

OFFICIAL IBSD MINUTES

NOVEMBER 20, 2013 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

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

Attorney: Tony Sasser, Sasser Law Office

Public: Josh Searle, Searle Hart and Associates; Troy Clayton, patron; Phil Brown, patron; Paul Scoresby, Schiess & Associates.

Agenda Items:

1. Presentation of 2012 IBSD audit: Searle, Hart and Associates
2. Connection fee for Bonneville High School Baseball Concession
3. Woolf property connection: Discussion
4. Policy manual: Review and adopt
5. Granite XP software: Discussion
6. Scheduling of 2014 monthly board meetings.
7. Approval of minutes: 10/23/2013 and 10/30/2013
8. Payment of Bills (added to the agenda)
9. Adjournment

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

00:00:00

Mr. Howell proposed adding Payment of Bill to the agenda. Since the Manager has been unexpectedly out of town and the meeting is earlier in the month payments were not presented. The reason for adding this item is he only found out what the options for payment are today. There were no objections to adding this to the item.

00:01:20

00:01:20 **PRESENTATION OF 2012 IBSD AUDIT: SEARLE, HART AND ASSOCIATES**

Mr. Josh Searle with Searle Hart and Associates presented a draft of the audit for 2012. He stated that Mr. Farrell Steiner was not able to attend so he was making the presentation. The value of the infrastructure that was transferred to the City of Ammon has yet to be finalized so the value listed in the draft audit is an estimate.

Mr. Searle reviewed the highlights of the report noting assets and liabilities. The report is not a qualified opinion; the report is considered a clean opinion with financial statements clearly

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showing the IBSD financial position. The gain during the 2012 audit period shows a growth of \$1.3 million. There are not any areas of concern but there is one area that is considered a material weakness. It is suggested that a different account, other than the main banking account, be used for payroll processing with deposits made to cover withdrawals.

Mr. Searle complimented the staff on cooperation and working with the auditors during the audit process. The second recommendation they are making is to educate patrons as to why reserves fund are needed since the District has a large balance of unrestricted assets. There may be patrons who question why the reserve balances are high.

00:20:20

The final report has a statement noting that they have performed all the task associated with an governmental audit. They did not find any major issues that caused them to perform additional testing. Mr. Blundell stated that two investment firms have been used. It has come to his attentions that there has been risk with investments in CDs in bank that were not in the State of Idaho, as required by state statute, and that were not adequately insured by the FDIC. He noted that those investments have been corrected.

Mr. Sasser asked how IBSD could clarify reserves fund that are being held for future improvements. Complete system failure is a fear and that is the reason for building reserves. Mr. Searle stated it's more a matter of educating patrons who may have concerns. Mr. Blundell stated the Facility Planning Study details improvement and maintenance costs. Funds can be restricted for specific projects as needed.

00:34:00

00:34:00 **CONNECTION FEE FOR BONNEVILLE HIGH SCHOOL BASEBALL CONCESSION**

Mr. Troy Clayton with the Bonneville High School Baseball Concession has requested a refund of the connection fee. This issue was discussed at the previous meeting with the Board wanting time to consider the issue and find out additional information.

Ms. Bridges phoned and reviewed the policy for several entities and found that the connection fees for schools differs. Entities that charge connections fees based on usage, or ERUs, would charge the fee. The City of Idaho Falls does not charge a connection fee, just the fixture fee, when the connection is made to a private line. The only time they charge a new connection fee to a school is if there is a tap into a main.

The Board discussed what would be fair and consistent for future connections. This concession stand does not affect the monthly fee since it does not change the enrollment. It is also used seasonally with limited use. Mr. Klingler stated he has a problem with the fact that people come to the area to use the facilities so this is a new load to the system. The connection fee is the only opportunity to collect money for the additional usage.

Mr. Clayton stated right now the users go into the school. They use a golf cart to shuttle people to the building. He acknowledged that portable toilets are used as well but the majority of the use is for the school.

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Mr. Esplin proposed looking at how ERU's are calculated for schools and if it takes into consideration the extracurricular activities.

MOTION: Mr. Esplin made a motion to charge a fixture fee only as long as a connection to the mainline is not made and it is an existing customer and this would be retroactive. **MOTION FAILED:** No second.

Mr. Klingler asked to discuss this policy further before proposing a change. Mr. Blundell stated he has an ethical dilemma in approving this change since the Board has denied requests to other nonprofit entities in the past. There is a policy in place and he does not like to make an exception to the policy.

MOTION: Mr. Clark made a motion to charge a fixture fee to the Baseball Concession stand and establish a policy that schools connecting to their own private lines only be charged fixture fees in the future. **MOTION SECONDED:** Mr. Esplin seconded. **MOTION PASSED:** 3-2 (Yay: Mr. Clark, Mr. Esplin, and Chairman Howell; Nay: Mr. Klingler and Mr. Blundell)
01:03:45

Mr. Howell stated he would like to address this policy a little more specifically in the future but in the meantime the Bonneville High Baseball Concession is entitled to a refund.
01:04:10

01:04:10 **WOOLF PROPERTY CONNECTION: DISCUSSION**

Mr. Howell asked if the Board had seen the letter received from D.J. Woolf's attorney requesting a refund for sewer fees due to his property not being connected. Mr. Clark stated that when the Sewer District came about everyone was required to connect free of charge. If a homeowner refused or elected to hook up themselves they were still charged the monthly sewer fee and were considered to be in violation of Bonneville County ordinances if the connection was not made. Mr. Woolf, for whatever reason, did not connect and is now requesting a refund of the fees paid.

Mr. Sasser stated that letters were sent to patrons in the late 1970's and in 1984 stating the requirement to connect. There is also a drawing from the original contractors showing where the stub out is located and the installation of this stub out has been verified via video inspection. In addition there is a Bonneville County ordinance, Idaho State Statute, and IDAPA requirements to connect. Mr. Sasser responded to Mr. Woolf's attorney stating that this matter would be brought to the Boards. He would like the Boards permission to send a letter to Mr. Woolf reiterating the requirement to connect. If the connection is not made then the District will lien the property and compel connection. The Board directed Mr. Sasser to send the letter in respond to the attorney's letter.
01:15:30

01:15:30 **POLICY MANUAL: REVIEW AND ADOPT**

Ms. Bridges asked to table this item until a future meeting. She is make corrections but has not completed it.
01:16:00

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01:16:00 **GRANITE XP SOFTWARE: DISCUSSION**

Ms. Bridges stated that the staff received a demonstration of Granite XP software; this software works with the GIS information and the closed caption videoing to make the information more retrievable and useful. The two video contractors who have been utilized previously are using the software. It is also compatible with other software so it does not limit who can be hired.

MOTION: Mr. Esplin made a motion to purchase the Granite software. **MOTION SECONDED:** Mr. Klingler seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)
01:19:40

01:19:40 **SCHEDULING OF 2014 MONTHLY BOARD MEETINGS**

MOTION: Mr. Clark made a motion to keep the meetings on the fourth Wednesday of the month with the exception of November 19th and December 17th for the 2014 year. **MOTION SECONDED:** Mr. Klingler seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)
01:20:45

01:20:45 **APPROVAL OF MINUTES: 10/23/2013 AND 10/30/2013**

MOTION: Mr. Klingler made a motion to approve the minutes from October 23, 2013 and October 30, 2013. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)
01:21:20

01:21:20 **PAYMENT OF BILLS**

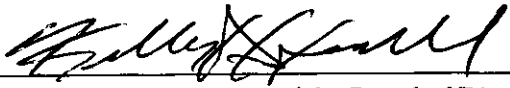
Mr. Howell stated that since the bill have not been presented for approval due to the earlier date of the monthly meeting he would like to allow payment prior to the next meeting.

MOTION: Mr. Esplin made a motion to authorize two board members to review and authorize payment of the bills for November when presented, for this month only. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 5-0 (Yay: Mr. Klingler, Mr. Blundell, Mr. Clark, Mr. Esplin, and Chairman Howell)
01:23:05

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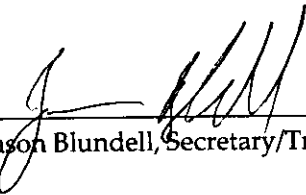
01:23:05 **ADJOURNMENT**

The meeting adjourned at 8:30 p.m.



Kelly Howell, Chairman of the Board of Directors

12-18-2013
Date



Jason Blundell, Secretary/Treasurer

12/7/13
Date

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BONNEVILLE SEWER DISTRICT

Monthly Expenses - November 20, 2013

Bank of Commerce	Replenish Office Account	\$	328.63
BK Professional Services	Lawn Maintenance	\$	345.00
Blue Skies Product Distributing	Bottled Water for Office	\$	15.00
Buff N Shine Building Maint.	Office Cleaning	\$	165.00
Caselle	Software Support	\$	598.67
Century Link	Telecommunications	\$	322.56
Chase Paymentech	Merchant Processing Fees	\$	329.63
City of Ammon	Sewage Treatment - Below the Meter - 2 months	\$	16,256.00
City of Idaho Falls	Sewage Treatment/Maintenance	\$	58,180.80
City of Idaho Falls	Lift Station Repair - Transducer Centennial II	\$	616.94
Eagle Rock Sanitation	Trash Service - Oct,Nov,Dec 2013	\$	45.00
Falls Water	Office water and sewer line flushing	\$	116.63
Forsgren Associates	Sewer line bid, Wildwood lift force main design	\$	11,320.00
Healthsmart Benefit	NCPERS - PERSI Ins	\$	32.00
Intermountain Gas	Office Utility - Gas	\$	18.93
Lincoln Employee Benefit	Payroll, Employee, Board	\$	21,826.71
PC Plus	Computer support, server install, Windows 7(2)	\$	2,260.80
Rocky Mountain Power	Utility - Lifts, Meters, Office, Wildwood	\$	652.09
Sasser Law Office	Legal	\$	1,630.00
Searle Hart and Associates	2012 Audit	\$	8,500.00
State Insurance Fund	3rd Quarter SIF	\$	177.00
United Mailing Direct	Monthly Statements	\$	1,772.59
United Micro Data	Laserfiche/Affinity Annual Renewal - Maintenance	\$	1,505.90
Utility Billing - Refunds	Refunds to patrons	\$	1,786.00
Watco Companies (Railroad)	Permit - Bore under railroad for Wildwood Main	\$	1,000.00
Xpress Bill Pay	Online Banking	\$	980.72

Total \$ 130,782.60