

Council President Mick Mellett called the regularly scheduled meeting of May 17, 2005 to order at 7:00 p.m. Present for the meeting were Council President Mick Mellett, Council Members Russ Docherty, Leslie Falcon, and Jim Burkholder, Clerk Kris Larson, City Administrator Stephen Boorman, Police Chief Dave Kramer, Fire Chief Larry Owsley, and Economic Development Coordinator Robin Ponsness. Also present were Dave Gray, C. T. Beede and Tom Hannon from Bonneville Power Administration, Nancy Affleck, Steve Sabo, Rael Ammon, Don Bartling from School District #101, and Elizabeth Ciepiela from the Bonners Ferry Herald. Mayor Darrell Kerby was gone on personal business.

Clarence T. Beede and Tom Hannon from Bonneville Power Administration (BPA) gave a power point presentation regarding key policies of BPA. The long term load service obligation intends to limit sales of firm power at the lowest cost-based rates to close to the firm capability of the existing federal system. Service beyond the capability of the existing federal system is to be at a tiered rate. C. T. said the Public Power Council has proposed allocating the physical system for 20 years to existing customers based on 2002 rights to power and new customers would receive a tier 1 allocation. Tier 1 would be the lowest cost of the existing system with Tier 2 costs being subject to resource acquisitions. New public utilities coming on board before June 30, 2005 would receive power at the tier 1 prices effective October 1, 2006. Resource adequacy standards will help utilities and the region gauge whether there are enough resources available to meet loads. Renewable resources such as wind are bought and sold by BPA. BPA will continue to work on controlling costs and consulting with BPA's stakeholders. Service to residential and small farm customers of investor owned utilities is a huge cost to BPA second only to fish. Service to direct service industries will be determined but it is proposed that they would receive 500 megawatts.

BPA's long term schedule was briefly discussed. New contracts will be offered in December, 2006 with a deadline for signatures as of April, 2007 to lock in rates effective October, 2008 rather than waiting to renew contracts until 2011. C. T. thinks this is an optimistic schedule. Mick asked about WPPS. C. T. said it will be paid off by 2018. There may be an up tick of about five percent this fall according to C. T. He estimates the 3 to 3.2 cent rate as of October, 2006. Transmission rates will increase in October, 2005 but it won't be much to the City because transmission is a small portion of the City's bill.

Attorney Tim Wilson joined the meeting at 7:30 p.m.

Tom Hannon, BPA Energy Efficiency Division, spoke to the group. BPA wants to achieve the bulk of conservation through the local utilities and provide education for conservation. The City of Bonners Ferry is considered a small utility by BPA and it must pursue cost effective conservation or renewables. Russ Docherty inquired if there were BPA programs available for economic development. Tom said there are programs to help businesses build their facilities and equipment with energy efficiency guidance but there are no incentive programs. Mick thanked Tom and C. T. for attending the meeting. C. T. said BPA owns no resources they only market the power.

Steve Sabo spoke to the group. He said the revitalization project was successful and he feels the revitalization project, the tunnel, and the visitor's center are like a three legged stool. He said some property buyers are purchasing downtown businesses based on the revitalization project. Mr. Sabo said it is proposed to have an art gallery in the Randy Day building on Main Street. A map is being worked on to guide tourists to the businesses in town. Mr. Sabo said if Bonners Ferry has a tunnel and visitors center in place it will be great for the town through the tourist trade. He said the tunnel will give the tourists a route to come to downtown and he views the tunnel as an artery. Steve said he feels it would be a big mistake to stop the underpass tunnel mid stream.

Don Bartling from the School District spoke to Council regarding the M&O levy. The supplemental levy helps supplement the budget of the School District. In northern Idaho there are 17 out of 19 school districts that hold supplemental levies so it is not unusual for these levies. He asked for Council support and assured them that the School District would not ask for the levy if it was not necessary. Jim Burkholder moved that City Council support the M&O levy unanimously and to adopt Resolution 2005-16 in support of the school district levy. Russ Docherty seconded the motion. The motion passed – Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”, Mick Mellett “yes”. Resolution 2005-16 reads as follows:

RESOLUTION NO. 2005-16

A RESOLUTION OF THE CITY COUNCIL OF BONNERS FERRY, BOUNDARY COUNTY, IDAHO ENDORSING THE BOUNDARY COUNTY SCHOOL DISTRICT MAINTENANCE AND OPERATION LEVY

WHEREAS, it is imperative to the future of our youth to provide them with a well rounded education, and

WHEREAS, a well rounded education includes extracurricular opportunities that provide our youth with social skills necessary for life, and

WHEREAS, extracurricular activities provide our youth a link to positive involvement in the community, and

WHEREAS, it is important to retain active participants and community leaders and their families, and

WHEREAS, a healthy School District is directly tied to a healthy economy and our ability to retain businesses and attract new industries that provide family wage incomes,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BONNERS FERRY, BOUNDARY COUNTY, IDAHO that the Boundary County School District Maintenance and Operations Levy be endorsed unanimously by the City of Bonners Ferry.

This Resolution shall be in full force and effect immediately upon adoption.

ADOPTED by the Mayor and City Council of the City of Bonners Ferry, Boundary County, Idaho on May 17, 2005.

CITY OF BONNERS FERRY

Boundary County, Idaho

/s/ Mick Mellett, Council President

ATTEST: /s/ Kris Larson, City Clerk

Mick Mellett said the Mayor is signing a letter with the Boundary County Commissioners in support of the school levy. He read the letter to be sent out to the community. Jim Burkholder moved to endorse the Mayor's signature and to add the Council Members names to the letter. Leslie Falcon seconded the motion. The motion passed, all in favor.

Nancy Affleck showed Council a drawing of a map of downtown Bonners Ferry that she has been working on showing the businesses and facilities available. It is proposed to have the map in the rooms at the Kootenai River Inn and also in the tunnel for tourists to view. She got an estimated cost of printing the map to be \$35 per business. She wants to have walking times noted on the map for the tourists so they have an idea of the time it takes to get to destinations in town. Jim Burkholder commended Nancy on her work and said there are no other pamphlets in the rooms at the Inn that speak to Bonners Ferry.

Mick commented on how he liked the map and thinks it is good that the Inn and the Tribe are supporting the community.

Dave Kramer gave the Police report. He thanked the community for the support of the Police Memorial. Two of the members of the bagpipe band are from the community. Foster Mayo has received his advanced certification.

Larry Owsley said there were two calls at the Valley View School. There was report of gas odor near the Lutheran Church. He has contacted Avista to research this and he is working with Dyck's Oil and Auto to explore their underground storage. The City will also be monitoring the sewer lift station. These calls come in late at night when there is an inversion. The hospital's alarm system malfunctioned today and the fire department was called out. Fire engine 56 had an engine problem today so it is at the City yard to be worked on. Without this fire engine the fire fighting capacity is short. He will contact Don Anderson to help if there is a need.

Jim Burkholder informed the Fire Chief and Police Chief that the boys that reported the fire on the northside spoke to him about the clues they have been finding in connection with the fire. He asked the Chiefs to acknowledge their efforts.

Jim Burkholder moved to approve the consent agenda. Russ Docherty seconded the motion and it passed, all in favor. The consent agenda contained the following: roll call; approval of May 17, 2005 accounts payable; approval of May 3, 2005 council meeting minutes; approval of May 6, 2005 and May 10, 2005 special council meeting minutes; approval for Allen Ashby to attend the DARE/School Resource Officer Conference in Burley, Idaho from June 27-30, 2005.

Mick said \$120,000 is needed to continue the underpass tunnel project and Idaho Transportation Department (ITD) must know the City's decision by May 26, 2005. There is about \$80,000 in logging money available from the logging in 2004 and there is a proposed timber sale on City property with net estimated revenue to the City of about \$70,000. Mick feels the tunnel is a safety issue for our community as he nearly hit a pedestrian there after a fire call. He also understands it to be an economic benefit. He does not foresee another tunnel project coming again in the future if it is let go. We would receive a good return on our investment. Leslie Falcon said the Council has stated that contingency will not go below a certain dollar amount. She is also concerned the visitor's center is in jeopardy because the funding may be short for that project and she feels the visitor's center is a better investment for the community and the downtown businesses. She would vote no on the tunnel but yes on the visitor's center. Leslie Falcon moved to cease and desist on the pedestrian underpass tunnel. The motion died for lack of a second. Jim Burkholder moved that the City continue to fund the pedestrian underpass tunnel with \$40,000 to come out of contingency until the logging proceeds come in to pay it back. Russ Docherty seconded the motion. Jim said he sees the tunnel as a big venture to the City. He said he eats a lot at the Inn and is asked by many tourists if there is another place in town for them to go to. He believes the contingency fund is

just that for contingencies and unexpected costs and feels the tunnel will benefit the community.

Stephen Boorman said there is concern on all construction projects because the inflationary budget dollars are not aligning up with the actual costs of construction. Russ Docherty asked about the difference in the tunnel contingency that was predicted as \$160,000 previously and now is only \$120,000. Stephen said there is an extra \$60,000 in the preliminary engineering budget that will slide over to the construction budget and this accounts for the change in needed dollars. Russ said he has concern that there is risk for more shortage if the engineers and the State have not done their homework on this issue. He is also concerned about the fill for the underpass as he is afraid it is big rock rather than the fill material that was designated to be used on the bypass project. Robin said there was drilling done in the beginning of the project and Stephen agreed but it is not known if the fill material is consistent throughout. Leslie asked what the City will do if the construction costs go over and expressed concern about the City contingency. She thinks the visitor's center is more of a plus for the City. Russ said the visitor's center will belong to the State so the City should not have to come up with extra funding. Russ said he hates to spend City dollars the way we are but in ten years it will have a great benefit to the City. Dave Kramer said it was a consensus by the department heads of the City that the tunnel is a safety issue and for the amount of money needed to complete this project that it is worthwhile. Leslie inquired about the car wrecks in comparison to the pedestrian accidents. Dave feels it is a safety issue.

Jim Burkholder asked about the logging proceeds. Stephen said the logging of city property was planned several years ago when the forest plan was done. Stephen said the State must be notified by May 26, 2005 as to whether to award the bid for the tunnel or not. He said there is risk with any project. Jim called for the question. The motion passed – Russ Docherty “yes”, Mick Mellett “yes”, Jim Burkholder “yes”, Leslie Falcon “no”.

Mr. Sabo inquired about the visitor's center parking. Stephen Boorman clarified the issue. Mick said the Hudson Study identified a vision for the City of Bonners Ferry. The downtown revitalization was a piece of the vision and the pedestrian tunnel is another piece and he is hopeful that all the pieces come together to provide business and for the community.

The Bonners Ferry National Guard Troops Welcome Home banner was discussed. Stephen said it is proposed that a banner be hung above the highway to welcome home the troops. Mick said since there is time to discuss this he asked that it be tabled. Russ Docherty moved to table the issue. Leslie Falcon seconded the motion and it passed.

Jim Burkholder moved to approve the HIPAA policy. Russ Docherty seconded the motion. The motion passed – Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”, Mick Mellett “yes”.

Russ Docherty moved to designate Leslie Falcon as the voting delegate for the City of Bonners Ferry at the Association of Idaho Cities Conference and that Mick Mellett act as alternate. Jim Burkholder seconded the motion and it passed.

Russ Docherty moved to accept the resignation of Rody Vetter and to authorize advertisement for a lineman. Leslie Falcon seconded the motion. The motion passed, all in favor. Stephen Boorman commented that Rody has done a good job for the City. Council thanked Rody for his service and wished him well.

Russ Docherty moved to hire the lifeguards as outlined. Jim Burkholder seconded the motion and it passed, all in favor.

Jim Burkholder moved that the City enter into a contract with Avista for the contract extension. Leslie Falcon seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Jim Burkholder “yes”.

Mick Mellett spoke to Council regarding the AIC Youth Council and the interviews that were held last week to choose delegates. Leslie Falcon said three candidates were interviewed - a senior, a freshman, and a junior in high school. After the interviews the committee agreed that all three applicants be chosen as delegates to the AIC Youth Conference. Jim Burkholder moved to send Stephanie McMillan, Sherrell Evans, and Kristen Toline to the AIC Youth Conference in Idaho Falls. Russ Docherty seconded the motion. Russ Docherty inquired about the cost of the conference. Mick said it will be \$130 per student. He commended the students on their leadership interest.

Jim Burkholder moved to approve the ITD payment to Welch Comer for the visitor’s center. Russ Docherty seconded the motion. The motion passed, all in favor.

There being no further business, the meeting adjourned at 9:05 p.m.

Mick Mellett, Council President

Attest:

Kris Larson, City Clerk