

Mayor Kerby called the regularly scheduled Council Meeting of February 1, 2005 to order at 7:00 p.m. Present for the meeting were Mayor Darrell Kerby, Council President Jim Burkholder, Council Members Mick Mellett, Russ Docherty, and Leslie Falcon, Clerk Kris Larson, City Administrator Stephen Boorman, Police Chief Dave Kramer, Fire Chief Larry Owsley, and City Attorney Tim Wilson. Also present was Elizabeth Ciepiela from the Bonners Ferry Herald.

Dave Kramer gave the Police report. He said a stolen motorcycle was recovered. Dave received some old statistical information from Eveline Rhuberg of the Historical Society and Eveline thought Wes Diest was the first Police Chief and became Chief in 1936. Dave said he is the fourth Chief in the last 70 years.

Larry Owsley gave the fire report. He had a fireman resign and will look for a replacement with some experience. The hazmat trailer has been ordered. No encodes have been received in the last two weeks.

Jim Burkholder moved to approve the consent agenda with the exception of item numbers 4 and 6. Leslie Falcon seconded the motion. The motion passed, all in favor. The consent agenda contained the following: roll call; approval of February 1, 2005 minutes; Treasurer's Report; approval for Blaine Grossman to attend Comprehensive Substation Training in Missoula, Montana from March 15-17, 2005; approval for two employees to attend the Retroreflectivity Sign Workshop in Sandpoint on May 3, 2005; approval for employees to attend the Planning and Zoning Training in Post Falls on February 26, 2005.

The Kootenai Elevator building is on its way to being taken down.

Jim Burkholder moved to authorize Mayor Kerby to sign Resolution 2005-13 Continuing the Water Emergency. Leslie Falcon seconded and it passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”. Resolution 2005-13 reads as follows:

RESOLUTION 2005-13

A RESOLUTION TO EXTEND THE EMERGENCY DECLARATION FOR THE PUBLIC WATER SUPPLY

WHEREAS, the Mayor of the City of Bonners Ferry declared an emergency on September 10, 2003 pursuant to Idaho Code 46-1011 within the City of Bonners Ferry, Boundary County, Idaho, to protect the citizens from existing imminent danger to the public water supply caused by the fire in the Myrtle Creek Drainage, and

WHEREAS, the Mayor of the City of Bonners Ferry declared an emergency on September 12, 2003 pursuant to Idaho Code 46-1011 and 50-341(L) within the City of Bonners Ferry, Boundary County, Idaho, to protect the citizens from existing imminent danger to the public water supply, and

WHEREAS, such declarations are necessary because the Myrtle Creek Drainage fire is a public calamity, as provided in Idaho Code 50-341(L), creating a life threatening risk to the lives, health, and property of the citizens of the City of Bonners Ferry and adjacent areas served by the City's water system and is detrimental to the public welfare and requires the immediate expenditure of public funds to abate such risk and safeguard the lives, health, and property of said citizens and persons served by said system, and

WHEREAS, financial assistance has been applied for through various State and Federal agencies and the amounts available from such sources are insufficient to abate the emergency and to make the necessary repairs or restorations to the City's water system and to insure adequate supply of water to the citizens of the City of Bonners Ferry and adjacent areas and to protect the health, life, and safety of the persons and property served thereby, and

WHEREAS, the City Council of the City of Bonners Ferry has ordered and directed the Mayor pursuant to Idaho Code 50-1006, specifically by Resolution 2003-13, to provide for all expenditures or restorations of improvements as shall be necessary to protect the health and safety of the persons and property served by the City of Bonners Ferry water system,

NOW THEREFORE BE IT RESOLVED BY, the City Council of the City of Bonners Ferry, for the facts and reasons above stated do hereby wish to continue the Declaration of Emergency for the Public Water Supply for a period through May 3, 2005.

Dated this 1st day of February, 2005.

CITY OF BONNERS FERRY

/s/ Darrell Kerby, Mayor

Attest: /s/ Kris Larson, Clerk/Treasurer

Russ Docherty moved to authorize the Mayor to sign ER Balancing Services contract. Mick Mellett seconded the motion. Stephen Boorman explained that ER Balancing does maintenance work for the City at the Power Plant and Water Plant. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Jim Burkholder moved to authorize the Mayor to sign the Henkels and McCoy underground plow contract. Leslie Falcon seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Russ Docherty moved to authorize the Mayor to sign the contract with Mike Kelly for excavation work. Mick Mellett seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Stephen spoke to Council regarding the Riverside Crossing agreement with the State of Idaho. Mayor Kerby said there will be crossing arms installed so the public will not have to stop at the track. Russ Docherty moved to authorize the Mayor to sign the State/Local Agreement for the Riverside Crossing. Mick Mellett seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Tim Wilson said there is an Idaho Code and if the driver has a commercial license and is sited for not stopping at a railroad crossing then he loses his license for 60 days.

Russ Docherty moved to authorize the Mayor to sign and approve the DEQ Wastewater System Classification paperwork with the corrections to the paperwork designating the responsible charge and substitute responsible charge. Mick Mellett seconded the motion. The motion passed, all in favor.

The public water meetings were discussed. Tuesday night meetings seemed to be the best for Council. Mayor Kerby said the purpose of the meeting will be to educate the public on the water issues and upcoming bond election in May. The first public meeting will be February 22 at 7:00 p.m.

Stephen Boorman summarized the phone conference with Mike Ormsby and Phil Boyd. There are two funding options being looked at. One is loans with grants through Rural Development and the other option is loans through DEQ with block grant funding at a lower interest rate for a shorter term. Stephen said there is the option of doing some projects through one organization and the other through the other. The advantage to DEQ is there is no interim financing costs and they have a lower interest rate but they are a shorter term. Mayor Kerby suggested applying to both agencies simultaneously so the City will have the funding in place. Mayor Kerby said that Mike Ormsby is working on the language for the bond issue and he will keep it simple.

Russ Docherty inquired about lowering the water rate a couple dollars now and lessening the burden of the water raise in the future. Stephen said the rate increase being looked at

will be over a number of years. Russ inquired if the water base rate will be about the same as it is today. Stephen said that it should go down.

Mayor Kerby said the public meetings will need to be held to educate all the customers. He also said that Mike Ormsby is working on a Community Cooperation Agreement for the water districts and the City to enter into.

Mayor Kerby spoke to Council regarding the electric bond for the power plant project. The least costly route according to the experts is to incorporate the GMAC loan that the electric fund currently has in the amount of about \$590,000 with the new bond issue. The State bond account will not be used due to the size of the bond and the timing and the interest rates. Revenue bonds cannot be an issue of the State Bond Bank at this time until a law is changed because all state bond issues are backed by the state sales tax and revenue sharing distributions.

The least costly way to finance the Local Improvement District bond is to borrow from the electric fund probably in the amount of about \$150,000. This way the interest is paid back to the City and the electric cash flow can handle it.

Jim Burkholder moved to approve the contribution of \$500 to the Crisis Line. Doc seconded and the motion passed, all in favor.

Stephen has received a quote for \$15,000 for fencing the power plant and he will obtain two other quotes. Stephen said the fencing is needed. Mick moved to authorize the City Administrator to spend up to \$15,000 for security fencing of the dam property. Russ Docherty seconded. This goes from behind the substation to the stairs. Mayor Kerby said the notification to the public that there are employees at the plant is needed. The motion passed, all in favor.

Russ Docherty said he would like to make a change and hopes that it does not hurt Jim's feelings but he is going to move that Mick Mellett be elected as Council President. Leslie Falcon seconded the motion. The motion passed – Russ Docherty “yes”, Leslie Falcon “yes”, Mick Mellett “abstained”, Jim Burkholder “no”.

Jim Burkholder said he would like to discuss the training for Steve Guthrie in Reno. Stephen Boorman said this conference is a national trade show with training classes. Steve is very good at picking the training sessions to attend and brings back good information for the city. Russ Docherty moved to authorize the travel and training in Reno for Steve Guthrie. Mick Mellett seconded the motion. The motion passed, all in favor.

At 7:50 p.m. Mick Mellett moved to go into executive session per Idaho Code 67-2345 to discuss legal issues and negotiations. Russ Docherty seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”. At 8:30 p.m. Russ Docherty moved to go out of executive session. Mick Mellett seconded the motion. The motion passed, all in favor. No action was taken.

There being no further business, the meeting adjourned at 8:30 p.m.

Darrell Kerby, Mayor

Attest:

Kris Larson, City Clerk