

NOTICE IS GIVEN that the Board of Directors of the Iona Bonneville Sewer District shall hold a **Monthly Meeting October 8, 2008 at 7:00 pm at the City of Iona building, 3548 N Main St, Iona, ID 83427**

**Meeting Location:
City of Iona Building
3548 N Main Street, Iona, ID. 83427**

AGENDA

1. Approval of all Previous Minutes (to include May 14, 2008)
2. Payment of Bills
3. Idaho Falls Monthly Rate Increase
4. Mediator
5. District Voting Zones
Cynthia Branter
Mike Lund
6. Board Meeting Agenda Policy & Open Meeting Law
7. Continuing Service Contracts
8. Comprehensive System Audit
9. Reports on Rentals
Susan Ring, John Price
10. Ashwood Acres
Independent Engineering for Ashwood Acres
11. Directors Remuneration
12. Comments of Patrons
Lori Davies
Jeff Ring
Mike Armstrong
13. Management Report
14. Engineering Report
15. Executive Session per Idaho Code 67-2345,a,b,c,f
16. Return to General Session
17. Adjournment

Adjournment. "In as much as there have been no other requests for additional items to be included for discussion and proper notice given, the meeting will then be adjourned. Next monthly meeting date: November 12, 2008.

Per Idaho Code for Open Meetings -- all IBSD meetings of the board are Open to the Public. Executive Sessions are not open however will be posted. Any persons wishing to place an item of discussion on the agenda are requested to submit such request to the IBSD Office no later than the Friday prior to the meeting. Unless the request is of an urgent matter, if received after the Friday prior deadline, it will be placed on the following month agenda.

**IONA-BONNEVILLE SEWER DISTRICT
MINUTES OF DIRECTORS
October 8, 2008**

7:00 p.m.

A regular meeting of the Board of Directors of the Iona-Bonneville Sewer District (District), a political subdivision of the State of Idaho, was held at the Iona City Building, 3548 North Main Street, Iona, Bonneville County, Idaho, on October 8, 2008, at 7:00 p.m. Notice of Public Hearing of the meeting with the agenda thereon was posted. The office manager certified that such notice had been posted as required.

CALL TO ORDER

The meeting was called to order at 7:05 p.m. by Scott Criddle, Chairman of the Board.

ROLL CALL

The following were present:

DIRECTORS:

John Price
Scott Criddle
Susan Ring
Mike Klingler
Glen Clark

ALSO PRESENT:

David Benton, Engineer
John M. Ohman, Esq., Legal Counsel
Dorothy McCarty, Manager
Mike Lund, Engineer
Cherese McLain, Esq., Legal Counsel
Tony Sasser, Esq., Legal Counsel

PUBLIC ATTENDEES:

Patrons of the District and interested parties were present, and are identified by their signatures on sign-in sheets which were circulated. They are as follows:

Dale Armstrong
Debra Christensen
Josh Harris

John Meyer
Jennifer Belfield
Brett Magleby

Amy Andrus
Thomas Louk
Ruth Mogan

Lance T. Ellis
Dex Braxwell
Scott J. Kidwell
Michell Norman
Jake Norman
Esther Schell
James Olsen
Mary French
Dale Butters
Melba Butters
Wayne Christensen
April Sattison
Vicki Loveland
Jane Shaw
Steven Boyce, Esq.
May Bruggerkap
Elaine Rhodes
Dan Hunting
Michael Armstrong
Vard Hendricks
Bill Kelly
Robert I. Jones
Marva Clark
Evadean Long
Sally Price
Kay I. Zopff
David Ralkingham
Chris Klingler
Heather Klingler
Allen Beyes
Robert Peterson
Bud Hansen
Tony Nelson
Dallin Klingler
Nathan Klingler
Truly Klingler
Dena Harker
Carole Myler
Kay L. Myler
Rebecca Klingler
Bill Holmes
Melissa Boyd
Susan Gardner
Brenda Klingler
Nick Draper PR

Lynn Morgan
Claude Walstrom
Clair Munns
DeAnn Munns
Dixie Hunting
Mark Mikesell
Keeley Mikesell
Adrian Beazer
Terry McNamara
Eric Scoresby
Lynn Rockwood
Troy McMurtrey
David Boyter
Scott Bruce
Tony Wise
Dennis McArthur
Linda McArthur
Mitch Carmichael
Jameelee Shively
Doris Ann Bodily
Ronald H. Bodily
Don Glover
Darwin Jeppesen
Ray Ellis
Dave Noel
Diana Nelson
Don Holverson
Oliver Lewis
Kim Lewis
Annette Lewis
Kelly Higginson
Tim Kelly
Lisa Kelly
Lynda Kunde
Robert J. Schware
Richard Jaussi
Mike Coombs
Robert Schwarze
Judy Infanger
Don Fontes
Kathy Fontes

PRIOR MINUTES

Following discussion of the minutes from September 18, 2008, the following changes were made, upon motion by Mike Klingler and seconded by Glenn Clark:

- A. OFFICE FACILITY was substituted for MEETING FACILITY with further clarification that alternate locations for IBSD offices, not simply a meeting place;
- B. Under ASHWOOD ACRES, the time of the referenced executive session held on Monday, September 2, 2008, was noted by adding at 1:00 p.m.;
- C. Under the category MARK MIKESELL - COUNTRY CORNER CARWASH additional language was added so that the introductory paragraph would read as follows:

Following the remarks by Mr. Mikesell's attorney and engineer (Al Stephens, Esq., of Thomsen Stephens Law Offices and Jared Bragg of Harper Leavitt Engineering), and contrary to the advice of the operators in charge, Mike Lund, engineer and Dorothy McCarty, manager, and following discussion about no IBSD policies found requiring a new connection fee, and no policy or requirement by any other authority or entity requiring a batch reactor or other device called for by the engineer beyond what is currently installed, Mike Klingler moved, and Glenn Clark seconded, that an immediate connection be allowed and fees waived. That motion passed.

With those changes, the Board approved the minutes of the Board Meeting and Special Meetings held on September 17, 18, and 22, 2008. Members Clark, Klingler and Price voted Aye and Susan Ring voted Nay.

The Board elected to leave the May 14, 2008 minutes as is emphasizing that there was disagreement among the members.

PAYMENT OF BILLS

Susan Ring moved for the approval of the bills. That motion died for lack of a second. Mike Klingler then moved to consider the bills on a line item basis, and upon a second by John Price, the Board elected to do so. Upon motion by Mike Klingler, seconded by John Price, the Board moved to exclude payment of the following

expenses, pending appropriate documentation from Ms. McCarty:

Management costs - \$29,570.00

Office expenses - \$2,398.81

Glenn Clark moved to exclude Director's Monthly Fees, retroactive to August, 2008. Following a second by John Price, that motion passed by a three-to-one vote (Clark, Klingler, Price - Ring).

Susan Ring moved that any decision on the contemplated refund to Rockwell Development be stayed pending further investigation of the appropriateness and the consequences. That motion passed unanimously.

Upon motion, and by unanimous vote, all other expenses were approved.

IDAHO FALLS MONTHLY RATE INCREASE

Ms. McCarty provided a historical overview of the rate increases. The Board elected to undertake further research and investigation, and to place the matter on the agenda for the next meeting.

MEDIATOR

Chairman Criddle expressed his concern over the inability of the Board members to interact effectively, particularly in the context of current situation (pending lawsuits, threatened suit, attorney general investigation) and recommended that professional assistance, via a counselor or trainer, be retained to provide guidance and direction. Upon motion by Susan Ring, and a second by Mike Klingler, the suggestion passed unanimously (Price abstained).

ASHWOOD ACRES

John Price advised of recent televising of Ashwood Acres lines by the City of Idaho Falls and of a determination that the existing problem is not one of function, but of maintenance.

Mike Lund reported that the City of Idaho Falls has cleaned the lines on a regular basis, a fact of which IBSD was previously unaware. Discussions were then had regarding potential problems from H₂S gas and sediment, with a caution by Dorothy McCarty of EPA concerns. Steve Boyce, Esq., as legal counsel for Ashwood Acres Homeowners Association, requested a date certain (time frame) within which a decision, and commitment, could be made. Cherese McLain, Esq., responded that the matter is on fast track with the expectation that an independent engineering firm would be retained by IBSD. Ms. McLain also stated that the Board will not make comments regarding the Ashwood Acres issue, including permitting and fees, until it is settled.

However, patron comments are welcome and will be considered but there will be no response to questions.

DISTRICT VOTING ZONES

At last month's meeting, the Board's consensus was that the concept of establishing five zones, with a separate board member from each zone, was appropriate. Susan Ring moved that a committee be established to study the concept and to recommend composition of the boundaries. Her motion was that no more than two board members and at least three patrons serve on the committee. John Price seconded the motion. The motion passed by unanimous vote.

IBSD Engineer, Mike Lund made several comments during this discussion regarding his recent letter he mailed to some of the patrons. He addressed his concern for the Board's lack of a Business Management Plan or a plan for costs. Several patrons commented:

- Robert Jones—funding, where the addresses came from
- Melissa Boyd—where the addresses came from
- Vard Hendricks—why did Lund send it out as the IBSD engineer when unrelated to engineering
- Don Palmerson—part of the problem with District is the employees
- Mark Mikesell—you are an employee, not a patron, this is insubordination
- Jennifer Bilco—is Benton a contractor or employee
- Mike Coombs—lets get back to the topic
- Charlie Deets—will the zone issue be a patron vote?

BOARD MEETING AGENDA POLICY AND OPEN MEETING LAW

Following his comment over difficulties getting matters set on the monthly agenda, Mike Klingler moved that the Board strictly follow Idaho's Open Meeting Law. John Price seconded the motion. Susan Ring commented that such would require a change in existing By-Laws, which would require a unanimous vote. Mr. Klingler, with Mr. Price's consent, withdrew the motion asking that the matter be set for next month's agenda.

CONTINUING SERVICE CONTRACTS

John Price discussed his longstanding concerns over the failure of written contracts, and appropriate documentation of IBSD matters. Mr. Price moved for the adoption of a policy requiring bi-lateral agreements with all entities/persons performing services to IBSD, to be prepared or approved by IBSD's legal counsel, and that in the absence thereof, no services be had. The motion was seconded by Mr. Klingler. Members Klingler, Clark and Price voted Aye and Susan Ring voted Nay.

COMPREHENSIVE SYSTEM AUDIT

John Price moved that EchoHawk Law Offices be authorized to locate an auditor from outside Idaho Falls to complete a comprehensive audit of IBSD's books and records and practices, with recommendations to be made to the Board. Mr. Klingler asked that such motion specifically include the review of the Casselle System, with which Mr. Price agreed. Said motion, as amended, passed three-to-one (Clark, Klingler, Price - Ring).

REPORTS ON RENTALS

Mr. Price provided an update of his activities in seeking out new office facilities for IBSD. He reported a location at 1555 Lincoln Road in Northridge Plaza in Idaho Falls which he perceived as ideal. Mike Klingler then moved that IBSD's offices be relocated immediately (from Benton Engineering to this new location). Glenn Clark seconded the motion. The motion passed, with members Klingler, Clark and Price voting Aye and Susan Ring voting Nay.

COMMENTS OF PATRONS

Mr. Mike Armstrong expressed concerns, and observations, regarding management, control and operation of the District. To support his contentions, he distributed a handout.

MANAGEMENT REPORT

Dorothy McCarty presented a management report, especially emphasizing her concerns over the failure of the District to have a sewer use ordinance, and to be in compliance with EPA and Federal clean water requirements. Ms. McCarty's concerns included a failure of protection to the District in the absence of appropriate agreements, and full compliance with legal requirements. Her concerns included the need of certified operators within the District, the Sewer Use Ordinance, and a memorandum of understanding with the City of Idaho Falls.

ENGINEERING REPORT

Michael Lund, PE, confirmed that his report of the maintenance plan and regarding Ashwood Acres is accurate as set forth within his written report to the Board.

EXECUTIVE SESSION

The Board then went into Executive Session, pursuant to motion and roll call vote, citing Idaho Code 67-2345,(a)(b)(c)(f). Thereafter the Board returned to general session.

MOTIONS

Ring/Klinger (2nd)—Rescind former motion by John Price regarding bilateral requirement for all contracts. Unanimous.

Klinger/Clark (2nd)—Terminate contracts and all professional relationship with Michael Lund, David Benton, Dorothy McCarty, Benton Engineering, and McCarty Management. Vote 3-1(Ring). Motion passed.

Price/Clark (2nd)—EchoHawk Law Offices scope of services be expanded to general counsel and Mick Ohman's representation be changed to Special Counsel specifically for the current pending litigation regarding City of Ammon and Bonneville. Vote 3-1(Ring—commented she wanted local counsel). Motion passed.

Klinger/Clark (2nd)—Enter into contract with Dunkley Properties for the lease of building subject to attorney review by EchoHawk Law Offices and approval of lease on Monday October 13, 2008. Unanimous.

Clark/Klinger (2nd)—Approve and purchase or lease office furniture with a spending cap of \$20,000. Spending/purchasing authority will be by Klinger and Clark. Unanimous.

Ring/Klinger (2nd)—Request Mick Ohman help arrange the movement of records to the newly leased office from the IBSD offices at Benton Engineering as well as assist with change of post office box change. Unanimous.

Price/Clark (2nd)—Empower Mike Klinger to whatever is necessary to facilitate an office environment, including phone and internet hookups. Unanimous

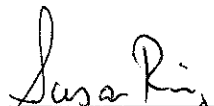
Ring/Price (2nd)—Authorize Price to look into temp agencies for employees and report at Monday's meeting.

Clark/Price (2nd)—Adjourn meeting.

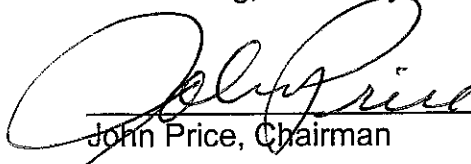
ADJOURNMENT

The meeting adjourned at 12:00 a.m.

Dated this 8 day of October, 2008.



Susan Ring, Secretary



John Price, Chairman