

# OFFICIAL IBSD MINUTES

## JULY 23, 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:** Michael Klingler, Chairman (absent); Jason Blundell, Acting Chairman; Glen Clark (late arrival); Robert Esplin (via telephone); Mathew Porter

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

**Attorney:** Tony Sasser, Sasser Law Office

**Public:** Blair Simmons, patron; Ray Severe, Lincoln Employment; Steve Franson, Alpine Insurance; Kevin Harris, Forsgren & Associates

### Agenda Items:

1. Iona Road sewer line status: Blair Simmons
2. HRA changes and options, Ray Severe, Lincoln Employee Benefits
3. Stanger Park subdivision, discussion (added to agenda)
4. 2014 video inspection: Update
5. Wildwood force main: Update
6. Nomination/election of officers, IBSD Board
7. Resolution for banking signature authority, IBSD Board
8. Certification of delinquent accounts to Bonneville County – Tax Liens
9. Approval of minutes: 06/25/2014
10. Payment of bills

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

Ms. Wellman requested that Stanger Park subdivision discussion be added since she would like to make the Board aware of some problems for this development and does not want to wait until the next meeting. This is a problem she just became aware of so that is the reason it was not added earlier.

**MOTION:** Mr. Porter made a motion to add the item Stanger Park Subdivision to the agenda.  
**MOTION SECONDED:** Mr. Esplin seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Porter, Mr. Blundell, and Mr. Esplin)

00:03:00

00:03:00

### IONA ROAD SEWER LINE STATUS: BLAIR SIMMONS

Mr. Blair Simmons requested the Board look at the sewer line on Iona Road west of North Iona Road so that he can connect. He is proposing a small subdivision of two to six homes on property he owns on Iona Road near Foothill Drive. The developer of Blacktail Ridge installed the sewer line but went bankrupt prior to completion and acceptance of the line.

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Ms. Bridges stated that the condition of the line is unknown and attempts to have the line videoed have been unsuccessful since several manholes are paved over, thus not allowing access for inspection. The line was installed in 2007 and includes about 20 manholes.

Mr. Blundell suggested having an engineer look at it to determine what needs to be done and how much this would cost. There is a question as to ownership of the line. It is connected to IBSD but has not been accepted. There was an agreement with the developer before they went bankrupt that IBSD would take ownership. Mr. Blundell believes the District should look at the line and see what needs to be done for acceptance.

**MOTION:** Mr. Esplin made a motion to have Ms. Bridges and an engineer look at the Blacktail Offsite sewer main to determine ownership and the legalities of accepting ownership of this line.

**MOTION SECONDED:** Mr. Porter seconded. **MOTION PASSED:** 3-0 (Yay: Mr. Blundell, and Mr. Esplin)

00:20:45

00:20:45      **HRA CHANGES AND OPTIONS, RAY SEVERE, LINCOLN EMPLOYEE BENEFITS**

Mr. Ray Severe, Lincoln Employment Benefits, has been providing an arrangement for a Health Reimbursement Plan for the employees. Because of provisions in the Affordable Health Care Act, the HRA is only available to employers who provide ten essential benefits. There is no way to keep the HRA in place and providing the essential benefits would be expensive to employers. One of the options for the employees is to take the money being contributed to the HRA and change to an Executive Bonus Plan which is a life insurance policy. This would allow a death benefit and also allow withdrawal of contributions up to 90%. The benefit of this plan is funds can be withdrawn for any purpose, not just medical expenses.

The cost and amount of Executive Bonus Plan benefit is determined by the age of the participant. This is a different benefit than the HRA but it would allow a tax free benefit to the employees for the same cost to the company. The HRA was good to help with medical costs but is not allowed to be continued according to new rules. The company is not compelled to offer medical care to employees since there are less than 50 employees.

(Mr. Glen Clark arrived)

Steve Franson, Alpine Insurance, illustrated the Executive Bonus Plan showing and how the benefit works. The contributions are taxable to the employee or an employer can also offer a double bonus so taxes are covered by the employer. Even though it is taxable the employee can use the funds for any purpose, not just medical. There are five different policies that take in different variables including planned length of employment, age, and if the benefit is withdrawn. Mr. Franson said the plan could also be used as a supplement to retirement.

Mr. Severe would like the HRA terminated as soon as possible. Mr. Blundell stated that the tax consequence could be reduced by IRA or 401K contributions. Mr. Porter stated that he likes the Executive Bonus Plan but it does not seem to accomplish the original intent of the HRA.

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Ms. Harding stated that she was able to keep her insurance when she retired from the Gas Company. She was not able to keep her dental so the HRA has been a big plus to allow her to have dental as well as Aflac. This has helped to compensate her for the cost of commuting with the high cost of gas.

**MOTION:** Mr. Esplin made a motion to increase the salary for employees by \$6,600.00 per year in lieu of the Health Reimbursement Account. This would include the \$500.00 per month plus 10% to help offset the increase in taxes. **MOTION SECONDED:** Mr. Porter seconded.

**MOTION PASSED:** 3-1 (Yay: Mr. Blundell, Mr. Esplin, Mr. Porter; Nay: Mr. Clark)

00:52:20

Ms. Wellman asked if the remaining balances in the HRA could be reimbursed to the employees. After discussion, the Board agreed that if the plan allows a cash out disbursement then they do not have a problem with it.

00:56:20

## 00:56:20 STANGER PARK SUBDIVISION, DISCUSSION

Mr. Kevin Harris, Forsgren & Associates, stated he has reviewed plans for a new subdivision, Stanger Park, located on the corner of Ammon Road and Iona Road. This is a situation where a developer began a project in 2006 with water and sewer lines installed and the project was not completed. A new developer has taken over with the intent of using the lines that have been installed but also adding additional lateral lines. Mr. Harris has reviewed and rejected the design plans twice since it is unclear where the line is tying in. He would like to specify that the line meet City of Idaho Falls Standards and Specifications but since it has been installed it is difficult to verify this. It was approved by the IBSD Engineer at the time of installation so he is asking if the Board would like to accept it as installed.

He is not concerned with the material since most sewer pipe is standard. The lines are videoed as part of the acceptance procedure so after discussion it was agreed to have the lines videoed prior to any additional construction. It is to the Developers benefit to know the conditions of the line prior to construction. The plans had several typos and Cad errors that have made it difficult to feel confident in the plans.

**MOTION:** Mr. Clark made a motion to have the lines in Stanger Park videoed prior to additional construction. **MOTION SECONDED:** Mr. Porter seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Blundell, Mr. Esplin, Mr. Porter and Mr. Clark)

01:10:15

## 01:10:15 2014 VIDEO INSPECTION: UPDATE

Mr. Harris stated the video inspections are continuing. The District is having a private video inspection contractor clean and inspect the sewer lines. It was decided to inspect the entire system so that repairs could be identified and prioritized. There is a concern that some of the lines were installed with some sags. There was a root ball found in the line on Edwards Drive. The cut and removal was authorized using the force account. The payout for this was \$550.00 and does not change the contract. The project is roughly about 35% complete. Videos have been submitted periodically for review.

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01:15:30

01:15:30 **WILDWOOD FORCE MAIN: UPDATE**

Mr. Harris stated that the Wildwood Force Main project is near completion. The generator test has been done and was successful. The test consisted of running the generator at progressively higher powers over a period of seven hours. The gates for the fence still need to be installed as well as adding some gravel along the side of the road where the force main was installed. The final inspection with the City of Idaho Falls will be scheduled. The City does not want to accept it for maintenance until the gates are in. There are some external controls that can be accessed so the fence and gates are definitely needed for this lift station. There is also an additional conduit that needs to be installed for the control wires.

01:21:15

01:21:15 **NOMINATION/ELECTION OF OFFICERS, IBSD BOARD**

Mr. Blundell stated that since there is a new Board Member he was wondering if Mr. Porter would be interested in the Secretary/Treasurer position, especially since he has a background in investments. Mr. Porter stated he would consider the position but would rather defer until he understands the operations better and has had more time on the Board.

01:25:35

01:25:35 **RESOLUTION FOR BANKING SIGNATURE AUTHORITY, IBSD BOARD**

Ms. Wellman stated that with the new Board Member there needs to be a change in signature authorization at the bank. This is done routinely as Board Member changes since previous members need to be removed from accounts.

**MOTION:** Mr. Porter made a motion to update the signature authority for bank account access..  
**MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Blundell, Mr. Esplin, Mr. Porter and Mr. Clark)

01:28:25

01:28:25 **CERTIFICATION OF DELINQUENT ACCOUNTS TO BONNEVILLE COUNTY – TAX LIENS**

Ms. Bridges presented the Tax Certification s for the 2014 filing with Bonneville County. The information has to be delivered to the County by August 1<sup>st</sup> each year. There is a window of time between August and October when amounts can be removed so that title companies can clear title for transactions.

For information purposes she presented the amounts of previous tax certification years which has been reduced almost every year since 2008. The staff attributes monthly statements, better tracking of ownership changes, patron education and awareness and the ability to take online payments and credit cards to the reduction in certification amounts.

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**MOTION:** Mr. Esplin made a motion to certify past due amounts and present them to Bonneville County to be added to the tax roles at year end. **MOTION SECONDED:** Mr. Porter seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Blundell, Mr. Esplin, Mr. Porter and Mr. Clark)  
01:35:20

Mr. Porter asked if the Board Members have Director and Operators insurance. Mr. Sasser stated this is covered by ICRMPS.  
01:37:05

01:37:05      **APPROVAL OF MINUTES: 06/25/2014**

**MOTION:** Mr. Esplin made a motion to approve the meeting minutes for June 25, 2014 as prepared. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Blundell, Mr. Esplin, Mr. Porter and Mr. Clark)  
01:37:25

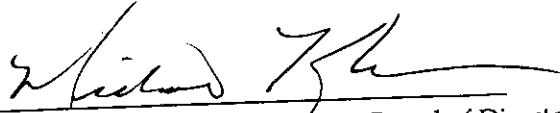
01:37:25      **PAYMENT OF BILLS**

Ms. Wellman stated she has been having problems with Caselle. She has everything scanned so the bills will be available for review but the modules are not working correctly. Caselle is working on this and she hopes to have resolution soon. She presented the accounts for information. She has an operating account for general expenses and office supplies.

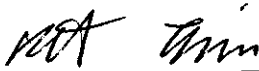
**MOTION:** Mr. Blundell made a motion to tentatively approve payment of the bills subject to approval of two Board Members. **MOTION SECONDED:** Mr. Clark seconded. **MOTION PASSED:** 4-0 (Yay: Mr. Blundell, Mr. Esplin, Mr. Porter and Mr. Clark)  
01:41:00

01:41:00      **ADJOURNMENT**

The meeting adjourned at 8:45 p.m.

  
\_\_\_\_\_  
Michael Klingler, Chairman of the Board of Directors

8/27/14  
Date

  
\_\_\_\_\_  
~~Jason Blundell, Secretary/Treasurer~~  
Director

8/27/14  
Date

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## IONA BONNEVILLE SEWER DISTRICT

### Monthly Expenses - July 23, 2014

AFLAC	Insurance	\$	464.10
Bank of Commerce	Replenish Office Account	\$	606.76
BK Professional Services	Lawn Maintenance	\$	344.50
Blue Skies Product Distributing	Bottled Water for Office	\$	15.00
Buff N Shine Building Maint.	Office Cleaning	\$	165.00
Cable One	Internet/Phone	\$	350.52
Caselle	Software Support	\$	598.67
Chase Paymentech	Merchant Processing Fees	\$	451.09
City of Ammon	Sewage Treatment - Below the Meter	\$	3,744.00
City of Idaho Falls	Sewage Treatment/Maintenance	\$	63,699.80
Costco	Postage	\$	15.03
CUES	Granite XP Software	\$	695.00
Falls Water	Office water /Hydrant meter-Cleaning of lines	\$	154.87
Forsgren Associates	Wildwood force main, Gen Engineering	\$	1,202.50
Healthsmart Benefit	NCPERS - PERSI Ins	\$	32.00
Intermountain Gas	Office Utility - Gas	\$	2.00
IRS - Federal Tax	Federal Tax	\$	2,182.78
Jim's Trophy	Plaque - Kelly Howell	\$	46.95
Landon Excavating	Manhole Repairs	\$	500.00
Lincoln Employee Benefit	Payroll, Employee, Board	\$	6,581.47
M. Klingler	Board Payroll	\$	85.56
PC Plus	IT Support	\$	262.50
Pipeline Inspection	CCTV/Hydro Cleaning - Sewer Lines	\$	58,838.25
Public Retirement System	PERSI	\$	2,512.19
Rocky Mountain Power	Utility - Lifts, Meters, Office,	\$	740.06
Sasser Law Office	Legal	\$	1,145.00
State of Idaho	State withholding	\$	372.00
United Mailing Direct	Monthly Statements and delinquent	\$	1,988.43
Utility Billing - Refunds	Refunds to patrons	\$	84.00
W. Clark	Board Payroll	\$	92.35
Xpress Bill Pay	Online Banking	\$	1,104.75
	Total	\$	149,077.13