two domestic disturbances, three burglaries, one car crash, six DUIs, one drug arrest, one school bus complaint, three driving without privileges, a sexual abuse case, and a warrant arrest.

Pat Warkentin gave the fire report. The Idaho Surveying and Rating Bureau will be here tomorrow to grade the city for insurance rates. He gave examples of what they look at during their inspection. Pat said the firemen have been working hard the past couple weeks to get up to speed. Pat said Steve Bender passed away so the fire department is facing quite a loss of a friend and respected firemen. There will be a memorial on Saturday at the fire station for Steve.

Stephen said there is a bill stuffer for council to review letting the customers know what is happening at the city. The fall rush of utility hook ups is starting for the electric department. There is a biological opinion in the packet for council to review. The Riverside project is ongoing with the sidewalks being worked on. The USGS has agreed to move the block building for the river gauging station and replace it with a pedestal. The water project phase 2 is nearly complete and it looks like we will have good weather for paving. The irrigation project will begin in October at the golf course.

Dave Gray moved to approve the consent agenda. Connie Wells seconded the motion. The motion passed, all in favor. The consent agenda contained the following: roll call; approval of accounts payable and payroll; approval of August 18, 2009, August 21, 2009, and September 1, 2009 council meeting minutes; approval for David Sims to attend electric Utility System Operations Classes and Electric Distribution Systems Classes from October 6-9, 2009 in Tacoma, Washington.

Mayor Anderson reopened the rate increase hearing at 7:48 p.m. for public comment. There being no comment the hearing was closed. Connie Wells said as much as she hates to raise rates it is something that must be done. Connie moved to raise electric and sewer rates as presented at the hearing. Dave Gray seconded the motion. Chris Clark said he thought we would visit the sewer rates later in the year and asked why the urgency since we had a balanced budget. Clerk Larson said we could not balance the budget at the current rate of \$12.15 per EDU so we had to increase it to \$17 per EDU to meet the requirements in fiscal year 2010. John Langs inquired about the EPA letter that the city received. David Sims said we received the letter on May 19, 2009 as a notice of continuing non-compliance and it said the city had 1622 violations over the period of June, 2004 through February, 2009. David said if we fail a test then EPA considers all testing in the month to be failures. The letter said a formal enforcement action may be forthcoming including monetary penalties. David said the compliance officer said we could be fined at any time. We can be fined right up until the day we have corrected the problem. The City of Plummer was threatened with \$10,000 per day fines. Plummer had to go to a \$7 million mechanical plant and put a moratorium on sewer hookups. John Langs said our \$5.00 per month increase may go to only meeting the fine and not making any corrections. Mayor Anderson commented that he did not realize that the increased rates were included in the budget projections for fiscal year 2010. Clerk Larson said both rate increases were in the budget projections. John Langs said the budget is just a projection and we can go down but cannot increase once the budget is published. Dave Gray "yes", Connie Wells "yes", John Langs "yes", Chris Clark "no".

Garbage recycling was discussed. Mayor Anderson said he does not want the city residents to pick up the brunt of the recycling costs and if the county does not help pay some of the costs to set up the recycling process then our residents will see their rates double for garbage pickup. He said this issue will be discussed again at the joint meeting to be held at the City of Moyie on September 28, 2009. Dave Gray said it is the right thing to recycle and it must be done for the good of the community to keep the landfill open. He said a county/city effort must be made to keep our landfill open and our garbage company working and in business. Mayor Anderson would like to see the county subsidize the city for a portion of the pickup costs of the recyclables in the city because that will be the largest portion going in the pit. Chris Clark asked what is being done to reduce the garbage stream going into the landfill. Stephen said the manned sites

will be an encouragement to people to recycle because a pickup route is not feasible in the county. Stephen said the cost of 2,700 recycle bins is about \$22,000. This would be for three recycle bins per household. The sorts proposed for recycling are cardboard, plastics, and aluminum and cans. Stephen said yard waste creates a lot of tonnage at the dump. The county is looking at sorting options because if transferring the garbage is done this will have to be done. Chris Clark inquired about the money gained from recyclables. Stephen said the money gained from recycling helps offset the recycling costs. Stephen said at this time Frederickson's do not want the recyclables.

Mayor Anderson said he sat in on the interview committee for the new police officer and there were two qualified candidates and John Lunde would be an excellent addition. John Langs moved to hire John Lunde for the open police department position. Dave Gray seconded the motion. The motion passed, all in favor.

Connie Wells moved to approve the catering permit for the Kootenai River Inn for the National Rifle Association Dinner on September 19, 2009. John Langs seconded the motion. The motion passed, all in favor.

Tim Wilson spoke regarding the Title VI requirements for the agreement for the Alderson Lane project. His concern is that there is no limit on when the requirements end in the contract. The State has said the requirements would end when the contract ends but Attorney Wilson wants this in writing as well as the training that is spoken of in the contract. The training is not required according to the representative at the State. David explained that the funding we will receive is federal stimulus funding passed through the State of Idaho to us. The amount of the grant is \$274,000 for the Alderson Lane project. David said we are working on a fairly short timeframe because completed plans and drawings are required by February, 2010. David Sims said it would be best if the attorney works directly with the State regarding the changes needed to the agreement. Stephen said the State has preapproved engineering firms that we must select from. David said there is no right of way to purchase or takings involved with this project so Title VI will be minimal. Chris Clark moved to table the contract for the Alderson Lane project. Connie Wells seconded the motion. The motion passed, all in favor.

Dave Gray moved to authorize the Mayor to sign the rejection of additional ICRMP coverage for terrorism. Connie Wells seconded the motion. The motion passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”.

The new snow removal policy for reduction in our current snow plowing methods was discussed. Mayor Anderson said our policy reduction is due to the budget reductions that we are facing in the upcoming year. Stephen said the schools, hospital, and downtown streets are the first routes to be plowed. Stephen said John Youngwirth deserves accolades for his thought that has gone into the revised policy since he only has \$2,000 for overtime in the fiscal year 2010 budget. John Langs said he has always appreciated the city plowing the sidewalks but the problem will be the bridge and the bypass where the State throws the snow on the sidewalks when plowing. Mayor Anderson said with the new piece of equipment there may be some concessions that will be made. John Langs moved to approve the snow removal policy for FY2010. Dave Gray seconded the motion. The motion passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”.

Stephen said the billing policy change is an appendix to the billing policy that defines the classes of customer accounts. Dave Gray moved to approve the billing policy. Connie Wells seconded the motion. The motion passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”.

David Sims spoke regarding the sewer lagoon dredging equipment bid. He said there is an Idaho Statute that says there is a penalty for out of state bidders if the state other than Idaho has the same penalty. One of our bids was received from New Mexico and it has the penalty in that state. Tim Wilson is working with Association of Idaho Cities on the issue. John Langs moved to reject all bids. Dave Gray seconded the motion. The motion passed, all in favor.

David Sims spoke regarding the asphalt bid for the Riverside project. Two bids were received. There were three areas to bid on – the parking lot, the path to the river road, and patching of the road. Interstate had the lowest bid. David said there will be about \$6,000 remaining in the grant. The estimate for removing the brick building is about \$2,000 so that leaves \$4,000 and it may be prudent to put up a fence along the river. Dave Gray thinks it is a good idea to put up a fence. David said other items to consider are light poles or paying for the dike repair work. Connie said she would like to put up a fence for safety reasons. John Langs would like to see a fence that meets safety concerns as well as allow people to see the river. David spoke regarding the height of the proposed fence and said it would be about 130 feet long. David said there will be a six inch curb on the sidewalk. John Langs asked about area for picnic tables. David said there is room on the bridge abutment and there will be room at the end of the parking lot also. John Langs moved to award the paving bid for the Riverside project to Interstate Concrete and Asphalt and to also purchase a fence and a read-out for the gauging station. Chris Clark seconded the motion. The motion passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”.

Council thanked Dave Sims and Mike Sloan for securing the Riverside project grant funding.

David Sims spoke regarding change order #3 for the water project phase 2. Stephen said part of the change order was previously approved for Comanche Court line extension. The project is close to being done. Stephen said the total change order is \$10,500. The Earthworks contractor has worked out good on phase two according to Stephen. Connie Wells moved to approve change order #3 for water project phase 2. Chris Clark seconded the motion. The motion passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”.

The next phase of the water project will be phase 2A and will be the water lines on Chippewa and in the Eaton Addition. We are hopeful to get good bid prices on the next phase.

A large industrial electrical rate was discussed. Mayor Anderson said we need to set a hearing date. Dave Gray moved to set October 8, 2009 at 7:00 p.m. for the hearing date on the large industrial electrical rate. Connie Wells seconded the motion. The motion passed, all in favor.

Rick Alonzo spoke regarding the traffic safety grant agreement. He said the grant funding is used for equipment as well as overtime for emphasis patrols. Rick would like to see the funding go for a speed trailer that will cost about \$8,000. He thinks we will end up with about \$12,000 for the grant funding through this program. Rick said the department is limited to what they can purchase and it must be related to traffic enforcement. Dave Gray moved to authorize the Mayor

to sign the Memorandum of Understanding with Idaho Transportation Department for the highway safety grant. Connie Wells seconded the motion. The motion passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”.

Mike Sloan said there have been 9,100 visitors coming into the visitor center so far this year. The visitor count is up 51 percent over last year. He also spoke of volunteer hours spent at the center this year being 1328 hours. Mike said a lot of the comments in our book give accolades to how clean our restrooms are as well as visitors commenting in person on the cleanliness of the restrooms and center.

At 9:00 p.m. Connie Wells moved to go into executive session per Idaho Code 67-2345 (e) for consideration of negotiations involving matters of trade or commerce. Dave Gray seconded the motion. The motion passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”. At 9:28 p.m. executive session ended. No action was taken.

There being no further business, the meeting adjourned at 9:28 p.m.

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David K. Anderson, Mayor

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Kris Larson, City Clerk