

OFFICIAL IBSD MINUTES

APRIL 18, 2013

IONA-BONNEVILLE SEWER DISTRICT (IBSD) SPECIAL BOARD MEETING

Meeting called to order by Chairman Kelly Howell at: 12:00 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: Paul Scoresby, Schiess & Associates

Agenda Items:

1. Ammon Separation: Discussion, Paul Scoresby, Schiess and Associates
2. Employee Manual: Review
3. Executive session: Idaho Code 67-2345 (c) To conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency.
4. Adjournment

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

00:02:30 **AMMON SEPARATION: DISCUSSION, PAUL SCORESBY, SCHIESS AND ASSOCIATES**

Mr. Scoresby has updated the draft of the separation study that incorporates comments from the Ammon engineer Lance Bates. One of the options suggested is the "do nothing" choice and leave things as is with IBSD continuing to compensate Ammon for treatment. This option results in the loss of capital reserve savings for IBSD. Ammon is indicating they will not support any option that will result in loss of revenue to the City. Mr. Scoresby also added an option where Ammon shares the cost of separating. His study has multiple choices for the purpose of showing cost and benefits to entities involved as well as how this affects patrons.

Mr. Clark stated that the lines need to be separated. He does not like that the District is supplementing payments for sewage treatment. There are costs to separate but at least it will stop the loss of revenue. The lift station has been upgrade with three phase power but Ammon has stated they would expect additional upgrades before taking ownership. Mr. Clark does not think IBSD should have to pay to upgrade a functioning lift station. This would be an item to be negotiated.

Mr. Klingler stated that IBSD and Ammon are in different situations. If IBSD's connections are reduced then expenses are reduced. Since Ammon is paying back debt a loss of revenue affects them much more than IBSD.

00:18:00

Mr. Scoresby recommended having a representative from IBSD meet with Ammon to discuss the options and start the process of negotiating. The two entities need to work together to develop a strategy. This is a situation that the Board would very much like to resolve. The lines have been comingled for years but now

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that Ammon is not being serviced by the City of Idaho Falls it is time to get separation. Mr. Blundell was selected to act on IBSD's behalf. Mr. Scoresby will accompany him in case there are questions related to the study.

The Board discussed the options that Mr. Scoresby has suggested and made suggestions to modifying options to reducing costs, such as reducing the cost of patron buy out amounts, and thus reducing the payback period. Mr. Scoresby will make the changes and present for the Boards review.

The possibility of raising the rates, whether to the entire District as a whole or just the patrons who IBSD compensates Ammon, was also discussed. There is a disparity in what the Ammon patrons cost the District and the patrons of the District are supplementing this additional cost. If the Ammon patrons elect to not take a buyout and exclude themselves from the District then the rates for this area may need to be increased. The Board discussed whether the rate should be raised and if so whether it should be raised before or after patrons are asked to deannex. Mr. Howell stated he will not support any rate increases since that is something he promised patrons while campaigning.

01:01:00

When Ammon decided to utilize EIRWWA it resulted in IBSD having a significant increase in the amount reimbursed to Ammon for patrons that flow into Ammon's system. This is the result of design that happened many years ago. The choice right now seems to be to install infrastructure to separate a portion of the patrons or to offer an incentive to the patrons to deannex to the City of Ammon. Currently the District is paying Ammon more than is being collecting resulting in the remaining District patrons subsidizing these areas.

The next step is for IBSD's representative, Mr. Blundell, to meet with City of Ammon officials. Mr. Scoresby will schedule a meeting. The results of the meeting will be discussed at the next scheduled monthly meeting.

01:14:40

00:00:00 **EMPLOYEE MANUAL: REVIEW**

Mr. Sasser stated he has distributed an Employee Manual draft to the Board for review. The draft has been accepted by ICRMPS. There are a few optional items that have been included for consideration. It will be on the agenda for the next regular monthly meeting April 24th.

00:02:30

01:14:40 **EXECUTIVE SESSION: IDAHO CODE 67-2345 (C) TO CONDUCT DELIBERATIONS CONCERNING LABOR NEGOTIATIONS OR TO ACQUIRE AN INTEREST IN REAL PROPERTY WHICH IS NOT OWNED BY A PUBLIC AGENCY.**

The Board asked Mr. Scoresby to stay for the Executive Session.

MOTION: Mr. Esplin made a motion to move into Executive Session per Idaho Code 67-2345 (c) to conduct business deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency. **MOTION SECONDED:** Mr. Klingler seconded. **MOTION PASSED:** Roll call vote 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)

01:15:45

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00:00:00 tape 2

The Board moved out of Executive Session at 1:36 p.m.

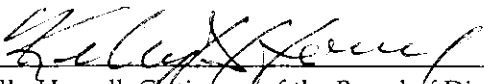
MOTION: Mr. Esplin made a motion to hire Randy Waters to acquire an interest in real property pursuant to Executive Session and Idaho Code 67-2345 (c). **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)

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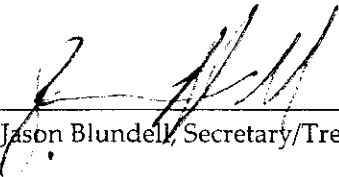
ADJOURNMENT

The meeting adjourned at 1:37 p.m.



Kelly Howell, Chairman of the Board of Directors

5-22-2013
Date



Jason Blundell, Secretary/Treasurer

5/22/13
Date