

OFFICIAL IBSD MINUTES

FEBRUARY 13, 2013
IONA-BONNEVILLE SEWER DISTRICT (IBSD)
SPECIAL BOARD MEETING

Meeting called to order by Chairman Kelly Howell at: 12:00 p.m.

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

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

Attorney: Tony Sasser, Sasser Law Office

Public: Paul Scoresby, Schiess and Associates

Agenda Items:

1. Lost Customer Agreement - Ammon
2. Adjournment

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

00:00:00 **LOST CUSTOMER AGREEMENT - AMMON**

Mr. Sasser had suggested at the previous monthly meeting, given that a study had been done by Schiess and Associates regarding how IBSD could separate from Ammon, that he and Mr. Scoresby review the Lost Customer Agreement with respect to the study. They have done this and made suggested changes to the agreement which he has presented to the Board. He understands that this has been discussed for a year or so but he did not feel comfortable with some of the language in the final agreement signed by Ammon.

The suggested changes in the agreement are meant to clarify some of the language and make it clear that either party, with six (6) month written notice, can make infrastructure changes as long as the majority of the customers affected by the change belong to the party asking for the change. It also clearly states that the party not making the changes would not be required to pay for changes made by the other party.

Mr. Scoresby also stated that a reference to the 2009 agreement should be added since paragraph four of this agreement addresses the separation and requires Ammon to continue treatment of IBSD customers. The agreement from 2006, which is also referenced in the agreement, was the result of a lawsuit that led to the definition of the boundaries.

Mr. Scoresby presented a chart he prepared that tracks current costs and potential savings to IBSD. He states what is not clear is how much IBSD would charge Ammon if IBSD began processing Ammon sewer lines. The Board discussed the current \$32.00 per customer charge that IBSD pays Ammon for the 254 ERUs that Ammon services and agreed for the sake of fairness IBSD would also charge Ammon the same fee. This gives accountants a number and allows for

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an even exchange of customers if IBSD constructs infrastructure that allows an exchange of customers. If IBSDs processing fee were to become higher than Ammon's then the higher rate would apply.

00:20:00

Mr. Howell asked what the repercussions would be if a new Lost Customer agreement is not implemented since there is a paragraph addressing treatment in the 2009 agreement. Mr. Sasser stated this a fall back to just keep doing what we are doing now. The Boards concern with this is whether the previous agreement prohibits making changes to the system. It also does not define the cost to be paid by IBSD or Ammon for treatment.

Mr. Clark would like to be 100% separated. Mr. Scoresby stated that an option worth considering is a change of boundaries. This would benefit both parties and save on the expense and trouble of constructing infrastructure. He suggested a buyout to existing customers to exclude themselves from the District. This will have immediate benefit for both parties as well as giving the customers a benefit.

Mr. Sasser stated a petition to be excluded from the District has to be initiated by property owners. He would like to explore the legal implications of offering money for this and address this question with the Attorney General's office. Mr. Klingler stated it is still the homeowner petitioning so he does not understand why this would not be a viable option. The potential buyout could be around \$2,000.00.

Ms. Bridges stated that per policy the Board has the authority to establish a Citizen's Advisory committee. If a few of the patrons living in these neighborhood knew and understood the issues and took it upon themselves to head up a committee to help inform their neighbors. This option benefits Ammon so it may be that they will assist in the process. At present none of the patrons in the comingled areas are likely aware of this issue.

Mr. Blundell suggested pursuing both option – boundary changes as well as physical separation. The Board discussed the benefits of different options and how to pursue while keeping the public informed. Mr. Clark suggested sending a letter to each of the IBSD patrons that are flowing to Ammon. The City of Ammon would also need to be included in this process.

Mr. Howell asked if the Board would like to proceed with the new Lost Customer Agreement.

MOTION: Mr. Blundell made a motion to sign and send the Lost Customer Agreement with the changes suggested by Mr. Sasser. He also moved that the Board move forward with separating IBSD patrons from Ammon by either changing boundaries or installing infrastructure and pursuing both options at the same time. **MOTION SECONDED:** Mr. Esplin seconded.

MOTION PASSED: 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)

01:06:30

Mr. Scoresby suggested writing a report with the pros and cons of changing boundaries to be presented to Ammon. The Board agreed but asked that it be kept simple.

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The Board also discussed having a public relations person as the spokesperson and asked Ms. Wellman to look into seeing if this service is available. They also asked that a mailing list of all patrons in affected areas be put together.

01:23:00

01:23:00 **ADJOURNMENT**

The meeting adjourned at 1:25 p.m.



Kelly Howell, Chairman of the Board of Directors

2-27-2013

Date



Jason Blundell, Secretary/Treasurer

03/19/13

Date