

# Eastern Idaho Regional Sewer District

## October 24, 2023 Regular Board Meeting

**BOARD MEMBERS PRESENT:** Brian Powell (President), Craig Cutler (Vice President), Craig Tibbitts (Secretary/Treasurer), Frank Lemmo

**OTHER PARTICIPANTS:** Scott Hall (NHPT Law), Alan Giesbrecht (J-U-B), Scott Barry (EIRSD), Allan Johnson (DEQ), Joeti, Klein (GSE), Justin Blickle (GSE, zoom), Jordan Johnson (City of Shelley), Justin Johnson (City of Shelley), Sandy Gaydusek (City of Shelley), Mayor Stacey Pascoe (City of Shelley), Micah Austin (City of Ammon), Nicole Calderwood (City of Ammon, zoom), Jace Perry (Clearwater Financial, zoom), Cameron Arial (Clearwater Financial, zoom), Janice Boggs (EIRSD)

**1. Call to order at 9:05 am**

**2. Consent Items**

a. Approval of minutes – Action Item

b. Review and approval of bills – Action Item

[Action Item] Craig Tibbitts motioned to approve minutes and approve bills, Frank Lemmo seconded, approved unanimously.

**3. Service Agreement for Shelley & Ammon – Action Item**

Brian Powell discussed the Service Agreement which addresses the transfer of the existing, original sewer bonds liabilities from Ammon and Shelley to EIRSD. Since they are DEQ loans, the bond guarantee reserves (one year of payments) for both of the bonds must be transferred also. Funds will be kept in separate reserve accounts and any interest earned will be returned to the appropriate City annually, which needs to be clarified in Item 4c.

There is also the additional funds generated by the monthly debt service fees that each resident pays that are above the bond repayment requirements due to the growth that has occurred since the bonds were issued. These funds were designated for expansion, fee reduction, or accelerated bond repayment as per the Memorandum of Understanding signed by all parties.

Jace Perry of Clearwater Financial noted that the debt service reserve fund is usually used to make the last payment on the loan. Thus, the Bond Bank will require the debt service reserve funds to be attached to the loans.



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Micah Austin (Ammon) recommended that Item F and Item 2 in the Service Agreement need language to give EIRSD ability to do its own billing in the future. Ammon agrees that the reserve funds need to be transferred to EIRSD. Their reserve funds are not all from collection funds but some are from city savings. Regarding Item 4c, Ammon requests a provision to be added which states that if the EIRSD reserve fund ever exceeds a set amount, then the excess reserve funds may be returned to the Cities. Ammon's intent would be to reinvest those funds in upgrading their collection system.

Mayor Pascoe (Shelley) noted that the Joint Powers Agreement stated that everyone should be paying the same. Shelley has a 20 year bond which will be paid off in 7 years. Ammon has a 30 year bond which will be paid off in 18 years. Therefore, his concern is that Shelley will end up paying Ammon's bond and will have overpaid compared to Ammon. Brian responded that achieving exact equality for each individual city resulting from historical decisions will be difficult, but by becoming a district, we are transitioning toward a fair, collective system. He noted that Ammon's growth has been twice as much as Shelley so that growth has been paying more.

Scott Hall stated that the purpose of the Memorandum of Understanding was to document the general understanding of how things were supposed to be handled and let future District Board members know what was decided and was to be expected. At the time of the MOU, Shelley was flowing to the plant, and Ammon was closing their bond and preparing to flow. Scott recalled that the exploratory meeting was held in 2000, and the Joint Powers Agreement was signed in 2004.

Brian stated that the objective of the new Service and Billing Agreement is to document a fair and uniform process of what will happen with bond guarantees and repayment. Brian stated that the same DEQ agreement language for the original loans will transfer to EIRSD. We want to be sure that all constituents are treated fair and eventually have the same uniform payment for everyone.

Brian requested that Jace (Clearwater) revise the Service and Billing Agreement to reflect items discussed today and that it be sent directly to cities in time for their Council meetings.

**[Action Item]** Craig Tibbitts motioned to approve service agreements with Shelley and Ammon subject to the edits discussed today, Craig Cutler seconded, approved unanimously.

#### **4. Maintenance Agreement with Neighbors – Action Item**

The board discussed the maintenance agreement with the neighbors who are currently maintaining the access road into EIRSD field on the east side. The access road property is owned by EIRSD. One neighbor has planted landscaping and has a circular driveway on EIRSD land. An agreement should be in place to formalize the understanding that the neighbors can maintain what is already in place but may need to remove it in the future if it conflicts with EIRSD's access into the field or use of the property. Scott has only been able to contact one of the neighbors.





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Scott Hall requested owner and parcel information. He will draft a lifetime consensual use agreement.

[**Action Item**] Craig Tibbitts motioned to allow Scott Hall to put together maintenance agreement with neighboring properties, Frank Lemmo seconded, approved unanimously.

### 5. **Update on fencing of irrigation pond – Discussion Item**

Mayor Pascoe stated that the posts have been in for 3 weeks. However, the vendor and installer are having same problem with crews as everyone else. Water is out of canal now so the pond poses no imminent threat.

### 6. **City of Ammon Commercial Survey – Discussion Item**

Brian stated that Ammon has a Commercial survey that is given to new tenants to assess the number of ERUs. Scott Barry agreed that the Ammon survey works well. Sandy stated that Shelley uses a commercial survey as well. Brian requested that EIRSD adopt a form, put it on the EIRSD website, and direct everyone to use it for consistency and keep it simple. Once completed, the form should be emailed to Scott and he will determine the number of ERUs.

Scott said that the capital replacement fee paid for the originally designated ERUs will stay with building regardless of whether a new occupant might have lesser ERU needs. If a new occupant needs more ERUs than originally paid for, then they will need to purchase the additional ERUs needed, and that new number of ERUs will stay with the address. Monthly billing will be based on the actual number of ERUs being used, but EIRSD will not refund back any portion of the original capital replacement fee payment.

Brian stated that next month he wants to work on uniformity for grease trap inspections.

### 7. **J-U-B Engineers – Alan Giesbrecht**

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

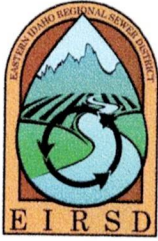
Alan shared the interactive map accessible from the EIRSD website. It is up to date and live. Brian stated that it has very good information, including parcel information. You can zoom in to see aerial photos, city boundaries, and annexed parcels. The operators can access a layer that shows manhole locations.

Alan stated that he continues to prod the Tax Commission before every Board meeting. A week ago, he was told that they have not had a chance to finish checking the boundaries and they will reach out when they get to it.

### 8. **J-U-B/GSE - Upgrades Project**

#### a. Project update – Discussion Item

Alan handed out Update notes for the project and reviewed the latest data for the number of ERUs served. Growth this past year has been over 5%, and the number of ERUs served had a significant jump last month. Alan also shared the latest data for flows and BOD



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loading. Loadings continues to increase, but this trend is not really reflected in the flow data.

Scott stated that the big leak will be fixed next week on Monday. The contractor will warrant the repair through next year.

Joeti and Justin (GSE) stated that 550 yards of concrete have been poured, and things are going well. They hold construction meetings every other week. He reviewed a schedule containing 370 activities for this project and noted they are ahead of schedule. Field crews have done a tremendous job. Joeti shared their schedule and lead times. Yesterday GSE placed and order for the longest lead time item which is for the emergency distribution panel electrical gear. The current estimate for delivery is 74 weeks.

Electrical submittals were approved last month. GSE will start on the Blower Building pad soon. They will still be installing piping next spring/summer before installing the electrical conduit.

Justin stated that they held the electrical scope workshop and integrated DC Electric into conversation, which is the electrical gear subcontractor for Project 1. AEI (electrical designer) for Phase 2 & 3 is coordinating with suppliers on lead times.

Joeti recommended that EIRSD get Automation Werks under contract for programming throughout the upgrades project.

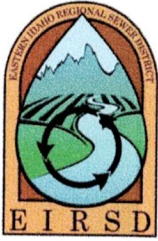
### 9. Manager's Report – Discussion Item

The operators had to remove a thick-walled, HDPE pipe which jammed up the screen at the Riverbend Lift Station and caused \$32,000 in damage to the gear box. It took 2 days to get it out. The pipe appeared to be from construction debris.

Brian stated that we have to have reserves to cover unknown repairs that can't be foreseen in the budget, such as last year's fouling of the membranes and now this screen damage.

### 10. Public Comment

Mayor Pascoe inquired about the absence of Brad Higley. Brian said that Brad is dealing with some family issues, working behind the scenes, and attending construction meetings.



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**11. Executive session under Idaho Code §74-206(1)c - regarding acquiring an interest in real property not owned by a public entity**

[Action Item] Craig Tibbitts motioned to move to Executive Session under Idaho Code §74-206(1)c, Frank Lemmo seconded, approved unanimously.

[Action Item] Craig Tibbitts motioned to come out of Executive Session, Craig Cutler seconded, approved unanimously.

**12. Adjournment 11:35**

Approved: \_\_\_\_\_

Attest: \_\_\_\_\_