

OFFICIAL IBSD MINUTES

NOVEMBER 16, 2011
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 (via teleconference)

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

Attorney: Tony Sasser, Sasser Law Office

Public: Randy Zollinger, Bowen Collins & Associates; Keith Larson, Bowen Collins & Associates; Marvin Fielding, Schiess & Associates; Allen Beazer, patron; Kevin Harris, Forsgren & Associates; Jeff Freiberg, Keller Associates

Agenda Items:

1. Bowen Collins & Associates, Inc., Randy Zollinger– Introduction of engineering firm to District.
2. Eagle Farms update: Schiess and Associates, Sasser Law Office
3. Board review of Schiess work order for IBSD commercial use rate structure
4. Facility Planning Study update: Kevin Harris, Forsgren Associates
5. Ammon/IBSD Separation – Separation and maintenance of lines.
6. Decision on sewer permit fee refunds
7. Discussion regarding “Red Flag Rule”
8. Discussion regarding Association of Idaho Cities
9. ICRMP Board of Trustees ballot, discussion/decision on voting.
10. Approval of minutes: 10/26/2011, 10/28/2011
11. Payment of bills
12. Executive Session 67-2345(1):(b),(f)
13. Adjournment

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

00:00:00 **BOWEN COLLINS & ASSOCIATES, INC., RANDY ZOLLINGER–
INTRODUCTION OF ENGINEERING FIRM TO DISTRICT**

Randy Zollinger, Bowen Collin & Associates, introduced his engineering company to the Board. Bowen Collin & Associates is based out of Salt Lake City but also has an office in Boise. His company does water and wastewater projects. Keith Larson, also with Bowen Collin & Associates, spoke about specific projects that his company has worked on.

Mr. Larson discussed various technologies available including a website that allows information to be accessed via Smartphone. This allows survey information to be entered in the field. This allows cost savings by having staff be more familiar with the system. He also showed a diagram

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of a pipe that had been filmed detailing areas of corrosion and other conditions. He spoke about an asset management plan that allows better planning for maintenance.

His company specializes in water and wastewater type projects and can provide construction management and detail designs as well as programming. They are seeking work in the area but have not worked for any other local entities.

00:16:55

00:16:55 **EAGLE FARMS UPDATE: SCHIESS AND ASSOCIATES, SASSER LAW OFFICE**

Mr. Sasser stated that there is finally a signed discharge agreement between IBSD and Eagle Farms. He stated this agreement is particular to Eagle Farms and will not be used as a template agreement for other potential commercial customers.

Mr. Blundell asked if the legal costs had been billed to Eagle Farms. Mr. Sasser stated that this has not been discussed. Ms. Wellman stated the work orders have the legal and engineering fees separated so this is possible.

Eagle Farms would like to begin discharging as soon as possible. Ms. Bridges will work with Mr. Fielding to coordinate the implementation of IBSD's requirement for flow meters and monitoring equipment.

Mr. Klingler suggested adding a "Print your name" line on the form since it is not clear who signed the agreement for Eagle Farms. He stated he would like time to review the agreement but Mr. Howell will sign when the Board verbally authorizes him to do so.

00:24:25

00:24:25 **BOARD REVIEW OF SCHIESS WORK ORDER FOR IBSD COMMERCIAL USE RATE STRUCTURE**

Mr. Marvin Fielding, Schiess & Associates, presented a work order for review by the Board. The work order addresses a rate structure for commercial customers. This will allow customers and staff to estimate the monthly service fee based on the business type.

MOTION: Mr. Klingler made a motion to execute the work order for IBSD Commercial Rate Structure. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)

00:28:40

00:28:40 **FACILITY PLANNING STUDY UPDATE: KEVIN HARRIS, FORSGREN ASSOCIATES**

Mr. Kevin Harris, Forsgren & Associates, presented an update to the Facility Planning Study progress. He started by dividing the service area into 23 subareas determined by the flow. Using these subareas along with projected population growth, he was able to predict anticipated build out areas in the District and see the effect on the collection system. He provided diagrams showing current conditions and predicted peak flow in 20 years.

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The model will include the new 30-inch line being installed when IBSD and Ammon separate. This line connects with the City of Idaho Falls 30-inch line on Sunnyside Road so even if there is sufficient capacity in IBSD lines it does not guarantee capacity in the Idaho Falls system but with Ammon leaving it will open up capacity.

00:41:00

The model and anticipated growth doesn't include additional area if the District boundary is expanded. Mr. Harris stated that it is very rare for an area to be completely built out. His calculations were based on a conservative peaking factor as well.

Mr. Harris reviewed the finances and system replacement or capacity replacements. Ms. Wellman has provided the financial information but he would like to meet with her to discuss what the fees entail for his final report. Based on this information he can make recommendations as to what the rates should be and how it affects the future. The replacement of the entire system is approximately \$150 million. Based on the risk factors and expected life span of the system he can make recommendations as to what the fees need to be for future replacements.

Mr. Harris would like to schedule a work meeting for sometime in January to meet with the Board to discuss particulars for the reports.

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00:56:55

AMMON/IBSD SEPARATION – SEPARATION AND MAINTENANCE OF LINES.

Mr. Harris updated the Board on the progress of the Midway/Eagle Interceptor project. The new line is connected at the intersection of 17th Street and Ammon but the flow is still flowing in the Ammon Road line. The intersection has been reopened with a few lane detours. The contractor has been working as fast as they can to get the work done. Thanksgiving week will be used to replace a water line since it is a short week.

They have constructed temporary detours for the Sunnyside connection which is scheduled for the Monday following Thanksgiving. The connections are very complicated due to the existing businesses in the area. The contractor is trying to minimize the time for the pump around and it is expected IBSD will flow to the Regional Authority plant in Shelley for approximately 1-2 weeks.

A temporary pavement will be installed until the weather warms for asphalt installation. The pipe is a polypropylene material. The installation is going well and the product is expected to work well and all testing has been positive.

01:07:45

Mr. Howell reported that he has met with members of the Ammon City Council. They reviewed the Settlement Agreement with regard to the customers that are flowing into Ammon's system. The agreement does obligate Ammon to service these customers but also permits Ammon to charge full price for treatment. The current rate is \$43.60 per household which includes \$11.00 for maintenance and operating costs. Ammon is proposing charging IBSD \$32.60 per customer. Ammon could not justify charging less than what they charge their own customers.

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MOTION: Mr. Clark made a motion to accept the City of Ammon's proposal to service IBSD customers who flow into Ammon's lines at the rate of \$32.60 per customer. **MOTION FAILED:** No second.

01:10:50

Mr. Blundell stated he thinks this is a good solution for now since the cost to install lines for separation is significant but it may be that IBSD will want to transfer customers as properties sell so that this cost is not incurred in perpetuity. Ms. Wellman reminded the Board that the actual treatment cost for IBSD averages between \$10-12 per patron.

The Centennial Lift Station owned by IBSD is utilized by the City of Ammon and part of the agreement will be to share the cost of operating and maintaining the lift station. Mr. Howell stated that Ammon would like to have an agreement by the end of the year.

Mr. Clark stated that getting flow into IBSD lines and separating these customers should be the next project.

Mr. Howell stated that one of the reasons Ammon would like this agreement is due to public comments stating that patrons would like to remain IBSD customers and not become part of Ammon's system.

Mr. Esplin stated his concerns about paying Ammon to serve these patrons for a long period of time without a plan. Mr. Klingler suggested that there may be a time when these customers are charged more since their processing costs more. The Board discussed different options for handling the surcharge of these patrons in the future but decided that an agreement should move forward with Ammon.

MOTION: Mr. Howell made a motion to move forward, in principal, with the agreement with the City of Ammon until the detail are formalized at a later date. **MOTION SECONDED:** Mr. Klingler seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, Chairman Howell)

01:26:20

Mr. Howell will contact the Ammon City Council and let them know that the Board has agreed in principal but the details will need to be worked out formally in an agreement.

01:28:00

01:28:00

DECISION ON SEWER PERMIT FEE REFUNDS

Ms. Wellman stated a patron who owns a home in the district is looking to purchase a lot with a sewer permit but does not anticipate building on the lot and is asking for a refund.

Mr. Clark stated that if the person who purchased the permit wanted a refund then it would be different but he does not feel comfortable refunding the fee to a person who did not pay the fee. Mr. Blundell believes this has the potential for future problems if there are additional buyers and sales of the property.

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Mr. Klingler stated that since it has been over three years since the permit was purchased he is not inclined to issue a refund.

01:37:30

01:37:30 **DISCUSSION REGARDING "RED FLAG RULE"**

Ms. Wellman stated she has recently become aware of a policy known as the Red Flag Rule. It is a policy that prevents identity theft by implementing rules for account access. Mr. Sasser has reviewed the policy and stated this is an FCC ruling that prevents identity theft since a utility bill can be used as proof of residency. This is a federal requirement.

The Board asked to have time to review the information provided and to put this on the agenda for the next meeting in December.

01:42:20

01:42:20 **DISCUSSION REGARDING ASSOCIATION OF IDAHO CITIES**

Ms. Wellman asked the Board for permission to join the Association of Idaho Cities so that she could, on occasion, attend training conferences and receive current information pertaining to municipalities such as the Red Flag Rule (noted above).

The Board discussed the value in joining this association.

MOTION: Mr. Esplin made a motion to join the Association of Cities. **MOTION FAILED:** No second.

01:50:45

The Board asked Ms. Wellman to bring additional information regarding the association and the specifics of what the organization provides for future consideration.

01:53:15

01:53:15 **ICRMP BOARD OF TRUSTEES BALLOT, DISCUSSION/DECISION ON VOTING.**

MOTION: Mr. Klingler made a motion that the IBSD Board vote for Craig Rockwood. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Chairman Howell; Abstain: Mr. Esplin)

01:54:45

01:54:45 **APPROVAL OF MINUTES: 10/26/2011, 10/28/2011**

Mr. Blundell, referencing the special meeting October 28, 2011 minutes, asked Ms. Wellman for the information provided by Dean Mortimer regarding sewer connection rates for the City of Ammon. Mr. Mortimer will be on the agenda for the next monthly meeting to discuss IBSD connection fees.

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MOTION: Mr. Blundell made a motion to approve the minutes for October 26, 2011 and October 28, 2012. **MOTION SECONDED:** Mr. Klingler seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Chairman Howell; Abstain: Mr. Esplin,)
01:58:50

01:58:50 **PAYMENT OF BILLS**

MOTION: Mr. Blundell made a motion for payment of the bills. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Chairman Howell; Abstain: Mr. Esplin,)
02:06:40


02:06:40 **EXECUTIVE SESSION 67-2345(1):(B),(F)**

MOTION: Mr. Klingler made a motion to move into Executive Session pursuant to Idaho Code 67-2345 9(1) sections B and F. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, Chairman Howell)
02:07:20

00:00:00 Tape 2 **ADJOURNMENT**

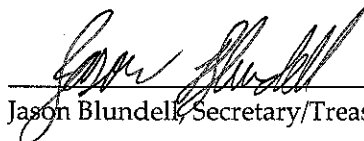
The Board returned from Executive Session at 9:30 p.m. As there were no other agenda items the meeting adjourned.

00:00:20 Tape 2



Kelly Howell, Chairman of the Board of Directors

12-27-2011
Date



Jason Blundell, Secretary/Treasurer

12/27/11
Date