

# OFFICIAL IBSD MINUTES

DECEMBER 16, 2010  
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:** Michael Armstrong, patron; Jeff Freiberg, Keller Associates; Jim Keller, Keller Associates; Roger Christensen, Bonneville County; Brent Crowther, Forsgren & Associates; Allen Beazer, patron; Ray Ellis, East Idaho Homebuilders Association; Kevin Harris, Forsgren & Associates; Sally Price, patron; Sven Berg, Post Register

## Agenda Items:

1. Keller Associates – Introduction of Keller Associates engineering company to IBSD Board
2. Proposal presentation from Eastern Idaho Regional Wastewater Authority (EIRWWA)
3. City of Idaho Falls: Rate increase for sewage treatment
4. Bylaws, resolutions, minutes, policy manual, procedures
5. Physical disconnect options for delinquent accounts – Tony Sasser, Sasser Law Office
6. Office purchases: Laptop, Extension of warranty on desktop, Alternative option for side table
7. **DEQ LOAN FUNDING AND GRANT APPLICATION (addition to agenda)**
8. **MANHOLE CONDITION REPORT FROM IDAHO FALLS (addition to agenda)**
9. Audit update
10. State of Sewer newsletter – January 2011
11. Schedule of meetings for 2011
12. Schedule of special work meeting to discuss: PERSI and 401K for IBSD staff, Credit card options for patrons and review of Bylaws/Policy Manual
13. Advanced and intermediate training for staff on Caselle software
14. IBSD holiday hours for staff and patrons
15. Payment of bills
16. Approval of Minutes: 11/18/2010
17. Executive Session, Idaho Code 67-2345 (f) Pending litigation
18. Adjournment

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

00:00:00

Mr. Price opened meeting and asked for additional items for the agenda. Ms. Wellman stated there has been a notice received from DEQ for grant money application, it was sent to previous address so it was received one day prior to the meeting. A letter was also received from the City of Idaho Falls one day prior to the meeting with additional manhole condition reports.

# OFFICIAL IBSD MINUTES

**MOTION:** Mr. Klingler made a motion to add the additional items; DEQ application for grant money and Manhole Condition Report from City of Idaho Falls to the agenda. **MOTION SECONDED:** Mr. Blundell seconded. **MOTION PASSED:** (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

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## **KELLER ASSOCIATES – INTRODUCTION OF KELLER ASSOCIATES ENGINEERING COMPANY TO IBSD BOARD**

Jim Keller of Keller Associates introduced himself and Jeff Freiberg, project manager for Keller Associates. Mr. Keller, prior to founding Keller Associates, was a principal with Forsgren engineering and one of the designers on the original IBSD sewer systems. He discussed his company's experience and recent projects which includes extensive sewer projects, grant administration and other assistance to municipalities.

He left Forsgren in 1993 when he started his own company. Keller Associates has about 70 employees now.

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## **PROPOSAL PRESENTATION FROM EASTERN IDAHO REGIONAL WASTEWATER AUTHORITY (EIRWWA)**

Eric Christensen, EIRWWA Chairman and City of Shelly Mayor, thanked the Board for the opportunity to make a presentation. He reminded the Board that IBSD was one of the original participants of the EIRWWA and would be welcome to rejoin the project. The wastewater treatment plant has been operational for a year and an excellent job is being done for citizens. He hopes the Board will look at the proposal and compare with current provider and make an informed decision.

Brent Crowther, Engineer for EIRWWA, presented a letter that outlines the proposal. The transmission line from Ammon to the treatment plan, currently under construction, has plenty of capacity for IBSD. The treatment plant will require Phase II to be constructed to accommodate IBSD flow. The plant was designed and planned as a four phase project.

Mr. Crowther stated that the five entities that were involved originally had their own reasons for being involved. Many components have been constructed or are under construction so the project is funded and with or without IBSD the project is viable and will be funded and completed.

When it was planned with the five partners the anticipated cost was \$34 - \$35 per customer. The pricing is similar to what was projected originally, even without IBSD, with the projects that are constructed or being constructed now. Right now customers are expected to pay \$35.21 per ERU; this includes treatment costs and debt service. There will be an additional cost for the administration and operation and maintenance of systems since each entity will retain ownership of existing systems; this is estimated to be about \$7.00 per month. Future capital improvements are paid for with connection fees. Ammon has some unique start up costs so their administration fee is \$8.00 per customer per month.

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# OFFICIAL IBSD MINUTES

The reason the Regional Authority is interested in having IBSD join is because the per user rate would be decreased by about \$8.00. The Regional project was set up so that each participant is treated the same with a vote on the Board.

Without IBSD the Regional project is just shy of \$42 million, with IBSD the project is expected to cost \$54 million. The fees are calculated by subtracting the \$10 million in grant money from the total cost of the project then dividing out per user. IBSD would increase the customer base from roughly 6,000 customers to 12,000 customers.

Mr. Klingler asked if IBSD would be required to fund the \$12 million required for the Phase II construction. Mr. Crowther stated that IBSD would apply for the bond but it would be paid by the Regional Authority so that each customer is treated equally.

Ms. Wellman stated that IBSD administrative cost for December is \$4.24. Mr. Crowther stated that this fee is lower because of the larger customer base. The City of Idaho Falls averages roughly \$2.00 per month due to a larger customer base.

Mr. Christensen stated the Regional Authority was set up so that each entity will have an equal say on the Board. He also commented that the plant was designed for a worst case scenario for treatment so upgrades will not be required in the near future.

Mr. Esplin stated his understanding is that IBSD will get a vote on the Board. He believes this is an opportunity to join a project as a partner; similar to renting a 1970 apartment verses buying a 2010 condo. The advantages of being a part owner are significant when you consider becoming a partner and having a say in the system. He understands his rate may go up but believes this is better than relying on promises from the City of Idaho Falls.

Mr. Blundell stated he does not see any urgency in joining the project. The advantage to the Region to have IBSD join will always be there. The analogy of buying verses renting is good but this is not a tangible difference for customers who will only see their rates increase. He stated there may be more to consider with regards to whether the new IBSD interceptor line is needed.  
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Mr. Klingler stated that the cost for the interceptor will be recouped in two years by staying with the current provider. He stated it appears that the proposed rate is three times what IBSD is paying for current service to Idaho Falls. He can not imagine that Idaho Falls increases will be this high.

Mr. Beazer stated his concern with joining the Region is that he has seen a Board that worked closely together fracture and he has concerns with this happening with five entities. He does not believe getting one vote out of five is necessarily a good thing. Mr. Klingler commented on the fact that IBSD would get one vote but is half the customer base.

Mr. Price thanked Mr. Crowther and the Regional Authority for making the presentation.  
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# OFFICIAL IBSD MINUTES

00:51:15            **CITY OF IDAHO FALLS: RATE INCREASE FOR SEWAGE TREATMENT**

Ms. Wellman received a letter from the City of Idaho Falls stating that the scheduled rate increase for sewage treatment will be increasing from \$1.79 to \$1.98 per thousand gallons if approved by the City Council. The Idaho Falls City Council is meeting tonight to make a decision on this increase. This increase was agreed to in May 2008 and budgeted for at that time.

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00:55:30            **BYLAWS, RESOLUTIONS, MINUTES, POLICY MANUAL, PROCEDURES**

Mr. Sasser presented a revised draft of the Bylaws based on comments received from the Board at the previous meeting. If there are not additional revisions between now and the next meeting in January the Board can vote on this draft. If there are revisions then those can be discussed at the next meeting.

Mr. Sasser took out the section on Sub-Districts based on comments from the Board. This was the subject of an advisory vote in February 2009.

Mr. Howell asked if the Board would like to specify whether the Secretary/Treasurer should be a member of the Board and if the Chairman will vote on motions. After discussion the Board concurred a work meeting should be held to work on the Bylaws.

Ms. Wellman stated that the staff has been compiling all motions and resolutions so that a policy manual can be created. These will be given to the Board for review and revision.

01:05:30

01:05:30            **PHYSICAL DISCONNECT OPTIONS FOR DELINQUENT ACCOUNTS –  
TONY SASSER, SASSER LAW OFFICE**

Mr. Sasser presented a memorandum regarding disconnecting service for delinquent accounts per Idaho Code. The code does allow for physical disconnects but he believes the most prudent way to go is to continue to file delinquent amounts with the county treasurer.

Ms. Wellman stated the problem with this is that a warrant check received from the County for a lump sum amount does not allow any way of matching up who is paying these amounts on IBSD accounts. Bonneville County has said that there is not a way to distinguish who is paying. Mr. Hansen with the Treasurer's office has said that when the lien is placed there is no way to distinguish who placed the lien since it is considered a special assessment.

Mr. Sasser recommends continuing to filing liens and not pursuing disconnects. Ms. Wellman has spoken to other district offices and was told that DEQ frowns upon physical disconnects as well. There is a problem with a trailer park that has not paid the sewer bill in years and the county has been carrying the lien amount for well over three years. Mr. Sasser will continue to work with Mr. Hansen to find out what can be done for cases where the delinquent amounts are not being paid through taxes.

01:15:45

# OFFICIAL IBSD MINUTES

01:15:45      **OFFICE PURCHASES: LAPTOP, EXTENSION OF WARRANTY ON  
DESKTOP, ALTERNATIVE OPTION FOR SIDE TABLE**

Mr. Klingler proposed a laptop be purchased for the audio system. This is required to complete the system as well as for viewing of DVDs such as sewer videos and other presentations. He believes that this can be purchased for less than \$600.00

Ms. Wellman stated she has been contacted by a representative from Dell asking whether an extended warranty on the downstairs computer is wanted. The Board concurred that this is not necessary.

Ms. Wellman stated that she was not able to get a quote for a folding side table but she did find one in a catalog that folds and is substantially less money.

**MOTION:** Mr. Klingler made a motion to purchase a laptop for the board room. **MOTION SECONDED:** Mr. Blundell seconded. **MOTION PASSED:** (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

01:24:10

**MOTION:** Mr. Klingler made a motion to purchase two (2) side tables for the board room. **MOTION SECONDED:** Mr. Howell seconded. **MOTION PASSED:** (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

01:25:20

01:25:20      **DEQ LOAN FUNDING AND GRANT APPLICATION**

Mr. Harris stated that once a project has been started, as in the Facility Planning Study, you cannot apply for funding but an application for additional scope items may be submitted. Forsgren has submitted the application for IBSD for the past two years. The Board indicated they would like to submit an application request for funding.

The grant money is administered by DEQ and funded by the State. The funding depends on how many applications are received.

01:29:20

01:29:20      **MANHOLE CONDITION REPORT FROM IDAHO FALLS**

The City of Idaho Falls sends reports periodically on manhole conditions. The office received ten additional reports just prior to the meeting. Ms. Bridges has compiled and organized them into a spreadsheet. The Board reviewed the reports and stated that the most serious manholes, ones that could cause a backup or other problem, should be repaired immediately. The less serious issues can wait until the weather is permitting.

01:37:20

# OFFICIAL IBSD MINUTES

01:37:20      **AUDIT UPDATE**

Ms. Wellman stated that Ferrell Steiner is putting a proposal together for the accounting audit for 2009 and 2010. There are still issues with Caselle that need to be corrected. The Board would like the audit to be done as soon as possible.

01:40:10

01:40:10      **STATE OF SEWER NEWSLETTER – JANUARY 2011**

Ms. Wellman stated that typically a few items are put together informing patrons of the news of the district to be sent with the January invoice. One of the things she had been asked to research and include in the newsletter is the ability to offer hardship assistance to patrons in need. Patrons would be able to donate additional amounts with their payment to be set aside in a fund for this purpose or perhaps donate to a specific person.

The newsletter will be prepared by Ms. Wellman with feedback from the Board regarding content.

01:47:10

01:47:10      **SCHEDULE OF MEETINGS FOR 2011**

Ms. Wellman asked the Board when they would like to schedule monthly meeting for the 2011 year. The Board will hold meetings on the fourth Wednesday of the month with the exception of November and December when the meeting will be on the third Wednesday of the month to avoid holidays.

01:53:00

01:53:00      **SCHEDULE OF SPECIAL WORK MEETING TO DISCUSS: PERSI AND 401K FOR IBSD STAFF, CREDIT CARD OPTIONS FOR PATRONS AND REVIEW OF BYLAWS/POLICY MANUAL**

Ms. Wellman asked the Board when they would like to meet to discuss retirement benefits for employees. She had been pursuing PERSI benefits for employees and Board members but a 401K program may be more desirable. She also asked if the Board could discuss credit card payment options due to patron requests.

The Board will hold a work meeting the second Wednesday in January to discuss these items as well as the Bylaws and policy manual.

01:55:40

01:55:40      **ADVANCED AND INTERMEDIATE TRAINING FOR STAFF ON CASELLE SOFTWARE IBSD HOLIDAY HOURS FOR STAFF AND PATRONS**

Ms. Wellman has been looking into different options for training for staff on Caselle. There are some advanced features in the software that she would like to receive training as well as intermediate training for staff members. The least expensive route for training is webinars from Caselle.

# OFFICIAL IBSD MINUTES

Ms. Wellman asked if the staff could have a half day off the day before Christmas Eve. The Board agreed with closing early on December 23<sup>rd</sup>.

Ms. Wellman also wanted to note that the holiday decorations were on loan from Donna Bridges and offered thanks to her and Jann Perry for decorating the office for the holidays.

02:01:20

## 02:01:20 PAYMENT OF BILLS

**MOTION:** Mr. Blundell made a motion to approve payment of bills. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

02:08:05

## 02:08:05 APPROVAL OF MINUTES: 11/18/2010

**MOTION:** Mr. Howell made a motion to approve the minutes for November 11, 2010. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

02:11:00

## 02:11:00 EXECUTIVE SESSION: IDAHO CODE 67-2345 (F) PENDING LITIGATION


**MOTION:** Mr. Clark made a motion to move into Executive Session pursuant to Idaho Code 67-2345 (f) pending litigation. **MOTION SECONDED:** Mr. Howell seconded. **MOTION PASSED:** (Yay: Mr. Klingler, Mr. Blundell, Mr. Howell, Mr. Clark; Chairman Price abstains)

02:12:50

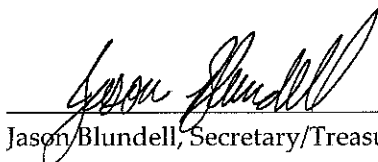
The Board decided to postpone executive session to a later meeting due to the late hour.

## 02:12:50 ADJOURNMENT

The meeting adjourned at 9:10 p.m.

  
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John Price, Chairman of the Board of Directors

2-4-2011  
Date

  
\_\_\_\_\_  
Jason Blundell, Secretary/Treasurer

2/15/11  
Date