

**MINUTES**  
**SPECIAL CITY COUNCIL MEETING**  
**Bonnors Ferry City Hall**  
**7232 Main Street**  
**267-3105**  
**June 23, 2020**  
**5:30 pm**

Mayor Dick Staples called the Council meeting of June 23, 2020 to order at 5:30 pm. Present for the meeting were: Council President Rick Alonzo, Council Members Adam Arthur, Valerie Thompson and Ron Smith. Also present were: City Clerk/Treasurer Christine McNair, City Administrator Lisa Ailport, Economic Development Coordinator Dennis Weed. Members of the public present were: Mark Gustafson, David Schaffer, Jerry Higgs, Kevin Lederhos

**NEW BUSINESS**

1. City – Consider Approval of Avista Edge Term Sheet and Project {action item}

Mayor Staples read from the term sheet: This term sheet is not a contract or binding agreement but an expression of possible business transaction between City of Bonnors Ferry and Avista Edge. No party will be bound for a transaction until and unless pending agreements are executed by the parties in this transaction. Mayor Staples said one of the questions is: does the City want to take on the responsibility of becoming an internet service provider. Lisa said the CARES Act has funding available to bring high speed internet to underserved areas. Mark said Avista Edge signed a letter of intent for a radio frequency study that was completed. Avista Edge wants to do a pilot program with their proprietary equipment that provides internet through an electric meter collar. Avista Edge is an unregulated subsidiary of Avista Utilities and is not a utility. Mark said Avista Edge wants to know if the City is interested in becoming an internet service provider (ISP). The capital expense is approximately \$2 million to get this up and running in the community. There is a revenue sharing for the City's role in this.

Valerie asked if this will be a self-sustaining fund. Lisa said yes. Adam asked at 7% of gross revenue it will be enough to be self-sustaining. Lisa said 7% is the starting point of the negotiations. Valerie said it is difficult to make a decision without the results of the survey. Lisa said a partnership has to happen in order for the grant to be completed and the City has to complete the grant application. Mark said they are hoping to have 80% of coverage and the funding could help expand the coverage area. Avista Edge will have the results of the survey prior to asking the City to sign the term sheet. Mayor Staples feels this is different from the memorandum of understanding (MOU) since this is asking for the City to lease equipment from Avista Edge. Valerie said the MOU demonstrated the desire to become an ISP. Ron asked how much money will the City received from being an ISP with Avista Edge. Mark said 7% of the monthly revenue. Mayor Staples said 7% of \$80.00 is \$5.60 per customer per month. Adam said he is numbers driven and if the numbers don't make sense, he doesn't want to agree to it. Lisa said she is hoping that Council will agree to negotiate for terms that are favorable and then bring the terms back to Council for approval.

Lisa said Council needs to decide if they want to apply for the CARES Act funding for broadband services. Mark said if the City applies for the grant funding then Avista Edge will negotiate the terms to reflect Avista Edge as the contract partner and present that to Council for the final contract. Adam said it was his impression from the MOU that the City would not have any outlay of money. Lisa said this would be a funneling of money not an outlay. Mayor Staples said this is a totally different item than the MOU. Mark said he feels this is the next step. Adam read the MOU: the City will serve its electric customers with fixed wireless broadband internet service through the City's electric meter infrastructure using Avista Edge's proprietary technology and services.

Mayor Staples said he is concerned with partnering with a private entity. Mark said this a competitive utility service, the citizens have other choices to receive internet service. Ron said 7% doesn't seem like much money. Mark said Avista Edge is providing all the capital to bring this to the City of Bonnors Ferry electric customers. Ron asked if all the money will come from the CARES Act. Lisa said the costs for the City will be billing the customer, paying Avista Edge, physically connecting customers and any service calls required for a meter. Lisa said Avista Edge will manage the customers while the City will manage the service. Adam said it states we will be leasing some items. Lisa said there are still details that need to be worked out.

Valerie Thompson moved to make the City an internet service provider and pursue the CARES Act grant for the purpose of funding broadband services. 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 6:12pm