

# OFFICIAL IBSD MINUTES

MARCH 26, 2014  
IONA-BONNEVILLE SEWER DISTRICT (IBSD)  
MONTHLY BOARD MEETING

Meeting called to order by Chairman Kelly Howell at: 7:00 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:** Farrell Steiner, Searle Hart & Associates; Ray Ellis, City of Ammon; Michael Armstrong, patron; Kevin Harris, Forsgren & Associates; Scott Wendling, Pipeline; Sam Wellman, Rigby High School student; Eric Wellman, guest

**Agenda Items:**

1. PUBLIC HEARING: Commercial sewer connection rates
2. IBSD 2013 Audit: Searle, Hart and Associates
3. Camera and hydro-cleaner discussion
4. Discussion of bids received and awarding of 2/2014 IBSD mainline cleaning and inspection contract
5. Discussion of bids received and awarding of 3/2014 Wildwood force main extension
6. Idaho Falls contract
7. De-annexation request: City of Idaho Falls
8. Proposed subdivision: L & L Acres, Lynn Rockwood
9. Amp meter quote: four (4) lift stations
10. Yost quote to repair wide format printer
11. Bank separation, establishment of second bank account
12. Cable One quote
13. Approval of minutes: 02/19/2014 and 02/26/2014
14. Payment of bills

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

00:00:00      **PUBLIC HEARING: COMMERCIAL SEWER CONNECTION RATES**

Mr. Howell opened the public hearing. The IBSD Board had held a special meeting in February to look at commercial connection rates. During this meeting the Board had preliminarily approved a change in how commercial connection fees are calculated. The new connection fees would be calculated on estimated usage, or ERU (Equivalent Residential Unit), instead of the base rate plus fixture fees. It was also proposed that any existing commercial customers wishing to expand service would be charged for the additional usage with a minimum of one ERU for a connection.

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Mr. Howell asked if there were any public comments regarding commercial connection fees and the proposed change. No one in attendance had a comment. The public hearing was closed.

**MOTION:** Mr. Esplin made a motion to give final approval to change the commercial rate structure to be based on estimated usage per ERU. **MOTION SECONDED:** Mr. Blundell seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)

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## **IBSD 2013 AUDIT: SEARLE, HART AND ASSOCIATES**

Mr. Steiner presented the audit for fiscal year 2013. He complimented the District on the controls in place and the condition of the records.

He stated that the previous years audit had identified a material weakness to a checking account accessed by payroll services which in the process of being remedied. The material weakness does not mean there is a problem, just a risk.

When the audit is performed they look at financial statements and perform tests to the point where the public can feel confident that the accounting is accurate. The only finding for this audit is the need for a separate checking account as noted previously.

He reviewed the audit report, total assets and liabilities. Since total assets are large he suggested footnoting the report with the intended purpose of funds. This would be for the purpose of assuring the public that assets are being held for future maintenance or capital improvements. Mr. Klingler stated that the Board's purpose has always been to maintain the system without bonding. Mr. Steiner stated that referencing the Facility Planning Study along with a note stating the replacement cost of the system would be sufficient.

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The audit is considered an unqualified opinion. The auditors follow a procedure and similar terminology so there is consistency in the audit report between other governmental entities. He stated the financial statements are provided by the District and if there are any questions regarding the statements to ask for clarification. The statements are verified with transaction details by the auditor.

There is no outstanding debt for the District. The largest expense is for treatment paid to the City of Idaho Falls. Mr. Steiner explained how the reporting of investments is noted in the report. Some investments can be shown as a negative if the interest rates drop. The major purchases were the house acquired for the lift station and engineering fees. Overall the cash balance increased from the previous year.

The last couple pages include the Account Reports for Government Standard Auditing practices which are required to be included. There were not any findings other than potential risk of the checking account used for payroll purposes. Since this is being remedied he does not expect anything to be on the report next year.

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Ms. Wellman stated she is aware of new legislation that is waiting for the Governor's signature that will affect the District. This legislation requires periodic audits, registration with the County, and submittal of financial and audit reports. The purpose of this legislation is for better access of financial information to the public.

**MOTION:** Mr. Klingler made a motion to accept the 2013 audit report submitted by Searle Hart & Associates. **MOTION SECONDED:** Mr. Esplin seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)  
00:38:30

## 00:38:30 CAMERA AND HYDRO-CLEANER DISCUSSION

Mr. Howell stated that Ms. Wellman was tasked with finding out more information regarding the costs for IBSD to acquire camera and hydrojet cleaning equipment. She reported a few rough estimates for a shop building would be between \$170,000.00 and \$250,000.00 depending on size and material. As far as the equipment costs she presented various cost for new and used backhoes.

Mr. Scott Wendling, Pipeline Services, prepared a spreadsheet with his typical costs for equipment and personnel. The cost of a camera truck is about \$125,000. Ray Ellis, City of Ammon, stated the City purchased a camera trailer for about \$85,000.00. Mr. Wendling also included his operating costs for fuel, maintenance and replacement cost which are roughly about \$20,000 annually for full time use.

Mr. Clark stated he believes the City of Idaho Falls is already doing the video inspections. The City of Idaho Falls does maintenance and cleaning but not video inspections unless it is a new development for the purpose of accepting the lines. Mr. Harris stated his maintenance plan in the Facility Planning Study recommended that the inspection of the lines include a rating so lines could be identified that may need more, or less, frequent inspections. The Board discussed known areas that require repair specifically on Lincoln Road.

Mr. Ray Ellis, City of Ammon Public Works, addressed the Board regarding how Ammon takes care of the maintenance and inspection of their sewer lines. They have invested \$330,000.00 in capital equipment. They purchased a combination truck which is both back and hydrojet. The camera system is housed on a trailer and pulled behind the service truck. Prior to the purchase they looked at both contracting and purchasing for this service but made the decision based on wanting to provide emergency response to their patrons. They also bought a crane to pull pumps out of wet wells. They do contract with an excavating company for dig work. His opinion is that you do not camera without cleaning the lines. He is anticipating additional costs as they integrate with their GIS but overall they feel they made a good decision in acquiring their own equipment and feel they have extended the life of their system.

The Board discussed the advantages and disadvantages of hiring personnel for the maintenance of lines. There is concern that the amount of work wouldn't keep a full time person busy year round.

Mr. Klingler stated that he has concerns about how the video information would be provided. He does not want just paper reports that are not easily accessed for information. He would like  
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the videos to be easily accessed and allow repair items to be tracked. Mr. Wendling noted that per the specifications in the request for proposal the data will be provided digitally for Granite XP viewing along with the videos. Mr. Harris also stated the pipes will be rated that allow determining how often the system has to be reinspected.

Mr. Mike Anderson encouraged the Board to consider contracting with the City of Ammon for maintenance. Mr. Ellis stated that it would help them better utilize their equipment but he did not think they could perform the inspection in the next six months.

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Mr. Howell agrees contracting with City of Ammon is a viable option but thinks the initial inspection should be performed first. Mr. Klingler noted, that of all the costs provided, the camera truck is the least expensive option. He proposed running the camera after the City of Idaho Falls does the cleaning. This information would improve the maintenance that is received from the City of Idaho Falls. Mr. Esplin would like to have the inspection done, that was put out for bid, since it is important to get an assessment of the system and then the purchase of equipment can be revisited at a later time. Mr. Howell would like to get this assessment done in anticipation of contract negotiations with the City of Idaho Falls.

**MOTION:** Mr. Blundell made a motion to proceed with contracting the lowest bidder for the video inspection of the sewer system. **MOTION SECONDED:** Mr. Esplin seconded. **MOTION PASSED:** 3-2 (Yay: Mr. Blundell, Mr. Esplin, and Chairman Howell; Nay: Mr. Klingler and Mr. Clark)

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## **DISCUSSION OF BIDS RECEIVED AND AWARDING OF 2/2014 IBSD MAINLINE CLEANING AND INSPECTION CONTRACT**

Mr. Howell directed the Engineer to prepare the notice of award to Pipeline Inspections.

From previous camera work that was done in 2012 there were repairs identified. Mr. Wendling stated these could wait until a more comprehensive list was compiled to save on the per repair cost.

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01:53:00

## **DISCUSSION OF BIDS RECEIVED AND AWARDING OF 3/2014 WILDWOOD FORCE MAIN EXTENSION**

Mr. Harris stated that four bids were received for the Wildwood Force Main project. The award is made based on lowest bid and for this project it is Landon Excavation. Mr. Harris stated there was an alternate bid item that allowed for a change in material allowing a deduction. The approval for this has been received from the City of Idaho Falls which will lower the cost of the project.

Mr. Harris does have a concern that the low bidder was much lower than the engineer's estimate and other bids received. He suggested writing a letter to the contractor to make sure they have not missed any project costs. The Board would just like to accept the bid and proceed with the project.

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**MOTION:** Mr. Clark made a motion to award the contract to Landon Excavation with the line item that allows a deduction for material. **MOTION SECONDED:** Mr. Klingler seconded.

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

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Mr. Harris stated that currently the contract allows for part time inspections. If there is a concern regarding the low bid then he would recommend full time inspections. The Board is not concerned and will remain with part time inspection.

02:00:20

02:00:20           **IDAHO FALLS CONTRACT**

Ms. Wellman reminded everyone that the contract with the City of Idaho Falls expires at the end of the year. She is requesting direction from the Board on how to proceed. The Board asked the staff to request from Chris Fredericksen, City of Idaho Falls Public Works Director, direction on how his Council would like to get negotiations started.

Mr. Klingler stated that there has been legislation passed limiting how long a Board can enter into contracts. Mr. Sasser will check on this since it is thought this may have been revisited. He also suggested joining the Association of Cities so that the staff can stay informed of legislation that may affect the District. Mr. Esplin asked for this to be put on the agenda for the next meeting.

02:07:05

02:07:05           **DE-ANNEXATION REQUEST: CITY OF IDAHO FALLS**

Ms. Bridges stated that the request for annexations from a patron had been forwarded to the City of Idaho Falls for approval. The City responded with a letter requesting that IBSD consider de-annexing the area west of Hitt Road. This area was annexed many years ago but is not being serviced by IBSD and there is not sewer service in this area. The Board is not opposed to removing this area from the jurisdiction but does not have the authority since any changes of border have to be initiated by the property owners. The Board would be okay with this if the City wants to present petitions requesting exclusion.

02:15:35

02:15:35           **PROPOSED SUBDIVISION: L & L ACRES, LYNN ROCKWOOD**

Mr. Lynn Rockwood has presented a plan to subdivide his property into four lots. The property was annexed into the District several years ago. He had been told by Bonneville County that he could only have two homes on the property unless he officially subdivided the lots. The Board would like the subdivision plans to be reviewed prior to development.

**MOTION:** Mr. Esplin made a motion to approve the subdivision subject to all standards and specifications being followed and engineering plan review. **MOTION SECONDED:** Mr.

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

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02:25:40

02:25:40           **AMP METER QUOTE: FOUR (4) LIFT STATIONS**

Ms. Wellman stated she has finally received a quote for Amp meters for the lift stations. This is something that the City of Idaho Falls has requested to allow better monitoring of power usage for the pumps.

**MOTION:** Mr. Esplin made a motion to approve the amp meter installation in the lift stations.

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

02:27:45

02:27:45           **YOST QUOTE TO REPAIR WIDE FORMAT PRINTER**

The large map printer was recently turned on and found to be not working correctly. This printer was purchased a couple years ago but has not been used yet. It was in good working condition when purchased. Mr. Klingler noted that the repair items on the quote are regular maintenance items. He would like to get more information before making a decision.

**MOTION:** Mr. Esplin made a motion to authorized Mr. Klingler to proceed with the repairs if they are justified. **MOTION SECONDED:** Mr. Blundell seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)

02:34:55

02:34:55           **BANK SEPARATION, ESTABLISHMENT OF SECOND BANK ACCOUNT**

Ms. Wellman reviewed the options to establish a second account for payroll purposes. She suggested just opening a second account and transferring funds as needed. She also noted the entities who have access to the account. The Board discussed the most efficient ways to switch accounts.

**MOTION:** Mr. Blundell made a motion to open a new account with Key Bank for IBSD daily operations and maintaining the current account for vendor access to reduce the risk of unauthorized access to the account which was brought to the Board's attention as a result of the audit. **MOTION SECONDED:** Mr. Klinger seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)

02:45:45

02:45:45           **CABLE ONE QUOTE**

Ms. Wellman has received a quote from Cable One for internet and phone service. Mr. Klingler is concerned that a phone book listing will not be included and asked Ms. Wellman to look into this. IBSD is listed in the blue government pages which may be included no matter what phone service is used. The Board gave Ms. Wellman permission to proceed with new phone service.

02:52:05

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02:52:05           **APPROVAL OF MINUTES: 02/19/2014 AND 02/26/2014**

**MOTION:** Mr. Esplin made a motion to approve the minutes for February 19, 2014 and February 26, 2014. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)

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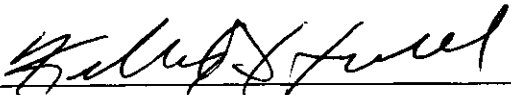
02:54:55           **PAYMENT OF BILLS**

**MOTION:** Mr. Blundell made a motion to approve payment of the bills as presented. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)

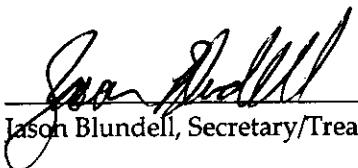
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02:55:05           **ADJOURNMENT**

The meeting adjourned at 9:55 p.m.

  
\_\_\_\_\_  
Kelly Howell, Chairman of the Board of Directors

4-23-2014  
Date

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

4/23/14  
Date

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## IONA BONNEVILLE SEWER DISTRICT

### Monthly Expenses - March 26, 2014

AFLAC	Insurance	\$	464.10
Bank of Commerce	Replenish Office Account	\$	514.19
BK Professional Services	Lawn Maintenance	\$	393.00
Blue Skies Product Distributing	Bottled Water for Office	\$	10.00
Buff N Shine Building Maint.	Office Cleaning	\$	165.00
California State University	Wastewater Vol 1&2 - Books	\$	108.00
Caselle	Software Support	\$	598.67
Century Link	Telecommunications	\$	315.49
Chase Paymentech	Merchant Processing Fees	\$	453.10
City of Ammon	Sewage Treatment - Below the Meter	\$	8,128.00
City of Idaho Falls	Sewage Treatment/Maintenance	\$	56,181.60
Eastern Idaho Railroad	Wildwood lift force main - Permit	\$	1,500.00
Falls Water	Office water	\$	17.75
Forsgren Associates	Wildwood lift force main, Gen Engineering	\$	18,370.00
GoDaddy	Calendar Renewal	\$	14.99
Healthsmart Benefit	NCPERS - PERSI Ins	\$	32.00
Intermountain Gas	Office Utility - Gas	\$	43.28
Lincoln Employee Benefit	Payroll, Employee, Board	\$	12,593.72
Make Ready (Mr) Maintenance	Maintenance: Purchase and replace lights	\$	592.00
MicroSurvey	Software maintenace - annual subscription	\$	395.00
PC Plus	IT Support/Upgrade office computer	\$	897.70
Post Register	Legal Notice - Pub.Hearing / Bid Wildwood	\$	282.96
Rocky Mountain Power	Utility - Lifts, Meters, Office,	\$	681.81
Sasser Law Office	Legal	\$	2,421.00
Searle Hart and Associates	Accounting	\$	8,500.00
Town and Country	Flags (2)	\$	158.00
United Mailing Direct	Monthly Statements	\$	1,841.83
Utility Billing - Refunds	Refunds to patrons	\$	112.93
Walmart	Office Supplies	\$	8.45
Xpress Bill Pay	Online Banking	\$	1,079.25

Total \$ 116,873.82