

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.

**AGENDA
CITY COUNCIL MEETING
Bonners Ferry City Hall
7232 Main Street
267-3105
August 4, 2020
6:00 pm**

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

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

REPORTS

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

CONSENT AGENDA – {action item}

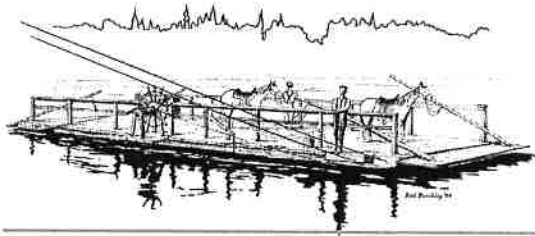
1. Call to Order/Roll Call
2. Approval of Bills and Payroll
3. Approval of the July 21, 2020 Council meeting minutes.

OLD BUSINESS

NEW BUSINESS

4. Sewer – Consider Purchasing Lot 3, Block 3 of the Dunnings Acre Tracts from the Marx Family (attachment) {action item}
5. Electric – Consider Proposal from HDR for Additional Services Related to the Latest Part 12 Inspection (attachment) {action item}
6. Electric – Consider Authorizing the Mayor to Sign the Professional Service Agreement with Ripplinger Engineering Laboratories for Assessment and Recommendations Related to the Moyie Hydro Controls and Automation (attachment) {action item}
7. City – Consider Proposed Budget for Fiscal Year 21 and Authorize the Publication of Proposed Budget for Fiscal Year 21 {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

TO: Mayor and City Council
FROM: Lisa Ailport, City Administrator *LMA*
DATE: July 31, 2020
RE: **Admin Update**

City Pool

Working with the head guard, it appears there may only be one available guard willing to stay on after the 15th of August. I am working on other ideas to keeping the pool open and will report back once I have more options to present.

Splash Pad-

The pad is now open for use and will run from approximately 7am to 8pm seven days a week until mid to late September. Staff will be working on closing out the Innovia grant in the coming weeks.

Electrical Vehicle Charging Station

The charging station should have arrived on July 31. The City Electric Dept. has already installed the electrical upgrades to for installation of the station. We estimated that we would have the charging station in and operational by October 1 and we are still on target to meet this schedule timeline.

As a reminder to Council and the public, the cost to install this is being reimbursed through the Volkswagen Resettlement Program handled through the Idaho Department of Environmental Quality. All supplies will be reimbursed and the city used city labor to cover the match funding.

FLAP-Riverside Road

Staff received the scoping report from the Federal Highway Administration on the Riverside Road project. They asked that the City review the plans and provide comment back to them by Monday at close of business. Staff met with Ryan Luttmann, PE with Century West Engineering on Monday, July 27th. Ryan helped draft the application and the engineer's estimate that secured the funding.

The funding for this improvement is obligated for 2024 but could advance to 2023 to coincide with the finalization of the County project to save money.

**MINUTES
CITY COUNCIL MEETING
Bonners Ferry City Hall
7232 Main Street
267-3105
July 21, 2020
6:00 pm**

Mayor Dick Staples called the Council meeting of July 21, 2020 to order at 6:00 pm. Present for the meeting were: Council Members Rick Alonzo, Adam Arthur, Valerie Thompson and Ron Smith. Also present were: City Engineer Mike Klaus, City Clerk/Treasurer Christine McNair, Economic Development Coordinator Dennis Weed, City Police Chief Brian Zimmerman, City Attorney Andrakay Pluid and City Administrator Lisa Ailport. Members of the public present were: Toni Hackwith, Sue Ireland, Jerry Higgs, Marciavee Cossette, Warren Campbell, Edwardo Reillo-Negron, Stan Kraly, Bobby Read Jr., Ralph Walker, Dawn Wagner, Denise Crichton, Steve Tanner, Barbara Russell, Trish Johnson, Craig Kelson, Brandon Stille, Henry Yoder, Nevin Neal, Charles Pope, Loretta Hunsaker, Henry Yoder, John O'Connor, Sandi Willard, Jeff Willard, Steve Tanner, Valerie Surprenant, Mat Surprenant, Victor Martinez, William Barquin and Mark Gustafson.

PLEDGE OF ALLEGIANCE

GUESTS

Toni Hackwith – 2019 Audit Presentation

Toni issued an unmodified, clean opinion. There were no problems with internal controls or compliance. The general fund revenues increased \$98,000 over the previous year due to logging income and grant revenues. There was an increase in expenses of \$505,000 mostly due to capital outlay. The fund balance recommendation is no less than 15 percent of regular general fund operating revenues or no less than 60 days of regular general fund operating expenditures. Currently the general fund balance is 93 days and 94 days. The proprietary funds (electric, water, sewer and garbage) should be self-sustaining. Electric had a negative operating income mostly due to the silt removal which is not a re-occurring expense. Water, sewer and garbage all had a positive operating income. Operating revenues increased about 5% for the water and sewer funds. It is necessary to put aside funds for system improvements. Valerie Thompson asked about getting clarifications for the recommendations on page 46. Toni said she will provide a list of year end close outs that need to be performed.

Sue Ireland – Mine Expansion Presentation

Sue said the Kootenai River Sub-basin is a large basin between two countries, two states and one province. It is the home of the Ktunaxa Nation. The Kootenai Tribe of Idaho (KTOI) has worked hard along with many partners to restore habitat and water quality in the basin. The tribe uses a very wholistic approach and collaborates with many entities. Science based decisions using local economic values. There is a proposal to expand the Fording River mine by 60%. There are several mines that have been in operation for over 100 years in Elk Valley. Three new non-teck mines have been proposed as well. Leeching of contaminants of concern that can cause biological issues due to mountain top blasting. The contaminants are nitrates, sulphates and selenium. It takes about 5-8 years for those contaminants to appear here in the river in Bonners Ferry. Selenium is more harmful to fish and birds. The water quality trend is showing 1992 mines starting exceeding British Columbia (BC) guidelines and there is currently a large exceedent. Nitrates are also a byproduct of the blasting which is being seen in Montana near the confluence of Lake Kookanusa. Water treatment plants to try to reduce the byproducts that need to be run into perpetuity. BC issued a ministerial order to stabilize or reverse the trends of these contaminants. A committee formed to study Lake Kookanusa but the group has not expanded to the Kootenai River. USGS & EPA are investing in resolving this issue. The responsibility should be with Canada and Teck, but all the work has been done on the US side. Elk Valley Mines not required to study or consider the impacts to the Kootenai River. In 2005-2017 there has been an increase of nitrates in the Kootenai River. Selenium testing is being done when possible since the testing is so expensive. Selenium is starting to show up in the testing done in Montana and Idaho. Sampling fish eggs and tissue are showing 4-5 milligrams per kilogram in the sturgeon, which is below the exceedent level. Kootenai River burbot are starting to exceed the allowed level. The BC ministry is evaluating the proposals and since this is an expansion of an existing mine an environmental assessment is not required. The Kootenai Tribe, the Confederated Salish-Kootenai Tribe, the Ktunaxa Nation, the EPA and others are very concerned and have written letters to the Canadian Government asking for a federal environmental assessment to ensure that the impacts to US waters are considered.

Billy Barquin, attorney for the Kootenai Tribe of Idaho said this is an important issue that has been primarily focused in BC. US EPA, USGS and the Kootenai Tribes on both sides of the border have a close partnership and work together, but the sole responsibility lies with BC. BC said it's an expansion and shouldn't have any increased environmental effects. Which the KTOI feels is incorrect. They are asking the Canadian Federal government to look at this project since BC isn't

doing anything. They will know in August if there will be a federal assessment for the Castle Project. Updates will be made to the KVRI and its website to keep everyone informed.

PUBLIC COMMENTS

Jerry Higgs, Dawn Wagner, Craig Kelson, Barbara Russell, Trish Johnson, John O'Connor and Holly Robertson spoke in support of the vision statement.

Warren Campbell, Edwardo Reillo-Negron, Stan Kraly, Bobby Read Jr., Ralph Walker, Brandon Stille, Nevin Neal, Charles Pope, Henry Yoder and Steve Tanner spoke in opposition of the vision statement.

Loretta Hunsaker spoke in opposition of the proposed utility rate increase.

Carolyn Testa spoke about the weeds in the runaway truck ramp.

REPORTS

City Engineer Mike Klaus said the City does have a stake in the mining activities due to the backup water source. Mayor Staples asked for an update on the splashpad. Mike said the fence posts were installed today and the splashpad will be open before the end of the month.

Urban Renewal District will meet August 12, 2020

SPOT – Ron said rides are down due to the Coronavirus

CONSENT AGENDA – {action item}

1. Call to Order/Roll Call
2. Approval of Bills and Payroll
3. Approval of the July 7, 2020 Council meeting minutes
4. Treasurer's Report

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

OLD BUSINESS

5. Electric/Water/Sewer – Discuss Consumer Price Index Regarding Rate Increases (attachment) {action item}

Mike said the new information tonight shows some of the electronic history. COSAs were done for past rate increases. The rates are on target and escalating over time instead of large increases is easier for customers. Capital planning helps in doing capital projects without having to secure a loan. Mike recommends adopting the 2.2% based on the CPI based on the 20-year rolling average and revisit it on a yearly basis, or Council can adopt a rate that Council is comfortable with or have a COSA to set a rate. Valerie Thompson said the most consistent option is the CPI option. The regulatory demands are increasing as well. Valerie Thompson said the general fund transfer is in lieu of taxes. Valerie Thompson moved to adopt the 20-year rolling average of the CPI approximately 2.2% at this time and revisit the 20-year rolling average on a yearly basis for the utility rates. Adam Arthur seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

6. Electric – Consider the Results of the Surveys and the Radio Frequency Study from Avista Edge
Mark said they don't have the survey results but Avista is willing to send the surveys electronically. The radio frequency (RF) study results show where the network is and the strength of the network.

7. Electric – Consider Authorizing the Mayor to Sign the Term Sheet with Avista Edge for a Three-year Pilot Program (attachment) {action item}

Mark Gustafson said there were minor changes to the term sheet regarding the City's inability to extract a profit. Due to the timing and technicalities of the grant it was decided not to proceed with the grant. Avista is still willing to proceed and build without the grant. Adam said the term sheet does not say Avista will ensure the City is covering its costs. Mark said the term sheet is non-binding and that can be spelled out in the final contract. Mark said section 4 at the bottom speaks to that item. Section 10 states that changes may be made to the agreement as needed. Dennis said Avista will true-up the costs on a quarterly basis. Mark said Avista is paying for all build out costs such as with a joint pole use agreement. Adam Arthur moved to authorize the Mayor to sign the term sheet with Avista Edge for a three-year pilot program. Valerie Thompson seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

8. Street – Consider Street Name for the Wilson Street – Solomon Street Corridor Project (attachment) {action item}
Mayor Staples said Lisa provided a memo regarding the survey. Rick asked if the street has to be named before it can be opened. Lisa said it does. Rick Alonzo moved to name the Wilson-Solomon Corridor, Selkirk Street. Ron Smith seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

NEW BUSINESS

9. Police – Consider Authorizing Council to Sign the Proclamation in Support of Law Enforcement {action item}
Ron said he wanted to do something to show support for law enforcement and their families. Ron read the proclamation he submitted “Whereas, the Bonners Ferry City Police Department was formed in 1899 and its officers have served the City of Bonners Ferry and the citizens of the City of Bonners Ferry since its inception. Whereas, the mission of the City of Bonners Ferry Police Department is to create an atmosphere of partnership with the community toward the common goal of protecting life, property and enhancing the overall quality of life. Whereas, due to national and international events, law enforcement officers across the globe are facing challenging times. Now therefore, be it proclaimed, by the Mayor and City Council of the City of Bonners Ferry, Idaho as follows: The Mayor and City Council publicly salute and strongly support the service of dedicated law enforcement officers in our community.” Ron said a change was suggested by a councilperson. Valerie said she was the councilperson that made the suggestion. She wanted to added the language because our officers are upholding those standards every day. Ron Smith moved to authorize the Council to sign the proclamation in support of law enforcement that he read. Valerie Thompson seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

10. City – Consider the Proposal from TowerPoint (attachment) {action item}
Mayor Staples said TowerPoint has proposed to buy out the lease on the ground for \$18,000 per year over a 10-year period. Currently the monthly revenue is \$934 with a 3% escalation per year. Valerie Thompson said offering to lease this out instead of maintaining the current contract doesn’t make sense since the risk is minimal. Adam said a this is a short-term gain and a long-term loss. Rick likes it the way it is.

11. Street – Consider Authorizing the Mayor to Sign the Professional Service Agreement with Century West for the Garden Lane Extension Project Design (attachment) {action item}
Valerie Thompson asked which budget year it will happen in. Christine said Lisa wants to split it between this year and next year. Rick asked about the problem regarding Garden Court. Mike said there is a discontinuity with the road and how it is shaped. Mayor Staples asked how much right of way there is. Mike said around 20 feet. Rick asked if the problem is infringing on private property. Mike said the City will have to get an easement. Valerie asked what the overall costs of the project will be. Lisa said the grant only covers the design costs not the engineering costs. Mayor Staples asked about the timeline. Mike said we applied for an extension and now have until the end of 2021. Valerie Thompson moved to authorize the Mayor to sign the professional service agreement with Century West for the Garden Lane extension project design. Ron Smith seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

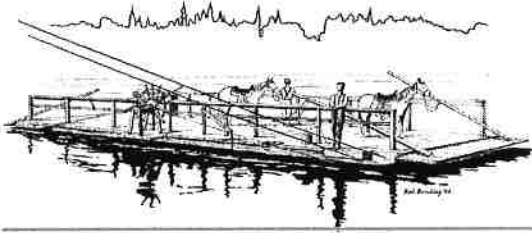
12. Pool – Consider Extending the Pool Closing Date Until September 5, 2020 (attachment) {action item}
Mayor Staples said he is not sure if this will happen. Ron asked if that will be with the current lifeguards. Mayor Staples said we don’t have a solid answer for that yet. Andrakay said staff needs direction from Council if you want staff to look into this. Ron said if it’s possible then we should do it. Valerie Thompson said she has some concerns with the added non budgeted general fund funds and we need to stick close to the budget. Adam Arthur moved to extend the pool closing date until September 5, 2020 if it is budgetarily feasible and can be staffed. Valerie Thompson seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

13. City – Discuss the Vision Statement {action item}
Rick said just because a person identifies with a certain gender or sexual orientation doesn’t mean the City of Bonners Ferry agrees with the philosophy of that person. It means they can still be a productive citizen and can do business with the City of Bonners Ferry. Valerie Thompson believes this speaks to anti-discrimination and it doesn’t matter what it is called. She believes it is important to maintain the separation of church and state and it is important to welcome people to Bonners Ferry. Council supports being good neighbors to anyone who chooses to move into this community regardless if they have the same beliefs or lifestyles. Mayor Staples said eight letters and nine emails were received in support of the vision statement from people that were not here tonight. Valerie Thompson moved to maintain the vision statement as it stands. Adam Arthur seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

Mayor Staples publicly apologized for his earlier outburst saying it is not allowed regardless of the situation.

ADJOURNMENT

The meeting adjourned at 8:41 pm



CITY OF BONNERS FERRY

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

TO: Mayor and City Council

FROM: Lisa Ailport, City Administrator *LMA*

DATE: July 28, 2020

RE: Block 3, Lot 3 Dunnings Acre Tract- Land Purchase Agreement

The attached purchase/sale agreement is presented to Council for consideration to buy the 1.13-acres of land, known as Block 3, Lot 3 Dunnings Acre Tracts. The land is adjacent to sewer lift station #1 and the city's sewer lagoons.

The Marx family has approached the City about purchasing one or all of the existing three lots. In negotiations with the Marx's family, we have found interest in only Lot 3 for future access to lift station #1 which is slated to be rebuilt in the coming year.

The property owners are will to sell the property for a price of \$15,000.00. After talking the option over with the Mayor, City Engineer and Sewer Department, this price seems to represent a fair cost of property within the City.

The offer presented is contingent upon acceptance by City Council and if approved would close by August 14th, provided we are presented with a clean title report.

Should Council approve, a *motion to authorize the Mayor to sign the Purchase/Sale Agreement to purchase Block 3, Lot 3 of the Dunnings Acre Tract in the amount of \$15,000.00 and a clean title report being presented to the City*, is required.

Please let me know if you have any questions.



RE-24 VACANT LAND REAL ESTATE PURCHASE AND SALE AGREEMENT

JULY 2019 EDITION



THIS IS A LEGALLY BINDING CONTRACT, READ THE ENTIRE DOCUMENT, INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT BEFORE SIGNING. NO WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF HABITABILITY, AGREEMENTS OR REPRESENTATIONS NOT EXPRESSLY SET FORTH HEREIN SHALL BE BINDING UPON EITHER PARTY.

Page 1 of 7

ID# Marx-City DATE July 24, 2020

LISTING AGENCY Pace-Kerby & Co., Inc Office Phone # (208) 267-3123 Fax #
Listing Agent Darlene Schneider/Trevor Schneider E-Mail Phone #
SELLING AGENCY Non-Agent Office Phone # Fax #
Selling Agent E-Mail Phone #

1. BUYER: City of Bonners Ferry
(Hereinafter called "BUYER") agrees to purchase, and the undersigned SELLER agrees to sell the following described real estate hereinafter referred to as "PROPERTY" COMMONLY KNOWN AS Lot 3 Dunnings Acre Tracts
Bonners Ferry City Boundary County, ID, Zip 83805 legally described as:
Lot 3 Dunnings Acre Tracts Sec 27 T62N R1E. Parcel to be broken out at closing

OR Legal Description Attached as exhibit (Exhibit must accompany original offer and be signed or initialed by BUYER and SELLER.)

2. \$15000 PURCHASE PRICE: Fifteen Thousand Dollars And Zero Cents
payable upon the following TERMS AND CONDITIONS (not including closing costs):
This offer is contingent upon the sale, refinance, and/or closing of any other property Yes No (N/A if left blank)

3. FINANCIAL TERMS: Note: A+D+E+F must add up to total purchase price.
(A). \$0 EARNEST MONEY: Zero Dollars And Zero Cents

BUYER hereby offers the above stated amount as Earnest Money which shall be credited to BUYER upon closing. Earnest Money is/will be:

Evidenced by: Held By: Delivered: Deposited:
Cash Responsible Broker With Offer Upon Receipt and Acceptance
Personal Check Closing Company Within business days (three [3] if Upon Receipt Regardless of Acceptance
Cashier's Check See Section 4 left blank) of acceptance. See Section 4
Wire Transfer See Section 4 See Section 4
Note See Section 4
See Section 4

THE RESPONSIBLE BROKER SHALL BE: Darrell Kerby

(B). ALL CASH OFFER: NO YES If this is an all cash offer do not complete Sections 3D and 3E, fill blanks with N/A (Not Applicable). IF CASH OFFER BUYER'S OBLIGATION TO CLOSE SHALL NOT BE SUBJECT TO ANY FINANCIAL CONTINGENCY. BUYER agrees to provide SELLER within business days (five [5] if left blank) from the date of acceptance of this agreement by all parties written confirmation of sufficient funds and/or proceeds necessary to close transaction. Acceptable documentation includes, but is not limited to a copy of a recent bank or financial statement.

(C) Cash proceeds from another sale: Yes No (N/A if left blank)

(D). \$ NEW LOAN PROCEEDS: If a number greater than zero appears on the preceding blank then this agreement is contingent upon BUYER obtaining the following financing:

FIRST LOAN of \$ not including mortgage insurance, through FHA, VA, CONVENTIONAL, IHFA, RURAL DEVELOPMENT, OTHER with interest not to exceed % for a period of year(s) at: Fixed Rate Other. In the event BUYER is unable, after exercising good faith efforts, to obtain the indicated financing, BUYER's Earnest Money shall be returned to BUYER.

SECOND LOAN of \$ through FHA, VA, CONVENTIONAL, IHFA, RURAL DEVELOPMENT, OTHER with interest not to exceed % for a period of year(s) at: Fixed Rate Other

LOAN APPLICATION: BUYER has applied OR shall apply for such loan(s). Within business days (ten [10] if left blank) of final acceptance of all parties, BUYER agrees to furnish SELLER with a written confirmation showing lender approval of credit report, income verification, debt ratios, and evidence of sufficient funds and/or proceeds necessary to close transaction in a manner acceptable to the SELLER(S) and subject only to satisfactory appraisal and final lender underwriting. If an appraisal is required by lender, the PROPERTY must appraise at not less than purchase price or BUYER'S Earnest Money shall be returned at BUYER'S request unless SELLER, at SELLER'S sole discretion, agrees to reduce the purchase price to meet the appraised value, in which case SELLER shall be entitled to a copy of the appraisal and shall have 24 hours from receipt thereof to notify BUYER of any price reduction. BUYER may also apply for a loan with different conditions and costs and close transaction provided all other terms and conditions of this Agreement are fulfilled, and the new loan does not increase the costs or requirements to the SELLER. FHA / VA: If applicable, it is expressly agreed that notwithstanding any other provisions of this contract, BUYER shall not be obligated to complete the purchase of the PROPERTY described herein or to incur any penalty or forfeiture of Earnest Money deposits or otherwise unless BUYER has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration or a Direct Endorsement lender setting forth the appraised value of the PROPERTY of not less than the sales price as stated in the contract.

If such written confirmation required in 3(B) or 3(D) is not received by SELLER(S) within the strict time allotted, SELLER(S) may at their option cancel this agreement by notifying BUYER(S) in writing of such cancellation within business days (three [3] if left blank) after written confirmation was required. If SELLER does not cancel within the strict time period specified as set forth herein, SELLER shall be deemed to have accepted such written

BUYER'S Initials () () Date SELLER'S Initials () () Date

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PROPERTY ADDRESS: Lot 3 Dunnings Acre Tracts

ID#: Marx-City

confirmation of lender approval or waived the right to receive written confirmation and shall be deemed to have elected to proceed with the transaction. SELLER'S approval shall not be unreasonably withheld.

(E). \$ ADDITIONAL FINANCIAL TERMS:

- Additional financial terms are specified under the heading "OTHER TERMS AND/OR CONDITIONS" (Section 4).
Additional financial terms are contained in a FINANCING ADDENDUM of same date, attached hereto, signed by both parties.

(F). \$15,000.00 APPROXIMATE FUNDS DUE AT CLOSING: Cash at closing, not including closing costs, to be paid by BUYER at closing, in GOOD FUNDS, which includes: cash, electronic transfer funds, certified check or cashier's check.

4. OTHER TERMS AND/OR CONDITIONS: This Agreement is made subject to the following special terms, considerations and/or contingencies which must be satisfied prior to closing

5. ITEMS INCLUDED & EXCLUDED IN THIS SALE: All existing fixtures and fittings that are attached to the PROPERTY are INCLUDED IN THE PURCHASE PRICE (unless excluded below) and shall be transferred free of liens and in as-is condition. Unless specifically excluded below, the fixtures and fittings and irrigation fixtures and equipment, that are now on or used in connection with the PROPERTY are included in the purchase price and shall include (1) all personal property owned by the SELLER and used primarily in connection with the PROPERTY, and (2) all rights and easements appurtenant to the PROPERTY. BUYER should satisfy himself/herself that the condition of the included items is acceptable. The terms stated in this section shall control over any oral statements, prior written communications and/or prior publications including but not limited to MLS listings and advertisements. Personal property described in a property disclosure report shall not be inferred as to be included unless specifically set forth herein.

ITEMS SPECIFICALLY INCLUDED IN THIS SALE:

ITEMS SPECIFICALLY EXCLUDED IN THIS SALE:

6. "NOT APPLICABLE" DEFINED: The letters "n/a," "N/A," "n.a.," and "N.A." as used herein are abbreviations of the term "not applicable." Where this agreement uses the term "not applicable" or an abbreviation thereof, it shall be evidence that the parties have contemplated certain facts or conditions and have determined that such facts or conditions do not apply to the agreement or transaction herein.

7. INSPECTION:

(A). BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

SIZE: Square footage and lot size. (Any numerical statements regarding these items are APPROXIMATION ONLY, and have not been and will not be verified and should not be relied upon by BUYER.)

- 1. LINES AND BOUNDARIES: Property lines and boundaries, septic, and leach lines (Fences, walls, hedges, and other natural or constructed barriers or markers do not necessarily identify true property boundaries. Property lines may be verified by surveys.)
2. ZONING AND LAND USE: Inquiries, investigations, studies or any other means concerning past, present or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the PROPERTY, BUYER's intended use of the PROPERTY, future development, zoning, building, size, governmental permits and inspections. Both parties are advised that Broker does not guarantee the status of permits, zoning or code compliance. The parties are to satisfy themselves concerning these issues.
3. UTILITIES AND SERVICE: Availability, costs, and restrictions of utilities and services, including but not limited to, sewage, sanitation, water, electricity, gas, telephone, cable TV, internet and drainage.
4. UTILITIES, IMPROVEMENTS & OTHER RIGHTS: SELLER represents that the PROPERTY does have the following utilities, improvements, services and other rights available (describe availability):

5. HAZARDOUS MATERIALS: The real estate broker(s) or their agents in this transaction have no expertise with respect to toxic waste, hazardous materials or undesirable substances. BUYERS who are concerned about the presence of such materials should have the PROPERTY inspected by qualified experts. BUYER acknowledges that he/she has not relied upon any representations by either the Broker or the SELLER with respect to the condition of the PROPERTY that are not contained in this Agreement or in any disclosure statements.

6. TAX LIABILITY: The BUYER and SELLER acknowledge that they have not received or relied upon any statements or representations by the Broker with respect to the effect of this transaction upon BUYER's or SELLER's tax liability.

(B). BUYER chooses [X] to conduct inspections; [] not to conduct inspections. If BUYER chooses not to conduct inspections skip the remainder of Section 7. If indicated, BUYER shall have the right to conduct inspections, investigations, tests, surveys and other studies at BUYER'S expense, hereafter referred to as the "Primary Inspection." BUYER'S inspection of the PROPERTY includes all aspects of the PROPERTY, including but not limited to neighborhood, conditions, zoning and use allowances, environmental conditions, applicable school districts and/or any other aspect pertaining to the PROPERTY or related to the living environment at the PROPERTY. Unless otherwise addressed BUYER shall, within 5 calendar days (thirty [30]

BUYER'S Initials () () Date SELLER'S Initials () () Date

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PROPERTY ADDRESS: Lot 3 Dunnings Acre Tracts

ID#: Marx-City

123 if left blank) from acceptance, complete these inspections and give to SELLER written notice of disapproved items/conditions or written notice of
124 termination of this Agreement based on an unsatisfactory inspection. Once BUYER delivers written notice to SELLER it shall end BUYER's timeframe
125 and is irrevocable regardless of if it was provided prior to the deadline stated above. BUYER is strongly advised to exercise these rights and to make
126 BUYER'S own selection of professionals with appropriate qualifications to conduct inspections of the entire PROPERTY. SELLER shall make the
127 PROPERTY available for all inspections. BUYER shall keep the PROPERTY free and clear of liens; indemnify and hold SELLER harmless from all
128 liability, claims, demands, damages and costs; and repair any damages arising from the inspections. No inspections may be made by any governmental
129 building or zoning inspector or government employee without the prior consent of SELLER unless required by local law. No inspections may be made
130 by any governmental building or zoning inspector or government employee without the prior consent of SELLER, unless required by local
131 law.

132 BUYER'S acceptance of the condition of the PROPERTY is a contingency of this Agreement.
133

134 (C) SATISFACTION/REMOVAL OF INSPECTION CONTINGENCIES:

135 1. If BUYER does not within the strict time period specified give to SELLER written notice of disapproved items/conditions or written notice of
136 termination of this Agreement, BUYER shall conclusively be deemed to have: (a) completed all inspections, investigations, review of applicable
137 documents and disclosures; (b) elected to proceed with the transaction and (c) assumed all liability, responsibility and expense for repairs or corrections.
138

139 2. If BUYER does within the strict time period specified give to SELLER written notice of termination of this Agreement based on an unsatisfactory
140 inspection, the parties will have no obligation to continue with the transaction and the Earnest Money shall be returned to BUYER.
141

142 3. If BUYER does within the strict time period specified give to SELLER written notice of disapproved items, it shall end BUYER's timeframe for
143 inspections and is irrevocable. BUYER shall provide to SELLER pertinent section(s) of written inspection reports upon request, if applicable. Upon
144 receipt of written notice SELLER shall have 3 business days (three [3] if left blank) in which to respond in writing. SELLER, at SELLER's option,
145 may agree to correct the items as requested by BUYER in the notice or may elect not to do so. If SELLER agrees in writing to correct items/conditions
146 requested by BUYER, then both parties agree that they will continue with the transaction and proceed to closing. Otherwise, immediately upon a written
147 response from SELLER that rejects BUYER's requests, in whole or in part, said response is irrevocable without consent of BUYER and BUYER may
148 proceed under 7(C)(4) below.
149

150 4. If SELLER does not agree to correct BUYER'S disapproved items/conditions within the strict time period specified, or SELLER does not respond in
151 writing within the strict time period specified above, then within 3 business days (three [3] if left blank) the BUYER has the option of 1) negotiating
152 with SELLER to obtain a modification of SELLER'S response 2) proceeding with the transaction without the SELLER being responsible for correcting the
153 disapproved items/conditions stated in that particular BUYER'S notice, or 3) giving the SELLER written notice of termination of this agreement in which
154 case Earnest Money shall be returned to BUYER. If within the strict time period specified in this paragraph BUYER does not obtain a modification of
155 SELLER'S response or give written notice of cancellation, BUYER shall conclusively be deemed to have elected to proceed with the transaction without
156 the repairs or corrections to the disapproved items/conditions stated in that particular BUYER'S notice.
157

158 8. SELLER DISCLOSURES. Within 2 business days (two [2] if left blank) from acceptance SELLER shall disclose, and provide copies if available,
159 to BUYER the following:

- 160 (a) any studies and/or reports that have previously been performed in connection with or for the PROPERTY, including without limitation,
161 environmental reports, soil studies, seismic studies, site plans and surveys;
162 (b) any notices relating to a violation of applicable law including, without limitation, environmental law and laws relating to land use, zoning or
163 compliance with building codes;
164 (c) SELLER shall make available for inspection all documents in SELLER's possession relating to ownership, operation, renovation or development of
165 the PROPERTY including: statements for real estate tax assessments and utilities for the last year; property management agreements; leases or other
166 occupancy agreements; maintenance records, accounting records and audit records for the past year; and installment purchase contracts or leases of
167 personal property used in connection with the PROPERTY; and
168 (d) all other documents described in any Addenda or Counteroffer to this Agreement.
169

170 9. TITLE CONVEYANCE: Title of SELLER is to be conveyed by warranty deed, unless otherwise provided, and is to be marketable and insurable except
171 for rights reserved in federal patents, state or railroad deeds, building or use restrictions, building and zoning regulations and ordinances of any
172 governmental unit, and rights of way and easements established or of record. Liens, encumbrances or defects to be discharged by SELLER may be paid out
173 of purchase money at date of closing. No liens, encumbrances or defects, which are to be discharged or assumed by BUYER or to which title is taken
174 subject to, exist unless otherwise specified in this Agreement.
175

176 10. TITLE INSURANCE: There may be types of title insurance coverages available other than those listed below and parties to this agreement
177 are advised to talk to a title company about any other coverages available that will give the buyer additional coverage.
178

179 (A). PRELIMINARY TITLE COMMITMENT AND CC&Rs: Within 6 business days (six [6] if left blank) of final acceptance of all parties, SELLER or
180 BUYER shall furnish to BUYER a preliminary commitment of a title insurance policy showing the condition of the title to said PROPERTY and a copy of
181 any covenants, conditions and restrictions (CC&Rs) applicable to the PROPERTY. BUYER shall have 2 business days (two [2] if left blank) after receipt
182 of the preliminary commitment and CC&Rs, within which to object in writing to the condition of the title or CC&Rs as set forth in the documentation
183 provided. If BUYER does not so object, BUYER shall be deemed to have accepted the conditions of the title and CC&Rs. If the title of said PROPERTY is
184 not marketable, and cannot be made so within 2 business days (two [2] if left blank) after SELLER'S receipt of a written objection and statement of
185 defect from BUYER, or if BUYER objects to the CC&Rs, then BUYER'S Earnest Money deposit shall be returned to BUYER and SELLER shall pay for the
186 cost of title insurance cancellation fee, escrow and legal fees, if any. Nothing contained herein shall constitute a waiver of BUYER to challenge CC&R
187 terms directly with a homeowner's association after closing.
188

189 (B). TITLE COMPANY: The parties agree that Boundary Abstract Title Company located
190 at Main Street shall provide the title policy and preliminary report of commitment.

BUYER'S Initials () () Date SELLER'S Initials () () Date

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PROPERTY ADDRESS: Lot 3 Dunnings Acre Tracts

ID#: Marx-City

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(C). STANDARD COVERAGE OWNER'S POLICY: SELLER shall within a reasonable time after closing furnish to BUYER a title insurance policy in the amount of the purchase price of the PROPERTY showing marketable and insurable title subject to the liens, encumbrances and defects elsewhere set out in this Agreement to be discharged or assumed by BUYER unless otherwise provided herein. The risk assumed by the title company in the standard coverage policy is limited to matters of public record. BUYER shall receive a ILTA/ALTA Owner's Policy of Title Insurance. A title company, at BUYER's request, can provide information about the availability, desirability, coverage and cost of various title insurance coverages and endorsements. If BUYER desires title coverage other than that required by this paragraph, BUYER shall instruct Closing company in writing and pay any increase in cost unless otherwise provided herein.

(D). EXTENDED COVERAGE LENDER'S POLICY (Mortgagee policy): The lender may require that BUYER (Borrower) furnish an Extended Coverage Lender's Policy. This extended coverage lender's policy considers matters of public record and additionally insures against certain matters not shown in the public record. This extended coverage lender's policy is solely for the benefit of the lender and only protects the lender.

11. SUBDIVISION HOMEOWNER'S ASSOCIATION: BUYER is aware that membership in a Home Owner's Association may be required and BUYER agrees to abide by the Articles of Incorporation, Bylaws and rules and regulations of the Association. BUYER is further aware that the PROPERTY may be subject to assessments levied by the Association described in full in the Declaration of Covenants, Conditions and Restrictions. BUYER has reviewed Homeowner's Association Documents: Yes No N/A. Association fees/dues are \$ _____ per _____.
 BUYER SELLER Shared Equally N/A to pay Association SET UP FEE of \$ _____ at closing.
 BUYER SELLER Shared Equally N/A to pay Association PROPERTY TRANSFER FEES of \$ _____ at closing.
 BUYER SELLER Shared Equally N/A to pay Association STATEMENT OF ACCOUNT FEE of \$ _____ at closing. Association Fees are governed by Idaho Code 55-116 and 55-1507.

12. INTERSTATE LAND SALES FULL DISCLOSURE ACT: This Vacant Land Real Estate Purchase and Sale Agreement is NOT intended to be used for situations in which Seller owns and is selling one hundred (100) or more lots. Properties containing one hundred (100) or more lots for sale may be subject to the reporting and disclosure requirements of the Interstate Land Sales Full Disclosure Act ("Act"), 15 USC § 1701 et seq. If you have questions regarding this Act, contact your attorney before signing. Any contract or agreement for the sale or lease of a lot subject to the Act may be revoked at the option of the purchaser or lessee until midnight of the seventh day following the signing of such contract or agreement or until such later time as may be required pursuant to applicable law. Any contract or agreement for the sale or lease of a lot for which a property report is required by the Act and the property report has not been given to the purchaser or lessee in advance of his or her signing such contract or agreement, such contract or agreement may be revoked at the option of the purchaser or lessee within two (2) years from the date of such signing.

13. FARM/CROPS/TIMBER RIGHTS: SELLER, or any tenant of SELLER, shall be allowed to harvest, sell or assign any annual crops which have been planted on the PROPERTY prior to the date of this Contract, even though said harvest time may occur subsequent to the date of the settlement of this contract, unless otherwise agreed by attached addendum. If the crop consists of timber, then neither SELLER nor any tenant of SELLERS shall have any right to harvest the timber unless the right to remove same shall be established by an attached addendum. Notwithstanding the provisions hereof, any tenant who shall be leasing the PROPERTY shall be allowed to complete the harvest of any annual crops that have been planted prior to the date of Contract Acceptance as previously agreed between SELLER and Tenant. ANY AND ALL SUCH TENANT AGREEMENTS ARE TO BE ATTACHED.

14. NOXIOUS WEEDS: BUYER of the PROPERTY in the State of Idaho should be aware that some properties contain noxious weeds. The laws of the State of Idaho require owners of property within this state to control, and to the extent possible, eradicate noxious weeds. For more information concerning noxious weeds and your obligations as an owner of property, contact your local county extension office.

15. MINERAL RIGHTS: Any and all mineral rights appurtenant to the PROPERTY, and owned by SELLER, are included in and are part of the sale of this PROPERTY, and are not leased or encumbered, unless otherwise agreed to by the parties in writing.

16. WATER RIGHTS: Any and all water rights including but not limited to water systems, wells, springs, lakes, streams, ponds, rivers, ditches, ditch rights, and the like, if any, appurtenant to the PROPERTY, and owned by SELLER, are included in and are a part of the sale of this PROPERTY, and are not leased or encumbered, unless otherwise agreed to by the parties in writing.

17. RISK OF LOSS OR NEGLECT: Prior to closing of this sale, all risk of loss shall remain with SELLER. In addition, should the PROPERTY be materially damaged by fire, neglect, or other destructive cause prior to closing, this agreement shall be voidable at the option of the BUYER.

18. BUSINESS DAYS: A business day is herein defined as Monday through Friday, 8:00 A.M. to 5:00 P.M. in the local time zone where the subject real PROPERTY is physically located. A business day shall not include any Saturday or Sunday, nor shall a business day include any legal holiday recognized by the state of Idaho as found in Idaho Code §73-108. If the time in which any act required under this agreement is to be performed is based upon a business day calculation, then it shall be computed by excluding the calendar day of execution and including the last business day. The first business day shall be the first business day after the date of execution. If the last day is a legal holiday, then the time for performance shall be the next subsequent business day.

19. CALENDAR DAYS: A calendar day is herein defined as Monday through Sunday, midnight to midnight, in the local time zone where the subject real PROPERTY is physically located. A calendar day shall include any legal holiday. The time in which any act required under this agreement is to be performed shall be computed by excluding the date of execution and including the last day, thus the first day shall be the day after the date of execution. Any reference to "day" or "days" in this agreement means the same as calendar day, unless specifically enumerated as a "business day."

20. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or unenforceability of the remaining provisions shall not in any way be affected or impaired thereby.

21. TRANSMISSION OF DOCUMENTS: Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either the BUYER or SELLER, or the LENDER, or the Closing company, the BUYER and SELLER will confirm facsimile or electronic transmitted signatures by signing an original document.

BUYER'S Initials (____)(____) Date _____ SELLER'S Initials (____)(____) Date _____

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PROPERTY ADDRESS: Lot 3 Dunnings Acre Tracts

ID#: Marx-City

259 **22. WIRE TRANSFER WARNING:** Electronic means of transferring money (i.e. ETF, wire transfer, electronic check, direct deposit, etc...) are subject
 260 to sophisticated cyber fraud attacks. These attacks are even more prevalent in real estate transactions due to the large sums of money being exchanged.
 261 BUYER is advised that Brokerage will not provide electronic transfer instructions by e-mail. Following money transfer instructions contained in an email from
 262 any party is inherently dangerous and should be avoided. BUYER agree that if BUYER use, or authorize the use of, electronic transfer of funds in a
 263 transaction they hereby hold the Brokerages, their agents, and the designated title and escrow company harmless from any and all claims arising out of
 264 inaccurate transfer instructions, fraudulent interception of said funds and/or any other damage relating to the conduct of third parties influencing the transfer
 265 process or stealing funds.
 266

267 **23. COUNTERPARTS:** This Agreement may be executed in counterparts. Executing an agreement in counterparts shall mean the signature of two
 268 identical copies of the same agreement. Each identical copy of an agreement signed in counterparts is deemed to be an original, and all identical copies
 269 shall together constitute one and the same instrument.
 270

271 **24. ENTIRE AGREEMENT:** This Agreement including any addendums or exhibits, constitutes the entire Agreement between the parties respecting the
 272 matters set forth and supersedes all prior Agreements between the parties respecting such matters. This Agreement may be modified only by a written
 273 agreement signed by each of the parties.
 274

275 **25. SALES PRICE INFORMATION:** Pursuant to Idaho Code §54-2083(6)(d), a "sold" price of real property is not confidential client information.
 276

277 **26. AUTHORITY OF SIGNATORY:** If BUYER or SELLER is a corporation, partnership, trust, estate, or other entity, the person executing this
 278 agreement on its behalf warrants his or her authority to do so and to bind BUYER or SELLER.
 279

280 **27. ADDITIONAL CONTINGENCIES AND COSTS:** The closing of this transaction is contingent upon written satisfaction or waiver of the
 281 contingencies listed in the "contingencies" column below. In addition, the parties shall satisfy all contingencies set forth in this section by close of business
 282 (Date): _____ unless otherwise agreed to by the parties in writing. The parties agree to pay the following costs **immediately when due and**
 283 **regardless of transaction closing, unless otherwise indicated.** These costs shall be paid by the indicated party regardless of whether or not the
 284 transaction closes; if the transaction fails to close due to breach of a party, any costs paid by the non-breaching party may be recovered as damages. None of the
 285 costs to be paid by the parties in this section creates an inspection or performance obligation other than strictly for the payment of costs unless otherwise
 286 stated below. There may be other costs incurred in addition to those set forth below. Such costs may be required by the lender, by law, or by other such
 287 circumstances. Requested tests/inspection reports as indicated below shall be provided to the other party within _____ business days (ten [10] if left blank)
 288 prior to closing.

COSTS					CONTINGENCIES				
	BUYER	SELLER	Shared Equally	N /A		BUYER	SELLER	Shared Equally	N/A
Appraisal Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Environmental Inspection (Phase 1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Long Term Escrow Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Environmental Inspection (Phase 2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Closing Escrow Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Environmental Inspection (Phase 3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Survey Shall be ordered by: <input type="checkbox"/> BUYER <input type="checkbox"/> SELLER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PERC Test	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Flood Certification/Tracking Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Zoning Variance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Title Ins. Standard Coverage Owner's Policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soil(s) Test(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Title Ins. Extended Coverage Lender's Policy – Mortgagee Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Hazardous Waste Report(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Additional Title Coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Domestic Well Water Potability Test Shall be ordered by: <input type="checkbox"/> BUYER <input type="checkbox"/> SELLER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Rights Transfer Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Domestic Well Water Productivity Test Shall be ordered by: <input type="checkbox"/> BUYER <input type="checkbox"/> SELLER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Attorney Contract Preparation or Review Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Septic Inspections Shall be ordered by: <input type="checkbox"/> BUYER <input type="checkbox"/> SELLER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Septic Pumping Shall be ordered by: <input type="checkbox"/> BUYER <input type="checkbox"/> SELLER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

289 Upon closing SELLER agrees to pay _____ 0% of the purchase price OR \$0 _____ (dollar amount) (N/A if left
 290 blank) as a SELLER concession. This can be used toward lender-approved BUYER'S closing costs, lender fees, and prepaid
 291 costs which include but are not limited to those items in BUYER columns marked above. This concession can also be used for
 292 any other expense not related to financing at the BUYER's discretion.
 293

294 **28. DEFAULT:** If BUYER defaults in the performance of this Agreement, SELLER has the option of: (1) accepting the Earnest Money as liquidated
 295 damages or (2) pursuing any other lawful right or remedy to which SELLER may be entitled. If SELLER elects to proceed under (1), SELLER shall make
 296 demand upon the holder of the Earnest Money, upon which demand said holder shall pay from the Earnest Money the costs incurred by SELLER's Broker
 297 on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of title insurance, escrow fees, credit report fees,
 298 inspection fees and attorney's fees; and said holder shall pay any balance of the Earnest Money, one-half to SELLER and one-half to SELLER's Broker,
 299 provided that the amount to be paid to SELLER's Broker shall not exceed the Broker's agreed-to commission. SELLER and BUYER specifically

BUYER'S Initials (____)(____) Date _____ SELLER'S Initials (____)(____) Date _____

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PROPERTY ADDRESS: Lot 3 Dunnings Acre Tracts

ID#: Marx-City

acknowledge and agree that if SELLER elects to accept the Earnest Money as liquidated damages, such shall be SELLER's sole and exclusive remedy, and such shall not be considered a penalty or forfeiture. However, in the event the parties mutually agree in writing that the Earnest Money shall become non-refundable, said agreement shall not be considered an election of remedies by SELLER and the non-refundable Earnest Money shall not constitute liquidated damages; nor shall it act as a waiver of other remedies, all of which shall be available to SELLER; it may however be used to offset SELLER'S damages. If SELLER elects to proceed under (2), the holder of the Earnest Money shall be entitled to pay the costs incurred by SELLER'S Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of brokerage fee, title insurance, escrow fees, credit report fees, inspection fees and attorney's fees, with any balance of the Earnest Money to be held pending resolution of the matter. If SELLER defaults, having approved said sale and fails to consummate the same as herein agreed, BUYER'S Earnest Money deposit shall be returned to him/her and SELLER shall pay for the costs of title insurance, escrow fees, credit report fees, inspection fees, brokerage fees and attorney's fees, if any. This shall not be considered as a waiver by BUYER of any other lawful right or remedy to which BUYER may be entitled.

29. EARNEST MONEY DISPUTE / INTERPLEADER: Notwithstanding any termination or breach of this Agreement, BUYER and SELLER agree that in the event of any controversy regarding the Earnest Money and things of value held by Broker or closing company, Broker may reasonably rely on the terms of this Agreement or other written documents signed by both parties to determine how to disburse the disputed money. However, Broker or closing company shall not be required to take any action but may await any proceeding, or at Broker's or closing company's option and sole discretion, may interplead all parties and deposit any moneys or things of value into a court of competent jurisdiction and shall recover all costs which were incurred as a result of the dispute including, but not limited to, reasonable attorney's fees. If either parties' Broker incurs attorney's fees as a result of any Earnest Money dispute, whether or not formal legal action is taken, said Broker is entitled to recover actual fees incurred from either BUYER or SELLER.

30. ATTORNEY'S FEES: If either party initiates or defends any arbitration or legal action or proceedings which are in any way connected with this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and attorney's fees, including such costs and fees on appeal.

31. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

32. CLOSING: On or before the closing date, BUYER and SELLER shall deposit with the closing company all funds and instruments necessary to complete this transaction. Closing means the date on which all documents are either recorded or accepted by an escrow agent and the sale proceeds are available to SELLER. The closing shall be no later than (Date) August 14, 2020 or sooner

The parties agree that the CLOSING COMPANY for this transaction shall be Boundary Abstract located at Main Street. If a long-term escrow /collection is involved, then the long-term escrow holder shall be n/a

33. POSSESSION: BUYER shall be entitled to possession [x] upon closing or [] date _____ at _____ [] am [] pm

34. PRORATIONS: Property taxes and water assessments (using the last available assessment as a basis), rents collected, interest and reserves, liens, encumbrances or obligations assumed, and utilities shall be prorated [x] upon closing or as of [] date _____. BUYER to reimburse SELLER for fuel in tank [] Yes [] No [x] N/A. Dollar amount may be determined by SELLER's supplier.

35. SECTION 1031 TAX DEFERRED EXCHANGE: If applicable, each party shall cooperate with the other Party in effectuating an exchange under IRS Section 1031; provided however, that the other Party's cooperation shall be conditioned on the following: (a) the exchange shall be at no additional liability and/or cost to the other Party; (b) the exchange shall not delay Settlement or Closing; and (c) the other Party shall not be required to acquire title to any proposed exchange properties to accommodate an exchange. The exchanging party shall indemnify, defend and hold the other Party harmless from and against all claims, demands, costs and expenses which that Party may sustain as a result of the actual or attempted 1031 exchange.

36. REPRESENTATION CONFIRMATION: Check one (1) box in Section 1 and one (1) box in Section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the BUYER(S) and SELLER(S).

- Section 1:
 - A. The brokerage working with the BUYER(S) is acting as an AGENT for the BUYER(S).
 - B. The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), without an ASSIGNED AGENT.
 - C. The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S) and has an ASSIGNED AGENT acting solely on behalf of the BUYER(S).
 - D. The brokerage working with the BUYER(S) is acting as a NONAGENT for the BUYER(S).

- Section 2:
 - A. The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).
 - B. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.
 - C. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S) and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).
 - D. The brokerage working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).

Each party signing this document confirms that he has received, read and understood the Agency Disclosure Brochure adopted or approved by the Idaho real estate commission and has consented to the relationship confirmed above. In addition, each party confirms that the brokerage's agency office policy was made available for inspection and review. EACH PARTY UNDERSTANDS THAT HE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKERAGE UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

37. ASSIGNMENT: This Agreement and any rights or interests created herein [] may [x] may not be sold, transferred, or otherwise assigned.

38. ACCEPTANCE: This offer may be revoked at any time prior to acceptance and is made subject to acceptance on or before (Date) Aug 5, 2020 at (Local Time in which PROPERTY is located) 9:00 [] A.M. [x] P.M.

BUYER'S Initials (____)(____) Date _____ SELLER'S Initials (____)(____) Date _____

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PROPERTY ADDRESS: Lot 3 Dunnings Acre Tracts

ID#: Marx-City

39. BUYER'S SIGNATURES:

SEE ATTACHED BUYER'S ADDENDUM(S) (Specify number of BUYER addendum(s) attached.)
SEE ATTACHED BUYER'S EXHIBIT(S) (Specify number of BUYER exhibit(s) attached.)

BUYER does currently hold an active Idaho real estate license. BUYER is related to agent.

BUYER Signature BUYER (Print Name) City of Bonners Ferry
Date Time A.M. P.M. Phone # Cell #
Address E-Mail
City State Zip Fax #

BUYER does currently hold an active Idaho real estate license. BUYER is related to agent.

BUYER Signature BUYER (Print Name)
Date Time A.M. P.M. Phone # Cell #
Address E-Mail
City State Zip Fax #

40. SELLER'S SIGNATURES: On this date, I/We hereby approve and accept the transaction set forth in the above Agreement and agree to carry out all the terms thereof on the part of the SELLER.

SIGNATURE(S) SUBJECT TO ATTACHED COUNTER OFFER
SIGNATURE(S) SUBJECT TO ATTACHED ADDENDUM(S) #
SIGNATURE(S) SUBJECT TO ATTACHED EXHIBIT(S) #

SELLER does currently hold an active Idaho real estate license. SELLER is related to agent.

SELLER Signature SELLER (Print Name) Mitchell Marx PR
Date Time A.M. P.M. Phone # Cell #
Address E-Mail msbk57@gmail.com
City State Zip Fax #

SELLER does currently hold an active Idaho real estate license. SELLER is related to agent.

SELLER Signature SELLER (Print Name)
Date Time A.M. P.M. Phone # Cell #
Address E-Mail
City State Zip Fax #

LATE ACCEPTANCE

If acceptance of this offer is received after the time specified, it shall not be binding on the BUYER unless BUYER approves of said acceptance within calendar days (three [3] if left blank) by BUYER initialing HERE () () Date . If BUYER timely approves of SELLER's late acceptance, an initialed copy of this page shall be immediately delivered to SELLER.



MEMO

CITY OF BONNERS FERRY
CITY ENGINEER

Date: July 30, 2020
To: City Council
From: Mike Klaus, City Engineer
Subject: **Moyie Hydro - Required Supplement to the FERC Part 12 Inspection**

Every five years the City is required to complete a comprehensive safety inspection with a follow-up report called a Consultant's Safety Inspection Report, or CSIR. HDR is the company that the City hired to complete the last inspection and CSIR. The CSIR was submitted to the FERC and comments back from them required that additional work be completed in the following areas:

- Determine if the inflow design flood (IDF) is appropriate for the Moyie facility.
- Evaluate the spillway discharge capacity as it relates to the IDF and the Probable Maximum Flood (PMF).
- Provide an update dam stability analysis.

The attached work proposal from HDR gives more detail with respect to the work outlined above. Since this work is required as part of maintaining compliance with the FERC, I recommend approval of the HDR proposal as part of their work under our current contract with them. The total for the work is \$21,600, on a time and material basis.

Please let me know if you have any questions.

Thank you,

Mike



July 23, 2020

Mr. Mike Klaus, PE
City Administrator/Engineer
City of Bonners Ferry
PO Box 149,
Bonners Ferry, Idaho 83805

Via Email: mklaus@bonnersferry.id.gov

RE: Moyie Dam –Dam Safety Services

Dear Mike,

HDR appreciates the opportunity to provide the City of Bonners Ferry with this proposal for additional dam safety services for the Moyie Project.

Background

HDR completed the Tenth CSIR in April 2018. In a letter dated May 12, 2020, FERC acknowledged receipt the Part 12 report and required that the City of Bonners Ferry provide supplemental information. The main items requested are; a Dam Breach Model Report, a Supplementary Stability Analysis Report and a Supplement Memo to the Tenth CSIR. This scope of work covers the Supplement Memo and the Supplementary Stability Analysis Report. Updated inundation studies were previously developed by others.

Scope of Work

Task 1 –Supplement to the Tenth CSIR Dam Safety Report and Project Management

HDR will prepare a supplement a supplement to the Tenth CSIR Dam Safety Report. The supplement will include the following items:

- Phone discussion with FERC to present the planned scope of this effort to confirm that it meets expectations.
- Status of recommendations from the Ninth CSIR 1.3.3-2, 1.3.4-2 and 1.3.4-3.
- Provide a discussion of the appropriateness of the inflow design flood and whether it is appropriate for this project given the new dam break study and the fish hatchery recently constructed downstream of the dam.
- An evaluation of the spillway discharge capacity as it relates to the IDF/PMF and the spillway’s capacity to pass the PMF.



- A description of the stability analysis presented in the Ninth CSIR as it pertains to developing an updated stability analysis. Topics for description of the analysis include: methods, procedures, critical elements, assumptions, elements, or input/design parameters for the dam stability analysis and resulting factors of safety and how these items relate to the planned updated Stability Analysis memo described in Task 2.

Deliverables:

- ***Email documentation of call with FERC***
- ***Memo Supplement to the Tenth CSIR Report***
- ***Monthly invoices and status reports.***

Assumptions:

- ***Additional work requested or required by FERC uncovered during the phone call may require revision to the scope and costs to meet FERC expectations.***
- ***Tetra Tech's "Inundation Study Update. Report prepared for the City of Bonners Ferry, Idaho. Updated March 2018" is assumed to fulfill the dambreak study requirements and this scope does not include additions or modification to the inundation mapping or a dam break study.***

Task 2 – Gravity Stability Analysis

HDR will prepare a 2D gravity stability analysis of the Moyie Dam to respond to recommendations from the Tenth CSIR for the normal case, flood case and post-seismic case based on FERC dam safety criteria

The report shall include following:

- An introduction detailing background information on the dam and the available information on concrete and foundation material properties.
- A narrative section describing the analysis process, including design guidance and assumptions.
- A description of load components and load combinations.
- Accounting for potential effects of load transfer between adjacent dam monolith blocks and foundation keys.
- Spillway geometry for analysis section to limit contributions from the thinner downstream section.
- Concrete and foundation stresses and loading diagrams representative of the loading conditions for the above mentioned load cases.

- Concrete and foundation stresses and loading diagrams representative of the loading conditions for the above mentioned load cases.

Deliverables:

- *Draft Analysis Report: one (1) electronic copy.*
- *Final Analysis Report: one (1) electronic copy*

Assumptions:

- *The scope of work assumes the analysis will be performed utilizing software such as MathCAD, Microsoft Excel, with hand calculations to support the analysis.*
- *No additional seismicity information will be developed as part of this scope.*
- *Post seismic case will consider liquefied silt, and a range of friction angles.*
- *A single draft report will be submitted to the City for review and comments prior to preparation of the final report.*

Team

The team will be as follows:

- Keith Moen PE Independent Consultant/Project Manager
- Adam Jones, Senior Review QA/QC
- Yosep Supranata, Structural Analysis
- Farzad Abedzadeh, Structural Review
- Malcolm Schaffer, Seismicity Review
- Jennifer Gagnon, Hydrology/Dambreak Review
- Others include EIT report preparation support, clerical/administrative support and accounting

Schedule

Notice to Proceed	Mid August, 2020
Draft Gravity Stability Analysis	Late October, 2020
Final Gravity Stability Analysis	Mid November, 2020
Draft Memo Supplement to Tenth CSIR	Mid November, 2020
Final Memo Supplement to Tenth CSIR	Mid December, 2020

Budget

HDR recommends a budget based on a time-and-materials basis. Not to exceed (without written permission from City) \$21,600.

Contract

HDR has successfully negotiated a contract with The City for dam safety work, and we suggest using the previous terms for this work.

Please do not hesitate to contact me at (206) 495-5951 or Kate Eldridge at (208) 387-7019 if you have any questions or comments regarding this proposal.

Sincerely,
HDR Engineering



Keith Moen
*Project Manager/
Senior Dam Safety Engineer*



Kate Eldridge
*Vice President/
Idaho Area Manager*



MEMO

CITY OF BONNERS FERRY
CITY ENGINEER

Date: July 31, 2020
To: City Council
From: Mike Klaus, City Engineer
Subject: **Moyie Hydro - Controls and Automation Analysis Contract**

The City has been looking for solutions to several controls and programming issues at the Moyie Hydro facility. The operators at the dam have concluded the following with regard to the existing controls and programming:

1. There is currently a long list of operator-identified issues that need to be addressed, with respect to controls and automation at the hydro.
2. Some features, such as manual control of the governors, have never been operable since the controls upgrades of 2008.
3. Some of the protective equipment at the hydro is outdated, and needs to be replaced with devices that can be supported.

City staff has been working with Craig Ripplinger of Ripplinger Engineering Laboratories (REL), and Terry Borden to provide an analysis with recommendations for addressing the controls, programming, and automation issues. Staff asked Craig to provide a proposal for analyzing our hydro issues, with the help of Terry Borden from Adept Consulting.

Attached with this memo is a summary of the proposal and a contract. I feel that this work is very important to the continued safe operation of our hydro facility. I recommend that the council approve the proposal for \$14,255, and authorize the Mayor to sign the contract for this work.

Please let me know if you have any questions.

Thank you,

Mike

PROFESSIONAL SERVICES AGREEMENT

AGREEMENT made between The City of Bonners Ferry Governmental Entity, a political subdivision of the state of Idaho, herein "ENTITY" and, Ripplinger Engineering Laboratories herein "CONTRACTOR".

The parties agree as follows:

1. SCOPE OF WORK: ENTITY engages CONTRACTOR to perform the work associated for the Moyie Hydro Facilities review, see attached proposal named "Exhibit A". In addition section 19 shall stipulate minimum guidelines set forth by the city as the deliverable and submission guides for completion of this project.
2. PAYMENT: ENTITY agrees to pay CONTRACTOR for their services rendered under this Agreement for the sum of Fourteen thousand, two hundred and fifty-five dollars (\$14,255.00), an amount not to exceed the total sum as dictated by the Bonners Ferry City Council and communicated to the CONTRACTOR. The parties agree that CONTRACTOR will invoice ENTITY for payment under this Agreement for services rendered herein.
3. RIGHT OF CONTROL: CONTRACTOR have no obligation to work any particular hours or days or any particular number of hours or days. CONTRACTOR agree, however, that his other contracts or services shall not interfere with the performance of his services under this Agreement.
4. INDEPENDENT CONTRACTOR RELATIONSHIP: CONTRACTOR is an independent CONTRACTOR and is not an employee, servant, agent, partner, or joint venturer of ENTITY. ENTITY shall determine the work to be done by CONTRACTOR, but CONTRACTOR shall determine the legal means by which it accomplishes the work specified by ENTITY.
5. FEDERAL, STATE, AND LOCAL PAYROLL TAXES: Neither federal, state or local income taxes, nor payroll taxes of any kind shall be withheld and paid by ENTITY on behalf of CONTRACTOR or the employees of CONTRACTOR. CONTRACTOR shall not be treated as an employee with respect to the services performed hereunder for federal or state tax purposes. CONTRACTOR understand that said CONTRACTOR are responsible to pay, according to law, CONTRACTOR's income tax. CONTRACTOR further understands that CONTRACTOR may be liable for self-employment (Social Security) tax to be paid by CONTRACTOR according to law.
6. LICENSES AND LAW: CONTRACTOR represents that they possess the skill and experience necessary and all licenses required to perform the services under this agreement. CONTRACTOR further agree to comply with all applicable laws in the performance of the services hereunder.
7. FRINGE BENEFITS: Because the CONTRACTOR is engaged in its own independently established business, the CONTRACTOR is not eligible for, and shall not participate in, any employee pension, health, or other fringe benefit plans of ENTITY.

8. WORKER'S COMPENSATION: CONTRACTOR shall maintain in full force and effect worker's compensation for CONTRACTOR and any agents, employees, and staff that the CONTRACTOR may employ, and provide proof to ENTITY of such coverage or shall provide proof that such worker's compensation insurance is not required under the circumstances.

9. EQUIPMENT, TOOLS, MATERIALS OR SUPPLIES: CONTRACTOR shall supply, at CONTRACTOR's sole expense, all equipment, tools, materials and/or supplies to accomplish the services to be provided herein.

10. EFFECTIVE DATE: This contract will run from date of this fully executed contract, until such time as the services are deemed no longer needed by the Mayor and Council.

11. WARRANTY: CONTRACTOR warrants that all materials and goods supplied under this Agreement shall be of good merchantable quality and that all services will be performed in a good workmanlike manner. CONTRACTOR acknowledges that it will be liable for any breach of this warranty.

12. INDEMNIFICATION: CONTRACTOR agrees to indemnify, defend, and hold harmless ENTITY, and its officers, agents and employees, from and against any and all claims, losses, actions, or judgments for damages or injury to persons or property arising out of or in connection with the act and/or any performances or activities of CONTRACTOR, CONTRACTOR'S agents, employees, or representatives under this Agreement.

13. WAIVER OF CLAIMS: CONTRACTOR, by signature of this document does hereby waive any rights to any and all claims, losses, actions, and judgments for damages or injury to persons or property arising out of or in connection with the acts up to \$1,000,000 against the ENTITY.

14. NONWAIVER: Failure of either party to exercise any of the rights under this Agreement, or breach thereof, shall not be deemed to be a waiver of such right or a waiver of any subsequent breach.

15. CHOICE OF LAW: Any dispute under this Agreement, or related to this Agreement, shall be decided in accordance with the laws of the state of Idaho.

16. ENTIRE AGREEMENT: This is the entire Agreement of the parties and can only be modified or amended in writing by the parties.

17. SEVERABILITY: If any part of this Agreement is held unenforceable, the remaining portions of the Agreement will nevertheless remain in full force and effect.

18. ATTORNEY FEES: Reasonable attorney fees shall be awarded to the prevailing party in any action to enforce this Agreement or to declare forfeiture or termination of this Agreement.

19. CONTRACTOR DELIVERABLES: Contractor shall deliver within time frame acceptable by the City, for the purposes of this contract it is expected that the deliverable be submitted within a 120 days of the execution of this agreement. The deliverable shall include the following:

A single written report, stamped by the license engineer, addressing areas of the attached proposal "Exhibit A", providing analysis and recommendations with respect to the Moyie Hydro Controls, Programming, and Automation.

DATED this _____ day of _____, 2020.

ENTITY:

CONTRACTOR:

James R. "Dick" Staples, Mayor

By _____
Owner

ATTEST:

Christine McNair, Clerk

Form and content approved by Andrakay Pluid, as attorney for the City of Bonners Ferry.

Ripplinger Engineering Laboratories
Moyie Hydro - Controls and Automation Analysis
Proposal Summary

Item	Description	Cost
1	Determination of Existing Problems	\$ 3,500
2	Review of Existing Information	\$ 900
3	List of Recommended Projects	\$ 4,400
4	List of Recommended Spare Components	\$ 1,200
5	Engineering Review and Oversight	\$ 4,255
	Total	\$ 14,255

Exhibit A
Contractor Proposal

Ripplinger Engineering Laboratories

Telephone: 509-892-1375

Fax: 509-892-7471

Internet: R.E.L@comcast.net

4117 N. Garry Rd.

Otis Orchards, WA 99027



Mike Klaus, P.E.
City of Bonner's Ferry
7232 Main Street
Box 149
Bonner's Ferry, ID 83805

Hi Mike,

We thank you for your interest in engaging Terry Borden of Adept Consulting and REL to assist with the Review of the Moyie Hydro PLC and other system design at the City Hydro (the Project). As you have requested, Adept Consulting will be working with us and REL will provide the Engineering supervision required for the State of Idaho and the Project Report official stamping.

Adept and REL will work together with the City of Bonners staff to perform this review. As Adept has a wealth of experience with PLC systems and the review consists primarily of the PLC system, Adept will require the bulk of the time for the Review. REL will provide assistance with protective and electrical systems as well as review the final summary. Both Adept and REL will perform this review along with City of Bonners staff at every level.

We have received a Quotation from Adept and consider it reasonable and well thought out. Adept has provided estimates of time and costs required and offers these services as such in the enclosed PDF that are in addition to this REL Quotation.

REL offers an estimate of its time and costs associated with this project as follows:

Item	Description	Quantity	Cost Per Unit	Item Total
	Engineering for assisting Project with analysis of electrical and software systems	10	\$110	\$1100
	Engineering time for Project Report review	5	\$110	\$550
	Site visit engineering hours	20	\$110	\$2200
	Mileage for site visit - 2	440	\$0.75	\$330
	Per diem for site visit Two days on site	1	\$75.00	\$75
	Hotel Expense	As incurred	0	0
	Total for REL in Moyie Hydro Review Project			\$4255

Sincerely,

Craig A Ripplinger, P.E.

ADEPT CONSULTING

Mr. Craig Ripplinger
Ripplinger Engineering Laboratories
4117 N. Garry Rd.
Otis Orchards, WA 99027

July 22, 2020

Dear Mr. Ripplinger,

Adept Consulting is pleased to provide you the following proposal for consulting services to be performed for the City of Bonners Ferry, Moyie Hydroelectric Project. The scope of work is based on recent meetings with the City of Bonners Ferry and the Moyie Project team. Based on those meetings, I have identified four (4) items in which Adept Consulting can support you and the City of Bonners Ferry. Please review the items listed below, along with the scope and cost estimates. Should you have any questions, I look forward to discussing them with you at your earliest convenience.

Item #1 – Develop a list of known issues, anomalies, and reoccurring problems with the existing control system at the Moyie Hydroelectric Project that have not been resolved to date. Prioritize that list and work to resolve those issues as directed.

Scope: Work with the operations and maintenance staff at the project site to first identify known issues, anomalies, and reoccurring problems that have not been resolved. Second, provide a prioritized list of those issues along with cost estimates to investigate and resolve them based on a review of the control system documentation, drawings and software code to be provided. The list will be prioritized based on the seriousness of the issue being reported and the cost/time to resolve. Third, based on a review of this list by the project team, a decision by the City of Bonners Ferry will be made on which items will be undertaken or deferred. Fourth, proceed as directed to resolve and correct those issues identified

Adept Consulting

PO Box 128
Ione, WA 99139

PHONE (509)445-5232
EMAIL tborden@potc.net

to be undertaken in a timely and cost effective manner. Fifth, provide periodic (to be determined) progress reports and updated cost estimates as work progresses.

Cost: It is estimated that this initial work as outlined above (1-3) would cost \$3,500 which includes one site visit, travel expenses and 27 hours of engineering time.

Item #2 – Review the Moyie Hydroelectric Project control system documentation (drawings, operation manuals, etc.) and software backup protocols. Provide recommendations that address any identified short comings or risk.

Scope: Review the Moyie Hydroelectric Project control system documentation (drawings, operator manuals, etc.) and software backup procedures. Provide a list of recommendations that would address any identified short comings or risks to project reliability.

Cost: It is estimated to cost \$900 to complete this item which includes 7.5 hours of engineering time.

Item #3 – Develop a list of identified projects (improvements, additions, upgrades) and make recommendations based on any identified short or long term risks to the continued reliability of the Project. Work with the Bonners Ferry engineering and management team to review and prioritize this list.

Scope: Work with the Moyie Hydroelectric Project Team to identify and compile a list of projects that will address any identified short or long term risks to the continued reliability of the Project that may be part of the control, electrical, or protection systems. The list will also include any already identified improvement or enhancement projects under consideration by the City of Bonners Ferry. The list will contain as a minimum; project scope, budgetary cost estimates, alternatives, risks and benefits, as well as estimated resources and time.

Cost: It is estimated to cost \$4,400 to complete this item. This cost includes two site visits, travel expenses and 35 hours of engineering time.

Item #4 – Review a list of critical control and protection system spare parts, identify risks, and provide recommendations.

Scope: Review a list of critical control and protection system spare parts to be provided by the Moyie Project staff. Identify any missing or obsolete spares that could put the project at risk of an extended outage. The spare parts list should

contain as a minimum; quantity, part number, model number, manufacture, and revision number (hardware & software).

Cost: The estimated cost to review and provide a list of recommendations is \$1,200. This cost includes 10 hours of engineering time.

Sincerely,

Terry Borden

Adept **C**onsulting

PO Box 128
Ione, WA 99139

PHONE (509)445-5232
EMAIL tborden@potc.net