

## **Welcome to tonight's City Council meeting!**

The elected officials of the City of Bonners Ferry are appreciative of an involved constituency. Testimony from the public is encouraged concerning issues when addressed under the Public Hearing portion of the agenda. Any individual who wishes may address the council on any issue, whether on the agenda or not, during the Public Comments period. Normal business will preclude public participation during the business portion of the meeting with the discretion left to the Mayor and Council. Special accommodations to see, hear, or participate in the public meeting should be made at City Hall within two days of the public meeting.

### **Vision Statement**

Bonners Ferry, "The Friendliest City", strives to achieve balanced growth, builds on community strengths, respects natural resources, promotes excellence in Government, and values quality of life. We are an inclusive city that welcomes all people, regardless of race, religion, color, national origin, sex, age, disability, sexual orientation, or gender identity and encourages their participation in city government and city programs.

**\*REVISED\* AGENDA  
CITY COUNCIL MEETING  
Bonners Ferry City Hall  
7232 Main Street  
267-3105  
September 17, 2019  
6:00 pm**

### **PLEDGE OF ALLEGIANCE**

### **PUBLIC HEARING**

Electric Rate Fee Increase Hearing

First Reading of Resolution 2019-09-17 for Electric Rates by Title Only (attachment) {action item}  
Suspend Reading Rules and Adopt Resolution 2019-09-17 for Electric Rates {action item}

### **PUBLIC COMMENTS**

Each speaker will be allowed a maximum of five minutes, unless repeat testimony is requested by the Mayor/Council

### **REPORTS**

Police/Fire/City Administrator/City Engineer/Economic Development Coordinator/Urban Renewal District/SPOT

### **CONSENT AGENDA – {action item}**

1. Call to Order/Roll Call
2. Approval of Bills and Payroll
3. Approval of the September 3, 2019 Council meeting minutes
4. Treasurer's Report

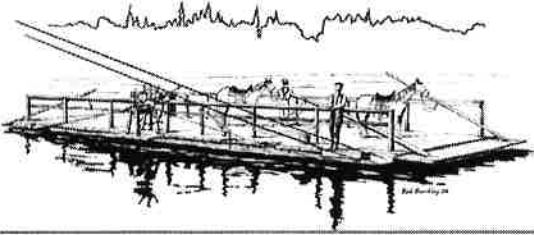
### **OLD BUSINESS**

5. City – Consider Approval of Insurance Quote {action item}

### **NEW BUSINESS**

6. City – Consider Authorizing the Mayor to Sign the Joint Powers Agreement and the Participation Agreement with III-A (attachment) {action item}
7. Police – Consider Approval of the Dispatch Agreement with Boundary County (attachment) {action item}
8. Electric/Water – Consider Approval to Solicit Quotes for a Medium Kubota Excavator (attachment) {action item}
9. City – Consider Approval to Sell a Police Pickup to the Utility Departments (attachment) {action item}
10. Electric – Consider Authorizing the Mayor to Sign the Contract Amendment with FCS (attachment) {action item}
11. City – Consider Quote for Hanging Baskets for Fiscal Year 2020 (attachment) {action item}
12. Golf – Consider Authorizing the Mayor to Sign the Contract with Kootenai View Golf Resources (attachment) {action item}

### **ADJOURNMENT**



## CITY OF BONNERS FERRY

7232 Main Street  
P.O. Box 149  
Bonners Ferry, Idaho 83805  
Phone: 208-267-3105 Fax: 208-267-4375

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**TO:** Mayor and City Council

**FROM:** Lisa Ailport, City Administrator *LMA*

**DATE:** September 13, 2019

**RE:** **Public Hearing for Electric Rate Increase**

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FCS will attend the next council meeting to present the rate increase study that was presented to the City Council back in late August.

The attached notice of publication and rate sheet was published in the Herald on September 5 and September 12th in accordance with Idaho Code. It was also placed on the City website and sent to Kootenai Valley Times. Additionally, the 5-year capital improvement summary sheet was placed on the City website for view and download by the public. The rate schedule reflects the pre and post 9.5% rate increase for both the base and kilowatt per hour rates.

Please let me know if you have any questions.

Notice  
Fee Increase Hearing

The City of Bonners Ferry will meet on September 17, 2019 at 6:00 p.m. in the City Hall Council Chamber, 7232 Main Street, Bonners Ferry, Idaho, for the purpose of taking public testimony regarding a fee increase to the city's electric rates.

Pursuant to Idaho Code 63-1311A, City Council will consider a 9.5% increase to the base rate, kilowatt per hour rate and demand charges across electric rate classes as shown in the attached rate table. This increase is based on recommendations made by an independent consulting firm during a cost of service rate study conducted by the City.

The purpose of the rate increase is to cover continued operation and maintenance costs across the city's electric system, raise capital to complete a 5-year capital improvement plan that perform improvements to the City's electric infrastructure and make vital spillway repairs at the Moyie River Hydro facility.

A table illustrating the 5-year capital improvement plan can be found by visiting the City's website or by visiting City hall during regular business hours.

Any person requiring a special accommodation due to a disability condition should contact the Bonners Ferry City Clerk at (208) 267-3105. This contact should be made at least two business days prior to the hearing.

Please publish:           September 5, 2019 and  
                                  September 12, 2019

<b>Rate Classes</b>	<b>Existing Monthly Base Rate</b>	<b>Proposed 9.5% Rate</b>	<b>Existing KWH Charge</b>	<b>Proposed 9.5% Rate</b>	<b>Existing KVA Demand</b>	<b>Proposed 9.5% Rate</b>
(*Outside City Limits)						
<b>Residential</b>	\$ 10.47	\$ 11.46	\$ 0.0600	\$ 0.0657	\$ -	\$ -
<b>*Residential</b>	\$ 14.91	\$ 16.33	\$ 0.0600	\$ 0.0657	\$ -	\$ -
<b>Interdepartmental</b>	\$ 10.47	\$ 11.46	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>*Interdepartmental</b>	\$ 14.91	\$ 16.33	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>Interdepartmental</b>	\$ 32.83	\$ 35.95	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>*Interdepartmental</b>	\$ 41.80	\$ 45.77	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>Interdept. w/Demand</b>	\$ 10.47	\$ 11.46	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>*Interdept. w/Demand</b>	\$ 14.91	\$ 16.33	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>Interdept. w/Demand</b>	\$ 32.83	\$ 35.95	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>*Interdept. w/Demand</b>	\$ 41.80	\$ 45.77	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>*Pumping &amp; Drainage</b>	\$ 41.80	\$ 45.77	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>Pumping &amp; Drainage</b>	\$ 10.47	\$ 11.46	\$ 0.0485	\$ 0.0531	\$ 6.00	\$ 6.570
<b>*Pumping &amp; Drainage</b>	\$ 14.91	\$ 16.33	\$ 0.0485	\$ 0.0531	\$ 6.00	\$ 6.570
<b>Pumping &amp; Drainage</b>	\$ 32.83	\$ 35.95	\$ 0.0485	\$ 0.0531	\$ 6.00	\$ 6.570
<b>*Pumping &amp; Drainage</b>	\$ 41.80	\$ 45.77	\$ 0.0485	\$ 0.0531	\$ 6.00	\$ 6.570
<b>Self Consumed</b>	\$ 10.47	\$ 11.46	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>*Self Consumed</b>	\$ 14.91	\$ 16.33	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>Self Consumed</b>	\$ 32.83	\$ 35.95	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>*Self Consumed</b>	\$ 41.80	\$ 45.77	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>Self Cons. w/ Demand</b>	\$ 10.47	\$ 11.46	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>*Self Cons. w/ Demand</b>	\$ 14.91	\$ 16.33	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>Self Cons. w/ Demand</b>	\$ 32.83	\$ 35.95	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>*Self Cons. w/ Demand</b>	\$ 41.80	\$ 45.77	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>Small Commercial</b>	\$ 10.47	\$ 11.46	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>*Small Commercial</b>	\$ 14.91	\$ 16.33	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>Small Commercial</b>	\$ 32.83	\$ 35.95	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>*Small Commercial</b>	\$ 41.80	\$ 45.77	\$ 0.0575	\$ 0.0630	\$ -	\$ -
<b>Large Commercial</b>	\$ 10.47	\$ 11.46	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>*Large Commercial</b>	\$ 14.91	\$ 16.33	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>Large Commercial</b>	\$ 32.83	\$ 35.95	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>*Large Commercial</b>	\$ 41.80	\$ 45.77	\$ 0.0420	\$ 0.0460	\$ 6.00	\$ 6.570
<b>Secondary Industrial</b>	\$ 32.83	\$ 35.95	\$ 0.0440	\$ 0.0482	\$ 5.15	\$ 5.639
<b>*Secondary Industrial</b>	\$ 41.80	\$ 45.77	\$ 0.0440	\$ 0.0482	\$ 5.15	\$ 5.639
<b>Primary Industrial</b>	\$ 32.83	\$ 35.95	\$ 0.0440	\$ 0.0482	\$ 4.73	\$ 5.179
<b>*Primary Industrial</b>	\$ 41.80	\$ 45.77	\$ 0.0440	\$ 0.0482	\$ 4.73	\$ 5.179
<b>Large Industrial</b>	\$ 12,000.00	\$ 13,140.00	\$ 0.0260	\$ 0.0285	\$ 4.37	\$ 4.785
<b>Security Lights</b>	\$ 7.48	\$ 8.19		\$ -	\$ -	\$ -

# 2023 Capital Planning

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
<b>Contribution</b>						
	\$ 260,000	\$ 40,000	\$ 40,000	\$ 150,000	\$ 40,000	\$ 530,000
	75,000	75,000	75,000	75,000	75,000	375,000
	50,000	50,000	50,000	50,000	50,000	250,000
<b>Stations</b>						
	200,000		500,000			700,000
			150,000			150,000
		200,000				200,000
			1,379,000	1,701,000	663,000	3,743,000
	150,000					150,000
	75,000	75,000				150,000
<b>Subtotal</b>	<b>\$ 810,000</b>	<b>\$ 440,000</b>	<b>\$2,194,000</b>	<b>\$1,976,000</b>	<b>\$ 828,000</b>	<b>\$6,248,000</b>
<b>of Construction</b>	<b>\$ 810,000</b>	<b>\$ 453,200</b>	<b>\$2,327,615</b>	<b>\$2,159,229</b>	<b>\$ 931,921</b>	<b>\$6,681,964</b>

**RESOLUTION 2019-09-17**

IT BE AND IS HEREBY resolved by the Mayor and City Council pursuant to Ordinance Number 477 of the City of Bonners Ferry that Schedule A attached hereto be and is adopted as the list of charges for electric rates by the City. Excepted from this schedule are such fees, charges and assessments as are established by contract or agreement for goods and/or services to be provided by the City which are not generally available to or in demand by the general public, franchise fees or fees charged in lieu of franchise fees, criminal and/or punitive fines, or penalties, taxes or assessments upon real property that are paid to and collected by the Boundary County Treasurer.

The City Clerk shall, at all times, keep a copy of this resolution and attached schedule posted in a conspicuous place in City Hall and make copies of said schedule available to members of the public upon request.

Dated this 17th day of September, 2019.

City of Bonners Ferry

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to Form and Content

\_\_\_\_\_  
City Attorney

**Minutes  
CITY COUNCIL MEETING  
Bonners Ferry City Hall  
7232 Main Street  
267-3105  
September 3, 2019  
6:00 pm**

Mayor David Sims called the Council meeting of September 3, 2019 to order at 6:00 pm. Present for the meeting were: Council President Rick Alonzo, Council Members Adam Arthur, Valerie Thompson and Ron Smith. Also present were: City Engineer Mike Klaus, City Attorney Andrakay Pluid, City Clerk/Treasurer Christine McNair, City Administrator Lisa Ailport, Police Chief Brian Zimmerman, Economic Development Coordinator Dennis Weed and Water/Sewer Superintendent John Delaney. Members of the public present were: Craig Kelson, Jan Bayer, Dave Gray, Eric Lederhos, Jayceen Swisher, Denise Crichton, Carolyn Testa, Marty Martinez and Ron MacDonald.

**PUBLIC HEARING**

Fiscal Year 2020 Budget Hearing

Mayor Sims opened the public hearing at 6:01pm. There were no public comments on the budget. Mayor Sims closed the public hearing at 6:01pm.

**PUBLIC COMMENTS**

Craig Kelson with the Boundary County Human Rights Task Force said they have been working with the school district to create a nine month program to promote human rights in the schools. September starts Hispanic Heritage Month. There will be displays in each of the school's libraries.

**REPORTS**

Police Chief Brian Zimmerman said officers responded to two suicide attempts in the last two weeks. Officers were able to talk both suicidal individuals into seeking medical treatment for their life threatening injuries.

City Administrator Lisa Ailport said this month is the end of the two year energy conservation cycle. We started with \$135,264.94, we have spent \$135,123.18. The money was used to convert 230 street lights to LED, upgrades to the Fire Hall, the golf course, the tunnel, the visitor's center, City Hall, the Sheriff's Office, the library and two lighting kits were distributed to City of Bonners Ferry electric customers.

City Engineer Mike Klaus said we received approval from DEQ for the well house.

Economic Development Coordinator Dennis Weed said the Shopko building lease agreement will be signed at the end of this week, by a national chain. Verizon will be upgrading the tower when approval from FCC is received. The signal should then be stronger and reach farther. Valerie asked when the upgrade will happen. Dennis said April or May 2020.

**CONSENT AGENDA – {action item}**

1. Call to Order/Roll Call
2. Approval of Bills and Payroll
3. Approval of the August 13, 2019 Special Council meeting minutes, August 20, 2019 Council meeting minutes

Rick Alonzo moved to approve the consent agenda. Ron Smith seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

**OLD BUSINESS**

**NEW BUSINESS**

4. City – First Reading of Fiscal Year 2020 Appropriation Ordinance #583 by Title Only (attachment) {action item}

Rick Alonzo moved to have the first reading of the Fiscal Year 2020 Appropriation Ordinance #583 by title only. Adam Arthur seconded the motion. The motion passed with all in favor. Andrakay read Ordinance #583. An ordinance entitled the annual appropriation ordinance for the fiscal year, beginning October 1, 2019, appropriating the sum of \$14,461,591

to defray the expenses and liabilities of the City of Bonners Ferry, for said fiscal year, authorizing a levy of sufficient tax upon the taxable property and specifying the object and purposes for which such appropriations are made.

5. City – Suspend the Reading Rules and Adopt Fiscal Year 2020 Appropriation Ordinance #583 {action item}  
Valerie Thompson moved to suspend the reading rules and adopt Fiscal Year 2020 Appropriation Ordinance #583. Adam Arthur seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

6. Police – Authorize the Mayor to Sign the Memorandum of Understanding with the Boundary County School District for the School Resource Officer for 2019-2020 (attachment) {action item}  
Andrakay said this is the same agreement as last year, the only changes are the dates and the superintendent. Jan Bayer said she appreciates the partnership. Adam Arthur moved to authorize the mayor to sign the memorandum of understanding with the Boundary County School District for the School Resource Officer for 2019-2020. Valerie Thompson seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

7. City – Consider 2019 Beverage License for The Badger's Den Pending Payment and Receipt of Proper Documentation (attachment) {action item}  
Mayor Sims said there is a state statute 23-1011B that states “no license shall be issued for any place beer is sold or dispensed to be consumed on the premises, whether conducted for pleasure or profit, that is within three hundred feet of any public school, church or any other place of worship measured in a straight line to the nearest entrance to the licensed premises, except with the approval of the governing body of the municipality,” that is the reason this is on the agenda. Ron asked how bar or tavern is defined. Andrakay said it is any establishment that dispenses beer and wine by the drink. Jan Bayer said the school district opposes the selling of beer or wine at a convenience store where it can be easily shoplifted. As long as the items are kept where it will not be easily shoplifted, then the school is okay with it. Jayceen said the alcohol will be kept in a closed area. Rick Alonzo moved to approve the 2019 beverage license for the Badger's Den pending payment and receipt of proper documentation. Ron Smith seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

8. City – Consider High 5 Expenditure for Mt. Hall Elementary School for a Trail System Around the School Property (attachment) {action item}  
Lisa said this funding is for a new trail. Mt. Hall has already received \$2,200. Adam asked what the difference is between option 1 and option 2. Jan Bayer said this is a request for \$600.00 to finish the project. Valerie asked who is doing the work. Jan Bayer said Jeremy Hill is providing most of the equipment. Valerie Thompson moved to approve the High 5 expenditure of Mt. Hall Elementary School for a trail system in the amount of \$600. Rick Alonzo seconded the motion. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

9. Electric – Authorize the Mayor to Sign Exhibit D Relating to the New BPA-20 Rates for Fiscal Year 2020 (attachment) {action item}  
Lisa said this is a contract that is signed every year for the purchase of generation power. Last year the cost was \$809 per month, this year the cost is \$805 per month. Rick asked about scheduled repairs. Mike said he is hoping to take Unit 1 offline during the low water time to have the rotor and stator cleaned. Adam Arthur moved to authorize the mayor to sign exhibit D relating to the new BPA-20 rates for fiscal year 2020. Rick Alonzo seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

10. Electric – Consider Authorization to Advertise for the Penstock Repair Project at the Moyie Hydro (attachment) {action item}  
Mike said we have a set of plans to repair the penstock valve and set seven screens/trash racks by the lower outlet valve. 60 yards of material need to be removed by the lower outlet valve. Mayor Sims asked when the work will take place. Mike wants to set a deadline of December 31, 2019. Rick asked how the silt will be removed. Mike said the divers can use a vacuum for the silt, but not for the rocks or logs. Valerie Thompson moved to approve the advertising for the penstock valve stem repairs and the trash rack at the lower outlet valve. Rick Alonzo seconded the motion. The motion passed with all in favor.



11. Electric – Authorize the Mayor to Sign Easements Necessary for the Electric Re-route on Riverside Street (attachment) {action item}

Mike said the County is tentatively scheduled to rebuild Riverside Street in April 2020. Mike wants to replace the overhead lines to underground lines. The lines will be four feet deep at the edge of the crop line. Rick asked if a trencher will be used. Mike said yes. Ron Smith moved to authorize the Mayor to sign easements necessary for the electric re-route on Riverside Street. Rick Alonzo seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

12. Water – Update on Water Testing Results from the Department of Environmental Quality

Mike reviewed the lead and copper rule is to reduce the amount of lead and copper in the water. We were required to test 20 residences in 1993 and 1994. The results of those tests allowed us to reduce the number of residences to 10 for this round of testing. Common sources of lead and copper are faucets and pipes in the customers' houses, not the actual water. The City received a letter August 5, 2019 that required 10 samples to be taken. The results of those samples ranged from .004 to .029. Actions required are: customer notices, provide proof of customer notices to DEQ and public education, which will be a two page letter in the utility bills in November, 2019. Two rounds of testing must be completed by December 31, 2020. Mike has talked to DEQ about increasing the amount of soda ash that is added to the water for a target of 40 milligrams per liter. This will increase the Ph level. The higher Ph the less chance of lead and copper coming out of the customers' pipes. Mayor Sims said the current Ph range is 7.4-7.6. Mike said it will be increased to 8.0 or higher. Create a corrosion control plan. Mayor Sims asked how the testing sites are chosen. Mike said he is hoping to use original 20 residences, if possible. Rick said it is a misnomer to say there is lead and copper in the system, because it is actually in the homeowners system and it is the Ph and alkalinity that causes it to leech out. John Delaney said everyone should flush the water out of their pipes after not using it for a while. Valerie asked if Susanne, from DEQ, is aware of our plan. Mike said she is. Mayor Sims said Susanne knows our system very well.

13. City – Consider Declaring Pictures of Harold Buroker Surplus Property and Giving the Pictures to the Buroker Family (attachment) {action item}

Christine said Harold Buroker's son, Steve Buroker, would like to have the pictures for his family. Adam Arthur moved to declare the pictures of Harold Buroker surplus property and give the pictures to the Buroker family. Rick Alonzo seconded the motion. The motion passed with all in favor.

**ADJOURNMENT**

The meeting adjourned at 6:48 pm

		Current	Monthly	Darrell M,D,V	Monthly	III-A Medical	Monthly
Employee	14	617.43	8,644.02	640.77	8,970.78	587.00	8,218.00
Married	9	1,211.70	10,905.30	1,255.89	11,303.01	1,174.00	10,566.00
Employee & Child	2	749.29	1,498.58	800.02	1,600.04	822.00	1,644.00
Employee & Children	1	1,161.20	1,161.20	1,259.89	1,259.89	1,121.00	1,121.00
Family	18	1,699.37	30,588.66	1,801.90	32,434.20	1,679.00	30,222.00
	44		52,797.76		55,567.92		51,771.00
Yearly			633,573.12		666,815.04		621,252.00
General			335,584.74		353,023.24		327,141.00
Electric			211,327.18		223,050.27		208,478.76
Water			62,978.13		65,920.94		62,234.76
Sewer			23,683.07		24,820.59		23,397.48
			633,573.12		666,815.04		621,252.00
				633,573.12			
				621,252.00			
				12,321.12			



# Idaho Independent Intergovernmental Authority

## AMENDED AND RESTATED

## JOINT POWERS AGREEMENT

and

## DECLARATION OF TRUST

### Idaho Independent Intergovernmental Authority

This AGREEMENT is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, for the purpose of facilitating the collective participation and negotiation of its agencies of health benefits coverage with vendors doing business in Idaho or through health benefit pooling and/or self-funding.

#### **I. RECITALS**

WHEREAS, public agencies are authorized to provide their officers and employees with health care benefits; and

WHEREAS, the undersigned, hereinafter designated as the “Agency”, is authorized by Idaho Code Section §67-2326 et seq. to enter into agreements with one or more public entities for the purpose of jointly exercising any power common to said public entities; and

WHEREAS, the Agency, is authorized by Idaho Code Section §41-4101 et seq. to provide for joint public agency self-funded health care programs; and

WHEREAS, the Agency has been duly authorized by its respective governing body to enter into this Agreement with the Idaho Independent Intergovernmental Authority; and

WHEREAS, it is the intention of the Parties to this Agreement to create an irrevocable trust fund for the purpose of funding health benefits for the Agencies’ employees pursuant to

a joint public agency self-funded health care program.

NOW, THEREFORE, BE IT AGREED BY AND BETWEEN the parties hereto as follows:

**II. DEFINITIONS**

“III-A” or “III-A Trust” or “Trust” - The Idaho Independent Intergovernmental Authority, established pursuant to the statutes of this state by Joint Powers Agreements.

“III-A Plan” or “Plan” - The Idaho Independent Intergovernmental Authority Benefits Plan, established pursuant to the statutes of this state.

“Board” - The Board of Trustees of the III-A Plan which shall serve as Trustees as required by Idaho Code, Title 41, Chapter 41.

“Agencies” - The political subdivisions, as identified in Idaho Code §§ 6-902(2), 41-4102(9), and 67-2327, which qualify and agree to the terms of this Joint Powers Agreement or any subsequent amendment thereto. Agencies also includes Collective Bargaining Eligible groups that provide police or fire services to government entities that are eligible to participate in collective bargaining as a bargaining unit.

“Joint Powers Agreement” or “Trust Agreement” - means and refers to this Agreement and Declaration of Trust wherein political subdivisions agree to participate in the offers of the III-A as set forth by the Board, and any subsequent modifications or amendments thereto.

“Authority” means and refers to the Idaho Independent Intergovernmental Authority (also known as the III-A or III-A Trust or Trust), a joint public agency self-funded health care plan program operating pursuant to Idaho Code §§67-2326 et seq. and Chapter 41, Title 41, Idaho Code.

“Trustees” means and refers to the Trustees and their successors provided for in this Agreement.

“Plan” means the joint public agency plans of benefits, self-funded or jointly purchased, established by the Joint Powers Agreement and documents relating thereto, and under which payment for medical, surgical, hospital, and other services for prevention, diagnosis, or treatment of any disease, injury, or bodily condition of an employee is, or is to be, regularly provided for or promised from funds created or maintained in whole or in part by contributions or payments thereto by a public agency employer, or by a public agency employer and the employees of the public agency.

“Employee” means and refers to all persons employed by an Agency, which may include elected officials, who are eligible for benefits under this agreement. . The term “Employee” also includes retirees of Agencies, provided that such participation complies with Idaho law and provided that there has been no lapse in coverage between active status and retired status.

“Contract Administrator” or “Third Party Administrator (TPA)” refers to the entity designated by the Trustees to administer the Plan. Such Administrator is a fiduciary agent of the Trustees.

“Fund” means and refers to the Trust Fund created by this instrument, and shall mean generally the monies, property, contracts or things of value, tangible or intangible, received and held by the Trustees for the uses, purposes and Trust set forth herein, and those things of value which comprise the corpus and additions to the Fund. The Fund is an irrevocable trust fund, which means the Agency does not retain any power to alter, amend, revoke or terminate the transfer of funds held in the Trust Fund. Funds in the Trust Fund are fiduciary funds.

“Agency Contributions” means contributions made by each Agency to the Fund for the Plan.

“Employee Contribution” means the contributions made by the Employees of the Agencies to said Fund.

“Plan Document” means the Joint Powers Agreement, any medical agreement, the administrative services agreement, or any other agreement entered into by the Board of Trustees, and the summary plan description, schedule(s) of benefits, and/or any other documents, brochures, pamphlets, working rules, policies, or any and all other documents produced in furtherance of the Plan.

“Executive Officer” means the individual that is the chief administrative official of the Agency and has the power to hire and fire employees.

### **III. PARTIES**

The parties to this Agreement shall be those public agencies, which qualify and agree to the terms of this Joint Powers Agreement or any subsequent amendment thereto.

### **IV. PURPOSE AND COMMON POWER**

The purpose sought to be achieved by the parties to this Agreement is the joint exercise of the powers conferred by Idaho Code Section §67-2326 et seq. and Idaho Code Section §41-4101 et seq. to provide officers and employees of Agencies with benefits in the most cost-effective manner possible while emphasizing quality, price stability and financial solvency. The Agencies will seek to accomplish this purpose through health benefit pooling, as authorized by Idaho Code Section §41-4101 et seq.

It is the intent of the Agencies of the III-A to create an entity with unlimited duration which will administer a self-funded health care plan. All income and assets of the III-A Plan shall be at all times held in Trust and dedicated to the benefit of its Agencies.

V. **IDAHO INDEPENDENT INTERGOVERNMENTAL AUTHORITY**

By this Agreement there is created the Idaho Independent Intergovernmental Authority (hereinafter “III-A” or “Authority”), a separate public agency formed to carry out the purposes set forth above. The debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the respective parties hereto except as otherwise provided in this Agreement.

The III-A shall be comprised of those political entities which have entered into this Agreement or any subsequent amendment to this Agreement by and through an individual duly authorized to execute this Agreement, and who have agreed to tender the appropriate contributions. This Agreement shall be automatically renewed, annually or periodically, consistent with Board established policy terms, unless the provision for withdrawal, expulsion or termination are applied in compliance with the terms of this Agreement or adopted Board policy.

VI. **NON-WAIVER**

The Agencies of the III-A, by participation in this program, do not waive any immunities or limitations of liability provided to political subdivisions or their employees by law of the state of Idaho or the United States; provided however, this paragraph or any other terms as stated in this Joint Powers Agreement does not abrogate or waive in any way whatsoever the standards of conduct as to fiduciary responsibilities of the trustees either individually or collectively as the Board of Trustees as required under titles 41 and 68, Idaho Code or other applicable law.

## **VII. IRREVOCABLE TRUST FUND**

Financial operations of the III-A are committed to the sound discretion of the Board of Trustees with the primary intent being the long-term solvency of the program through the use of an irrevocable trust; said Trust Fund shall be actuarially sound, that its assets and income must be adequate under reasonable estimates for payment of all benefits promised to beneficiaries of the Plan. Contributions from Agencies shall be determined by the Board, considering, among other factors, risk exposure as determined by actuarial information, loss experience, net operating expenditures, costs of administering claims, and other appropriate or necessary costs.

The Fund is an irrevocable trust fund, which means the Agency does not retain any power to alter, amend, revoke or terminate the transfer of funds held in the Trust Fund. Funds in the Trust Fund are fiduciary funds.

The III-A Joint Powers Agreement establishes an Irrevocable Trust Fund which shall consist of funds the Board deems reasonably sufficient to annually produce the sum of money necessary to fund benefit claims and claims expenses, provide for any stop loss insurance, excess insurance requirements, provide for fidelity bonds, other operating expenses, plus funds necessary to meet the III-A's obligation to satisfy the requirements of any regulatory authority. The Trust Fund shall be legally liable for payment of all applicable benefits stated in the statement or schedule of benefits in effect at the time a claim there under arises.

The name of this Trust is and shall be the "III-A Trust" and shall in all respects be governed by the laws of the state of Idaho and administered to accomplish the purposes expressly, and by necessary implication, contained herein.

The express purpose and primary objectives of the Trust are:

1. To establish and maintain a program of providing and maintaining health



benefits for Employees of Agencies;

2. To pay for costs of wellness programs designed to improve the health of employees;
3. To pay for incurred claims, for costs of administration and related expenses of self-funded programs;
4. To empower the Trustees to enter into contracts to provide benefits; and
5. To reimburse the Trustees for any other expenses necessarily or properly incurred by them in the performance of their duties under this Trust Agreement.

The foregoing expressions of purpose are not exhaustive and, in addition to other related objectives reasonably inferred from that list, that the Trust shall have such other objectives as may be lawful under Idaho law.

#### **VIII. MEMBERSHIP DELEGATION**

Each Agency may appoint a delegate to represent it at the annual meeting of the Membership Delegation. At this meeting, the Board shall report to the delegation and the delegation shall elect the Board of Trustees as provided herein. Each Agency may change its delegate at any time provided that the Agency gives the Executive Director written notice of the change prior to the first meeting at which each new delegate attends for the purpose of representing the Agency. Each delegate is entitled to cast one vote on each action item at any duly constituted meeting of the delegation at which he or she is present.

A minimum of ten delegates must be present for the transaction of Authority business at a meeting of the delegation. A vote of a majority of the Agencies present at any such annual meeting shall be sufficient to approve an action of the Membership Delegation.

## **IX. BOARD OF TRUSTEES OF AUTHORITY**

This agreement shall be administered and contracts with vendors shall be executed by the Authority's Board of Trustees, hereinafter referred to as the "Board." The Membership of the Board of Trustees shall consist of no more than thirteen Trustees. Only Agencies with three or more years of participation in the III-A shall be eligible to serve as a Trustee. The Board of Trustees shall be made up as follows:

Trustees Seats One through Four shall be chosen based on the number of employees enrolled in the Authority's medical program. The four Agencies having the highest number of enrolled employees shall have a Trustee on the Board of Trustees. These seats shall be staggered, Seat One shall be filled by the highest enrolled and the remaining seats shall follow based on enrollment. The initial terms shall be staggered as provided: Seat One and Two shall serve three years; Seat Three shall serve two years; and Seat Four shall serve 1 year. Thereafter, these seats shall serve three year terms as identified below.

Ninety days prior to the annual Delegation meeting, the Board shall verify the number of enrolled employees for each Agency in order to determine the four Agencies entitled to a Trustee position on the Board of Trustees. Such Trustees shall hold seats numbered one through four on the Board of Trustees.

Trustee Seat Five shall be chosen by the majority of the Collective Bargaining Eligible Agencies prior to the annual Delegation meeting.

Trustee Seats Six through Ten shall be elected from the Delegation, provided that no Agency shall have more than one Trustee on the Board of Trustees.

Trustee Seat Eleven shall be appointed by the Board of Trustees.

Trustee Seats Twelve and Thirteen shall be designated as Founding Agency Seats and shall be elected only by a majority of the Agencies that joined at the inception of the Trust.

Any Founding Agency with any lapse in membership with the Trust will not be eligible for a Founding Agency Seat or vote. The eligible Founding Agencies are: Aberdeen, American Falls, Arco, Blackfoot, Cascade, Council, Donnelly, Downey, Dubois, Fruitland, Grangeville, Homedale, Ketchum, Kooskia, Lava Hot Springs, Menan, Minidoka Irrigation District, New Meadows, New Plymouth, Nezperce, Oakley, Paul, Potlach, St. Anthony, Victor, and Wilder.

All seats shall serve a term of three years.

If an Agency holding a Trustee Seat withdraws or is involuntary terminated from the III-A, the Board shall appoint an eligible Agency for that Trustee Seat for the remainder of the term.

The Executive Officer of an Agency cannot serve as a Trustee on the Board of Trustees. If a Trustee eventually holds an executive office, such Trustee shall be replaced with another representative of the Agency.

**X. MEETINGS OF THE AGENCY DELEGATION AND BOARD OF TRUSTEES**

There shall be an annual meeting of the Agency Delegation. At least ten Agency Delegates shall be present in order to conduct business. Each Delegate shall have one vote at Delegation meetings.

The Board of Trustees shall meet at least once each quarter. Minutes shall be kept of all Board and Delegation meetings by the Executive Director of the Board. A simple majority of the Board shall constitute a quorum for the transaction of business.

All meetings of the Delegation and the Board shall be subject to the Idaho open meetings act (Idaho Code §74-201 et seq.). The Board shall adopt rules and regulations for conducting Delegation and Board meetings in conformity with the law.

**XI. OFFICERS OF THE BOARD**

The officers of the Board of Trustees shall consist of the Chair, Vice-Chair and

Secretary.

The Chair shall be responsible for developing meeting agendas and conducting meetings and shall be authorized to make administrative decisions on behalf of the III-A subject to Board policies.

The Vice-Chair shall fulfill the Chair's duties in his or her absence.

The Secretary or his or her designee shall cause minutes of all meetings to be kept and shall, upon request, cause a copy of the minutes to be forwarded to any Agency of the III-A. The Secretary shall fulfill the duties of the Chair and Vice-Chair in their absence.

## **XII. POWERS AND DUTIES OF AUTHORITY BOARD OF TRUSTEES**

**A. Powers and Duties.** The Trustees shall have all powers with regard to Trust property granted by Idaho law on the date hereof, and, in addition, shall have the following specific powers:

1. To hold, manage, care for and keep the Fund and collect the income and increments thereof, and keep and maintain adequate and proper records to render an annual audit, accounting and reports as hereinafter mentioned;
2. To employ or hire such agents, attorneys, accountants, actuaries, consultants, employees or other persons, and may lease premises and equipment, as may be necessary or desirable in administering the Fund and carrying out its purposes. The necessary and reasonable fees, salaries, wages, emoluments or compensation of any and all such persons shall be paid from the Fund;
3. To sell, convey, transfer, pledge, lease or otherwise dispose of the same without the approval of any court and without any notice to Agencies

and without obligation upon any person dealing with the Trustees to be responsible for the application of any money or other property delivered to them, to the extent permitted by Idaho law.

4. To pay any and all taxes of whatsoever nature the Fund is or may be obligated to pay, and incur any expenses for supplies, rental of space, or other items or anything else believed to be necessary or desirable in administering the Fund and carrying out the objects and purposes of this Trust;
5. To borrow money for the purposes of the Trust and to give security therefore;
6. To exchange property or securities for other property or securities;
7. To vote, either in person or by proxy, any shares of stock held as part of the assets of the Trust;
8. To collect the principal or income of the Trust as the same shall become due and payable, and, if necessary, to take such legal proceedings as it may deem advisable in the best interests of the Trust to collect any sum of money due to the Trust. The Trustees shall be under no obligation to commence suit unless they shall first have been indemnified by the Agencies with respect to expenses or losses to which the Trust may be subjected through taking such action;
9. To have all right, power and authority to do all those things which, in the opinion of the Trustees may be necessary or desirable for the administration and operation of and accomplishments of the objectives and purposes of the Fund and this Trust and Trust Agreement in

compliance with title 41, chapter 41, Idaho Code.

**B. Authority of Trustees.**

1. The Trustees, in carrying out the purposes of this Trust Agreement, shall have the power and the right to provide the intended benefits under this Trust by means of self- funding by the Trust.
2. Except as limited by law, a majority of the Trustees may in writing designate one or more of the Trustees or another individual to act on behalf of all the Trustees. A third party dealing with the Trustees may conclusively presume that any exercise of power within the scope of a written designation is authorized by the Trustees and is in accordance with the terms of this Agreement. In the absence of such written designation, any action approved by a majority of the Trustees shall be conclusively binding.
3. The Trustees may, subject to their discretion and the continuing right to change, obtain for the beneficiaries of the Trust, the forms of employee benefits.
4. All contributions must be deposited in the name of the Trust. All corpus or portions of the Fund not expended may be deposited in the name of the Trust in such depository or depositories or investments as the Trustees shall from time to time select, as authorized in writing, and any such deposit or deposits should carry or bear interest. The Trustees are empowered to receive for the benefit of the Trust Fund such interest as might accrue on the above deposits. If not so deposited, any accumulated funds not currently required for the purposes of this Trust

shall be invested by the Trustees in reasonably secure, reasonably liquid investments permitted for investment of such funds pursuant to Idaho law.

5. The Trustees may invest reserves required by Idaho Code §41-4110 and other funds available for the purposes of the Trust in investments authorized by Idaho Code §41-4109. All such investments shall be made and held in the name of the Trust Fund, and the interest and yield thereon shall inure to the account of the Trust Fund. No investment shall be made unless authorized in writing by the Trustees and so shown in the records of the Trust Fund. Any Trustee or other person who authorizes any investment of Trust Fund moneys in violation of Section 41-4109, Idaho Code, shall, in addition to other penalties provided under Idaho law, be liable for all loss suffered by the Trust Fund on account of the investment. No investment made in violation of Section 41-4109, Idaho Code, shall constitute an “asset” in any determination of the financial condition of the Trust Fund.
6. The Trustees shall not receive compensation for their services rendered. The Trustees shall receive reimbursement for actual reasonable expenses incurred and travel per diem as set forth by the Trustees.
7. All checks, drafts, vouchers, or other withdrawals from the Fund or depositories or investments shall first be authorized by the Trustees and then signed by appropriate signators, except that checks for claims payment and authorized expenses may be signed by an authorized representative of the Contract Administrator responsible for

administering the self-funded benefits.

8. In the event there shall be any disagreement between the Trustees and the Contract Administrator over exercise of powers granted herein, the Trustees shall prevail, and the service organization shall have no liability to any person with respect to such act or omission in the event it shall give notice in writing of its dissent from such act to each Trustee and to each Agency.
9. The benefits to be provided hereunder shall be set forth in an Employee Booklet that shall be provided to each employee-beneficiary of the Plan. Summary plan descriptions and summary benefits coverage (SBC) shall be provided as required by law.
10. The accounting year of the Fund shall be on a fiscal year basis, commencing on the first day of October of each year, and ending on the last day of September of the following year, provided that the first fiscal year of the Fund shall begin on the date of registration with the State of Idaho and end on the last day of September 2012. Any report required by law, city, county, State or federal, or the respective subdivisions thereof, shall be made by the Trustees. The Trustees shall have an annual audit and accounting of the Trust Fund by an independent Certified Public Accountant in accordance with generally accepted accounting practices, at the end of each fiscal year. The CPA shall certify to the accuracy of his audit and accounting. A statement of the results of each audit shall be available for inspection by authorized persons at the Principal Office of the Trust for a period of not less than



five (5) years. Copies of the audit and generalized statements of the accounting and reports shall be delivered to each Trustee and available at the request of each Agency after each audit or at other times when necessary. In addition to the audit required by this Section, the Trustees shall promptly make the books, records and accounts of the Plan and Trust Fund available to the Director of the Idaho Department of Insurance and do all other things necessary to comply with the examination requirements of Idaho Code §41-4113.

11. On an annual basis the Trustees shall contract for an actuarial study of all self-funded programs to establish reserve levels, set appropriate funding and contribution rates and ensure compliance with state and federal laws and regulations. The Trustees shall provide reports as required by the Department of Insurance.
12. The Trustees shall have the power to adopt rules and regulations for the administration of the Fund and/or Trust, which shall be consistent with the covenants, terms, conditions, obligations and duties as set forth in this Trust Agreement, and such rules and regulations shall be binding upon all persons dealing with the Fund and upon any and all persons claiming any benefits hereunder. Provided such rules and regulations shall not conflict with any provision of this Agreement.
13. The Trustees shall procure dishonesty insurance policies or surety bonds for the Trust and persons authorized to receive, handle, deal with or draw upon the monies in the Fund for any purpose whatsoever, said bonds to be in such reasonable amount to reasonably aid in reimbursing

bondable loss of money, and in the event shall meet the requirements as may be required, from time to time, by applicable United States or Idaho law, including Idaho Code §41-4114(3). Such bonds are to be obtained from a reputable fidelity or surety company or companies as the Trustees shall determine. Any such bonds or policies shall only be cancelled upon giving no less than thirty (30) days' written notice to the Trustees and to the Director of the Idaho Department of Insurance. The cost of the premiums on such bonds shall be paid out of the corpus or income of the Fund.

14. The Trustees shall be required to execute annual conflict of interest disclosure statements, consistent with the requirements of Idaho Code §§41-223(1), 41-4115, and Title 68, Idaho Code. The Trustees shall also require all contractors to execute conflict of interest disclosure statements.

## **XII. FUNDS OF THE AUTHORITY**

### **A. ESTABLISHMENT OF AUTHORITY FUNDS**

The Board shall establish an irrevocable trust fund for the purpose of receipt of contributions, making claim payments, payment of premiums to insurers contracting with the III-A and administrative expenses under the III-A's self-funded program(s). Revolving bank accounts may be established to facilitate payment of claims provided such accounts are established as irrevocable trust funds. Deposits to and withdrawals from these funds shall be made as provided herein. All money acquired by or belonging to the III-A shall be kept in said irrevocable trust funds and all funds of the III-A are fiduciary funds. Books and records of the III-A shall be open for inspection at all reasonable times.

## **B. ANNUAL CONTRIBUTIONS**

For each fiscal year commencing October 1, and ending September 30, each Agency that is a party to this Agreement shall contribute to the III-A an amount equal to the total estimated annual cost of its participation in the self-funded programs of the III-A as calculated by the Board, paid in advance to the III-A in monthly installments based upon the number of employees enrolled in each program. All contributions shall be payable to the name of the Trust and shall be paid in the manner and form determined by the Trustees. All Agencies shall comply with the Prompt Payment Act, title 67, chapter 23, Idaho Code. Contributions shall be deposited and disbursed from a trust fund created and existing under this Agreement between the Agency and Board of Trustees. The purpose of this Trust is to provide for the pooling of contributions for health care costs as described in Title 41, Chapter 41 of the Idaho Code. If employees are required to pay for any portion of the contribution, such payment shall be by regular periodic payroll deductions and shall be paid by the Agency to the Trust Fund on a monthly basis, except as to contributions made by an employee during his absence from employment for such period as the Plan may reasonably provide.

Subject to the provisions providing for termination of this Agreement, all Contributions to the Trust shall be irrevocable, and under no circumstances shall any monies properly paid into the Trust, or any part of the Trust, be recoverable by or payable to the Agencies or any Employee, nor shall any of the same be used for or diverted to purposes other than for the exclusive program of benefits for Employees and beneficiaries provided hereunder.

The Trustees shall arrange for the disbursement of benefits under the Plan through a Contract Administrator appointed by the Trustees.

Prior to payment to an Employee or his beneficiary, all assets of the Trust shall be owned by the Trust and shall not be liable in any way for any debt or obligation of any

Employee or any Agency. To the extent permitted by law, all Trust benefits shall be exempt from attachment, garnishment, levy of execution, bankruptcy proceedings, or other legal process at any time subject to the Trustee's possession and control; but in any event such assets shall be subject to such process only to the extent of such Employee's benefits hereunder as they fall due.

No Employee or other beneficiary shall have any right or claim to benefits under the Plan except as specified in the self-funded benefits procured or entered into pursuant to this Agreement. Any dispute as to eligibility, type, amount, time or duration of benefits provided by the Fund as self-funded, shall be decided by the Trustees, subject to the Employee's right to external review as provided in Idaho Code, Title 41, Chapter 59.

**C. ADJUSTMENT OF CONTRIBUTIONS**

During the course of each fiscal year covered by this Agreement, the Board shall review and determine whether contribution rates should be adjusted to reflect substantial changes in anticipated costs or other unforeseen events occurring after the commencement of the fiscal year. In the event the Board determines that an immediate change in contribution rates is required, the Board shall provide at least sixty days' notice to Agencies before such change in contribution rate is affected.

**D. CONTRIBUTIONS FOR FUTURE YEARS**

For each fiscal year, the Board shall transmit to each party by no later than sixty days preceding the commencement of the new fiscal year the Agency's contribution rates for such year. The contribution rates so projected shall constitute the limit of each party's annual liability for costs unless subsequently adjusted by the Board of Trustees as herein provided.

**E. CONTRACT ADMINISTRATOR**

1. The Board may appoint a Contract Administrator of the Authority.

(a) All checks, drafts, vouchers, or other withdrawals from the Fund or depositories or investments shall first be authorized by the Trustees and then signed by appropriate signators as determined by the Trust, except that checks for claims payment under the self-funded benefit provisions of this Trust or checks for Board authorized expenses may be signed by an authorized representative of the Contract Administrator responsible for administering the self-funded benefits.

(b) In the event there shall be any disagreement between the Trustees and the Contract Administrator over exercise of powers granted herein, the Trustees shall prevail, and the service organization shall have no liability to any person with respect to such act or omission in the event it shall give notice in writing of its dissent from such act to each Trustee and to each Agency.

(c) A separate fidelity bond shall be required for the Contract Administrator pursuant to Chapter 9, Title 41, Idaho Code.

### **XIII. LIABILITY OF BOARD**

The Trustees of the III-A owe a duty to the beneficiaries of the Trust to comply with prudent investor rule set forth in Title 68, Chapter 5 of Idaho Code. Trustees shall invest and manage trust assets as a prudent investor would and Trustees must make reasonable efforts to verify facts relevant to the investment and management of Trust assets. Provided Trustees comply with their fiduciary duties, they shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, except with regard to liability as stated in Idaho Code §41-4109(5) or other violations of title 41, chapter

41, Idaho Code. No Trustee shall be liable for any action taken or omitted by any other Trustee. The assets of the III-A shall be used to defend and indemnify any Trustee, officer, or employee for actions by such person in good faith within the scope of his or her authority for the III-A as public officials in the state of Idaho.

#### **XIV. ELIGIBILITY FOR MEMBERSHIP**

Pursuant to this Agreement and any membership policies adopted by the Board a “public agency” as defined in Idaho Code Section §41-4102(9) (hereinafter “entity/agency”), may be eligible for participation in the III-A programs established pursuant to this Agreement if, and only if, such public entity/agency satisfies all of the following requirements:

- A. The public entity/agency must be located within the State of Idaho.
- B. The public entity/agency cannot be an agency of the state government.
- C. The JPA shall be signed by the governing body of such public entity/agency and shall provide written authorization for the participation, such as approved meeting minutes or a resolution, of the entity/agency into this program.
- D. The JPA must be accepted by a majority of the entire membership of the Trustees of the Board before taking effect. The decision of the Board shall be final.
- E. All eligible, employees of Agencies must participate in programs offered by the III-A except elected officials and individuals who provide proof of other medical, dental or vision benefit coverage under a policy on which the coverage is primary for the employee seeking to waive coverage and would remain primary whether or not the employee is covered by the Authority. Retirees of the Agencies may also participate in III-A programs provided such participation complies with Idaho law and provided that there has been no lapse in coverage between active status and retired status.

**XV. WITHDRAWAL BY MEMBER**

**A. NOTIFICATION**

Any Agency may elect to withdraw from Membership in the III-A and from participation in its programs effective September 30 of any year by giving written notice to the III-A no later than June 30<sup>th</sup> at 5pm MT of the same year. It shall be a condition precedent to the making of such an election that the Agency has completed not less than three full fiscal years as a member of the III-A immediately prior to the proposed effective date of its withdrawal. The notice of withdrawal shall consist of a resolution adopted by the governing body of the Agency, expressly stating the party's intention to exercise its right hereunder to withdraw effective the next succeeding September 30.

An Agency which withdraws without complying with the above paragraph will be subject to a penalty equal to the contributions paid or charged against the Agency for the twelve (12) month period prior to the effective date of the Agency's unauthorized withdrawal. The penalty shall be paid in full within ninety (90) days following the date of unauthorized withdrawal. In the event that such penalty is determined to be a violation of Article VIII, Section 3, of the Idaho Constitution, such penalty shall not be assessed.

**B. UNFUNDED LIABILITY**

In addition to any fees required to be paid in subsection A, a withdrawing Agency must pay in full the amount of its proportionate share of any cumulative unfunded liability as determined by the Board. Upon withdrawal, the Trust will provide the currently known amount of unfunded liability and the withdrawing agency shall pay in full within ninety (90) days following the date of unauthorized withdrawal. From date of withdrawal, claims may continue to be processed for one full year and the withdrawing Member is obligated to fulfill its entire amount of unfunded liability.

### **C. RE-ADMISSION**

An Agency, which has withdrawn, must be a non-member of the III-A for a period of two (2) complete program years and must apply for membership pursuant to Section XIV.

### **XVI. INVOLUNTARY TERMINATION OF MEMBER**

The III-A may, if it deems such action necessary to achieve the purposes stated hereinabove, elect to terminate any Agency's participation under this Agreement without that Agency's consent. The terminated Agency shall have the financial responsibilities expressed in Article XV.B. Such action may only be taken upon an affirmative vote of two-thirds of all the members of the Board of Trustees followed by ninety (90) days' written notice to the party of its involuntary termination.

### **XVII. DISSOLUTION OF AUTHORITY**

The term of this agreement is intended to be perpetual. The III-A may elect at any time to terminate its joint activities carried on pursuant to this Agreement. Such election to terminate shall not be effective unless authorized by duly adopted action of each of the governing bodies of at least three-fourths of the current III-A Agencies and by written request of the Board of Trustees to the Director of the Idaho Department of Insurance and entry of his order terminating said Plan and Trust Fund in accordance with Section 41-4118, Idaho Code, or its subsequent equivalent.

In the event of termination of this Joint Powers Agreement such that the III-A is dissolved, all assets of said Plan and Trust Fund shall be liquidated, and such liquidation shall be conducted by the Board of Trustees under a plan of liquidation in writing filed with the Director of the Idaho Department of Insurance and approved by the Director in accordance with section 41-4119, Idaho Code, or its subsequent equivalent.

### **XVIII. ACCESS TO EMPLOYEES**

Agencies agree to cooperate with the III-A and its consultants in coordinating access to Employees for the purpose of training, obtaining relevant information, completing required forms, etc. All necessary steps shall be taken to ensure that the III-A, its Trustees, and its consultants comply with HIPAA.



**XIX. STOP LOSS PROVISION**

An integral part of the Trust will be an aggregate stop loss and specific stop loss insurance as required by law. Stop loss coverage will be provided by an authorized carrier licensed to execute contracts in the State of Idaho, pursuant to the requirements of Idaho Code §41-4104.

**XX. SEVERABILITY**

In the event that any portion of this Agreement is hereafter found or declared to be void or otherwise rendered inoperative in any way, the remainder of this Agreement shall continue in full force and effect separate and apart from the portions so invalidated.

**XXI. AUTHORITY TO AMEND AGREEMENT**

The Board of Trustees shall have the authority to amend this Agreement by a three-fourths vote at a properly noticed meeting. In the event this Agreement is amended, the Authority shall first obtain authorization from the Department of Insurance.

**XXII. VENDOR-CARRIER SELECTION**

The selection of vendors and consultants for the III-A shall be at the sole discretion of the Board. Benefit offerings shall be at the sole discretion of the Board.

Approved by the \_\_\_\_\_ on \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Name and Title

Attest:

\_\_\_\_\_  
Clerk

Approved by the III-A Board of Trustees on \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Rick Watkins, III-A Chairman

Attest:

\_\_\_\_\_  
III-A Clerk



## Idaho Independent Intergovernmental Authority

### PARTICIPATION AGREEMENT

Idaho Independent Intergovernmental Authority (III-A)

This Participation Agreement is between \_\_\_\_\_, hereinafter referred to as AGENCY, and the Idaho Independent Intergovernmental Authority (III-A) to secure the 3 year commitment to participate in III-A's employee benefits programs effective on \_\_\_\_\_.

The AGENCY understands and agrees that its participation in the III-A is bound by the following:

1. Joint Powers Agreement and Declaration of Trust, a copy of which is attached hereto and incorporated by reference;
2. All contracts and/or policies of insurance entered into by the III-A which shall cover all eligible employees of III-A Member;
3. Any and all policies, rules and regulations pertaining to the administration of the III-A employee benefit programs, recognizing that any and all of these documents and rules may be amended from time to time; and
4. Any subsequent amendments to the "Joint Powers Agreement and Declaration of Trust", the contracts or policies of insurance entered into by the III-A, and any rules and regulations concerning the administration of the III-A employee benefit programs adopted by the Members of the Trust or the Trustees in accordance with the "Joint Powers Agreement and Declaration of Trust".

The AGENCY acknowledges and understands that:

1. The III-A is an irrevocable trust fund established for the purpose of funding employee benefit programs for the benefit of the III-A's Member's employees. As an irrevocable trust fund, the III-A Member does not retain any power to alter, amend, revoke or terminate the transfer of funds held in the Trust Fund. All funds of the Trust are fiduciary funds.

2. Any Idaho public agency, except an agency of the Idaho state government, as defined in Idaho Code Section §41-4102(9) is eligible to participate in the III-A provided the eligible Idaho public agency complies with all the governing documents of the III-A, including all III-A rules and regulations and policies and procedures.

3. Participation in the III-A requires a consecutive three (3) year participation commitment. The withdrawal of a III-A Member from the III-A prior to the completion of three (3) consecutive years of participation shall be determined to be an Unauthorized Withdrawal.

4. Any III-A Member may withdraw from membership in the III-A and from participation in any III-A program effective on September 30 of any year by giving written notice to the III-A no later than June 30th of the same year. A Member's withdrawal from the III-A shall be classified as either an Authorized Withdrawal or an Unauthorized Withdrawal. The withdrawal of a III-A Member from the III-A at any time following the completion of the mandatory three (3) consecutive years of participation shall be determined to be an Authorized Withdrawal.

5. All III-A Members that withdraw from the III-A, as either an Authorized Withdrawal or as an Unauthorized Withdrawal, is financially responsible for all unfunded run-out claims and will be billed by the III-A for such unfunded run-out claims. All III-A Members that withdraw from the III-A as an Unauthorized Withdrawal is also be responsible for a financial penalty equal to the sum of contributions paid by or charged to the withdrawing III-A Member during the twelve (12) month period immediately prior to the date of the Unauthorized Withdrawal.

6. All eligible, full-time employees of III-A Member must participate in the III-A programs offered by the III-A Member. Employees that provide proof of other coverage that is considered to be primary coverage for the employee, even while the employee is covered under a III-A program, is allowed to waive coverage under the III-A program.

7. Retirees of a III-A Member are eligible for coverage. Elected Officials of a III-A Member are eligible for coverage. Surviving dependents of a deceased employee of a III-A Member are eligible for coverage.

8. The Board of Trustees shall have the responsibility and authority to manage the operations of the III-A. The Board of Trustees shall consist of no more than thirteen (13) III-A Members. Four Trustees shall represent those III-A Members having the greatest number of employees eligible to enroll in a III-A program. One Trustee shall be elected by the Fire Districts. Five Trustees shall be elected by the III-A Member Delegation. The Board of Trustees shall appoint the eleventh (11<sup>th</sup>) Trustee. The Founding Agencies will elect the 12<sup>th</sup> and 13<sup>th</sup> Trustees. The Officers of the Board of Trustees shall consist of the Chair, Vice-Chair and Secretary.

9. Contribution rates will be set annually for each benefit program by the Board of Trustees. All III-A Members are responsible for payment of the monthly contributions that are based on the rates so established for the III-A programs offered by the III-A Member. Payment of the monthly contributions are due on the first day of the month for the month of coverage. The total amount as shown on the monthly billing must be paid as billed.

10. If participation in the III-A occurs more than 30-days after the final rates are presented to the AGENCY by the III-A, the rates quoted are contingent upon agency confirming, to the best of their knowledge, that there have not been any significant changes in the health of any individual that will be enrolled in a III-A plan since the agency's completion of their original application to join the III-A. The AGENCY Representative's signature on this document will serve as said confirmation.

IN WITNESS WHEREOF, the undersigned accepts all of the terms of the foregoing Participation Agreement and agrees to be bound by the same, and have affixed their signature as of the date indicated below.

\_\_\_\_\_  
Agency's Name

By: \_\_\_\_\_  
Agency Representative and Title

Printed Name: \_\_\_\_\_

Date Signed: \_\_\_\_\_

## CITY/COUNTY DISPATCH AGREEMENT

This **AGREEMENT** by and between the CITY OF BONNERS FERRY, an Idaho Municipal corporation (City), and the COUNTY OF BOUNDARY, a political subdivision of the State of Idaho (County).

### WITNESSETH:

WHEREAS, City operates and funds a full-time Police department; and

WHEREAS, County operates and funds a full time Sheriff's Department; and

WHEREAS, the maintenance of an additional dispatcher by each department would amount to duplication of services at the expense of the taxpayer; and

WHEREAS, Idaho Code Section 67-2326 authorizes joint service agreements where it is to the mutual advantage of the parties as well as provide functions in a manner that will best accord with geographic, economic, population and other factors influencing their respective needs and development; and

WHEREAS, City and County, each for itself, finds that a joint agreement for the funding and operation of a joint dispatching service does provide an advantage and does provide a service that will best accord with the geographic, economic and efficiency needs of each of them; and

WHEREAS, the term of said agreement begins on October 1, 2019 and terminates on September 30, 2020;

NOW, THEREFORE, the parties agree as follows:

1. County agrees as follows:

A. County will, and hereby does, authorize the Sheriff's Department to provide twenty-four hour dispatching service so that reasonable full-time dispatching service will be provided to the Sheriff's Department and City police, Fire Departments, Electric, Water, Sewer, Streets, and such other City Departments as necessity requires upon mutual agreement of all parties.

B. The funds identified in Section 2 below, delivered by City to County, will be paid to County as and for payment in full of City's obligation for dispatching service.

2. City agrees as follows:

A. City will, for Fiscal year 2019-2020, pay to County \$31,724.00 for such service, payable to County on or before January 15, 2020.

3. The parties jointly agree:

A. Sheriff will have complete and sole and only control of the positions of dispatcher and of the person occupying the same, including, but not limited by such inclusion, applying Sheriff's Department personnel policies.

B. The duration of this Agreement shall be from October 1 through September 30 of each succeeding Fiscal Year if renewed. Notice of non-renewal shall be provided in writing by either party not less than ninety (90) days prior to the expiration of this agreement, otherwise this agreement shall renew for an additional fiscal year with all terms and conditions unchanged except for the contract dollar amount, which shall be negotiated by the parties hereto in good faith.

C. This Agreement does not create any separate or legal entity.

D. The purpose of this Agreement, as outlined above, is to provide dispatch service for the joint benefit of the City Police, City Fire, and other departments as necessity requires and the Boundary County Sheriff's Department by mutual agreement of all parties.

E. It is specifically understood that this Agreement does not include any financial obligations the parties have regarding each of their uses of the North Idaho Crime laboratory.

4. In addition to the funding outlined above, all funding will be provided through the County budget process.

5. The administrator of this Agreement shall be the Sheriff, Boundary County, Idaho.

6. No real property will be involved in this Agreement, and the manner of acquiring, holding and disposing of personal property used in this agreement will be discretionary with the Sheriff, as outlined in his annual budget.

7. The work of these dispatchers will be solely as employees of County.

8. County will hold City harmless from all claims or causes of action arising

from acts of County, its agents or employees acting under or in relation to this Agreement.

9. Further, it is acknowledged and agreed that this Agreement covers the provision of services only and that City by virtue of this Agreement acquires no interest in property owned or used by county as related to the Agreement and that City acquires no interest in dispatcher positions other than the services provided by such positions during the non-terminated and active time frame of this Agreement.

It is further agreed that no dispatcher shall be considered an employee of City for any purposes, including but no limited by such inclusion, worker's compensation and unemployment compensation.

DATED this 10<sup>th</sup> day of September, 2019.

CITY OF BONNERS FERRY

By \_\_\_\_\_  
David Sims, Mayor

ATTEST:

\_\_\_\_\_  
Christine McNair, Clerk of  
the City of Bonners Ferry

COUNTY OF BOUNDARY  
BOARD OF COMMISSIONERS

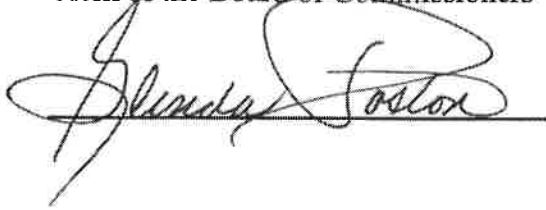
  
Dan R. Dinning, Chairman

  
LeAlan L. Pinkerton, Commissioner

  
Walt Kirby, Commissioner

Attest:

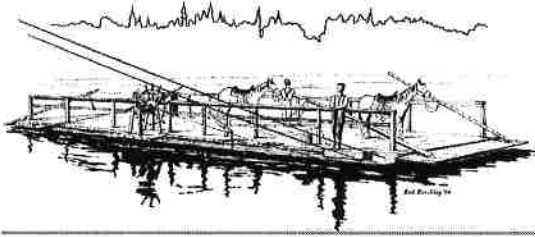
Glenda Poston,  
Clerk of the Board of Commissioners

A handwritten signature in cursive script, appearing to read "Glenda Poston", written over a horizontal line.

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David Kramer  
Boundary County Sheriff





## CITY OF BONNERS FERRY

7232 Main Street  
P.O. Box 149  
Bonners Ferry, Idaho 83805  
Phone: 208-267-3105 Fax: 208-267-4375

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**TO:** Mayor and City Council

**FROM:** Lisa Ailport, City Administrator *LMA*

**DATE:** September 10, 2019

**RE:** Surplus Medium Kubota Excavator; Solicit quotes for new equipment

The City's medium excavator was purchased new in 2006 for a cost of \$30,625.00. The machine has been used by all the utility departments over the past 13 years and is now in the high 2,000 operating hours. According to Jimmy Dorhofer, City Mechanic, once a machine exceeds 3,000 hours, its value drops dramatically.

The machine is currently due for a number of typical maintenance improvements based on age and hours. These include:

- Track replacement and rollers
- Recondition hydraulic pump and valves
- Replace exterior lights

An estimated maintenance investment costs into this machine in the coming year is likely to be over \$10,000, including labor. A comparable new machine is estimated to be around \$60,000.00 new.

Staff is interested in trading the existing machine for a new one. According to Kevin Cossairt, Electric Superintendent, "This machine is top three of our most used equipment and is used on a weekly basis." Having this equipment in great operating shape is a high need within the utilities departments.

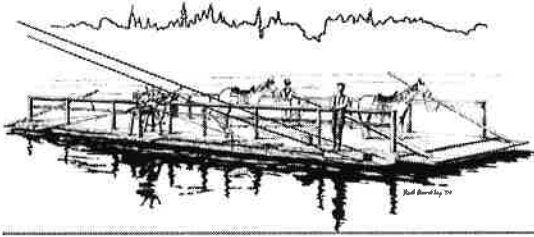
Because the value of the machine is over \$50,000.00, the cost will need to be semi-formally bid in accordance with Idaho's purchasing rules. This means we are required to get competitive bids from three businesses and are obligated to take the lowest bid.

Based on the above information, staff is seeking council input on surplus the medium excavator and seeking competitive bids for a new comparable machine. If approved, the future equipment purchase is suggested to be split through the utility departments, with the following percentage allocation:

- Electric 50%
- Water 25%
- Sewer 25%

If approved, the competitive bids would be brought back to Council for acceptance prior to purchasing.

Thank you.



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**TO:** Mayor and City Council

**FROM:** Lisa Ailport, City Administrator *LMA*

**DATE:** September 10, 2019

**RE:** **Police Vehicle Purchase**

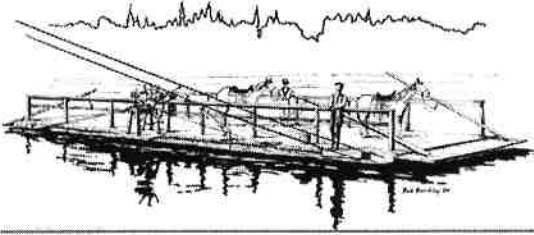
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City Police Department has the GMC 1500 pickup truck that is no longer in service and the city administration would like purchase the vehicle for use in the utility departments. According to the Clerk's Office, the city purchased the vehicle from ISP in 2016 for \$14,000.00. Based on Edmunds appraisal information, the private party value for a vehicle in average conditions is \$7,775.00. The current mileage is 139,215.

The Chief agrees that the amount appraised representative of a fair value of the vehicle.

I recommend that the vehicle be purchased from the police in the amount \$7,775.00 by the water, sewer and electric fund with an even split between each utility.

Please let me know if you have any questions.



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**TO:** Mayor and City Council

**FROM:** Lisa Ailport, City Administrator *LMA*

**DATE:** September 10, 2019

**RE:** **FCS Contract Amendment**

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Staff has requested that FCS complete the following two tasks for the City:

1. Attend our September 17<sup>th</sup> fee increase public hearing to provide the same presentation for the benefit of the public that was shown to council at the August 13<sup>th</sup> council meeting.
2. Provide an executive summary report of the study commissioned by the City.

The original estimate of \$33,690.00 and remaining budget of \$2,133.93, FCS does require an amendment to the contract to bill the city the additional \$3,063.00 to complete both tasks. The total costs of the contract for FCS if authorization of is approved is \$36,753.00

I would recommend that council authorize FCS to complete the two remaining tasks and bill the city an additional \$3,063.00.

# CITY OF BONNERS FERRY

## ELECTRIC RATE STUDY AMENDMENT

The City of Bonners Ferry (City) has requested additional services as part of the Electric Rate Study recently completed and currently under contract. The tasks required to complete the requested services are as follows:

### Task 1 | Public Hearing Presentation

The City has requested an additional presentation of the Electric Utility Rate Study approach and findings at the September 17, 2019 public hearing. The presentation developed as part of the August 13, 2019 presentation to Council will be used for the September presentation with slight modifications.

### Task 2 | Documentation

An executive level report will summarize the methodology, key assumptions, results and recommendations of the revenue requirement and rate strategy. At the end of the study the City will be provided an electronic copy of the report and rate model.

## BUDGET

The budget for the consulting services being requested is a not to exceed amount shown below for each task.

	CONSULTANT HOURS			Total Estimated Hours	Labor Budget
	Managing Principal	Project Analysts	Admin. Support		
<b>Work Tasks</b>					
Task 1   Public Hearing Presentation	6	-	-	6	\$1,560
Task 2   Documentation	3	16	2	21	3,430
<b>Total Labor All</b>	<b>9</b>	<b>16</b>	<b>2</b>	<b>27</b>	<b>\$4,990</b>
Travel one (1) On Site Meeting (mileage only)					\$110
<b>Total Labor and Expenses</b>					<b>\$5,100</b>
Less: Remaining budget from original contract amount					(\$2,064)
<b>Total Requested budget amendment</b>					<b>\$3,036</b>

## AUTHORIZATION

The completion of the professional services described herein are hereby authorized upon signatures by both parties.

### **FCS GROUP**

### **City of Bonners Ferry**

\_\_\_\_\_  
Angie Sanchez Virnoche  
Principal  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name:  
Title:  
Date: \_\_\_\_\_

## Christine McNair

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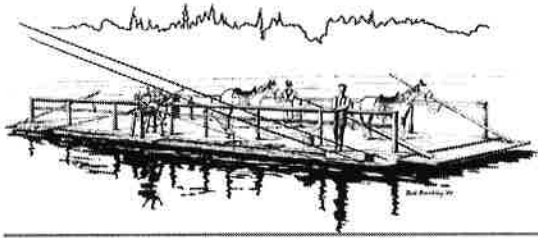
**From:** Sugarplum <sugarplumfloral@gmail.com>  
**Sent:** Thursday, September 12, 2019 2:24 PM  
**To:** Christine McNair  
**Subject:** Quote

Hello ,

Quote for 75 hanging baskets \$59.99 per basket \$4499.25.  
Baskets will be delivered to the "city" parking lot before the Memorial Holiday.

Thank you  
Shelly

Sent from my iPhone  
Shelly Kramer  
Sugarplum floral



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**TO:** Mayor and City Council

**FROM:** Lisa Ailport, City Administrator *LMA*

**DATE:** September 13, 2019

**RE:** **Golf Contract with Kootenai View Resources, Inc.**

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The staff is optimistic that a signed contract by Kootenai View Resources, Inc. will be ready for consideration by Council at the next meeting. It will be presented to Council once it is received.

Please let me know if you have any questions.