

**MINUTES**  
**SPECIAL CITY COUNCIL MEETING**  
**Bonnors Ferry City Hall**  
**7232 Main Street**  
**267-3105**  
**December 10, 2019**  
**5:30 pm**

Mayor David Sims called the Council meeting of December 10, 2019 to order at 5:34 pm. Present for the meeting were: Council President Rick Alonzo, Council Members Adam Arthur and Ron Smith. Also present were: City Attorney Andrakay Pluid, City Clerk/Treasurer Christine McNair, City Administrator Lisa Ailport City Engineer Mike Klaus, Economic Development Coordinator Dennis Weed and Sergeant Willie Cowell. Members of the public present were: Mark Gustafson, David Schafer, Kevin Boldt, Marciaevee Cossette, DeEtta Vaughan, Eric Lederhos, Jerry Ackerman, Mat Surprenant, Valerie Surprenant, Seth Brown, Marty Ryan, John Austin, Stephanie Franke, Darlene Schneider, Trevor Schneider, Andrea Fuentes, Scott Nielsen, Merle Ansley and Clarence Ansley.

**NEW BUSINESS**

Ron Smith said Council received a request from the staff and the Mayor to go out for RFPs for internet service. Council decided to go forward with the RFPs with a due date of January 2, 2020. Ron was not able to attend the November 26, 2019 Council meeting due to prior commitments. Ron said he would have wanted to continue with the RFPs since that was the original decision. Ron said he supports the vote made on November 26, 2019.

1. City – Consider Memorandum of Understanding for the Pilot Study Proposal from Avista Development Inc. (attachment) {action item}

Lisa gave a brief background on this proposal. Adequate internet enables new technologies like: remote monitoring systems, online doctor appointments, education opportunities, livability and is consider an essential service. EL Automation constructed the cell tower, which now hosts Verizon, AT & T and T Mobile. In 2010-2013 the City looked at bringing a leased fiber network to Bonners Ferry. That did not happen due to the mid-mile block, which means that internet was not developed from Sandpoint to Bonners Ferry. The City leases Right of Way (ROW) to EL Automation, Frontier and Fat Beam to run communication lines. One of the 2006 Comprehensive Plan's goal of the city to own or to enable utilities that provide the best benefit to its citizens safely and at an affordable cost. Lisa said when an opportunity is presented, we are driven to try to produce an outcome that benefits the residents.

Dennis said Economic Development Council (EDC) work plan is put together by the City of Bonners Ferry (City), Boundary County, Kootenai Tribe of Idaho (KTOI), City of Moyie Springs, Boundary County School District, Panhandle Area Council (PAC), Department of Labor (DOL), and has not changed much since 2011. Part of the work plan is to ensure that current providers remain here. EDC also looking at new carriers and new technology to see how it fits in Bonners Ferry. November 22, 2019, the governor's broadband taskforce released its report. The taskforce was represented by private industry, wireless carriers and internet carriers. The taskforce was asked to find out what needed to be done to make better, affordable broadband available to all of Idaho. Dennis said some of the highlights from the report were: all technology options should be considered (fiber, wireless, 5G wireless carriers, and new technology), they want the best technology that is affordable. Dennis said with the increase in the school requirements for online curriculum it is important for families. Dennis said if broadband access and affordability increases it is home based businesses that great for our economy. Home based business or people that work from home capture money from outside the community to bring it to this community, which helps expand this county's economy. FCC's definition of broadband in 1996 was 200kbps. The FCC will continue to increase the minimum upload and download speed, so we have to look forward the next ten years and what the requirements might be.

Avista Edge representatives Mark Gustafson and David Schafer gave their presentation. Mark said Avista has discovered some technology due to internal processes in innovation. Avista Development is a division of Avista Utilities that helps develop and commercialize technology. Avista has developed, patent pending technology, around the electric meter infrastructure that allows connection to the fixed wireless internet at the meter. Electric meter infrastructure enables utilities to offer internet to its customers. Avista brings the technology that allows the utility companies to serve their customers in a new and better way. The FCC is releasing a new model of spectrum that Avista will be taking advantage of. Avista is looking for a couple of early adopters to prove the economics in the field. Phase 0 is to do a study to see if this technology is affordable. The target is 100megabits maybe better in the future with new technology. The signal is moved from the meter into the home through the powerlines. Inside the home it is either Wi-Fi or Ethernet mesh. The next step is to make sure it is affordable and feasible. The MOU is non-committal, it will teach Avista about the economics of the technology. David Schafer said if it can work here it should be able to work everywhere.

Mayor Sims asked if this is successful, what is the timeframe for the rest of this project. David Schafer said as soon as possible, start the meter collaring in the spring and launch the pilot in August 2020. Mayor Sims asked about the cost of the 100 meg service. Avista said they are not ready to talk about that, because that cost will come from the utility.

Mayor Sims asked for comments from those supporting the effort.

DeEtta Vaughn asked if Avista has a patent for this. DeEtta thinks this is a good thing.

Kevin Boldt said he is aware of the need for faster more reliable internet. This is a great idea to see how well this will work.

Marty Ryan said this is important to a lot of people. Marty feels it is a win win situation.

Andrea, speaking on behalf of the school district said, K-12 requires internet in the home. Every curriculum they have adopted has some internet component that goes with it. There are currently six alternate authorization teachers taking classes online to get their certifications to teach. Having the capability is very important from an education spectrum.

Mayor Sims asked for comments from those opposed.

Eric Lederhos said EL built the tower and it was given to the City. All kinds of technologies can be used. Gov't involved in competing with private enterprise. Eric said a study was done, a few years back, by the City, which stated it was not feasible to do fiber optic. EL decided to do fiber optic anyway. Eric feels the hook-up cost will be \$8,000 - \$10,000 per household. There are several companies in town that can do 25megs today, the fiber can do a gigabit. Eric does not feel the City should put time and money to put in 100 megabit system instead of a gigabit system.

Valerie Surprenant agrees broadband is important. Valerie is concerned, because it sounds like there are no good providers right now. Valerie selected an area of town and there were nine providers not counting the wireless providers, four of the provider have broadband as defined by the FCC. Valerie doesn't think the City should step into competition with other providers that are already providing good service. Acknowledging services that are already here. EL can provide 50megs almost everywhere. EL is looking to the future by making fiber available that will provide speeds of 1 gig. Valerie said EL has great packages available for internet service. Valerie doesn't think the City should compete with local enterprise.

Mat Surprenant said he is not opposed to more competition, he feels the City shouldn't be part of it. Let Avista bring it themselves. Everyone keeps saying low cost/affordable internet but no one will say the price. Mat said it sounds like this is a fiber backbone to the poles and broadcast wirelessly to the house. There will be an expense to run fiber from Moravia to Moyie. Mat asked if others will be running in the CBRS band. Mat feels it will be expensive to have fiber and wireless to all homes in Bonners Ferry. What role is the City going to play in the expenses? Mat feels there is no information to support the request, since no one will say what the costs will be.

Seth Brown agrees with getting internet to rural areas, but this is talking about just City residents. There is lots of broadband internet available. What is cost of CPE per house? What is the cost for the collars and who pays for that? Seth also asked if the utility bills will increase.

Stephanie Franke said multiple providers are already here providing broadband internet. Since this is brand new technology the City shouldn't spend time and money for this, let Avista do it on their dollar not taxpayers money. The City should ask: do we need more internet providers and the cost of the equipment. Stephanie doesn't think the City should enter into a business that competes with multiple providers.

Eric Lederhos said we've had mid-mile from frontier for 15 years. Eric asked if anyone knows the cost of a gigabit. Ammon gets a gig for ten dollars. That is not possible in Bonners Ferry. Fat Beam sells a gig for \$300 - \$800 with a five year contract.

Mayor Sims closed the public comment portion of the meeting at 6:35pm.

Mark Gustafson said there is a patent pending on the collar technology. Regarding who will own the infrastructure and who will own contracts with fiber providers, Avista Edge will support cities. Avista is not expecting cities to own the build out costs. There are opportunities for federal and state funding where fiber is lacking. The Avista Edge business model is to own the infrastructure and allow the cities to provide that without having to have major purchases. Mark said Avista is not here to compete with fiber to the home in terms of broadband, but believes the affordability piece will

be there. CBRS is new and will go live in June 2020. There is a current auction for the CBRS. The CBRS has two spectrums a private owned spectrum and general availability spectrum manager.

Rick asked what CBRS stands for. Mark said citizen band radio spectrum. It was used by the Navy, the FCC worked with the Navy to release the CBRS. David said the total spectrum is 150 megahertz.

Valerie Thompson asked if the CPEs are the collars. Mark said yes and Avista Edge will own the collars.

Ron asked the cost to the City for the MOU. Mark said Avista Edge is financing most of the costs for the MOU. Avista Edge is asking the City to survey its customers to find out the interest in something like this

Mayor Sims asked Avista to walk through the MOU. The City pays for and owns the survey. Avista will own the geo and spectrum data, which they use to produce a budget model.

Lisa asked if there is flexibility to own the collars. Mark said yes.

Mark said it was brought up earlier about serving customers in an actual rural setting. The goal is to serve the dense area like the City of Bonners Ferry, service to customers 10 miles out will not be available on day one.

Ron said the MOU is the feasibility study. Mark said yes.

Adam said it seems like low cost to the City and it is an exciting opportunity to be a model city for something like this.

Valerie Thompson moved to proceed with the memorandum of understanding for the pilot study proposal from Avista Development, Inc. Adam Arthur seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

Mayor Sims recessed the meeting at 6:49 pm.  
Mayor Sims reconvened the meeting at 7:00 pm.

2. City – Consider Adopting Resolution 2019-12-10 Approving the Eligibility Report for the Urban Renewal District (attachment) {action item}

Mayor Sims said he, John Austin, Merle Ansley, Dennis Weed, Cal Russell and Dave Walter are on the Urban Renewal Agency (URA). Mayor Sims said the City asked the URA to consider forming two new districts. The URA felt it was better to do the west side first.

John Austin said the original district was formed in 2011 to attract Super 1 Foods, to cover the off-site improvements. Within 18 months the URA was able to pay back \$600,000 of public infrastructure costs. John said the purpose of an URA is to jump start development, create jobs or help a city with its infrastructure issues. The area being considered now is mostly residential and small commercial. This will allow the City to have an access road and utilities to develop a large area for the residential component. The first step is to determine if the area is eligible to be in an Urban Renewal District (URD). This area is lacking roads, water and sewer lines making it eligible for the URD. The next step is to submit it to Planning and Zoning (P&Z) to review the plan to make sure it is in conformity with the comprehensive plan. Page 17 shows the different elements of the Urban Renewal Plan, like street from Wilson to Solomon, landscaping, sidewalks, gutters, new lift station and an upgrade to lift station #4. A portion of the 1.8 million dollars in taxes from that development can go back to the City for its operating costs in that area for street, fire and police.

Ron asked how long it will take to payback these expenses. John said a residential area is slower to generate the tax base than commercial. John guessed 5-10 years maybe even longer. Mayor Sims said URA bonded to payback the Super 1 developer. John said the hope is to have a bunch of house built and sold so the money is on the tax rolls. Lisa said one opportunity is a landowner to develop the project. There are three larger pieces that are owned by Stuart and Meghan Hills trust, which Clarence Ansley is the representative for the trust. Mayor Sims said this is a great place for in-fill and development.

Valerie Thompson said this is a benefit for children to connect to schools and stores.

John Austin said an URD can extend for 20 years. In the feasibility study it shows the number of units to pay the increment. Ron asked how many homes is that area capable of supporting. Clarence said 60-65 homes. Lisa said the total number of units is closer to 100 units with multifamily. John said the key number is the value of the units, which makes it possible to borrow the money to pay back the costs.

The first step is to approve the eligibility report, then it goes to P&Z for review. If P&Z says that the plan conforms with the comprehensive plan, then there is a 60 day public comment period, then a public hearing. The increment above the base value for the year the district is formed (January 1, 2020) flows to the URA. A comparable plan is in Dover. Lisa said it is important to work with a developer. Dennis said the development of the commercial property will drive the increment up. Mayor Sims said his family has not had any interest in the property in over 20 years. Clarence said they bought the property about 10 years ago. Working with staff has been good. Clarence appreciates the City working with him. It is a challenge to develop in this area and anything the City can do to help is important. Merle said he is Clarence's brother, but he does not have any financial interest in the property. Mayor Sims said he feels that during the life of the URD the commercial part will re-develop.

Rick Alonzo moved to adopt Resolution 2019-12-10 approving the eligibility report for the urban renewal district. Ron Smith seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

3. City – Consider Sending the Urban Renewal Plan and Feasibility Study to Planning and Zoning to Ensure Conformity with the Comprehensive Plan (attachment) {action item}

Rick Alonzo moved to send the Urban Renewal plan and feasibility study to Planning and Zoning to ensure conformity with the Comprehensive Plan. Adam Arthur seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

4. City – Authorize the Mayor to Sign the Contract with Blue Cross of Idaho for the Preparation of a Recreational Map (attachment) {action item}

Lisa said the City has an opportunity to work with the Blue Cross High Five foundation to develop a recreational plan map in addition to the \$250,000. Mayor Sims said this will cover only the artwork, not the actual printing of the map. The printing costs will come out of the original \$250,000. Adam asked what the map will look like. Mayor Sims said it will be a tri-fold 11 x 17. Lisa said it will be a caricature map. Adam asked where it will be distributed. Lisa said the Visitors Center and the schools.

Ron Smith moved to authorize the Mayor to sign the contract with Blue Cross of Idaho for the preparation of a recreational map for \$5,000. Adam Arthur seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

## **ADJOURNMENT**

The meeting adjourned at 7:37pm.