

Mayor Darrell Kerby called the special council meeting of November 9, 2005 to order at 7:00 p.m. Present for the meeting were Mayor Kerby, Council President Mick Mellett, Council Members Russ Docherty and Leslie Falcon, Clerk Kris Larson, City Administrator Stephen Boorman, Planning and Zoning Coordinator Gary Falcon, and City Attorney Tim Wilson. Also present were Dave Gray, John Langs, Russ Rosco, Quentin Harden, and Lucy Dukes from the Bonners Ferry Herald.

The purpose of the special meeting was to hold a fee increase hearing, canvass the votes of the November 8, 2005 election, appoint a Councilman, discuss Kootenai Hills Estates Subdivision, and adopt Resolution 2006-1.

The first order of business was the fee increase hearing. Mayor Kerby opened the hearing at 7:00 p.m. The group reviewed the rate schedule for the water fund. Quentin Harden inquired about the proposed wholesale rate increase. Stephen responded that the increase is by class as projected by Bob Brooks who is preparing the City's rate study. Stephen said the rates are being increased by customer class and by the history of the water use. Russ Rosco inquired what brought about the rate increase. Mayor Kerby said it is partly due to the federal regulations and standards being required. He explained chlorine contact time and the modifications that have been made to meet the new requirements. He said the amount of water the City can filter to provide to the customers has been slowed down by this process and the pretreatment of the water is creating by-products known as carcinogens. Also a requirement by Department of Environmental Quality (DEQ) to not serve untreated water to our customers in the valley who years ago agreed to easements across their land for untreated water from the City is another project facing the City. USDA Rural Development has agreed to fund a portion of the treated water line to the valley customers but the City also has a large portion of the cost to bear. The natural disasters occurring in the Louisiana area are driving the construction costs higher than what was predicted. The city cost for installation of the meters is also large. This prediction of the rate increase will hopefully carry the City through the construction of the new million gallon water tank which will build up a water reserve for fire flows and take care of the peak demand for water on the system while meeting the new federal regulations. There were deficiencies in the water system identified in the master plan that will also need to be taken care of. A block grant through the Department of Commerce is being applied for to help fund the water tank project. Mayor Kerby said the fee increase is hoped to carry the City through the construction of the projects. Quentin asked if any money has been drawn from the bond. It has not. Stephen explained that the City is waiting to see if funding will come to fruition for the water tank project before we start the project because the funding is not retroactive. Mayor Kerby said the costs of the projects are coming in higher than the predictions that have previously been made due to supply and demand. Stephen said pipe prices follow the petroleum industry. Quentin asked if the flat rate for residential water will change once metering is complete. The response was that it is hoped that the rates will be adjusted as closely to the figures that were presented last spring to the public before the water bond issue was approved. Russ Rosco inquired about the dollar amount this increase will generate. The estimated amount is \$112,000 per year. Quentin asked about the meter installation process. Council responded that the city will hire temporary employees to complete the job. Russ

Docherty explained that the funding from USDA Rural Development is mostly loan funding. Mick explained that the cost of pipe for the district 1 waterline has increased at least \$55,000.

Quentin inquired about the fire inspection fee outside city limits. Mayor Kerby explained it is a way to recoup costs the Fire Chief incurs when he must do an inspection outside the city.

Stephen explained the new fee of \$1.00 per foot for plowing in electric lines. He said the City purchased a new piece of equipment that allows our employees to do this work.

The group briefly discussed the garbage fee increase from \$6.25 to \$8.25. There has been no increase in garbage fees since before 2000.

Mayor Kerby spoke about water usage and the need to meter water delivered to customers by the City to create fairness to all customers. He also spoke about the meter reads that will be done year round so that water leaks can be determined as well as track all water served.

Stephen said the rates will have to be reviewed once the systems are consolidated but some assumptions had to be made to establish rates at this time. The group briefly discussed consumption and usage.

Russ Docherty informed the group that a liner had to be installed under the Burlington Northern railroad track due to a leak in the water line. The costs were about \$150,000 to fix the leak.

Mayor Kerby closed the hearing at 7:38 p.m.

Council canvassed the votes of the November 8, 2005 election. Mick Mellett moved to accept the tally of the votes. Leslie Falcon seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”. Mayor Kerby congratulated John Langs and Dave Gray for being elected to the Council.

Mayor Kerby recommended the appointment Dave Gray to fulfill the vacated council seat of Jim Burkholder who resigned in June. Mick Mellett moved to appoint Dave Gray to Council to fulfill Jim Burkholder’s position. Russ Docherty seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”. Clerk Larson administered the Oath of Office to Dave Gray. Dave took his seat at the Council table.

Mayor Kerby instructed the new councilmen to attend the Newly Elected Officials Conference in Coeur d’Alene on November 22, 2005.

The next agenda item was the discussion of the Kootenai Hills Estates Subdivision. Attorney Wilson recommended going into executive session for a portion of the discussion.

Mick Mellett moved to adopt Resolution 2006-1 and establish the fees as soon as possible. Leslie Falcon seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Dave Gray “yes”.

Stephen spoke to council regarding an idea from Nancy Mabile for applying for a grant for the engineering and administration only portion of the water tank project. It would exclude the construction portion. Council liked the idea but no action was taken.

At 7:56 p.m. Mick Mellett moved to go into executive session per Idaho Code 67-2345 to discuss legal issues. Leslie Falcon seconded the motion. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Dave Gray “yes”. At 8:31 p.m. Russ Docherty moved to go out of executive session. Leslie Falcon seconded the motion. The motion passed, all in favor. No action was taken.

Council took a break waiting for Lucy Dukes to join the meeting.

Mick Mellett moved that staff be directed to proceed with annexation of properties to include the proposed Kootenai Hills Estates Subdivision and authorize the attorney to act accordingly and to authorize the attorney to represent the City at the County Planning and Zoning hearings and express the City’s concerns due to the impact this subdivision will have on the City and its taxpayers. Leslie Falcon seconded the motion. Mick Mellett clarified and amended his motion to include the request from the City that the County either place a hold on their decision or disapprove the subdivision until the City can complete the annexation process. Leslie agreed to the clarification and amendment. The motion passed – Mick Mellett “yes”, Russ Docherty “yes”, Leslie Falcon “yes”, Dave Gray “yes”.

There being no further business, the meeting adjourned at 8:40 p.m.

\_\_\_\_\_  
Darrell Kerby, Mayor

Attest:

\_\_\_\_\_  
Kris Larson, City Clerk