

Eastern Idaho Regional Sewer District

April 16, 2024, 9:00 AM Regular Board Meeting Minutes

BOARD MEMBERS PRESENT: Brian Powell (President), Craig Cutler (Vice President), Sid Hamberlin, Brad Higley, Frank Lemmo

OTHER PARTICIPANTS: Scott Hall (NHPT Law), Alan Giesbrecht (J-U-B), Alyssa Jones (J-U-B), Scott Barry (EIRSD), Tyler Wood (GSE), Jordan Johnson (City of Shelley), Cameron Arial (Clearwater Financial), Trevor Steffler (Automation Werx), Micah Austin (City of Ammon), Paul Snarr (Eagle Rock Engineering)

1. **Call to order @ 9:03AM**
2. **Consent Items**
 - a. **Approval of minutes – Action Item**
 - b. **Review and approval of bills – Action Item**

[Action Item]: Mr. Frank Lemmo motioned to approve the minutes from the March 26 regular board meeting and the bills. Mr. Brad Higley seconded. Approved unanimously

3. **Presentation and Setting of Public Hearing for Petitions for Annexation Received**
 - a. **Petition #2024-3: Stosich Commercial Properties – Action Item**

Mr. Alan Giesbrecht and Mr. Scott Barry stated that they had reviewed the annexation petition for the development to be located in Ammon and had no further comments, and documentation and payment for the petition have been received. Mr. Micah Austin with the City of Ammon confirmed that the development has been annexed into the City of Ammon and needs to be annexed into the sewer district.

[Action Item]: Mr. Sid Hamberlin motioned to set a public hearing for the May board meeting for the Annexation Petition of Stosich Commercial Properties. Mr. Lemmo seconded. Approved unanimously.

4. **Commitment to Serve Request**
 - a. **Hidden Valley Division #4 – Action Item**

Mr. Paul Snarr with Eagle Rock Engineering represented Hidden Valley Division #4 and requested a Commitment to Serve letter for the development. There will be an estimated 30 lots located in Ammon.

[Action Item:] Mr. Lemmo motioned to provide a Commitment to Serve letter for Hidden Valley Division #4. Mr. Hamberlin seconded. Approved unanimously.

5. Clearwater Financial – Update on Funding Options for Upgrades – Action Item

Mr. Cameron Arial of Clearwater Financial presented several options for funding the Project 2 Upgrades: a USDA Rural Development loan, an Idaho Bond Bank loan, an Open Market loan, and a combination loan. He reviewed the relative pros and cons of each option and summarized the financial aspects including interest and impacts to project costs due to special requirements of the funding sources. A drawback of the USDA loan is that it would not be available to fund the portion of the project served by Ammon as the Ammon's population is over 10,000. A USDA loan would also require compliance with American Iron and Steel requirements which would add significant cost to the project. The Idaho Bond Bank loan amount would be limited in order to meet the agency's revenue-to-debt ratio requirements. The Open Market loan would not have federal strings attached, but it would have pre-payment restrictions. Mr. Arial estimated that the Open Market loan of \$35.94M could cover the application costs and provide \$33.5M towards the project assuming that new connections would be added similar to previous years at about 250 per year and the capital replacement fee would be periodically updated to reflect current assets and inflation. He gave his recommendation to proceed with an Open Market loan from a financial standpoint. Board members discussed their concerns and conclusions.

[Action Item:] Mr. Higley made a motion to proceed with the Open Market loan financing option and directing Clearwater Financial to proceed with the bond sale process. Mr. Lemmo seconded. Approved unanimously.

6. J-U-B Engineers – Alan Giesbrecht

a. Automation Change Order – Action Item

Mr. Giesbrecht summarized that the current projects will include upgrades to the control equipment associated with the processes that are being upgraded. The rest of the plant's control equipment is not planned to be upgraded as part of the projects, but whereas it was originally installed in 2010, it is outdated and beginning to fail on a regular basis.

Mr. Barry and Mr. Trevor Steffler with Automation Werx confirmed how outdated the equipment is and the need for a plant wide upgrade of the control equipment. Mr. Steffler reviewed a summary of the needed upgrades. The board and Mr. Scott Hall discussed options for funding this upgrade and concluded to consider a sole source procurement for Automation Werx with a public notice and hearing at the May board meeting.

[Action Item:] Mr. Lemmo motioned to table the Automation Werx change order for Project 1. Mr. Higley seconded. Approved unanimously.

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

Mr. Giesbrecht noted that the Counties, J-U-B, and the Tax Commission continue to communicate on the needed updates and to work through the details.

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

a. Project update – Discussion Item

Mr. Giesbrecht reviewed the recent flows and loadings data. Mr. Barry discussed the testing lab errors he is seeing with BOD test results and his efforts to take duplicate samples and send them to separate labs for comparison. It appears that the BOD values reported by the lab EIRSD has been using are significantly higher than the values reported by two other labs. The lower values appear to correlate more closely with the observed operation of the blowers in the biological basin. Mr. Barry will continue investigating this issue.

Mr. Tyler Wood with GSE discussed the progress on Project 1 stating that everything is on schedule and budget so far. There are two more concrete pours for the biological basins. They are simultaneously putting pipe in the ground. One concern regarding schedule is the potentially delayed delivery of the automatic transfer switch. This could potentially push out the final completion date, although the upgrades may be able to operate in manual mode prior to installation of the switch.

b. Membrane Options – Discussion Item

Mr. Brian Powell informed the board that the alternative membrane vendor under consideration (Cloacina) had given notice that they were withdrawing their system from consideration stating that they had concluded it was not an appropriate fit for EIRSD's needs. Therefore, GSE and J-U-B are proceeding with the design and membrane system as originally planned.

8. Manager's Report – Discussion Item

Per Mr. Barry, the plant is doing well. A new crew member (Paul Pettijohn) has been hired, and the crew is doing well. Mr. Barry mentioned a small leak behind the Shelley fire station needs to be fixed.

9. Public Comment


No public comments. Mr. Higley noted this would be his last board meeting, and the board expressed appreciation for his service.

10. Adjournment

Mr. Hamblin motioned to adjourn at 11:48 AM. Mr. Craig Cutler seconded. Approved unanimously.

Meeting will be held via zoom and at the EIRSD conference room located at 618 E 1250 N, Shelley, ID.

NOTICE: Individuals attending the meeting who require special assistance to accommodate physical, hearing, or other impairments, please call 208-357-1839 as soon as possible so that arrangements may be made.

Approved:  Attest: 