



Eastern Idaho Regional Sewer District

January 16, 2024 Regular Board Meeting Minutes

BOARD MEMBERS PRESENT: Brian Powell (President), Craig Cutler (Vice President), Craig Tibbits (Secretary/Treasurer), Brad Higley, Frank Lemmo,

OTHER PARTICIPANTS: Scott Hall (NHPT Law), Alan Giesbrecht (J-U-B), Dallas Rodabough (J-U-B), Scott Barry (EIRSD), Dana Izatt (Searle Hart), Thane Sparks (Searle Hart), Dane Voelker (City of Shelley), Joeti Klein (GSE), Justin Blickle (GSE)

1. **Call to order** at 9:02 am
2. **Consent Items**
 - a. **Approval of minutes – Action Item**
 - b. **Review and approval of bills – Action Item**

[**Action Item**] Mr. Brad Higley motioned to approve bills, Mr. Craig Cutler seconded, approved unanimously.

3. **FY 2023 Audit – Searle Hart – Action Item**

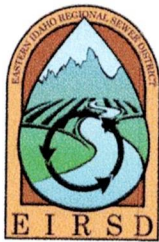
Mr. Thane Sparks from Searle Hart reviewed and explained the results of the 2023 financial audit. Mr. Sparks noted that because of the amount of federal ARPA funds that EIRSD has received for its upgrade projects, EIRSD will be required to complete a “Single Audit” in 2024. Mr. Sparks was assisted in explaining the audit by Mr. Dana Izatt.

President Brian Powell mentioned that EIRSD’s capital assets should be reassessed after the upgrades are complete to ensure the capital replacement fee is set at the correct amount.

[**Action Item**] Mr. Higley motioned to approve the FY 2023 Audit, Mr. Cutler seconded, approved unanimously.

4. **Resolution 2024-01 to Establish Policy for Emergency Fund Reserve – Action Item**

The Board discussed the need to establish an emergency fund reserve of \$1.6 million. It was noted that this amount is appropriate for the current flow of 2 MGD to cover the potential cost of replacing the membranes plus several months of operational expenses but should be re-evaluated in the future when the capacity of the plant is increased. It was concluded that the Board should review the policy annually when the annual audit is presented to assess whether the reserve amount should be adjusted.



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The Board discussed the implications of where the money currently resides and if it should be moved elsewhere to gain more interest (a CD for example). A decision was not made to move it as the funds currently reside in a high interest sweep account.

The Board noted that the emergency funds can only be used with Board approval.

[**Action Item**] Mr. Higley motioned to approve Resolution 2024-01 to Establish a Policy for Emergency Fund Reserve, Mr. Cutler seconded, approved unanimously.

5. **Draft Sewer Ordinance Development – Discussion Item**

Mr. Alan Giesbrecht from J-U-B reviewed the contents of the draft sewer ordinance that was created from combining both the Ammon and Shelley sewer ordinances and modifying to reflect EIRSD's needs. The Board discussed the administrative fines and civil penalties if users do not adhere to the ordinance.

President Powell mentioned that once the ordinance is completed and enacted, it should be placed on the EIRSD website and that all users that submit a connection permit must acknowledge that they understand and will abide by the principles of the EIRSD Sewer Ordinance.

President Powell also mentioned that the ordinance should be enforced consistently. He mentioned that making exceptions to ordinances for individual users has caused more problems in the past. He asked that Mr. Giesbrecht send the draft ordinance to the Board members for review and that the Board revisit the discussion in next month's Board meeting.

6. **J-U-B Engineers – Alan Giesbrecht**

a. **Update on legal descriptions for EIRSD boundary and zone boundaries – Discussion Item**

Mr. Giesbrecht reported that the Tax Commission has reached out with questions indicating that they are actively reviewing the boundary.

President Powell and the Board discussed that those who are not currently annexed into the district boundary but are connected to the system and have already been notified that they need to be annexed will be given a final notice with a warning that the following may occur:

- b. Be force-annexed into the boundary
- c. Have their sewer lines plugged
- d. Be sent a bill to pay the annexation and additional fees.

Mr. Scott Hall mentioned that the Board could require future users outside the district boundary to pay a higher connection fee, such as 10 times the standard amount. This requirement would need to be added into the sewer ordinance.



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7. J-U-B/GSE - Upgrades Project

a. Project Update – Discussion Item

Mr. Giesbrecht reviewed recent flow and load data and number of ERUs served by EIRSD. He noted that in August 2022, the Board decided that an additional 500 ERU's could be served up to 8,950 total. Currently, there are approximately 8,965 ERUs connected. The Board discussed that the allowed number of additional ERUs to be connected should be re-visited at next month's Board meeting.

Mr. Giesbrecht noted that the Bond Bank approved a loan which would provide approximately \$16M for further upgrades if accepted. Also, J-U-B submitted a Letter of Interest to DEQ for a loan and a draft application to USDA Rural Development for funding. DEQ will publish its rankings and eligibility of applicants in the May/June timeframe, but indications are that much of their funding has been transferred to earmarks this year. USDA is positive about providing funds, but the environmental process could take a couple of months and there will be strings attached to the funds.

Mr. Joeti Klein and Mr. Justin Blickle reported that the Project 1 upgrades construction is going well. Primary issues are still electrical equipment deliveries with long lead times (likely Spring of 2025). GSE and J-U-B are reviewing ways to start up Project 1 in advance of having all the electrical equipment installed. Also, GSE and J-U-B along with Mr. Powell and Mr. Cutler will be meeting this week to discuss ways to reduce costs for the next Projects 2 and 3.

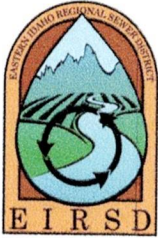
8. Manager's Report – Discussion Item

Mr. Scott Barry explained that a mainline crack was fixed since the last Board meeting. The repair cost \$15,500. After the repair was completed, a leak test was performed, and the repair was found to be successful.

Mr. Barry also reported that an audit of the plant was performed by DEQ. The auditor was very complimentary of the plant and operations. He noted that the emergency response plan and the quality assurance plan need to be updated, but all other aspects of the plant were up to standard.

Mr. Barry reported that even in the cold weather (-10 degrees or lower) the plant is operating very well. In December, flows were 1.53 mgd (average day) and 1.61 mgd (max day). BOD loadings were 5,349 ppd (average day) and 6,934 ppd (max day).

The Board discussed that today is Mr. Tibbitts last meeting. The open position has been advertised, but President Powell has only received one application so far. The Board will need to fill the position by March 1 or a judge will appoint a replacement. An action item to fill the position will need to be included on the February Board meeting agenda after the consent items.



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9. **Public Comment**
No public comment

10. **Adjournment**

[Action Item] At 11:15, Mr. Higley made a motion to adjourn, Mr. Lemmo seconded, approved unanimously.

Approved: *Brian E. Power* Attest: *A. Hall*