

OFFICIAL IBSD MINUTES

JUNE 25, 2014
IONA-BONNEVILLE SEWER DISTRICT (IBSD)
MONTHLY BOARD MEETING

Meeting called to order by Acting Chairman Jason Blundell at: 7:00 p.m.

Board Members Present:); Mike Klingler; Jason Blundell; Glen Clark; Robert Esplin

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

Attorney: Tony Sasser, Sasser Law Office

Public: Kelly Howell, patron; Keith Morse, patron; Patricia Morse, patron; Matt Porter, patron; Kevin Harris, Forsgren & Associates; Bonny Harding, IBSD Administrative Assistant; Linda Martin, Grow Idaho Falls

Agenda Items:

1. Linda Martin, Grow Idaho Falls: Introduction
2. Appointment of Director, IBSD
3. HRA changes and options, Ray Severe, Lincoln Employee Benefits
4. 2014 video inspection: Update
5. XP Granite Software: Update
6. Flushable wipes in the sewer system: Discussion
7. Iona impact area: Discussion and update from recent meetings
8. IBSD Ground maintenance quotes
9. Approval of minutes: 05/28/2014
10. Payment of bills

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

Mr. Blundell opened the meeting and asked if there were any changes to the agenda. There were no additions or changes.

00:01:30 **LINDA MARTIN, GROW IDAHO FALLS: INTRODUCTION**

Ms. Linda Martin with Grow Idaho Falls arrived and introduced herself. Grow Idaho Falls is a economic development agency that works with developers, elected officials and utility companies. She is in the process of putting a "Shovel Ready" task force together to identify properties with the appropriate zoning and services available.

Grow Idaho Falls is a public/private nonprofit organization. The public and privates entities that are part of the organization are interested in the economic growth of Bonneville County. Her goal is to have all the public entities within the County be part of the group so that anyone looking to develop in the area will have answers to what properties are available along with the services that could be provided.

OFFICIAL IBSD MINUTES

Ms. Wellman stated that originally Ms. Martin was inquiring about the property north of Lincoln Road and west of Hitt Road. Currently this area is not annexed into the District nor is IBSD allowed to provide service per agreement with the City of Idaho Falls.

00:10:40

00:00:50 **APPOINTMENT OF DIRECTOR, IBSD**

Mr. Blundell thanked Mr. Howell for his years of service on the Board of Directors for IBSD.

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Mr. Blundell asked the applicants for the vacant seat on the Board to introduce themselves and provide a little background information as to what makes them qualified and why they would like to be on the Board. There are three applicants who he asked to make presentations in alphabetical order.

Mr. Keith Morse stated his most recent work history is with Boeing Company in Seattle, Washington. Prior to this he worked for 19 years for the State of Washington under five different governors so he is familiar with politics. While there he put together the first computerized job match system which was later taken throughout the nation. Prior to this he had a general accounting firm. Most recently he has served as a chairperson for SCORE. He has four children, three of which live in Washington and one who lives locally in Idaho Falls.

Mr. Blundell asked if Mr. Morse has concerns about being able to commit time to the position and Mr. Morse stated it would not be an issue. His previous work with SCORE required 3-4 days per week and he does not anticipate the Board position taking this much time.

Mr. Matt Porter stated he has lived in the Red Rock subdivision six years. He is a dad of three children and a Boise State graduate with a degree in accounting. He previously worked for Price Waterhouse Cooper but now works at Cornerstone Financial Planning in investments. He works with a lot of business owners so he is familiar with how businesses work and issues that business owners face. He currently serves on two Boards - local chapter of National Association of Insurance and Financial Advisors and the Snake River Chapter of the Better Business Bureau. Both of these experiences have been good and educational for him.

Mr. Esplin asked if Mr. Porter has any concerns regarding time commitments since he has other Boards he is serving on. Mr. Porter does not think this will be an issue. He is fascinated by real estate and seeing how things work so being able to be on the back end in providing utilities is something he is interested in. Mr. Clark asked how well Mr. Porter knew the IBSD area. Mr. Porter stated he does not know much about the infrastructure but does bike and run the District several times a week.

Ms. Wellman stated that the third applicant, Mr. Todd Simons, emailed earlier stating he was not able to attend. He works in the GIS Department at Bonneville County. He has run for a Board position previously.

00:21:10

OFFICIAL IBSD MINUTES

Mr. Clark is concerned the position was not advertised well enough. Mr. Sasser explained that the appointment has to be made within 30 days of Mr. Howell's resignation. Mr. Esplin stated that an advertisement was placed on the statements, an email was sent to everyone on the email list and an article was in the Post Register. He believes anyone who is interested has had a chance to learn about the position.

Mr. Blundell stated he favors someone who has shown interest in the past. He is surprised that Allen Beazer did not submit a letter since he has shown an interest by attending meeting. He knows Mr. Morse has shown interest and previously ran against him in an election.

Mr. Esplin stated that from the information that was provided by the applicants he thinks Mr. Porter would be easier to work with. His feeling from Mr. Morse is he has an agenda to come in and change things. Mr. Clark would like someone who has knowledge of the infrastructure. Mr. Klingler stated his impression of Mr. Morse's application is that it is beating up the existing Board and if he comes in he wants to do things differently.

Mr. Morse stated he based his information on the problems that the Board had in the past. He believes in teamwork and could not have done the things in his 52 year career with 10,000 employees without working together. Mr. Porter stated that he wants to participate and be involved. He believes he will be objective, he is not afraid to give his opinion, and he has a good background in this community as well as the Idaho Falls and Ammon communities. He would not direct any of the investments that would create a conflict of interest nor receive compensation.

Mr. Blundell stated that he would just like someone who will work well with the Board and other members of the community. There are contract negotiations coming up and it would be beneficial to be non-confrontational and works well with other entities.

MOTION: Mr. Esplin made a motion to appoint Matt Porter to fill the vacated Board Member position. **MOTION SECONDED:** Mr. Clark seconded. **MOTION FAILED:** 2-2 (Mr. Clark and Mr. Esplin; Nay: Mr. Klingler and Mr. Blundell)
00:38:00

MOTION: Mr. Blundell made a motion to appoint Keith Morse to fill the vacated Board Member position. **MOTION SECONDED:** Mr. Klingler seconded. **MOTION FAILED:** 2-2 (Yay: Mr. Klingler and Mr. Blundell; Nay: Mr. Clark and Mr. Esplin)
00:40:30

The Board discussed holding a special meeting to revisit this issue since a decision was not able to be made. It is hoped that Mr. Todd Simon would be able to attend and that with additional time for consideration a decision can be made.

Ms. Wellman presented Mr. Kelly Howell a plaque for his service on the Board. The staff and Board are very appreciative of Mr. Howell's service to the District.

Mr. Blundell asked if the Board would like to select a new Chairman or wait until a new Board Member is appointed before making the selection.

OFFICIAL IBSD MINUTES

MOTION: Mr. Clark nominated Mr. Klingler for the Chairman position. **MOTION SECONDED:** Mr. Blundell seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Blundell, Mr. Clark, and Mr. Esplin; Abstain: Mr. Klingler)

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02:09:45

Mr. Sasser asked to revisit the issue of appointment of Director. He let the Board know that he had received a phone call from Bonneville County Prosecuting Attorney, Bruce Picket, three years ago regarding a complaint of an illegal meeting for the purchase of the lot east of the building. The complaint was made by Mr. Keith Morse but was not pursued because it was brought outside the 30 day timeframe allowed by law. He believed that the Board needed to be aware of this prior to making a decision and he wished that Mr. Morse had not left so he could address this.

The discussions for the purchase of the property were done in Executive Session, as allowed per Idaho State statute, for negotiation purposes. Ms. Wellman stated that she had known about this but felt it was important to not discuss the candidates prior to the meeting.

Mr. Klingler asked if anyone had changed their mind and if anyone would like to have further discussion on selection of a new Board Member. Mr. Esplin stated he has not changed his mind, he thinks Mr. Morse would be difficult to work with and he was more impressed with Mr. Porter's responses.

MOTION: Mr. Klingler made a motion to appoint Matt Porter to fill the vacated Board Member position. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, and Mr. Esplin)

02:16:50

00:47:30

HRA CHANGES AND OPTIONS, RAY SEVERE, LINCOLN EMPLOYEE BENEFITS

Ms. Wellman stated that due to changes in the Affordable Healthcare Act the Health Reimbursement Account (HRA) offered to employees can no longer be offered to anyone who is not provided insurance from the employer. None of the current employees receive insurance from IBSD, per personal choice. IBSD allows a \$500.00 per month reimbursement that is allowed to accrue up to \$6,000.00 maximum. She stated that Mr. Ray Severe has suggested a couple alternatives. The first option is an Executive Insurance Policy where the money is contributed with up to 90% being allowed to be withdrawn. Another option is to give the money to the employees directly and the last option is to just do away with the program.

Currently each of the employees has a balance remaining in their HRA. Ms. Bonny Harding stated that this is money she depends on to reimburse her healthcare benefits. She drives from Rexburg so this allows her to afford gas. She also stated that she has made sure to leave a reserve in her account in case of a medical situation.

The Board would like Mr. Ray Severe to attend a meeting so additional questions can be asked. Mr. Porter stated that what he is seeing with his business clients is they are electing to just

OFFICIAL IBSD MINUTES

increase the pay to employees. Mr. Klingler suggested tabling this item until Mr. Severe is in attendance. If he does not show then a special meeting can be scheduled.

01:00:00

01:30:50

Ms. Wellman was able to speak with Mr. Severe via phone and he apologized for not being able to attend the meeting. He stated that the accounts can either be closed allowing for 90-days for employees to submit receipts or frozen which will allow long term access but no additional deposits. This will allow time for him to come to a future meeting and present options.

Mr. Porter suggested sending an email notice to employees for compliance.

01:33:15

01:00:00

2014 VIDEO INSPECTION: UPDATE

Mr. Kevin Harris, Forsgren & Associates, stated that the video inspection project by Pipeline Inspection Services is ongoing. A progress meeting was held where the electronic files and a list of suggested repairs were submitted showing infiltration. Point repairs can be made which fix cracks and stop infiltration. In some pipes there are several point repairs which may warrant a full slip line repair of the entire pipe.

Ms. Bridges prepared a spreadsheet noting the repairs along with the proposed cost from the bid package. Mr. Blundell stated that the purpose of having the entire system videoed is to allow repairs to be prioritized. Mr. Klingler stated that cracks that allow infiltration cost money and he would like to address these areas first. The next project meeting in the office is on July 15th. It is anticipated that the areas with the most repairs will be the areas that are inspected first since it is the oldest part of the system.

Mr. Harris stated that the emergency generator for the Wildwood Force main project has been received and is ready to be installed. The contractor was able to place the generator lengthwise in a direction that allowed good access with a smaller footprint. He has proposed a fence with gates that allows access for maintenance in all directions. He has requested a quote from the contractor but did not receive it prior to the meeting.

MOTION: Mr. Blundell made a motion to approve the change for the gates and fence at the Wildwood lift station and generator up to but not to exceed the contingency amount in the contract. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, and Mr. Esplin)

01:28:40

The Board thanked Mr. Harris for his work on this project. So far it has gone smoothly and they appreciate his work on this. Mr. Harris will work with the City of Idaho Falls regarding the locks and keys for the gates.

01:30:50

OFFICIAL IBSD MINUTES

01:33:15 **XP GRANITE SOFTWARE: UPDATE**

Ms. Wellman stated that the Granite XP software has been installed. She would like more than one person to be able to access the software which would require an additional license.

MOTION: Mr. Esplin made a motion to add an additional license for Granite XP to allow more access for staff. **MOTION SECONDED:** Mr. Blundell seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, and Mr. Esplin)

01:38:50

01:38:50 **FLUSHABLE WIPES IN THE SEWER SYSTEM: DISCUSSION**

Ms. Wellman informed the Board that a patron notified the staff that she had experienced flooding in her home. A plumber later determined a clog had been created by flushable wipes. This has become a huge problem since the marketing for these products indicates they are flushable but the sewer systems cannot handle it.

Mr. Harris stated that the Regional Authority had to install a grinder pump due to the wipes collecting together into large ball shapes. Mr. Sasser stated that class action suits are starting to be initiated against the companies who produce these products.

After discussion the Board agreed that a notice on the statements could be included to inform patrons that these products could cause problems.

01:46:20

01:46:20 **IONA IMPACT AREA: DISCUSSION AND UPDATE FROM RECENT MEETINGS**

Ms. Bridges updated the Board on a work session with the Idaho Falls City Council and Public Works Directors, Chris Frederickson. Mr. Frederickson presented some figures, put together by his GIS Department, regarding IBSD area. Currently about 39% of the existing boundary area is developed. The treatment plant in Idaho Falls currently treats wastewater for the City of Idaho Falls, City of Ucon and Iona Bonneville Sewer District. The treatment plant has a maximum capacity of 17 million gallons per day. At present they are at about half capacity, averaging 9 million gallons per day. The capacity of the lines will be reached prior to the plant capacity. They anticipate with 3% growth in the area it will take 30 years before the plant reaches capacity and 20 years before the line on Sunnyside Road.

The treatment plant requires \$60 million in upgrades over the next 20 years to meet DEQ treatment requirements. They are in the process of having the first \$20 million in upgrades done for which they have secured a low interest loan from DEQ.

Ms. Bridges stated that prior to the meeting Mr. Frederickson had noted this would be a work session and Council Members may say things that are surprising as issues are talked through. At the meeting Council Member Thomas Hally suggested that IBSD had been undercharged and was able to build up reserves on the back of the citizens of Idaho Falls and if IBSD had been charged more than Idaho Falls would not have had to get any loans. He also asked what IBSD had in reserves and what our current charges were and what the charges covered. The meetings

OFFICIAL IBSD MINUTES

are lived stream so anyone wishing to watch the meeting has access from the City of Idaho Falls' website.

Since this was a work session a decision regarding the Iona impact was not made at this meeting. The City of Idaho Falls is concerned about IBSD having a large service area due to capacity concerns but also do not want to limit the growth of the neighboring cities. The contract between IBSD and the City of Idaho Falls has a renewal date of December 31, 2014.

02:01:40

02:01:40 IBSD GROUND MAINTENANCE QUOTES

Ms. Wellman presented costs from the ground maintenance currently being done by B&K Landscaping and a quote from B&B Landscaping. The Board reviewed and discussed the costs and decided to continue using B&K Landscaping.

02:09:45

02:16:50 APPROVAL OF MINUTES: 05/28/2014

Ms. Wellman passed out information for the Forsgren & Associates golf tournament.

MOTION: Mr. Esplin made a motion to accept the minute for May 28, 2014. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, and Mr. Esplin)

02:21:45

02:21:45 PAYMENT OF BILLS

Ms. Wellman stated she has been having a number of issues with how payroll is being done. Lincoln Employee Benefits does not want to issue checks from their office and it is difficult for her to reconcile. Ms. Wellman is requesting if she can get a quote from Caselle for the payroll module. After discussion regarding probably costs of additional software and maintenance it was decided that Ms. Wellman could probably report the payroll as a single line item. She is going to check with the accountants to confirm this would be okay.

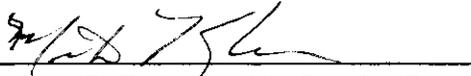
MOTION: Mr. Clark made a motion to pay the bills. **MOTION SECONDED:** Mr. Blundell seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, and Mr. Esplin)

02:38:35

OFFICIAL IBSD MINUTES

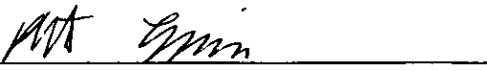
02:38:35 ADJOURNMENT

The meeting adjourned at 9:40 p.m.



Kelly Howell, Chairman of the Board of Directors
Mike Krayler

7/30/14
Date



Jason Blundell, Secretary/Treasurer
Director

8/27/14
Date

OFFICIAL IBSD MINUTES



IONA BONNEVILLE SEWER DISTRICT

Monthly Expenses - June 25, 2014

ACE Hardware	Office Supplies	\$	5.29
AFLAC	Insurance - 2 months	\$	928.20
Bank of Commerce	Replenish Office Account	\$	760.85
BK Professional Services	Lawn Maintenance	\$	175.00
Blue Skies Product Distributing	Bottled Water for Office	\$	15.00
Buff N Shine Building Maint.	Office Cleaning	\$	225.00
Cable One	Internet/Phone	\$	359.02
Caselle	Software Support	\$	598.67
Chase Paymentech	Merchant Processing Fees	\$	511.87
City of Ammon	Sewage Treatment - Below the Meter	\$	3,744.00
City of Idaho Falls	Sewage Treatment/Maintenance	\$	62,817.50
Costco	Postage	\$	195.00
CUES	Granite XP Software	\$	695.00
Falls Water	Office water /Hydrant meter-Cleaning of lines	\$	89.76
Forsgren Associates	Wildwood force main, Gen Engineering	\$	5,250.00
Healthsmart Benefit	NCPERS - PERSI Ins	\$	32.00
Intermountain Gas	Office Utility - Gas	\$	8.16
IRS - Federal Tax	Federal Tax	\$	2,182.80
Landon Excavating	Manhole Repairs	\$	18,375.00
Lincoln Employee Benefit	Payroll, Employee, Board	\$	8,476.90
L.Wellman	Emp Payroll	\$	20.89
M. Klingler	Board Payroll	\$	85.56
PC Plus	IT Support	\$	300.00
Pipeline Inspection	CCTV/Hydro Cleaning - Sewer Lines	\$	63,782.50
Public Retirement System	PERSI	\$	2,597.75
Rocky Mountain Power	Utility - Lifts, Meters, Office,	\$	689.93
Sasser Law Office	Legal	\$	930.50
State of Idaho	State withholding	\$	372.00
United Mailing Direct	Monthly Statements and delinquent	\$	2,221.04
Utility Billing - Refunds	Refunds to patrons	\$	256.00
W. Clark	Board Payroll	\$	92.35
Xpress Bill Pay	Online Banking	\$	1,090.58

Total \$ 177,884.12