

**OCTOBER 21, 2009**  
**IONA-BONNEVILLE SEWER DISTRICT (IBSD)**  
**MONTHLY BOARD MEETING**

Meeting called to order by Chairman John Price at: 7:00 p.m.

**Board Members Present:** John Price (Chairman); Mike Klingler; Glen Clark; Kelly Howell

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

**Attorney:** Eileen McGovern and Tony Sasser, Echohawk Law

**Public:** Aaron Blouquist, Tucwahtse/EIHBA; William Tuescher, DEQ, Nathan Taylor, EIPHD; Dan Hunting, patron; Robert Geray, patron; Sandy Geray, patron; Brenda Klingler, patron; Kevin Harris, Forsgren/patron; Allen Beazer, patron; Rob Gehrhart, patron; Roger Nielson, patron; Wynn Christensen, patron; Darla Christensen, patron; Greg Hansen, Rockwell; Sally Price, patron; Les Griggs, Merrill Lynch

**Agenda Items:**

1. Refund of sewer fees due to fire: IBSD 2404 Maureen Walker
2. Refund of sewer fees. Lien filed against property for the 2007/2008 year, but patron was not delinquent: IBSD 5491 Kara Kleinschmidt
3. Patron Comments: Dixie Hunting or Dan Hunting – Ashwood Acres
4. Eastern Idaho Public Health District 7 - Nathan Taylor and DEQ -Willie Teuscher: Discussion on septic tank policies, guidelines and procedures.
5. DEQ – Willie Teuscher: Introduction and comments to the Board regarding future sewer projects
6. Panorama Hills: Status regarding acceptance of sewer lines and lift station. Refund of overpayment of sewer fees for Brady Belliston's property.
7. Black Tail Ridge: Discussion regarding status of sewer line installed on Iona Road.
8. ICRMP – Board of Trustees Nomination Form
9. Status of District survey
10. Legal report: EchoHawk Law Office
  - A. De-annexation – Riverbend Manor
  - B. IBSD restricted and unrestricted funds / Connection fee revenue
11. Status Update: New IBSD Building – Consideration for construction management.
12. Executive Session: Idaho Code: 67-2345 – (f) Potential litigation
13. IBSD Banking – Status of RFP for banking based on recent proposals.
14. 218 Modification and PERSI: Cindy Wellman
15. Employee Benefits: Insurance
16. IBSD Accounting: Status and approval for training with Caselle.
17. IBSD Computers/Software
  - A. Purchase of new server
  - B. Purchase of replacement computers
  - C. Purchase of Accounts Receivable module (Caselle)
  - D. Laserfische additional licenses
18. IBSD Website
19. Payment of bills

20. Approval of Minutes– 6/3/2009, 6/29/2009, 7/15/2009, 7/21/2009, 7/30/2009, 8/05/2009, 8/19/2009, 9/2/2009, 9/16/2009, 10/07/2009
21. Adjournment

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

00:01:00           **REFUND OF SEWER FEES: MAUREEN WALKER**

Maureen Walker experienced a fire in her home. She has asked for a refund of sewer fees since she was out of her home for six months. Disconnected water service has been verified with Falls Water.

**MOTION:** Mr. Clark made the motion to allow the refund to Maureen Walker for the period of time she was out of her house due to a fire. **MOTION SECOND:** Mr. Klingler seconded. **MOTION PASSED:** Yay: Mr. Klingler; Mr. Clark; Mr. Howell (Chairman Price abstains).

00:02:30

00:02:30           **REFUND OF SEWER FEES: KARA KLEINSCHMIDT**

Kara Kleinschmidt had a lien filed against her property taxes last year for delinquent sewer fees but has paid every month. Ms. Wellman stated this was verified since this patron utilizes Direct Pay so there is no question she made every payment. This may imply that someone who was delinquent did not have the appropriate lien filed on their property or it may have just been an error.

The Board concurred she should be refunded. A motion is not necessary since this is policy.

00:03:40           **PATRON COMMENTS REGARDING ASHWOOD ACRES**

Dan Hunting, patron and Ashwood Acres resident, has asked for a refund of attorney fees incurred as a result of trying to get subdivision sewer lines accepted into the district. He feels he was overcharged with the \$28 monthly fee since maintenance was never performed during the period the lines weren't accepted. He also stated he feels the hookup fees were overcharged since the lines were not owned by the district.

Mr. Klingler noted that although the residents were told maintenance was not being performed, it was in fact being done. The City of Idaho Falls was performing maintenance on a more than regular basis.

Rob Nielson, patron and Ashwood Acre resident, spoke about the problem he incurred with having his home built and not knowing the lines were not accepted into the district. He noted the changes that have occurred with IBSD, which he believes are the result of a possible lawsuit with Ashwood Acres.

Rob Gehrhart, patron and Ashwood Acre resident, introduced himself as a newer resident of the neighborhood. Mr. Gehrhart noted the recent newsletter sent to all patrons regarding recent IBSD business and progress in how business is done. He is seeking the same accountability that he perceived in the letter be shown to the residents. As a result of having to retain legal counsel over \$12,000 in fees were incurred by residents. He is asking that the residents be compensating for this expense.

Chairman Price stated that the situation in Ashwood Acres is not unique in that the sewer line is installed for a subdivision and the developer comes to IBSD and asks for permission to connect to our system. IBSD will take ownership once the lines are approved. The fact that Ashwood Acres remained private until accepted does not change the fact that sewage was received and processed.

Mr. Hunting believes he is different from every other patron because he had to pay \$570.00 as his share of attorney fees in order to get his lines accepted.

Mr. Sasser acknowledged that since he has spoken to Mr. Boyce, Ashwood Acres' attorney, and does not know where the situation is heading legally, he would like to defer the conversation until the residents have had a chance to speak with Mr. Boyce themselves.

Ms. McGovern stated the only basis for compensation would be if services were not rendered. At this point the Board has not been presented any evidence showing that services were denied but asked if there was proof, that it be presented. There is no legal basis allowing the Board to reimburse legal fees.

00:40:40

00:41:10           **EASTERN IDAHO PUBLIC HEALTH DISTRICT 7 - SEPTIC TANK POLICIES**

Nathan Taylor introduced himself and his position with the Eastern Idaho Public Health District #7 in an effort to establish a good working relationship with IBSD. He presented a flow chart utilized when someone requests a septic tank permit. He has established a procedure to send new permit requests to DEQ to determine if a septic is acceptable or if they are required to connect. Willie Tuescher, with Department of Environmental Quality, stated he could not force a connection but would recommend the better way to provide sewer service.

Mr. Teuscher also stated that the uniformed plumbing code does require patrons to hook on if they are within 200-foot of a sewer line. There are a couple approaches that are applied that require a patron to hook on; one is if a patron has a septic system failure or if they are within the district within s 200-foot distance from a sewer line.

00:51:10

00:51:10           **DEQ – WILLIE TEUSCHER COMMENTS TO THE BOARD REGARDING  
FUTURE SEWER PROJECTS**

Willie Tuescher presented a draft of a study pertaining to the Idaho Falls Wastewater Treatment plant. In the draft study the City of Idaho Falls is expecting a \$60 million upgrade spaced over several years. The upgrade will require more stringent requirements for sewage treatment.

Mr. Tuescher stated that DEQ would be willing to help IBSD to obtain monies for a facility planning study. Letters will be sent soon stating the time for submittal of letters of interest. He also stated he is involved with the Regional Wastewater Project and offered to speak with the Board further about this project as well as the Idaho Falls upgrade.

00:56:50

00:56:50           **PANORAMA HILLS: STATUS OF SEWER LINES AND REFUND OF OVERPAYMENT OF SEWER FEES FOR BRADY BELLISTON.**

A sewer line on Foothill Drive was reported by Bonneville County Road and Bridge to be full of construction debris. Mr. Belliston was contacted and has said he will clean the line personally. No one is connected to this line currently.

Mr. Belliston has expressed wanting to get the lift station and lines turned over to IBSD. Some of the testing has been done but not all. Ms. Bridges stated that Panorama Hills consisted of an off-site project plus an Alpha and Beta sections. The off-site portion has been tested and accepted by Idaho Falls but not accepted by IBSD since the developer was told the entire system required testing before acceptance.

Mr. Belliston is requesting a refund for sewer fees paid for a property that had not constructed. No motion is necessary pursuant to existing policy.

01:03:55

01:03:55           **BLACK TAIL RIDGE: STATUS OF LINE INSTALLED ON IONA ROAD**

Ms. Bridges and Ms. Wellman met with the engineer, Mike Arneson, who designed the Blacktail Ridge development. All work has stopped on the project due to the original developer abandoning the project. The sewer line on Iona and the force main up to the lift station has been installed but not tested. The Board directed the staff to continue researching and contacting the new owners of the property.

01:08:20

01:08:20           **ICRMP – BOARD OF TRUSTEES NOMINATION FORM**

Ms. Wellman presented the nomination form for the ICRMP board. The Board did not have a nominee suggestion.

01:08:55

01:08:55           **STATUS OF DISTRICT SURVEY**

Ms. Bridges stated the physical portion of the survey will take about one full day to complete. The matching of survey information with computer data is about 1/3 completed.

01:09:35

01:09:35           **LEGAL REPORT: ECHOHAWK LAW OFFICE**

**De-annexation – Riverbend Manor**

Ms. McGovern reported that she had attended the City of Ammon Counsel meeting in regards to the de-annexation issue. The owner is onboard and eager to get it accomplished and Ammon is agreeable. As soon as the petition is received it goes through the area will automatically be included in Ammon. Additional filings will need to happen with Bonneville County and the State for tax purposes.

A previous resolution called for a fee of \$800 for annexations; this fee will also apply to de-annexation to cover expenses.

**MOTION:** Mr. Klingler made a motion that we change our Annexation fee to an Annexation/De-Annexation fee since the process is the same for both it makes sense that the fee should be the same. **MOTION SECOND:** Mr. Clark seconded. **MOTION PASSED:** Yay: Mr. Klingler; Mr. Clark; Mr. Howell (Chairman Price abstains).

01:14:45

**IBSD restricted and unrestricted funds / Connection fee revenue**

There has been a question whether fees obtained from connection permits were considered restricted. Ms. McGovern's research has found that there is no legal reason to restrict these funds.

01:16:15

01:16:15           **NEW IBSD BUILDING – CONSIDERATION FOR CONSTRUCTION  
MANAGEMENT**

Mr. Klingler wanted to discuss using a construction manager verses a general contractor because of the control it may give the district. It may provide more flexibility and prevent a situation where the general contractor hires a subcontractor who goes out of business resulting in liens the owner is liable for.

The Board discussed what is entailed in each method, either General Contractor or Construction Manager. Mr. Hansen suggested putting the project out to bid from both to better verify the best way to go. Ms. McGovern confirmed that a Public Works license is not required.

01:32:30

02:31:00           **EXECUTIVE SESSION: IDAHO CODE: 67-2345 – (F) POTENTIAL  
LITIGATION**

**MOTION:** Mr. Klingler made a motion to move to executive session pursuant to Idaho Code: 67-2345 Section (F) Potential Litigation. **MOTION SECOND:** Mr. Clark seconded. **MOTION PASSED:** Yay: Mr. Klingler; Mr. Clark; Mr. Howell (Chairman Price abstains).  
00:00:00 – TAPE 2

**MOTION:** Mr. Clark made a motion to come out of executive session. **MOTION SECOND:** Mr. Klingler seconded. **MOTION PASSED:** Yay: Mr. Klingler; Mr. Clark; Mr. Howell (Chairman Price abstains).  
00:00:30 – TAPE 2

01:32:40            **IBSD BANKING – STATUS OF RFP FOR BANKING PROPOSALS**

The Board discussed the banks and institutions that made presentations at a previous meeting. An additional meeting with a narrowed list of favored institutions to obtain additional information regarding fee schedules, protection of funds, automated clearing house, earnings, etc. is scheduled for Thursday, 5:30 p.m., October 29<sup>th</sup>. The meeting will be with Key Bank, Merrill Lynch and Bank of Commerce.  
01:56:00

01:56:00            **218 MODIFICATION AND PERSI**

The Board may be able to participate in PERSI. Before it begins our participation is based on getting the 218 Modification done. The 218 Modification involves Social Security. Ms. Wellman will continue to research what needs to be done before IBSD can participate.  
01:58:25

01:58:25            **EMPLOYEE BENEFITS: INSURANCE**

Ms. Wellman has pursued finding additional insurance providers without response. The Board discussed the providers who had presented previously and directed Ms. Wellman to go proceed.

**MOTION:** Mr. Howell made a motion that we engage Lincoln Employee Benefits to provide employee insurance. **MOTION SECOND:** Mr. Clark seconded. **MOTION PASSED:** Yay: Mr. Klingler; Mr. Clark; Mr. Howell (Chairman Price abstains).  
02:03:40

02:04:00            **IBSD ACCOUNTING: TRAINING WITH CASELLE**

**MOTION:** Mr. Klingler made a motion to approve employee training on Caselle and to purchase the Accounts Receivable module. **MOTION SECOND:** Mr. Clark seconded. **MOTION PASSED:** Yay: Mr. Klingler; Mr. Clark; Mr. Howell (Chairman Price abstains).  
02:09:00

02:09:00            **IBSD COMPUTERS/SOFTWARE**  
**Purchase of new server; Purchase of replacement computers; Purchase of Accounts Receivable module (Caselle); Laserfische additional licenses**

IBSD is in need of a new server; the existing system is old and slow. Mr. Klingler stated a new server is needed and the purchase will allow a fresh start in getting software installed correctly. A new computer is not needed at this time since there is an extra one that can replace the one that is not working correctly.

**MOTION:** Mr. Klingler made a motion that we move forward with the purchase of a new server for a clean installation of Caselle to start using next fiscal year, roughly \$9,000-\$10,000. **MOTION SECOND:** Mr. Clark seconded. **MOTION PASSED:** Yay: Mr. Klingler; Mr. Clark; Mr. Howell (Chairman Price abstains).

02:13:45

Ms. Wellman reported the staff participated in training on Laserfische. This software has the potential of storing all scanned documents and eliminating the shared drive. Also, documents can be linked between different software applications making it very useful for storing and tracking public documents.

**MOTION:** Mr. Klingler made a motion to buy two additional Laserfische licenses for \$1,360.00. **MOTION SECOND:** Mr. Howell seconded. **MOTION PASSED:** Yay: Mr. Klingler; Mr. Clark; Mr. Howell (Chairman Price abstains).

02:20:15

02:20:15            **IBSD WEBSITE**

Mr. Howell offered to work on the IBSD website. This will be useful in the future for patrons to access public document such as meeting agendas and minutes.

02:22:45

02:22:45            **PAYMENT OF BILLS**

**MOTION:** Mr. Clark made a motion to approve paying the bills. **MOTION SECOND:** Mr. Howell seconded. **MOTION PASSED:** Yay: Mr. Klingler; Mr. Clark; Mr. Howell (Chairman Price abstains).

02:22:45

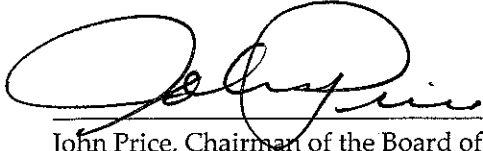
02:22:45            **APPROVAL OF MINUTES– 6/3/2009, 6/29/2009, 7/15/2009, 7/21/2009, 7/30/2009, 8/05/2009, 8/19/2009, 9/2/2009, 9/16/2009, 10/07/2009**

**MOTION:** Mr. Klingler made a motion to approve all of the meeting minutes listed with the exception of 6/3/2009 which has already been approved: 6/29/2009, 7/15/2009, 7/21/2009, 7/30/2009, 8/05/2009, 8/19/2009, 9/2/2009, 9/16/2009, 10/07/2009. **MOTION SECOND:** Mr. Howell seconded. **MOTION PASSED:** Yay: Mr. Klingler; Mr. Clark; Mr. Howell (Chairman Price abstains).

02:31:00

00:00:20 – TAPE 2      ADJOURNMENT

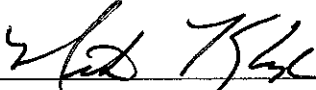
The meeting adjourned at 9:48 p.m.



John Price, Chairman of the Board of Directors

12-11-09

Date



Mike Klingler, Secretary/Treasurer

12/4/09

Date