

Mayor David Sims called the special council meeting of March 13, 2018 to order at 6:35 p.m. Present for the meeting were Mayor Sims, Council President Rick Alonzo, Council Members Ron Smith, Valerie Thompson, and Adam Arthur, Clerk Colleen Garrigan, City Administrator/Engineer Mike Klaus. Also present was Jessica Tingley.

Mayor Sims passed out a handout from the United Way about Asset Limited, Income Constrained, Employed. (ALICE) for the council to review.

City Administrator/Engineer Mike Klaus gave a summary of the Bonners Ferry electric system: 2,000 residential accounts, approx. 700 commercial/industrial accounts. The Moyie hydro produces about 40% of the annual usage. In 2016, usage was 74.7 MWH with 30.6 MWH being produced from the hydro and 44.1MWH purchased from BPA. In 2017, the city consumed 78.4 MWH, but generated only 18.6 MWH, requiring us to purchase 59.8 MWH from BPA. This bill is about 50% of the electric department's operating expenses. Our BPA rate is up 11.66% from the last rate period.

Mike Klaus presented pictures of the damage to the dam, and stated that some of the gouges are getting pretty deep. Mayor Sims said the top of the dam was repaired about 6 years ago. Mike Klaus showed a chart with the silt levels have grown over the years. Once the silt is removed, we can open the drain valve regularly in the spring to prevent it from growing to the levels it is at now.

Mike Klaus gave his concerns for the city: 1. Big jumps in electric rate are hard on the City and its customers. 2. Infrastructure needs; spillway resurfacing, silt removal, transmission relocation, increases in BPA rates. 3. The current average residential account uses about 1100 Kwh per month. At the current residential base rate of \$10.47 per month, \$0.06 per KWH, the average residential bill is approximately \$76 per month.

The capital needs are estimated to be 7.1m over the next five years:

Transmission & Distribution 1.2m (Rolling Stock, Underground Replacement, & Overhead Line Rebuild)

Transmission & Substations 2.0m (Moyie Sub Transformer, Highway 95, & Katka Tap)

Power Plant/Dam 3.9m (Spillway Rehabilitation/Valve and Silt removal)

Mike Klaus will be sending the capital needs to EES Consulting for the upcoming rate study. Funding the capital needs will require a rate increase.

Adjourned at 8:09 pm.