

OFFICIAL IBSD MINUTES

OCTOBER 21, 2010
IONA-BONNEVILLE SEWER DISTRICT (IBSD)
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 Murray, patron; Kevin Harris, Forsgren; Ray Ellis, EIHBA

Agenda Items:

1. IBSD 5186 & 5187: Kevin Murray discussion of water disconnect policy.
2. IBSD 327: Loren Martinez – Disconnect options
3. Spacious Acres proposed connections – Harper Leavitt
4. Insurance: Terrorism coverage (ICRMP) and coverage of system
5. Discussion: Engineer to review Ammon separation options report
6. Legal Counsel: Discuss extension of separation agreement with Ammon
7. Building Update -Side table quote, holiday decorations, plaque for building, white board
8. Payment of bills – Financial update
9. Approval of Minutes: 09/30/2010, 10/14/2010
10. Adjournment

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

00:00:00 **IBSD 5186 & 5187: KEVIN MURRAY DISCUSSION OF WATER
DISCONNECT POLICY.**

Kevin Murray owns a set of twin homes that he has been trying to sell and paying utilities on for over a year and a half. He would like to disconnect sewer service but does not agree with the \$150.00 disconnect/reconnect fee established by the Board. The homes have not been occupied and the water has been shut off since July. They are also going into foreclosure.

Mr. Price stated the fee has been set to discourage patrons from shutting off service for short term situations. Mr. Murray suggested they make an exception for the fee if the home has not been occupied. The Board discussed different options on how to make this work for hardship situations and in the event of foreclosure.

The existing policy for disconnects without a fee is for vacant lots only so this would be a new policy. Mr. Blundell stated he is not averse to changing the policy but believes a policy manual should be created for the Board to use as a reference.

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MOTION: Mr. Howell made a motion to establish a policy for disconnects/reconnects without a fee for new construction homes that have never been occupied and have had the water shut off.

MOTION SECONDED: Mr. Clark seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

00:25:15

00:25:15 **IBSD 327: LOREN MARTINEZ – DISCONNECT OPTIONS**

Loren Martinez was not in attendance.

00:25:25

00:28:45 **SPACIOUS ACRES PROPOSED CONNECTIONS – HARPER LEAVITT**

Donna Bridges presented a plat layout from Harper Leavitt Engineering that will add four new connections. The new connections are in a small area called Spacious Acres in the Lincoln Townsite area and within district boundaries. This will require an extension of the sewer line and engineering plans will be submitted for review at a later time. Harper Leavitt is asking the Board if the new connections are agreeable before proceeding with the design.

The Board indicated this development would be allowed. Formal approval and a will serve will be issued when more information is received and reviewed by an engineer.

Mr. Klingler stated that the will-serve policy needs to be reviewed due to commitments made for large areas where development has stopped. He is concerned that other areas may grow to a point where there is not capacity for existing commitments creating liability for the district.

Ms. Wellman stated that the EIRWWA allows a five year commitment. Mr. Harris stated that the county has a policy that if a plat is undeveloped it expires after a period of time. This is something the Board wants to look into for future policy and to see if existing commitments can be terminated.

00:35:40

00:25:25 **INSURANCE: TERRORISM COVERAGE (ICRMP) AND COVERAGE OF SYSTEM**

Mr. Price stated that IBSD has a policy that insures the sewer system for up to \$20,000,000.00. ICRMP is asking, as required by law, if additional terrorism coverage is wanted. This additional coverage will cost \$5,000.00. Mr. Sasser recommends waiving this additional coverage.

MOTION: Mr. Clark made a motion to pass on the additional insurance coverage. **MOTION SECONDED:** Mr. Howell seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

00:28:45

01:25:15 **DISCUSSION: ENGINEER TO REVIEW AMMON SEPARATION OPTIONS REPORT**

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Mr. Price stated he thought it would be a good idea to have an independent review of the separation report prepared by Forsgren. Mr. Blundell stated that he believed an independent engineer might be appropriate when a decision has been made.

Mr. Price stated that Mayor Fuhriman stated that he believes IBSD made the wrong choice in deciding to stay with Idaho Falls. He cited the fact that Idaho Falls says they have funds for the upgrades but has applied for loans. Mr. Price stated that the mayor made some valid points and these are things that will need to be taken into consideration when the board makes the decision for future treatment.

01:28:45

00:35:40 **LEGAL COUNSEL: DISCUSS EXTENSION OF SEPARATION AGREEMENT WITH AMMON**

Mr. Price stated he had an informal meeting with City of Ammon Mayor Fuhriman to discuss the time extension for the IBSD new interceptor line. He stated they discussed working together amicably for the separation.

Mr. Sasser stated he had sent a letter to Scott Hall, City of Ammon attorney, stating that IBSD was not asking for an extension of time for the new interceptor but would be agreeable if Ammon were to request an extension. Mr. Sasser has also spoken with Lance Bates, Ammon Engineer, about some proposed extension dates.

Ammon's contract with the City of Idaho Falls expires December 31, 2012. Scott Hall has suggested changing the delivery date to when Ammon makes the separation from Idaho Falls since Ammon is anxious to leave as soon as possible. Mr. Clark stated that he does not believe any concessions should be made to Ammon since they will leave IBSD hanging.

Mr. Price stated he has told Lance Bates if an extension is needed then Ammon should come to the Board and request it. His feelings are the Board needs to cooperate so the separation can take place without conflict.

Mr. Klingler stated that it sounds like Ammon cannot get the interceptor line done on time or by contract date of October 31, 2010 and yet they are acting like IBSD wants the extension. He wants a hard date from Ammon for delivery.

Mr. Price stated he has told the Mayor that IBSD does not want an extension but the Board would be amiable if an extension is requested. He also believes that there is a communication problem with Ammon's personnel.

Mr. Sasser asked for instruction from the Board to not negotiate anything until Ammon comes to the Board with a hard date of when the line can be delivered. There are a lot of entities involved including the school district and he would like to avoid disinformation until Ammon approached the Board with a plan.

Mr. Klingler stated he has an issue with the route and the fact that it cuts through the school which is now an excuse for the line project not moving ahead since it involves the school district. It will also require a "hold harmless" agreement with Idaho Falls since the distance between

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manholes does not meet the City of Idaho Falls specifications. The contract requires Ammon to deliver a line that is gravity fed from the metering station to where it connects with Idaho Falls. He would like alternate routes to be considered.

Mr. Price stated he spoke with Lance Bates regarding problems with the other routes that Ammon considered. He believes this is a powerful bargaining point and suggested that some sort of compensation from Ammon may be in order if IBSD allows an extension.

Mr. Clark stated that Mr. Sasser and Mr. Clark have indicated to Ammon that IBSD would allow an extension and he believes these are unauthorized statements. Mr. Sasser stated he was working at the direction of the Board. Mr. Clark stated he has made it clear that he is a representative of the Board and that all the decisions are made by the Board.

Mr. Blundell believes the Board is worrying about something that does not affect IBSD. If the interceptor line deadline is extended it does not hurt the district and allows more time for interest earnings on IBSD's portion of the line payment.

Mr. Harris asked for clarification regarding the easement needed from the school district. Mr. Howell stated the school board indicated that an easement would not be approved if a manhole was constructed in the athletic fields. If the manhole is not constructed there would be a separation of 400-500 feet between manholes which is not to Idaho Falls specifications of 300 feet maximum separation. The other concern of the school board is construction occurring during the school year. Mr. Howell said there was an existing easement at one time that should be investigated.

Mr. Price stated the other topic discussed with Ammon is the separation around Ross Avenue. The most feasible option is to leave the line as gravity feed to Ammon. There are several things that need to be worked out legally as well as the difference in fees and possibly supplementing or offsetting of fees.

Mr. Howell asked Mr. Harris if there was a way he could put the separation report into outline form so that it could be more easily understood by the Board.

01:25:15

01:28:45 **BUILDING UPDATE -SIDE TABLE QUOTE, HOLIDAY DECORATIONS, PLAQUE FOR BUILDING, WHITE BOARD**

Ms. Wellman received a bid for a staff table for the board room. The Board discussed the dimensions of a table and having the ability to fold.

MOTION: Mr. Howell made a motion to accept the bid for \$1,125.00 for a table for the board room that will fit through the door and possibly fold. **MOTION SECONDED:** Mr. Klingler seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

Ms. Wellman asked for the Board's opinion with regards to a white board for the board room. It was decided to a hanging white board, 3' x 5' minimum in size, would be placed on the west wall near the board table.

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Ms. Wellman asked the Board if they would like to consider getting a plaque to commemorate the building of the office. It was discussed but no decision made.

Mr. Klingler asked if the Board wanted to decorate the building for the holiday. Ms. Wellman was directed to find out how much this would cost.

01:44:50

01:44:50 **PAYMENT OF BILLS – FINANCIAL UPDATE**

Ms. Wellman stated that the financial statements are very close to be completed. There have been additional problems with balances matching within the software. She has made a lot of progress including reconciling the bank statements but needs an additional week to work out conflicts in the software. She has been working with Caselle evenings and Saturdays in an effort to get financial statements as soon as possible.

MOTION: Mr. Klingler made a motion to pay the bills. **MOTION SECONDED:** Mr. Howell seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

01:55:45

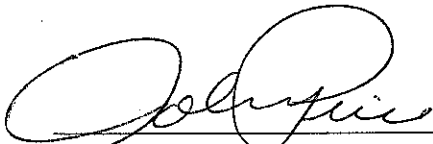
01:55:45 **APPROVAL OF MINUTES: 09/30/2010, 10/14/2010**

MOTION: Mr. Clark made a motion that the minutes from September 20, 2010 and October 14, 2010 be accepted. **MOTION SECONDED:** Mr. Howell seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

01:56:15

01:56:15 **ADJOURNMENT**

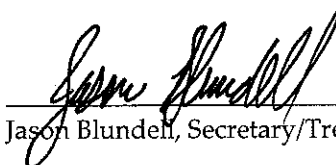
The meeting Adjourned at 8:56 p.m.



John Price, Chairman of the Board of Directors

11-22-2010

Date



Jason Blundell, Secretary/Treasurer

11/22/10

Date