

Mayor David Sims called the regularly scheduled council meeting of September 5, 2017 to order at 6:30 p.m. Present for the meeting were Mayor Sims, Council President Rick Alonzo, Council Members Ron Smith, Ken Toline, and Adam Arthur, Clerk Kris Larson, City Administrator Mike Klaus, City Attorney Andrakay Pluid, Police Chief Vic Watson, Fire Chief Dave Winey, and Economic Development Coordinator Dennis Weed. Also present were Mike Normandeau from Bonneville Power Administration, Marcia Cossette, and Jerry Higgs.

Mike Normandeau from Bonneville Power Administration (BPA) spoke to council about rate increases. He said it is the fourth rate increase in the past eight years. For 2018 and 2019 there will be a rate increase of 5.8 percent for power purchases from BPA beginning October 1, 2017. Transmission rates will decrease by about .7 percent but they only account for 20 percent of our volume, 80 percent is power purchase costs. Mike said \$36.14 per megawatt hour is the average rate for loan volume customers like Bonners Ferry. The \$36.14 per megawatt hour is based on the following expenses: one third is O&M, one third is wildlife mitigation, and the other third is debt service. Load growth is down in the area and surplus energy is available to be sold. If BPA sells the surplus energy available their customers receive a credit. If they cannot sell the surplus energy the customers will have to pay the expenses of BPA. Mike said the load growth for Bonners Ferry has increased more than what BPA can supply so they have to go out on the market and purchase outside energy to sell to Bonners Ferry. He said it is only about a megawatt for next year, but growth is a good thing. Mike said there may be a spill surcharge to assist migrating fish going downstream. This may result in small increases in April or May next year. Cost recovery adjustment clause (CRAC) makes up the difference in reserves needed to meet the federal debt payment. Mike thinks there may be an increase next year to make up the CRAC reserve. Mike Klaus asked what the reserve policy is for BPA. The minimum threshold is \$300 million for BPA. Mike Normandeau said the BPA infrastructure is aging as most of the facilities were built in the 1940's. He said most of the utilities around us are experiencing rate increases between four and seven percent so we are in the ball park. Mayor Sims suggested having a BPA workshop next year with Mike Normandeau. Mike said he can explain a BPA bill.

Police Chief Vic Watson said from August 23 through today they have had one vehicle accident, two driving without privileges, one vehicle burglary, one battery charge, one domestic battery case, two found properties, two misdemeanor warrant arrests, one felony warrant arrest, one methamphetamine/paraphernalia charge, and one trafficking methamphetamine/prescription drugs/paraphernalia charges. Since the last meeting they have two major drug seizure arrests that amounted to a half pound of methamphetamine.

Fire Chief Dave Winey said there were three false calls, two accident assists, and a gas call. He is thankful that the fire department has been quiet.

City Administrator Mike Klaus said things are humming along. Water and sewer are keeping up with demand. Electric is doing well. He said the Part 12 inspection for FERC is due every five years, and the next one is due in April, 2018. There will be a meeting next week for two days to look at our Dam and see what failure modes there are and to show the safety of the Dam. An environmental review of the Dam was last week, and it went well.

Economic Development Coordinator Dennis Weed said Yoder Discount Grocery will be moving from town to the top of the north hill near the Log Inn. They hope to be in the new location this fall or early winter. Dennis has been working with a manufacturing company interested in the Akins building and this entity would provide nearly 40 jobs. Dennis now has an office in the business center downtown. The business center is kind of a hub, and there should be more revenue for local businesses as the center grows. The SPOT Bus meeting will be attended by Ron Smith and Dennis tomorrow and in 2018 a new bus will be looked to. It will be a larger 18 passenger bus. Ron said the match for the bus is in SPOT's carryover funds. Dennis said we may be looking to expand the current urban renewal district or to form a new district. He said this will help with additional revenue for the City.

Laura and Keith Snider joined the meeting.

At 7:03 p.m. Mayor Sims opened the public hearing for fee increases. Clerk Kris Larson explained the rate increases are projected by the rate study done a few years ago to be five percent for residential water rates and six percent for commercial water. Sewer rate increases are 15 percent. The rates will be effective for the fiscal year rather than the calendar year that we have been following in the past. Mayor Sims said this is due to the recommendation of Association of Idaho Cities. There was no public comment. The hearing closed at 7:10 p.m.

Rick Alonzo moved to approve the sewer rate increase of 15 percent for fiscal year 2018 effective the first billing cycle in October. Ken Toline seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”.

Ron Smith moved to approve the residential water rate increase to be five percent effective with the first billing cycle in October. Ron Smith moved to approve the water rate increases as published for the rate increase hearing for all classes, residential, commercial, and bulk water, effective the first billing cycle in October. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”.

Mayor David Sims opened the fiscal year 2018 budget hearing. Clerk Kris Larson said the total amount to be budgeted is \$13,748,389 for fiscal year 2018 with \$2,510,559 being for the general fund. She also read the items of interest included in the budget. There was no public comment. The hearing closed at 7:17 p.m.

Rick Alonzo moved to approve the consent agenda. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”. The consent agenda contained the following: roll call; approval of accounts payable and payroll; and approval of August 15, 2017 council meeting minutes.

Ken Toline moved to have the third reading of the taxicab/limousine ordinance by title only. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”. Attorney Andrakay Fluid read the title of the ordinance.

Adam Arthur moved to adopt Ordinance 568 Updating Regulations and Licensing Process for Taxicabs and Limousines Operating within City of Bonners Ferry. Ken Toline seconded the

motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”.

Adam Arthur moved to adopt Fee Increase Resolution 2017-09-01. Rick Alonzo seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”.

Rick Alonzo moved to have the first reading by title only of fiscal year 2018 appropriation ordinance. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”. Attorney Andrakay Pluid read the title of the appropriation ordinance.

Adam Arthur moved to suspend the rules and adopt Fiscal Year Appropriation Ordinance #569. Ken Toline seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”. Ordinance #569 reads as follows:

AN ORDINANCE ENTITLED THE ANNUAL APPROPRIATION ORDINANCE FOR THE FISCAL YEAR, BEGINNING OCTOBER 1, 2017, APPROPRIATING THE SUM OF \$13,748,389 TO DEFRAY THE EXPENSES AND LIABILITIES OF THE CITY OF BONNERS FERRY, FOR SAID FISCAL YEAR, AUTHORIZING A LEVY OF SUFFICIENT TAX UPON THE TAXABLE PROPERTY AND SPECIFYING THE OBJECTS AND PURPOSES FOR WHICH SUCH APPROPRIATIONS ARE MADE.

BE IT ORDAINED by the Mayor and City Council of the City of Bonners Ferry, Boundary County, Idaho

Section 1. That the sum of \$13,748,389 be and the same is hereby appropriated to defray the necessary expenses and liabilities of the City of Bonners Ferry, Boundary County, Idaho, for the fiscal year beginning October 1, 2017.

Section 2. That the objects and purposes for such appropriations are made as follows:

Proposed General Government Fund Expenditures

General Government	\$256,545
Police Department & Police Grants	537,609
Animal Control	10,285
Fire Department	203,376
Parks Department & Visitor Center	63,484
Swimming Pool	51,676
Golf Course	133,500
Street Department	438,788
South Hill Slough Grant	40,199
D.A.R.E./School Resource Officer	64,999
Economic Development Coordinator Grant	63,108
High Five Grant	248,000
Dike Maintenance	20,000
Capital	75,000
Inter-Department Contingency	303,990

Total General Fund Expenditures

\$2,510,559

Proposed Enterprise Fund Expenditures

Electric Fund	7,839,820	
Water Fund	1,572,400	
Sewer Fund	1,674,610	
Garbage Fund	151,000	
Total Enterprise Expenditures		11,237,830
Total Expense Budget Fiscal Year 2018		<u>\$ 13,748,389</u>

Section 3. That the general levy of \$610,955 on all taxable property within the City of Bonners Ferry be levied in an amount allowed by law for general purposes for said City, for the fiscal year beginning October 1, 2017.

Section 4. All ordinances and parts of ordinances in conflict with this ordinance are hereby repealed.

Section 5. This ordinance shall take effect and be in full force on October 1, 2017, after its passage, approval and publication in the Bonners Ferry Herald, a newspaper of general circulation in the City of Bonners Ferry, and the official newspaper thereof.

PASSED under suspension of the rules upon which a roll call vote was taken and duly enacted an ordinance of the City of Bonners Ferry at a convened meeting of the Bonners Ferry City Council held on September 5, 2017.

APPROVED by the Mayor the 5th day of September, 2017.

/s/ David Sims, Mayor

ATTEST: /s/ Kris Larson, City Clerk

Rick Alonzo moved to have the second reading by title only of the ordinance amending Bonners Ferry City Code Title Twelve, Chapter One, concerning violations and remedies for land divisions. Ken Toline seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”. Attorney Andrakay Pluid read the title of the ordinance.

Ken Toline moved approve the catering permit for the Kootenai River Inn for the NRA annual fund raiser on September 16, 2017. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”.

Mike Klaus asked that the selection of JUB Engineers be held until the next meeting.

Mike Klaus said the silt level at the Moyie Dam is exceeding the target or action levels of elevation from the top of the spillway all the way across the reservoir behind the dam. FERC expects us to remove that silt since we have met the action level. Former methods of removal have not been productive. We have used a clam shell to remove it in the past, and this has not worked very well. Suction dredging may work better. Our FERC license only allows silt removal from July through September 15th. We are not usually spilling water at this time of year. Mike is working with CH2MHill on a plan for a one time exemption in our license for silt removal from behind the dam for the months of February through May to get as much out as we can. He is asking to get the license amended to get the silt removed so we can get a plan in place to get the silt out. He is hopeful to get the silt out this spring. Mayor Sims said the turbidity was

minimal for silt removal last spring. Mike said we should be able to get the silt removed without violating turbidity standards. He is hoping CH2MHill is able to successfully get our license amended for silt removal at the optimum time. Adam Arthur moved to authorize the Mayor to sign the agreement with CH2MHill for amending our FERC license for a cost of \$8,000. Ken Toline seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”.

Mike apologized and said he asked for the wrong decision to be held until the next meeting. He meant for us to hold the scope of work for JUB for the sewer bridge main design not the transportation plan.

Mike spoke about the transportation plan and selecting JUB Engineering to do the work. JUB rated the highest by the selection committee. He said the scope of work and fees will come before council for decision at a later date. Mayor Sims said he liked the public involvement that is part of the plan. Rick Alonzo moved to approve JUB Engineers for the transportation plan. Adam Arthur seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”.

Mike said the thrust bearing for unit four is shot, and the rotor and stator will be cleaned while the bearings are out of the unit. He said unit four is offline until we get the repairs done but with the weather we don't have the water volume at this time. It should be operational within the next 60 days. Ron Smith moved to approve the Riverside, Inc. quote for unit four repair and authorize the Mayor to sign the agreement. Ken Toline seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”.

The swimming pool grant application was discussed. Mayor Sims said the grant application does not include the splash pad as originally planned. The grant will include new pool walls, new decking, new fencing, restroom/bath house upgrades, and handicapped access from the parking lot to the pool. If we have enough income from logging we can just pay for the splash pad rather than include it in the grant application. Ron Smith asked about the handicapped parking. Mayor Sims said there will be a concrete slab at the parking area and then handicapped path to the pool. We will have the block grant hearing next Tuesday evening.

Mayor Sims said originally Panhandle Area Council (PAC) was not going to charge us for grant writing, but a change was made and they will now charge for grant writing. The fee will be \$1,500. Rick Alonzo moved to authorize Mayor Sims to sign the agreement with PAC for the pool grant application pending legal review. Ken Toline seconded the motion. The motion passed – Ron Smith “yes”, Rick Alonzo “yes”, Ken Toline “yes”, Adam Arthur “yes”.

Mike Klaus showed maps of the City limits and area on the overhead for a conditional use permit application for a six-plex at 6803 Tamarack Drive being considered by Boundary County. This area is in the City's area of impact. Mayor Sims said we could annex the property because it is adjacent to the City boundary, and the owner will be required to sign a consent to annexation agreement before they will be allowed City services according to current city policy. Mike Klaus read a portion of the area of city impact (ACI) agreement from page 2 section 2. He said it is time for the ACI agreement to be renegotiated. Jerry Higgs asked about the road that will

serve the proposed six-plex, and if we annex if we will maintain the access. Mayor Sims said the road is deeded for public use, but the County has chosen not to maintain it. Mike said the City is getting close to water and sewer capacity, and we should consider the limited resources we have. He recommends looking at the water service area only for city residents as water capacity is limited. Mayor Sims said the first time (when the four-plex was being looked at) the City requested that the access be Walker Lane but the County did not require it. He said when school lets out the traffic is heavy on Tamarack Lane. Mike asked for council comments regarding this development. The group discussed access off Walker Lane. Mayor Sims said our current extension policy needs to be known as well as the costs for our service extensions. Mike will let the County know our policies. Mayor Sims asked about our setbacks. The County is showing five feet, and our setbacks are ten feet. Mike offered to put something together with the Mayor's approval. Mayor Sims said we have a special meeting for the pool grant hearing, and we can add this item to the agenda for approval.

Vic Watson spoke regarding an extension for Willie Cowell's vacation and personal leave. He said Willie was making progress at meeting the previous extension approval, but with the new personnel challenge he will not be able to meet the deadline. Rick Alonzo moved to extend Willie Cowell's vacation and personal leave for six months. Ken Toline seconded the motion. The motion passed – Ron Smith "yes", Rick Alonzo "yes", Ken Toline "yes", Adam Arthur "yes".

Ron Smith thanked Kris for the budget preparation.

Mayor Sims said we should consider the request for park dedication at the next meeting.

The meeting adjourned at 8:07 p.m.

David Sims, Mayor

Attest:

Kris Larson, City Clerk