

**IONA-BONNEVILLE SEWER DISTRICT
MINUTES OF DIRECTORS FOR PUBLIC HEARING
SEPTEMBER 17, 2008
7:00 P.M.**

A public hearing on a proposed increase of fees for new connections was held by the Board of Directors of the Iona-Bonneville Sewer District at the District Office, 550 Linden Drive, Idaho Falls, Idaho, on September 17, 2008 at 7:00 p.m. Notice of Public Hearing on proposed fee increases had been published in the Post Register and notice of the meeting was posted with the agenda thereon.

CALL TO ORDER

The meeting was called to order at 7:08 p.m. by Scott Criddle, Chairman of the Board.

ROLL CALL

The following were present:

DIRECTORS:

John Price
Scott Criddle
Susan Ring
Mike Klingler
Glen Clark

ALSO PRESENT:

Dorothy McCarty, Manager
John Ohman, Esq., Legal Counsel
Mike Lund, Engineer
David Benton, Engineer

PUBLIC ATTENDEES:

Woody Myler
Misty Myler
Chris Klingler
Shawn Branson
Ray Ellis
Michael Armstrong
Kim Lewis

Allen Beazer
Mark Miksell
Abbey Proctor
Belle Walker
Jody Walker
Mike Belfield
Paul Hepworth
Tyler & Shanna Hertz
Richard Taylor
Brenda Klingler
Sally Price
Justin & Michelle Klingler
Greg & Stacy Hansen
Rex Thompson
Robert Taylor
Paul Scholes
Matthew & Melinda Reymann
Rod Hughes
Nathan Olsen
Dean Mortimer
Leslie Folsom
Scott Tallman
Mary Bruggenkamp Criddle

PUBLIC HEARING

Chairman Criddle invited comments from persons present, following which these individuals spoke in opposition:

1. Ray Ellis - representing Homebuilders Association and accompanied by its counsel, Nathan Olsen, Esq. No financial justification for proposed increase particularly to the sums suggested. Had reviewed District's financial statements, to 2006; proposed further review and willingness to participate.
2. Mike Armstrong - circulated a handout, based on his review of annual audits from 2003 through 2006, showing percentages by which current assets and expenses increased. Conclusion: IBSD is "financially healthy" and no need for increased connection fees.
3. Scott Tallman - questioned need for any increase, and concern that as a contractor those increases would have to be recovered from customers. Believes additional information needed.

4. Richard Taylor - questioned need for increased connection costs.
5. Shawn Branson - explained his concerns that rate increases would render him non-competitive as a real property owner and contractor in the District. Questioned data upon which District relies.
6. Dean Mortimer - echoed sentiments of previous speakers, and expressed general opposition to proposed increase.
7. Jennifer Belfield - related problems she has experienced as a homeowner with increases in costs, and described this proposed fee increase as "yet another obstacle".
8. Jody Walker, Walker Development - expressed general opposition and explained that doubling fees is "not the answer."
9. Mike Lund, Engineer - Mr. Lund explained the basis for the proposed increased to the Board, explaining that the formula is consistent with DEQ recommendations.
10. Paul Hepworth - opposed fee increase, and explained that he considered it to be "front loading". Mr. Hepworth suggested forming an investigative group to study the issues and to make recommendations.
11. Dean Mortimer - again spoke in opposition to increased fees; endorsed Mr. Hepworth's suggestion of a committee-study group.
12. Ray Ellis - amplified his position in opposition.
13. Dorothy McCarty discussed replacement values, and experiences of other Districts.
14. Greg Hansen, Rockwell Construction - urged "reasonableness as the key" and encouraged further open meetings. His comments included a comparison of IBSD and the City of Idaho.
15. Mike Armstrong - expressed his opinion that systems can be self-supporting, and used City of Idaho Falls and Ammon as examples.
16. Shawn Branson - encouraged further meetings.

17. John Price, Board Member, - discussed costs of replacement and maintenance, and injected some mathematical samples based on Mr. Lund's report and Mr. Armstrong's handout.
18. Ray Ellis - discussed replacement over time in comparison to increased growth in numbers of patrons and connections.
19. Dorothy McCarty - highlighted discrepancies as she observed and understood them.
20. Mike Klingler, Board Member, - inquired of Mr. Lund regarding his computations.
21. Mike Armstrong - discussed a philosophy of "caution vs. risk".
22. Allen Beazler - discussed the maintenance program, and an opinion by Viewpipe that the lines were "excellent" and could last years into the future.
23. John Price - concurred that the lines were well maintained.
24. Glenn Clark and Mike Klingler - suggested that the Board had been misled and that the fee increase was unnecessary.
25. Paul Hepworth - pledged that he would commit resources to help address and resolve the issues.

The Public Meeting closed at 8:15 p.m.

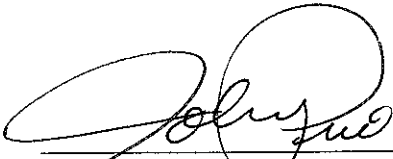
DECISION

In regular session, Mike Klingler moved that the rates not increase, but instead be left "as is". Glenn Clark seconded the motion. Following discussion, upon voice vote, Messrs. Price, Klingler and Clark voted in support of the motion, and Ms. Ring opposed same. The Board then determined that a "citizen's committee" to act in an advisory capacity was appropriate and the following individuals agreed to serve:

Susan Ring, Mike Lund, Michael Klingler for IBSD;
Paul Hepworth, representing builders and developers;
Jennifer Belfield, interested homeowner;
Ray Ellis, as acting chairman of the committee representing Eastern Idaho Homebuilders Association.


The meeting adjourned at 8:30 p.m.

Dated this _____ day of _____, 2008.



Scott Criddle, Chairman

JOHN PRICE



Susan Ring, Secretary