

OFFICIAL IBSD MINUTES

JANUARY 26, 2011
IONA-BONNEVILLE SEWER DISTRICT (IBSD)
MONTHLY BOARD MEETING

Meeting called to order by Chairman John Price at: 7:00 p.m.

Board Members Present: John Price (Chairman); Mike Klingler; Jason Blundell; Glen Clark; Kelly Howell

IBSD Staff: Cindy Wellman, Manager; Donna Bridges, Field Coordinator

Attorney: Tony Sasser, Sasser Law Office

Public: Kevin Harris, Forsgren & Associates; David Schiess, Schiess Engineering; Dell Miller, Miller Metals; Sally Price, patron; Michael Bair, patron; Teresa Bair, patron; Robert Esplin, patron; Allen Beazer, patron; Marsha Beazer, patron; Aaron Swenson, Forsgren & Associates; Bill Manwill, Forsgren & Associates; Jeff Freiberg, Keller Engineering; Les Grigg, Merrill Lynch

Agenda Items:

1. IBSD 276, Discussion regarding sewer bill, Dell Miller
2. Potential connection to IBSD sewer: Egan Machines
3. Potential connection to IBSD sewer: Paul Wiersma
4. Ammon Separation
5. Board clarification of information provided in newsletter regarding Regional Wastewater Project and engineering study.
6. Beach's Corner update
7. Discussion of engineering services: Glen Clark
8. Discussion/Approval of Credit Card RFP
9. Tiebreaker Elementary School monthly charges, IBSD/Ammon
10. Inspection fee for connection at IBSD 5102, Butler
11. Meeting reschedule for PERSI, Credit Cards and Policy Handbook
12. Investment Policy for Merrill Lynch and Key Investments
13. Audit update
14. Purchase of Laptop
15. Payment of bills
16. Approval of Minutes: 12/16/2010
17. Executive Session, Idaho Code 67-2345 (f) Pending litigation
18. Adjournment

Meeting minutes: For additional information, please reference the recording of the meeting.

00:00:00

Mr. Klingler was contacted by two patrons who had questions regarding the East Idaho Regional Wastewater Authority information in the newsletter. He believes the newsletter was not clear and would like to discuss providing additional information to patrons.

OFFICIAL IBSD MINUTES

Mr. Klingler stated that he would like the laptop for the Board room set up as a work station and is asking the Board to reconsider the choice made at a previous meeting.

MOTION: Mr. Klingler made a motion to add the two items in red [noted above] to the agenda.

MOTION SECONDED: Mr. Clark seconded. **MOTION PASSED:** (Aye: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

00:03:00

00:03:00 **IBSD 276, DISCUSSION REGARDING SEWER BILL, DELL MILLER**

Mr. Dell Miller asked the Board to abate charges on his bill. He had a lease option contract with someone who had been living in the house. He received payments from the tenant through October but has taken the home back as of November 27th. He is trying to sell the home and has had the water off since November.

Mr. Blundell stated that since rent was paid through October it is fair to pay through this time. The water was turned off in November so fees could be abated until the water is turned back on. Due to the situation the Board agreed to waive the Disconnect/Reconnect fee. The monthly fees for November, December and January will be adjusted since water was not turned on at the property.

00:12:45

00:12:45 **POTENTIAL CONNECTION TO IBSD SEWER: EGAN MACHINES**

Mr. Egan is in the process of purchasing a lot for a shop on Hitt Road. He is requesting a letter to Bonneville County stating that IBSD cannot provide sewer service in this area. The lot is located within the jurisdictional area but sewer lines are not available. The Board agreed a letter stating that service is not available can be provided.

00:15:40

00:15:40 **POTENTIAL CONNECTION TO IBSD SEWER: PAUL WIERSMA**

Mr. Wiersma has contacted the office asking what his options are for connecting to the sewer line on the corner of Tower Road and North Iona. His property is not located within the District area but the line connecting Panorama Hills is adjacent to his property.

The property would require annexation. The Board discussed annexing the entire area and asked Mr. Sasser to find out what the legalities are of annexing with or without the property owner's permission.

00:23:10

00:23:10 **AMMON SEPARATION**

Mr. Kevin Harris, Forsgren & Associates, reported to the Board that the design for the line for IBSD interceptor line through the City of Ammon is complete pending the School District's approval of an easement through Hillcrest High School. If the easement is not granted the design will require changes and DEQ approval; if the easement is granted the project may go out to bid shortly after.

OFFICIAL IBSD MINUTES

He also suggested that the Board continue to work with Ammon regarding the separation of customers. Mr. Price stated he is working with Mayor Fuhriman.

00:26:50

00:26:50

BOARD CLARIFICATION OF INFORMATION PROVIDED IN NEWSLETTER REGARDING REGIONAL WASTEWATER PROJECT AND ENGINEERING STUDY.

Mr. Price and Mr. Klingler stated they had received calls from patrons asking for clarification regarding the EIRWWA project information in the newsletter and noted the vagueness of the Board's position on joining the project. Mr. Klingler would like to prepare and send another newsletter with additional information.

Mr. Clark stated he has had several patrons contact him stating adamantly they do not want to go with Ammon. Mr. Price stated that the requests for proposals were made at the suggestion of a patron, Robert Esplin. The Board did not previously know the cost to join the EIRWWA project prior to this request and are still waiting for proposed future costs from the City of Idaho Falls. Right now the costs appear to be substantially more to join the regional project.

Mr. Harris stated that he knows the City of Idaho Falls is waiting for a report from DEQ before they can release figures.

Mr. Howell stated that a member of the EIRWWA Board had spoken to him and wanted it understood that the offer in the proposal recently submitted to IBSD was not a perpetual offer. If the IBSD Board declined to join at this time with the idea of joining in the future, the proposal will not be the same after Ammon spends money on the interceptor line.

Mr. Blundell suggested that the interceptor line could be eliminated with the installation of a splitter box saving the District over \$2 million. Mr. Price stated that the contract and court settlement with the City of Ammon would require changes and asked that this be added as an agenda item for a future meeting.

Mr. Harris stated that this would be possible from an engineering standpoint since there is capacity in line. The question of whether Idaho Falls would accept a splitter box would need to be addressed.

Ms. Wellman stated that Ruby Taylor had some specific questions that she asked to be addressed. She asked if the Board would like to address those questions. Mr. Clark stated the questions on the engineering firm performing the Facility Planning Study could be addressed on the Engineering Services agenda item.

00:42:45

00:42:45

BEACH'S CORNER UPDATE

Mr. Price stated he had spoken to Roger Christenson regarding installing flow meters at Beach's Corner in order to get an estimate of the flow.

00:47:15

OFFICIAL IBSD MINUTES

00:47:15 **DISCUSSION OF ENGINEERING SERVICES: GLEN CLARK**

Mr. Clark stated that he did not appreciate Forsgren engineers taking up so much time making a presentation on the EIRWWA project at the previous meeting. He believes it is a conflict of interest that Forsgren & Associates is representing the City of Ammon and IBSD. He would like to talk to additional engineering companies.

Mr. Price stated that he agrees that different engineering firms should be considered for further engineering work.

Mr. Harris stated that Forsgren & Associates is working on a contract for the City of Ammon but is not Ammon's exclusive engineer. Forsgren works for Ammon as a consultant as well as several engineering firms in the area. The presentation Husk Crowther made to the Board regarding the EIRWWA project was on behalf of the EIRWWA Board. IBSD had previously requested costs to join the project and the presentation was made as a result of this request from IBSD.

Mr. Harris stated that it is the Boards decision whether to join the project; Forsgren is just trying to provide information for an informed decision. He continued that he would appreciate if the IBSD Board put in a good word with the City of Idaho Falls since they would love to work on their new project.

The Board discussed having different firms represent IBSD in future projects or where there may be a conflict with Forsgren & Associates. Mr. Howell suggested the separation of customers with the City of Ammon would be a good opportunity to have another engineering firm work for IBSD.

00:55:15

00:55:15 **DISCUSSION/APPROVAL OF CREDIT CARD RFP**

Ms. Wellman has prepared a draft request for proposal for credit card services for the Boards review.

Les Grigg stated that it may be a service the bank can "turn on" for IBSD.

The Board discussed the fee associated with offering credit card services and how that fee would be passed to the patrons. Mr. Sasser will review the proposal.

01:00:25

01:00:25 **TIEBREAKER ELEMENTARY SCHOOL MONTHLY CHARGES,
IBSD/AMMON**

Ms. Wellman reported that it was discovered that the City of Ammon was charging Tie Breaker Elementary School for sewer. This was probably just a human error and the City of Ammon will be refunding School District #93.

01:01:00

OFFICIAL IBSD MINUTES

01:01:00 **INSPECTION FEE FOR CONNECTION AT IBSD 5102, BUTLER**

Ms. Bridges reported this issue had been resolved. It was thought that a line had become disconnected at the main and she was requesting the inspection fee be waived for the patron. When the repair was made it was found that the fixture was intact but the line had been disconnected from the fixture so an inspection was not required.

Mr. Price stated the current policy is to inspect any main line connection. He asked the Board to consider changing the policy so that any qualified contractor could make the inspection and certify to IBSD that the connection has been made correctly.

Mr. Klingler reminded the Board of the connections that were made on Free Avenue where a sledge hammer was used to punch holes into the concrete mainline. IBSD ended up making the repairs so a camera could be run through the line. He would like the policy of an independent inspection to remain.

Mr. Howell stated he would be in favor of the change in policy as long as a list of approved inspectors is provided to patrons insuring that IBSD is provided with a report.

Mr. Aaron Swenson, Forsgren & Associates, stated his company pays over \$100,000.00 in insurance premiums for errors and omission protection. The liability coverage of an engineering firm will be greater than that of a plumber.

Mr. Price would like to make the inspection process easier for patrons and perhaps save them the \$200 inspection fee.

MOTION: Mr. Howell moved to adopt a motion to be constructed by manager and attorney that would allow patrons to contract directly engineers that IBSD has approved for inspections. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:**
(Aye: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

01:15:15

01:15:15 **MEETING RESCHEDULE FOR PERSI, CREDIT CARDS AND POLICY HANDBOOK**

Ms. Wellman stated that the meeting to discuss PERSI benefits for employees has been scheduled for February 9th.

She asked when the Board would like to schedule meetings for credit card services and policy handbook. The Board would like to schedule additional meetings at a later time.

01:18:40

01:18:40 **INVESTMENT POLICY FOR MERRILL LYNCH AND KEY INVESTMENTS**

Les Grigg, Merrill Lynch, asked to introduce a new investment product to the Board. Bank of America has developed a structured Certificate of Deposit with a selected twelve different

OFFICIAL IBSD MINUTES

commodities. It is a bank product insured by the F.D.I.C. with a 6-year term. He discussed the return and asked if it would be appropriate to add this to the IBSD investment policy.

Mr. Blundell likes the product since it allows some diversity in the investments without a lot of risk. Mr. Sasser is going to confirm this product is allowed per State policy.

01:27:30

01:27:30 **AUDIT UPDATE**

Ferrell Steiner has presented a proposal for audit services for two years. The proposal includes a stipulation that if there are additional costs he will notify the Board for approval.

MOTION: Mr. Blundell made a motion to accept the proposal as submitted by Searle Hart and Associates to perform audit work for 2009 and 2010. **MOTION SECONDED:** Mr. Klingler seconded. **MOTION PASSED:** (Aye: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

01:30:00

01:30:00 **PURCHASE OF LAPTOP**

Mr. Klingler is asking the Board to upgrade the laptop purchase previously approved by the Board. He would like to have the laptop used for Board room presentations also serve as a workstation for employees. He anticipates the laptop costing between \$1,200 and \$1,400. The Board discussed and agreed on the increased price.

01:32:00

01:32:00 **PAYMENT OF BILLS**

Ms. Wellman informed the Board she had purchased a replacement flag since the old one is looking tattered. The Board reviewed and discussed the itemization of bills.

MOTION: Mr. Blundell made a motion to approve the bills as presented. **MOTION SECONDED:** Mr. Howell seconded. **MOTION PASSED:** (Aye: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

01:48:05

01:48:05 **APPROVAL OF MINUTES: 12/16/2010**

The draft of the minutes for December 16, 2010 was reviewed by the Board. The word "Special" needs to be removed from the title and the date in the footnote needs to be corrected.

MOTION: Mr. Howell moved that the minutes for December 16, 2010 be approved with the two changes noted. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** (Aye: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

01:49:50

OFFICIAL IBSD MINUTES

01:49:50 EXECUTIVE SESSION: IDAHO CODE 67-2345 (F) PENDING LITIGATION

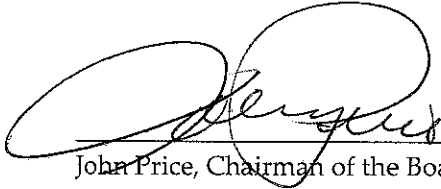
MOTION: Mr. Clark made a motion the Board move into Executive Session per Idaho Code 67-2345 (f). **MOTION SECONDED:** Mr. Howell seconded. **MOTION PASSED:** (Aye: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

01:50:25

00:00:00 Tape 2 **ADJOURNMENT**

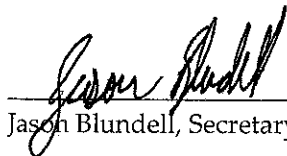
The meeting Adjourned at 9:15 p.m.

00:00:10 Tape 2



John Price, Chairman of the Board of Directors

03-01-11
Date



Jason Blundell, Secretary/Treasurer

02/28/11
Date