

Mayor Kerby called the special council meeting of March 22, 2005 to order at 7:00 p.m. Present for the meeting were Mayor Darrell Kerby, Council President Mick Mellett, Council Members Russell Docherty, Leslie Falcon, and Jim Burkholder, Clerk Kris Larson, City Administrator Stephen Boorman, and Water Department Supervisor Chuck Lycans. Also present were Jim Marx, Glen Patterson, John Schwartz, Bob Blanford, and Cal Russell from North Water and Sewer District, Nancy Affleck, and Lucy Dukes from the Bonners Ferry Herald.

Mayor Kerby asked Stephen Boorman to explain the handouts with projected water rates to the group. Stephen said there are many variables that fit into the mix so it is very hard to make a prediction. He did come up with some figures for the group to review.

Mayor Kerby said once the usage and costs are known then a final rate can be determined but until that time only estimates can be given.

Jim Marx said the public can know that the higher the base rate the lower the overage charge and it is an unknown until all the experience is known. Russ Docherty inquired what is best to have - a higher base rate and lower overage charge or which scenario.

Mayor Kerby said there are fixed costs of operating the system that he has been told need to be included in the base rate. The expenses associated with high usage should be covered by the overage charges. Jim Marx said in the winter there is more funding put in the bank just from the base charges in the North Water and Sewer District. Jim does not mind the \$14.91 projected base rate but would like to see more volume included in the base.

Cal Russell inquired if more employees will be hired by the City if consolidation occurs. Mayor Kerby said he did not think so. Stephen said the regulatory guidelines will drive whether more employees will have to be hired. Chuck Lycans said he can see a multiple department employee being hired to work in various departments and can help out when the need arises rather than an employee specific to the water department.

Jim Burkholder inquired about the funding needed to operate the system if consolidation occurs. Stephen said he used an assumed figure for the operation of the North and South water systems.

The group discussed various high water uses such as a toilet running and people letting sprinklers run.

Mayor Kerby said the new water tank is needed to meet the new drinking water standards. He said with proper usage of water and education that there may not be brown lawns in the City.

Glen Patterson said a \$35 per month water bill is not unreasonable in this day and age.

Mayor Kerby said that all water systems will be facing increases due to the new drinking water standards and regulations. It makes sense to have the larger amount of numbers to divide the cost of operating the system equally among all the customers and for all the customers to pay the same rate based on their customer class.

Nancy Affleck asked where the new tank will be located. Mayor Kerby told her the new tank will be in the same area as the current tank but higher up on the hill so the pressure should be better for some of the customers. Stephen said out of the new tank there should be a additional pressure of 30 pounds per square inch (psi). The pressure is good in the down town area so down town will probably be fed out of the current tank.

Mayor Kerby said the growth in our community in the last nine months has been unbelievable.

Nancy asked about a usage report so customers will know how much water they use. Mayor Kerby said at one point the Council discussed letting the customers have a month or two of usage after the meters are installed so the customer can see how much water they use.

Nancy asked when the consolidation will occur. Mayor Kerby said the City has to say by a vote of the people that they wish to take in the North and South Water Districts and the North and South Water District customers need to say by a vote that they want to consolidate with the City. The City will have an election in May. The metering project for the city will occur whether consolidation takes place or not.

Cal Russell asked if the lack of a South Hill Water District representative is an indication of anything. Mayor Kerby said the President of South Hill Water District has been gone and the Board does not want to take action until he returns according to Quentin Harden.

Mayor Kerby said he is optimistic that this venture is in the best interests of the community. Jim Marx said the proposed rate structure will be helpful to the Water Boards to get the information to their customers.

Jim Marx inquired about the sewer system and if there would be problems if the districts consolidate. The sewer system of the City has the capacity but the maintenance and operation costs of the system are running a bit higher than the revenues being brought in so a rate increase may be looked at. Currently the City of Bonners Ferry charges \$7.00 per month and North Water and Sewer District charges \$7.35 per month.

Mayor Kerby offered assistance to the Districts for educating the public for the election if they desire. He said the funding sources will evaporate if we do not take advantage of them soon. Mayor Kerby said if the bond passes and we apply for block grant funding that it looks very favorable to the success of the block grant approval.

The group discussed the election process. All residents in the City will vote in the City election.

There being no further business, the meeting adjourned at 8:15 p.m.

Darrell Kerby, Mayor

Attest:

Kris Larson, City Clerk