

OFFICIAL IBSD MINUTES

DECEMBER 21, 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; Robert Esplin
Absent: Glen Clark, Jason Blundell

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

Attorney: Tony Sasser, Sasser Law Office

Public: Mark Andrews, Command Properties; Les Grigg, Merrill Lynch; Peter Becker, Time Value Investments (via telephone)

Agenda Items:

1. Review of commercial connection charge: Dean Mortimer
2. Ammon separation update
3. Narrow band operation upgrade to SCADA radios on lift stations
4. Sewer line locates on main lines.
5. Investment accounts update: Jason Blundell
6. Board review of RFP advertisement for credit cards
7. Scheduling of monthly meetings 2012
8. January 2012 newsletter with statements
9. Approval of minutes: 11/16/2011
10. IBSD property held by Attorney General (added to agenda)
11. Payment of bills
12. Discussion and possible approval of expenditure for sound system (added to agenda)
13. Adjournment

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

00:00:00

Mr. Klingler received information regarding the sound system today that he would like to present to the Board.

MOTION: Mr. Klingler made a motion to add discussion regarding sound system to the agenda.

MOTION SECONDED: Mr. Esplin seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Klingler, Mr. Esplin, Chairman Howell)

00:01:00

01:54:15

Mr. Sasser stated he received information from the Attorney General's office regarding IBSD property that he would like to add to the agenda.

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MOTION: Mr. Esplin made a motion to add agenda item regarding IBSD property held by the Attorney General. **MOTION SECONDED:** Mr. Klingler seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Klingler, Mr. Esplin, Chairman Howell)

01:55:05

00:01:00 **REVIEW OF COMMERCIAL CONNECTION CHARGE: DEAN MORTIMER**

Mark Andrews, partner of Dean Mortimer with Command Properties, is asking the Board to reconsider the connection charges for the Ammon Park Div. 4. He brought information regarding the Cities of Idaho Falls and Ammon connection fees indicating it is much lower than the IBSD fees. It is the understand of the Board that Ammon and Idaho Falls connection fees are consistent with IBSD in that each unit is charged a connection fee with the difference being that the fee is charged as the build out is done.

The building currently under construction in Ammon Park is a seven (7) unit building so a connection fee of \$12,950.00 was charged (7 ERUs at \$1,850.00 each). Ammon's fee is \$1,300 per unit but is anticipated to go up now that they are flowing to the EIRWWA. The City of Idaho Falls charges \$1,050.00 plus a fixture fee for each unit.

Mr. Esplin stated he does not have a problem charging as the build out is done with the understanding that additional tenants will be charged as the units are finished. Currently there are three (3) tenants. There is the potential that there may be less than the proposed seven (7) units.

Mr. Andrews questioned why the IBSD fee is higher than Ammon's and what factors determine the fee. Mr. Klingler stated the fee is determined by engineering studies and decisions by the Board to allow for cash on hand for future maintenance and replacement of line. The fee cannot be changed for Command Properties but the Board is willing to charge the connection fee as the build out occurs.

Mr. Andrews stated he is not happy with the fee and would like to provide additional information and feedback in the future.

MOTION: Mr. Esplin made a motion that commercial developments will be charged per unit as the units are developed. **MOTION SECONDED:** Mr. Klingler seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Klingler, Mr. Esplin, Chairman Howell)

00:30:00

Mr. Howell stated that the Board does not want to discourage commercial development within the District and he noted the monthly fee at \$28.00 is much less than Ammon's current \$43.00 per month.

Mr. Esplin asked Ms. Bridges to research what other entities in the area are charging for the Boards information.

00:33:10

00:33:10 **AMMON SEPARATION UPDATE**

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Mr. Howell stated he has spoken with Council Member Dana Kirkham regarding the agreement for Ammon to continue serving IBSD patrons who flow into Ammon's system. Ms. Wellman has provided an accounting of the costs for the Centennial #2 Lift Station, owned by IBSD but also utilized by Ammon, which will be shared with the City of Ammon.

Mr. Klingler stated he would like an engineering firm to look at the options to permanently separate the customers in Ammon and determine if it is feasible as opposed to paying Ammon for treatment indefinitely. Mr. Esplin stated he would like to review the engineering report prepared by the City of Ammon before making a decision to move forward.

The City of Ammon is connected to their new interceptor and flowing to Shelley. IBSD's flow was diverted to Shelley during the final connection for about a three (3) days period. The City of Idaho Falls has cameraed the lines and inspected the manholes and has created a punch list of items to be corrected. The staff has not seen the list but understands that one of the issues is the manhole lids are not sized as specified. Mr. Klingler asked to have this on the agenda for the next meeting so the Board can be updated.

00:45:00

00:45:00 **NARROW BAND OPERATION UPGRADE TO SCADA RADIOS ON LIFT STATIONS**

Ms. Wellman reported she was contacted by Teton Communication regarding the Scada radios for the lift station requiring an update due to new laws requiring narrower bandwidth. Teton Communication is a sole source vendor so she only received a bid from them. All lift stations with the exception of Panorama Hills need to be updated.

MOTION: Mr. Klingler made a motion to approve the bid from Teton Communications to replace the Scada radios on the lift stations. **MOTION SECONDED:** Mr. Esplin seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Klingler, Mr. Esplin, Chairman Howell)

00:47:35

00:47:35 **SEWER LINE LOCATES ON MAIN LINES.**

Ms. Wellman reported that the gas company was doing work on Crowley Road and asked to have the sewer main located. She asked the City of Idaho Falls to locate the sewer lines in this instance but she would like to have a better option for this purpose in the future. The gas company was drilling holes to determine if there was lava rock was in the area.

Mr. Howell inquired if this was something that IBSD was required by law to participate in. Mr. Sasser stated he believes IBSD does need to provide this service for the sewer mains owned by IBSD.

Digline is a contracted service that locates utility lines. The service is a two part service that includes notifying IBSD when a locate is requested as well as locating the utilities. The Board requested additional information regarding the service and cost.

00:57:30

00:57:30 **INVESTMENT ACCOUNTS UPDATE: JASON BLUNDELL**

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Peter Becker with Time Value Investments joined the meeting via telephone.

Mr. Howell stated he had some information to relay from Jason Blundell who could not attend the meeting. Currently the investment accounts are split between Key Bank and Merrill Lynch. Mr. Blundell wanted to make sure that it is understood that IBSD has been happy with the service from Key Bank and Merrill Lynch and his looking for additional investment options does not reflect on current relationships. He has been looking at other options including Key Safekeeping Account with Key Bank. The investments stay with Key Bank but allow bids from any financial advisor on the investments for better rates. The advantage is funds stay where they are now and statements from Key Bank and Merrill Lynch will come as they do now.

Mr. Becker stated that third party safekeeping is a standard that creates a layer of safety and allows competition between other brokers. He is proposing that IBSD adopt this policy to allow this option. Ms. Wellman has the paperwork for this but is waiting for legal review.

Mr. Grigg stated he is familiar with this type of account but Merrill Lynch does not consider this to be a need since funds are held in house and Merrill Lynch provides lots of investment options. He also stated that an agent would be required to manage the fund and ask for bids.

Mr. Becker stated that one broker could be granted permission to view the accounts with no access and request bids when bonds are due. The advantage is it allows competition between other brokers which is not occurring now.

The Board would like more information on the details of this plan before making a decision. Mr. Howell stated this change would be for the assets with Key Bank and not with the Merrill Lynch accounts.

01:24:40

01:24:40 **BOARD REVIEW OF RFP ADVERTISEMENT FOR CREDIT CARDS**

Ms. Wellman stated she has talked to Caselle regarding providers of credit card services and they do allow other providers into addition to Express Bill Pay but do not guarantee that upgrades will be supported for other providers. Mr. Howell stated he sees advantages to using a service that is designed for the accounting software being utilized by IBSD. He sees the advantage of using Express Bill Pay, the exclusive authorized credit card service of Caselle, since he understands it works seamlessly with the Caselle software.

The Board also inquired whether this would require advertisement since Express Bill Pay is a sole source of the current software. Mr. Sasser stated this would qualify as a sole source vendor.

Mr. Klingler would like to know more about the costs before making a decision. The Board thinks this service is needed but needs to decide how to implement it based on the costs as well as whether to charge a convenience charge or consider it the cost of doing business. Mr. Esplin believes Express Bill Pay is the best option since they can do everything to get it running. He would like to see some figures on how much this will cost including merchant fees verses the current cost of processing checks.

01:47:50

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01:47:50 SCHEDULING OF MONTHLY MEETINGS 2012

The Board discussed the schedule for monthly meetings in 2012. It was decided the meetings will continue on the fourth Wednesday of the month. The exception will be December when the meeting will be on the third Thursday of the month. Ms. Wellman will prepare a calendar and post the meeting dates.

01:52:15 JANUARY 2012 NEWSLETTER WITH STATEMENTS

The Board discussed whether a newsletter should be prepared for January statements and decided that one is not needed at this time. There will be some upcoming changing in the New Year so it may be that a newsletter is sent later in the year but one is not necessary at this time. Mr. Klingler suggested using the note section on the statements but a lot of people only get a statement in January since they only pay annually.

01:54:15

01:55:05 IBSD PROPERTY HELD BY ATTORNEY GENERAL

Mr. Sasser reported that the Attorney General's office contacted him regarding the property and cash that was being held as evidence. Since there is a plea agreement between the former manager and the State they no longer need the seized items. Mr. Sasser asked if the Board would like to designate him to go pick up the items.

MOTION: Mr. Klingler made a motion to designate Mr. Sasser to retrieve IBSD property and monies held by the Attorney General's office. **MOTION SECONDED:** Mr. Esplin seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Klingler, Mr. Esplin, Chairman Howell)

01:57:20

01:57:20 APPROVAL OF MINUTES: 11/16/2011

MOTION: Mr. Klingler made a motion to approve the minutes for November 16, 2011 as written. **MOTION SECONDED:** Mr. Esplin seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Klingler, Mr. Esplin, Chairman Howell)

02:00:05

02:00:05 PAYMENT OF BILLS

MOTION: Mr. Klingler made a motion to approve the bills as presented. **MOTION SECONDED:** Mr. Esplin seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Klingler, Mr. Esplin, Chairman Howell)

02:15:40

02:15:40 DISCUSSION AND POSSIBLE APPROVAL OF EXPENDITURE FOR SOUND SYSTEM

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Mr. Klingler stated that he has been working with Performance Audio on the sound system for the Board Room. They have not been able to get the system up and running due to software and perhaps wiring issues. He is thinking at this point someone will have to come and finish the set up on site. Another issue is there is not volume control so a box for this will need to be set up on the Board table. He anticipates the total cost to not exceed \$2,000.00.

MOTION: Mr. Klingler made a motion to approve expenditure for up to \$2,000.00 for work on the audio system. **MOTION SECONDED:** Mr. Esplin seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Klingler, Mr. Esplin, Chairman Howell)

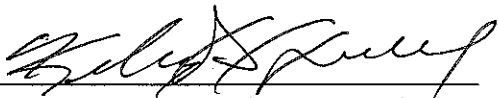
02:23:30

Mr. Howell commented on the difficulty of seeing presentations with the projection behind the Board table. He suggested rotating the projector and installing a pull down screen on the west wall allowing the Board and anyone in the audience to view presentations more easily. Mr. Esplin knows of a screen that may be available.

02:28:30

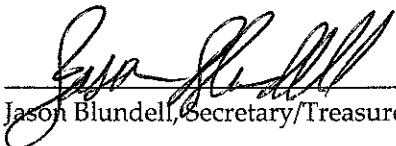
02:28:30 **ADJOURNMENT**

The meeting adjourned at approximately 9:30 p.m.



Kelly Howell, Chairman of the Board of Directors

1-26-2012
Date



Jason Blundell, Secretary/Treasurer

01/31/12
Date