

The regularly scheduled council meeting of October 20, 2009 was called to order at 7:00 p.m. by Mayor David Anderson. Present for the meeting were Mayor Anderson, Council Members John Langs, Chris Clark, and Connie Wells, Clerk Kris Larson, City Administrator Stephen Boorman, Assistant City Administrator David Sims, Police Chief Rick Alonzo, and Fire Chief Pat Warkentin. Also present were Suzanne Cullinane, Bob Blanford, and Jessie Short from Idaho Forest Products, Ed DePriest, Ed Robbins, Carolyn Testa and Marcia Cossette. Council President Dave Gray participated by telephone.

Ed Robbins spoke to council regarding a portable carport. He said the building is a garage and there are no prohibitions in the CC&Rs in his neighborhood for such a building. He said there is no definition determining if a building is temporary or permanent in city code. Ed said he is restoring a Model T and he wanted to have electricity put in his building but he questioned if a building permit is needed. His portable structure is 24x24. He wanted to bring this issue to the city's attention so the definitions can be determined. The structure is sitting on the dirt but it is anchored and it is a nice looking building. Stephen said the building is no longer temporary if a panel and electricity is installed. He said the building does not meet the setbacks required under city ordinances if it is considered a permanent structure. If it is a temporary building it is not covered by the building code but it is not portable if it is wired in. Ed questioned what makes a structure fall under the city code; is it size or what? Ed said the structure is metal and has good support for snow load. Ed said he could move the structure at any time because it is portable.

Chris Clark and Dave Gray think the issue should be considered by Planning and Zoning.

Ed DePriest said he is installing a portable carport on Tamarack near the duplex that he just purchased. He also questioned if he needs a permit and is concerned about the issue.

Stephen said when a building permit is required, setbacks are checked. Chris Clark said if a portable structure is found it can be moved but if there is power connected to the structure it will be much more difficult. Mayor Anderson agreed that Planning and Zoning should consider the issue. Ed DePriest asked if he needs to wait for Planning and Zoning to meet before he purchases his carport but he will not have power in his structure. Chris Clark said it would be mindful to consider the setbacks.

Rick Alonzo gave the police report. He said Sergeant Mayo retired on October 17, 2009 and Don Moore has been appointed to take the sergeant position as of October 18, 2009. There have been three minor in possessions, intoxicated passenger removed from the Amtrac train, three DUI arrests, one officer assault arrest resulting in a tasing incident, one burglary, one petit theft, three possession of marijuana charges, one injury accident, one battery charge and a malicious injury to property, and two probation violations.

Pat Warkentin said the fire department has responded to a couple calls. One was an injury accident and a power pole fire at Valley View Elementary School in the early morning hours. The city mechanic will put the automatic on spot chains on fire engine 56. There is money in the

budget for the new rescue unit tires. There will be recap tires on the rear duals but the steer tires will be new. Mayor Anderson asked how the inspection went. Pat said it will be a couple months to get the determination from the ratings bureau. The State Inspector assured Pat not to worry about it.

Stephen Boorman gave the administrators report. The street crew got the sprinkler system installed at the pool. A permit is needed from DEQ to run the line from the backwash to feed the sprinkler system. A sign is needed in the Myrtle Creek drainage for no hunting and this has been ordered. There are still blinking lights since Fodge's Mill has installed the soft start and Stephen is struggling with the issue. He does not think the system should be doing this as it worked for the first few days but now the lights are blinking again. The Riverside project may not be paved until next spring due to the weather temperatures. David Sims said the paving company may be able to pave next week if the weather permits. The river backup system had a problem so it will be worked on. Stephen said backup systems need to be tested regularly. There was an inspection at the swimming pool done to meet the Virginia Graham Act and there were no problems. The golf course sprinkler system wires were plowed in today.

Mayor Anderson said there is case law prohibiting the city from purchasing the soft switch or participating in the purchase as was requested by Sam Fodge.

John Langs moved to approve the consent agenda. Connie Wells seconded the motion. The motion passed, all in favor. The consent agenda contained the following: roll call; approval of bills and payroll; approval of September 28, 2009 and October 8, 2009 special council meeting minutes; approval of October 6, 2009 regular council meeting minutes; approval for Don Moore to attend Field Training Officer Class in Sandpoint from November 2-6, 2009; and approval for employees to attend Internal Controls Class on October 30, 2009 in Coeur d'Alene.

The electric rates for large industrial were discussed. Mayor Anderson said another hearing is not required unless the rates are to increase over what was discussed at the previous hearing and meeting. Mayor Anderson would like to take information from Larry Crowley and the city's information and run it by Dale Storer and Bob Mooney as to fairness, possible ramifications to losing 20 percent of our service, and the possibility of legal. Chris Clark asked how we arrived at the proposed rate and further commented that we had a rate specialist who did our study and asked about Bob Brooks. Stephen said Bob Brooks has been doing rate studies for a long time. He does rate studies for electric, water, and sewer rates and he has superb references. Stephen said originally Bob had proposed a lower base rate of about \$40 and higher energy usage and demand to generate revenue to meet the \$714,000 annual revenue requirement for the mill but after discussion with Mr. Crowley it was determined to have higher base rate and lower demand energy charge to meet the increased production at the mill. Stephen chose a base rate of \$12,000 and put in a demand charge that was in the range of what was discussed and the formula resulted in the kWh charge that was submitted. Chris asked about the \$720,000 base line number and where it comes from. Stephen said Bob Brooks looks at the city's costs and breaks down the

costs by the customer classes. He said there are some judgment issues when it comes to billing costs, maintenance costs, and substation and transmission costs. Stephen said this is evident when you look at Mr. Crowley's figures compared to Bob Brook's figures. Chris said we do not produce power a lot cheaper at the Moyie Dam than what we spend on power from Bonneville Power Administration (BPA). He said with the backup from BPA for our power plant we are paying more than other utility suppliers may be paying. David Sims said we also need to consider the costs that we pay for operating the power plant such as long term costs for licensing and rebuilding the generators. Mayor Anderson said that Dale Storer has agreed that our proposed rates are defensible. Bob Mooney is an advisor that has been used by Bonners Ferry in the past on many occasions and is very familiar with our operations. Stephen spoke of the contract in the early 1970's with the mill that Bob Mooney worked on and said he also worked with CH2MHill so he is familiar with engineering. John Langs' concern is keeping the hearing data intact. He is concerned about the additional information tainting the hearing. David Sims said it is his understanding that this issue is a legislative function and not quasi-judicial. John said if we don't jeopardize the hearing function then he is willing to go forward with a decision. Connie Wells said she hates to keep putting off the decision. It has gone on since November, 2007 and the city has the cost of service study backing up our rates. Stephen said the conversation at the mill needs to remain an open dialog and continue to look at opportunities in the future. Mayor Anderson and Connie said it is certainly not a dead issue. Dave Gray commented that a decision could be made tonight or go with the Mayor's preference to wait until the next council meeting. John Langs asked the Mayor what he hopes to accomplish if the issue is delayed until the next meeting. Mayor Anderson said he wants to assure that what we are doing won't be litigated and he is also concerned about the city losing 20 percent of the electric sales if Idaho Forest Group changes suppliers. Mayor Anderson said he is 90 percent sure of the rates as they are proposed. John Langs moved to delay the rate decision until the next meeting due to it being such a huge decision. Dave Gray seconded the motion. Chris Clark said as a mandate as city representatives they are required to set the rates fairly between customer classes. He said we have done our rate studies, have consulted with our legal counsel, reviewed the rates and thinks them to be fair. He also said Idaho is unique regarding the utility rates and the only chink he can see is that we used an out of state rate setter. Mayor Anderson said Bob Mooney has assured us that Bob Brooks is top notch. The motion passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “no”, Dave Gray “yes”.

John Langs moved to authorize the Mayor to sign the contract with Owenhouse and Associates for the Magic Show for DARE to be held on December 6, 2009. Connie Wells seconded the motion and it passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”.

Connie moved to approve the catering permit for Kootenai River Inn for the Ducks Unlimited dinner on October 23, 2009. Chris Clark seconded the motion and it passed, all in favor.

Chris Clark moved to approve and authorize the Mayor to sign Earthworks pay request for the phase 2 water project. John Langs seconded the motion and it passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”.

Chris Clark moved to authorize the Mayor to sign the Department of Commerce paperwork for payment of engineering fees to Welch Comer on the phase 2 water project. Dave Gray seconded the motion. Motion passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”.

John Langs moved to instruct the City Administrator to inform Bonneville Power Administration of the Tier 2 choice for the City of Bonners Ferry. Connie Wells seconded the motion. The motion passed – John Langs “yes”, Chris Clark “yes”, Connie Wells “yes”, Dave Gray “yes”.

Mayor Anderson asked for the surplus property issue to be tabled until the issue can be discussed in executive session and for time to give council the opportunity to review the appraisal. Dave Gray would like council to take a look at the properties to be sold. Connie Wells moved to table the surplus property issue until the next meeting. Chris Clark seconded the motion. The motion passed, all in favor.

Liquor sales on Election Day were discussed. Chris Clark wants to think about the liquor sales issue for the next election. Dave Gray agreed.

Rick Alonzo commented on the memo for travel that he submitted at the meeting this evening. Dave Gray suggested that Don Moore and Dave’s son, Mark, may be able to travel together to the meeting.

There being no further business, the meeting adjourned at 8:06 p.m.

David K. Anderson, Mayor

Attest:

Kris Larson, City Clerk